

# Western Australian State Bonds

## Government Guaranteed

Frequently asked questions about State Bonds as a Designated Investment

### **What is the required method of payment? Can I send my money to you electronically?**

We require that you arrange electronic transfer of your investment funds to our bank account once payment instructions have been issued by this office.

Please ensure that your name is included on the electronic transfer as the person transmitting the funds.

If possible, your money should be transferred as immediately available funds using Real Time Gross Settlement ("RTGS"). RTGS means that your funds will appear in our bank account on the day of transfer rather than being included in the overnight clearance process. If your bank cannot provide this option, then a standard telegraphic transfer is acceptable.

### **What costs are involved in transferring funds?**

Our banker does not deduct fees from investment funds credited to our bank account. However, your bank may charge you a fee for transferring your money to us. If your bank uses an intermediary bank or agency additional fees may be deducted.

The payment of fees associated with the transfer of your investment funds to our bank account is your responsibility.

We recommend that you speak to your bank about this matter. Please ensure fees are not deducted from the amount of investment funds you are using for your Designated Investment.

### **Can I make a Designated Investment using a currency other than Australian Dollars?**

No, in accordance with our Terms and Conditions Statement we require you to deposit Australian dollars directly into our bank account.

### **Does the purchase of real estate, or another form of investment, qualify as a Designated Investment?**

No, in accordance with guidelines issued by the Department of Home Affairs only bonds issued by an approved participating authority, such as ourselves, qualify as a Designated Investment.

### **When should I purchase the bonds necessary for my Designated Investment?**

The purchase of State Bonds as a Designated Investment is the final step in completing your visa application. Accordingly, you will be invited by the Department of Home Affairs to make your Designated Investment after you have satisfied all their other requirements.

### **How long will it take for you to process my Designated Investment application?**

As soon as we have received your investment funds and our Registry is in possession of your original documents - Department of Home Affairs Declaration Form 1031, State Bonds Cash Application form, Investor Identification Information form (INDIVIDUAL section), certified copy of passport(s) and copy of Department of Home Affairs correspondence, registration of your Designated Investment will commence.

Our registry will make every endeavour to process your application promptly however, it may take up to a week for them to complete registration of your application.

At the end of this time, they will complete Part C of the Form 1031 you received from the Department of Home Affairs and post it back to them.

In addition, our Registry will post a Certificate of Inscription to your postal address. This certificate provides you with confirmation of your stockholding.

### **What does TFN/Exemption mean in the application form? Do I need to complete this section?**

TFN refers to a number issued to Australian resident taxpayers by the Australian Taxation Office. If you are a non-resident of Australia you have an automatic exemption from quoting a Tax File Number. However, we require that you advise us of your exemption status by completing the TFN/Exemption section provided on the State Bonds Cash Application form using the word 'non-resident'.

For more information about this subject, please refer to our Terms and Conditions Statement included in our information packages.

### **Can my Designated Investment be registered in more than one name?**

In accordance with our Terms and Conditions Statement, a Designated Investment may be inscribed solely in the name of an individual, or jointly in the names of up to four individuals. It is acceptable therefore, for the bonds to be held jointly in your name together with the name of your partner and/or children.

Under the Department of Home Affairs guidelines, the person whose name appears as the main applicant for the visa is required to appear on the Certificate of Inscription that we issue as evidence of ownership of the Designated Investment.

It is unacceptable for you to include the name of a person who is not a party to the visa application on our State Bonds Cash Application form.

### **How will interest be paid?**

Interest will be paid every six months by direct credit to an account maintained at a bank, building society or credit union in Australia nominated by the registered holder of the Bonds.

Payment instructions must be provided when completing the State Bonds Cash Application form. This payment will be made in Australian dollars.

### **What happens to my investment at maturity?**

At maturity, your Designated Investment will be automatically redeemed.

Your final interest and your principal amount will be paid by direct credit to an account maintained at a bank, building society or credit union in Australia in accordance with your existing payment instructions. The Corporation will not make payments by cheque.

This payment will be made in Australian dollars.

### **How do I change details about my Designated Investment?**

We require you to complete and provide our Registry with a Change of Details Form when you want to change the registered details of your Designated Investment. This includes:

- a change of address and/ or contact details;
- an amendment to instructions for the payment of interest and principal; and
- the recording of TFN information.

**Important:** Please be advised, we strongly discourage amending your registered bank account details during the life of your investment. Any such instructions will require extensive security checks owing to the global rise in identity theft.

Also, the Form must be signed by every stockholder in the case of a joint holding otherwise our Registry will not be able to act upon your notice.

For your information, the signatures of the stockholders appearing on our State Bonds Cash Application Form are used to authenticate any request to change the registered details of a Designated Investment.

### **Do I have to pay tax on the interest I receive from my Designated Investment?**

The interest we pay to Australian resident stockholders forms part of assessable income under Australian taxation law and should be declared to the Australian Taxation Office.

Under TFN withholding tax legislation, our registry is required to withhold tax from investment income paid to Australian residents in situations where a TFN has not been quoted or an exemption from quoting a TFN has not been claimed.

As the owner of State Bonds, you may exercise your right not to quote a TFN or claim an exemption. This choice may, however, result in an amount being deducted from your investment income at the highest marginal rate of tax plus the Medicare levy.

In the event that you are a non-resident of Australia at the time we pay interest to you, our registry is required to deduct non-resident interest withholding tax from the total amount of your interest payment and remit this amount to the Australian Taxation Office.

The address you provide us with when you complete your State Bonds Cash Application Form is used by our registry to confirm your residential status unless you have provided our registry with written notice of a change of address.