

Identification Statement

Lutheran Laypeople's League of Australia Ltd

Identification Information

Lutheran Laypeople's League of Australia Ltd (**LLL**)

ABN 25 044 678 441

ACN 627 336 707

Corporate Status: A company limited by guarantee incorporated under the *Corporations Act 2001*

LLL is also registered as a charity on the register maintained by the Australian Charities and Not-for-Profits Commission.

Registered Office: 175 Archer Street, North Adelaide, SA 5006

Compliance

LLL relies on exemptions under paragraphs 5(1)(b) and (c) of an ASIC instrument that is substantially in the form of the *ASIC Corporations (Charitable Investment Fundraising) Instrument 2016/813 (ASIC Instrument)*. It also relies on exemptions to Sections 7 and 8 of the *Banking Act 1959* provided by APRA – *Banking Exemption No.1 of 2021 (APRA Instrument)*.

(Summary) LLL has implemented policies, practices and procedures to ensure that all relevant conditions of the exemptions are met. Such policies, practices and procedures are revised and reviewed on a regular basis to ensure ongoing compliance.

Prior to February 2019, LLL was regulated as a religious charitable development fund and relied on a predecessor of the ASIC Instrument and 'grandfathering' relief during the process of applying for a *Banking Act 1959* authorisation. From February 2019, LLL was an authorised deposit-taking institution (**ADI**) with policies suitable for an ADI.

LLL has adequate resources to ensure compliance with its obligations under Section 7 of the ASIC instrument. The Executive Team of LLL will ensure that staff are appropriately trained and supervised and that breaches are reported.

LLL's Board monitors the operation of the investment program through a number of measures, including Board Audit, and Board Risk sub committees.

LLL ensures compliance with the conditions of the above exemptions in the following ways:

- LLL has lodged this Identification Statement with ASIC and it is made available to the public via the LLL website.
- LLL regularly reviews its Identification Statement and all relevant offer documents to ensure that they are up to date, complete and not misleading.
- LLL ensures that all relevant promotional material and offer documents detail:
 - o that neither LLL itself, nor its products, nor its promotional material and offer documents have been examined or approved by ASIC;
 - o how the investment funds will be used to support LLL's charitable purposes;
 - o that this Identification Statement may be viewed on the LLL website;

- that LLL is required by law to notify investors that its products and their offering are not subject to the usual protections for investors under the *Corporations Act* or regulation by ASIC;
 - that the investment is only intended to attract investors whose primary purpose for making the investment is to support LLL's charitable purposes;
 - that investors may be unable to get some or all of their money back when the investor expects, or at all; and
 - the investment is not comparable to investments with banks, finance companies or fund managers.
- Any false or misleading material statements relating to this Identification Statement are rectified as soon as practicable via the issue of a supplementary or replacement Identification Statement.
 - Each Identification Statement that has been accepted by ASIC for the purposes of the ASIC Instrument is available to the public on the LLL website for a period of five years after the last time that LLL relied on ASIC's acceptance of that Identification Statement.
 - LLL lodges audited financial statements covering the issue of debentures with the ACNC together with the associated Auditor's Reports, within 6 months after the end of each financial year. These audited financial statements comply with relevant accounting standards. The financial statements and the Auditor's Reports are made available to the public via the LLL website for a minimum period of 3 years from the date of issue and are accessible by a direct link from the web address where the LLL publishes the Identification Statement.
 - Within 15 business days of becoming aware of a matter that gives LLL reason to believe that it has failed or is likely to fail to comply with conditions of relief granted by the ASIC Instrument, LLL will give ASIC full particulars of the matter.

Financial Year

From 1 July to 30 June of the following calendar year.

AFS Licence

LLL holds Australian Financial Services Licence Number 329339, which authorises LLL to issue non-cash payment facilities. This licence may be subject to variation to remove the authorisation for deposit products, which LLL will not issue as an RCDF.

LLL relies on its AFS licence to issue non-cash payment facilities (such as BPAY[®] and "New Payment Platform" payments) to clients that are "**associates**" within the meaning of the ASIC Instrument.

LLL's debenture products are not issued in the capacity as a holder of an AFS licence.

Charitable Purpose

LLL Australia's purpose is to use its property for the benefit and advancement of the Lutheran Church of Australia (**LCA**) and bodies of the LCA (**LCA associated bodies**).

The objects of the LLL are to:

- provide aid to the LCA and LCA associated bodies in business and financial matters;
- raise funds from investors and provide loans to the LCA and LCA associated bodies in accordance with the policies of the LLL from time to time and in accordance with relevant laws;

- safeguard the interests of investors and customers;
- use its property for the benefit and advancement of the LCA and LCA associated bodies in such ways as the Board of the LLL in its absolute discretion may determine from time to time.

LLL delivers a relationship-centric approach to the people and the communities it serves, where money is turned into a force for good.

Method of Fundraising

LLL will issue unsecured debentures as its method of fundraising. Debentures will be issued to wholesale clients, retail, associated clients and retail, non-associated clients, and will lend the funds raised for profit to assist and grow the mission of the Lutheran Church in Australia.

All investment by retail, non-associated clients (within the meaning of the ASIC Instrument) will be on terms such that a minimum 31 days' notice is required to redeem the investment (except at the end of the term of a fixed term debenture or in the case of hardship).

Under the ASIC Instrument, a "**retail, non-associated client**" is a person who is a retail client under the Corporations Act, and is not the LCA, a body constituted by or under the authority of the LCA, a LCA entity, LCA clergy, a member of the General Church Board, a Lutheran body of shared charitable purpose or a paid employee of the LCA or LLL.

LLL uses funds raised to make loans to associates, usually to LCA bodies such as schools, and charges interest on those loans.

Importantly, as LLL is a registered charity, it is able to operate prudently and maintain an appropriate margin while offering investors competitive rates, and allowing the LCA associated bodies that are borrowers lower lending costs than they might be charged by a for-profit provider.

LLL generates a margin between the rates paid to investors and those charged to borrowers. This surplus funds the operating costs of LLL and provides support to the Mission of the LCA as described below. LLL aims to retain surpluses sufficient to:

- Maintain capital adequacy higher than 11.5% of Risk Weighted Assets;
- Make annual distributions to the LCA in accordance with the objects of LLL; and
- Fund grants to organisations which share the charitable purpose of LLL.

In this way, the funds raised support the charitable aims of LLL, providing concessionally priced loans to LCA associated bodies and providing distributions and grants to support the Mission of the LCA.

Key Terms

LLL offers several classes of debentures on the terms set out below. As a general rule, no fees or costs are payable by the holder of a debenture. However, LLL may pass on government taxes to holders and holders may be liable to reimburse LLL in rare cases where it suffers loss due to following instructions from the holder or their representative.

LLL has a Hardship Procedure, which allows for early release of funds in specific circumstances.

Products are accessible online via LLL Online.

Interest rates offered are reviewed regularly and varied from time to time. Changes in interest rate are notified by publication on the LLL website.

Term Investments	<ul style="list-style-type: none"> • A debenture product with minimum investment of \$1,000 although this may be waived at the discretion of LLL. • The rate of interest payable on each term investment is fixed for the term of the investment and is that current at the time of application. • Interest is calculated daily and paid at maturity. • At maturity, principal and interest may <ul style="list-style-type: none"> ○ be paid in whole or in part to a nominated LLL facility ○ be paid in whole or in part to a nominated ADI account in the client’s name or by LLL initiated non-negotiable cheque in the client’s name (for retail, non-associated clients); or ○ be reinvested (in respect of the whole or any remainder) as a new fixed term investment at the interest rate applicable at the time. • The terms offered on investments are available on the LLL website and may range from 31 days to 5 years. <p>(Because Instant Access Facilities are not offered to non-associated clients, amounts paid to another facility in the client's name will then be subject to 31 days' notice for any withdrawal.)</p>
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Instant Access Facility	<ul style="list-style-type: none"> • Available only to associate clients. • A debenture product which allows additions and partial or total withdrawals from time to time. • No fixed term. • No minimum investment. • Cash withdrawals available • LLL-initiated cheques available • EFT and BPAY® settlement facilities • Interest is calculated on the daily closing balance and paid annually to the facility.
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Notice of Withdrawal Facility	<ul style="list-style-type: none"> • A debenture product which allows additions from time to time. • No fixed term. • Partial or total withdrawals require 31 days’ notice (except in case of hardship). • Withdrawals by an associated client are available by cash, LLL initiated non-negotiable cheque or direct credit. • Withdrawals by a retail, non-associated client are available by direct credit to a nominated ADI account in the client’s name or by LLL initiated non-negotiable cheque in the client’s name. • No minimum investment. • Interest is calculated on the daily closing balance and paid annually to the facility.
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Repayment and Redemptions
 The above debenture products issued by LLL are held on terms that they may only be repaid or redeemed:

(a) if LLL has reasonable grounds to believe that if:

(i) all repayments and redemptions that LLL may be required to pay on that day were made; and

- (ii) all repayments and redemptions that may reasonably be expected to be due on each future day were made on that future day, all holders of LLL debentures would be repaid or redeemed on that day and on each future day in accordance with holders' entitlements; or
- (b) where the holder of an LLL debenture is an individual, if LLL is satisfied that the repayment or redemption would alleviate financial hardship that the holder is suffering or would suffer; or
- (c) if LLL is wound up.

Investors

LLL will offer debentures to:

- Persons and organisations as wholesale clients and retail, associated clients (including the LCA, a body constituted by or under the authority of the LCA, a LCA entity, a member of the General Church Board, LCA clergy, a Lutheran body of shared charitable purpose or a paid employee of the LCA or LLL).
- Persons as retail, non-associated clients that wish to support the charitable purpose of LLL

Debentures are generally offered to potential associated investors in person, over the phone or online, through printed and online material issued by LLL. Investors will receive statements of account. Investors may have online access to their accounts and statements.

Audited Financial Reports

Audited financial accounts will be lodged with the Australian Charities and Not-for-Profits Commission, and published on LLL's website, www.lll.org.au for 3 years in each case.

Guarantees or Obligations

Debentures are unsecured.

Asset Types

The type of assets that will be held by LLL are:

- Loans advanced to LCA and LCA associated bodies;
- Investments in term deposits with ADIs, or investment grade bonds, generally in Australia but potentially in well-regulated offshore markets;
- Derivatives or foreign exchange contracts needed to manage risks arising from principal investments; and
- Cash and at call investments with ADIs.

Assets will be held and dealt with on LLL's own behalf.

Acceptance of identification statement by a sponsor

Not applicable.

Signed:



Name: Tania Sargent

Position: Company Secretary

Date: 29 January 2024