

Foreign Currency Term Deposit



Product Disclosure Statement

This Product Disclosure Statement (PDS) relates to Foreign Currency Term Deposits and incorporates the Terms and Conditions for your Foreign Currency Term Deposits.

Issuer

Westpac Banking Corporation ABN 33 007 457 141
Australian Financial Services Licence Number: 233714



Institutional Bank

A division of Westpac Banking Corporation ABN 33 007 457 141

Foreign Currency Term Deposit

Product Disclosure Statement

A Product Disclosure Statement is an information document. The purpose of a Product Disclosure Statement is to provide you with enough information to allow you to make an informed decision about a product's suitability for your needs. A Product Disclosure Statement is also a tool for comparing the features of other products you may be considering. If you have any questions about this product, please contact us on any of the numbers listed at the back of this Product Disclosure Statement, or call your State International Service Centre.

Important information

This Product Disclosure Statement is issued by Westpac Banking Corporation and is current as at 23 February 2009. The information in it is subject to change. Westpac may vary its terms, which are also the terms of your contract with us, as set out on page 9 of this document. This document also forms the contract between you and us and, as such, its terms are legally binding on you in your dealings with us. Westpac will provide updated information by issuing a supplementary or replacement product disclosure statement (if this were required, such as if the change were materially adverse to you) or by posting the information on our web-site. You can get a paper copy of any updated information without charge by calling us.

This Product Disclosure Statement is intended for retail clients (as defined in the Corporations Act 2001) in Australia only. Distribution of it in jurisdictions outside Australia may be restricted by law and, persons who come into possession of it, who are not in Australia, should seek advice. If you are in Australia and have received it electronically, we will give you a paper copy on request, without charge. To obtain a copy, refer to the contact details listed on the back page of this Product Disclosure Statement.

The information set out in this document is general in nature. It has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs. By providing this Product Disclosure Statement, Westpac does not intend to provide financial advice or any financial recommendations. You should read and consider this Product Disclosure Statement, in its entirety, carefully and seek independent expert advice before making a decision about whether or not this product is suitable for you.

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Institutional Bank

Foreign Currency Term Deposit

Issuer

Westpac Banking Corporation (**Westpac, we or us**).

Description

Description

A Foreign Currency Term Deposit (**FCTD**) is a type of term deposit offered under a facility that allows you to invest foreign currency with Westpac for a fixed term. Westpac pays you interest at a fixed interest rate for the duration of the Foreign Currency Term Deposit. Successive Foreign Currency Term Deposits, with successive fixed terms, are available under this facility, until your funds are repaid. See Operating your Foreign Currency Term Deposit account section for more information.

Foreign Currency Term Deposits are available for most major foreign currencies. Those foreign currencies are set out in the table on page 13 of this document.

Term of FCTD

Term of Foreign Currency Term Deposit

The minimum term of a Foreign Currency Term Deposit is seven days and the maximum term is generally 6 months. Westpac will consider applications for Foreign Currency Term Deposits for terms longer than 6 months on a case by case basis.

Funds cannot be withdrawn from a Foreign Currency Term Deposit before the end of the term without Westpac's agreement. See Early termination section for more information.

Minimum balance

Minimum balance

To open a Foreign Currency Term Deposit you must have at least the equivalent of 50,000 Australian dollars (\$). Westpac will use its current exchange rates to determine the value of your foreign currency.

Interest

Interest

Foreign Currency Term Deposit interest rates vary from time to time and are set by Westpac. The rate is set at the time the Foreign Currency Term Deposit is opened and is fixed for the term of the Foreign Currency Term Deposit.

Foreign Currency Term Deposit interest rates are based on the prevailing foreign currency market interest rates, that are then adjusted to pay Westpac for the services we provide. The size of the adjustment varies from customer to customer and is influenced by:

- the term of your Foreign Currency Term Deposit
- the amount of your Foreign Currency Term Deposit; and
- market volatility

Westpac derives a financial benefit from entering into an Foreign Currency Term Deposit. Westpac obtains that benefit by incorporating margins into the interest rates it sets for Foreign Currency Term Deposits. By that we mean

that the agreed rates for an Foreign Currency Term Deposit will be different to the foreign currency market interest rates prevailing at the time. In effect, you pay for the Foreign Currency Term Deposit by accepting the interest rate quoted by Westpac.

You can obtain details about the interest rates payable on Foreign Currency Term Deposits from your Westpac representative or your State International Service Centre, or by visiting your local branch.

The interest is calculated once for the term of the Foreign Currency Term Deposit, based on the length of the term, the applicable interest rate and the amount placed on deposit. Interest is paid at maturity or yearly if the term of the Foreign Currency Term Deposit is longer than one year.

An example of how interest is calculated on an Foreign Currency Term Deposit is provided on page 10 of this document.

Fees and charges

Fees and charges

There are no transaction or monthly service fees payable on a Foreign Currency Term Deposit. However, where Westpac agrees to allow you to withdraw money from your Foreign Currency Term Deposit before the end of the term, there will be a cost to you in doing so. Please refer to the Early termination section for further details.

Westpac may charge a fee for providing additional account statements and/or notices. The fees are:

- a) \$6.00 per page for each duplicate account statement/notice; plus
- b) if you ask for a duplicate statement/notice more than three months after the original statement/notice was issued, Westpac may charge a fee of \$60.00 per hour or part thereof if it is necessary to search for or recreate statements/notices.

These fees are payable at the time the event occurs or when the service is provided.

Your Foreign Currency Term Deposit is subject to any government taxes and duties. There are currently no government taxes and duties. However, withholding tax and non-resident withholding tax may be payable (please refer to the Tax File Number and Non-resident withholding tax sections for more information).

There are fees and charges for the services that are commonly used in conjunction with your Foreign Currency Term Deposit (for example, telegraphic transfers, or issuing foreign currency drafts and bank cheques). There is also a fee payable where Westpac completes a company search (at the time your account is opened). You can obtain details about the fees and charges payable for these services through Telephone Banking or by visiting your local branch.

Westpac may decide not to charge a fee that it is otherwise entitled to charge. Any failure by Westpac to charge a fee does not constitute a waiver of that fee or the right to charge that fee.

Opening an account

Opening an account

Foreign Currency Term Deposits are available for both personal and business customers. You can open an Foreign Currency Term Deposit at any Westpac branch in Australia. To open a Foreign Currency Term Deposit we will need your name, address and your occupation. You may also need to supply the following information:

- business name, address and industry details
- the name you wish the account to be in
- the names and residential addresses of all people who will operate the account (signatories)
- a copy of the business or company registration
- details of the directors, owners or partners of the business, including details of all other account signatories

Westpac may complete a company search to verify this information. A fee will be charged for this service.

You cannot open a Foreign Currency Term Deposit with foreign currency cash. Funds must come directly from an existing Westpac bank account in the same name as the Foreign Currency Term Deposit or by telegraphic transfer.

When you have opened a Foreign Currency Term Deposit, Westpac will send you a deposit confirmation notice.

Anti-Money Laundering and Counter-Terrorism Financing Act 2006 Obligations

What we need from you:

To open any new Westpac business account(s) we'll need some important details from you. Depending on the legal nature of your business (company, trustee, partnership etc) you will be required to provide certain documents and information to the Bank.

If this is your first account with us:

Under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 it is a requirement that the account holder and all signatories to the account must be identified. So if you're opening an account for the first time this applies to you. It also applies to any (cardholder) (signatory) who is not an existing customer.

The identification requirements can be met by completing the Westpac Customer Identification Procedure which involves providing identity documentation to the Bank. For information on documents required under Westpac's Customer Identification Standards please contact any branch or refer to our website – www.westpac.com.au/aml.

If the account holder or any of the signatories to an account are not identified in terms of the Act, the account will be blocked for all withdrawals, until they are identified.

If you are an existing customer, an account signatory (or any other cardholder) identification requirements may have previously been satisfied so you don't need to provide it again, unless you are asked to do so by us.

Operating your Foreign Currency Term Deposit

Opening a joint account

You can open a Foreign Currency Term Deposit in joint names. Where a Foreign Currency Term Deposit is opened in joint names, each joint account holder can give instructions in respect of the Foreign Currency Term Deposit. You can permit another person to operate your Foreign Currency Term Deposit by completing the appropriate form. You can withdraw this authority at any time.

It is important to understand what your responsibilities are before undertaking any joint financial commitment. Note, for example, that if a Foreign Currency Term Deposit is held in joint names and an account holder dies, we may treat the credit balance in the Foreign Currency Term Deposit as owing to the surviving account holder(s).

Operating your Foreign Currency Term Deposit account

Once a Foreign Currency Term Deposit is established you may not deposit additional funds until the Foreign Currency Term Deposit matures.

You must give instructions for renewal or repayment of a Foreign Currency Term Deposit (including interest) to the branch at which the deposit is held at least two business days before the end of the term (the maturity date). If the branch does not receive instructions by that time, the Foreign Currency Term Deposit (including any interest earned) will be renewed for the same time as the original term using the interest rate applicable on maturity. The interest rate applicable will be specified in the confirmation notice that will be sent to you.

If you ask for repayment of your Foreign Currency Term Deposit, you will receive the balance of your Foreign Currency Term Deposit (your initial deposit together with interest earned) at maturity. However, you cannot receive this amount in foreign currency cash. You may ask for the balance of your Foreign Currency Term Deposit to be transferred to a Westpac foreign currency account (in the same name and foreign currency as your Foreign Currency Term Deposit). Alternatively, you can ask Westpac to convert the foreign currency to Australian dollars (using Westpac's current exchange rates) and deposit those funds into another Westpac account in the same name as the Foreign Currency Term Deposit.

You can also arrange for your proceeds to be paid using a foreign currency draft, telegraphic transfer or bank cheque. A fee will be payable for these services. Details of these fees are available on request.

Account statements

Account statements

You can get up-to-date information on your FCTD at any time by visiting any Westpac branch.

You will receive the following information unless we are unable, after taking reasonable steps, to locate you:

- a confirmation notice when the FCTD is established
- a confirmation notice when a FCTD is renewed

A sample confirmation notice is set out below for your information.

Foreign Currency Term Deposit

Retail FX Delivery
Global Markets Operations
International Operations
Level 3, 255 Elizabeth Street,
SYDNEY 2000
Tel: (02) 9284 8737
Fax: (02) 9284 8767

Date: 09/03/2004

SMITH, BARRY ABC TRADING
11TH FLOOR 180 THE ESPLANADE
SYDNEY
NSW 2000

We hereby confirm the following Foreign Currency Term Deposit / Loan transacted with yourselves today:-

Deposit Ref. No.:	1852013211
Currency:	USD
Principal:	58,375.70
Date From:	09/03/2004
Maturity:	08/04/2004
No. of Days (Term):	30
Interest Rate:	0.30
Gross Interest Due:	14.59
Withholding Tax:	0.00
FID Due:	0.00
Net Interest Due:	14.59
Total Payable at Maturity:	58,390.29

Should there be any discrepancy in the details, please contact us immediately.

If you wish to partially/fully disburse funds from your term deposit please advise the undersigned via facsimile 1300 656 997 or phone (02) 9284 8737 within 24 hours of maturity date. If no instructions are received by this time then funds will automatically be rolled as per previous lodgement term.

Regards,

Kellie Sadler

Foreign Exchange Officer

Warning

Please check notices carefully. If you believe there has been any error or unauthorised transaction, or have any other query, please contact Westpac immediately.

If you believe there has been any error in relation to your account, you must notify Westpac within three months of receiving your notice. If you do not notify us within this period, you lose the right to make a claim against us regarding any forgery in relation to a cheque or any other discrepancy.

If you need additional copies of your statements/notices or would like access to information on your transactions, contact your Westpac representative or visit your local branch. As indicated earlier, there may be additional fees for additional account statements/notices.

If, for any reason, your contact details, or the account signatories change, you must notify your Westpac representative as soon as possible. Unless you have given us adequate prior notification of changes to contact details or other account information, Westpac cannot be held responsible for any resulting errors or losses.

Early termination

Early termination

If you need to withdraw funds from your Foreign Currency Term Deposit before maturity, we will do our best to meet your request. If Westpac agrees to repay all or part of your Foreign Currency Term Deposit you may withdraw funds.

At the time of the request, Westpac will calculate the interest rate we are willing to pay on the total amount of the Foreign Currency Term Deposit. This rate applies to the period from the commencement of the Foreign Currency Term Deposit to the date the money is actually withdrawn. Westpac will set that rate, taking into account a number of considerations, including the foreign currency involved, the amount of the Foreign Currency Term Deposit, prevailing foreign currency market interest rates, the period remaining on the Foreign Currency Term Deposit, and the costs incurred by us as a consequence of terminating the Foreign Currency Term Deposit early. This may result in a reduced interest rate, or no interest, being applied to the total amount of the Foreign Currency Term Deposit.

Where a partial withdrawal occurs, the remaining balance of the Foreign Currency Term Deposit will be reinvested for an agreed term and will earn interest at the rate applicable at that time. However, the minimum balance of the Foreign Currency Term Deposit must be at least the equivalent of 50,000 Australian Dollars.

Tax File Numbers

Taxation Implications

Interest earned on your Foreign Currency Account may form part of your assessable income and any gains or losses arising from the conversion of foreign currency may have similar income tax implications.

You may provide your Tax File Number (TFN) when you open your Foreign Currency Account or at any other time. If the investment is made in the course of an enterprise (that is, business activities) you may provide an Australian Business Number (ABN) as an alternative to your TFN. If you do not provide your TFN, ABN, or advise that you are eligible for an exemption from providing a TFN or ABN. Westpac may be obliged to deduct Pay as You Go (PAYG) Withholding Tax as the maximum marginal tax rate, plus the Medicare levy, from any interest income you earn on your Foreign Currency Account.

If you are a non-resident of Australia, Westpac may also be obliged to deduct PAYG Withholding Tax from any interest income you earn on your Foreign Currency Account.

Australian Taxation law is complex and its application will depend on your individual circumstances. Westpac recommends that you seek independent tax advice in respect of the tax consequence arising from the use of this product/service.

Goods and Services Tax

Where Westpac is liable to pay Goods and Services Tax (GST) or any similar tax on a supply made in connection with this product/service, then you agree to pay an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate. need to tell us the type of exemption you are claiming. Those eligible include:

Closing an account

Closing an account

Westpac may close an Foreign Currency Term Deposit due to unsatisfactory conduct or for any other reason we deem appropriate, such as an account being used for an illegal purpose. If this happens, we will notify you in writing at the address shown on our records and, if appropriate, will send you the net credit balance of your account.

The Commonwealth Government has legislation that governs unclaimed monies. It states that accounts where there have been no deposits or withdrawals (excluding any bank charges or interest paid), for seven years or more, are to be treated as unclaimed monies. In this situation, accounts will be closed and credit balances may be transferred to the Commonwealth Government under the terms of the legislation.

We will assist account holders in making a claim to recover money that has been transferred to the Commonwealth Government. You can make a claim by visiting any branch. You will need to verify your identity by providing your account documents. You must also fill out a form that will need to be processed. This can take up to three months.

Account combination

Account combination

Westpac has the right to combine your Foreign Currency Term Deposit with any other Westpac account you hold, such as a loan or credit account upon which your repayments are in default. That is, we can transfer sufficient money from your Foreign Currency Term Deposit to clear any debt you owe us in other loan or deposit accounts. If we do this, the balance of your Foreign Currency Term Deposit will reduce by the amount used for this purpose. You agree that you may not set off any amounts we owe you (for example credit balances in your accounts) against amounts you owe us.

If we exercise our right to combine accounts, we will notify you promptly in writing at the address shown in our records.

Changes to terms and conditions

Changes to terms and conditions

We may change the terms and conditions of your account. We will always let you know if, for any reason, the terms and conditions of your account change.

We will notify you in writing about most changes, including the introduction of a new fee or charge (other than a government fee or charge), varying the minimum balance or the method by which interest is calculated, at least 30 days before the change takes effect.

Other changes, including changes in government fees and charges or the variation of an existing fee, may be notified to you by advertisement in the national or local media, or in writing, before the day on which the change becomes effective.

However, advance notice may not be given when a change is due to an immediate need to restore or maintain the security of our systems or individual accounts. In certain circumstances, notice may also be given after the change has occurred.

Provided you agree, we may notify you of any of the above types of changes either by electronic device or communication (such as email), or by making particulars of changes available at our web site, www.westpac.com.au. You may, at any time, vary the electronic device or communication method you have nominated, or terminate your agreement to allow us to notify you through any electronic method.

Example of interest calculation

Example of interest calculation

The example below is indicative only and uses rates and figures we have selected to demonstrate how the product works. Actual interest rates vary from time to time.

Interest is calculated according to the following simple interest formula:

$$I = P \times i \times n$$

Where:

I = interest paid

P = amount of initial deposit

i = interest rate, quoted on a per annum basis

n = length of deposit, determined by the number of days and based upon either a 360 or 365 day year.

Scenario

A customer has 100 000 United States dollars (USD) and wishes to retain those funds in USD and invest them for a period of 90 days. The three-month USD interest rate applicable in this instance is 1.50% p.a.

The interest paid at maturity would therefore be USD 375, calculated as follows:

$$\begin{aligned} I &= \text{USD } 100,000 \times \frac{1.5}{100} \times \frac{90}{360} \\ &= \text{USD } 375 \end{aligned}$$

Telephone conversations

Telephone conversations

The terms of a Foreign Currency Term Deposit are usually agreed verbally over the telephone. Once we have reached an agreement, both you and Westpac are bound by the terms of the Foreign Currency Term Deposit.

Conversations with our dealing room and settlement departments are taped. This is standard market practice. We do this to make sure that we have complete records of the details of all transactions. Taped conversations are retained for a limited period and are usually used where there is a dispute and for staff monitoring purposes.

You will need to advise our dealer if you do not wish to be recorded. However, we will not enter into any transaction over the telephone unless the conversation is recorded.

Factors that may influence our advice

Factors that may influence our advice

This document has been designed to help you choose the right product for your needs. When you ask for a recommendation, please be assured that our staff members will always explain your choices and suggest a suitable product.

Sometimes our staff may be eligible for incentives, including cash incentives, for achieving or exceeding a sales target.

Code of Banking Practice compliance

Code of Banking Practice compliance

The Code of Banking Practice is a voluntary code for banks dealing with individuals and small businesses. Its purpose is to set standards of good banking practice for banks to follow when dealing with these customers. Copies of the Code are available on request.

If you are a retail client, each relevant provision of the Code will apply to this product from the date we adopt that provision. If you would like to discuss whether or not the Code will apply to you, please contact Westpac on the numbers set out at the back of this document.

The Electronic Funds Transfer Code of Conduct

The Electronic Funds Transfer Code of Conduct

The Electronic Funds Transfer Code of Conduct governs all electronic funds transfer transactions to or from your account, which are initiated by you through electronic equipment using an access method. We will actively comply with this code and this is our obligation to you.

Privacy and confidentiality compliance

Privacy and confidentiality compliance

Westpac's Privacy Policy explains our commitment to the protection of your personal information. You may obtain a copy of our Privacy Policy by:

- calling Telephone Banking (on 132 032)
- contacting any of our branches
- visiting our web site at www.westpac.com.au

In addition to Westpac's duties under legislation, it has a general duty of confidentiality towards you, except:

- where disclosure is compelled by law
- where there is a duty to the public to disclose
- where the interests of Westpac require disclosure
- where disclosure is made with your express or implied consent

Labour standards

Labour standards

When selecting, retaining or realising investments relating to our Foreign Currency Term Deposits, we do not take into account labour standards or environmental, social or ethical considerations.

Dispute resolution

Getting your complaint heard

Sometimes you may want to talk about problems you are having with us. Fixing these problems is very important to us. We've put in place ways of dealing with your issues quickly and fairly.

Please talk to us first

We aim to resolve your complaint at your first point of contact with us. This is our 'Ask Once' promise. So please raise your complaint with any of the people handling your banking.

You can contact us 24 hours a day, 7 days a week from anywhere in Australia, by:

Telephone: 1300 130 467

E-mail: Go to our website, www.westpac.com.au and click on 'Contact Us'.

Fax: (02) 8253 3707

Mail: GPO Box 5265, Sydney NSW 2001.

Contact our National Customer Relations Unit

If we can't resolve your complaint at your first point of contact with us, we will escalate it to our National Customer Relations Unit.

You can also contact our National Customer Relations Unit at:

Telephone: 1300 130 206

E-mail: Go to our website, www.westpac.com.au and click on 'Contact us' and then click on 'Complaints and Compliments'.

Fax: (02) 8253 3707

Mail: GPO Box 5265, Sydney NSW 2001.

Contact our Customer Advocate

If you feel we did not act fairly in the way we handled your complaint or in the way we resolved your complaint, you can ask the Customer Advocate to review the matter for you.

The Customer Advocate's role is to act as independently as possible to make sure that Westpac has treated you fairly.

You can contact our Customer Advocate on:

Telephone: 1300 301 977

Mail: Customer Advocate,

GPO Box 5265

Sydney NSW 2001

What to do if you are still unhappy

If we haven't been able to deal with your issues to your satisfaction, there are a number of other bodies you can go to. One of these is the Financial Ombudsman Services (FOS). The FOS deals with complaints about banks and their related companies. Their contact details are:

Financial Ombudsman Services

GPO Box 3, Melbourne VIC 3001

Telephone: 1300 780 808

Fax: (03) 9613 6399

Internet: www.fos.org.au

Communication with you

Communicating with you

From time to time, members of the Westpac Group may contact you with or send you information about other Westpac products and services that we feel might be of relevance or benefit. (Westpac Group refers to Westpac Banking Corporation and its related bodies corporate which include companies that bear the 'Westpac' or 'BT' name.)

Although we encourage you to receive this information, it is not compulsory. If you do not wish to receive it, please advise us in one of these four ways:

- call Telephone Banking on 132 032;
- write to us at GPO Box 3433, Sydney NSW 2001;
- call your State International Service Centre; or
- visit any of our branches.

You don't need to do this if you have already told us you do not want to receive this sort of information.

Anti-Money Laundering and Counter-Terrorism Financing Obligations

Regulatory and Compliance Controls and Monitoring

Please be advised that in order for Westpac to meet its regulatory and compliance obligations, we will be increasing the levels of control and monitoring we perform.

You should be aware that:

- transactions may be delayed, blocked, frozen or refused where we have reasonable grounds to believe that they breach Australian law or sanctions (or the law or sanctions of any other country);
- where transactions are delayed, blocked, frozen or refused, Westpac and its correspondents are not liable for any loss you suffer (including consequential loss) in connection with a Foreign Currency Account or Westpac Corporate Online;
- we may from time to time require additional information from you to assist us in the above compliance process; and
- where legally obliged to do so, we will disclose the information gathered to regulatory and/or law enforcement agencies, other banks, other members of the Westpac Group, service providers or to other third parties.

You provide Westpac the following undertakings and indemnify Westpac against any potential losses arising from any breach by you of such undertakings:

- you will not initiate, engage in or effect a transaction that may be in breach of Australian law or sanctions (or the law or sanctions of any other country); and
- the underlying activity/product for which Westpac Corporate Online is being provided does not breach any Australian law or sanctions (or the law or sanctions of any other country).

**Foreign currencies
available:**

<u>Foreign currencies available on FCTDs.</u>	<u>Interest calculated upon a 360 or 365 day year</u>
United States Dollars	360
Great Britain Pounds	365
Canadian Dollars	360
Danish Kroner	360
Euro	360
Hong Kong Dollars	365
Japanese Yen	360
New Zealand Dollars	365
Norwegian Kroner	360
Singapore Dollars	360
Swiss Francs	360
Other currencies on application	

**Westpac Banking
Corporation
contact details:**

International Sales and Service centres

131 032

8am – 8pm

Monday to Friday