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ABN 25 044 678 441

# THE LUTHERAN LAYPEOPLE'S LEAGUE OF AUSTRALIA INCORPORATED

## IDENTIFICATION STATEMENT

TO THE AUSTRALIAN SECURITIES & INVESTMENTS  
COMMISSION

ASIC INSTRUMENT 17-0310

AND PURSUANT TO REGULATION GUIDE 87 IN RESPECT TO  
RELEVANT ASPECTS OF

***ASIC CORPORATIONS (Charitable Investment Fundraising)  
INSTRUMENT 2016/813***

### 1 Identity

The Lutheran Laypeople's League of Australia Incorporated (LLL) was established in 1921 as a servant to the Lutheran Church of Australia Incorporated (LCA).

The LLL is incorporated under the Associations Incorporation Act of South Australia (1985) as amended. The incorporation number of the LLL under this legislation is A443.

The LLL was assigned by ASIC Australian Company Number 068 901 217 for the purposes of identification and lodging statutory material.

The LLL has a single office situated at 175 Archer Street, North Adelaide.

The LLL Australian Business Number as issued by the Australian Taxation Office is 25 044 678 441.

LLL is registered with the Australian Taxation Office as an endorsed Income Tax Exempt Charity under Subdivision 50-B of the Income Tax Assessment Act 1997.

## 2 Exemption

The LLL relies upon a specific exemption instrument, ASIC Instrument 17-0310, issued to it by ASIC under paragraphs 283GA(1)(a), 741(1)(a) and 926A(2)(a) of the *Corporations Act*. This exemption instrument enables the LLL to issue debenture products consistent with former ASIC Class Order CO 02/184 for a transitional period of time.

The LLL issues debentures to charitable investors. In so doing the LLL relies upon the exemptions offered under ASIC Instrument 17-0310 with respect to Parts 6D.2 and 6D.3 pertaining to the former Class Order CO 02/184.

The LLL does not operate a managed investment scheme as defined by the *Corporations Act*. Any references to investments within this Identification Statement pertain to the manner in which LLL manages its capital.

Section 3 of this Identification Statement sets out how the LLL complies with the exemptions under the former Class Order CO 02/184 and as applicable under ASIC Instrument 17-0310.

Specifically, LLL complies with the relevant exemption conditions under Section 2(a) to 2(d) of the former ASIC Class Order 02/184 as required of it under ASIC Instrument 17-0310. The LLL meets these requirement by ensuring that relevant offer documents given to clients contain appropriate relevant details pertaining to the identity of the LLL; terms and conditions of the debenture product in the case where material benefits to other persons may arise; that the debenture product has not been examined or approved by ASIC; and that the debenture product is designed for investors who wish to promote the charitable purposes of the LLL and for whom consideration of profit is not of primary relevance to the investment decision.

The transitional period of time that the LLL relies upon in these exemptions reflects LLL's current course of action to become a regulated Authorised Deposit-taking Institution under the *Banking Act*. Becoming an ADI will enable the LLL to raise funds for charitable purposes without relying on any exemptions from the *Corporations Act* in the future.

## 3 Compliance

The LLL has complied in full with all aspects of the former Class Order CO 02/184 which are similar to the current funding exemption instrument to which this Identification Statement relates. Its mode of operation in issuing debenture

products as described in this identification statement meets the ongoing requirements under the transitional exemption instrument.

The LLL ensures compliance with the conditions attached to the funding instrument (and former Class Order CO 02/184) as issued by ASIC through the following means:

- Ensuring that every offer document including electronic material is accompanied by relevant disclosures pertaining to the identification of LLL; terms and conditions of the offer; statements pertaining to the exemption from the LLL from certain fundraising provisions; that the scheme has not been examined or approved by ASIC; and a statement that debenture holders should be aware that the scheme is designed for investors who wish to promote the charitable purposes of the LLL and for whom considerations of profit are not of primary relevance.
- Annual lodgement of its audited financial accounts with ASIC containing general purpose financial disclosures and audit report. These statements are also lodged with the ACNC pertaining to the status of the LLL as a registered charitable entity in Australia.
- Strict policies and procedures are maintained by LLL to ensure staff and material does not constitute any unauthorised advice that could be construed as financial product advice or any kind of advice outside the scope of exemptions under the exemption instrument.
- Regular and prudent professional advice is sought by LLL to ensure compliance with laws, regulations and exemption conditions.
- No person other than the LLL, other than its staff who are employed on normal commercial terms, receive a material benefit from the promotion, administration, management or the giving of advice with respect to the LLL.

#### **4 Financial year**

The LLL financial year commences on 1 July each year and concludes on the following 30 June.

## 5 **AFS Licence**

The LLL holds Australian Financial Services License 329339 in relation to its non-cash payment facility of LLL@Home as granted by ASIC on 12 February 2009.

## 6 **Charitable Purpose, Method of Fundraising and Key Terms**

The Lutheran Laypeople's League of Australia Incorporated is a religious, charitable, not for profit organisation which exists to serve the Lutheran Church of Australia (also referred to as the 'Church') embracing the Districts and affiliations of the LCA, with word and deed in business and financial matters.

LLL issues debentures to members and supporters of the LCA constituency and these funds are used to provide ministry support to the LCA.

Debentures are offered to both individual and institutional investors embracing the following:

- People as retail, non-associated clients.
- People as retail, associated clients. Associated clients are those defined under Section 4 of ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 and includes members of Clergy of the LCA and paid staff members of associated entities but does not extend to volunteer (unpaid) staff members.
- People who are not retail or associated clients.

The LLL is seeking to become a regulated Authorised Deposit-taking Institution under the Banking Act. The LLL will effectively treat all investors as retail, non-associated clients once ADI status has been achieved.

The transactions entered into by the LLL in relation to its core activities are predominantly of three types:

- Administration of debentures involving receiving funds, withdrawals and interest credited to debenture holders where applicable (some debentures are held interest free at the discretion of the supporter).
- Provision of loans to the LCA that meet strict criteria and financial parameters. This involves drawdowns, repayments and interest charges.
- Investment of funds in the financial marketplace in the form of fixed interest and capital secure investments

together with other forms of security issued by regulated and highly rated ADIs in Australia.

These transactions take place on a non-commercial basis whereby interest rates and margins are governed with the intent of providing optimal benefit for charitable purposes while covering costs and safeguarding assets. The LLL only operates within Australia.

Further information is provided as follows:

### ***Investors (Debenture holders)***

Interest is offered on debenture products and supporters may withdraw funds at any time. This feature of debenture moneys being 'at call' is specifically enabled under the terms of the transitional funding instrument issued to LLL by ASIC.

The LLL holds an appropriate proportion of funds at call to facilitate withdrawals. During its history the LLL has maintained a low interest rate policy thereby benefiting the Church and its ministries.

The setting of the debenture interest rate offered to investors is determined by the LLL using a model which ensures an adequate interest rate margin is achieved to cover its operational costs and ministry grants to the LCA, and providing an adequate surplus to ensure capital adequacy and prudential policy requirements are responsibly met. The LLL has made only minor and infrequent changes to its debenture interest rate over its history in line with these principles.

The LLL uses an internet access facility, known as LLL@Home, through which debenture holders can access their funds by ordering cheques and / or transferring funds electronically. The LLL relies upon a number of third parties to deliver these services and holds an AFS Licence for its direct operation of a non-cash payment facility.

The LLL does not provide EFTPOS or ATM facilities.

The LLL does not charge any fees to depositors for any mode of transaction.

### ***Loans***

Constitutionally, the LLL is restricted to lending funds exclusively to the LCA, and bodies under the umbrella of the Church, for various projects undertaken to facilitate their ministries. The LLL may not make loans to private individuals or to the general public.

The LLL cannot advance loans without the approval of the LCA. The LLL will not advance funds unless it receives a guarantee of repayment and an indemnity for loss, in the event of default, from the LCA, embracing the recognised Districts of the LCA. In some instances, the LLL will also take direct security from the borrowing entity where appropriate.

These are safeguard measures to protect the interests of debenture holders.

### ***Investments***

The permanent funds of the LLL, together with debenture holders' funds that are not utilised in the ministry lending program, are invested in accordance with the strict requirements of the LLL constitution as follows (*extract*):

*“ With an ADI within the meaning of the Banking Act 1959; or in bills, bonds, inscribed stock, debentures, deposit receipts and other securities issued by the Commonwealth of Australia, or by any State, or by a public statutory authority constituted under the Law of the Commonwealth or any State. ”*

The LLL has developed an investment policy which directs management and further enhances investment practices as stipulated in the constitution. This policy ensures that investments are only made in highly rated Australian investments that are capital stable, diversified and highly liquid.

No investments or other form of assets are held by LLL other than in Australia.

The investments made by the LLL do not constitute an interest in a managed investment scheme as defined by the Corporations Act.

## **7 Audited financial reports**

The LLL lodges its audited financial report each year with the ACNC consistent with its charitable status and exemption from income tax under the Income Tax Assessment Act. The LLL also lodges its audited financial report together with associated audit report with ASIC as relevant to the holding of its AFS Licence.

**8 Guarantees or obligations**

No guarantees or promises are made nor proposed to be made to debenture holders of The Lutheran Laypeople's League of Australia Incorporated by any other person other than by The Lutheran Laypeople's League of Australia.

This Identification Statement supersedes earlier versions lodged with ASIC by LLL.

Signed this 3<sup>rd</sup> day of April, 2017.

A handwritten signature in black ink, appearing to read 'AK', with a long horizontal flourish extending to the right.

**Mr Allen Andrew Kupke**  
Chief Executive Officer