



Target Market Determination

Global Payments and Foreign Exchange Contracts

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FIRMA

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Introduction

FIRMA Foreign Exchange Corporation (referred to as Firma, us, our or we) operates a payments business. Our services allow you to make and receive global payments in various currencies, and hedge currency risk associated with those payments. The design and distribution obligations set out in Part 7.8A of the Corporations Act 2001 (**DD Obligations**) apply to the issue and distribution of non-cash payment facilities, certain foreign exchange contracts and derivatives to retail clients (**Consumers**) from 5 October 2021. These DD Obligations require Firma to make Target Market Determinations (**TMD**) available to you.

The purpose of this target market determination (TMD) is to describe the target market of Consumers for our Global Payments Facilities, our over-the-counter (**OTC**) foreign exchange contracts (spot contracts), and over-the-counter (**OTC**) foreign exchange contracts (forward contracts) and derivatives to which the DD Obligations apply. The DD Obligations aim to assist Consumers 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.

Please note that a TMD is not a Product Disclosure Statement and is not intended to provide financial advice. Any advice provided in this document should be considered general advice only, as it does not take into account your objectives, financial situation, or needs. Please review our [Combined Product Disclosure Statement and Financial Services Guide](#) prior to making a decision to acquire or continue to hold these products.

About Firma

Firma is authorised and regulated by the Australian Securities and Investments Commission (ASIC), with licence number 306556 and registered office located at:

Level 19,
60 Margaret St,
Sydney NSW 2000
Australia

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

- Global (non-cash) payments facilities (global payments);
- foreign exchange contracts (spot contracts); and
- foreign exchange contracts (forward contracts) which are derivatives for some purposes;

(referred to collectively as **products**).

We offer these products to help you engage in money transfer and foreign currency exchange or hedging transactions.



Financial products to which this TMD applies

Global Payments

Global Payments are non-cash payment products that allow Consumers to make payments, other than through the physical delivery of Australian or foreign currency (e.g. Wire, EFT, and ACH payments). These payments can be sent or received from over 200 markets worldwide.

Consumers 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 or derivatives, depending on the settlement period and characteristics of the product.

Foreign exchange contracts (spot contracts)

This is a foreign exchange contract for buying and selling currency where the exchange rate is determined by the market conditions at a precise moment in time or “on the spot”. The settlement date, or the date on which Consumers need to pay Firma, is between 1 and 2 days after day the contract was entered.

Foreign exchange contracts (forward contracts)

Foreign exchange contracts are contracts to buy or sell currency, at a predetermined date of up to one year (12 months) in the future. Firma and the Consumer agree on a rate of exchange that is locked in for the entire contract period. This allows the Consumer to avoid the uncertainties and risks related to adverse exchange rate movements. This product is commonly understood as a Hedging product.

Foreign exchange contracts, with a settlement date of at least 3 business days (or longer), are derivatives for the purpose of this TMD. Firma may not have a “derivatives” authorisation on our licence because ASIC says that, for the purposes of licensing, a derivative that is also a foreign exchange contract, is not a derivative.



Spot Contracts

As we offer Global Payments and Spot Contracts together, and they are effectively bundled, this TMD applies to both products.

The target market

The target market for Global Payments and Spot Contracts includes the following classes of Consumers:

Consumers who satisfy each of the following criteria:

- Consumers above the age of 18;
- Consumers who are seeking to make and receive payments, made in foreign currencies;

For those Consumers who satisfy the above criteria

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

- Consumers who are looking to make and receive domestic and global payments to and from third parties;
- Businesses, including importers and exporters who deal with overseas suppliers or customers;
- Consumers who wish to agree to a spot exchange rate for payment within a T+2 timeframe;

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.

Client Type

Global payments and Spot Contracts are for both retail and wholesale clients.

Ability to bear losses

Global payments are for Consumers who are prepared to accept risks associated with possible payment delays and losses associated with political instability, war, suspension of financial markets or other catastrophic risks associated with making or receiving payment from a foreign country.

Consumers must be prepared to accept counterparty risk.

Client Needs

Our products and their key attributes are likely to be consistent with the likely objectives, financial situation and needs of those Consumers who wish to make domestic and global non-cash payments and agree to a spot exchange rate for payment within a T+2 timeframe.



Consumers for whom our products are unsuitable

Firma's Global Payments and Spot Contracts are generally unsuitable for the following classes of Consumers:

- Consumers below the age of 18;
- Consumers who do not wish to be exposed to counterparty risk of any form;
- Consumers who have low levels of financial literacy and technological literacy;
- Consumers who are looking to engage in speculative trading;

Consumers who are in any of the categories set out in the table above, are not in the target market for the relevant payments products.



Forward Contracts

As we offer Global Payments and Forward Contracts together, and they are effectively bundled, this TMD applies to both products.

The target market

The target market for Global Payments and Forward Contracts includes the following classes of Consumers:

Consumers who satisfy each of the following criteria:

- Consumers above the age of 18;
- Consumers who are seeking to make and receive payments, including payments made in foreign currencies;
- Consumers who are seeking to lock in a foreign currency exchange rate at a future date of up to one year in the future;

For those Consumers who satisfy the above criteria

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

- Consumers who are looking to make and receive domestic and global payments to and from third parties;
- Businesses, including importers and exporters who deal with overseas suppliers or customers;
- Consumers who seek to manage or hedge foreign exchange exposure and manage future cash flows; and
- Consumers who are seeking to lock in a foreign currency exchange rate at a future date,

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.

Client Type

Global payments and Forward Contracts are for both retail and wholesale clients.

Ability to bear losses

Global payments are for Consumers who are prepared to accept risks associated with possible payment delays and losses associated with political instability, war, suspension of financial markets or other catastrophic risks associated with making or receiving payment from a foreign country.

Consumers must be prepared to accept counterparty risk and accept the risk that by locking in a currency exchange rate, the rate may be disadvantageous when the Forward Contract is due for settlement.



Client needs

Global Payments and Forward Contracts and their key attributes are likely to be consistent with the likely objectives, financial situation and needs of those Consumers who:

- wish to make domestic and global non-cash payments;
- wish to agree to an exchange rate more than 2 business days in the future, to avoid risks associated with foreign exchange volatility for that agreed period;
- wish to manage foreign exchange exposure and future cash flows, by selecting their desired settlement period which is more than 2 business days in the future.

Consumers for whom our products are unsuitable

- Consumers below the age of 18;
- Consumers who do not wish to be exposed to counterparty risk of any form;
- Consumers who have low levels of financial literacy and technological literacy;
- Consumers who wish to transact foreign currency within T+2 timeframe or less;
- Consumers who are looking to engage in speculative trading;
- Consumers who want quick (no more than T+2) payments and conversions;

Consumers who are in any of the categories set out in the table above, are not in the target market for the relevant payments products.



Distribution conditions

Our products are distributed by Firma directly either online or through a Firma Currency Expert (our employees).

We will take reasonable steps to ensure that both we distribute our financial products 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 Consumers who are potential clients fall within the identified target market. Firma Currency Experts are trained to pre-screen Consumers for their suitability to our products prior to any offering of financial products.

We will also take reasonable steps to ensure that our marketing strategy is targeting potential clients who fall within the identified target market for our products. All marketing material is reviewed and approved by Firma as the product issuer prior to 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 will occur on December 15, 2022. Subsequent reviews of the TMD will occur annually on December 15th of each subsequent year.

Review triggers – additional reviews

Firma 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 we have received a significant number of complaints or noted any relevant complaint trends;
- where we have detected significant issues with the distribution of our products through our monitoring of our own day-to-day activities;



Firma Foreign Exchange Corporation reserves 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 Firma considers as a proper reason to amend the TMD.

This booklet is effective as of July 2022.

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