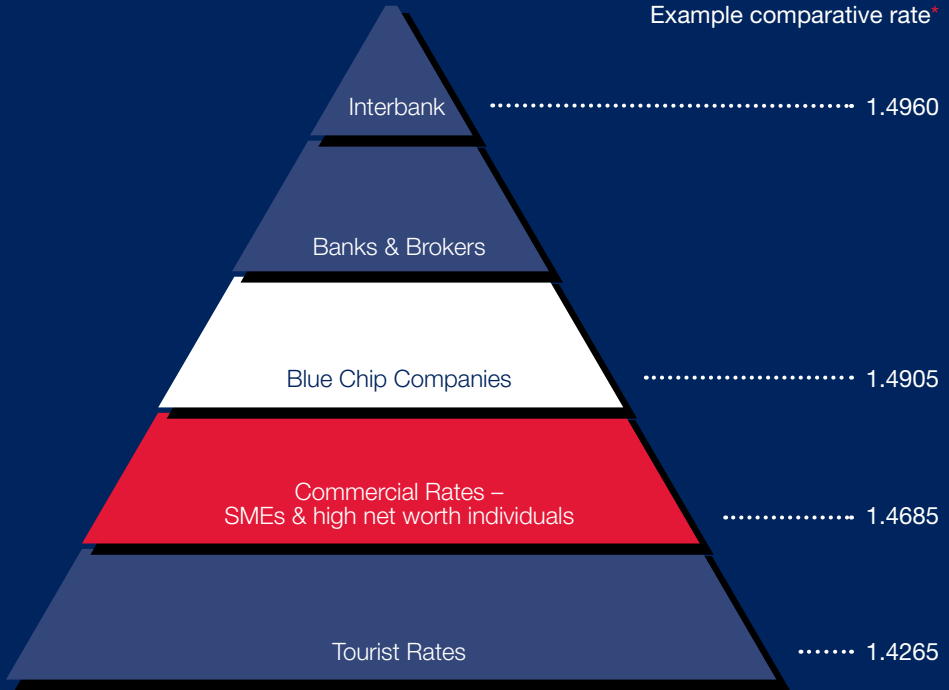




# Guide to Corporate Foreign Exchange

However, in terms of access to foreign currencies and money market tools, large companies are still given an unfair advantage by the major banks. They get better exchange rates, have the economies of scale to justify the overheads of running multiple currency accounts and have access to tools like forward options and limit orders that the banks do not normally make available to smaller organisations.

Example comparative rate\*



## How can we help your business?

Our corporate team can handle all of your foreign currency payments & receipts and give you access to the same money market tools as the largest companies.

As you can see from the forex market pyramid, SMEs normally only have access to rates in the tier just above tourist rates. We buy currency on your behalf from the market, giving you access to the same competitive rates enjoyed by blue chip companies.

Independent research has shown that the lowest rates offered by BuyCurrency.us “were 1.27% better than the lowest rates at the high street banks”. We also provide a faster, more flexible service specifically designed to support the smaller enterprise.



## Benefits:

We work in partnership with our corporate clients, helping them to minimise currency risk, maximise profits, and accelerate cash-flow.

We provide:

- Better exchange rates than offered by the clearing banks.
- Currency market tools to reduce exposure to rate volatility.
- Service tailored to your foreign exchange requirements.
- A proactive approach.
- A dedicated account manager who understands your business.
- A fast and efficient payment service.
- Payment confirmation faxed or e-mailed to you or your suppliers, as required.
- Multi-lingual staff to help resolve issues with foreign banks.

We will save you time and money on your forex transactions.

# Money Market Tools

Several foreign exchange contract types or market tools are available to our customers that can both mitigate risk and gain maximum benefit from fluctuating currency markets. Tools such as Stop Loss and Limit Orders are normally only available to blue chip companies and others trading large volumes. However, we are pleased to offer these tools to all of our clients.

Contract Type	Description	Why Use It?
Spot Contract	<p>This is the most common contract type and needs to be settled within 48 hours of agreeing the contract.</p> <p>Foreign currency funds can either be transferred immediately or held on account for future use.</p>	<p>You need the currency immediately. Or to take advantage of a beneficial rate and hold funds on account.</p>
Forward Contract	<p>This is for the purchase or sale of a currency on fixed future date. A small deposit (5%–10%) is required when the contract is made with the remainder due at maturity.</p> <p>A forward contract will guarantee an exchange rate for future date, regardless of subsequent market fluctuations.</p> <p>Forward rates are calculated using the prevailing spot rate at the time of booking and the interest rate differential between the currencies involved and vary depending on the length of the contract.</p>	<p>If you do not have all the funds currently available.</p> <p>To guarantee a rate for a future date.</p> <p>To take advantage of a favourable rate.</p> <p>To protect against market fluctuations.</p> <p>To benefit from the flexibility of drawdowns and rollovers.</p>
Stop Loss	<p>This is for the purchase of currency that is required imminently, where the purchaser wants to wait to see whether the market moves in his or her favour, but needs to achieve a minimum rate if the market moves in the opposite direction.</p>	<p>You have an imminent requirement for currency.</p> <p>You want to benefit from market fluctuations but also want to limit your risk to unfavourable market movements.</p>
Limit Order	<p>An order to purchase currency at a specified rate of exchange that is not currently available.</p> <p>An order will be triggered automatically should the desired exchange rate be reached.</p>	<p>You do not need the currency immediately.</p> <p>You have an ongoing or future currency requirement and want to secure a beneficial exchange rate.</p>



# How The Process Works

## Seven Simple Steps

Once your trading facility is in place, you can carry out a foreign currency trade whenever you require as shown here.

To set up a free foreign currency trading facility please complete and return the application form at the end of this booklet.

We can set up a trading facility for you in less than a day. It's free, easy and without obligation.

Once this is in place, just call your account manager when you want to make a trade and he or she will manage every step of the process.

1. **Call** BuyCurrency.us for a quote.
2. **Advise** your account manager of the currency and the amount to be exchanged.
3. **Agree** a rate and confirm you want to proceed.
4. **Receive** the contract note that's faxed or e-mailed to you.
5. **Sign** the contract note, confirm the onward payment details and return it. We store onward payment details for regular payees, so you do not need to specify the full details every time.
6. **Transfer** the agreed amount to our designated account.
7. **Relax** – upon receipt of your funds we will forward your foreign currency to your designated recipient account and send appropriate confirmation.

# Foreign Exchange Trading Application

## 1 Applicant Details

Company Name: \_\_\_\_\_

Company Number: \_\_\_\_\_

Primary Contact: \_\_\_\_\_

Address: \_\_\_\_\_

Town/County/State: \_\_\_\_\_

Postcode: \_\_\_\_\_

Country: \_\_\_\_\_

Daytime Phone: \_\_\_\_\_

Mobile Phone: \_\_\_\_\_

Fax Number: \_\_\_\_\_

E-mail: \_\_\_\_\_

## 2 Document Checklist

Please return the following documents to complete your application (please tick):

- This document, signed below.
- A copy of photo ID; either a passport or photo driving licence for the primary contact and for the signatory below (if different).

## 3 Signature

Please open a foreign exchange trading facility for the company detailed above.  
I confirm that I have read, understood and agree to the conditions set out overleaf.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

# Terms & Conditions of Trading

## 1. Definitions

- 1.1. The Company shall mean BuyCurrency.us
- 1.2. The Client shall mean the person, firm or organisation to whom the Company provides services for the purchase or sale of currencies for physical delivery only.

## 2. The Nature of The Services

- 2.1. The Company will limit its services strictly to the entering into contracts for the sale and purchase of currency on behalf of the Client.
- 2.2. The services provided by the Company specifically exclude advice of any nature upon the advantages or disadvantages of a proposed transaction or trade.
- 2.3. Upon receipt of a copy of this agreement signed by the Client, The Company may enter into transactions for the purchase or sale of currencies and which provide for delivery of such currency, subject to the terms and conditions thereof.
- 2.4. Each transaction entered into by the Company on behalf of the Client will be supported by a contract note confirming the transaction. The contract note will be sent to the Client by the Company or its duly authorised agent and may be an original or a copy.

## 3. Client's Instruction

- 3.1. The terms and conditions of this agreement confirm that the client wishes to enter into contract(s) for the purchase, sale and delivery of currency with the Company subject specifically to the terms of this agreement. Such terms shall not be varied without the consent of the company in writing.
- 3.2. The Company will accept written instructions for the purchase or sale and delivery of currency upon the instruction of the Client.
- 3.3. Any oral instruction must be confirmed in writing to the Company's satisfaction.
- 3.4. Written instruction may be given by electronic mail, by post or fax.
- 3.5. Any instruction received by the Company from or on behalf of the Client may not be withdrawn or varied in any way without the Company's consent in writing.
- 3.6. The Company shall not be obliged to accept an instruction and may use its discretion at any time prior to the receipt of any instruction to decline acceptance.
- 3.7. Any omission or error that is contained in a contract note or that relates to a transaction must be notified in writing to the Company within two working days of receipt of the particulars of the error or omission in question.
- 3.8. By this agreement, the Client irrevocably undertakes to take physical delivery of and pay for the currency in question

on the date specified on the relevant contract note, and to pay such further sums required to be paid by the Company pursuant to the terms of the transaction at the Company's discretion.

## 4. Payment Requirements

- 4.1. The Client shall pay or cause to be paid cleared funds into an account held in the name of the company and that such cleared funds must amount to the value of the currency to be purchased.
- 4.2. The Company will not account to the Client in respect of any contract entered into between the Company and the Client for any amount until such time as the Company has received confirmation to its satisfaction that cleared funds have been received.
- 4.3. Any monies or payments due from the Client to the Company for any purpose shall be paid in full and the Client shall have no right to set off any sum in respect of any counterclaim, set off or other deduction of any nature.
- 4.4. The Company reserves the right to deduct such sums as it may be required to deduct by law.

## 5. The Company's Fees

- 5.1. The Company will claim its fees in respect of the sale or purchase and delivery of currency by way of commission and or other charges that shall be stated in the contract note.

## 6. Default

- 6.1. In the event that the Client shall fail to make any payment due to the Company pursuant to the terms of this Agreement or to the contract note, then the Company reserves the right to claim for interest on any outstanding sum at a rate of 20% per annum over the base rate of HSBC from time to time, payable upon demand and calculated daily from the date of default until payment is received.
- 6.2. The Company shall be entitled to compound monthly outstanding interest and will give notification in writing to the client of the date when default occurs.
- 6.3. If the Client fails to make any payment due under the terms of this Agreement or any transaction between the Company and the Client, the Company may at its sole discretion terminate any transaction entered into, without notice.

## 7. The Whole Agreement

- 7.1. The terms and conditions of this Agreement are the conditions in force at the date of this Agreement and shall not be superseded, amended or varied in any way whatsoever without the written consent of the Company.
- 7.2. No representation made orally by the company, its servants or agents shall be binding upon the Company or shall form part of this Agreement, unless they

are agreed in writing by a director of the Company.

- 7.3. The Company reserves the right to record telephone conversations between the Company, the Client and or its representatives, if the Company deems it necessary to do so. The Client by accepting these terms and conditions acknowledges and accepts that evidence of any such recordings may be referred to by the Company in respect of any dispute or difference between parties.

## 8. Indemnity

- 8.1. The Client shall keep the Company indemnified in respect of all losses, claims and consequential loss suffered by the Company during the performance of its services under the terms of this agreement.
- 8.2. The Client shall pay all legal fees or costs incurred in connection with the enforcement of these terms and conditions or legal fees incurred in connection with any dispute or difference arising under this agreement that is resolved in favour of the Company.

## 9. Law

- 9.1. All disputes or differences shall be subject to the laws of England and the jurisdiction of the English Courts.

## 10. Confidentiality

- 10.1. The Client agrees that the company may carry out any checks as to the Client's financial status as the Company shall deem fit.

## 11. Time Of Essence

- 11.1. The Client acknowledges and accepts that time is of the essence to any transaction between the Client and the Company, and that it is a strict term of any transaction between the Client and the Company that the contract note issued by the Company to the Client shall be completed, signed and despatched by fax or e-mail to the Company within 15 minutes of receipt. Failure to comply with this requirement shall entitle the Company to treat the transaction concerned, as void.

## 12. Other Obligations

- 12.1. If the client becomes insolvent, the Company shall be entitled to terminate forthwith any transaction as it deems fit.
- 12.2. The Company reserves the right to terminate any transaction and requires such information as it deems reasonable if the Company has any cause or obligation imposed by reason of the United Kingdom Money Laundering Regulations.

## 13. Termination

- 13.1. This agreement may be terminated forthwith by the Company upon giving the Client notification of such termination in writing.

# Glossary

**Bear Market:** Markets characterised by declining prices.

**Bid:** The rate at which a dealer is willing to buy a currency.

**Broker:** A Broker acts an intermediary between a buyer and a seller.

**Bull Market:** Markets characterised by rising prices.

**Cable:** Slang for sterling/US dollar exchange rate.

**Drawdown:** When a contract is settled fully or partially before the original agreed date.

**ECB:** The European Central Bank is the organisation that manages the Euro and European interest rates and monetary policy.

**Exchange Rate Risk:** Potential loss that could be incurred from movement in exchange rates.

**Fed:** The Federal Reserve is the United States' central bank.

**Forward Contract:** A contract to purchase currency at a given rate on a date in the future.

**Hedging:** A transaction that protects an asset or liability against a fluctuation in the foreign exchange rate.

**Interbank Rate:** The price at which Major Banks buy and sell currency.

**Limit Order:** An order to purchase currency at a specified rate of exchange.

**Margin:** Deposit for a forward contract.

**Maturity:** Date of settlement.

**Mid-Market Price:** The price calculated as the mid point between the Bid and Offer price.

**MPC:** The Monetary Policy Committee is a Bank of England committee that meets monthly to decide the official interest rate in the United Kingdom.

**Offer:** The rate at which a dealer is willing to sell a currency.

**Pip:** One Pip is the smallest measure of price used in foreign exchange currency pairs, e.g. the difference between 1.4699 and 1.4700 is a pip. Also sometimes called a Tick.

**Point:** 100 Pips. The difference between a rate of 1.4610 and 1.4710 is one Point.

**Resistance:** A price level at which you would expect selling to take place. Tends to prevent rates rising any further.

**Rollover:** Where the settlement of a deal is rolled forward to another value date.

**Settlement:** Actual physical exchange of base currency between principal and client.

**Spot:** Quoted for immediate settlement, usually two business days from trade date.

**Spread:** The difference in prices between Bid and Offer rates.

**Stop:** Acts a safety net; it is a minimum trading level set to reduce exposure.

**Support:** A price level at which you can expect buying to take place. Tends to prevent rates falling any further.

**Value Date:** Settlement date of a spot or forward deal.