



Important notice for Westpac customers.

For business customers with business finance agreements that include one or more of the following facility types (“Market-priced Facilities”):

- Any Bank Bill Business Loan (including Fixed, Variable or with redraw);
- Any Agri Finance Loan (including Fixed, Variable or with redraw);
- Any Commercial Bill Line;
- Westpac Business One Loan;
- Negotiations Under Export Documentary Collections/Not Under Documentary Credits – Remittance Document against acceptance/payment with a base rate specified as Bank Bill Swap Yield (BBSY); and
- Westpac Trade Finance – Exports or Imports with a base rate specified as BBSY.

Effective 23 April 2020, the terms and conditions for your existing Westpac Business Finance Agreements entered into, renewed, or varied, since 1 March 2003 (BFA) are amended to insert a zero rate floor into the definitions of each of “BBSY” and “Market Linked Debit Interest Rate”, and to insert a new clause clarifying the alternative external reference rate for foreign currency drawings, as described below.

This amendment impacts Market-priced Facilities, except facilities that are:

- currently subject to a fixed rate, but will take effect from the end of a fixed rate period; or
- documented on BFAs where a zero rate floor for BBSY is already included in that agreement.

If you have a standalone derivative (such as an Interest Rate Swap), please contact your Financial Markets specialist for more information.

What is changing?

The following changes apply to the General Conditions Schedule in each BFA:

Section	Effect of the changes
Definition of “BBSY”	The existing definition of “ BBSY ” is amended to include the following at the end of the existing wording in that definition: “If, in either case, the rate is less than zero, BBSY will be taken to be zero.”
Definition of “Market Linked Debit Interest Rate”	The existing definition of “ Market Linked Debit Interest Rate ” is amended to include the following at the end of the existing wording in that definition: “If, in either case, the rate is less than zero, BBSY will be taken to be zero.”
Section 2 (your payment obligations) – clause 2.1(e)	Clause 2.1(e) in this section is amended to include the following wording at the end of the existing wording in that clause: “If you ask us to approve a drawing in a currency other than Australian dollars and we consider the base rate specified in this Agreement isn’t appropriate to apply to work out the interest rate for the currency and interest period for that drawing, we’ll use an alternative external reference rate we determine in good faith to be appropriate. We’ll let you know the interest rate if, and when, the requested drawing is approved.”

For more information, including some detailed examples, please refer to westpac.com.au/baseratenotice.