



# TARGET MARKET DETERMINATION

Airwallex Pty Ltd  
4 October 2024

## TARGET MARKET DETERMINATION

### INTRODUCTION

Airwallex Pty Ltd ABN 37 609 653 312 (referred to as **Airwallex, us, our or we**) operates an online payments business. Our services allow you to make and receive domestic and global payments in various currencies, and to convert one currency to another currency. The design and distribution obligations set out in Part 7.8A of the *Corporations Act 2001* (Cth) (**DD Obligations**) apply to the issue and distribution of non-cash payment facilities and certain foreign exchange contracts to retail clients from 5 October 2021.

We are authorised and regulated by the Australian Securities and Investments Commission, with Australian Financial Services Licence number 487221 and registered office located at Level 7, 15 William Street, Melbourne VIC 3000.

We are a product issuer and we issue the following financial products to clients:

Product	Retail Client	Wholesale Client
Non-cash payment products - Wallet Services, Payout Services, and Collection Services (Global Account)	Yes*	Yes
Debit and prepaid card services	Yes*	Yes
Foreign exchange contracts ( <b>spot contracts</b> )	Yes*	Yes
Foreign exchange contracts ( <b>forward contracts</b> )	No	Yes
Commercial credit facilities (loans)	No	Yes
Commercial credit card services	Yes*	Yes

\*A 'retail client' is a defined term in the Corporations Act 2001 which can cover some small businesses with less than defined number of employees as well as certain sole traders. Clients who are not retail clients are wholesale clients.

While we are authorised to issue forward contracts to retail clients, we do not do so. Accordingly, this document does not go into detail about the suitability of forward contracts for retail clients.

The DD Obligations aim to assist retail clients to obtain appropriate financial products by requiring product issuers and Distributors to have a consumer-centric approach to the design and distribution of financial products.

The purpose of this target market determination (**TMD**) is to describe the target market of retail clients for our products to which the DD Obligations apply.

If you are a retail client, you should refer to the relevant Product Disclosure Statement (**PDS**)

before deciding whether to acquire or continue to hold the relevant product. You can get a copy of the relevant PDS from our website.

The information in this TMD is not financial advice and does not take into account your individual objectives, financial situation or needs. You should not base any decision to transact on the contents of this TMD.

## FINANCIAL PRODUCTS ISSUED BY US

As a payments business, we issue the following products to retail clients:

Product	Attributes
Wallet Services (non-cash payment facilities)	<ul style="list-style-type: none"> <li>● Offer a facility through which funds can be held, sent and received electronically through the Airwallex Platform (Wallet). Funds can only be held in the Wallet in certain supported currencies.</li> <li>● Funds held within the Wallet can be exchanged to other supported currencies by entering into a FX Conversion with Airwallex (see Foreign Exchange Services below).</li> <li>● Funds can be paid and debited from the Wallet through the Payout Service, and can also be collected and paid into the Wallet through the Collection Service (see details below).</li> </ul>
Foreign Exchange Services (spot contracts)	<ul style="list-style-type: none"> <li>● Exchange one supported currency for another at an agreed exchange rate by making a request through Airwallex.</li> <li>● We offer foreign exchange spot contracts to retail clients (which generally settles within 2 business days), but do not offer forward contracts (with a settlement date of at least 3 business days) to retail clients.</li> </ul>
Payout Services (non-cash payment facilities)	<ul style="list-style-type: none"> <li>● Enable you to make payments to bank accounts in supported jurisdictions and currencies. Payouts can be made through various channels such as the Airwallex Platform or by using a Card, and collections</li> </ul>

	can be received through the Airwallex Platform.
Collection Services / Global Account (non-cash payment facilities)	<ul style="list-style-type: none"> <li>• Airwallex will provide our client with local bank account details (Global Account) in supported jurisdictions and currencies which can be provided to payers in order for the client to collect payments. Funds paid into the Global Account by payers are collected by Airwallex so that they can be paid into the client's Wallet.</li> </ul>
Debit & prepaid card services (non-cash payment facilities)	<ul style="list-style-type: none"> <li>• Virtual and physical cards (debit and prepaid) linked to the Wallet which enable clients to make payments for goods and services using the balance of the Wallet.</li> </ul>
Commercial credit cards	<ul style="list-style-type: none"> <li>• Commercial credit cards are available to both wholesale and retail clients (excluding natural persons and strata corporations) with the following attributes: <ul style="list-style-type: none"> <li>○ credit scoring</li> <li>○ secured / unsecured</li> <li>○ credit limits</li> <li>○ interest rates and recurring auto-repayments</li> <li>○ financial situation of the customer is considered for every credit card</li> </ul> </li> </ul>

As we offer the above products, together, they can be effectively bundled (for example, a combination of the non-cash payment facility product with the ability to enter into foreign exchange (spot contracts) at the same time). This TMD applies to each of those products.

**THE TARGET MARKET**

**The target market for Airwallex's non-cash payment facilities and foreign exchange contracts (excluding forward contracts) includes the following typical classes of retail clients:**

- A. Businesses who are either sole traders, companies, partnerships or other corporate entities who operate a business
- B. Businesses who deal with overseas or domestic suppliers or customers such as e-commerce shops, online marketplaces, importers or exporters
- C. Natural persons\* who need to make and receive payments domestically or globally, or need to convert one currency to another currency in connection with such payments (either directly through Airwallex or indirectly via a white-labeled third-party technology platform)

**D. The target market for Airwallex’s commercial credit cards includes only classes (A) and (B) above, excluding strata corporations.**

\* Should any individuals below the age of 16 apply to use our services, Airwallex, its affiliates, and/or its partners (as applicable) will require a parent or legal guardian (duly recognised under the laws of their respective state or territory) to authorise and oversee the product’s acquisition and use. The Airwallex account will be established in the name of the parent or legal guardian, with the nominated minor included as an ‘authorised user’.

**Target market – criteria, scope and key attributes**

Further details regarding the target market for our products are set out below.

<b>Criteria</b>	<b>Wallet, Payout and Collection Services</b>	<b>Spot foreign exchange contracts</b>	<b>Card services</b>
<b>Likely objectives and needs</b>	<p>Our products and their key attributes are likely to be consistent with the likely objectives, financial situation and needs of those retail clients who:</p> <ul style="list-style-type: none"> <li>❖ wish to make domestic and global non-cash payments</li> <li>❖ wish to receive and payout funds in specific currencies</li> <li>❖ wish to hold funds for these purposes in various currencies</li> <li>❖ wish to easily manage and access their account via online platform or mobile app</li> </ul>	<p>Our products and their key attributes are likely to be consistent with the likely objectives, financial situation and needs of those retail clients who:</p> <ul style="list-style-type: none"> <li>❖ wish to agree to a spot exchange rate for payment within a T+2 timeframe</li> <li>❖ wish to manage their foreign currency exchange exposure and costs</li> <li>❖ wish to hold funds for these purposes in various currencies</li> <li>❖ wish to easily manage and access multiple currencies in a single account via online platform or mobile app</li> </ul>	<p>Our debit and prepaid card products and their key attributes are likely to be consistent with the likely objectives, financial situation and needs of those retail clients who:</p> <ul style="list-style-type: none"> <li>❖ wish to use a card to make domestic and global non-cash payments</li> <li>❖ wish to easily make purchases and withdraw cash both domestically and internationally</li> <li>❖ wish to easily make and manage purchases through digital channels</li> </ul>

Criteria	Wallet, Payout and Collection Services	Spot foreign exchange contracts	Card services
			<p>Our credit card products and their key attributes are likely to be consistent with the likely objectives, financial situation and needs of retail clients who:</p> <ul style="list-style-type: none"> <li>❖ require a secured or unsecured credit card for commercial or business purposes</li> <li>❖ are seeking an interest rate</li> <li>❖ are comfortable with being subject to credit scoring and a credit limit</li> <li>❖ are seeking the certainty of recurring auto-repayments</li> <li>❖ wish to easily make and manage purchases through digital channels</li> </ul>
<b>Eligibility</b>	<p>Customers must meet the following criteria to be eligible to use Airwallex's products:</p> <ul style="list-style-type: none"> <li>❖ Retail clients; <ul style="list-style-type: none"> <li>➤ <i>This target market determination does not apply to wholesale clients, including sophisticated investors and professional investors</i></li> </ul> </li> </ul>		

Criteria	Wallet, Payout and Collection Services	Spot foreign exchange contracts	Card services
	<ul style="list-style-type: none"> <li>❖ Must pass the customer due diligence checks, and provide the required information for Airwallex to complete these checks;</li> <li>❖ Must have authority to bind their business; and</li> <li>❖ Use of the products in line with our <a href="#">Acceptable Use Policy</a>.</li> </ul>		
<b>Ability to bear losses</b>	Retail clients who are prepared to: <ul style="list-style-type: none"> <li>❖ accept risks associated with payment delays and losses associated with political instability, war, suspension of financial markets and catastrophic events</li> <li>❖ be exposed to counterparty risk</li> </ul>		
<b>Likely financial situation</b>	No minimum income/revenue required. However, the customer should be able to pay the applicable transaction fees and charges in accordance with the <a href="#">Fee Schedule</a> .		

### Retail clients for whom our products are unsuitable

Our products are generally unsuitable for the following classes of retail clients:

- Clients who do not wish to be exposed to counterparty risk of any form
- Clients who have low levels of financial literacy and technological literacy
- Clients who are looking to engage in speculative trading
- Clients who are engaged in illegal, prohibited or illicit activities

### DISTRIBUTION CONDITIONS

Our products are distributed by:

- us, (following the completion of an online application) through either Airwallex's website or mobile app; and
- various third parties with whom Airwallex has an agreement (including white-labeled technology platforms) regarding the distribution of our products (each a Distributor, and together, the **Distributors**).

All channels for distribution are required to collect data and conduct checks to ensure compliance with Airwallex's account opening eligibility criteria.

Airwallex (and its Distributors) may employ various marketing and promotional methods, including digital and physical advertisements, social media platforms, direct marketing, and third-party/comparison websites, subject to Airwallex's internal approval process and rules. We

will take reasonable steps to ensure that both we and any Distributors, distribute the financial product to the identified target market.

### **Distribution appropriateness**

Airwallex has full control over the distribution and marketing efforts through its channels. To ensure that the distribution strategy is consistent with the identified target market, we have several processes in place to ensure that the retail clients who are potential clients fall within the identified target market. For example, Airwallex makes appropriate training available to staff who are client facing, including for Distributors if requested.

We will also take reasonable steps to ensure that our marketing strategy and the marketing strategy of Distributors is targeting potential clients who fall within the identified target market for our products through our agreement. For example, any new marketing campaign that contains financial product advice should be reviewed and approved by Airwallex as the product issuer prior to its publication, to check that it does not contain elements which may attract potential clients outside of the intended target market.

This approach enables Airwallex to exercise strong control and oversight, ensuring that Airwallex products efficiently reach the appropriate target market.

## **MONITORING AND REVIEWING THE TMD**

### **Periodic reviews**

#### **We will perform periodic reviews of this TMD.**

The first review of this TMD occurred on 1 October 2021.

Subsequent reviews of the TMD will occur on 1 October each year thereafter, unless a review trigger occurs (see below).

### **Review triggers**

#### **Airwallex will also review the TMD where the following review triggers occur:**

- where there are significant dealings (issuing of any of the above products) which are not consistent with the target market or this TMD. This trigger occurs where significant distribution is occurring outside the target market, and does not refer to any one particular dealing;
- where a Distributor has reported a large volume of complaints;
- where we have received a large volume of complaints;
- where there is a material change to the product or distribution model that could potentially impact the target market;



- where we have detected significant issues with the distribution of our products through our monitoring of our own day-to-day activities, or the monitoring and supervision of our Distributors;
- any changes in applicable laws or regulations that may require this TMD to be changed so that it is not inconsistent with such laws or regulations.

### **Distributors – information collecting and reporting requirements**

As part of the process of monitoring and reviewing the TMD to determine whether it is still appropriate, each Distributor must provide the following to us on an annual basis at each scheduled annual compliance review meeting (**Annual Compliance Review Meeting**):

- complaints data – information about the complaints received, including the number of complaints received;
- general client feedback which may negatively affect the suitability of a product being offered to the target market or the product performance;
- requests for information that the Distributor has received from clients in relation to the suitability of the product,

to the extent the Distributor has not already provided such information to Airwallex, and only where such disclosure is not prohibited by applicable law.

No party may engage in the distribution of one of our products unless they have entered into an agreement with us.

We reserve the right to amend the TMD at any time if such amendment is needed as a result of any changes to the law or regulations, regulatory guidance, or for any reason we consider as a proper reason to amend the TMD.

### **MORE INFORMATION**

For more information about this Target Market Determination, please contact:

#### **Airwallex Customer Support**

Website: [www.airwallex.com](http://www.airwallex.com)

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