



Date

CLIENT NAME:

CLIENT ADDRESS:

YOUR RELATIONSHIP MANAGER:

CONTRACT No.:

### Foreign exchange forward opening

We hereby confirm the following,

Currency	Amount	Account No.
<b>Your Sale</b>		
<b>Your purchase</b>		
<b>Collateral/Margin</b>		
<b>Exchange Rate</b>		
<b>Trade Date</b>		
<b>Value Date</b>		

“Trade date” is the date on which this contract is entered into

“Value date” is the date on which we exchange the currency in accordance with the terms of this contract.

Upon value date, we will debit your [Selling Currency] account and credit your [Buying Currency] account with the amount specified above.

### CONDITIONS

This contract is issued subject to the following conditions:

#### 1. EXCHANGE CONTROL

- 1.1 The client warrants that this contract is required to cover a firm and ascertained exchange commitment. The client warrants that this contract is entered into as a part of their ordinary business or for the sole purpose of hedging and managing currency or other risks as a part of their ordinary business. The client warrants that this contract has not been entered into for the purpose of speculation.
- 1.2 The client warrants that this contract is either:
  - a. in respect of the importation or exportation of goods in evidence whereof the client will forward bills of lading or other shipping documents and invoices or bills of entry and/or customs stamped invoices to the bank before paying away any funds; or
  - b. to cover an ascertained exchange accrual directly involving the movement of goods in evidence whereof the client will forward documentary evidence to the bank within 7 days after date of establishment of the forward exchange contract

- 1.3 The client warrants that they have a valid trade finance transaction to cover this foreign exchange transaction. The bank may inspect such documents to check their validity, and shall have the ultimate discretion to determine whether the underlying transaction and documents can qualify for coverage under this contract.
- 1.4 The client warrants that they have not obtained and will not obtain foreign exchange facilities from another authorized dealer for the transaction(s) covered by this contract.
- 1.5 The bank may, on or prior to the entry of this contract, require that the client pay a specified percentage of the contract amount as a cash deposit denominated in US Dollars or Hong Kong Dollars as collateral in favor of the bank ("Collateral Amount"), with such amount and currency determined at the sole discretion of the bank from time to time. The client shall execute all documents in such form and complete all procedures as required by the bank to the bank's satisfaction in order to give full effect to the provision of the Collateral Amount. The tenor of the Collateral Amount shall match with or be longer than the contract.
- 1.6 The bank may from time to time mark this contract to market by reference to the prevailing market rate or quotation in order to calculate the client's gain or loss under the contract (marked-to-market or "MTM"). If the bank at any time determines that the cumulative MTM loss incurred by the client under the contract exceeds the Collateral Amount for the contract, the client shall forthwith upon the bank's demand, and in any event not later than [five (5)] Hong Kong business days after such demand, deliver additional cash deposit at least equal to the amount of such excess (as determined by the bank) to be charged over in favour of the bank forming part of the Collateral Amount to secure this contract, and execute all documents and complete all procedures as required by the bank to the bank's satisfaction for the foregoing purpose. Such cash deposit so charged over shall not be released to the client even if the MTM of this contract becomes positive thereafter but only if this contract has matured.
- 1.7 The client warrants that it has complied with any legal requirements and laws applicable to it, including but not limited to any legal requirements on anti-money laundering, counter-terrorist financing, and sanctions. In particular, the client warrants that the underlying transaction is not in violation of any anti-money laundering, counter-terrorist financing, sanctions, or other legal restrictions or requirements.

## **2. DISCLAIMER AND CONSENT**

- 2.1 The bank shall not be liable for any loss or damage suffered by the client or any third party arising from the use of or in connection with this contract, unless the loss, damage or expense suffered or incurred is proven to be the result of fraud, gross negligence or wilful default by the bank or its employees. Under no circumstances shall the bank, its agents, or their employees be responsible to the client or any other person for any loss of profit or interest, indirect or consequential loss arising from or in connection with this contract, including but not limited to any profit or loss from fluctuations in the currency rates, outside of the terms of this contract.
- 2.2 The bank has not and will not take into account the client's financial, business or any other specific circumstances or needs, either current or in the future, in entering this contract. The bank will not be providing any financial advice, opinion or recommendation in relation to this contract.
- 2.3 The bank reserves the right terminate this contract if the client or the client's underlying transaction is in breach of any legal obligations applicable to it, including any obligations in relation to anti-money laundering, counter-terrorist financing, and sanctions. The client shall indemnify the bank for any losses suffered as a result of the client's own breach of any legal obligations. The bank shall not be responsible for any losses suffered by the client as a result of the client's own breach of its legal obligations.
- 2.4 Any certification or determination by the bank of a rate, amount or other thing under this contract is, in the absence of manifest error, conclusive evidence of the matters to which it relates.
- 2.5 The client warrants that they understand the terms and conditions of this contract, as well as the risks involved. The client further warrants that they are entering into the contract based on their own independent evaluation and judgment, and undertake to consult their own independent advisors on any legal, financial or tax issues as necessary in order for the client to assess the suitability of this contract and the transactions contemplated by this contract for their business needs.
- 2.6 This contract and transaction have been entered into and agreed between the bank and the client at arm's length.

### 3. DELIVERY

- 3.1 The client is obliged to deliver to the bank the amount purchased by the bank and to take delivery from the bank of the amount sold by the bank as stated above on the value date stated above. It is distinctly understood and agreed that, in the event of failure by the client to honour this contract in full during banking hours on the stated value date, the client shall be liable to the bank for any loss incurred by the bank resulting from the bank's having to buy and/or sell foreign currency, as stated above, in the open market settlement of this contract on behalf of the client. The bank will use its discretion in such event to determine which foreign currency transactions are required to cover the difference.
- 3.2 It is further agreed and understood that the bank shall, in such event, have the right to debit the client's account with the US Dollar or Hong Kong Dollar equivalent, as calculated by the bank, of the resulting difference or to claim immediate payment thereof from the client.
- 3.3 Any cancellation or extension of this contract, early delivery or payment of any amount under this contract by the client shall be subject to the bank receiving notice thereof on the second Hong Kong business day prior to the date upon which such cancellation, extension, early delivery or payment shall take place. Failure by the client to notify the bank timeously as aforesaid shall result in the application of clause 3.2 above, without prejudice to any other rights the bank may have consequent upon such failure.
- 3.4 It is hereby agreed that in the event of the client's failure to duly and timeously perform their obligation under any forward exchange contract entered into by and between the client and the bank, which forward exchange contract fell due prior to or on the value date determined above, the bank shall be entitled, without prejudice to any other rights whether contractual or common law, pursuant to such failure, to withhold any or all amounts due to the client in terms hereof and to set off any loss the bank may have suffered as a result of such failure against the amount(s) thus withheld.
- 3.5 This contract is the entire and complete contract between the parties and no agreement differing from the terms and conditions of this contract shall be of any force or effect unless it is in writing and signed by the parties to this contract.

**NOT WITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THIS CONTRACT IS SUBJECT TO THE LAWS OF THE HONG KONG SPECIAL ADMINISTRATIVE REGION ("HONG KONG"), AND ANY REGULATIONS ISSUED OR TO BE ISSUED BY THE HONG KONG MONETARY AUTHORITY AND / OR UNDER HONG KONG LAW.**

For and on behalf of: HABIB BANK ZURICH (HONG KONG) LIMITED
Branch Manager / Relationship Manager

For and on behalf of: HABIB BANK ZURICH (HONG KONG) LIMITED
Head of Treasury

For and on behalf of:
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Authorised Signatory

Authorised Signatory

TO BE SIGNED IN ACCORDANCE WITH THE MANDATES HELD.  
P.S : PLEASE SIGN THE ORIGINAL AND RETURN TO THE BANK WITHIN 2 (TWO) BUSINESS DAYS. PLEASE RETAIN THE COPY FOR YOUR OWN RECORDS.

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Habib Bank Zurich (Hong Kong) Limited, a Restricted Licence Bank  
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