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Commercial Broker News



Introduction

June 2012

Another financial year is nearing an end and all our clients are busy with the June 30 activities. We are looking forward to a big month in our Asset Finance business as well as our Commercial Banking portfolios.

Naturally with the beginning of the new year comes changes and this is no exception for the Commercial Broker business with changes to the GST treatment of the Commercial Hire Purchase product as at July 1.

We are always interested in your feedback to further improve the Commercial Broker business, feel free to contact me to discuss further.

Kind regards,

Cosi De Angelis

ANZ

Head of Commercial Broker

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Commercial Broker

Variable ANZ BML Special Offer – 7.08% pa

Until further notice, ANZ Commercial Banking are offering a special rate on variable ANZ Business Mortgage Loans (BMLs), fully secured by residential property with a minimum loan value of \$250,000.

The following fees and charges now apply:

Variable Interest rate: 7.08% p.a (i.e. the Business Mortgage Index less 1.48% p.a.)

Loan Approval Fee: 0.50% of the new facility amount

Offer valid until further notice.

- All other fees and charges are at standard rates.
- The applicant must have an ANZ transaction account or be prepared to open one.
- These rates only apply to NEW business loans.

Important useful information

- ANZ Commercial Banking has a process to assess new commercial loans where the re-finance of an existing home loan is required. Criteria apply - speak to your Broker Manager or Commercial Manager for further details.
- “NZ Secured Lending” allows customers to apply for fully secured loans with streamlined documentation requirements. Criteria apply - speak to your Broker Manager or Commercial Manager for further details.

If you have any lending applications that meets the criteria, please contact your Commercial Manager, ANZ Broker Manager or call 1300 385 269.

If you have any queries or would like more information please contact your Broker Manager or National Broker Sales support on 1300 385 269 and email broker@anz.com

Product Watch: Commercial Bill Facility

The commercial bill is one of the most popular products utilised by customers from broker originated business, due to the flexibility it provides the customer, but what other benefits does the Commercial Bill have?

A Commercial Bill facility is a series of bills of exchange used to raise short, medium or long term finance in the Australian money market. The face value of the Commercial Bill represents the principal amount borrowed plus the interest owed for the term of the bill.

All Bill facilities (except vanilla variable facilities) need to be referred out to a Global Market Advisor who will assist structuring the facility.

Purpose	Commercial Bills can provide additional flexibility as they allow your customer's borrowing requirements to be tailored more closely to suit their cash flows and better manage future volatility. Bills can also have markets derivative and interest rate risk management/hedging products attached to them, to provide more options for customers.
Term	Up to 5 years (longer terms on approval)

Security	Secured or unsecured by residential, rural or commercial property and/or business assets, or a combination of these.
Loan amount	Minimum: \$500,000 Maximum: as determined by ANZ's normal lending criteria

Target market

Any investor or business including sole traders, professionals, partnerships, companies, or other business entities. Customers will have a need for capital financing and longer term working capital solutions.

Clients will typically have knowledge of the interest rate (BBSY) and money markets and often request a more sophisticated type of interest rate protection than ABL's can provide.

Benefits at a glance

- Can be highly flexible and adaptive to customer specific needs
- Access to expertise of Global Markets Advisor (ANZ money markets professional) to assist RM's to tailor risk management options and repayment solutions to individual customer requirements
- Ability to adjust the principal amount borrowed each rollover (or interest payment period) in line with business cash flow requirements, within a specified limit

Manage the associated interest rate risk by applying a structured solution to the Commercial Bill borrowings. Note, the interest rate risk management options only pertains to the portion of the interest rate that is BBSY

If you have any queries or would like more information please contact your Broker Manager or National Broker Sales support on 1300 385 269 or email broker@anz.com

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Changes to the GST treatment of the Commercial Hire Purchase product - Transition deals weekend 29, 30 June and 1st July

As a result of the May 2010 Federal Government budget, the GST treatment of the Commercial Hire Purchase (CHP) product will change on **1st July 2012**.

From 1st July 2012, all CHP contracts will be treated as fully taxable. The asset purchase component is already taxable but the changes mean that the terms charges (interest) and fees will now also become fully taxable and payable upfront at settlement or included in the total financed.

It is important to note that the new GST treatment is different to the GST treatment of a Lease agreement, where the GST is charged progressively on the rentals and residual. The new GST treatment is not retrospective and will only apply to contracts written from 1st July 2012.

All CHP contracts that are required to be settled prior to the 1st July 2012 will need to be submitted for settlement no later than **2pm local time Friday 29th June**. This will allow sufficient time for our fulfillment teams to settle all applications.

In the days leading up to, and including 29th June the fulfillment team will be prioritising all CHP contracts to ensure that all contracts are settled by 29th June. In the event that a CHP contract is suspended at settlement it is vital that you respond immediately to ensure settlement can be completed on the 29th June.

CHP contracts that are not settled prior to the 29th June will need to be withdrawn by the introducer from the system, however you will not need to re-enter all the customer information, it will be possible to modify an existing application. The GST on terms charges will default to financed, so if you are required to change this as the customer has requested upfront payment it will be possible to do so on the main quote screen. The financing of the GST on terms charges in some instances may require the application to be re-assessed.

ANZ has no ability post the 1st July to offer a non GST applicable CHP.

Your support during this process is appreciated and will assist in a seamless transition.

Settlement transaction deadlines: Friday 29 June 2012

To ensure transactions are settled in this financial year, fully compliant documentation must be received by ANZ by **2pm local time Friday 29 June 2012**.

Please note that all manual settlement requests should be faxed by 29 June 2012 by 12 noon (AEST) in time for processing these payments via the manual process.

To help us ensure transactions are settled by 30 June, please submit all deals as early as possible prior to the above deadlines.

If we do not receive complete documentation at settlement, the deal may be suspended and settled in the new financial year.

New Tax Year - important reminder on payslips (PAYG)

As we approach the new tax year, please remember that the "year to date" numbers on applicants PAYG payslips will have been re-set to zero from 1 July. As part of our standard consumer lending policy, we require evidence for full time employees that they have been employed for a minimum of 3 months with their employer. Accordingly, from July 1, 2012 until the end of September, in addition to submitting the most recent payslip, please provide payslip proofs to evidence the minimum of 3 months continuous employment.

This could take the form of the last payslip for the year ended 30 June 2012 (showing YTD numbers up to the last pay date before 30 June) or 3 months of continuous individual payslips.

In addition to this specific point, and as a reminder on payslips generally, when you receive an auto-approval that is subject only to the provision of payslips (PAYG) you do not need to refer the application to an analyst before settlement as long as all the following conditions are met:

1. The net income on the payslip is equal to or greater than the income declared on the application;
2. The payslip is provided by the same employer as declared in the application; and
3. The payslip includes the employer's ABN;
4. The year to date income is shown on the payslip (remembering the point made at the beginning of this item for the new tax year);
5. The most recent payslip has been issued within the last month before settlement; and
6. Customers employed less than 3 months must supply Previous Employers income (3 months current bank statements).

Please note: If an employment letter is provided at settlement in place of payslips, the application will be suspended and referred to an analyst for further review.

If you have any queries or would like more information please contact your Broker Manager or National Broker Sales support on 1300 385 269 or email broker@anz.com

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