

Changes to Business account terms for Booked Payment FX Terms



What is happening?

In order to comply with ring-fencing legislation we are making some changes to the Business account terms relating to certain foreign currency payments. These will take effect on 15 October 2018.

What does this mean for you?

As part of the changes to the way our business is structured, required by a change in UK law relating to ring-fencing, we are changing the way we carry out certain currency conversion transactions for you.

The changes to the Terms relate to the making or receiving of certain foreign currency payments, including transfers between your accounts.

To enable us to continue to provide you with these foreign currency payments and transfers we are introducing an agency arrangement, where we enter into certain currency conversion transactions on your behalf with NatWest Markets plc.

What is the Agency Arrangement?

The changes in the Terms make it clear that in relation to certain foreign currency payments and transfers you appoint and authorise us to act as your agent and to enter into a contractual arrangement with NatWest Markets plc on your behalf for the conversion of your funds in the required currency.

This means that you will be contracting directly with NatWest Markets plc on the NatWest Markets plc Booked Payment FX Terms (as amended from time to time) for the conversion of the required currency.

You and NatWest Markets plc will have responsibilities to each other under those terms. We will still be responsible for the settlement of your funds to the beneficiary account once we have received the converted currency funds from NatWest Markets plc.

The types of foreign currency payments and transfers covered by the agency arrangement have been defined in the Terms as "booked payments". As we will act as your agent in relation to a booked payment we want to inform you of how the cost of your booked payment is structured. The cost of a booked payment is made up of:

1. The price provided by NatWest Markets plc for the foreign exchange conversion; and
2. A margin calculated as appropriate, either based on the size of the transaction or on terms previously agreed between ourselves

What is a booked payment?

A booked payment is a payment or a transfer between your accounts requiring a currency conversion where:

- The sum requiring exchange to a foreign currency is equal to or more than GBP100,000 sterling (or its equivalent); or
- In certain circumstances and at our discretion where the sum requiring exchange to a foreign currency is less than GBP100,000 sterling

Unless specifically referred to in the Terms all references to payments include booked payments.

The Business account terms have been amended in line with the above changes.

Further information

Any other foreign currency transactions not covered under the definition of a booked payment will not be affected by this change and these transactions will remain between you and us.

Appendix 1 – Details of changes

Business account terms – Details of Changes	
Glossary	<p>We have added the following new definitions:</p> <ul style="list-style-type: none"> • A booked payment means any payment or transfer received or made in a different currency from the currency of your account, where either the amount of such payment or transfer is equal to or greater than GBP100,000 (or its equivalent) or we otherwise classify that payment or transfer as a booked payment at our discretion • NatWest Markets means NatWest Markets plc (a non-ring-fenced bank within the RBS Group) and its successors, transferees and assigns • NWM Terms of Business means the NatWest Markets Booked Payment FX Terms as amended from time to time, the current version of which are available here: www.natwestmarkets.com/content/dam/natwestmarkets_com/pdf/Booked-Payment-FX-Terms.pdf <p>We also make clear in this section that any references to payments in the terms include booked payments unless specifically excluded or as the context requires.</p>
Section 2 – Use of accounts and giving us your instructions	<p>We have added a new section 2.4 (Foreign currency conversion in relation to booked payments) which explains the process when you instruct us to make a booked payment or when you receive a booked payment to your account.</p> <p>It explains that you agree and authorise us to act as your agent to obtain a booked payment foreign currency conversion rate from NatWest Markets in accordance with the NWM Terms of Business and that you are in a direct contractual relationship with NatWest Markets under the NWM Terms of Business for the obtaining of the foreign currency conversion rate.</p> <p>We also disclose that the exchange rate applied to the currency conversion by NatWest Markets includes a margin, part of which is paid back to us by NatWest Markets.</p> <p>Please note that we remain responsible for settling the payment to your beneficiary once the converted funds are made available to us from NatWest Markets.</p>
Section 2 – Use of accounts and giving us your instructions	<p>Old section 2.4 is now new section 2.5 (Delaying or refusing your instructions) and we have added wording to cover the eventuality that we are not able to make your booked payment at the time requested due NatWest Markets not holding sufficient funds in the required currency to make the foreign currency conversion.</p>
Section 8 – What happens when something goes wrong	<p>We have included a new section 8.7 (Responsibility in relation to a booked payment) which states that we are not responsible for any acts or omissions of NatWest Markets under the NWM Terms of Business.</p> <p>We also state that, for your information as these points are dealt with in the NWM Terms of Business, NatWest Markets responsibility to you is limited to that provided for in the NWM Terms of Business and that they have no responsibility to you for any of our acts or omissions under the Business Banking account terms.</p>
Section 11 – Making changes to your agreement	<p>We have slightly amended section 11.4 (Foreign currency conversions) to exclude booked payments as these are not based on our rates but rather NatWest Markets rates.</p>