

Litigation Funding Facility

Litigation Funding Facility offered by
Eastern Credit Management Pty Ltd

Target Market Determination

Target Market summary

A Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001 (Cth) (the Act). It sets out the target market for a product, triggers to review the TMD and certain other information. It forms part of the product issuer's design and distribution framework for the product.

This TMD is for a litigation funding facility offered by Eastern Credit Management Pty Ltd to individuals to fund the cost of disbursements needed to pursue their personal injury claim (Litigation Funding Facility).



Target Market Determination

Name of product	Litigation Funding Facility offered under the brand name Disbursement Funding Australia
Issuer name	Eastern Credit Management Pty Ltd (ECM)
Issuer ACN	623 243 336
TMD date	4 April 2025
TMD Version	2

Product description

Litigation funding available to approved individuals (“claimant” or “customer”) who are pursuing a “no-win no-fee” personal injury claim through an approved law firm for the sole purpose of funding the cost of disbursements associated with their claim(s).

Key product attributes

The purpose of the Litigation Funding Facility is to pay the claimant’s disbursements incurred in connection with pursuing their personal injury claim.

The Litigation Funding Facility is on a “don’t win don’t pay” basis, in that the Claimant has no liability to make any payment unless they receive proceeds from their legal claim, and then only to the extent of the proceeds received.

The facility limit is set by reference to the total disbursements expected to be incurred.

The maximum term is five years (unless extended by ECM).

There is no requirement to make any payments prior to receipt of the claim proceeds. If and when claim proceeds are received, the Claimant is required to make a payment equal to the amount of the facility they utilised plus a success fee. The payment cannot be more than the claim proceeds received.

The Litigation Funding Facility provides the claimant with an alternative to paying for the cost of disbursements themselves (“self-fund”). It may be preferable not to self-fund for a number of reasons, including where the claimant does not:

- have the financial resources to pay for the disbursements themselves, or if they do they have other preferred uses for them

- wish to bear the risk and impact of not recovering the cost of the disbursements if their claim is unsuccessful.
- wish to have the administrative effort of paying for the individual expenses.

Target Market of the Litigation Funding Facility

The Target Market is individuals (referred to below as “customers” below) pursuing a personal injury claim through an approved law firm on a no-win no-fee basis, who cannot, or do not wish to, pay for the disbursements themselves.

The Litigation Funding Facility has been designed for individuals whose likely objectives, financial situation and needs (set out below) align with the Litigation Funding Facility including its key attributes.

Needs of the customer

The Litigation Funding Facility meets the needs of the customer, in that:

- it is on a “don’t-win don’t-pay” basis, so that the customer does not bear the risk of not recovering the cost of the disbursements if their claim is unsuccessful
- it relieves the customer from the administrative burden of paying individual disbursements
- it pays all types of disbursements necessary to pursue a personal injury claim
- its funding limit is set at level sufficient to cover the expected total disbursements of each claim
- its maximum term is in excess of what is likely to be required to conclude a personal injury claim.

Objectives of the customer

The Litigation Funding Facility meets the objectives of the customer, in that:

- it allows the customer to pursue their personal injury claim without having to use their own financial resources to pay for their disbursements
- the success fee, payable only if their claim is successful, should not thwart the customer’s objective of receiving adequate compensation by potentially deducting an outsized proportion from the gross compensation awarded (but noting that actual claim proceeds received upon resolution of a claim may be significantly lower than the amount anticipated when the commencing the claim and deciding whether or not to use litigation funding).

Financial situation of the customer

By being on a “don’t win, don’t pay” basis, the funding agreement is designed to have no adverse impact on a customer’s financial situation, regardless of the particular financial situation of each customer.

The customer may terminate their funding facility by making the required payment at any time without penalty, including if their preference between choosing to self-fund or using a funding facility changes.

The Litigation Funding Facility is suitable for customers of any age.

Distribution conditions/restrictions

ECM has determined that the following distribution conditions and restrictions will make it likely that customers are within the target market for which the funding facility has been designed:

- The funding facility is only offered to individuals who have signed an agreement for the provision of legal services with an approved law firm to pursue a personal injury claim.
- The funding facility’s promotional material has prominent disclosure that the claimant should consider the alternative choice of self-funding.
- Training materials for the Law Firms include the need to explain to the claimant that they have two options; using the funding facility or self-funding.
- The application process requires confirmation from the Law Firm it has explained to the customer the existence of the two options, and that the customer has chosen the funding facility.

Review and monitoring

ECM reviews this TMD in accordance with the below:

Review period	Maximum period for review
Initial review	1 year and 3 months ¹
Periodic review	Every 1 year and 3 months ¹

Review triggers
<p>When any event or circumstance arises that suggests the TMD is no longer appropriate. This includes (but is not limited to):</p> <ul style="list-style-type: none">(a) ASIC reportable significant dealing outside of TMD.(b) Significant or unexpectedly high number of complaints (as defined in section 994A(1) of the Act) regarding product design, product availability or any distribution condition where the product issuer considers this reasonably suggests that this TMD is no longer appropriate.(c) A material change to key product attributes, terms and/or conditions where the product issuer considers this reasonably suggests that this TMD is no longer appropriate.(d) The use of Product Intervention Powers, regulator orders or directions in relation to the distribution of this product where the product issuer considers this reasonably suggests that this TMD is no longer appropriate.(e) A significant breach event relating to the design or distribution of this product where the product issuer considers this would reasonably suggest that (i) this product is unsuitable for a particular cohort of customers and (ii) the TMD may no longer be appropriate.(f) A significant change in the regulation of personal injury claims(g) A material change in the circumstances of an approved law firm which is likely to impair either’s ability to act for persons pursuing personal injury claims.

¹ The review period allows for the collection of data after 1 year and 3 months, plus three months for the completion of the review.

Distributor information reporting requirements

ECM will collect the following information from distributors in relation to this TMD:

Which distributors this requirement applies to	Reporting requirement	Reporting deadline
All distributors	To the extent a distributor is aware of dealings outside the target market, these should be reported to the issuer, including reason why acquisition is outside of target market, and whether acquisition occurred under personal advice.	As soon as practicable but no later than 10 business days after the family law firm becomes aware of the dealing.
All distributors	Any relevant feedback from customers (including performance of the product).	As soon as practicable but no later than 10 business days after the family law firm receives the feedback.
All distributors	Any complaint (as defined in section 994A(1) of the Act) where the nature of the complaints relate to product design, product availability and distribution conditions, is to be referred to the issuer.	As soon as practicable but no later than 10 business days after the family law firm receives a complaint .

This TMD is not a summary of the features or terms of the product and is not intended to provide financial or professional advice. This TMD does not consider an individual's particular objectives, financial situation or needs. Persons with a personal injury claim which they are pursuing through an approved law firm and are considering taking out a Litigation Funding Facility should consult all contractual information when making a decision about this product.

Eastern Credit Management reserves the right to amend or update this TMD at any time.

