

## › What is a Forward Contract?


A Forward Contract lets you lock in your exchange rate for up to 12 months.  
No worries. No surprises. Job done.

A Forward Contract is a buy now, pay later option for businesses trying to take advantage of a beneficial rate today on a future payment.

Forward Contracts give you certainty by securing your “fixed rate.” This locked in rate reduces the risk of future currency volatility that could reduce profits or force you to pay more when the transaction is due. A deposit is required, but most of the money stays in your hands to help support your business.\* You can even apply for a zero margin Forward Contract based on your credit to give you a 0% deposit option.

\*Forward Contracts are subject to advanced payments during the duration of your contract. For full details on advanced payments and deposit calls, please reference our Terms and Conditions. If you book a Forward Contract, it may mean losing out if the market rate improves because you’re contracted to settle at the agreed rate.

## › What are the benefits of a Forward Contract?

 <b>Simplicity</b>	 <b>Future protection</b>	 <b>Fee transparency</b>	 <b>Tailored to you</b>
<p>Forward Contracts are the simple way to manage future currency risk. It’s easy peace of mind.</p>	<p>Protect your business against the risk of currency fluctuations that could affect your bottom line.</p>	<p>Lock in rates between 19 currencies, including all major currencies.</p>	<p>Fix all, or even a portion of your known FX costs for the year ahead. Plus, you can make fixed-rate transfers earlier than the contracted date if needed.</p>

## › Who can benefit from a Forward Contract?

Exporters, importers, online sellers, employees earning in foreign currency, and employers paying in foreign currency.

### OFX client case study, in four steps:

#### 1: Understanding our client

Manny is a Canadian distributor buying goods worth €1,000,000 from an Italian manufacturer. Payment is due at the time of delivery, and the goods arrive in six months. Whenever a big deal like this comes up, Manny calls his OFXpert, Jordana.

#### 2: Predicting his needs

Manny and Jordana calculate how much the goods will cost Manny if he completes a standard transfer now. For example, if the market rate at the time of purchase makes €1 worth CA\$1.50, that means the goods would cost him CA\$1,500,000 if he paid today. But if after six months the euro increases to CA\$1.60, the same goods will cost him CA\$1,600,000. That’s CA\$100,000 out of Manny’s pocket.

#### 3: Providing the solution

Manny really wants to know what he’s going to pay in six months, but he doesn’t want to make the exchange right now because he needs Canadian currency to run his business. Manny and Jordana book a Forward Contract to buy €1,000,000 at CA\$1.52 in six months’ time.

#### 4: Secure transactions

Now Manny knows exactly what his future bill will be. He’ll pay a little more than if he bought the goods right now at CA\$1.50, but he has peace of mind knowing his profit margins are protected against the risk of adverse currency shifts. And his Canadian dollars stay in his pocket, which are far easier for his daily business needs.



Jordana, OFXpert since 2018

## › Why choose OFX?

OFXperts in your corner, and every corner of the world.

We grew from an idea that there had to be a better, fairer way to move money around the world. That was over 25 years ago, and since then over 1 million clients have trusted us with transfers in 50+ currencies to 170+ countries. That’s \$293bn+ we’ve helped to move around the world.

 <b>OFXpert</b>	 <b>Save money</b>	 <b>Fee transparency</b>	 <b>Secure</b>
<p>Every OFX client can contact a knowledgeable OFXpert who will strive to simplify the currency exchange process and save you money by monitoring markets with your business in mind.</p>	<p>Great rates paired with better market strategies, better timing, and better vendor management helps you reduce costs.</p>	<p>No hidden costs. No surprises. We pride ourselves on honest, upfront communication and provide money visibility throughout every transaction.</p>	<p>Operating to international security standards. We monitor transactions for suspicious activity with sophisticated technology. We are regulated by over 50 regulators globally.</p>

Rated ‘Excellent’ on  Trustpilot

[Read our reviews >](#)

## Forward Contracts are just one call away.

Add an OFXpert to your team, today! Our clients get the best of both worlds — a seamless digital platform, combined with 24/7 phone access to currency experts.