

Kraken- Krak Pay- TMD

TARGET MARKET DETERMINATION

Issuer	Beaufort Fiduciaries Pty Ltd (ACN 162 139 871)
Distributor	Bit Trade Pty Ltd (trading as Kraken Exchange Australia) (ACN 163 237 634)
Financial product	Non-cash payment facility (Krak-Pay)
Date	
Version	1.2

About this document

The design and distribution obligations set out in Part 7.8A of the *Corporations Act 2001* (Cth) ("Corporations Act") ("DDO") apply to the issue and distribution of financial products to retail clients. DDO applies to a non-cash payment facility, which is a financial product for the purposes of Division 2 of Part 2 of the *Australian Securities and Investments Commission Act 2001* (Cth). DDOs are intended to assist retail clients to obtain appropriate financial products by requiring product issuers and distributors to take a consumer-centric approach to the design and distribution of financial products.

This document is a target market determination ("TMD") for the purposes of section 994B of the *Corporations Act* in respect of Krak Pay issued by Beaufort Fiduciaries Pty Ltd (ACN 162 139 871) and distributed by Bit Trade Pty Ltd (trading as Kraken Exchange Australia) (ACN 163 237 634) "Kraken".

The purpose of this TMD is to describe the class of consumers for whom the Non-Cash Payment Facility provided through Krak Pay and a corresponding Kraken account has been designed, based on their likely objectives, financial situation and needs.

This product is being available through Bit Trade Pty Ltd (BTPL) who is acting as an Authorised Representative of Flexewallet Pty Ltd ("Flexewallet") (AFSL#448066).

Kraken provides the facility for making non-cash payments through the Krak Pay app and a corresponding Kraken account. Kraken is the provider of the Krak Pay app

Kraken has oversight over how the product is promoted and issued. All clients must meet Kraken's suitability conditions for the product. In addition, this document outlines Kraken's views that the conditions specified are appropriate and are of a nature that it will be likely that the product will be distributed to a client in the Target Market and it would likely be consistent with the client's likely objectives, financial situation and needs.

This document also outlines the distribution conditions, review triggers and significant dealing reporting obligations associated with this product.

This TMD is not a summary of the product's terms and conditions and is not a substitute for legal or financial advice.

Consumers must refer to the [Product Disclosure Statement \(PDS\)](#) and the Terms and Conditions, as available at <https://www.kraken.com/en-au/legal/global-terms> before making a decision.

Class of Consumers in the target market

This product is intended for individual consumers who:

- Are 18 years of age or older;
- Have a Kraken account;
- Must be an Australian resident;
- Is comfortable with accessing and managing their account through digital channels.
- Seeking a fast, low-cost way to send/receive funds;
- Looking for a low-friction portal for payment transfers;
- Agree to the [Terms and Conditions](#).

Consumers NOT in the target market

This product is not intended for individual consumers who

- Are under 18 years of age;
- Not an Australian resident;
- Does not hold a valid government issued identification
- Are not comfortable using a mobile app for payments and have basic or no digital literacy

About Krak-Pay

Krak Pay is a free, instant, 24/7 digital payment feature built into the Krak mobile app. It lets verified Australian users transfer both fiat and crypto assets to other Krak Pay users without bank details or external wallet addresses.

- Cross-Border: Send or receive any of 300+ supported fiat or crypto assets.
- Instant & Fee-Free: All Krak Pay transfers are processed instantly on Krak's internal ledger at no cost.
- Kraktags (@handles): Unique, user-chosen IDs replace long account numbers, making it easy to find and pay contacts.
- Paylinks: Generate and share a secure URL for non-users to sign up and claim funds—ideal for one-off requests or payments to new recipients.
- Seamless Kraken Integration: Existing Kraken credentials work in Krak; balances are kept separate so you can move funds into your Krak wallet for payments.

Consistency with Likely Objectives, Financial Situation, and Needs

The Krak Pay product (including its key attributes) aligns with the objectives, financial situation and needs of consumers in the target market as follows:

- **Instant, fee-free peer-to-peer transfers**
Krak Pay enables verified Australian users to send and receive fiat or crypto instantly, at no cost, directly to another Krak account. This meets the target market's objective of a fast, low-cost payment facility and satisfies their need for immediate settlement without bank delays or fees.
- **Simple identifier-based payments**
By using @Kraktags and shareable Paylinks, Krak Pay removes the need for bank account numbers or external crypto wallet addresses. This matches the target consumers' need for an intuitive, low-friction payment experience and reduces the risk of mistaken payments.

Distribution Conditions

To ensure Krak Pay is distributed only to consumers within the identified target market, the following processes and safeguards are in place:

1. **Verified Krak/Kraken Account Required**
Krak Pay is available only to consumers who hold a verified Krak (Kraken) account, and have read and accepted Terms of Service. Unverified or unregistered users cannot enable or access Krak Pay.
2. **Mandatory AML/KYC Clearance**
Access to Krak Pay is granted solely to consumers who have successfully completed all AML/CTF and KYC requirements. Any consumer who fails these checks is automatically excluded from using the product.
3. **Official Digital Channels Only**
Krak Pay will be distributed exclusively through Krak's own digital platforms—namely, the Krak mobile app (iOS and Android) and the official Kraken website. No third-party brokers, resellers, or unsolicited marketing channels are permitted to offer or enable Krak Pay.
4. **Targeted Marketing Controls**
Krak and Flexewallet will ensure that all marketing and promotional activities for Krak Pay (issued by Beaufort Fiduciaries Pty Ltd) are directed only at Australian-resident users with verified Krak/Kraken accounts. Marketing materials (in-app banners, emails, social media posts) will highlight the product's key features, eligibility requirements, and risks.

These distribution conditions help confirm that Krak Pay is offered and made available only to consumers whose likely objectives, financial situation, and needs align with the product's design.

Review Triggers

This TMD will be reviewed:

- Within 12 months of the effective date and annually thereafter;
- Upon any significant change in the product, distribution method or regulatory environment;
- If significant complaints are received or a pattern of inappropriate distribution is observed;
- If external events suggest that the TMD no longer appropriately describes the target market.

Reviews triggered by such events will be conducted within 10 business days.

BTPL may collect the following information in relation to this TMD

- Monthly complaints reports related to the product;
- Immediate notification to ASIC of any significant dealings outside the target market (within 10 business days);
- Feedback on consumer experience, use of product features, and transaction volumes.

This data supports Bit Trade's ongoing compliance with its product governance and DDO obligations.