

**FOREIGN EXCHANGE TRANSACTIONS**  
**PRODUCT DISCLOSURE STATEMENT**  
**CUSTOM HOUSE CURRENCY EXCHANGE (AUSTRALIA)**  
**PTY LIMITED**

Issue Date: 12<sup>th</sup> April 2017

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## 1. PURPOSE

This Product Disclosure Statement (**PDS**) is dated 12<sup>th</sup> April 2017. This PDS contains information about Foreign Exchange Transactions (**FETs**). Custom House Currency Exchange (Australia) Pty Limited (ABN 95 086 278 659) (**AFSL 238290**) (referred to in this document as 'Custom House Currency Exchange', '**Custom House**', 'we', 'our' and 'us') is providing you with this PDS so that you receive important information about FETs including their benefits, risks and costs.

The purpose of this PDS is to provide you with sufficient information for you to determine whether a FET meets your needs. This PDS will also allow you to compare the features of other products that you may be considering.

Please read this PDS carefully before purchasing a FET. In the event that you enter into a FET with us, you should keep a copy of this PDS along with any associated documentation for future reference.

The information set out in this PDS has been prepared without taking into account your objectives, financial situation or needs. Before making any decision about the FETs offered under this PDS, you should consider whether it is appropriate, having regard to your own objectives, financial situation and needs. This PDS does not constitute financial advice or a financial recommendation.

You should read all of this PDS, the **Financial Service Guide (FSG)** and the **Terms and Conditions** before making a decision to trade in the FETs offered under this PDS. We recommend that you contact us if you have any questions arising from this PDS or the Terms and Conditions prior to entering into any transactions with us.

A FET may be suitable for you if you have a reasonable level of understanding of foreign exchange and related markets. If you are not confident about your understanding of these markets, we strongly suggest you seek independent advice before making a decision about these products.

For example, consideration should be given to all the potential outcomes of specific FETs and strategies before entering into a FET described in this PDS. We encourage you to obtain independent financial advice which takes into account the particular reasons you are considering entering into FETs with Custom House.

Independent taxation and accounting advice should also be obtained in relation to the impact of possible foreign exchange gains and losses in light of your particular financial situation.

The distribution of this PDS and the offer and sale of FETs offered under this PDS may be restricted by law in certain jurisdictions. Custom House does not represent that this PDS may be lawfully distributed, or that any FETs may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by Custom House which

would permit a public offering of any FETs or distribution of this PDS in any jurisdiction where action for that purpose is required. Accordingly, no FETs may be offered or sold, directly or indirectly, and neither this PDS nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulation. Persons into whose possession this PDS or any FETs offered under this PDS come, must inform themselves about, and observe any such restrictions.

This PDS and the FETs offered under this PDS have not been and will not be registered under the U.S. Securities Act of 1933, as amended or any US state or other securities laws. Accordingly, the FETs offered in this PDS may not be granted to or taken up by, and the FETs may not be offered or sold to, any person that is in the United States or that is, or is acting for the account or benefit of, a US person.

If you have any questions or require more information, please contact us at:

Phone: +61 2 8046 6258 or 13000 OANDA (13000 62632)

Email: [moneytransfer@oanda.com](mailto:moneytransfer@oanda.com)

## 2. IMPORTANT INFORMATION

### 2.1 Copies

Copies of this PDS are available free of charge. You can download a copy of this PDS from <https://www.oanda.com/money-transfer/oanda/en-AUS/ProductDisclosure> or request a copy by either email at [moneytransfer@oanda.com](mailto:moneytransfer@oanda.com) or by phone +61 2 8046 6258 or 13000 OANDA (13000 62632).

### 2.2 Terms and Conditions

Our Terms and Conditions set out the rights and obligations applicable to you when trading FETs with Custom House. You must enter into our Terms and Conditions before trading FETs with us.

Our Terms and Conditions contain important contractual provisions, including (without limitation):

- your obligation to pay **Settlement** on maturity of a FET;
- the manner in which you can give us **Instructions**;
- our right to refuse to accept your Instructions without having to give you any reasons;
- the entry into, and mechanisms for Settlement of, the FETs;
- the consequences, and in particular our rights against you, if you default (for example, you fail to pay Settlement on maturity, or you become bankrupt or insolvent).

Please refer to Section 9 "Terms and Conditions and Other Documentation" for more information. Our Terms and Conditions are incorporated by reference into this PDS. You can

download a copy of our Terms and Conditions from: [www.oanda.com/money-transfer/oanda/en-AU/Individual](http://www.oanda.com/money-transfer/oanda/en-AU/Individual)

A printed copy is available upon request to us at no charge.

### 2.3 Updates relating to this PDS

The information in this PDS is subject to change. Custom House will issue a supplementary or replacement PDS where new information arises that is materially adverse to the information in this PDS. Where new information arises that is not materially adverse to the information in this PDS, Custom House will post such updated information at [www.oanda.com/money-transfer/oanda/en-AUS/ProductDisclosure](http://www.oanda.com/money-transfer/oanda/en-AUS/ProductDisclosure). You may request a copy of this information by contacting us with reference to Section 3.1 "Contact Details" of this PDS.

If we issue a supplementary or new PDS, we will notify you by posting the supplementary PDS or new PDS at [www.oanda.com/money-transfer/oanda/en-AUS/ProductDisclosure](http://www.oanda.com/money-transfer/oanda/en-AUS/ProductDisclosure)

Alternatively, we may notify you by sending a written notice, at least five (5) days prior to the effective date of the supplementary PDS or new PDS (which contains a link to the supplementary PDS or new PDS) to your email address as notified to us by you.

### 2.4 Financial Amounts

All financial amounts expressed in this PDS are in Australian Dollars (**AUD**) unless otherwise stated.

### 2.5 Glossary of Terms

Words in **BOLD** used in this PDS, other than headings, have defined meanings. These meanings can be located in Section 15 "Glossary of Terms" of this PDS.

### 2.6 Counterparty Credit Risk

When you enter into a FET with Custom House, you are exposed to Counterparty credit risk against Custom House. That is, you have the risk that Custom House will not meet its obligations to you under the relevant FET. To assess our financial ability to meet our obligations to you, you can obtain a copy of our financial statements, free of charge by emailing [moneytransfer@oanda.com](mailto:moneytransfer@oanda.com)

### 2.7 Disclaimer

The FETs described in this PDS involve and are subject to **Market Risk**, including possible delays in transfer or receipt of funds. Any information that is provided in this PDS is factual information and does not take account of your financial situation, objectives or

needs. Because of this, before you act on it, you should consider its appropriateness having regard to your own objectives, financial situation or needs.

The **Issuer** does not take into account labour standards or environmental, social or ethical considerations.

### **3. ISSUER**

Custom House Currency Exchange (Australia) Pty Limited doing business as Western Union Business Solutions is the Issuer of the FETs described in this PDS.

Western Union Business Solutions is the trade name under which Customs House Currency Exchange offers its products and services in Australia.

This PDS was prepared by:

Custom House Currency Exchange (Australia) Pty Limited

ABN 95 086 278 659

AFSL Number 238290

#### **3.1 Contact Details**

Phone: +61 2 8046 6258 or 13000 OANDA (13000 62632)

Email: [moneytransfer@oanda.com](mailto:moneytransfer@oanda.com)

#### **3.2 Custom House Services**

Custom House is one of the world's largest non-bank specialists in foreign exchange and international payments. We work with individuals and companies of all sizes, to create solutions that assist their business payments and foreign exchange process challenges and manage risk and costs.

#### **3.3 How to Access FETs**

After agreeing to our Terms and Conditions and after your application has been approved by us, you will have access to our products and will be able to provide us Instructions.

OANDA is a referring entity to Custom House. OANDA promotes the FETs on its website [www.oanda.com/money-transfer/](http://www.oanda.com/money-transfer/), which contains a link to our online platform that allows you to transact with Custom House in FETs. You transact FETs through Custom House's proprietary online platform. OANDA refers you to us and does not provide our FETs via its website. Custom House accepts your Instructions (not OANDA) and Custom House processes your payments (not OANDA).

OANDA is not authorised to provide you with financial product advice in relation to our FETs or to accept Instructions and does not issue the FETs.

### 3.4 No Speculation

For all FETs that you enter into with us, you must settle the full amount of the funds you are exchanging. We do not allow any speculative foreign exchange trading.

### 3.5 OANDA

OANDA Australia Pty Ltd  
ABN: 26 152 088 349  
AFS Licence No. 412981

We have partnered with OANDA in order to promote our FETs to prospective clients via OANDA's website [www.oanda.com/money-transfer/](http://www.oanda.com/money-transfer/), which includes a link to our Online Platform. We offer financial products via our Online Platform, which is accessed via <https://money-transfer.oanda.com/money-transfer/login>

OANDA is authorised to arrange for a person to deal in a financial product. This authorisation is in place and required because OANDA refers customers to us via their website (and are therefore arranging for customers to receive financial products from us). We provide the financial products to you.

## 4. FOREIGN EXCHANGE TRANSACTIONS OVERVIEW

Foreign Exchange Transactions refer to the purchase of one currency and the sale of another currency at an agreed **Exchange Rate** simultaneously. Separate from the Exchange Rate, you will need to consider the relevant fees associated with your transaction. Our fees for transactions are described in Section 5.4 "Cost of a FET" of this PDS.

### 4.1 Determining Exchange Rates

A foreign Exchange Rate is the price of one currency (the **Base Currency**) in terms of another currency (the **Terms Currency**). The Exchange Rate is expressed as a quotation and shows how many units of the Terms Currency will equal one unit of the Base Currency. For example, the foreign Exchange Rate AUD/**USD** 0.7525 means one Australian Dollar is equal to 75.25 US cents. In this example the AUD is the Base Currency and the USD is the Terms Currency. Please note the above Exchange Rate is hypothetical and used for illustration purposes only. The Exchange Rate used is not an indicator of future Exchange Rates.

### 4.2 The Foreign Exchange Market

Foreign Exchange Transactions are not entered into on an authorised exchange such as a stock market. There is no official benchmark Exchange Rate for foreign currencies. The foreign exchange market is referred to as an "**Over-The-Counter (OTC)**" market, which means that Exchange Rates when compared between providers will often vary.

Exchange Rates are quoted on the **Interbank Market**, which is a wholesale market for **Authorised Exchange Dealers**, with **Interbank Exchange Rates** fluctuating according to supply and demand. This market is restricted to Authorised Exchange Dealers and banks that constantly quote to each other at wholesale Exchange Rates and in minimum parcel sizes.

Factors that influence supply and demand (and therefore the Exchange Rate quoted to you) include:

- investment inflows/outflows;
- market sentiment or expectations;
- economic and political influences including geo political influence; and
- import/export of goods and services.

Exchange Rates quoted in the media generally refer to Interbank Exchange Rates and will usually differ from Exchange Rates quoted to you.

Because FETs are traded OTC you will not be able to reverse your transaction, originally contracted with Custom House, with another provider. You will only be able to reverse or cancel your Foreign Exchange Transaction with Custom House.

#### **4.3 Currency Limitations**

While Custom House endeavours to ensure that Clients are provided with access to the Currency Pairs of their choice, Custom House does not guarantee that it will offer FETs in all Currency Pairs. This may arise for a number of reasons including restrictions that are imposed on Custom House or Custom House not having access to such currencies through its **Correspondent Banks**.

#### **4.4 Exchange Rates**

Custom House sets the Exchange Rate it offers to you by applying a **Retail Mark Up** to the Interbank Exchange Rate that it receives from its wholesale commercial relationships. Custom House determines the Retail Mark Up by taking account of a number of factors, including:

- the size of the transaction (measured in currency amount) where the smaller the transaction size the larger the Retail Mark Up;
- the **Currency Pair** where the less **Liquidity** in the pair the greater the Retail Mark Up;
- market **Volatility** where high Volatility will result in an increased Retail Mark Up;
- the **Time Zone** you choose to trade in, so that trading on public holidays or weekends may see increased Retail Mark Ups;
- the frequency with which you trade with Custom House, where the more frequently you transact the Retail Mark Up is reduced; or
- the country to which the funds are being sent, where in some instances we incur higher fees when transferring certain currencies. These higher fees will be

reflected in fees charged to you for your **Wire /Telegraphic Transfer (Wire Transfers)** or **Electronic Funds Transfer (EFT)**.

The Retail Mark Up is how Custom House makes a profit. Custom House does not otherwise charge you any fees for transacting in FETs with us, but other transaction fees or charges may apply for related services such as Wire Transfers that are made in connection with your FET as described in Section 6 "Settlement and Delivery of an FET" of this PDS.

## **5. FOREIGN EXCHANGE TRANSACTIONS (FETs)**

An FET is a binding agreement between you and Custom House in which one currency is sold or bought against another currency at an agreed Exchange Rate on the current date or at a specified future date. The day that you order your currency is referred to as the **Trade Date**; the day that you are required to make payment for your currency (and the day that we exchange currencies) is referred to as the **Settlement Date**.

### **5.1 Delivery of your FET**

You will be required to deliver Settlement to Custom House within two (2) **Business Days** in immediately available funds and in accordance with any **Settlement** instructions provided by Custom House.

Custom House will determine the Settlement Date of your FET, which will normally be the next available Business Day, once your funds have been received. Some currencies may vary as to the Settlement Date determined by Custom House due to external factors.

The Settlement Date for any Currency Pair you elect to transact in must be Business Days in both countries. For example, if you transact in Australian Dollars against US Dollars (AUD/USD) for Settlement the next day, and it is a holiday in the USA on that date, then the next Business Day in both Australian and the USA will be applied to the Settlement Date.

### **5.2 FET Variables**

When you provide Instructions to Custom House for a FET there are a number of variables that need to be agreed between Custom House and you being:

- the denomination and amount of the currency being bought or sold;
- the denomination of the currency being exchanged; and
- the Exchange Rate.

### 5.3 How does an FET work?

When you enter into an FET with Custom House, you nominate the amount of currency to be bought or sold, the two currencies to be exchanged. The currencies that you wish to exchange must be acceptable to Custom House.

Custom House will determine the Exchange Rate applicable to the FET based on the currencies and the **Value Date**.

The Exchange Rate that Custom House provides to you for the Value Date is determined by Custom House adjusting its **Spot Rate**. This adjustment can be either an addition or subtraction and reflects the costs or benefits associated with the **Interest Rate Differential** between the currencies that are being exchanged.

On the Value Date you are required to deliver the currency that you are exchanging in accordance with the Exchange Rate determined by Custom House and agreed by you at the time the FET was entered into, being the Trade Date. Upon receipt of the currency you are selling, Custom House will pay you or your nominated beneficiary the amount of currency that you have purchased.

Custom House can deliver payment to you or your nominated beneficiary, in accordance with your Instructions to us, by initiating a Wire Transfer or **EFT** to a bank account or by Foreign Cheque or Draft as described in Section 6 "Settlement and Delivery of a FET" of this PDS.

### 5.4 Cost of an FET

When you enter into an FET you agree to make a physical payment of one currency to Custom House in exchange for the physical receipt of another currency. The amount that you pay to us is determined by the Exchange Rate that we agree on the Trade Date plus our Retail Mark Up.

You will not be charged any additional entry fees for an FET but other transaction fees or charges may apply for related services such as Wire Transfers that are made in connection with the FETs as described in Section 6 "Settlement and Delivery of a FET" of this PDS. Also refer to Section 4.4 "Exchange Rates" of this PDS for an explanation of Retail Mark Ups.

The level of Retail Mark Up we charge you for a FET will vary based on:

- the size of the transaction (generally the smaller the transaction size, the larger the Retail Mark Up);
- the relevant currencies involved (more exotic currencies or those currencies that are not commonly exchanged may incur a greater Retail Mark Up);
- how often you transact with us (if you transact with us on a regular basis it is possible that your Retail Mark Up will be lower than Clients who trade less frequently); and

- the country to which the funds are being sent, where in some instances we incur higher fees when transferring certain currencies. These higher fees will be reflected in fees charged to you for your Wire Transfer.

In addition to the fees charged by Custom House for sending payments by Wire Transfer for FETs, any Correspondent, **Intermediary Bank(s)** or **Beneficiary Bank(s)**, which facilitates the sending or payment of a Wire Transfer may impose their own additional fees or charges which may be deducted from the amount paid to you or your beneficiary. For example, in some jurisdictions, the Beneficiary Bank charges a fee for receiving the payment. Custom House will try and notify you of these additional fees if we are aware of them however, we cannot always do so in advance. In our experience, such fees tend to be less than AUD \$50.00 (or the foreign currency equivalent) however, this will vary. You may find, in some cases, that the total amount you or your beneficiary receives may be slightly less because such fees have been deducted.

For further information in relation to the cost of Wire Transfers in connection with a FET, refer to Section 6 "Settlement and Delivery of a FET" of this PDS.

#### **5.5 Significant Benefits of an FET**

By entering into an FET with Custom House you will obtain certainty as to the Exchange Rate we are offering you (which is locked in at the Trade Date). This will provide you with protection from any adverse movement in the Exchange Rate that occurs after the Trade Date and before the Value Date.

#### **5.6 Significant Risks of an FET**

The following are the significant risks associated with FETs:

- once the agreed Exchange Rate has been set on the Trade Date, you will not be able to take advantage of preferential Exchange Rate movements that occur after the Trade Date and prior to the Value Date. By protecting against potential adverse Exchange Rate movements, you are not able to take advantage of positive Exchange Rate movements;
- delays in Wire Transfers or Electronic Funds Transfers (EFT), whilst rare, can occur. These can be caused for a variety of technical and administrative reasons outside the control of Custom House.
- if you choose to cancel or amend the FET after the Trade Date you will be required to pay any fees, costs, or losses incurred by Custom House associated with the cancellation or amendment. The extent of these fees, costs or losses depend on the contract and market conditions when you give us Instructions to cancel or amend the FET; and

- you cannot close your FET contract with any entity other than Custom House as FETs are traded OTC as described in Section 4.2 "The Foreign Exchange Market" of this PDS.

Other general risks associated with the financial services we provide are outlined in Section 8 "Additional Risks" of this PDS.

## **5.7 Example of an FET**

The example below is for information purposes only and uses rates and figures that we have selected to demonstrate how an FET works. In order to assess the merits of any particular FET you should use the actual rates and figures quoted at the relevant time.

### **5.7.1 Using an FET to cover future payments**

An importer is buying goods from the United States and is scheduled to make a payment of USD 50,000 in two (2) Business Days' time. The Exchange Rate today for value two (2) Business Days (**Value Spot**) is AUD/USD 0.7525. If the importer enters into a Value Spot transaction with Custom House today, then the importer will be required to pay (make Settlement) AUD 66,445.18 between today and two (2) Business Days' time (USD 50,000/0.7525). On the following Business Day, after Custom House receives AUD 66,445.18 from the importer, Custom House will pay USD 50,000 by Wire Transfer or Draft to the beneficiary, as instructed by the importer.

### **5.7.2 Not using an FET to cover future payments**

The same importer as in 5.7.1 decides not to enter into a Value Spot transaction. If in two (2) Business Days' time, the Exchange Rate moves lower to AUD/USD 0.7325, the importer will be required to pay AUD 68,259.39 (USD 50,000/0.7325). The importer did not take the opportunity to protect against unfavourable Exchange Rate movements and has to pay AUD 1,814.21 more than if the importer had chosen to enter into a Value Spot transaction as described in 5.7.1 above. Conversely, if in two (2) Business Days' time, the Exchange Rate moves higher to AUD/USD 0.7725, the importer will be required to pay AUD 64,724.92 (USD 50,000/0.7725). The importer did not take the opportunity to protect against unfavourable Exchange Rate movements and has as a result saved money by paying AUD 1,720.26 less than if the importer had chosen to enter into a Value Spot transaction as described in 5.7.1 above.

## **6. SETTLEMENT AND DELIVERY OF AN FET**

Custom House can settle the physical delivery of your FET by Wire Transfer, EFT or Draft with delivery method depending on beneficiary and region.

## 6.1 Wire Transfers/Electronic Fund Transfer

Custom House can settle the physical delivery of your FET by Wire Transfer, also known as Telegraphic Transfers or EFT. A Wire Transfer can be made within Australia or outside of Australia, once Custom House is in receipt of **Cleared Funds**.

Custom House has relationships with a worldwide network of Correspondent Banks to enable transmission of your payment Instructions to almost anywhere in the world.

### 6.1.1 Significant Benefits of a Wire Transfer

- Wire Transfers provide the security of fully traceable transactions;
- by using a Wire Transfer, the beneficiary generally receives funds more quickly than if funds were transferred by bank draft, money order or similar **Monetary Instrument**; and
- Wire Transfer are more secure than cash transactions because they represent electronic Instructions that are sent directly to the nominated Beneficiary's Bank for credit to the Beneficiary's Bank account.

### 6.1.2 Significant Risks of a Wire Transfer

- Wire Transfers are often more expensive compared to other means such as Monetary Instruments;
- Once executed there are no guarantees that a Wire Transfers can be recalled. If the recall is successful you may incur additional fees and loss of time; and
- the sender is subject to fees if information (i.e. beneficiary name, account number) provided is incorrect or incomplete.

### 6.1.3 Recalling a Wire Transfer

A Wire Transfer may be recalled by Custom House only in certain circumstances such as:

- if you give us incorrect information (i.e. beneficiary name, account number);
- in the case of insufficient funds in the sender's bank account;
- for a fraud or misappropriation of funds; or
- if it is determined that the transaction is in relation to a criminal offence or terrorist financing activity as outlined in Section 11 "**Anti-money Laundering/Counter Terrorism Financing**" of this PDS.

You, as a Client of Custom House, may request a recall of a Wire Transfer when:

- you give us incorrect information (i.e. beneficiary name, account number);
- in other circumstances where Custom House, in its sole discretion, determines that the Wire Transfer needs to be recalled.

Depending upon the circumstances relating to the recall you may be liable for additional fees including:

- investigation fees;

- Beneficiary and Correspondent Bank charges; and
- Exchange Rate costs.

#### **6.1.4 Costs and Fees**

You will be charged a transaction fee for using our Wire Transfer service. The transaction fee we charge for each Wire Transfer varies from transaction to transaction and from Customer to Customer. This fee is separate to the Exchange Rate conversion that will apply to converting one foreign currency to another. The transaction fee we charge you will depend upon:

- the type of foreign currency to be transferred (more exotic currencies usually incur higher fees);
- the number and frequency of Wire Transfer you conduct through Custom House (an existing relationship may result in reduced fees); and
- the country that the funds are sent to (some countries are more expensive than others to deal with).

For more information, please contact us using details contained in Section 3.1 "Contact Details" of this PDS.

#### **6.1.5 Other Fees (Recall of a Wire Transfer)**

If you request that Custom House recalls a Wire Transfer, the bank to which the Wire Transfer was directed may charge Custom House an administration fee. If we incur a fee, we may absorb that cost or require you to reimburse us for the fee. Custom House will decide whether to absorb costs on a case by case basis taking into consideration:

- the volume and frequency of Wire Transfers you conduct through Custom House (the greater the frequency, the more likely we are to absorb the cost);
- the reason for recalling the Wire Transfer (mistake on your part may impact on whether we are willing to absorb the cost);
- your commercial relationship with Custom House (a history of dealing with us may influence us to absorb the cost); and
- the difference between the relevant Exchange Rate between the time you execute a Wire Transfer and the time it is recalled (the greater the difference, the more likely that we will seek reimbursement from you).

The amount of administration fees will vary from bank to bank and you need to confirm those fees with the relevant banking institution where your funds are being sent.

## **7. INSTRUCTIONS, CONFIRMATIONS AND LIMIT ORDERS**

### **7.1 Instructions and Confirmations**

The commercial terms of a particular FET will be agreed and binding from the time your Instruction is received and accepted by us. This will occur electronically or in

any other manner set out in our Terms and Conditions for doing business with Custom House. Terms and Conditions are located at [www.oanda.com/money-transfer/oanda/en-AU/Individual](http://www.oanda.com/money-transfer/oanda/en-AU/Individual)

Shortly after entering into an FET, we will send you a **Confirmation** outlining the agreed commercial terms of the transaction. This Confirmation is intended to reflect the transaction that you have entered into with Custom House. It is important that you check the Confirmation to make sure that it accurately records the terms of the transaction. You should note however, that there is no cooling-off period with respect to FETs and that you will be bound once your original Instruction has been accepted by Custom House regardless of whether you sign or acknowledge a Confirmation. In the event that there is a discrepancy between your understanding of the FET and the Confirmation it is important that you raise this with Custom House as a matter of urgency.

## 7.2 Limit Orders

Custom House may allow you to place a **Limit Order** Instruction for an FET that only becomes binding on you when a certain Exchange Rate is reached in the relevant foreign exchange market (the Target Rate). We refer to this as a Limit Order.

Provided that your nominated Target Rate has not been reached, you will be able to amend or cancel a Limit Order at any time by providing us with a further Instruction.

In order to cancel a Limit Order, you must notify Custom House, by email or by calling the Customer Support Number, providing an Instruction directing cancellation. Custom House must have a commercially reasonable opportunity to act upon such Instruction. Without a timely Instruction to cancel a Limit order, Custom House shall act in accordance with the Limit Order Instruction and you shall be liable for Settlement.

You will not be able to cancel or amend a Limit Order after the Target Rate level has been reached if we have completed your Limit Order, regardless of whether we have notified you by Confirmation of the completion of your Limit Order.

If the Target Rate has not been reached by the end of the **Limit Order Effective Period**, which is 30 days, the Limit Order will expire. Limit Order Instructions shall remain in effect until 8 am Australian Eastern Standard Time (AEST) on the day after the last day of the Limit Order Effective Period.

If the Target Rate is reached, then you will be bound to settle the transaction in accordance with our Terms and Conditions.

As the foreign exchange market is an OTC market, an external published Exchange Rate that corresponds with your Target Rate level is no guarantee that a Limit Order will be completed. Published Exchange Rates are typically related to the wholesale or Interbank Market and do not reflect the Target Rate or **Retail Price**.

The foreign exchange market can exhibit Volatility and we may not be able to complete all Limit Orders at a specific level due to a number of factors including but not limited to:

- market Volatility;
- market Liquidity;
- the size of your order; and or
- incorrect price data feeds.

Custom House will use best endeavours, in good faith, to complete all Limit Orders at your nominated Target Rate.

## **8. ADDITIONAL RISKS**

When you enter into an FET with Custom House, you must consider not only the significant risks associated with the product but also other risks in entering into any transaction with Custom House.

### **8.1 Issuer Risk**

When you enter into an FET you are relying on Custom House's financial ability as the Issuer to be able to perform its obligation to you. As a result you are exposed to the risk that Custom House becomes insolvent and is unable to meet its obligations to you under the FET. To assess our financial ability to meet our obligations to you, you can obtain a copy of our financial statements, free of charge by emailing: [moneytransfer@oanda.com](mailto:moneytransfer@oanda.com)

### **8.2 Counterparty Risk**

There is also a risk that a party, such as the **Hedging Counterparties** (with whom Custom House contracts to **Hedge** its exposure under the FETs) may not be able to meet their contractual obligations to Custom House. This means that Custom House could be exposed to the insolvency of its Hedging Counterparties or other defaults by the Hedge Counterparties on their obligations to Custom House. If the Hedging Counterparties default on their obligations to Custom House, then this could give rise to the risk that Custom House defaults on its obligations to you. To mitigate this Counterparty/**Settlement Risk**, Custom House has policies in place to ensure that its Counterparties are carefully selected.

To assess your credit risk to Custom House, you can obtain a copy of our financial statements, free of charge by emailing us at [moneytransfer@oanda.com](mailto:moneytransfer@oanda.com)

### **8.3 Operational Risk**

Operational risk arises through your reliance on Custom House's systems and processes to price, settle and deliver your transactions efficiently and accurately. In

the event of a breakdown of our systems or processes you may incur loss as a result of delays in the execution and Settlement of your transactions. You are exposed to operational risk through Custom House's reliance on its Hedging Counterparties systems and processes to price, settle and deliver transactions efficiently and accurately. In the event of a breakdown of our Hedging Counterparties' systems or processes, you may also incur loss as a result of delays in the execution and Settlement of your transactions.

#### **8.4 Conflicts of Interest**

Custom House enters into transactions with a number of different Clients and Hedging Counterparties that may be in conflict with your interests under the FET that you have entered into with us. Custom House is not required to prioritise your interests when dealing in FETs with you.

### **9. TERMS AND CONDITIONS AND OTHER DOCUMENTATION**

#### **9.1 Terms and Conditions**

Each FET you enter into will be subject to the Terms and Conditions. You will be required to accept these Terms and Conditions before entering into a FET with us for the first time.

The Terms and Conditions outline key terms of the relationship between you as a Client of Custom House and Custom House providing services in the FETs described in this PDS.

The Terms and Conditions are important and you should read them carefully before entering into any FETs. They cover a number of important terms including how transactions are executed, our respective rights and obligations, events of default and termination rights.

We recommend that you seek your own professional advice in order to fully understand the consequences of entering into an FET.

#### **9.2 Other Information**

In addition to our Terms and Conditions you may also need to provide us with signed documentation together with such other "Know Your Customer" information that Custom House may require.

### **10. ANTI-MONEY LAUNDERING/COUNTER TERRORISM FINANCING**

Custom House is committed to compliance with all laws in Australia including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (**AML/CTF Act**).

As part of this commitment to comply with legislative requirements and global sanctions, we screen all accounts. We are required to report suspicious matters to the relevant

government agencies in Australia and overseas. You undertake to notify us if you are aware of anything that would put Custom House in breach of the AML/CTF Act.

Custom House will be required to collect and confirm information about your identity. In doing this, we may ask you to provide documentation and information. It is an offence under the AML/CTF Act for a person to provide false or misleading information to Custom House or to provide Custom House with a false identification/verification document.

While your identity is being confirmed, or if we are unable to confirm your identity, we may be unable to provide some or all of our services to you in accordance with our obligations under the AML/CTF Act. Custom House may, in its absolute discretion, refuse monies, or not pay monies, not issue financial products, cancel financial products, delay, block or freeze any transactions associated with the financial products or return financial products where there are reasonable grounds to believe that doing so is necessary in order for Custom House to comply with its obligations under the AML/CTF Act or where not taking such action would breach Australian law or sanctions (or the law or sanctions of any other country). In any of these circumstances, Custom House is not liable for any resulting loss and you agree to indemnify us if we are found liable to a third party in connection with taking any of the above action(s).

We may require further information from you at any time. We may be required to report information about you, or provided by you, to the relevant authorities. Generally speaking, we will be prohibited from telling you when this occurs. We may share this information with related entities as permitted under the AML/CTF Act.

This may mean one or more of the following:

- you cannot send or withdraw funds from your account;
- you cannot receive funds into your account;
- access to your account and the funds in it could be limited or frozen for an extensive period or indefinitely;
- funds in your account are returned to the sender; or
- funds are subject to the applicable laws regarding unclaimed monies.

As a Client of Custom House you undertake to notify us if you are aware of anything that would put us in breach of the AML/CTF Act.

Custom House and you are required to comply with these laws and you undertake that you have no knowledge of and have no reason to suspect that:

- any money you are transferring or intending to transfer is from or related to the proceeds of crime, money laundering, terror financing, tax evasion, or any illegal activities; or
- the funds you are transferring or intending to transfer will be for the purpose of funding illegal activities.

## 11. DISPUTE RESOLUTION

You should address any complaint relating to the FETs described in this PDS to Custom House in the first instance using the details in Section 3.1 "Contact Details" of this PDS.

If your complaint is unable to be resolved the matter will be automatically escalated to the relevant business unit manager. If a resolution is not reached within a reasonable time period, the matter will be further escalated to the **Custom House Compliance Manager** who will refer the matter to **Senior Management** for resolution.

All complaints are logged at each stage of the process. Custom House Complaints Handling Policy allows for us to investigate and provide a resolution to you within forty-five (45) Business Days from you first making the complaint. Custom House takes complaints seriously and strives to ensure efficient and fair resolution.

If you have any enquiries about our dispute resolution process, please contact Custom House using the details in Section 3.1 "Contact Details" of this PDS.

If you are dissatisfied with the resolution of a complaint you have the right to refer the complaint to:

Financial Ombudsman Service (FOS)  
GPO Box 3 Melbourne, Victoria 3001  
Toll Free Number: 1800 367 287  
[www.fos.org.au](http://www.fos.org.au)

FOS operates an independent dispute resolution scheme.

## 12. TAXATION

Taxation law is complex and its application will depend on a person's individual circumstances. When determining whether or not the FETs described are suitable, you should consider the impact it will have on your own taxation position and seek professional advice on the tax implications the FETs may have for you.

## 13. PRIVACY

In the course of providing FETs to you we will collect information about you. The information that we obtain from you or other people associated with your request is for the purpose of processing your FETs, compliance and legal duties, administration and to help validate your details.

Certain information may be required by us in order to comply with laws and regulations, including the AML/CTF Act and taxation laws. If you do not provide the required information, Custom House may be unable to provide you with the requested services. We may disclose your personal information, including without limitation your name, Customer ID number, address and bank account information, (i) if we are required to do so by domestic or foreign law or legal process or (ii) to law enforcement authorities of other government officials

(including those in this country, the United States or elsewhere) for purposes such as detecting, investigating, prosecuting and preventing crimes, including money laundering and related criminal activity, and the recipients may further disclose the information for these and other related purposes. We may use your information to send you details about Custom House products and services. If you do not wish to receive such information please notify us. We may also disclose information about you to third party service providers (such as credit checking agencies), including to countries other than the country in which the information was originally collected or created, who assist us in our business operations and service provision, including the USA for the purposes described.

You have a right to ask us to see and get a copy of your information, for which we may charge a small fee. You can also correct, erase or limit our use of the information which is incomplete, inaccurate or out of date. Custom House is committed to complying with all privacy laws and regulations. Further information about Custom House's privacy practices can be found on the privacy page on our website.

If you would like further information about the way that Custom House manages the handling of personal information, please contact our privacy officer:

[Email: privacy.anz@westernunion.com](mailto:privacy.anz@westernunion.com)

Mail: Attention Privacy Officer

Level 12, 1 Margaret Street

Sydney, NSW, 2000.

Call: 1300 062 632 (Australia Only) or +612 8046 6258

## 15. GLOSSARY OF TERMS

**AML/CTF Act** means Anti Money Laundering and Counter-Terrorism Financing Act 2006 and related regulations.

**Application Form** is the application for doing business with Custom House Currency Exchange (Australia) Pty Ltd that forms part of the Terms and Conditions.

**AUD** means Australian Dollar.

**Authorised Exchange Dealers** are any type of financial institution that has received authorisation from a relevant regulatory body to act as a dealer involved with the trading of foreign currencies.

**Base Currency** has the meaning set forth in Section 4.1 "Determining Exchange Rates".

**Beneficiary Bank** means the bank identified in a payment order in which an account for the beneficiary is to be credited pursuant to the order.

**Business Day** means a day on which commercial banks are open for business (including dealings in foreign exchange) in the place specified for that purpose.

**Cleared Funds** are funds that are available for use by Custom House and are clear from any obligation.

**Client /Customer** mean the person who signs Custom House's Terms and Conditions for doing business with Custom House Currency Exchange (Australia) Pty Limited.

**Confirmation** means written or electronic correspondence from Custom House that sets out the agreed commercial details of an FET.

**Correspondent Bank** is a financial institution that performs services for Custom House in connection with Wire Transfers provided by Custom House.

**Counterparties** mean each party to a contract.

**Currency Pair** is the quotation of the relative value of a currency unit against the unit of another currency in the foreign exchange market.

**Custom House** is Custom House Currency Exchange (Australia) Pty Limited (ABN 95 086 278 659) (AFSL 238290).

**Custom House Compliance Manager** means a senior member of the compliance department who actively participates in the daily supervision, planning and administrative processes of the compliance function.

**Electronic Funds Transfer (EFT)** has the same meaning as Telegraphic Transfer and Wire Transfer.

**Exchange Rate** is the value of one currency for the purpose of conversion to another.

**FET** is a legally binding agreement between you and Custom House to exchange one currency for another currency at an agreed Exchange Rate on a Value Date less than two (2) Business Days after the Trade Date.

**Financial Services Guide or (FSG)** is a document designed to assist you in deciding whether to use any of the financial services offered by Custom House.

**Hedge** means activity initiated in order to mitigate or reduce currency exposure to adverse unfavourable price or currency movements, by taking a related offsetting or mitigating position, such as an FET or derivative.

**Hedging Counterparties** are the counterparties with whom Custom House contracts to mitigate its exposure when acting as principal to the FETs by taking related offsetting or mitigating positions.

**Instructions** is a request by Client for Custom House to provide Services, including any request for Services made electronically through the Online Platform or other means which request may be accepted or rejected in Custom House' absolute discretion.

**Interbank Exchange Rate** means the wholesale Spot Rate that Custom House receives from the foreign exchange Interbank Market.

**Interbank Market** means the wholesale markets for transacting in foreign exchange restricted to Authorised Exchange Dealers and banks.

**Interest Rate Differential** is the difference in interest rate between two currencies in a pair.

**Intermediary Bank** is any bank through which a payment must go to reach the Beneficiary Bank.

**Issuer** has the meaning of s 761E of the Corporations Act 2001 (Cth) and in this PDS is Custom House.

**Limit Order** means a Transaction in which Customer agrees to buy a Purchased Currency from Custom House at the Target Rate(s) within the Limit Order Effective Period, without additional approval from Customer.

**Limit Order Effective Period** means the time within which the Customer has instructed Custom House to purchase a currency at the Target Rate(s), which shall not exceed thirty days.

**Liquidity** is the ability to buy or sell a Currency Pair without a real effect on the price.

**Makes the Market** where Custom House provides the buy or sell Exchange Rate for FETs where it is willing to transact.

**Market Risk** means the risk of adverse movements in the value of a transaction due to movements in Exchange Rates over time.

**Maturity Date** means the date on which a FET becomes due for delivery and Settlement. This is the same date as the Value Date.

**Monetary Instruments** refers to coins and currency of a foreign country.

**Online Platform** is the internet based online platform provided by Custom House that can be accessed by the Client to utilise the Services.

**Out of the Money (OTM)** is where the current market price of the FET is below the entry price of the FET.

**Over-The-Counter Market (OTC)** is a decentralised market, without a central physical location, where market participants trade with one another through various communication modes.

**Payee** means the person to whom money is to be, or has been, paid.

**PDS** means Product Disclosure Statement.

**Purchased Currency** means the type of currency Customer agrees to purchase from Custom House.

**Retail Mark Up** an amount added to the Interbank Exchange Rate to obtain the Retail Price.

**Retail Price** is the sum of the Interbank Exchange Rate and Retail Mark Up.

**Senior Management** means a group of senior executives, determined by Custom House from time to time, that actively participate in the daily supervision, planning and administrative processes.

**Services** means the buying or selling of foreign currency, including Limit Orders, the making of electronic funds transfer(s), the use of the Online Platform, the debiting and/or crediting of Client's bank account and any other global payment solutions offered by Custom House.

**Settlement** is the total amount, including the cost of currency acquisition as well as any fees and charges, Client owes to Custom House.

**Settlement Date** is the date on which Settlement occurs.

**Settlement Risk** means the risk that Counterparties to FETs will be unable to fulfil their obligations on the Value Date.

**Spot Rate** means the Exchange Rate for Settlement on a Value Date of up to two (2) Business Days from the date the transaction was entered.

**Sustainable and Purchasable** means in relation to foreign exchange market rates, the rate at which a Limit Order will be executed. The rate must be traded in the market with volume sufficient to sustain that rate level for a commercially reasonable timeframe.

**Target Rate(s)** means the rate or rates at which Customer has instructed Custom House to purchase a Target Currency if and when the stipulated rate is Sustainable and Purchasable. If more than one Target Rate is stipulated, Custom House will purchase the Target Currency if and when the first of the two stipulated Target Rates is Sustainable and Purchasable.

**Telegraphic Transfer** is an electronic way of transferring funds overseas (see Wire Transfer).

**Terms and Conditions** means the Custom House Currency Exchange (Australia) Pty Limited Terms and Conditions as amended from time to time.

**Terms Currency** has the meaning set forth in Section 4.1 "Determining Exchange Rates".

**Time Zone** is any one of the world's 24 divisions that has its own time.

**Trade Date** is the day you and Custom House agree to an FET.

**Transaction** means where a Customer provides Instructions to enter into a Limit Order, purchase a Currency, or transmit funds to a beneficiary.

**USD** means United States Dollars.

**Value Date** is the day where payment for currency is made.

**Value Spot** is where the Value Date is two (2) Business Days after the Trade Date.

**Volatility** is the pace at which prices move higher or lower.

**Wire Transfer** is an electronic way of transferring funds overseas.