

# ANZ COMMERCIAL BILL FACILITY

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SPECIFIC CONDITIONS OF USE  
ANZ BUSINESS BANKING  
07.19



# KEY TERMS OF YOUR COMMERCIAL BILL FACILITY

## ABOUT THESE KEY TERMS

The aim of these key terms is to help you understand the key terms of your commercial bill facility with us. It should be read in conjunction with the “Key Terms of your Business Lending” document you will also receive. Please note it does not cover all of the terms and conditions of your arrangements. Additionally, it is not a substitute for, and does not form part of, your contract with us. The Specific Conditions of Use that follow on from these key terms do form part of your contract.

## COMMERCIAL BILL FACILITIES TO WHICH THESE KEY TERMS APPLY

These key terms cover each of the types of commercial bill facilities that ANZ offers, including the ANZ Tailored Business Facility. For detailed information about the particular commercial bill facility you have chosen, please read the Specific Conditions of Use that follow on from this page.

## BEFORE YOU CAN USE THE COMMERCIAL BILL FACILITY

Before you can start using the facility, you will need to provide ANZ with a completed Deed of Authority, Indemnity and Attorney form.

## DRAWING DOWN ON YOUR COMMERCIAL BILL FACILITY

To draw down on your commercial bill facility, you need to provide us with the details of the type of bill you wish to draw, its face value and the desired period between rollover dates. You can also tell us how you want us to treat your bills until the termination of your facility. Once you have drawn down on your commercial bill facility, ANZ will pay to you the face value of the bill less a discounted amount. The discounted amount is similar to interest and is the difference between the face value of the bill and the amount you receive at drawdown.

## REPAYING AMOUNTS AT EACH ROLLOVER AND END OF THE FACILITY TERM

During the term of your facility, you need to pay to ANZ the face value of each drawn bill when it matures – this is known as a “rollover date”. Your **contract** and the **relevant drawdown letters you receive** will set out your facility limit, term of your facility and the dates for making the rollover payments at the rollover date. Unless you have told us to do otherwise, we will generally draw a further bill at each rollover date and the proceeds of that further bill will be used to partially repay the maturing bill; you will also need to pay the discounted amount (similar to interest) that applies to the maturing bill. We will continue to do this until the final rollover date when no further bills can be drawn and the face value of the final maturing bill must be repaid.

## FEES, COSTS AND CHARGES

You need to pay the fees, costs and other charges associated with your commercial bill facility. The fees and charges are set out in your contract and the ANZ Business Banking Finance Fees and Charges booklet. You can terminate your facility at any time if you no longer have any drawn bills. If you want to repay any drawn bills (or your facility that has drawn bills) early, you need to inform us by giving us the notice required by the Specific Conditions of Use prior to the rollover date. There may be additional costs if you do this – we can tell you what these costs will be if you ask us. You also agree to pay additional costs if certain other things occur, such as a default.

## MAINTAIN AN ANZ TRANSACTION ACCOUNT

You must have an ANZ transaction account for the full term of your commercial bill facility that contains enough funds for payment of any amount owing such as fees and other amounts, including any discount amount.

## WHERE CAN YOU FIND OUT MORE?

Your contract has been provided to you and you should read it before you sign anything. Please ask your ANZ business banker or your accountant or lawyer about anything you do not understand.

# ANZ COMMERCIAL BILL FACILITY SPECIFIC CONDITIONS OF USE

This document contains some important specific conditions of use which apply to your ANZ Commercial Bill Facility. We recommend you study it in detail and then keep it in a safe place for future reference.

Words and expressions not defined in these specific conditions of use have the meanings given to them in the 'ANZ Business Banking Finance Conditions of Use' or your Letter of Offer.

## 1. DRAWDOWN NOTICE

You cannot make a drawing under the facility until ANZ receives a Deed of Authority, Indemnity and Attorney properly executed to ANZ's satisfaction.

Any instructions given under a Deed of Authority, Indemnity and Attorney must be given by you or by your Authorised Representative.

An instruction which requests ANZ to accept (without discounting) bills is irrevocable when given.

An instruction which requests ANZ to accept and discount bills is irrevocable when you accept a yield rate and tenor under "Rate and tenor quotations" below.

## 2. RATE AND TENOR QUOTATIONS

### **Variable rate and tenor quotations:**

If you want ANZ to accept and discount the bills, you may, on or before the drawdown date, ask ANZ to quote a yield rate in respect of the amount of the drawing for one or more tenors of no less than seven and no more than 185 days (or any other tenor agreed by ANZ).

### **Fixed rate and tenor quotations:**

You may, before 4:00 pm Sydney time on the Business Day before the drawdown date, ask ANZ to quote fixed yield rates for specified terms for the amount of the drawing.

You may only ask for quotations:

- for terms of one, two, three, four, or five years (or any other term agreed by ANZ)

- for bills with tenors of approximately 30, 90 and 180 days, and rollover dates to be specified by ANZ in our quotations.

**Business Day** means a day on which commercial banks are open for business in Sydney, but not including a Saturday or Sunday or public holiday in Sydney.

**Maximum rate and tenor quotations:**

- Before making a drawing, you may ask ANZ (at our discretion) to quote:
  - maximum rate fees (payable in arrears on each discount of bills); or
  - premiums (payable at the beginning of the term),

for maximum rates at which bills, having an aggregate face value equal to the amount of the drawing, may be discounted;

- with tenors of approximately 90 days and rollover dates to be specified by ANZ in our quotations
- for terms of not less than three months and not more than five years (unless ANZ agrees otherwise).
- A quotation for a maximum rate fee is given in respect of a maximum rate which includes the maximum rate fee.
- A quotation for a premium is given in respect of a maximum rate which does not include any additional fee.

**All rate and tenor quotations:**

You cannot ask ANZ to quote for a tenor which has a maturity date after the term of the facility.

To make the drawing (including a forward start drawing), you must, on or before the drawdown date, within the time allowed by ANZ, accept a yield rate and a tenor which, in ANZ's opinion are consistent with one of ANZ's quotations.

A tenor which would otherwise end on a day which is not a Business Day is extended to the following Business Day (unless ANZ agrees otherwise).

A 'forward start drawing' means a drawing for which a rate, fee or premium quoted by ANZ is accepted more than two clear Business Days before the relevant drawdown date.

### 3. AMOUNT PAYABLE BY ANZ ON DISCOUNT OF BILLS

Subject to 'Net payments on maturity dates for bills' below, and to the provisions of the agreement, on the drawdown date for a bill to be discounted by ANZ, ANZ shall pay to you the face value of the bill less:

#### **For variable and fixed rate bills:**

- the amount of discount calculated at the relevant yield rate under the agreement
- the usage line fee (if any) for the bill and any outstanding handling fee
- applicable stamp duty and other taxes in respect of the bill.

#### **For maximum rate bills:**

- for a tenor ending on the next roll-over date or the last day of the tenor for the drawing (whichever is earlier), the amount of discount calculated at a yield rate equal to the lesser of:
  - the bank bill buying rate, calculated by ANZ by reference to the amount of the drawing, plus the maximum rate fee, if any or
  - the maximum rate (including the maximum rate fee, if any)
- the acceptance fee (if any) for the bill and any outstanding line fee
- stamp duty and other taxes.

### 4. ROLLOVER

#### **Variable rate bills:**

Automatic rollover - unless you give notice

If ANZ has discounted variable rate bills pursuant to an instruction then, unless you have:

- given notice to ANZ, at least two clear Business Days before the maturity date for the bills, stating that you do not wish to roll the bills, or
- actually given an instruction requesting ANZ to accept and discount new bills (on rollover of the maturing bills) and have accepted a tenor and a yield rate for new bills in accordance with 'Rate and tenor quotations' above

ANZ may roll the bills as if you have given an irrevocable instruction requesting ANZ to accept and discount new bills (on rollover of the maturing bills) and had accepted as a yield rate the bank bill buying rate calculated by ANZ by reference to the face value of the bills, for the same rollover period as that of the maturing bills (extended, if necessary, to end on a Business Day).

**Fixed rate bills:**

Subject to 'Prepayment on a rollover date' below, you irrevocably request ANZ to roll each bill, on each rollover date for a drawing, and to draw, accept and discount a new bill in its place, with the same fixed yield rate as that of the maturing bill and a tenor ending on the next rollover date or the last day of the term for the drawing (whichever is earlier).

**Maximum rate bills:**

Subject to 'Prepayment on a rollover date' below, you irrevocably request ANZ to roll each bill, on each rollover date for a drawing, and to draw, accept and discount a new bill in its place, with a tenor as specified, and a yield rate calculated under 'Amount payable by ANZ on discount of bills' above.

## 5. PREPAYMENT ON A ROLLOVER DATE

**If you have a fixed or maximum rate bill:**

You may prevent the rollover of a fixed rate or maximum rate bill if :

- you have given written notice to ANZ at least five clear Business Days before the relevant date, that you do not wish to roll the bill
- you have paid to ANZ the amount which ANZ determines is required to compensate ANZ for all Costs or losses which ANZ has reasonably incurred or suffered or will reasonably incur or suffer, because the Bill is not rolled except to the extent that such Costs or losses were caused by the negligence, fraud or wilful default of ANZ or its officers, employees, contractors or agents or any receiver appointed by ANZ.

**Warning:** If you prepay this Facility, the amount of Costs or losses may be significant. ANZ may incur Costs or losses on replacing the bill in the market place at the fixed yield rate. If you wish to make a prepayment, you should discuss it with ANZ first and ANZ can calculate the Costs or losses that you

would have to pay if you made the prepayment. This will help you to decide whether you want to go ahead with the prepayment.

**Note:** When calculating any Costs or losses suffered by ANZ as a result of a prepayment, ANZ will make an allowance for any benefit that ANZ will get because the bill is not rolled.

- you have paid to us all amounts actually or contingently owing or to become owing by you under or in connection with the bill.

## 6. ANZ MAY PREPARE BILLS

### **If you have fixed or maximum rate bills:**

On or before a drawdown date (including a rollover date) for fixed rate or maximum rate bills, ANZ will, on behalf of yourself, draw, sign and present the bills which you have requested ANZ to accept and discount on the drawdown date, so that each bill:

- is dated with the drawdown date
- is drawn by you or on your behalf with the name of the payee to be completed by ANZ
- names ANZ as drawer and acceptor
- is for a face amount determined by ANZ.

## 7. YOUR LIABILITY IN RESPECT OF BILLS DISCOUNTED

You are primarily liable in respect of each bill drawn by you or on your behalf under the agreement. Accordingly, your liability with respect to each such bill will not be discharged because ANZ becomes the holder of the bill (or bill of exchange) on or after its maturity. ANZ and you agree that section 66 of the Bills of Exchange Act 1909 has no effect as between ourselves.

Subject to 'Net payments on maturity dates for bills' below, on or before 11:00 am (local time) on the maturity date for each bill, you shall pay to ANZ an amount equal to the face value of that bill.



## **8. NET PAYMENT ON MATURITY DATES FOR BILLS**

Unless otherwise agreed between us, if on the maturity date for a bill, ANZ is obliged to discount one or more further bills, ANZ or you (as the case may be) are only obliged to pay the net positive amount as between:

- the amount equal to the face value of the maturing bill payable by you to ANZ on that date
- the amount payable by ANZ to you under 'Amount payable by ANZ on discount of bills' above, on discounting the replacement bill or bills.

## **9. COSTS AND LOSSES**

You agree to pay or reimburse ANZ, on demand, for all Costs or losses which ANZ reasonably incurs or suffers as acceptor of each Bill except to the extent that such Costs or losses were caused by the negligence, fraud or wilful default of ANZ or its officers, employees, contractors or agents or any receiver appointed by ANZ.

## **10. YOU MUST MAINTAIN AN ANZ TRANSACTION ACCOUNT**

You must hold and maintain an ANZ transaction account for the full term of your Facility. You must also deposit into your account enough funds to cover payment of any amount owing by you under your Facility. Examples of such amounts are fees and other charges payable by you.

## **11. ACKNOWLEDGEMENT**

If you have fixed rate bills, you acknowledge that:

- it is difficult to predict with any certainty the future movements in interest rates
- the yield rate costs of a fixed rate facility may exceed those that would apply for a variable rate facility
- you are responsible for any additional Costs or losses that you may suffer or incur in connection with future movements of interest rates in the market.

Australia and New Zealand Banking Group Limited (ANZ) ABN 11 005 357 522. Australian Credit Licence Number 234527. Item No. 9031 07.2019 WX231424



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