

# > What is a Forward Contract?

A Forward Contract lets you lock in your exchange rate for up to 12 months. No worries. No surprises. Job done.

A Forward Contract is a buy now, pay later option for businesses trying to take advantage of a beneficial rate today on a future payment.

Forward Contracts give you certainty by securing your "fixed rate." This locked in rate reduces the risk of future currency volatility that could reduce profits or force you to pay more when the transaction is due. A deposit is required, but most of the money stays in your hands to help support your business.\*

\*Forward Contracts are subject to advanced payments during the duration of your contract. For full details on advanced payments and deposit calls, please reference our Terms and Conditions. If you book a Forward Contract, it may mean losing out if the market rate improves because you're contracted to settle at the agreed rate. Please note, Forwards Contracts are not available for personal clients in Hong Kong.

### > What are the benefits of a Forward Contract?



## > Who can benefit from a Forward Contract?

Exporters, importers, online sellers, employees earning in foreign currency, and employers paying in foreign currency.

#### OFX client case study, in four steps:

#### 1: Understanding our client

Manny is a New Zealand distributor buying goods worth €1,000,000 from an Italian manufacturer. Payment is due at the time of delivery, and the goods arrive in six months. Whenever a big deal like this comes up, Manny calls his OFXpert, Jordana.

#### 2: Predicting his needs

Manny and Jordana calculate how much the goods will cost Manny if he completes a standard transfer now. For example, if the market rate at the time of purchase makes €1 worth NZ\$1.80, that means the goods would cost him NZ\$1,800,000 if he paid today. But if after six months the euro increases to NZ\$1.90, the same goods will cost him NZ\$1,900,000. That's NZ\$100,000 out of Manny's pocket.

#### 3: Providing the solution

Manny really wants to know what he's going to pay in six months, but he doesn't want to make the exchange right now because he needs New Zealand currency to run his business. Manny and Jordana book a Forward Contract to buy €1,000,000 at NZ\$1.82 in six months' time.

#### 4: Secure transactions

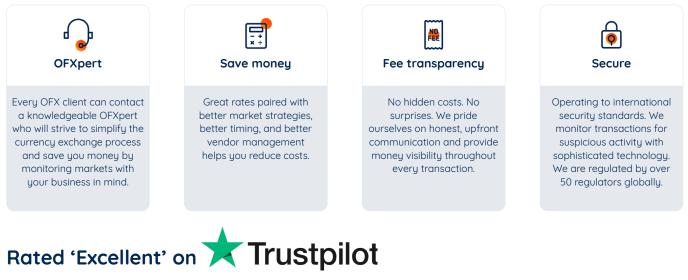
Now Manny knows exactly what his future bill will be. He'll pay a little more than if he bought the goods right now at NZ\$1.80, but he has peace of mind knowing his profit margins are protected against the risk of adverse currency shifts. And his New Zealand



# > Why choose OFX?

### OFXperts in your corner, and every corner of the world.

We grew from an idea that there had to be a better, fairer way to move money around the world. That was over 25 years ago, and since then over 1 million clients have trusted us with transfers in 50+ currencies to 170+ countries. That's \$293bn+ we've helped to move around the world.



Read our reviews >

### Forward Contracts are just one call away.

Add an OFXpert to your team, today! Our clients get the best of both worlds — a seamless digital platform, combined with 24/7 phone access to currency experts.