

WHAT YOU NEED TO KNOW

Money Market Call Account



General Information and Terms and Conditions

Issue date: 12 June 2006

Issued by:

Commonwealth Bank of Australia ABN 48 123 123 124
AFSL 234945

You should read all sections of this document before making a decision to acquire this financial product.

As the information in this document has been prepared without considering your objectives, financial situation or needs, you should, before acting on the information, consider its appropriateness to your circumstances.

CommonwealthBank



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General Information

Features at a glance

Significant benefits	An <i>at call</i> account that offers returns determined by reference to <i>short term money market</i> interest rates.
Significant risk	Interest rates can be volatile and can move adversely.
Minimum initial deposit	\$100,000.00.
Minimum balance	Minimum balance on which interest is earned is \$50,000.00.
Minimum withdrawal	\$10,000.00.
Terms available	<i>At call</i> .
Interest rates	Interest rates may vary on a daily basis and are available on request from your relationship manager, from any branch of the Bank, by calling 13 2221 or from our web site at commbank.com.au .
Calculation and payment of interest	Interest is calculated daily and paid on the first <i>business day</i> of each month.
Fees and charges	No account keeping fees. For further information see Appendix A.
Deposits	Minimum additional deposit \$50,000.00. Deposits can be made through your relationship manager, any branch of the Bank, or by calling 13 2221 .
Withdrawals	Limited to one per day. Withdrawals can only be made through your relationship manager or at the branch where the account was opened.
Telephone banking	You can deposit funds into and obtain information on your Money Market Call Account by calling 13 2221 .

General Information

This document aims to provide you with enough information to help you decide whether the product will meet your needs. It also helps you to compare the product with others you may be considering.

This document provides general information and the terms and conditions for the **Money Market Call Account** (MMCA). If you decide to invest in a MMCA, you should keep this document and all other documentation relating to your MMCA for future reference.

If you have any questions or wish to contact us you can call 13 2221 between 8 am and 8 pm, Monday to Friday, visit our web site at commbank.com.au, or call into any branch of the Commonwealth Bank of Australia (the Bank).

To assist you in understanding the Terms and Conditions, the definitions of some words are provided in the "Definitions" section on page 14. These words usually appear in italics in this document.

What is a Money Market Call Account (MMCA)?

A MMCA is an *at call* account that allows you to earn interest at rates related to those available in the *short term money market*.

Who is it suitable for?

Situations in which a MMCA may be appropriate are:

- you require an *at call* account for your investment funds; and
- you have \$100,000.00 or more to invest.

How are interest rates determined?

The rate of interest is determined by reference to the prevailing *short term money market* interest rate. The *short term money market* interest rate is adjusted by a margin that may vary from time to time, and reflects the following factors:

- changed market conditions;
- the amount invested;
- the timing of the transaction;
- an allowance for the Bank's business costs, both fixed and variable; and
- the Bank's profit margin.

Details of interest rates are available on request from your relationship manager, any branch of the Bank, from our web site at commbank.com.au or by calling **13 2221**.

How does a MMCA work?

The minimum initial deposit is \$100,000.00. After the initial investment has been lodged, you may only make additional deposits of \$50,000.00 or more. Withdrawals must be for a minimum of \$10,000.00 (except when withdrawing interest earned on the account, to reduce your investment to \$50,000.00, or to close your account). Interest will only be earned on balances of \$50,000.00 or more. Refer to Clauses 8 and 10 of the Terms and Conditions.

Deposits can be made through your relationship manager, at any branch of the Bank, or via telephone banking by calling **13 2221**.

Withdrawals can only be made through your relationship manager or at the branch of the Bank where the MMCA was opened, and are limited to one per day. Should you wish to make a withdrawal through your relationship manager, you are required to fax a written request detailing the transaction. You are also required to have executed an "authority to accept facsimile transactions" form that allows the Bank to act on any fax requests received from you. A copy of this form can be obtained from your relationship manager.

Cheque book, electronic or card access is not available and no direct debit or electronic or periodical payments or *electronic sweeping* from or to the account is permitted, subject to Clause 17.

How is interest calculated?

Interest is calculated on the daily balance of your MMCA using the simple interest formula:

$$\text{Interest} = \frac{\text{amount invested}}{\text{per annum}} \times \frac{\text{rate \%}}{365} \times \text{number of days}$$

No interest will be paid for any period in which the daily balance of your MMCA is below \$50,000.00.

Interest rates are tiered according to the balance of the account as follows:

Balance tiers

\$50,000.00 to \$99,999.99

\$100,000.00 to \$249,999.99

\$250,000.00 to \$499,999.99

\$500,000.00 or more

When the balance reaches the next tier, interest is calculated at the new tier rate on the whole of the balance.

Interest is credited to your account on the first *business day* of each month and when your MMCA is closed (refer to Clause 10 of the Terms and Conditions).

Example 1*

You open a MMCA for \$200,000.00 on 7 May. The Bank quotes an interest rate of 3.90% per annum** on your MMCA.

On 25 May you make an additional deposit of \$60,000.00 to your MMCA. Adding \$60,000.00 to the opening balance of \$200,000.00 means that the balance of your MMCA has moved into a higher interest rate tier and so your interest rate increases to 4.00% per annum**.

The interest credited to your MMCA on the first *business day* of June is calculated as follows:

Interest earned from 7 May to 24 May (inclusive)

$$= \$200,000.00 \times 3.90\% \times \frac{18}{365}$$
$$= \mathbf{\$384.66}$$

Interest earned from 25 May to 31 May (inclusive)

$$= \$260,000.00 \times 4.00\% \times \frac{7}{365}$$
$$= \mathbf{\$199.45}$$

Total interest credited to your MMCA on 1 June (assuming that this is the first *business day* in June) is \$584.11 (\$384.66 plus \$199.45).

* Examples are used for illustrative purposes only.

** The example assumes that the interest rate applied to the MMCA for each tier does not change during the period. Details of current rates are available on request.

What are the significant benefits of a MMCA?


Benefits include:

- you receive returns related to prevailing *short term money market* interest rates;
- your funds are readily available;
- there are no account keeping fees applicable;
- interest is earned on the whole balance of your account provided it is \$50,000.00 or over;
- the interest rate that you receive may rise if *short term money market* interest rates rise; and
- telephone banking is available to deposit funds into, and to obtain information on your MMCA by calling **13 2221**.

What are the significant disadvantages of a MMCA?

Disadvantages include:

- the interest rate that you receive may fall if *short term money market* interest rates fall;
- no interest is earned on balances less than \$50,000.00;
- you are restricted to one withdrawal per day; and
- withdrawals can only be made through your relationship manager or at the branch where the account was opened.



What are the significant risks of a MMCA?

Interest rate markets may be volatile. Monitoring of any risks associated with this product is your responsibility.

Market risk

Market risk is the risk that prices including interest rates will move adversely.

As the interest rate that you receive on your MMCA is determined by reference to the *short term money market* (a variable interest rate benchmark), you may experience a reduction in your interest income should market interest rates fall.

You should ensure that you are able to monitor and value any interest rate movements when investing in a MMCA. The Bank may be dealing on its own account in interest rate markets and such dealings may influence interest rates.

Credit risk

Credit risk is common to all investment products that you may hold with the Bank. In all cases, you are reliant on the ability of the Bank to meet its obligations to you under the terms of the particular product. This risk is sometimes described as “counterparty risk”.

These are the most significant risks. However, there may be other considerations that are relevant to you should you invest in a MMCA. You should obtain your own independent professional advice to determine whether this product is appropriate to your particular circumstances.

How do you open a MMCA?

To open a MMCA, please contact your relationship manager or any branch of the Bank.

When opening your MMCA, the minimum investment amount is \$100,000.00.

After you have opened a MMCA, the Bank will send you a statement detailing your investment. Refer to Clause 11 of the Terms and Conditions.

What are the costs involved in a MMCA?

There are no account keeping fees, however, other fees may apply. Refer to Appendix A for more information on fees and Government taxes.

Are there any tax implications you should be aware of?

Investing and dealing with investments has tax and often social security implications. These can be complex and are invariably particular to your circumstances. Investment income in the form of interest earned on a MMCA is generally taxable income.

Investments in a MMCA will have additional tax consequences depending on whether the investor is an individual or company.

If you do not provide us with a Tax File Number (TFN), TFN exemption or Australian Business Number, or you are a non-resident, the Bank is obliged by law to deduct tax from the interest you have earned.

All fees directly applicable to this product (refer to Appendix A) are input taxed which means that the Bank does not charge GST on these fees.

You should discuss the timing and derivation of income and any other tax issues with your independent professional tax adviser.

What if you have a complaint?

Please contact your relationship manager or the manager of the department that handled the matter and explain the problem.

Our staff will review the situation and, if possible, resolve it immediately. If the matter has not been resolved to your satisfaction, please contact our Customer Relations team via:

- our web site at commbank.com.au/contactus/comment.asp;
- telephone **1800 805 605**;
- facsimile **1800 028 542**; or
- writing to:
Customer Relations
Commonwealth Bank
Reply Paid 41
Sydney NSW 2001

If after giving us the opportunity to resolve your complaint, you feel we have not resolved it satisfactorily, you may also lodge a written complaint with the Banking and Financial Services Ombudsman at:

GPO Box 3
Melbourne Victoria 3001

telephone **03 9613 7333**;

toll free **1300 780 808**;

facsimile **03 9613 7345**;

web site www.bfso.org.au.

Privacy of your personal information

Collection of personal information

The Bank collects personal information (including customers' full names, addresses and contact details) so that we may administer our customer relationships and provide customers with the products and services they request as well as information on the Commonwealth Bank Group's ("the Group") products and services.

Where it is necessary to do so, the Bank also collects information on individuals such as company directors and officers (where the company is our customer), as well as customers' agents and persons dealing with us on a "one-off" basis.

The law can also require us to collect personal information, e.g. Commonwealth legislation requires us to identify persons who open or operate accounts.

The Bank may take steps to verify the information collected, e.g. a birth certificate provided as identification may be verified with records held by the Registry of Births, Deaths and Marriages to protect against impersonation, or the Bank may verify with an employer that employment and remuneration information provided in an application for credit is accurate.

You must provide us with accurate and relevant information

If you provide the Bank with incomplete or inaccurate information, the Bank may not be able to provide you with the products or services you are seeking.

Other members of the Group

The Bank is permitted by the Privacy Act to disclose personal information to other members of the Group. This enables the Group to have an integrated view of its customers.

Other disclosures

Personal information may be disclosed to:

- brokers and agents who refer your business to us;
- any person acting on your behalf, including your financial adviser, solicitor or accountant, executor, administrator, trustee, guardian or attorney;
- if you have borrowed from the Bank to purchase property: valuers and insurers (so that the Bank can obtain a valuation of your property, and confirm that it is insured); and
- organisations, including overseas organisations, to whom we outsource certain functions.

In all circumstances where the Bank's contractors, agents and outsourced service providers become aware of personal information, confidentiality arrangements apply. Personal information may only be used by our agents, contractors and outsourced service providers for our purposes.

The Bank may also disclose personal information to other financial institutions and organisations at their request if you seek credit from them.

The Bank may be allowed or obliged to disclose information by law, e.g. under Court Orders or Statutory Notices pursuant to taxation or social security laws.

Access to your personal information

You may (subject to permitted exceptions) access your personal information by contacting:

Customer Relations
Commonwealth Bank
Reply Paid 41
Sydney NSW 2001

We may charge you for providing access.

Further information

For further information on the Bank's privacy and information handling practices, please refer to the Bank's Privacy Policy Statement, which is available at commbank.com.au or upon request from any branch of the Bank.



Terms and Conditions

1. About these Terms and Conditions

These Terms and Conditions govern the Bank's Money Market Call Account (MMCA). They do not include terms and conditions that apply by operation of law.

You should read these Terms and Conditions carefully and keep a copy for your future reference. In addition, you should read the Bank's information booklet "The Better Banking Book", copies of which may be obtained by telephoning the Bank on **13 2221** (between 8am and 8pm, Monday to Friday), visiting our web site at **commbank.com.au**, from your relationship manager or from any branch of the Bank.

The Better Banking Book contains useful information on a range of banking matters. These include the rights and obligations that arise out of the banker and customer relationship, account opening procedures, the Bank's obligations regarding confidentiality of your information, complaint handling procedures, bank cheques, the advisability of you informing the Bank promptly when you are in financial difficulty and the advisability of you reading the terms and conditions applying to any banking service provided to you or in which you are interested.

The relevant provisions of the Code of Banking Practice apply to a MMCA if an account is held by an individual, either alone or jointly with another individual, or small business customer. A copy of the Code of Banking Practice is available at **commbank.com.au** or upon request from your relationship manager or any branch of the Bank.

2. Opening of accounts

- In opening an account, you agree to these Terms and Conditions.
- A minimum opening deposit of \$100,000.00 is required.

3. If you conduct an account jointly with another person

- Unless otherwise agreed with the Bank when the account is opened:
 - each of you may operate the account independently of the other;
 - the Bank may accept for the credit of the account any cheque or other negotiable instrument payable to any one or more of you; and
 - if one of you dies, the account is closed and the balance in the account is paid by the Bank to the survivor(s).
- The Bank is not obliged to enquire into the circumstances of any instructions you give in relation to the conduct of the joint account. The Bank is not liable for any loss or damage you or anyone else suffers due to the Bank acting on those instructions in good faith, unless it is proved that the Bank was negligent.

4. Account operating authority for non-personal accounts

- When you open an account, you are required to provide us with the following Account Operating Authority ('the Authority') details:
 - (i) all signatories who are authorised to operate the account, and
 - (ii) the method of operation eg any one to sign, any two to sign, the Treasurer plus one to sign etc.
- We will act upon this Authority until you vary or cancel it. If you wish to vary the Authority by changing (i) or (ii) above, or cancel the Authority, you must give notice in writing to the Branch where the account is conducted. Upon receiving such notice, the Authority will be varied or cancelled. All instructions dated prior to and presented for payment after the receipt of such notice in writing, will be honoured for payment.

- Any instructions given by you in accordance with the Authority will be relied on by the Bank. We will not be liable for any loss or damage you, or anyone else, suffers where the Bank acts on those instructions in good faith, unless it is proved that the Bank was negligent. Where the Bank agrees to supply services to you as a consumer, as defined in the Australian Securities and Investments Commission Act 2001 ('the Act'), then the Bank's liability will be determined in accordance with the Act. However, to the extent permitted by the Act, any such liability of the Bank is limited to the cost of supplying services again.

5. Scope of account operating authority

The signatories who are authorised to operate the account in accordance with the specified method of operation, may act on the account and deal with the Bank in the following manner:

- Withdraw moneys in any manner;
- Make arrangements with the Bank on all matters relating to the issue of Encashment Authorities, Documentary Credits and authorities to negotiate;
- Access and operate the account using an electronic banking service pursuant to the Bank's Electronic Banking Terms and Conditions;
- Change the mailing address;
- Open new account/s with the Bank, provided they have the same authorised signatories and method of operation as the Account Operating Authority;
- Obtain statements of account and any information required concerning the account/s generally; and
- Endorse cheques, bills, promissory notes or other instruments payable to the order of the Account Holder or if this is a joint account, payable to any one or more of you and intended for collection, discount or negotiation and credit of proceeds to your account/s.

6. Trust accounts

- Unless the account is designated as a trust account, when you lodge a deposit in your name(s), you verify that the funds deposited are not in any way subject to a trust of any kind nor lodged in a trustee capacity.

7. Deposits

- After the initial deposit, you may only make deposits to the account of \$50,000.00 or more.
- Deposits may be made through your relationship manager, at any branch of the Bank or by calling **13 2221**.
- The Bank does not accept cheques payable to a third party for deposit to the account.

8. Withdrawals

- The account must always be maintained in credit. No overdrawings are allowed at any time.
- Proceeds of cheques and other payment instruments, whilst credited to your account, are not available until cleared. If the Bank allows you to access the proceeds before clearance is effected, you must repay that money if the cheque or payment instrument is dishonoured.
- Withdrawals must be for a minimum of \$10,000.00 but you may withdraw a lesser amount if it is for the interest paid on the account only, or to reduce your balance to \$50,000.00, or to close the account.
- Withdrawals must be made through your relationship manager or at the branch where the account was opened. You can withdraw funds in person or via telephone, provided that written authority to withdraw by telephone has been established and is held at the branch.
- Withdrawals will only be effected by the issue of a bank cheque in your favour or by transfer to an account in your name.
- One only withdrawal from the account each *business day* is permitted.
- Cheque book, electronic or card access is not available and no direct debit or electronic or periodical payments or *electronic sweeping* from or to the account is permitted, subject to Clause 17.

9. Electronic banking

Electronic access to your account is governed by the conditions set out in the brochure "Electronic Banking Terms and Conditions". A copy can be obtained from your relationship manager or any branch of the Bank.

10. Payment of interest

- Interest is calculated on the entire balance of the account provided the balance is \$50,000.00 or more.
- No interest is paid for the periods that the account balance is less than \$50,000.00.
- Interest rates are tiered according to the balance of the account. When the balance reaches the next tier, interest is calculated at the new tier rate on the whole of the balance for so long as it remains above the tier.

Balance tiers

\$50,000.00 to \$99,999.99

\$100,000.00 to \$249,999.99

\$250,000.00 to \$499,999.99

\$500,000.00 or more

- Interest is calculated daily and is credited to the account on the first *business day* in each month and when the account is closed.
- Rates of interest are determined by reference by the Bank to *short term money market* rates and may fluctuate from day to day.
- You may obtain details of the previous day's interest rates by telephoning the Bank on **13 2221** from 8am to 8pm (Sydney time), Monday to Friday, from your relationship manager, any branch of the Bank or from our web site at **commbank.com.au**.
- The average interest rates for the previous month are also available on request.

11. Statements of account

- A statement is sent to you following lodgement of the initial deposit.
- After the initial statement, the Bank sends you a statement on a 4 monthly cycle commencing from the day the account is opened.
- You may request a statement to be issued at any other time by telephoning the Bank on **13 2221**, through your relationship manager or from any branch of the Bank.
- When the account is conducted jointly with another person and where the joint account holders live at the same address, the Bank sends one statement of account addressed to both account holders. When the joint account holders live at different addresses, one statement of account is sent to the nominated postal address.
- Joint account holders may apply in writing for the issue of separate statements of account.
- The Bank may charge a fee for duplicate/additional/separate statement requests. Please refer to Appendix A.

12. Bank fees

- You are liable to pay, and the Bank debits to the account, any charges made by the Bank for services that are ancillary to the operation of your account such as a bank cheque fee. A schedule of charges for common Bank services is available on request.
- Refer to Appendix A for details of Bank fees.

13. Government taxes

- The Bank absorbs Government taxes on the account.
- If you do not provide us with a Tax File Number (TFN), TFN exemption or Australian Business Number, or you are a non-resident, the Bank is obliged by law to deduct tax from the interest you have earned.

14. Variation of Terms and Conditions

- The Bank reserves the right to vary these Terms and Conditions.
- At least 30 days' written notice will be given to you if the Bank intends to:
 - introduce or vary a Bank fee or charge or pass on any Government charges in relation to the operation and maintenance of the account; or
 - vary the method by which interest is determined or the frequency with which the interest is credited to the account; or
 - vary the balance ranges within which interest rates apply to the account,except where the Bank cannot locate you.
- If the Bank otherwise varies these Terms and Conditions, we will notify you either in writing or by advertisement in the national media or local media, no later than the day on which the variation takes effect.
- The Bank will notify you of the introduction or variation of any Government tax or charge either in writing or by advertisement in the national media or local media, unless the Government, Government agency or representative body has already publicised the introduction or variation.

15. Change of name and address

You are required to notify the Bank promptly of a change to your name or address.

16. Closure of account

- The Bank is entitled to close the account on reasonable notice, or without reasonable notice if the account has a nil balance and has not been operated on for 12 months or more. The Bank may charge you an amount that it considers to be a reasonable estimate of the costs of closure.
- If you do not make a deposit or withdrawal on the account for 7 years, the Bank closes the account without notice to you and transfers the credit balance to an unclaimed moneys fund where it will not earn interest (balances over a prescribed amount go to the Government's unclaimed moneys fund). You may at any time apply for return of the transferred balance.

17. Account combination

- You agree that the Bank may combine or set-off the balance of this account with any other on demand account (except any account which has a facility which is regulated by the Uniform Consumer Credit Code) you have or may have with us in the future.
- Please refer to The Better Banking Book for information on the consequences of account combination.
- If the Bank elects to combine your accounts it will observe any applicable requirements of the Code of Operation for Centrelink Direct Credit Payments.

Definitions



“at call”

Your money is readily available to you.

the “Bank”; “our”; “us”; “we”

Commonwealth Bank of Australia
ABN 48 123 123 124.

“business day”

A day on which the Bank is open for the transaction of business in relation to a MMCA.

“electronic sweeping”

A cash management tool that allows credit and debit balances in a number of accounts (“participating” accounts) to be transferred to a single “lead” account.

“short term money market”

The term given to that sector of the financial markets which caters for the borrowing and lending of money overnight, *at call* or fixed for short periods (being 1 year or less).

“you”; “your”

The customer who is the person or persons or entity in whose name the MMCA is held.

APPENDIX A

Fees and Government taxes

Bank fees

There are no account keeping fees as the interest rate has been adjusted by a margin that reflects the costs incurred.

Applicable fees:

Description	Amount	When payable
Issue of photocopy/microfiche copy of statement	\$7.00 per statement	Subject to your agreement, charges may be accumulated and debited to the account periodically. Otherwise, charges are debited on the date of request.
Issue of past transaction list using "statement number" or "date range"	\$2.50 per list	As above.
Issue of duplicate statement at customer's request, printed and issued simultaneously with the original	\$2.50 per duplicate	As above.

Some related products and services, such as bank cheques and telegraphic transfers, will incur a separate fee. These fees will be set out in the Product Disclosure Statements, terms and conditions or fees and charges brochures for these other products and services.

Government taxes

If you do not provide us with a Tax File Number (TFN), TFN exemption or Australian Business Number, or you are a non-resident, the Bank is obliged by law to deduct tax from the interest you have earned.

