

Direct Dealing Terms and Conditions (aka “The Fine Print”)

The purpose of the below T&C's is to provide clear expectations for both parties and to avoid bad habits creeping into the process. Most of the below is common international practice in most countries. We trust it will provide you the Client with a sense of dealing with professionals.

The following process must be adhered to prior to any trading activity.

1. Direct Dealing with the Dealers may only commence on the issuance of a signed authority from Markets and for both foreign exchange and money market transactions.
2. The authority will contain the following information
 - a. Business Partner ID “**BP ID**” – (Client to always quote **BP ID** when dealing with Markets.
 - b. Fee structure applicable.
 - c. FX Application forms template in MSWord format and also available if registered on our internet banking platform. A soft copy of sales / purchase / internal transfer form can be saved on a desktop to minimise repetitive completion.
 - d. An approved limit, terms and conditions apply.
3. All telephone conversations shall be concluded on the banks telephones (landlines) and NOT on the dealer's mobile phones.
4. All telephone conversations will be recorded. Transcripts can be obtained in the event of a dispute or enquiry.
5. Orders for a rounded amount may be placed with the dealers. However, when a trade is finalised with the dealer, the exact amount of the trade must be confirmed with the Dealer.
6. As soon as a trade is confirmed with a Dealer, the trade enters the next level of processing and therefore, the concluded trade cannot be easily reneged upon without due administrative process and potential cost implications for the Client's account.
7. The Deal Conclusion Process;
The Client will contact the dealers by Telephone and;
 - a. Client must identify the company by providing the Company **Bancs BP ID**
 - b. Without the BP ID the Dealer shall not conclude any deals with the Client; this is intended to act as an added layer of security to affirm the unique identifier of a dealing customer.
 - c. The Dealer shall capture the deal details onto Bancs whilst the Client is still on the recorded telephone line.
 - d. The Dealer shall confirm the deal over the recorded telephone to the Client, the conversation should be along the following lines;
 - i. “I confirm we [sell/buy] + [to/from] + [name of company/customer] + [Currency] + [amount] at a rate of [rate] against [currency] + [counter value] for settlement on [value date], please confirm?”
 - ii. Client must verbally confirm the trade is correct by saying either “I agree, or I confirm”.
 - iii. Once the Client has confirmed the trade the Dealer must commit/save the deal in Bancs to ensure that the trade is processed and the requisite deal reference number is generated.
 - iv. The Dealer must advise the customer of the deal reference number. “Your reference number is [ref no.]” before concluding the call.

- v. This reference number must be quoted on the FX application form which is submitted by the customer.
- vi. Each deal is dated & time stamped in the need for further reference.
- vii. Treasury operations to forward confirmation letter to client on trade date

NB: *It is important that the deal is processed by the Dealer at the time the deal is accepted by the Client, so that in the event of a query/dispute, the time stamp of the deal can be extracted from the deal ticket, and easily traced on recording systems.*

Example of conversation

Dealer: "I confirm I sell to ABC Company, USD 100,000 at a rate of 3.0000 against GHc 300,000 for settlement on dd/mm/yyyy, please confirm?"
 Client: "I confirm"
 Dealer: "Your deal reference numbers is 3-1234, thank you etc, etc".

8. A currency trade is an agreement between both parties to **simultaneously** deliver/receive a specified currency on an **agreed** and specified **value date**. The Client is expected to ensure that if the funds for payment thereof are being paid to FBNG from another bank, the funds are delivered without the deduction of the other bank's charges and inclusive of FNBG's charges.
9. The Bank has the right to add a penalty fee for the late delivery of funds plus funding costs. The penalty rate shall be the interest rate applicable for the funding for the period the transaction remains unsettled. The penalty fee and funding cost is charged per day for each day the deal remains unsettled. The Bank is also duly authorised to cancel the deal on behalf of the Client should the exchange risk exceed the banks thresholds; any loss as a result is for the client's account. The Bank reserves the right to cancel the dealing authority should the customer fail on 3 occasions to deliver the funds on value date. All cost thereof will be for the client's account.
10. Split Payments i.e., the Client receives local value before the Bank receives the foreign currency are not permitted as this becomes a direct credit risk for which this authority is not covered.
11. Where Client is on a DVP (delivery vs payment) option, the Bank requires that the funds are received at least one day prior to value date or before 10:00 a.m on value date. Payment received after the cut-off time will only be effected the following business day. Early delivery of funds will ensure that the payment instruction is received by the beneficiary bank on value date.
12. Payments for trades must be from "Cleared Funds". It is strongly recommended that the Client holds a transactional account with FNBG to facilitate this arrangement. Drawing against funds still within the ENC (effects not cleared) period are not permitted.
13. Drawing against insufficient funds is not permitted unless prior arrangement has been made with the Credit Department and there is a facility in place. An attempt to draw down against insufficient funds will result in the trade being rejected and reversed with the costs being for the Client's account. The Bank therefore reserves the right to withdraw the direct dealing mandate immediately should this occur.
14. Where funds are expected from another Bank account, FNBG expects that payments are received via the Interbank GIS Clearing system. Cheques will NOT be accepted in lieu of payment as these are not cleared funds.
15. As Direct Dealing authorities are usually in excess of the Central Bank clearing limit it is expected that most payments will be made through the GIS system.

16. Payments made through the internet rather than GIS System will require that the Client has an existing account with FNBG to facilitate the receipt of funds, failure of which will result in the funds being automatically returned by the system as there is no given beneficiary account number supplied.
17. A Foreign Exchange application form (sale/purchase/internal transfer) must be completed and signed for all trades concluded with Markets irrespective of the trade being a sale or purchase of currency or a funding of a foreign currency account. A soft copy template is available to store the payment details to reduce the workload and maximize on accuracy. If a signed electronic indemnity is in place these forms may be scanned after being signed and emailed to a specific email address. If registered on our internet banking the applications can be submitted electronically post login.
18. It is a Central Bank regulation that a copy of the invoice and other applicable documents to the transaction, are attached to the application iro payments made to a cross border third party.
19. Transfers within Bank require a similar foreign exchange form to be completed.
20. Once Client has signed the Bank approved indemnity, the various approved channels (including recorded telephone lines. Online, Reuters and Bloomberg) may be used to provide instructions.
21. A Direct Dealing authority carries a high risk to both the Bank and to the Client.. The Bank therefore reserves the right to withdraw this authority without notice or cause should it be considered too big a risk or should the facility terms and conditions be ignored.
22. Amendments
All amendments to names, limits, contact details, must be advised in writing and signed in terms of the mandates held.
23. Email instructions
Although email is permitted to speed up the process, the appropriate signed electronic indemnities must be in place before trading begins. The original applications with original signatures must be received before the value date of the transaction.
24. In order to protect both parties, the application must be signed in accordance with the mandates held. If a signatory is not available for signature, the deal will be cancelled and costs will be for the Client's account.
25. The original FX application or in the case of money market instructions, a letter of instruction on a letterhead must be delivered to the nearest branch of FNBG preferably on the same day but within 24hours of the trade date to avoid unnecessary delays. Failure to do so will result in missing international cut off times which could result in a 24-hour delay in the delivery of the funds.
26. A friendly tip for clients in order to speed up the delivery of payments;
 - a. Have the necessary documentation completed and ready before the rate is applied for.
 - b. Know exactly what amount you wish to trade.
 - c. Ensure that all signatories will be available to sign the application immediately after the rate is obtained.
 - d. Always remember to ask for and quote the deal reference number provided by the dealer.
 - e. If you are looking for a specific rate and it is outside the current trading market, you are welcome to leave an order with the dealer.
27. Orders

- a. Clients may place orders with the Dealers should a specific price be requested.
- b. The Dealer will log your order on our system and monitor on a regular basis.
- c. Should the rate reach the order rate the dealer will advise the client that the rate has been reached. **The Bank shall not automatically carry out a trade because the order has been reached without first seeking confirmation from the Client.**
- d. The Client may either take up or decline the order. Neither party is under obligation to execute at the order price.
- e. The Bank cannot be held responsible for not executing the trade at the requested price.
- f. An order only becomes a firm deal after the process 7(d) (Deal Conclusion Process) above has been concluded.