



Target Market Determination

For the Business Account provided by PayPal Australia Pty Ltd
(PPAU) (ABN 93 111 195 389)

1. About this document

When to use this target market determination

This target market determination (TMD) details a description of the likely objectives, financial situation and needs of consumers in the target market for the Business Account issued and distributed by PPAU (Business Account), a description of the product, including its key attributes and an explanation of why the product, including its key attributes, is likely to be consistent with the likely objectives, financial situation and needs of consumers in the target market.

This document is not intended to provide financial advice. Consumers must refer to the PPAU Combined Financial Services Guide and Product Disclosure Statement (CFSPDS) (available [here](#)), which outlines the relevant terms and conditions for the product when making a decision about this product.

Product to which this target market determination applies

This TMD applies to the Business Account issued and distributed by PPAU (Business Account) referred to in the CFSGPDS.

Date from which this target market determination is effective

15 October 2024

2. Class of consumers that comprise target market

The information below summarises the class of consumers within the target market for this product, based on the product key attributes and the likely objectives, financial situation and needs that it has been designed to meet.

Background

PPAU is an Authorised Deposit Taking Institution (**ADI**) that has the authority to provide Purchased Payment Facilities (**PPF**), offering online accounts that enable consumers to:

1. buy and sell goods and services online,
2. send and receive money for personal transactions that do not involve a purchase, i.e. the payment is not for goods or services (a **Personal Transaction**) online; and
3. send and receive money for commercial transactions online (**Business Account**).
4. There are three types of PPAU online accounts that can form the basis of a consumer's "digital wallet". These are the Personal Account, Premier Account and Business Account. This TMD relates only to the Business Account.¹

¹ PPAU's Premier Account is a legacy product and can no longer be opened (since 27 October 2017). For the TMD in relation to the Personal Account, please visit [here](#).

Class of consumers

This Business Account has been designed for businesses, including sole traders with a registered business or group name, that require a low cost, safe and easy to use online account to process payments primarily for commercial purposes, with the option to use the Business Account for personal, domestic or household purposes (the **Target Market**).

Product description and key attributes

The Business Account is a PPAU account restricted to:

- sole traders that are Australian residents, with an Australian address that are at least 18 years of age; and
- non-individual entities including, but not limited to, businesses, sole traders, partnerships and trusts with an Australia address;

who have met PPAU's onboarding requirements;

The Business Account is restricted to consumers with an Australian address and is designed for business purposes, however is able to be used for personal, domestic, or household purposes as well.

Deposits and withdrawals from a Business Account can be made via a linked bank account or debit and credit cards via various payment channels or via the account holder's stored PayPal balance. Credit cards cannot be used to top-up a Business Account balance.

Consumers who hold a Business Account (**Account holders**) are able to establish recurring payment arrangements and have the benefit of the following safeguards and protections:

- mistaken and unauthorised transactions liability protections contained in the ePayments Code;
- PPAU's chargeback and refund policies²;
- PPAU's Buyer and Seller Protection Policy on eligible purchases (some exclusions apply to some types of transactions including real estate, vehicles, gambling, financial products, purchases in excess of \$20,000 etc)³; and
- recourse via PPAU's internal dispute resolution process as well as the Australian Financial Complaints Authority⁴.

Eligible Business account holders may also qualify to receive access to PPAU's micropayments fee schedule for the sale of goods and services that typically average less than \$10.

Needs and objectives

The Business Account has been designed for business customers, including sole traders, who want to buy and sell online, to send and receive money online and to make and accept online payments using other payment methods such as debit card, credit card or bank account, and who need to do so in a safe and cost-efficient manner, primarily for commercial purposes.

2 For further information on PayPal's chargeback and refund policies, visit PayPal's User Agreement [here](#)

3 For further information on PayPal's Buyer and Seller Protection Program, visit PayPal's User Agreement [here](#)

4 For further information on PayPal's complaints handling process, visit PayPal's User Agreement [here](#)

Excluded class of consumers

This product has not been designed for:

- Individual consumers;
- businesses who are wanting to use a traditional credit facility to make purchases (other than having a credit card linked to their Business Account);
- investment purposes or for businesses looking to invest in term deposit or other high interest-bearing deposit accounts.

Financial situation

This product has been designed for businesses and sole traders who are able to pay the transaction amount and any associated transaction fees or charges⁵ and, in certain circumstances and where deemed necessary by PPAU, meet PPAU's internal credit assessment requirements.

Consistency between target market and product

This product is designed to be consistent with the likely objectives, financial situation and needs of the class of consumers in the Target Market. This is based on an analysis of the key terms, features and attributes of the product and a finding that these are consistent with the identified class of consumers. As the Business Account has been designed for businesses, including sole traders, only those with a registered business or group name are able to apply. Similarly, as the Business Account has been designed for businesses, including sole traders, who want a safe payment method, certain safeguards and protections are available.

3. How this product is to be distributed

The Business Account is distributed by PPAU via its online or mobile applications. In order to open a Business Account, an application form must be completed, and verification must be undertaken of the business name and the personal name, date of birth, and address of the primary authorised user to ensure the consumer meets the Business Account criteria.

The account opening process is limited to PPAU's own proprietary online channels.

Distribution channels

The Business Account forming the basis of a 'digital wallet' is directed to businesses through the following channels:

1. PPAU's website; and
2. Direct telephone and email sales.

Distribution conditions

This product is to be distributed under the following circumstances:

1. Advertising is targeted to reach Australian businesses and placed at times and places

⁵ See clause 18 of PPAU's Combined Financial Services Guide and Product Disclosure Statement for a full list of fees [here](#)

(virtual and real) where businesses are likely to be receptive to receiving payment information or to be making payments. Advertising is not undertaken at places, times or in a manner that targets non-business consumers (the Business Account is marketed to businesses).

2. Other than its related bodies corporate, PPAU does not use third party agents or distributors to sign up or contact consumers on PPAU's behalf in respect of potential Business Account holders.
3. Ongoing monitoring of the Business Account to enable PPAU to understand whether the product continues to need the needs, objectives and financial situation of the target market in accordance with the Business Account key attributes.

Adequacy of distribution conditions and restrictions

We have determined that the distribution conditions and restrictions will make it likely that consumers who open the product are in the class of consumers for which it has been designed. We consider that the distribution conditions and restrictions are appropriate and will assist distribution in being directed towards the Target Market for whom the product has been designed.

4. Reviewing this target market determination

PPAU has implemented the following monitoring program for Business Accounts which is designed to trigger a review of this TMD.

Periodic reviews	Within 12 months from the date which this target market determination is effective
Review triggers	<p>Any event or circumstances arise that would reasonably suggest the TMD is no longer appropriate. This may include (but is not limited to):</p> <ul style="list-style-type: none"> • a material change to the design or distribution of the product, including related documentation; • a significant dealing of the product to consumers outside the Target Market occurs; • Distribution conditions found to be inadequate; • external events such as material adverse media coverage or regulatory attention; and • a significant increase in the number of internal complaints or complaints made to the Australian Financial Complaints Authority in relation to a consumer's acquisition or use of the product

Where a review trigger has occurred, this target market determination will be reviewed within 10 business days of PPAU's awareness of that trigger.

5. Reviewing this target market determination

PPAU, as the issuer and distributor of the Business Account will collect the following information in relation to this TMD.

Complaints	We will collect information on all complaints in relation to this TMD on a
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	monthly basis. This will include written details on the number and substance of complaints and general feedback relating to the Business Account product and its performance.
Sales data	We will collect information on relevant Business Account applications, Account cancellations and consumer data in relation to this TMD on a quarterly basis.
Significant Dealing	We will collect the date or date range of significant dealings and the description of the significant dealing as soon as practicable, and in any case, within 10 business days after becoming aware of the significant dealing.