



Target Market Determination

Fixed Rate Personal Loans for Fee Funding

Start Date:	15 July 2023
Next Review Date:	1 July 2024
Review period:	At least every 12 months from the start date of this Target Market Determination.
Credit Provider:	SmartFee Personal Pty Ltd ABN 44 126 530 489 (Australian Credit Licence number 392210)

What is a Target Market Determination?

This Target Market Determination (**TMD**) sets out the intended market for the credit activities which SmartFee Personal Pty Ltd ABN 44 126 530 489 (Australian Credit Licence number 392210) (**SmartFee Personal**) intends to engage in, and the conditions placed on SmartFee Personal and its business partners when distributing and promoting its credit products.

We also describe the circumstances in which we may be required to review this TMD, which are referred to as '**Review Triggers**'. For the avoidance of doubt, this TMD does not relate to the commercial/business lending arrangements offered by SmartFee Pty Ltd ABN 70 168 943 486.

Why are we required to have TMDs?

We are required by law to have TMDs. Part 7.8A of the Corporations Act 2001 (Cth) requires us to publish a TMD for any financial products which we distribute to consumers.

When making a decision to utilise our products, customers should read this TMD to ascertain if they fall within the categories of individuals which our credit products are aimed at (our **Target Market**) and you must refer to the relevant terms and conditions of the 'Borrower Agreement'/'Invoice Payment Agreement' (**Borrower Agreement**) and our other disclosure documents.

Our Target Market

SmartFee Personal aims to assist individuals who engage professional services firms (such as accountants and lawyers) by providing funding to pay invoices issued to them.

The funding is intended to reduce the burden of meeting large invoices, so that customers have the ability to engage professional firms and finance the payment of their professional services invoices over a period of time. The funding allows the customer to pay those invoices over an elected number of instalments, ranging from three to twelve months with the interest rate varying depending on the number of instalments and the amount of funding required.

SmartFee Personal services consumers who are utilising professional services firms for predominantly personal, domestic or household purposes (i.e. not for business purposes).

The table below matches the attributes of our credit products to the objectives and needs of our Target Market. SmartFee Personal has determined that the attributes of our product meets the needs and objectives of our Target Market.

Objectives and Needs	Product Attributes
The customer needs to pay an invoice issued to them by a professional services firm.	<ul style="list-style-type: none"> • SmartFee Personal only provides funding for the payment of invoices issued to the customer by the professional services firms that we deal with. • Security is not required for the loan from the customer, but SmartFee Personal obtains guarantees from the professional services firm and its principals.
The invoice to be funded is for an amount of between \$1000 and an amount calculated depending on Intermediary Turnover.	SmartFee Personal provides loans for professional services invoices ranging from between \$1000 and an amount calculated depending on Intermediary Turnover.
The customer would like to pay the invoice over a period not less than 3	SmartFee Personal pays the professional services firm on the

months and up to 12 months.	customer's behalf upon receipt of the first instalment from the customer, and then allows the customer to pay the balance of the invoice plus SmartFee Personal's interest and other charges over the agreed period ranging from between 3 months to 12 months.
The customer requires certainty of a fixed interest rate and repayments for the term of the loan	The product has a fixed interest rate, which means repayments remain fixed for the term of the loan.
Loan Suitability Check Conducted	This ensures that the customer can afford repayments within their means.
Identity Checks Conducted	To ensure the person applying for the loan is who they say they are to prevent fraud.
Credit Check	To ensure no adverse information such as court orders and credit defaults are attached to their file.

Financial Suitability of Target Market

SmartFee Personal aims to assist with fee funding to customers who meet SmartFee Personal's financial suitability criteria, which require the individual:

- to be solvent;
- to be able to meet their minimum required repayments under the Borrower Agreement without suffering substantial hardship;
- to submit evidence to SmartFee Personal as to their income, assets and liabilities.

Eligibility Criteria for our products

In order to be eligible for this product, the individual will need to satisfy the following criteria:

- be an individual aged 18 years and over;
- have an Australian residential address;
- be an Australian citizen or an Australian permanent resident;
- require fee funding for professional services fees rendered for predominantly personal, domestic or household purposes (i.e. not for business purposes) with a professional services firm that has entered into the relevant fee funding agreements with SmartFee Personal;
- who have met our financial suitability criteria described above.

Distribution Conditions

SmartFee Personal deals strictly through referrals by our partner professional services firms (**Partners**). We have written agreements with each of our Partners which set out the conditions on which each Partner is able to refer individuals who they have performed services for that may be subject of the invoice funded by SmartFee Personal. SmartFee Personal retains absolute discretion as to whether to enter into any credit contract with an individual referred to us by a Partner.

We ensure that each Partner is appropriately trained to understand the features of SmartFee Personal's product and they must follow procedures that are prescribed by SmartFee Personal when referring potential customers.

Where an individual is referred to SmartFee Personal, personal information relating to the individual is required to be submitted through our portal to ascertain if the individual meets our eligibility criteria, with that information also submitted by the customer via our portal. The portal uses various criteria and systems when automatically interrogating the information provided by the individual, including collecting evidence of the customer's ability to meet the repayments required under the Borrower Agreement and conducting credit checks of the customer.

SmartFee Personal's staff which created and monitor the portal and each Borrower Agreement are able to distribute the products offered by SmartFee Personal, because:

- they are appropriately qualified to understand SmartFee Personal’s eligibility criteria, and our general conduct obligations at law;
- are able to explain to individuals the features, benefits, trade-offs, and key differences between the different options for the products offered by SmartFee Personal;
- are required to follow strict internal procedures when overseeing determinations of suitability made by the portal; and
- are monitored by SmartFee Personal’s responsible manager(s), and are subject to the jurisdiction of the Australian Financial Complaints Authority (**AFCA**).

Review Triggers

SmartFee Personal is required by law to consistently review the suitability of its products to our Target Market. SmartFee Personal has determined that if any of the following events occur, then SmartFee Personal will undertake a review of this TMD:

Information Type	Description
Customer Outcomes	<p>Any unexpected outcomes experienced by our customers which are materially inconsistent with the intended performance of the product, such as:</p> <ul style="list-style-type: none"> • customers are terminating the Borrower Agreement early and paying any early repayment adjustments/fees; and • customers with poor early performance indicators, such as arrears or hardship.
Complaints	<p>A significant number of complaints are received from customers who use the product that relate to the customer’s use of the product, which may for example relate to:</p> <ul style="list-style-type: none"> • the means by which the individual was referred to SmartFee Personal; or

	<ul style="list-style-type: none"> • the recommendations made to the individual regarding the number of instalments; or • product attributes, such as the unavailability of certain repayment periods.
Incident Data	Any material incident or significant number of incidents in relation to the product's design or the attributes of the product which identify potential breaches of our legal obligations.
Significant changes	Any significant change to the product.
Significant Dealings	Any significant dealings with customers who do not fall within our Target Market.
Notification from ASIC	The receipt of any product intervention order or other intervention by ASIC which require or suggest changes to how we offer our products.

Product Issuer: SmartFee Personal Pty Ltd ABN 44 126 530 489, Australian Credit License number 392210.