



# TARGET MARKET DETERMINATION

**Australia**

2 November 2023

**TARGET MARKET DETERMINATION  
AIRWALLEX WEBAPP PAYMENTS PRODUCT**

**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:

<b>Product</b>	<b>Retail Client</b>	<b>Wholesale Client</b>
Non-cash payment facilities	<b>Yes</b>	<b>Yes</b>
Foreign exchange contracts ( <b>spot contracts</b> )	<b>Yes</b>	<b>Yes</b>
Foreign exchange contracts ( <b>forward contracts</b> )	<b>No</b>	<b>Yes</b>

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 issue forward contracts to retail clients with respect to the Airwallex Webapp Payments Product. 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 non-cash payment facility and those of our foreign exchange contracts, 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.

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:

- non-cash payment facilities; and
- foreign exchange contracts (spot contracts).

### Non-cash payment facilities

Non-cash payment products are products that allow retail clients to make payments, otherwise than through the physical delivery of Australian or foreign currency (e.g. electronic cash and debit services).

Retail clients who make or receive payments in one currency, where the currency is exchanged and the conversion does not settle immediately, are also issued with foreign exchange contracts.

### Foreign exchange contracts

Foreign exchange contracts are contracts to buy or sell currency, or to exchange one currency for another currency (whether Australian currency is involved in the transaction or not).

The parties to a foreign exchange contract agree to effect a currency transaction between them, at a predetermined rate of exchange, on an agreed date.

We offer foreign exchange contract spot contracts to retail clients, but do not offer foreign exchange contract forward contracts to retail clients.

#### Spot contracts

Foreign exchange contracts (which are not settled immediately) with a settlement date that is up to 2 days after the date on which the contract was entered into, are spot contracts.

#### Forward contracts

We do not offer forward contracts to retail clients. Foreign exchange contracts, with a settlement date of at least 3 business days (or longer), are forward contracts and are derivatives for the purpose of this TMD.

### Bundled products

As we offer the above products, excluding forward contracts, 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 the above products includes the following classes of retail clients:**

**Retail clients who satisfy each of the following criteria:**

- Who are either sole traders, companies, partnerships or other corporate entities who operate a business
- Businesses who deal with overseas or domestic suppliers or customers such as e-commerce shops, online marketplaces, importers or exporters
- Who need to make and receive payments domestically or globally, or need to convert one currency to another currency in connection with such payments
- If the client is a natural person, they are a sole trader who is above the age of majority required to operate a business

**For those retail clients who satisfy the above criteria**

Those retail clients who satisfy the above criteria, and who satisfy one or more of the following purposes:

- retail clients who are looking to make and receive domestic and global payments to and from third parties;
- retail clients who seek to manage foreign exchange exposure and manage their foreign currency cash flows.

are in the target market for our products.

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

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

Criteria	Non-cash payment products	Spot foreign exchange contracts
<b>Client type</b>	Retail clients. <i>This target market determination does not apply to wholesale clients, including sophisticated investors and professional investors</i>	
<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>	

Criteria	Non-cash payment products	Spot foreign exchange contracts
<b>Client 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 use a card 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> </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 costs</li> <li>❖ wish to hold funds for these purposes in various currencies</li> </ul>

### Retail clients for whom our products are unsuitable

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

#### Foreign exchange contracts and non-cash payment facilities are not suitable for:

- Clients who are natural persons below the age of 18
- 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; and
- various third parties are also involved in the distribution of our products (each a Distributor, and together, the **Distributors**).

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

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. 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.

## **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.

### **Review triggers – additional reviews**

**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 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.

If you wish to become a Distributor of our products, please contact us for further information.

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)

Telephone: 13 32 99

Email: [support@airwallex.com](mailto:support@airwallex.com)

Address: Level 7, 15 William Street, Melbourne VIC 3000