

FX Order Watch – Terms and Conditions

These terms and conditions form part of our Agreement with you in the event that you place an Order using the FX Order Watch service and should be read together with the General Terms and Conditions applicable to your Account with Citi International Personal Bank. **You should read these documents carefully as they contain important information on which we intend to rely. Some of the words we use in these terms and conditions have a special meaning, if you do not understand a word you should speak to your Relationship Manager and you should not proceed until the meaning is clear to you.**

Key terminology

Alternate Currency - this is the currency (selected by you) which you will receive if an Order is executed.

Commission - this means the spread applied by us and which will be disclosed to you by your Relationship Manager prior to placing an Order. On Citi Online you will see this by calculating the difference between the Customer Rate and the Watch Rate.

Customer Rate - this is the Watch Rate less any Commission and represents the effective rate you will receive when the Order is executed.

Original Currency - this is the currency (selected by you) which will be exchanged if an Order is executed.

Order - an order placed by you for foreign exchange in which you specify the Original Currency, the Alternate Currency, the Transaction Amount, the Tenor and the Watch Rate or Customer Rate.

Citi Reference Market Rate - this is the live spot reference exchange rate for the currency pair you have selected. Citi bases this on live rates published by providers such as Reuters and Bloomberg and factors such as the currency pair and the availability and reliability of the providers' rates. You can contact your Relationship Manager or Citi Online for details of actual rates used when you transact.

Transaction Amount - this is the amount which you choose to allocate to an Order.

Tenor - this is the period during which your Order remains active for watching in accordance with your instructions and these terms and conditions.

Watch Rate - this is the target exchange rate selected by you at which you wish the Order to be executed.

Please refer to the General Terms and Conditions applicable to your Account for the definition of any other capitalised terms used in these terms and conditions.

How the FX Order Watch service works

FX Order Watch is a service which allows you to place an Order for spot transactions in foreign exchange which will remain live for execution at a Watch Rate and for a Tenor selected by you.

If, during the Tenor, the Citi Reference Market Rate reaches the Watch Rate, the Order will be executed and your Cash Account will be credited with the Transaction Amount in the Alternate Currency.

If, during the Tenor, the Citi Reference Market Rate does not reach the Watch Rate, the Order will automatically expire.

An Order is live for watching as soon as you place the Order. The Tenor of an Order can be specified by you up to a maximum validity period of 90 calendar days from the date on which you place the Order. Unless executed, an Order will expire at 23.59 (UK time) on the final day of the Tenor. You may also specify that the Tenor of one Order should expire upon the execution of another Order.

Important information

Before you can place an Order you must hold Cash Accounts with us in the Original Currency and the Alternate Currency. In addition, your Cash Account in the Original Currency must hold sufficient funds to cover the Transaction Amount. All Orders are subject to a minimum Transaction Amount of USD 20,000 (or currency equivalent) over the phone and USD 10,000 (or currency equivalent) on Citi Online. On Citi Online, there is also a maximum Transaction Amount limit of USD 1,000,000 (or currency equivalent).

When you place an Order, we will place a hold over the Transaction Amount in the Original Currency until the Order is executed, cancelled or has expired. This means that the Transaction Amount will not be available to you during the Tenor of the Order.

You may specify any Watch Rate for an Order, subject to a minimum percentage 'cushion' (meaning that the Watch Rate specified must be a minimum percentage above or below the current Citi Reference Market Rate at the time the Order is placed). If you subsequently change the Watch Rate for an Order, the new Watch Rate you specify will also be subject to this cushion (calculated against the Citi Reference Market Rate at that time). Your Order is also subject to the cushion when you try to cancel an order (meaning that the current Citi Reference Market Rate during Order cancellation must be a minimum percentage above the Watch Rate). The size of the cushion may vary from time to time depending on currencies selected and market volatility. Before you place an Order, your Relationship Manager can confirm the exact size of the cushion applicable at that time.

If you wish to change or cancel an Order prior to execution you can do so by contacting your Relationship Manager during business hours as detailed in the General Terms and Conditions or through Citi Online at any time. Orders will remain live until you have received confirmation that the Order has been cancelled. Orders may not be cancelled or changed once executed.

When an Order is executed, the Transaction Amount will be credited to your Cash Account in the Alternate Currency. This normally happens immediately, but in any event no later than the second Business Day after execution. It is not possible to roll transactions over or otherwise place a new Order using the Transaction Amount without having first received the Transaction Amount into your Cash Account.

Please note, it is not possible to enter forward transactions (where the execution price is pre-determined regardless of market movements) using the FX Order Watch service. All Orders are executed at spot (that is at the price available in the market at the time the transaction is executed).

Occasionally, for reasons outside our control, it may not be possible to execute an Order when the Citi Reference Market Rate reaches the Watch Rate during the Tenor. For example, market volatility or the liquidity of a particular currency may mean that the Order cannot be matched in the market at the Watch Rate selected by you. In such circumstances the Order will remain live until the expiry of the Tenor.

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