

29 March 2018

ASX Market Announcements  
Australian Securities Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

---

## Recent changes to New South Wales ('NSW') legislation relating to purchasing of gift cards

---

EML Payments Limited (**ASX: EML**) is aware of recent changes to the *Fair Trading Act 1987 (NSW)*, commencing 31 March 2018. The changes introduce a mandatory minimum expiry period of 3 years for gift cards and gift vouchers sold to a consumer in NSW, Australia, as well as a ban on post-purchase administration fees.

The proposed changes will only affect a small portion of EML's Australian gift card business as over 80% of Australian Non-Reloadable Gross Debit Volumes derive from corporate funded incentive card programs which are exempt from these legislative changes. In FY18, EML expects to generate less than 0.5% of group EBTDA from consumer loaded gift programs impacted by the change.

EML is working with program managers to minimise the impact on clients and consumers and to ensure compliance with the new legislation prior to the end of the transition period on 30 September 2018.

For those cards sold within NSW impacted by the legislative changes, the time in which card breakage converts into cash will increase from 12 months to 36 months.

The impact of this delayed cash flow will be immaterial to the Group's results and will be offset, to some degree, by interest generated on the breakage funds, which we are required to hold for the extended period.

Breakage from NSW-sold consumer gift cards will continue to be recognised in accordance with the group's accounting policy for revenue from expired funds, as detailed in the Group's last annual report available on our website ([www.emlpayments.com](http://www.emlpayments.com)).

The NSW legislative changes form part of the varied international regulatory environments in which EML operates. EML does not expect any flow-on impacts to our international markets, given regulators in each region or country in which we operate are working to their own set of priorities and timelines. We would note that since inception as a public company in 2011, the potential impact of an adverse regulatory change materially impacting breakage revenues has been raised and over that same time period we have seen no such material adverse impacts.

In the event of any adverse regulatory change to breakage, impacting either revenue recognition or cash flow, we would inform shareholders under our continuous disclosure obligations and we would manage the impact of the changes as part of our ongoing dedication to proper risk and compliance principles.



It is also worth informing shareholders that as a matter of ordinary course of business, our contracts generally allow for the renegotiation of commercial items if there is an adverse regulatory change impacting one or more of the revenue components.

### About EML

With payment solutions from EML, you will be empowered with more control, transparency and flexibility over your payment processes. Whether you serve businesses or consumers, EML makes your payment process more efficient and secure from start to finish, while helping you improve customer service and increase brand loyalty. Our portfolio offers innovative payment technology solutions for payouts, gifts, incentives and rewards, and supplier payments. We issue mobile, virtual and physical card solutions to some of the largest corporate brands around the world, process billions of dollars in payments each year, and manage more than 1,100 programs across 19 countries in North America, Europe and Australia. Learn more at [www.EMLpayments.com](http://www.EMLpayments.com)

### For further information, please contact:

**Tom Cregan**

Managing Director, EML Payments Limited

M: 0488 041 910

E: [tcregan@emlpayments.com.au](mailto:tcregan@emlpayments.com.au)