

# Participating Forward Contract.

## **Product Disclosure Statement.**

Issued by Westpac Banking Corporation  
Australian Financial Services Licence No. 233714  
ABN 33 007 457 141  
**Dated: 13 August 2014**

200



200 years proudly supporting Australia

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## Important information.

A Product Disclosure Statement (PDS) is an information document. Its purpose is to provide you with enough information so that you can decide if the product will meet your needs. A PDS 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 PDS.

This PDS relates to Participating Forward Contracts (PFCs) issued by Westpac Banking Corporation (ABN 33 007 457 141 AFSL 233714) (Westpac, we, our or us). We are the issuer of this PDS. A PFC is a sophisticated financial product requiring a good understanding of the way foreign exchange contracts and markets work. You should read and consider all sections of this PDS carefully before making a decision about the suitability of this product for you. You may also wish to obtain independent expert advice.

If you decide to enter into a PFC, you should keep a copy of this PDS and any associated documentation. You should also promptly tell us if at any time you experience any financial difficulty.

The meaning of some terms in this PDS (indicated by using a capital letter at the beginning of the term) is included in the Glossary on page 13.

The information set out in this PDS is general in nature. It has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should consider its appropriateness having regard to your objectives, financial situation and needs. By providing this PDS, Westpac does not intend to provide financial advice or any financial recommendations.

Information relating to PFCs that is not materially adverse may change from time to time.

The information in this PDS may be updated and made available to you on our website at [www.westpac.com.au](http://www.westpac.com.au). We will provide you with a paper copy of any updated information posted on our website on request without charge. If there is a change to information relating to PFCs that is materially adverse, we will (depending on the nature of the change or event) notify you within three months of the change or event and will issue a replacement or supplementary PDS where required.

This PDS, and any invitation to apply for a PFC that this PDS relates to, is intended for retail clients 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 at the back of this PDS.

## Participating Forward Contract (PFC) Summary.

ISSUER	WESTPAC BANKING CORPORATION (ABN 33 007 457 141 AFSL 233714).
Purpose	A PFC is a foreign exchange product designed to assist you in reducing your foreign exchange risk. It may help you to manage a currency risk you are exposed to.
Suitability	A PFC may be suitable if you have a good understanding of foreign exchange markets and have a genuine commercial need to manage currency risk associated with a particular currency pair. It should not be used for trading or speculative purposes.
Costs	There are no up-front out of pocket costs with a PFC. See the section titled "What are the costs?" on page 6 for more information.
Key Benefits	<p><b>Protection</b> – A PFC provides you with protection against unfavourable exchange rate movements.</p> <p><b>Coverage</b> – PFCs are available for a wide range of currencies. Please contact us to confirm your desired currency is covered. Our contact details are set out on page 14.</p> <p><b>Participation in favourable exchange rate movements</b> – Potential to participate in favourable exchange rate movements on a proportion of your Contract Amount.</p> <p><b>Flexibility</b> – Key variables, including the Contract Rate and the Participation Ratio, can be tailored to meet your particular needs.</p> <p>See the section titled "Key Benefits" on page 6 for more information.</p>
Key Risks	<p><b>Opportunity loss</b> – You will not receive the benefit of favourable exchange rate movements that may occur on a proportion of your Contract Amount.</p> <p><b>Variation / Early termination</b> – You can vary or terminate a PFC early but there may be a cost if you do so.</p> <p><b>No cooling off period</b> – There is no cooling off period.</p> <p><b>Counterparty and operational risk</b> – Westpac has performance obligations under a PFC. You need to form a judgment of our ability to meet those obligations.</p> <p><b>Currency restrictions</b> – Some currencies may be subject to legal and regulatory obligations.</p> <p><b>Use of agent and correspondent banks</b> – Westpac may use agents and correspondent banks to deliver some currencies (other than Australian dollars).</p> <p>See the section titled "Key Risks" on page 6 and the section titled "Can I terminate a PFC before maturity?" on page 5 for more information.</p>
Term	1 week to 2 years (longer terms may be available on request).
Minimum Transaction Amount	The minimum transaction amount is AUD 25,000 or the foreign currency equivalent.
How to Apply	Visit any Westpac branch or contact your existing Westpac representative. Alternatively, you can contact us at the details listed at the back of this PDS.

# Participating Forward Contract (PFC).

## What is a PFC?

A PFC is an agreement with Westpac that provides protection against unfavourable exchange rate movements by setting a Contract Rate at which you can exchange one currency for another. At the same time it provides you with some ability to participate in any favourable exchange rate movements on a pre-determined proportion of your contract amount.

A PFC may be useful in managing the currency risk associated with exporting or importing goods denominated in foreign currency, investing or borrowing overseas, repatriating profits, converting foreign currency denominated dividends, or settling other foreign currency contractual arrangements.

## How do PFCs work?

When you enter into a PFC, you nominate the two currencies to be exchanged. These currencies are known as the Currency Pair and must be acceptable to Westpac.

You will also nominate either a Contract Rate or a Participation Ratio. Where you set the Contract Rate Westpac will determine the Participation Ratio for you and where you set the Participation Ratio Westpac will determine the Contract Rate for you.

The Contract Rate is your level of exchange rate protection while the Participation Ratio will be the proportion of your Contract Amount that can benefit from any favourable exchange rate movements that occur. The extent of this benefit will depend on where the Market Foreign Exchange Rate is at the Cut-Off Time.

On the Maturity Date the possible outcomes under a PFC are:

- if the Market Foreign Exchange Rate at the Cut-Off Time is the same as or less favourable than the Contract Rate the full Contract Amount must be exchanged with Westpac at the Contract Rate;
- if the Market Foreign Exchange Rate at the Cut-Off Time is more favourable than the Contract Rate, only part of the Contract Amount must be exchanged with Westpac at the Contract Rate. The amount to be exchanged is calculated by Westpac using the following formula:

$(100\% \text{ minus the Participation Ratio}) \text{ multiplied by the Contract Amount}$

You can choose to exchange the remaining amount at the prevailing Market Foreign Exchange Rate if you wish to do so.

## How do we monitor the exchange rate?

We will monitor the relevant foreign exchange markets to determine your obligations as at the Cut-Off Time. We will advise you of the outcomes as soon as practicable.

The Cut-Off Time and the Maturity Date will be specified in the Confirmation that outlines the commercial terms of the transaction.

## Are there any Westpac credit requirements before dealing?

Before entering into a PFC, Westpac will assess your financial position to determine whether or not your situation satisfies our normal credit requirements. Westpac will advise you of the outcome of its review as soon as possible.

If your application is successful, you will need to sign Westpac's standard finance documentation. This documentation sets out the terms of the credit approval and other matters relevant to your application.

## What happens at maturity?

Depending on the terms of your PFC, on the Maturity Date you may need to provide Westpac with either foreign currency or Australian dollars (AUD). You can provide foreign currency either by telegraphic transfer or by transferring funds from a foreign currency account/deposit. You must provide AUD in Clear Funds. On receipt of the funds, Westpac will deposit amounts owing to you into a Westpac bank account (in your name), denominated in the relevant currency. Alternative arrangements can be made with Westpac's agreement.

## Can I terminate a PFC before maturity?

You may ask us to terminate a PFC at any time up to the Cut-Off Time. We will then provide you with a termination quote. There will be a cost or a gain arising as a result of termination. If you accept the termination quote, we will terminate the PFC.

Our quote will incorporate the same variables used when pricing the original PFC. These will be adjusted for the prevailing conditions in respect of the remaining term of the PFC. We will also need to consider the cost of reversing or offsetting your original transaction. When doing this we take into account the current market rates that apply to any offsetting transactions.

# Costs, Benefits and Risks.

## What are the costs?

There are no up-front out of pocket costs with a PFC. Once the Contract Rate or Participation Ratio is set by you Westpac will determine the other rate in order to create a Zero Cost Structure. When determining that rate, Westpac takes several factors into account including:

- the Contract Rate or Participation Ratio set by you;
- the size and term of the PFC;
- Global Foreign Exchange Rates;
- market volatility; and
- market interest rates of the countries of the Currency Pair.

While there are no up-front costs with PFCs, Westpac still derives a financial benefit by incorporating a margin into the Contract Rate and the Participation Ratio. This means that these rates will be different to the market rate prevailing at that time. In effect you pay for the PFC by accepting the Contract Rate and Participation Ratio quoted by Westpac

## Key Benefits.

### Protection

PFCs provide you with protection against unfavourable foreign exchange movements between the time you enter into a PFC and the Cut-Off Time. This can assist you in managing your foreign currency exposures. On the Maturity Date, you will be protected at the Contract Rate for the Contract Amount.

### Coverage

PFCs are available for a wide range of currencies. Please contact us to confirm your desired currency is covered. Our contact details are set out on page 14.

### Participation in favourable exchange rate movements

A PFC provides you with the ability to participate in favourable exchange rate movements that may occur on a proportion of your Contract Amount.

### Flexibility

PFCs are flexible. Key variables, including the Participation Ratio, can be tailored to meet your particular needs.

## Key Risks.

### Variation / Early termination

Terminations or variations to your PFC may result in a cost to you – see the section titled “Can I terminate a PFC before maturity?” on page 5 for more information.

### No cooling off period

There is no cooling off period. This means that, in most circumstances, once you enter into a PFC, you cannot terminate or vary the PFC without our consent. See “Variation / Early termination” section above.

## Opportunity loss

You will forego any benefit of a favourable exchange rate movement between the time you enter into a PFC and the Cut-Off Time on a proportion of your Contract Amount. You are obliged to transact [(100 % minus the Participation Ratio) multiplied by the Contract Amount] at the Contract Rate on the Maturity Date.

The rate achieved with a PFC may not be as favourable as the rate you could have achieved with a forward foreign exchange contract or if you had not entered into any contract at all.

## Counterparty and operational risk

As is the case with most financial markets products we enter into, Westpac has performance obligations under a PFC. If we are unable to perform our obligations under your PFC, you may be exposed to Market Foreign Exchange Rate fluctuations as if you had not entered into a PFC.

Our ability to fulfil our obligations is linked to our financial wellbeing and to the effectiveness of our internal systems, processes and procedures. The first type of risk (our financial wellbeing) is commonly referred to as credit or counterparty risk. The second type of risk (the effectiveness of our internal systems, processes and procedures) is commonly referred to as operational risk.

You must make your own assessment of our ability to meet our obligations. However, as a regulated Australian bank we are subject to prudential regulation which is intended to reduce the risk of us failing to perform our obligations.

Further information about Westpac, including copies of our recent financial statements, is available on our website at [www.westpac.com.au](http://www.westpac.com.au).

## Currency restrictions

Delivery of some currencies may be governed by, or subject to certain legal and regulatory requirements and obligations. It is your responsibility to ensure that these laws and regulations are complied with and we suggest you seek and obtain your own independent expert advice in relation to such matters.

## Use of agent and correspondent banks

To deliver some currencies (other than AUD), we may use agents and correspondent banks. We will use reasonable care in the selection of such agents and correspondent banks.

If the agent or correspondent bank fails to deliver the required currency when due, we will work with the agent or correspondent bank to effect delivery. If after such action delivery cannot be made, we will promptly return your funds or make alternative arrangements with you.

To the extent allowed by law, Westpac will not be liable for any direct or indirect losses, claims, actions or expenses incurred by you as a result of the failure by an agent or correspondent bank to deliver the required currency.

# Documentation and Confirmation.

## What documentation is required?

### Master dealing agreement.

You will usually need to sign a master dealing agreement if you want to enter into a PFC. This will either be an agreement with us or an industry standard master dealing agreement. The industry standard master dealing agreements that we commonly use are:

- an Australian Financial Markets Association Master Agreement for Foreign Currency Transactions. This is a simple agreement and is used only for foreign exchange transactions;
- an International Swaps and Derivatives Association Master Agreement. This is a more complicated agreement and is generally used where a person intends to enter into a variety of other derivative transactions as well as foreign exchange transactions.

We will advise you which of these you will need to sign.

Each of the above master dealing agreements governs the dealing relationship between you and us and sets out the terms and conditions that will apply to all transactions that we enter into with you that are covered by the agreement. In particular, they document the situations where those transactions can be terminated and the way the amount to be paid following termination is calculated.

You will be provided with a copy of the relevant master dealing agreement and we strongly recommend that you fully consider its terms before signing. You should obtain independent advice if you do not understand any aspect of the document.

### Documentation for certain restricted currencies

Other documentation may be required for PFCs involving certain currencies. Where possible, we will attempt to inform you of any specific requirements; however you are responsible for complying with any legal or regulatory obligations. We suggest that you seek and obtain your own independent, expert advice in relation to such matters.

### Email or facsimile authority and indemnity

If you would like to provide us with email or facsimile instructions in relation to PFCs, we may require you to complete an email or facsimile authority and indemnity. The purpose of the email or facsimile authority and indemnity is to protect us against the consequences of acting upon instructions which may not represent your genuine wishes, but which appear to us to be genuine.

### Other documentation

You may be requested to complete additional documentation before you enter into a PFC, depending on the outcome of Westpac's assessment of your creditworthiness. We will inform you if any further documentation is required at that time.

## What about Confirmations?

The commercial terms of a particular PFC will be agreed at the time of dealing. This may occur over the phone or electronically. Once we reach an agreement, both you and Westpac are bound by the terms of the PFC.

Shortly after entering into a PFC, Westpac will send you a Confirmation outlining the commercial terms of the transaction. You will need to sign this Confirmation and return it to Westpac. This Confirmation evidences the transaction entered into under your master agreement with us.

This Confirmation will include:

- the Contract Amount;
- the Contract Rate;
- the Participation Ratio;
- the Maturity Date; and
- the Cut-Off Time.

It is extremely important that you check the Confirmation to make sure that it accurately records the terms of the transaction. If there is a discrepancy between your understanding and the Confirmation, you will need to raise it with your Westpac representative as a matter of urgency.

## Examples.

The examples below are illustrative only and use rates and figures selected to demonstrate how the product works. In order to assess the merits of any PFC, you would need to use the actual rates and figures quoted to you at the time. Note that the calculations below include rounding of decimal places.

### Scenario 1 - Foreign Currency Payment.

You are an Australian based importer due to pay 100,000 United States dollars (USD) in three months' time for goods bought overseas. At that time, you need to convert your AUD into USD.

Assume the current Market Foreign Exchange Rate is 0.7900 and the three-month Forward Exchange Rate is 0.7840.

#### If I do nothing, what exchange rate risks do I face?

If you do nothing, the amount of AUD you will need in three months' time to obtain the USD you are due to pay will depend on the Market Foreign Exchange Rate applicable at that time.

If the AUD/USD exchange rate goes up, the USD will become less valuable and as a consequence, you will need less AUD when it is time to obtain the USD. Assume in this example that the AUD/USD Market Foreign Exchange Rate rises to 0.8200, then you will pay:

AUD 121,951.22  
( = USD 100,000 / 0.8200 )

If the AUD/USD Market Foreign Exchange Rate goes down, the opposite occurs and you will need more AUD. Assume the AUD/USD Market Foreign Exchange Rate falls to 0.7500, then you will pay:

AUD 133,333.33  
( = USD 100,000 / 0.7500 )

#### How will a PFC change this?

Assume that you are unsure about the direction of the AUD against the USD and wish to protect yourself against the AUD depreciating against the USD, but also have the potential to participate in any favourable movements in the AUD.

You enter into a PFC to buy USD 100,000 with AUD in three months' time and set the Contract Rate at 0.7750. In establishing a PFC, the Contract Rate must be set at a rate below the current Forward Exchange Rate. Based on these details, Westpac determines the Participation Ratio to be 40%.

The possible outcomes on the Maturity Date are:

- a) if the Market Foreign Exchange Rate is at or below the 0.7750 Contract Rate at the Cut-Off Time, you must exchange your AUD on the full Contract Amount at the Contract Rate. You will pay:

AUD 129,032.26  
( = USD 100,000 / 0.7750 )

- b) if the Market Foreign Exchange Rate is above the 0.7750 Contract Rate at the Cut-Off Time, you must exchange your AUD on 60% (equal to 100% minus the Participation Ratio) of the Contract Amount at the Contract Rate of 0.7750. You will pay:

AUD 77,419.35  
( = USD 60,000 / 0.7750 )

You may also choose to exchange the remaining 40% (the Participation Ratio) of your Contract Amount at the Market Foreign Exchange Rate.

For example, if you choose to do this and the AUD/USD Market Foreign Exchange Rate at the time is 0.8200, then you will pay:

AUD 48,780.49  
( = USD 40,000 / 0.8200 )

In this scenario the total amount of AUD you pay will be:

AUD 126,199.84  
( = AUD 77,419.35 + AUD 48,780.49 )

Your effective dealing rate will equate to:

0.7924  
( = USD 100,000 / AUD 126,199.84 )

The higher the Market Foreign Exchange Rate at maturity the higher your effective rate will be and the less AUD you will have to exchange to meet your USD obligation.

#### How can I change the range of outcomes?

You can change the range of possible outcomes by changing the Contract Rate and as a result the corresponding Participation Ratio. Once the Contract Rate and the Participation Ratio are agreed the possible outcomes on the Maturity Date can be determined.

When agreeing the details of your PFC you need to consider that:

- the Contract Rate corresponds to the maximum amount of AUD you will pay to meet your USD obligation. Note that the Contract Rate will always be set below the Forward Exchange Rate available to you at that time.
- the Participation Ratio is used to calculate the proportion of the Contract Amount that will participate in favourable exchange rate movements.
- a higher Contract Rate will reduce your exposure to a falling AUD/USD exchange rate. However, because of the Zero Cost Structure, the Participation Ratio will be set lower.
- a lower Contract Rate will increase your exposure to a falling AUD/USD exchange rate. However, because of the Zero Cost Structure, the Participation Ratio will be set higher.

## Scenario 2 - Foreign Currency Receipt.

You are an Australian based exporter due to receive 100,000 United States dollars (**USD**) in three months' time for goods sold overseas. At that time, you need to convert the USD you will receive into AUD.

Assume the current Market Foreign Exchange Rate is 0.7900 and the three-month Forward Exchange Rate is 0.7840.

### If I do nothing, what exchange rate risks do I face?

If you do nothing, the amount of AUD you will receive in three months' time for your USD will depend on the Market Foreign Exchange Rate applicable at that time.

If the AUD/USD exchange rate goes up, the USD will become less valuable and as a consequence, you will receive less AUD when it is time to exchange the USD. Assume in this example that the AUD/USD Market Foreign Exchange Rate rises to 0.8200, then you will receive:

AUD 121,951.22  
( = USD 100,000 / 0.8200 )

If the AUD/USD Market Foreign Exchange Rate goes down, the opposite occurs and you will receive more AUD. Assume the AUD/USD Market Foreign Exchange Rate falls to 0.7500, then you will receive:

AUD 133,333.33  
( = USD 100,000 / 0.7500 )

### How will a PFC change this?

Assume that you are unsure about the direction of the AUD against the USD and wish to protect yourself against the AUD appreciating against the USD, but also have the potential to participate in any favourable movements in the AUD.

You enter into a PFC to sell USD 100,000 with AUD in three months' time and set the Contract Rate at 0.7930. In establishing a PFC, the Contract Rate must be set at a rate above the current Forward Exchange Rate. Based on these details, Westpac determines the Participation Ratio to be 40%.

The possible outcomes on the Maturity Date are:

- a) if the Market Foreign Exchange Rate is at or above the 0.7930 Contract Rate at the Cut-Off Time, you must exchange your USD on the full Contract Amount at the Contract Rate. You will receive:

AUD 126,103.40  
( = USD 100,000 / 0.7930 )

- b) if the Market Foreign Exchange Rate is below the 0.7930 Contract Rate at the Cut-Off Time, you must exchange your USD on 60% (equal to 100% *minus* the Participation Ratio) of the Contract Amount at the Contract Rate of 0.7930. You will receive:

AUD 75,662.04  
( = USD60,000 / 0.7930 )

You may also choose to exchange the remaining 40% (the Participation Ratio) of your Contract Amount at the Market Foreign Exchange Rate.

For example, if you choose to do this and the AUD/USD Market Foreign Exchange Rate at the time is 0.7500, then you will receive:

AUD 53,333.33  
( = USD 40,000 / 0.7500 )

In this scenario the total amount of AUD you receive will be:

AUD 128,995.37  
( = AUD 75,662.04 + AUD 53,333.33 )

Your effective dealing rate will equate to:

0.7752  
( = USD 100,000 / AUD 128,995.37 )

The lower the Market Foreign Exchange Rate at maturity the lower your effective rate will be and the more AUD you will receive for your USD.

### How can I change the range of outcomes?

You can change the range of possible outcomes by changing the Contract Rate and as a result the corresponding Participation Ratio. Once the Contract Rate and the Participation Ratio are agreed the possible outcomes on the Maturity Date can be determined.

When agreeing the details of your PFC you need to consider that:

- the Contract Rate corresponds to the minimum amount of AUD you will receive for your USD. Note that the Contract Rate will always be set above the Forward Exchange Rate available to you at that time.
- the Participation Ratio is used to calculate the proportion the Contract Amount that will participate in favourable exchange rate movements.
- a lower Contract Rate will reduce your exposure to a rising AUD/USD exchange rate. However, because of the Zero Cost Structure, the Participation Ratio will be set lower.
- a higher Contract Rate will increase your exposure to a rising AUD/USD exchange rate. However, because of the Zero Cost Structure, the Participation Ratio will be set higher.

# General Information.

## What information we need from you.

In order to enter into a PFC with you, we'll need some important details from you. Depending on the legal nature of your business (company, partnership etc) you will be required to provide certain documents and information to us.

Under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (**AML/CTF Laws**) 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 account holder or signatory who is not an existing customer.

The identification requirements can be met by completing the Westpac identification procedure which involves providing identity documentation to Westpac. For information on documents required please contact any branch or refer to our website – [www.westpac.com.au](http://www.westpac.com.au).

If the account holder or any of the signatories to an account are not identified in terms of the AML/CTF Laws, 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.

## Code of Banking Practice.

The Code of Banking Practice is a self-regulatory code adopted by us and other banks. Its purpose is to set standards of good banking practice for banks to follow when dealing with persons who are, or who may become, individual and small business customers and their guarantors.

If you are an individual or small business customer, each relevant provision of the Code applies to the product described in this PDS. The general descriptive information referred to in the Code (other than information in relation to bank cheques) is set out in this PDS. This includes information about:

- account opening procedures;
- our obligations regarding the confidentiality of your information;
- complaint handling procedures;
- the advisability of you informing us promptly when you are in financial difficulty; and
- the advisability of you reading the terms and conditions applying to a PFC.

Please let us know if you would like to discuss whether or not the Code will apply to you. Our contact details are set out on page 14.

## Financial crimes monitoring.

Westpac is bound by laws that impose regulatory and compliance obligations, including obligations in relation to the prevention of money laundering and the financing of terrorism, which are the AML/CTF Laws. In order for Westpac to meet its regulatory and compliance obligations, we perform certain control and monitoring activities.

Upon entering into any PFC with Westpac, you agree and provide the following undertakings and agree to indemnify Westpac against any potential loss arising from any breach by you of such undertakings that:

- you are not and will not enter into any agreement with Westpac under an assumed name;
- any funds used by you to enter into an agreement with Westpac have not been derived from or related to any criminal activities;
- any payments received from Westpac will not be used in relation to any criminal activities;
- if we ask, you will provide us with additional information we reasonably require from you for the purposes of meeting our regulatory and compliance obligations, including the obligations under AML/CTF Laws (including information about the source of funds used to settle a PFC); and
- you and your PFC with Westpac will not initiate, engage or effect a transaction that may be in breach of Australian law or sanctions (or the law or sanctions of any other country).

You should be aware that:

- we may obtain information about you or any beneficial owner of an interest in an agreement with Westpac from third parties if we believe this is necessary to comply with our regulatory and compliance obligations, including AML/CTF Laws;
- 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 other members of the Westpac Group are not liable for any loss you suffer (including consequential loss) in connection with a PFC; and
- where legally obliged to do so, we may disclose information that we hold about you to our related bodies corporate or service providers, other banks, or relevant regulatory and/or law enforcement agencies (whether in or outside of Australia).

## Our reporting obligations under FATCA.

We are required to identify certain US persons in order to meet account information reporting requirements under local and international laws.

If you or (where you are an entity) any office bearer (director of a company, partner in a partnership, trustee of a trust, chairman, secretary or treasurer of an association or co-operative) of the entity and/or any individual who holds an interest in the entity of more than 25% (a **Controlling Person**) are a US citizen or US tax resident, you must telephone 1300 658 194 at the time of entering into a PFC. When you contact us you will be asked to provide additional information about your US tax status and/or the US tax status of any Controlling Person which will constitute certification of US tax status for the purposes of the application to which the PFC relates.

Unless you notify us that you and/or any Controlling Person are a US citizen or US tax resident as specified above, entering into a PFC with us constitutes certification that you and/or any Controlling Person are not a US citizen or US tax resident.

If at any time after entering into a PFC information in our possession suggests that you and/or any Controlling Person may be a US citizen or US tax resident, you may be contacted to provide further information on your US tax status and/or the US tax status of any Controlling Person. Failure to respond may lead to certain reporting requirements applying to the PFC.

## Telephone conversations.

The terms of a PFC are usually agreed verbally over the phone or electronically over an on-line system. Once we have reached an agreement, both you and Westpac are bound by the terms of the PFC.

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

## Taxation.

Taxation law is complex and its application to this product will depend on your particular circumstances. We make no claim that this product will provide a beneficial or appropriate tax outcome for you. When determining whether this product is suitable for your circumstances, you should consider the impact it will have on your own taxation position and seek professional advice on the tax implications it may have for you.

This document has been produced for use by Australian tax residents only. If you are not a resident of Australia for tax purposes and have entered into a PFC, you may be required to withhold tax on payments you make. If you are required to withhold an amount of tax on any payments you make as a non-resident, you are liable to gross up that payment such that we receive all amounts clear of any tax.

## Privacy.

We collect personal information from you to process your application, provide you with your product or service, and manage your product or service. We may also use your information to comply with legislative or regulatory requirements in any jurisdiction, prevent fraud, crime or other activity that may cause harm in relation to our products or services and help us run our business. We may also use your information to tell you about products or services we think may interest you.

If you do not provide all the information we request, we may need to reject your application or we may no longer be able to provide a product or service to you.

We may disclose your personal information to other members of the Westpac Group, anyone we engage to do something on our behalf and other organisations that assist us with our business.

We may disclose your personal information to an entity which is located outside Australia. Details of the countries where the overseas recipients are likely to be located are in our privacy policy.

As a provider of financial services, we have obligations to disclose some personal information to government agencies and regulators in Australia, and in some cases offshore. We are not able to ensure that foreign government agencies or regulators will comply with Australian privacy laws, although they may have their own privacy laws. By using our products or services, you consent to these disclosures.

We are required or authorised to collect personal information from you by certain laws. Details of these laws are in our privacy policy.

Our privacy policy is available at [www.westpac.com.au](http://www.westpac.com.au) or by calling 132 032. It covers:

- how you can access the personal information we hold about you and ask for it to be corrected;
- how you may complain about a breach of the Australian Privacy Principles or a registered privacy code and how we will deal with your complaint; and
- how we collect, hold, use and disclose your personal information in more detail.

We will update our privacy policy from time to time.

We will use your personal information to contact you or send you information about other products and services offered by Westpac or its preferred suppliers. Please call us on 132 032 or visit any of our branches if you do not wish to receive marketing communications from us.

In addition to our duties under legislation, we have a general duty of confidentiality towards you, except where disclosure is made in a manner consistent with this PDS.

## Labour standards or environmental, social and ethical considerations.

Westpac does not take into account labour standards or environmental, social or ethical considerations when entering into a PFC. To learn more about Westpac's commitment to sustainability (including our latest Stakeholder Impact Report) go to [www.westpac.com.au](http://www.westpac.com.au)

**Dispute resolution.**

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. Our contact details are set out on the last page.

**What to do if you are still unhappy.**

If we still haven't been able to deal with your issues to your satisfaction, there are a number of other bodies you can go to. Our external dispute resolution provider is the Financial Ombudsman Service, our membership number is 10999 and the contact details are:

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Phone 1300 780 808  
Fax: (03) 9613 6399

Internet: [www.fos.org.au](http://www.fos.org.au)

Email: [info@fos.org.au](mailto:info@fos.org.au)

You can also contact the Australian Securities & Investments Commission (ASIC) to make a complaint and to obtain further information about your rights. They have a free call Info line on 1300 300 630 or visit [www.asic.gov.au](http://www.asic.gov.au).

## Glossary.

To help you to understand this PDS, the meanings of some words used in this PDS are set out below.

**AUD** means Australian dollars.

**Clear Funds** means funds that are immediately available on settlement.

**Code** means the Code of Banking Practice adopted by us and other banks.

**Confirmation** means a letter confirming the terms of a particular PFC.

**Contract Amount** means the agreed amount as set out as such in the Confirmation. It is the amount to be exchanged under the PFC.

**Contract Rate** means the agreed exchange rate at which the Currency Pair will be exchanged. The Contract Rate will always be less favourable than the Forward Exchange Rate available to you at the time you enter into the PFC.

**Currency Pair** means the two currencies applying in respect of a PFC. The Currency Pair must be acceptable to Westpac.

**Cut-Off Time** means the time and date as set out as such in the Confirmation. It is the time and date at which the outcome of the PFC will be determined.

**FATCA** means (a) sections 1471 to 1474 of the United States of America Internal Revenue Code of 1986 or any associated regulations or other official guidance; (b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States of America and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or (c) any agreement under the implementation of paragraphs (a) or (b) above with the United States of America Internal Revenue Service, the United States of America government or any governmental or taxation authority in any other jurisdiction.

**Forward Exchange Rate** means the price of one currency in terms of another currency for delivery on a specified date in the future taking into account Westpac's costs and its profit margin. This is the rate that Westpac would make available to you at the relevant time.

**Global Foreign Exchange Rate** means the exchange rate for the PFC Currency Pair that is based on the price of one or more actual foreign exchange transactions in the Global Market involving the Currency Pair (or cross-rates constituting the Currency Pair). This rate will be determined by Westpac in good faith and in a commercially reasonable manner.

**Global Market** means the global spot foreign exchange market, open continuously from 5.00am Sydney time on a Monday in any week to 5.00pm New York time of the Friday of that week.

**Market Foreign Exchange Rate** means the price of one currency in terms of another currency for delivery on the same day after taking into account Westpac's costs and its profit margin. This is the rate that Westpac would make available to you at the relevant time.

**Maturity Date** means the date as set out as such in the Confirmation. It is the date on which the Currency Pair will be exchanged under the PFC.

**Participation Ratio** means the nominated proportion of the Contract Amount that may participate in favourable exchange rate movements; expressed as a percentage.

**PFC and Participating Forward Contract** means the product the subject of this PDS.

**USD** means United States dollars.

**Westpac, we, our or us** means Westpac Banking Corporation.

**You, your** means the customer entering into a PFC.

**Zero Cost Structure** means a structure where the relevant foreign exchange rates in relation to a PFC are set so that there are no up-front out of pocket costs payable by you. The cost is embedded in the foreign exchange rates applicable to the PFC.

**Contact Details.**

**New South Wales and ACT:**

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Sydney NSW 2000  
Telephone 1800 221 815

**Victoria, South Australia and Tasmania:**

Level 9, 360 Collins Street  
Melbourne VIC 3000  
Telephone (03) 9608 3950

**Queensland and Northern Territory:**

Level 14, 260 Queen Street  
Brisbane QLD 4000  
Telephone (07) 3227 2155

**Western Australia:**

Level 16, 109 St Georges Terrace  
Perth WA 6000  
Telephone (08) 9426 2522



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