



# Foreign Exchange (FX) Cost of Service Disclosure

## 1. Introduction

The Commonwealth Bank of Australia (CBA) (together, 'we', 'us', 'our', 'the Bank') would like to highlight certain matters relating to how CBA determines a fair and reasonable Cost of Service to apply to FX transactions.

## 2. Definitions

- 2.1 Cost of Service refers to the difference between the all-in price that we quote to you and the mid-price of a FX product.
- 2.2 Mid-price refers to the middle value between CBA's best available buying and selling price in the relevant FX product. Where the prevailing market mid-price is used, we do this by reference to prevailing executable bid-offer prices (where this is available) or CBA's internal determination of a mid-price based on observable market inputs or reasonable estimates depending on the availability of such data.
- 2.3 "Cost of Service" includes both Execution Factors and Service Factors, each as defined below.
- 2.4 "Execution Factors" include amounts to compensate the Bank for the risk management and trade execution and are determined with regard to items such as, but not limited to, anticipated market liquidity and size and nature of the transaction.
- 2.5 "Service Factors" include amounts to compensate the Bank for items such as, but not limited to, ongoing services provided to you by CBA, balance sheet and capital usage, complexity of your transaction, processing and settlement costs, compliance and oversight costs required to support a regulated FX business and the costs associated with maintaining required infrastructure.

## 3. Our Approach

- 3.1. Our approach to Cost of Service is in line with regulatory requirements in the key jurisdictions the Bank operates in. CBA is also a signatory to the FX Global Code.
- 3.2. The price you receive from us includes the Cost of Service.
- 3.3. Where you place an FX order with us, the specific levels of your order may be adjusted to account for Cost of Service.
- 3.4. The Cost of Service applied to your FX transactions at a particular point in time may vary for the same or similar transactions based on variation in the Execution Factors and Service Factors as determined by us at the relevant time.
- 3.5. When you place orders with CBA Service Factors we apply to individual transactions may also vary between different clients for the same or similar transactions
- 3.6. CBA will at your request disclose your Cost of Service on individual transactions.

## Contacts



If you require further information, please contact your FX Dealer or our Central FX Team on **1300 222 339 (1800 CBAEFX)**.

**Important information:** As this information has been prepared without considering your objectives, financial situation or needs, you should before acting on the information, consider its appropriateness to your circumstances. If you have a complaint, the Bank's dispute resolution process can be accessed on **1800 805 605** from Australia, or **+61 2 9687 0756** from overseas or online. Further information on CBA's complaints, please refer to the complaint handling principles

