



Authority to carry on banking business

Banking Act 1959

I, Brandon Kong Leong Khoo, a delegate of APRA, under subsection 9(3) of the *Banking Act 1959* (the Act), GRANT PayPal Australia Pty Limited ACN 111 195 389 (the ADI), authority to carry on banking business in Australia.

Under paragraph 9(4)(a) of the Act, I IMPOSE on this Authority the conditions set out in the attached Schedule.

This Authority commences on the date it is signed.

Dated

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Brandon Kong Leong Khoo
Executive General Manager
Specialised Institutions Division

Interpretation

In this Notice

APRA means the Australian Prudential Regulation Authority.

ADI is short for authorised deposit-taking institution and has the meaning given in subsection 5(1) of the Act.

banking business has the meaning given in subsection 5(1) of the Act.

Note 1 Under subsection 9(4) of the Act, APRA may at any time, by notice in writing served on an ADI, impose conditions or additional conditions or vary or revoke conditions imposed on its Authority to carry on banking business. The conditions must relate to prudential matters.

Note 2 Under subsection 9(6) of the Act, an ADI is guilty of an offence if it does or fails to do an act and doing or failing to do that act results in a contravention of a condition of the ADI's Authority, and there is no order in force under section 11 of the Act determining that subsection 9(6) does not apply to the ADI. The maximum penalty is 200 penalty units or, by virtue of subsection 4B(3) of the *Crimes Act 1914* in the case of a body corporate, a penalty not exceeding 1,000 penalty units. By virtue of subsection 9(6A) of the Act, an offence against subsection 9(6) is an indictable offence.

Under subsection 9(6B) of the Act, if an ADI commits an offence against subsection 9(6), the ADI is guilty of an offence against that subsection in respect of the first day on which the offence is committed and each subsequent day (if any) on which the circumstances that gave rise to the ADI committing the offence continue (including the day of conviction for any such offence or any later day).

Note 3 The circumstances in which APRA may revoke an ADI's Authority are set out in section 9A of the Act.

Note 4 Under subsection 9(3) of the Act, a copy of this Notice must be provided to the ADI. Under subsection 9(7) of the Act, APRA must publish a copy of this Notice in the *Gazette* and may cause notice of the grant of the Authority to be published in any other way it considers appropriate.

Schedule - the conditions imposed on the Authority

This authority is subject to the conditions, made under subsection 9(4) of the Act, that:

1. The banking business that the ADI is authorised to carry on is confined to providing purchased payment facilities. A purchased payment facility has the meaning set out in subsection 9(1) of the *Payment Systems (Regulation) Act 1998*.
2. The ADI must, at all times, hold Tier 1 capital in the greater of the following two amounts:
 - a) \$5 million; or
 - b) 5% of total outstanding stored value liabilities.

Stored value liabilities has the meaning set out in paragraph 6 of prudential standard APS 610

3. The ADI must not pay interest on amounts held for the benefit of its customers.