



## > Foreign Exchange Forward Contracts Product Disclosure Statement

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This is a replacement Product Disclosure Statement. This document replaces version 1.5 of Firma's Foreign Exchange Forward Contract Product Disclosure Statement originally issued 18 July 2022.

This document provides important information about foreign exchange forward contracts to help you decide whether you want to enter into them. There is other useful information about this offer at [www.companies.govt.nz/disclose](http://www.companies.govt.nz/disclose).

If you do not fully understand a derivative described in this document and the risks associated with it, you should not enter into it. You can also seek advice from a financial advisor to help you make your decision. You should ask if that advisor has experience with these types of derivatives.

NZForex Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013.

## 1. Key information summary

### What is this?

This is a product disclosure statement (“PDS”) for foreign exchange forward contracts provided by NZForex Limited trading as OFX (“OFX”). Foreign exchange forward contracts (“Forward Contracts”) are derivatives, which are contracts between you and OFX that require you and OFX to make payments and deliver currencies at a specific rate on a specific date in the future. The value of the contract will depend on the price of the underlying currencies. The contract specifies the terms on which those payments and deliveries must be made.

### Warning

#### Risk that you may owe money under the derivative

If the price of the underlying currency changes and its not in your favour, you may suffer losses if you do not ultimately settle your contract. In particular you may end up being liable to pay losses depending on the value of the contract and the market movement of the chosen currencies. You should carefully read ‘Altering or terminating a forward contract’ in Section 2. and Section 3. ‘Risks of these derivatives’ for more details, plus Section 4. ‘Fees’ for information on how payments are calculated.

#### Your liability to make Advance Payments

OFX may require you to make Advance Payments to contribute towards your future obligations under your Forward Contracts. These payments may be required at short notice and can be substantial. You should carefully read Section 2. ‘Key features of the derivatives’ and Section 3. ‘Risks of these derivatives’, to find out more about your obligations.

#### Risks arising from OFX’s creditworthiness

When you enter into derivatives with OFX, you are exposed to a risk that OFX cannot deliver a currency as required. You should carefully read Section 3. ‘Risks of these derivatives’ and consider OFX’s creditworthiness.

### About OFX

OFX is a New Zealand company that offers financial services and specialises in providing foreign exchange and payments. Our clients are businesses and individuals who make payments and require foreign currency exchange to pay suppliers, acquire assets, pay ongoing operational costs, and or to fulfill other business and personal needs. OFX is registered as a Financial Services Provider (FSP8041) and is a licensed Derivatives Issuer with the FMA.

### Which derivatives are covered by this PDS

This PDS covers Forward Contracts. Under a foreign exchange forward, one party agrees to purchase one currency against another at a predetermined time up to 12 months in the future.

Forward Contracts can allow you to fix the currency exchange rate at the time of entering the contract to be settled only at a future date to help manage foreign exchange exposure and help manage future cash flows.

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## 2. Key features of the derivatives

A Forward Contract is an arrangement that allows you to transfer money at some time (up to 12 months) in the future at an exchange rate that you agree now, so that you know what the exchange rate will be on the agreed settlement date. This allows you to avoid the risks and uncertainties associated with adverse exchange rate movements. It is important to note that locking in a forward exchange rate also means that you may forego any future movement that is in your favour. The purpose of a Forward Contract is primarily to hedge the risk of exchange rate movements. A Forward Contract enables a future exchange rate to be locked-in upfront. If you do not settle the Forward Contract on or before the Maturity Date you will be in breach of your obligations to OFX and we may terminate your Forward Contract. A Forward Contract may be useful in the following circumstances:

- a) importing and exporting goods where the invoice is in a foreign currency;
- b) borrowing in foreign currencies;
- c) investing in foreign currencies;
- d) buying or selling property overseas;
- e) receiving pension payments from an overseas jurisdiction;
- f) sending or receiving funds to or from a family member; or
- g) repatriating salary or interest payments received overseas.

Forward Exchange Contracts are generally used by importers, exporters and investors who seek to lock in exchange rates for settlement at a future date in order to have a level of certainty of their future cash flows. However, they can also be used by individuals who also need to lock in a forward exchange rate in advance when they are for example migrating or buying a property overseas.

**Example:** The following hypothetical example illustrates how a Forward Contract works.

On 24 May 2023, ABC Pty Ltd, a New Zealand company, entered into a Cash on Delivery ("COD") contract with XYZ LLC in America to buy 100 laptops at a unit price of USD \$2,000 for delivery on 24 August 2023. On 24 May 2023, the exchange rate was 0.6110, which means that the cost of the contract in New Zealand dollars was NZD 327,332.24. The New Zealand company decided to do nothing on 24 May 2023. When the computers were delivered on 24 August 2023, the exchange rate was 0.5925 which means that the amount payable was NZD 337,552.74. ABC Pty Ltd could have entered into a Forward Contract on 24 May 2023 and locked in a forward rate of around 0.6110. By entering into the Forward Contract ABC Pty Ltd would have achieved certainty as to the amount of NZD they would have to pay in August 2023 and so on 24 August 2023, ABC Pty Ltd then settled the Forward Contract with NZForex by paying only NZD 327,332.24, instead of NZD 337,552.74.

This example provides an example of one situation only and does not reflect the specific circumstances or the obligations that may arise under a derivative entered into by you.

The benefits related to using forward contracts are:

- Forward Contracts are a simple way of managing future currency exchange risk and negating any unfavourable movements in exchange rates.
- You can fix an exchange rate now for delivery of currency in the future. This means that you know what you will have to pay in the future so you will be better able to manage your cash flow and costs.
- It is possible to draw down on a forward contract. Drawing down on a contract means that you may use all or part of the agreed upon forward contract amount prior to the Maturity Date of the contract within an agreed period of time.

### How do forward contracts work?

To purchase a Forward Contract, you must provide instructions to OFX including:

- The amount of money you wish to exchange;
- The two currencies involved; and which currency you would like to buy or sell;
- The anticipated date(s) that you would need to use the exchanged currency; and;
- The Maturity Date that you would like for the contract, up to one year in the future.

OFX will then quote you a forward rate and tell you what advanced payment you are required to send us to finalise and purchase the Forward Contract.

### Forward Exchange Rate

In determining the rate of exchange for a Forward Contract, there are two components:

- (a) the current Spot Rate; and
- (b) the Margin

The Forward Rate quoted by OFX will not be the same as the Spot Rate, because it will take into account the difference between the interest rates in the countries that each currency represents. It may be better or worse than the prevailing Spot Rate on the day depending on the difference in interest rates between the currency being sent and the currency being received.

The calculation of the Forward Points is a complicated one. It will be influenced not just by interest rates in the two relevant currencies, but also by the duration of the Forward Contract and less tangible factors such as the market expectation of the interest rates in the two relevant currencies prior to the Maturity Date. You may find that the Margin might change quite significantly over a short period of time as a result of developments impacting on expectations of future interest rate changes.

### Advance Payments

All Forward Contracts must be settled by delivery of the full amount being transferred on the Maturity Date (also referred to as the Settlement Date). This means that we must be able to sight the cleared funds in our bank account on or before the Maturity Date. When you enter into a transaction with us, we enter into a matching transaction with our own providers. If you do not settle your transaction, we still have to settle ours. In order to cover the risk that you do not settle your transaction, we ask you to pay some of the settlement payment in advance ("Advance Payment").

The amount of any Advance Payment we request will be a fixed percentage of the value of the transaction and will normally be between 5% and 10% of the value of the transaction, but could be more depending on the duration and assessment of the Forward Contract. The amount of any Advance Payment is at our complete discretion and will be applied to the total amount owing at settlement. We will usually ask for an Advance Payment when you enter into a transaction, but the fact that we have not done so does not mean that we will not ask for one later if the exchange rate trends unfavourably. Equally, the fact that you have already made an Advance Payment does not mean that we will not ask for one or more additional Advance Payments if the exchange rate continues to move unfavourably.

If we have requested payment of an Advance Payment at any stage of the transaction, you must pay it promptly. We expect to receive the Advance Payment within 2 Business Days of the request, failing which we reserve the right to terminate the transaction without notice and ask you to pay the full amount of any loss occasioned by us immediately and or use any prior Advance Payments to cover losses incurred by us as a result of the termination.

We do not pay interest on Advance Payments. IMPORTANT: You should not enter into a Forward Contract if you are unable or unwilling to provide an Advance Payment of between 5% and 10% of the value of the transaction

with the possibility of one or more further Advance Payments being requested at any time prior to the Maturity Date. If we ask you to pay an Advance Payment at any time and fail to do so, we may terminate your Forward Contract without prior notice.

#### Entering into a forward contract

Should you agree to enter a Forward Contract at the quoted exchange rate and Advance Payment requirement (if applicable), your OFX representative will finalise the transaction within the system and the Forward Contract becomes legally binding. You will be sent a Deal Confirmation.

You must then send the agreed Advance Payment to OFX's nominated bank account as soon as possible, otherwise the contract is subject to termination by OFX and any losses are payable to OFX. On or before the Maturity Date you must send the amount owing to OFX to OFX's nominated bank account. All Forward Contracts must be settled by delivery of the full amount being transferred on or before the Maturity Date. This means that we must be able to sight the cleared funds in our bank account on or before the Maturity Date. On receipt of your funds, OFX makes the payment to the nominated recipient in the chosen currency.

**Example:** You contact your OFX representative and advise the representative that you need to secure \$200,000 USD for the purchase of goods in exchange for NZD: however you do not need these funds for another 6 months. Your OFX representative advises that the current rate of exchange on a forward contract due in 6 months, is 1.3100. Therefore, you would need to pay \$262,000 NZD on or before the forward contract close date 6 months from now to settle this contract. Your representative also advises that to secure the forward contract, you would need to make an Advance Payment of \$13,100 NZD. If you agree to the terms, you would instruct your representative to lock in the transaction. At this point, the Forward Contract becomes legally binding and you receive a Deal Confirmation.

You must then send \$13,100 NZD to OFX's nominated bank account as instructed by your representative. On the Maturity Date of the contract you send OFX the remaining \$248,900 NZD. OFX arranges to have \$200,000 USD sent to your nominated recipient as per your instructions.

Note that the example provided in this section shows one situation only and does not reflect the specific circumstances or the obligations that may arise under a Forward Contract entered into by you.

#### Altering or terminating a forward contract

The details of the Forward Contract once entered into cannot be altered, other than by early settlement, should you wish to make the full payment earlier than the agreed upon close date of the contract.

OFX may cancel your forward contract for any failure by you or breach of the OFX Terms and Conditions or the terms of the Forward Contract.

You may request to cancel any contract you have entered into with OFX, however it is at OFX's sole discretion whether to accept such request.

If a Forward Contract is cancelled either by OFX or at your request, you will be liable for any costs and/or losses that are incurred by OFX. See Section '4. Fees' to review how OFX calculates this.

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## 3. Risks of these derivatives

### Product risks

#### Currency Market Risks

The nature of the currency market is an inherent risk in all foreign exchange transactions. Because the market is subject to numerous economic, social, political, and spontaneous variables, the value of currency can be volatile.

As a Forward Contract fixes the exchange rate and the Maturity Date, this means it does not allow you to take

advantage of a favourable market movements. Additionally, it is possible that the Forward Rate becomes less favourable than the Spot Rate on the settlement date.

Market risks may also affect an Advance Payment or a request for an Advance Payment used as leverage on a forward contract.

#### Advance Payment Risks

Only a relatively small amount (usually around 5%) of the total transaction is required to enter into a Forward Contract. This means that the contract is leveraged. A leveraged contract is susceptible to movements in the market that could lead to large losses or gains. This means there could be a significant impact on the funds you have deposited and you may be required, on short notice, to provide additional funds to cover your position. These additional funds are called margin calls or Advance Payments. OFX may, in its sole discretion, require payment of an Advance Payment from you at any time during the term of a forward contract prior to its maturity. Any payment required by OFX will need to be paid by wire or bank transfer within two business days at the request for one. Failure to do so will constitute a default of the terms of a Forward Contract and you will be liable for any costs associated with the closure of your contract.

This may include the enforced liquidation of your exchange positions as well as additional losses, which can include your initial Advance Payment and Advance Payments. These losses are calculated based on the currency market pricing at the time the funds you requested to purchase are sold back to the market.

**Example:** You have negotiated a forward contract to exchange \$50,000 NZD to USD at a rate of 1.1700 and have paid a 5% margin of \$2,500 NZD.

*Due to a significant surge in the price of the US Dollar, OFX requires an additional \$2,500 NZD to cover your exposure. We have contacted you and advised you of this need for additional funds. Unfortunately you are unable to make this payment. OFX then terminates the Forward Contract and calculates that OFX has lost \$1000 as a result of the cancellation based on the current market position of the USD and so only returns \$1500 to you being the amount remaining from your original Advance Payment.*

Note that the example provided in this section shows one situation only and does not reflect the specific circumstances or the obligations that may arise under a forward contract entered into by you.

#### Cancellation risks

If you use the Forward Contract to cover an obligation that ceases to exist, or changes, prior to the Maturity Date the Forward Contract remains on foot and the obligation to settle the contract remains. If the contract is closed out, you may incur a loss as you are liable for any loss incurred by OFX due to the cancellation or termination of the Forward Contract.

When you enter into a Forward Contract, the Maturity Date will be agreed and cannot be changed without our consent. We may, at our discretion, agree to allow you to vary the Maturity Date you have booked. We may also allow you to pay some or all of the amount you are transferring early at some time before the Maturity Date ("Pre-Delivery") or we may allow you to extend the Maturity Date ("Rollover"), but not for longer than 12 months from the date you entered into the Forward Contract. If we agree to such a variation, the Margin will change.

The liability for an adverse exchange rate movement is crystallised at the commencement of the Forward Contract and not upon settlement. If you want to calculate your liability to pay an Advance Payment at any point in time prior to the Maturity Date or your liability to pay a loss in the event that the contract is terminated, you need to consider the exchange rate and Margin at the time of termination, because terminating requires OFX to enter into the same transaction in reverse with our counterparty bank and selling previously bought currency back into the market. In the event that a Forward Contract is terminated or cancelled, we will calculate, as at the date it is terminated, the value of the transaction using the prevailing market rates.

**IMPORTANT:** If there is a loss on a transaction that is Terminated, you will be liable to compensate OFX immediately upon demand for the full amount of that loss which could exceed the amount of any Advance Payment already held.

### Issuer risks

Because you are dealing with OFX as a counterparty to every transaction, you will have an exposure to OFX in that you rely on OFX's ability to meet our obligations to you under the terms of each transaction. This risk is sometimes described as a 'counterparty risk' or 'credit risk'. If our business becomes insolvent, we may be unable to meet our obligations to you.

OFX's creditworthiness has not been assessed by an approved rating agency. This means that OFX has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

### Risks when entering or settling the derivatives

#### Government risks

There is a risk that your money may be delayed or lost due to an event or incident of a sovereign, strategic, political, or governmental nature in any of the countries in which OFX operates, and in any country that you instruct OFX to send payments on your behalf.

**Example:** You have negotiated a forward contract to exchange NZD to USD. Your nominated recipient is located in a politically turbulent country.

OFX acts on your instructions and sends USD to you nominated recipient, however due to a political event in your recipient's home country, all incoming foreign bank transactions are frozen by that country. The USD is not get received by the recipient.

In such event, OFX would attempt to recover your money, however OFX does not guarantee the security of your funds in this situation.

Note that the example provided in this section shows one situation only and does not reflect the specific circumstances or the obligations that may arise under a forward contract entered into by you.

#### Operational risks

As a financial company, OFX is obligated to screen its clients and transactions for risks of money laundering, terrorist financing and fraud. There is a risk that your transaction may be delayed or cancelled due to internal OFX processes, people, or systems in place for those screening purposes. Our banking partners also adhere to similar processes which may also delay or cancel your transaction without notice. If your transaction is delayed or cancelled, we will do our best to inform you where legally permitted and assist as reasonably possible.

#### System risks

OFX records all trading activity through its proprietary trading software. This software is used to communicate client trades, including rates, amounts, and fees to OFX's back office for processing.

A disruption to hardware, software, or any system errors may prevent you from being able to enter into a Forward Contract with OFX. If this happens, you may not be able to enter into a Forward Contract until the disruption is rectified. This may cause you to miss out on a favourable rate of exchange.

If the disruption means the Forward Contract cannot be completed or is completed incorrectly you may suffer a loss as a result.

#### Fraud risks

Fraud, including identity theft and hacking, has an increased presence in today's financial transactions. Fraudsters have been known to trick individuals and entities into sending payments into the fraudster's account. Hackers have become increasingly adept at gaining access to personal information. By conducting international transactions, there is a risk that you or your transactions may be targeted by illicit individuals wanting to profit from either your personal information, or from redirecting your funds to themselves.

When you communicate with us through electronic means, there is a risk that persons with your account information, obtained fraudulently or otherwise, may access your account and provide us with unauthorised



instructions. If this occurs, we will strive to help you out as reasonably possible, however we are not liable for any loss you may ultimately incur. It is important that you stay up to date with best practices for protecting passwords and electronic accounts.

## 4. Fees

OFX does not charge a fee or commission for you to enter into a forward contract. OFX generates revenue by way of the exchange rate spread via the Margin. The exchange rate spread is the difference between the wholesale exchange rate that OFX is able to obtain from our suppliers and the exchange rate that OFX is able to offer to you. The exchange rate spread that is offered to you is determined by the frequency of trading, availability of the currency you are buying or selling, market volatility, the value of the transaction, and prevailing interest rates. See Forward Exchange Rate for more details in Section 2.

Exchange rates fluctuate constantly and thereby give rise to risk and uncertainty. They are subject to a variety of global economic factors including economic law of supply and demand.

OFX will advise the exchange rate we are able to offer to you prior to your agreement to enter the Forward Contract.

### Transaction fees

For any transaction to a nominated recipient that is less than NZD10,000 a fee of NZD15 (or the foreign currency equivalent) is charged. The NZD15 is added to the total amount of funds owed to OFX to settle the transaction. You are made aware of the fee prior to booking the transaction.

### Cancellation Losses

When a Forward Contract is cancelled, terminated or altered you will have to pay any costs and/or exchange rate losses that are incurred by OFX. Including when the Forward Contract is terminated by OFX due to non-payment or late payment.

The factors that contribute to the amount of these costs and losses are based on the currency market price of the forward contract at the time the funds you requested to purchase are sold back to the market.

If the loss due to the cancellation of the Forward Contract is greater than the Advance Payment you have supplied to OFX, you will be required to pay OFX the amount of the loss.

If there is a gain, rather than a loss, OFX will return the Advance Payment you have paid to OFX, if any. However, OFX will not pay out any gain on a cancelled or terminated Forward Contract.

**Example:** You have negotiated a forward contract to exchange \$50,000 NZD to USD at a rate of 1.1700 and have paid a 5% Advance Payment of \$2,500 NZD. The value of this forward contract in USD at the time of booking is \$42,735.04 USD. OFX purchases the USD on your behalf from its suppliers

Part way through the contract, your plans for the USD have changed and you no longer need the USD. You have requested to cancel the contract.

On the date that you requested the contract cancelled, OFX sells the \$42,735.04 USD back to the market for NZD. The rate that OFX is able to do so is 1.1650, resulting in \$49,786.32 NZD, a loss of \$213.68 NZD.

As you have paid OFX an Advance Payment of \$2,500 NZD, OFX deducts the loss of \$213.68 NZD from this amount, and returns the remaining \$2,286.32 NZD back to you.

Note that the example provided in this section shows one situation only and does not reflect the specific circumstances or the obligations that may arise under a forward contract entered into by you.

## 5. How OFX treats funds and property received from you

OFX has an Administration and Compliance Agreement with its parent entity, OzForex Limited (“OzForex”), for the provision of financial services including as related to OFX’s Forward Contracts.

When you enter into a Forward Contract with OFX, we will notify you of the nominated bank accounts where you are required to pay the money owed to OFX into. Any NZD, USD, GBP, EUR, AUD or CAD that you send to us is held in a OFX owned bank account. This bank account is considered by OFX and its bank as a trust account. This means that your funds are separated from OFX’s operating accounts and are protected from any loss if OFX becomes insolvent or fails to pay its debts.

If you send OFX an amount in any other currency, it will be held in an account owned by OzForex or one of its subsidiaries. OFX will hold the NZD equivalent of your foreign currency in its applicable bank account on trust to protect your funds.

Your funds will be held in these accounts until the funds are repaid to you, used in the settlement of your Forward Contract or is used to acquire a derivative with OFX in accordance with your instructions.

### Advance Payments

Upon receipt of your Advance Payment, OFX will hold the funds for the duration of the Forward Contract. At the end of the contract, your Advance Payment will be used towards the funds owed to settle the forward contract, or upon request and full settlement of the Forward Contract it will be returned to you.

### Corresponding payments

All corresponding payments are handled by OzForex, on behalf of OFX. OzForex has established relationships with many major banks worldwide. The banks are part of the SWIFT network which allows banks to communicate electronically for the international transfer of funds. OzForex uses the facilities with its own banks to initiate funds transfers. OzForex’s systems will report and confirm that its instructions have been received by the applicable bank. Once the transfer has been initiated, OzForex is no longer in control of the funds. The funds will now be received your nominated recipient bank account. This process is usually concluded within 24 to 48 hours (or longer depending on the currency involved).

OFX uses electronic funds transfers to make payments to you or to your nominated recipient. While electronic funds transfers are generally regarded as efficient and safe, sometimes a delay can occur if the receiving bank is not a major bank. Errors and delay will occur if the banking information you provide us is inaccurate. It is your responsibility to carefully review the Deal Confirmation that OFX will provide to you, to ensure that the nominated recipient account that you have provided to OFX is correct.

### Hedging activities

There is a risk to OFX and OzForex Limited (as the parent entity and Authorised Body of OFX) that the forward contracts you enter into with OFX may cause a negative impact to the OFX group if there are significant changes in the foreign exchange market. To mitigate this risk, OzForex Limited enters into forward contracts with its banks to hedge against these risks.

OFX does not currently use client funds for the purposes of entering into these forward contracts with their banks.

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## 6. About OFX

OFX is a New Zealand company that offers financial services and specialises in providing foreign exchange and payments. Our clients are businesses and individuals who make payments and require foreign currency exchange to pay suppliers, acquire assets, pay ongoing operational costs, and or to fulfil other business and personal needs. OFX is registered as a Financial Services Provider (FSP8041) and is a licensed Derivatives Issuer with the FMA.

To give us instructions or ask about our services, you should contact our Auckland office by telephone, email, or visit our website. Our details are:

Level 7, 16 Kingston Street, Auckland, 1010, New Zealand

**Individual clients:** 0800 161 868 (Free call)

Email: [customer.service@ofx.com](mailto:customer.service@ofx.com)

**Business clients:** 0800 161 898 (Free call)

Email: [dealers@ofx.com](mailto:dealers@ofx.com)

Website: [www.ofx.com](http://www.ofx.com)

Principal contact: Senior Legal Counsel

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## 7. How to complain

In the event OFX has not provided you with satisfactory service, you may contact your OFX representative using the details below to discuss your complaint:

**In writing:** Level 7, 16 Kingston Street, Auckland, 1010, New Zealand

**Individual clients by phone:** 0800 161 868 (Free call)

**Individual client by email:** [customer.service@ofx.com](mailto:customer.service@ofx.com)

**Business clients by phone:** 0800 161 898 (Free call)

**Business clients by email:** [dealers@ofx.com](mailto:dealers@ofx.com)

The OFX Complaints Policy can be found on our website - <https://www.ofx.com/en-nz/legal/complaints-policy/>

We will try and resolve your complaint quickly, fairly and within prescribed time frames.

If the complaint cannot be resolved to your satisfaction you have the right to refer the matter to the Financial Services Claims Limited (FSCL), an external complaints service, of which OFX is a member.

FSCL are an independent, not-for-profit, external dispute resolution scheme approved by the Minister of Consumer Affairs. FSCL's service does not cost you anything and they will help resolve the complaint.

You can contact FSCL:

- by calling 0800 347 257
- by emailing [complaints@fscl.org.nz](mailto:complaints@fscl.org.nz) through FSCL's website: [www.fscl.org.nz](http://www.fscl.org.nz)
- writing to: FSCL PO Box 5967 WELLINGTON 6011

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## 8. Where can you find more information

The government websites described below offer information on OFX, and its offer of Forward Contracts. The information described is free of charge on these websites.

Further information relating to OFX is available from the FMA website, such as a confirmation of licence:

[www.fma.govt.nz](http://www.fma.govt.nz)

You can find more information about OFX from the Financial Services Providers Register, including our business address, the name of our dispute resolution scheme, and license conditions at:

[www.business.govt.nz/fsp](http://www.business.govt.nz/fsp)

You can confirm additional information on OFX such as business registration details and company filing history including financials by searching the Companies Officer Register at:

[www.business.govt.nz/companies/](http://www.business.govt.nz/companies/)

You can find information relating to OFX and its Forward Contracts, including a copy of this document, audited financial statements, and OFX's Administration and Compliance Agreement on the Companies Office Disclose Register at:

[www.business.govt.nz/disclose](http://www.business.govt.nz/disclose)

Lastly, you may contact OFX for further information at [customer.service@ofx.com](mailto:customer.service@ofx.com). OFX will not charge a fee for any information provided.

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## 9. How to enter into a client agreement

OFX will ask you to enter into a master services agreement ("OFX Terms and Conditions") setting out the terms and conditions relating to the provision of OFX's services generally. **You will need to read and agree to the terms set out in the OFX Terms and Conditions before entering into any Forward Contracts.** Each Forward Contract you enter into will be a separate contract that is governed by the terms of the OFX Terms and Conditions. OFX will also provide you with confirmation of each transaction ("Deal Confirmation") which will set out the details of individual transactions you book immediately after you have booked them. Deal Confirmations may be sent via email and are also available via your online account.

When you register with OFX you will be provided with a copy of the OFX Terms and Conditions and asked to review and accept them.

You can contact us via phone, email or our website to register or enter into a transaction. See section 6 for our contact details.

## 10. Glossary

**Advance Payment** has the meaning given in Section 2 of this PDS.

**Deal Confirmation** has the meaning given in Section 9 of this PDS.

**Forward Rate** means the Spot Rate adjusted to a future date having regard primarily to the interest rates prevailing in the two currencies in the currency pair.

**Forward Contract** has the meaning given in section 2 of this PDS

**Forward Points** means the amount by which a Forward Rate varies from the Spot Rate as a result of the differential in interest rates between the two currencies in a currency pair.

**NZD** means New Zealand Dollars

**Margin** means the difference between the exchange rate we pay our provider, which we access through the wholesale foreign exchange market, and the rate that we quote to you.

**Maturity Date (or Settlement Date)** means the agreed date on which the funds that are being exchanged must be received by us. This date may be brought forward or extended by OFX at its discretion.

**PDS** means Product Disclosure Statement

**Representative** includes a director or employee of OFX, and a director or employee of any company related to OFX.

**Spot Rate** means the applicable exchange rate applicable to a payment for immediate settlement (i.e. within 2 Business Days) from the date the payment was booked.

**USD** means United States Dollars



NZForex Limited (Company No. 2514293) is registered as a Financial Service Provider on the Financial Service Providers Register (FSP No. 8041). It is regulated by the Financial Markets Authority as a Derivatives Issuer in New Zealand.