

**Australian Securities and Investments Commission
National Credit Code – Subsection 203A(1) – Exemption**

Enabling power

1. The Australian Securities and Investments Commission (*ASIC*) makes this instrument under subsection 203A(1) of the National Credit Code (the *Code*).

Note: The Code is Schedule 1 to the *National Consumer Credit Protection Act 2009*.

Title

2. This instrument is ASIC Instrument [16-0733].

Commencement

3. This instrument commences on the date it is signed.

Exemption

4. ING Bank (Australia) Limited (ACN 000 893 292) (*ING Direct*) does not have to comply with regulation 79B of the *National Consumer Credit Protection Regulations 2010* (the *Regulations*) in relation to a periodic statement of account (*statement of account*) prepared and given under Division 5 of Part 2 of the Code in relation to a credit card contract.

Where the exemption applies

5. The exemption in paragraph 4 applies if:
 - (a) under the terms of the credit card contract:
 - (i) the debtor may choose to enter a payment arrangement (*instalment plan*) in relation to any part, that exceeds \$249.99, of the total outstanding balance under the contract, under which that part of the outstanding balance is required to be paid by equal monthly instalments over a period of time chosen by the debtor; and
 - (ii) in relation to any amount of the outstanding balance under the contract that is not subject to an instalment plan (*revolving balance*), the minimum required payment each month is the greater of 10% of the revolving balance that is outstanding as at the issue date of the statement of account and \$100; and
 - (iii) the annual percentage rate in relation to an amount of the outstanding balance under an instalment plan is lower than the annual percentage rate in relation to the revolving balance by a margin of not less than 2% per annum; and
 - (iv) the annual percentage rate applicable to each instalment plan is the same across all instalment plans; and

- (v) the duration of an instalment plan cannot exceed:
 - (A) for an instalment plan commencing with a total balance of between \$250 and \$499.99 – 12 months;
 - (B) for an instalment plan commencing with a total balance of between \$500 and \$999.99 – 24 months;
 - (C) for an instalment plan commencing with a total balance of between \$1,000 and \$9,999.99 – 60 months;
 - (D) for an instalment plan commencing with a total balance of between \$10,000 and \$30,000 – 84 months; and
- (vi) the maximum overall credit limit available under the credit card contract is \$30,000, and
- (b) the statement of account includes a warning and details in the form specified in the Schedule to this instrument, unless:
 - (i) the total outstanding balance shown on the statement is \$50 or less; or
 - (ii) there is no outstanding balance; or
 - (iii) a payment arrangement is in effect which replaces the normal monthly minimum payments in relation to both the revolving balance (if any) and the balance under any instalments plans; and
- (c) the front page of the statement of account includes the following information:
 - (i) the total amount owing under the credit card contract as at the issue date of the statement of account; and
 - (ii) total interest charges applying to the minimum required payment for the month that is the subject of the statement of account; and
- (d) if the debtor has, or has had, one or more instalment plans during the period covered by the statement of account, the following information in relation to each instalment plan is contained in the statement of account:
 - (i) the instalment plan name or identifier;
 - (ii) the current balance for the instalment plan;
 - (iii) the amount required to be paid by the debtor each month under the instalment plan; and
 - (iv) the remaining duration of the instalment plan; and

- (e) if the debtor has, or has had, one or more instalment plans during the period covered by the statement of account, the statement of account displays the single interest rate applicable to instalment plans for that period; and
- (f) for any instalment plan referred to in the statement of account, ING Direct has given to the debtor, before the debtor entered into the instalment plan, the following information:
 - (i) the amount required to be paid by the debtor each month under the instalment plan;
 - (ii) the total amount of interest charges that will be paid by the debtor under the instalment plan over the duration of the instalment plan;
 - (iii) the interest rate applying to the instalment plan as at the time of entering the instalment plan;
 - (iv) the duration of the instalment plan; and
 - (v) a statement that the debtor can make additional repayments at any time to reduce the duration of the instalment plan and the amount of interest charged in relation to the instalment plan.

Condition

6. ING Direct must provide to ASIC, in writing, by:

- (a) 30 November 2017; and
- (b) 30 November 2018 (each, a *report date*),

information about consumer usage of the credit card contract in the 12 month period before the relevant report date, including:

- (c) the number of consumers that have entered the credit card contract;
- (d) the number of consumers that have created one or more instalment plans; and
- (e) the number of consumers that have extended the period of one or more instalment plans during the relevant instalment period.

Schedule

1. If the time to pay off the closing revolving balance, making only the minimum payment each month, is more than 2 years, the form of the warning and details referred to in paragraph 5(b) is as follows:

Minimum Repayment Warning: If you make only the minimum payment each month, you will pay more interest and it will take you longer to pay off your balance.

For example, for the revolving balance portion of your total outstanding balance:

If you make no additional charges using this card and each month you pay ...	You will pay off the closing revolving balance shown on this statement in about ...	And you will end up paying an estimated total of interest charges for that revolving balance of ...
Only the minimum payment for the closing revolving balance	[period]	[total interest 1]
[repayment 2]	2 years	[total interest 2], a saving of [savings 2]

Having trouble making repayments? If you are having difficulty making credit card repayments, please contact us on [phone number]. We may be able to assist you.

2. If the time to pay off the closing revolving balance, making only the minimum payment each month, is 2 years or less, the form of the warning and details referred to in paragraph 5(b) is as set out in paragraph 1 to this Schedule, but the item for [repayment 2] is not required.
3. In this Schedule:

[period] means the time, in years and months, needed to repay the revolving balance portion of the relevant credit contract, making the minimum repayment each month until the revolving balance is repaid, calculated on the assumption that:

- (a) the debtor pays the amount of the minimum payment mentioned in the statement of account each month; and
- (b) no other purchases or advances are added to the outstanding balance.

Note: The tolerances and assumptions in section 180 of the Code will apply to the calculation.

[repayment 2] means the minimum repayment plus an additional monthly repayment amount required to pay off the total amount outstanding and interest charges under the revolving balance portion of the relevant credit contract in 2 years.

[savings 2] is the difference between [total interest 1] and [total interest 2].

[total interest 1] means the total interest payable if the debtor is making the minimum repayment each month until the revolving balance portion of the relevant credit contract is repaid.

[total interest 2] means the total interest that the debtor would be charged if the debtor made payments of [repayment 2] to pay off the revolving balance portion of the relevant credit contract in 2 years.

Dated this 26th day of July 2016



Signed by Jennifer Lyons
as a delegate of the Australian Securities and Investments Commission