

**Institutional
Banking & Markets**

Foreign Currency Account

What you need to know



Determined to be different

Product Disclosure Statement

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You should read all sections of this Product Disclosure Statement before making a decision to acquire this financial product.

The information in this Product Disclosure Statement (PDS) is subject to change from time to time and is up to date as at the date stated on the cover. Where the new information is materially adverse information the Bank will either issue a new PDS or a supplementary PDS setting out the updated information. Where the new information is not materially adverse information we will not issue a new PDS or supplementary PDS to you, but you will be able to find the updated information on our web site commbank.com.au or you can call **13 22 21**. If you ask us to, we will send you a paper copy of the information.

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General Information

Features at a glance

Significant benefits	An at call account to hold <i>foreign currencies</i> .
Significant risks	<i>Exchange rates</i> and <i>foreign currency</i> interest rates can be volatile and can move adversely.
Minimum balance	An average monthly <i>foreign currency</i> equivalent of Australian Dollars (AUD) 5,000.00.
Minimum term	No minimum term.
Interest rates	Current interest rates are available at http://www.commbank.com.au/business/international/international-payments/foreign-currency-accounts/ or upon request from your relationship manager or any branch of the Bank.
Payment of interest	Interest will be credited or debited to the account each month.
Fees and charges	Some fees do apply. For further information see Appendix A.
Deposits	Through your relationship manager or at any branch of the Commonwealth Bank of Australia (the Bank).
Withdrawals	Through your relationship manager or at any branch of the Bank.
Telephone banking	The Foreign Exchange Infoline provides account balances, transaction information, and <i>foreign exchange rates</i> (phone 13 15 23).

Purpose of a Product Disclosure Statement (PDS)

A PDS aims to provide you with enough information to help you decide whether the product will meet your needs. It also helps you to compare the product with others you may be considering.

This PDS provides information about a product called a **Foreign Currency Account (FCA)**. If you decide to open a FCA, you should keep this PDS and all other documentation relating to your FCA for future reference.

This PDS consists of a General Information section and the Terms and Conditions that govern the FCA. When you lodge funds in a FCA you agree to the Terms and Conditions detailed in this PDS.

If you have any questions or wish to contact us call **13 22 21** between 8am and 8pm, Monday to Friday, visit our web site at **commbank.com.au** or call into any branch of the Bank.

To assist you in understanding this PDS, the definition of some words is provided in the "Definitions" section on page 13. When used in this PDS, these words usually appear in italics.

What is a Foreign Currency Account (FCA)?

A FCA is an at call account denominated in a *foreign currency* that is available to both individuals and businesses. Multiple FCAs can be opened if you need to hold funds in several *foreign currencies*.

What currencies are available for a FCA?

We offer FCAs in a range of *foreign currencies* (refer to Appendix B for examples of eligible *foreign currencies*), at the Bank's discretion. Enquiries as to the availability of FCAs in specific *foreign currencies* should be directed to your relationship manager or any branch of the Bank.

Who is it suitable for?

A FCA is designed to meet the needs of businesses and individuals (where the individual is 18 years of age or older) with an on-going requirement to hold funds in a particular *foreign currency* in an at call account.

How are interest rates determined?

The rate of interest is based on the prevailing *foreign currency* market interest rate and may be either positive or negative. The *foreign currency* market interest rate is adjusted by a margin that reflects the following factors:

- › an allowance for the Bank's business costs, both fixed and variable;
- › any risks associated with the product;
- › the Bank's profit margin; and
- › where you have an overdraft facility attached to your FCA, the Bank's credit assessment of you will also affect the margin. In this case, a separate document outlining your obligations will be provided on approval of the overdraft facility.

The margin may vary from time to time due to changed market conditions, the relative liquidity of the *foreign currency* held, and the timing of the transaction.

How is interest calculated?

Interest is calculated on the daily balance of the FCA and is credited or debited to your FCA on the first *business day* of each month (refer to clauses 9 and 11 in the Terms and Conditions of this PDS.)

Example 1*

On 15 March, you open a FCA for United States Dollars (USD) 500,000.00. The Bank pays interest of 0.70% per annum on your USD holdings. This initial deposit is made before the close of business of the *foreign currency* market for USD on that day and will therefore be included in that day's interest calculation.

On 22 March, you make an additional deposit of USD200,000.00. The deposit is made before the close of business of the *foreign currency* market for USD on that day and will therefore be included in that day's interest calculation.

General Information cont.

The interest credited to your FCA on the first *business day* of April is calculated as follows:

$$\text{Interest earned from 15 to 21 March (inclusive)} \\ = \text{USD}500,000.00 \times 0.70\% \times \frac{7}{360^\#}$$

$$= \text{USD}68.06$$

Interest earned from 22 to 31 March (inclusive)

$$= \text{USD}700,000.00 \times 0.70\% \times \frac{10}{360^\#}$$

$$= \text{USD}136.11$$

Total interest for the month of March is USD204.17 and is credited to your FCA on 1 April.

Example 2*

At the close of business on 1 May, your holdings in a FCA are New Zealand Dollars (NZD) 802,761.64. The Bank pays interest of 4.20% per annum on your NZD holdings.

On 20 May, you wish to withdraw NZD100,000.00 from your FCA, but you have missed the close of business of the *foreign currency* market for NZD on that day. Therefore, your withdrawal is not effected until the following *business day*.

Interest earned from 1 May to the close of business on 20 May is calculated as follows:

$$\text{Interest earned from 1 to 20 May (inclusive)} \\ = \text{NZD}802,761.64 \times 4.20\% \times \frac{20}{365^\#}$$

$$= \text{NZD}1,847.45$$

Interest earned from 21 to 31 May (inclusive)

$$= \text{NZD}702,761.64 \times 4.20\% \times \frac{11}{365^\#}$$

$$= \text{NZD}889.52$$

Please note that negative interest rates may apply from time to time for particular *foreign currencies*. For more information on negative interest rates please refer to clause 9 in the Terms and Conditions section of this PDS.

What are the significant benefits of a FCA?

Benefits include:

- holding funds in a *foreign currency* may reduce the requirement to convert these funds into AUD, thus reducing costs associated with such conversions;
- interest may be paid on some accounts where the required minimum balance is maintained. This is determined by the Bank on a daily basis; and
- once cleared, funds in a FCA are available on demand.

What are the significant disadvantages of a FCA?

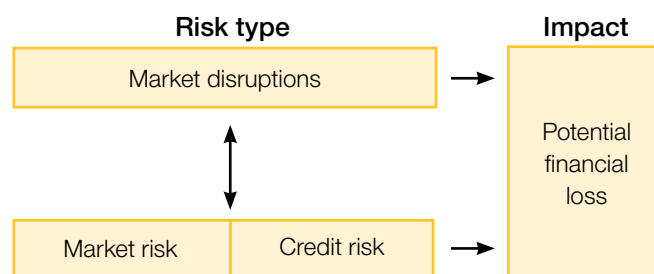
Disadvantages include:

- the Bank may not pay interest on some *foreign currencies*;
- FCA transactions are not available through the internet. Deposits and withdrawals can be made through your relationship manager or any branch of the bank;
- no cheque issuing facilities are available; and
- if a negative interest rate applies to the *foreign currency* in which the FCA is held, interest may be debited from the account.

What are the significant risks?

Foreign exchange markets can be volatile. Currency positions held in these markets may involve actual losses. Diagram 1 gives an overview of the risks inherent in the foreign exchange markets and how they might interrelate. Monitoring of any risks associated with this product is your responsibility.

Diagram 1: Risk overview



* Examples are used for illustrative purposes only.

The base annual number of days depends on the day count convention for the *foreign currency* in which the FCA is held. The convention for some *foreign currencies* is 360 days while the convention for others is 365 days. This is detailed in Appendix B.

Market disruptions

From time to time, significant events can occur that disrupt the normal operations of financial markets. Such events may reduce the liquidity of a currency or of the foreign exchange markets generally. Examples may include the failure of a major institution, war, a major political event or the failure of a government to meet its financial obligations (sovereign risk). If, as a consequence, there is a movement in the *exchange rates*, such events could result in a financial loss to holders of *foreign currencies*.

Market risk

Market risk is the risk that prices including *exchange rates* and *foreign currency* interest rates will move adversely. There is a risk that *exchange rates* and/or *foreign currency* interest rates will change, possibly suddenly and substantially, causing you to incur a significant actual loss as a result of your investment.

Currency risk

Currency risk is the risk that because of adverse *exchange rate* movements the value in AUD of your FCA may fall. Should you hold an offsetting position in the foreign exchange markets or in a commitment to spend this currency then your loss may be offset in part or in full by the offsetting position.

Interest rate risk

The *foreign currency* interest rate that you receive (if any) on your FCA is determined by the Bank by reference to a variable *foreign currency* interest rate in the *currency* of your holdings. Consequently, you may experience a reduction in your interest income (if any) should interest rates for that *foreign currency* fall. A negative interest rate can apply – see clause 9 in the Terms and Conditions section of this PDS.

You should ensure that you are able to monitor and value the relevant *exchange rate* and *foreign currency* interest rate movements when investing in a FCA. The Bank may be dealing on its own account in foreign exchange markets and such dealings may influence *exchange rates* and *foreign currency* interest rates.

Credit risk

Credit risk is common to all investment products that you may hold with the Bank. In all cases, you are reliant on the ability of the Bank to meet its obligations to you under the terms of the particular product.

Legal risk

Australia, as a member state of the United Nations, is obliged to implement United Nations Security Council sanctions. Australia also may be required to implement other international sanctions and sometimes imposes unilateral sanctions. Sanctions can cover various subject matters including financial restrictions. Consequently, the Bank may be prohibited from dealing with certain persons or entities.

This means that if the Bank is aware that you are a proscribed person or entity, then the Bank may be required to suspend, cancel or refuse you services or close or terminate any account, facility, transaction, arrangement or agreement with you. We may also be required to freeze assets of yours. You could incur significant costs as a result of these actions.

These risks are the most significant risks. However, there may be other considerations that are relevant to you should you invest in a FCA. You should obtain your own independent professional advice to determine whether the account is appropriate to your particular circumstances.

How do I invest in a FCA?

To invest in a FCA please complete a “Request for Foreign Currency Account and Foreign Currency Term Deposit” form available from your relationship manager or any branch of the Bank.

When you open your FCA, we will send you a letter detailing your FCA number.

All requests for transactions on your FCA can be lodged through your relationship manager or any branch of the Bank.

General Information cont.

How do I access information on my FCA?

Shortly after your new account letter is sent, a Foreign Exchange Infoline Number (FIN) will also be sent to you. This FIN is the key to accessing your FCA balance and transaction information through the Foreign Exchange Infoline. If you lose or forget your FIN, you will need to contact your relationship manager or any branch of the Bank to organise for the re-issue of the FIN.

The Foreign Exchange Infoline is an automated telephone service that you can use to obtain information on your FCA. This service is available by phoning **13 15 23** and gives you access to:

- › the balance of your FCA;
- › details of the last 6 transactions through your FCA;
- › the AUD equivalent of your FCA balance; and
- › the Bank's daily foreign exchange selling rates as well as the buying rates for major currencies.

The Foreign Exchange Infoline is available 24 hours a day, 7 days a week. Information on this service will be updated at regular intervals throughout the business day (between 7.30am and 7.30pm Sydney time) so that you can obtain an updated account balance. The service will be supported by technical staff on business days between 8am and 8pm (Sydney time).

What are the costs involved in a FCA?

There are costs associated with services related or ancillary to the operation of your FCA. These costs are set out in clauses 14 and 15 in the Terms and Conditions and Appendix A of this PDS.

Are there any tax implications I should be aware of?

Investing and dealing with investments has tax and often social security implications. These can be complex and are invariably particular to your circumstances. Investment income in the form of interest earned on a FCA is generally taxable income. You should discuss the timing and derivation of this income with your independent professional tax adviser.

Investments in FCAs will have additional tax consequences depending on whether the investor is an individual or company and whether any elections in relation to *foreign currency* have been made. You should discuss any tax issues with your independent professional tax adviser.

If you do not provide us with a Tax File Number (TFN), TFN exemption or Australian Business Number, or you are a non-resident, the Bank is obliged by law to deduct tax from the interest you have earned.

All fees directly applicable to this product (refer to Appendix A) are input taxed which means that the Bank does not charge GST on these fees.

What if I have a complaint?

Please contact your relationship manager or the manager of the department that handled the matter and explain the problem.

Our staff will review the situation and, if possible, resolve it immediately. If the matter has not been resolved to your satisfaction, please contact our Customer Relations team via:

- › our web site at:
commbank.com.au/contactus/comment.asp;
- › telephone **1800 805 605**;
- › facsimile **1800 028 542**; or
- › writing to:
Customer Relations
Commonwealth Bank
Reply Paid 41
Sydney NSW 2001

If after giving us the opportunity to resolve your complaint, you feel we have not resolved it satisfactorily, you may also lodge a written complaint with the Banking and Financial Services Ombudsman at:

Financial Ombudsman Service Limited
GPO Box 3
Melbourne Victoria 3001

- › toll free **1300 780 808**;
- › facsimile **03 9613 6399**;
- › web site **www.fos.org.au**

Customer information and privacy

Collection of personal information

“Customer information” is information about a customer. It includes personal information.

The law requires us to identify our customers. We do this by collecting and verifying information about you. We may also collect and verify information about persons who act on your behalf. The collection and verification of information helps to protect against identity theft, money laundering and other illegal activities.

We use your customer information to manage our relationship with you, provide you with the products and services you request and also tell you about the products and services offered by the Commonwealth Bank Group (“Group”), affiliated providers and external providers for whom we act as agent. If you have given us your electronic contact details, we may provide marketing information to you electronically.

The collection and verification of customer information may be carried out in different ways and we will advise you of the most acceptable methods of doing this. We may disclose your customer information in carrying out verification – e.g. we may refer to public records to verify information and documentation, or we may verify with an employer that the information you have given us is accurate.

Depending on whether you are an individual or an organisation, the information we collect will vary. For instance, if you are an individual, the type of information we may collect and verify includes your full name, date of birth and residential address. If you are commonly known by 2 or more different names, you must give us full details of your other name or names.

For instance, if you are a company, we may collect and verify information, including company incorporation and registration details, as well as details of the company’s officers and its major shareholders.

If you are acting as a trustee, we may ask you for, amongst other things, information on the beneficiaries of the trust and evidence of the existence of the trust.

If you are a partnership, we may require information including evidence of the fact that the partnership exists, as well as the full name of the partnership, the names of the partners and any business name owned by the partnership.

For other organisations, the kind of information we collect and verify will depend on the type of organisation you are.

In addition, during your relationship with us, we may also ask for and collect further information about you and about your dealings with us.

You must provide us with accurate and complete information. If you do not, you may be in breach of the law and also we may not be able to provide you with products and services that best suit your needs.

Protecting customer information

We comply with the National Privacy Principles as incorporated into the Privacy Act 1988 (Cth).

We disclose customer information to other members of the Group (including overseas members), so that the Group may have an integrated view of its customers and to facilitate the integrated treatment of its customers. It also enables other members of the Group to provide you with information on their products and services.

Other disclosures

At common law, banks are permitted to disclose customer information in the following circumstances:

- › where disclosure is compelled by law; or
- › where there is a duty to the public to disclose; or
- › where our interests require disclosure; or
- › where disclosure is made with your express or implied consent.

General Information cont.

So that we can manage our relationships, customer information may be disclosed to:

- › brokers and agents who refer your business to us;
- › any person acting on your behalf, including your financial adviser, solicitor, settlement agent, accountant, executor, administrator, trustee, guardian or attorney;
- › financial institutions who request information from us if you seek credit from them;
- › if you have borrowed from the Bank to purchase property: valuers and insurers (so that the Bank can obtain a valuation of your property, and confirm that it is insured);
- › if you have insurance: medical practitioners (to verify or clarify, if necessary, any health information you may provide), claims investigators and reinsurers (so that any claim you make can be assessed and managed), insurance reference agencies (where the Bank is considering whether to accept a proposal of insurance from you and, if so, on what terms); and
- › organisations to whom we may outsource certain functions.

In all circumstances where our contractors, agents and outsourced service providers become aware of customer information, confidentiality arrangements apply. Customer information may only be used by our agents, contractors and outsourced service providers for our purposes.

We may be required to disclose customer information by law, e.g. under Court Orders or Statutory Notices pursuant to taxation or social security laws or under laws relating to sanctions, anti-money laundering or counter terrorism financing.

We may send customer information overseas if:

- › that is necessary to complete a transaction, or
- › we outsource certain functions overseas.

We may also be permitted, as distinct from required, to disclose information in other circumstances. For more information, please refer to our Privacy Policy.

Access to your personal information

The law allows you (subject to permitted exceptions) to access your personal information. You can do this by contacting:

Customer Relations
Commonwealth Bank
Reply Paid 41
Sydney NSW 2001

We may charge you for providing access.

Further information

For further information on our privacy and information handling practices, please refer to the Group's Privacy Policy, which is available at commbank.com.au or upon request from any branch of the Bank.

Terms and Conditions

1. About these Terms and Conditions

These Terms and Conditions govern the Bank's Foreign Currency Account (FCA). They do not include terms and conditions that apply by operation of law.

You should read these Terms and Conditions carefully and keep a copy for your future reference. In addition, you should read the Bank's information booklet "The Better Banking Book" copies of which may be obtained by telephoning the Bank on **13 22 21** (between 8am and 8pm, Monday to Friday), visiting our web site at **commbank.com.au** or from any branch of the Bank.

The Better Banking Book contains useful information on a range of banking matters. These include the rights and obligations that arise out of the banker and customer relationship, account opening procedures, the Bank's obligations regarding confidentiality of your information, complaint handling procedures, bank cheques, the advisability of you informing the Bank promptly when you are in financial difficulty, and the advisability of you reading the terms and conditions applying to any banking service provided to you or in which you are interested.

The relevant provisions of the Code of Banking Practice apply to a FCA if that account is held by an individual, either alone or jointly with another individual, or by a small business customer. A copy of the Code of Banking Practice is available at **commbank.com.au** or upon request from your relationship manager or any branch of the Bank.

2. References to Australian dollar amounts

The AUD value of any *foreign currency* amount relating to your FCA is available by contacting your relationship manager or any branch of the Bank. The AUD amount is subject to change at any time due to fluctuations in *exchange rates* and *foreign currency* interest rates.

3. Opening of accounts

The opening of an FCA is conditional upon:

- you (where you are a person) and all persons authorised to act on the account being 18 years of age or older;
- you providing the Bank with the necessary identification information it requires; and
- the Bank carrying out any necessary verification check.

A minimum initial deposit of the foreign currency equivalent of AUD5,000.00 is required within 15 days after the account is opened.

Initial deposits accepted by the Bank must constitute cleared funds (e.g. proceeds from cleared cheques, international money orders etc).

Unless an overdraft facility has been established in terms of clause 12 of these Terms and Conditions, you must keep the account in credit.

4. Conducting a FCA jointly with another person

Unless otherwise agreed with the Bank when the FCA is opened:

- each of you may operate the account independently of the other;
- the Bank may accept for the credit of the account any cheque or other negotiable instrument payable to any one or more of you;
- if one of you dies, the balance of the account is transferred by the Bank to the survivor(s); and
- the Bank is not obliged to enquire into the circumstances of any instructions you give in relation to the conduct of your joint account.

The Bank is not liable for any loss or damage you or anyone else suffers due to the Bank acting on those instructions in good faith, unless it is proved that the Bank was negligent.

5. Trust accounts

Unless an account is designated as a trust account, when you lodge a deposit in your name(s), you verify that the funds deposited are not in any way subject to a trust of any kind nor lodged in a trustee capacity.

Terms and Conditions cont.

6. Deposits

You may make deposits of any amount. Deposits can be made through any branch of the Bank.

The Bank does not accept cheques payable to a third party for deposit to the account.

You may arrange to have regular payments in the currency of the account, e.g. pension or allowance, made by direct credit to the account.

Proceeds of cheques and other payment instruments or funds transferred by direct debit, whilst credited to your account, are subject to clearance. If the Bank allows you to access the proceeds before clearance is effected, you must repay that money if the cheque, payment instrument or direct debit is dishonoured. Otherwise, the money in your account is available on demand.

Foreign currency notes deposited to a FCA are subject to a fee as set out in Appendix A of this PDS.

7. Withdrawals

This clause 7 is subject to our rights under clause 10 of these Terms and Conditions. Withdrawals can be made at any branch of the Bank.

Withdrawals are to be made in the currency in which the FCA is held. Should you wish to exchange your funds for AUD or another *foreign currency* or make payment to a third party in AUD or another *foreign currency*, you can request for the Bank to convert the *foreign currency* at the prevailing *exchange rate* on the day (refer to clause 14 of these Terms and Conditions and Appendix A of this PDS). The Bank will only convert the *foreign currency* into any other *freely convertible* currency (refer to Appendix B of this PDS).

Requests to pay withdrawals in *foreign currency* notes are subject to a fee as set out in Appendix A of this PDS. Some branches of the Bank do not hold *foreign currency* notes. It is recommended that you contact a branch of the Bank to discuss or arrange the availability of *foreign currency* notes.

8. Minimum balance requirement

Unless prior arrangement has been made with the Bank, you must maintain an average monthly credit balance equivalent to at least AUD5,000.00 of *foreign currency*.

9. Payment of interest

This clause 9 is subject to our rights under clause 10 of these Terms and Conditions. If applicable to the *foreign currency* of the account, at the commencement of the FCA the Bank will apply an interest rate, though this rate may subsequently fluctuate from day to day. Interest rates are determined at the Bank's discretion by reference to the relevant *foreign currency* interest rate market.

Interest rates in some foreign markets may be lower or higher than those prevailing in Australia and the rate payable will reflect this.

Negative interest rates may apply to the account if low or negative interest rates apply in the interest rate market for the *foreign currency* in which the FCA is held. A negative interest rate when applied to your FCA balance will have the effect of reducing that balance. If a negative interest rate applies, interest is debited to the account irrespective of the balance of the account.

Interest rates applicable (as determined by the Bank) on *foreign currency* credit balances are subject to a tiered interest rate structure according to the balance of the account (refer clause 11 of these Terms and Conditions). When the balance of the account reaches the next tier, the interest rate applied is the *foreign currency* market interest rate net of the tiered margin (as determined by the Bank, refer to "How are interest rates determined?" in the General Information section of this PDS) applicable for that tier. This interest rate is applied to the whole of the balance for the account for so long as it remains above that tier.

For the purposes of calculating interest, the balance of the account on any day will not include deposits and withdrawals made to the account after the close of business of the *foreign currency* market for the currency in which the account is conducted. The close of business of *foreign currency* markets varies for each *foreign currency* and does not necessarily coincide with the close of the business of the Bank. Deposits and withdrawals to the account after the close of the *foreign currency* market in which the account is conducted will be included in the balance of the account for the following day. The closing time for processing *foreign currency* transactions varies throughout the calendar year and is influenced by the local time of the country of the *foreign currency* of the FCA, as well as the time in the Australian State that you are

processing your transaction in. Information on the closing time for processing your *foreign currency* transactions can be obtained through your relationship manager or at any branch of the Bank. In addition, transactions can only be processed on a *business day*.

Interest is calculated on the daily balance of the account and is credited or debited to the account on the first *business day* of each month or when the account is closed.

Please refer to clauses 8 and 11 of these Terms and Conditions for details of minimum balance requirements, and for details of *foreign currency* interest rates and *foreign currency* balance tiers respectively.

10. Refusal of Service

In the event that you appear to be a Proscribed Person, then we may immediately refuse to process or complete any transaction or dealing of yours; suspend the provision of a product or service to you; refuse to allow or to facilitate any of your assets held by us to be used or dealt with; refuse to make any asset available to you to any other proscribed person or entity; or terminate these arrangements with you. We will be under no liability to you if we do any or all of these things. Our rights under this clause are in addition to all other rights we may have.

If we exercise our rights under this clause you must pay us any damages, losses, costs or expenses that we incur in relation to any action taken under this clause, including without limitation, negative interest owed under clause 9, administrative costs and/or costs of sale or purchase of any transaction or deal put in place for the purposes of meeting our obligations under these Terms and Conditions.

11. Interest rates

Details of current *foreign currency* interest rates including the *foreign currencies* on which the Bank currently pays interest are available at <http://www.commbank.com.au/business/international/international-payments/foreign-currency-accounts/> or upon request through your relationship manager or from any branch of the Bank.

Foreign currency balance tiers

The tiers applicable to *foreign currency* interest rates on credit balances are available at <http://www.commbank.com.au/business/international/international-payments/foreign-currency-accounts/> or at any branch of the Bank.

12. Overdrafts

If you are a business customer, you may apply to the Bank to establish an overdraft limit. Full terms and conditions of that facility are provided when you apply.

13. Statement of account

The Bank sends you a statement each month if you have had transactions in the preceding month. You may request a statement to be issued at any other time by contacting your relationship manager or by making a request at any branch of the Bank.

When the account is conducted jointly with another person and where the joint account holders live at the same address, the Bank will send one statement of account addressed to both account holders. When the joint account holders live at different addresses, one statement of account will be sent to the nominated postal address. Joint account holders may apply in writing for the issue of separate statements of account.

The Bank may charge a fee for duplicate/additional/separate statement requests. Please refer to Appendix A of this PDS.

14. Bank fees

Some related products and services like International Money Transfers (IMTs) will incur a separate fee. These fees will be set out in the Product Disclosure Statements, terms and conditions or fees and charges brochures for those other products and services.

The Bank may charge a fee for the provision of a certificate of balance, for issuing a statement of balance, for closing the account, for depositing an overseas cheque, and for depositing *foreign currency* notes. These fees are set out in Appendix A of this PDS.

15. Government taxes

Government taxes, where applicable, are charged to the account. Refer to Appendix A for details.

Terms and Conditions cont.

16. Variation of Terms and Conditions

The Bank reserves the right to vary these Terms and Conditions.

At least 30 days' written notice will be given to you if the Bank intends to:

- › introduce or vary a Bank fee or charge in relation to the operation and maintenance of the account;
- › vary the method by which interest is determined or the frequency with which the interest is credited or debited to the account; or
- › vary the balance ranges within which interest rates apply to the account;

except where the Bank cannot locate you.

If the Bank otherwise varies these Terms and Conditions or varies its standard fees and charges, the Bank will notify you either in writing or by advertisement in the national media or local media no later than the day on which the variation takes effect.

The Bank will notify you of the introduction or variation of any Government tax or charge either in writing or by advertisement in the national media or local media unless the Government, a Government agency or representative body has already publicised the introduction or variation.

17. Change of name or address

You are required to notify the Bank promptly in writing of a change to your name or address.

18. Account closure

This clause 18 is subject to our rights under clause 10 of these Terms and Conditions.

The Bank is entitled to close the account on reasonable notice, or without notice if the account has a nil balance and has not been operated on for twelve (12) months or more. The Bank may charge you an amount that it considers to be a reasonable estimate of the costs of closure.

If you do not make a deposit or withdrawal on the account for seven (7) years, the Bank closes the account without notice to you and transfers the credit balance to an unclaimed moneys fund where it will not earn interest (balances over a prescribed AUD amount go to the Government's unclaimed moneys fund).

The *foreign currency* will be converted into AUD at the Bank's then prevailing *exchange rate* before being transferred to the unclaimed moneys fund. You may at any time apply for the return of the transferred balance.

Definitions

“AUD”

Australian Dollars.

the “Bank”; “our”; “us”; “we”

Commonwealth Bank of Australia
ABN 48 123 123 124.

“business day”

A day on which the Bank is open for the transaction of business in relation to a FCA.

“collection basis”

Where an overseas cheque in a *foreign currency* is lodged with the Bank with instructions to credit the FCA following receipt of cleared funds by the Bank from the overseas bank on which the cheque is drawn.

“exchange rate”

An exchange rate is the expression of one currency in terms of another. For example, in the exchange rate AUD/USD0.6500, one Australian Dollar is equal to 65 United States Cents (AUD1.0000 = USD0.6500). Similarly in the exchange rate USD/JPY115.35, one United States Dollar is equal to 115.35 Japanese Yen (USD1.0000 = JPY115.35).

“FCA”

Foreign Currency Account.

“foreign currency(ies)”

Any currency other than Australian Dollars (AUD).

“freely convertible”

A *foreign currency* that is not subject to exchange controls and is able to be exchanged by the Bank through its operations in *foreign currency* markets.

“GBP”

Pounds Sterling or Great British Pounds.

“NZD”

New Zealand Dollars.

“Proscribed Persons”

A person who appears to us either (a) to be a proscribed person or entity under the Charter of the United Nations Act 1945 (Cth); (b) to be in breach of the laws of any jurisdiction relating to money laundering or counter-terrorism; (c) to appear in a list of persons with whom dealings are proscribed by the government or a regulatory authority of any jurisdiction; or (d) act on behalf, or for the benefit of, a person listed in subclauses (a) – (c).

“transit interest”

The interest expense charged by the Bank for crediting the amount of a *foreign currency* cheque to a FCA prior to the clearance of the overseas cheque. Transit interest is charged from the date that the FCA is credited until cleared payment is received by the Bank. Interest is charged in 15 day periods in advance up until the time that payment is received.

“USD”

United States Dollars.

“you”; “your”

The customer who is the person or persons or entity in whose name the FCA is held.

Appendix A – Fees and Government taxes

Bank Fees

Description	Amount in AUD	When payable
Depositing an overseas cheque to FCA	Standard Bills Negotiated fee plus transit interest.*	When an overseas cheque is deposited to the FCA.
Deposits or withdrawals in <i>foreign currency</i> notes from a FCA	2% of the AUD equivalent of the <i>foreign currency</i> amount deposited or withdrawn** Minimum charge is \$20.00 Maximum charge is \$600.00	On deposit or withdrawal by <i>foreign currency</i> notes from the FCA.
Cost of issuing duplicate statement	\$7.00 each.	On request to issue duplicate.
Provision of a certificate of balance	\$10.00 each.	On request to issue duplicate statements.

* *Transit interest* is calculated on the AUD equivalent of the deposited amount. The *exchange rate* and interest rate used for the purposes of this calculation are determined by the Bank. If a client does not wish to pay the *transit interest*, the cheque can be accepted by the Bank on a *collection basis*.

** Example of calculating the charge: Making a deposit with an AUD equivalent of AUD \$2,000 = AUD \$2,000 x 2% = AUD \$40.00. Making a withdrawal with an AUD equivalent of AUD \$15,000 = AUD \$15,000 x 2% = AUD \$300.00.

All fees can be charged direct to the FCA on the basis that the account will be debited with the *foreign currency* equivalent of the AUD amounts listed. Conversion will occur at the Bank's then current telegraphic transfer buying rate on the day that the charge is made. Alternatively, you can nominate an acceptable AUD account held with the Bank from which the fees can be debited.

There are fees and charges for services that are commonly used in conjunction with Foreign Currency Accounts (for example, telegraphic transfers, the issue of foreign currency drafts and the depositing of foreign currency cheques). Refer to the Bank's "Common Banking Services Standard Fees and Charges" brochure and "International and Foreign Currency Services" brochure, which are available from any branch of the Bank.

Government taxes

If you do not provide us with a Tax File Number (TFN), TFN exemption or Australian Business Number, or you are a non-resident, the Bank is obliged by law to deduct tax from the interest you have earned.

Your FCA may also be subject to Government taxes and duties (if any). These may vary from State to State.

Appendix B – Foreign currencies

FCAs are available in most *freely convertible* currencies.
Examples are included below.

Currencies	Day count convention
United States Dollars (USD)	360
Pounds Sterling or Great British Pounds (GBP)	365
Japanese Yen (JPY)	360
New Zealand Dollars (NZD)	365
Euros (EUR)	360
Singapore Dollars (SGD)	360
Hong Kong Dollars (HKD)	360
Canadian Dollars (CAD)	360

Details of current *exchange rates*, including all of the *foreign currencies* in which the Bank offers FCAs as well as information on interest rates, are available on request through your relationship manager or from any branch of the Bank.

**Institutional
Banking & Markets**

Foreign Currency Account
