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Telegraphic Transfers

Product Disclosure Statement
Issued 2 June 2008

ONLINE | SECURE | SIMPLE | FX INTERNATIONAL PAYMENTS



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This Product Disclosure Statement is issued by American Express® International, Inc. This document is provided to Telegraphic Transfer customers in Australia only.

Telegraphic Transfers

A Telegraphic Transfer (TT) is an electronic message initiated by one financial institution directing another financial institution to make a payment on its behalf. The payment is routed to the beneficiary's financial institution using intermediary financial institution(s) and a message platform. One such platform is known as SWIFT (Society for Worldwide Interbank Financial Telecommunications).

Most financial institutions have a unique Bank Identifier Code (BIC). The SWIFT participants exchange messages between themselves and due to the security built into the system – the receiving bank knows the message/ instructions are authentic.

The beneficiary financial institution will credit funds to the beneficiary account, dependent upon accuracy of payment details.

Telegraphic Transfers are one of the quickest and most secure method of executing payments abroad. The beneficiary generally receives payment within 24-48 hours after the transaction has been initiated; however this will depend on:

- The currency being sent
- Time zone differences
- Local exchange regulations
- Local settlement procedures
- Bank and country to which the payment is being directed
- Final destination point
- The amount of the transaction

American Express can send Telegraphic Transfers to most countries in the world in over 100 different currencies. Check with our Foreign Exchange Dealers for countries to which payments can be sent.

Telegraphic Transfers

Value Date

Every foreign exchange transaction specifies a date on which the exchange of currency will take place. This is known as the value date. The value date for most transactions is generally for 'spot' value which is two banking days after the date the transaction is agreed, in order to recognise time delays inherent in payment processing and systems.

'Value today' or 'value tomorrow' transactions are only available by special arrangement.

Cancellation

Once transmitted to the beneficiary financial institution and credited to an account, it is only possible to recall funds with the approval of the account holder. This process normally takes a minimum of one week and longer on occasions.

If a customer wishes to cancel a Telegraphic Transfer transaction, a cancellation fee is applicable. In addition to American Express fees, there may be a charge made by the beneficiary's financial institution and/or any intermediary financial institution.

In addition to these fees and charges, you may also have to pay an amount which represents the difference in funds credited back to our account if there is an adverse change in exchange rates between the time American Express processes the transaction and its cancellation. Dependent on exchange rate fluctuations, the amount refunded could be substantially different from the original amount of the transaction.

Telegraphic Transfers

Applying for an International Payments Facility

Please contact us on **1300 554 884** to apply for an international payment facility to send Telegraphic Transfers. One of our sales consultants will explain our product to you and make arrangements for you to complete our application form.

Business applicants must include evidence of the establishment of your business, your business finances **including audited financial statements** and details of the types of transactions undertaken by your business.

Your application will be reviewed in terms of relevant identification checks and credit policies. You will be advised of the outcome of your application within 14 days.

Our approval of your application will include confirmation of settlement method with you. Settlement of payments can be made by either Direct Debit or Direct Credit at our discretion.

All international payment facilities are subject to the attached terms and conditions.

Telegraphic Transfers

Sending International Payments

Once your international payments facility has been approved, you may send Telegraphic Transfers up to your approved limit.

Prior to sending us your payment instructions, you should obtain an exchange rate for the transaction from our Foreign Exchange Dealers on **1300 554 884**.

Payment instructions may be sent to us by facsimile or by using our online system, FX International Payments (FXIP).

When sending payment instructions to us by facsimile, our standard International Telegraphic Transfer or Bank Draft Requisition form must be used. This form includes sufficient space to provide full beneficiary details. These order forms must be faxed to us on **1800 194 333**.

On receipt of your facsimiled instructions, the signature authorising the payment will be checked against our records. If you require more than one signature to authorise a payment, you must send payments using FXIP.

To send payments using FXIP, please contact us on **1300 554 884** to arrange access to the system and appropriate procedures.

Please note that under Australian and US laws, we cannot send payments to certain Sanctioned countries or to individuals and businesses prohibited under Australian and US laws. Under certain US laws, funds forwarded to us for onward transmission to US Sanctioned countries, individuals or businesses may be retained by us pending an appropriate licence from the US government.

Telegraphic Transfers

Fees and Charges

American Express levies the following fees and charges in respect of each Telegraphic Transfer:

TT sent in foreign currency	Up to AUD 33.00
TT received in foreign currency	Up to AUD 33.00
TT sent in AUD	Up to AUD 55.00
Amending a TT	Up to AUD 33.00
Requesting a trace on a TT	Up to AUD 55.00
Cancellation of a TT*	Up to AUD 33.00

These fees include GST.

*In addition to the fee, you may also have to pay an amount which represents the difference in funds credited back to our account if there is an adverse change in exchange rates between the time American Express processes the transaction and its cancellation.

Many financial institutions overseas impose processing fees when handling Telegraphic Transfers. These fees are set by the processing institution and vary between institutions and countries. As a result, the amount of the payment actually received by the beneficiary may not necessarily be the same as that requested by the customer.

Account and Beneficiary Details

It is important to have accurate and complete details when sending a Telegraphic Transfer. Mandatory information that is required to be completed by the customer, either on the International Telegraphic Transfer or Bank Draft Requisition form or via online ordering include:

- Complete name of beneficiary's financial institution – no abbreviations
- Complete address of the financial institution branch where the account is maintained
- SWIFT Code for the beneficiary's financial institution
- Complete and accurate name of beneficiary
- Beneficiary's financial institution account number including any additional identifiers (eg IBAN for the European Union).

Telegraphic Transfers

Repeat Beneficiary Coding

Once your international payments facility has been approved, each customer's beneficiary details are recorded in our processing system, ensuring accurate information is maintained.

Customer Service

Customer service issues for any Telegraphic Transfer are handled by our International Payments customer service team. They will be able to answer any questions relating to Telegraphic Transfer issuance and procedures.

International Payments customer service contact: phone **1300 554 884**.

Settlement Methods

Settlement in AUD is available via either:

- A pre-authorized Direct Debit from the customer's nominated bank account (subject to our approval).
- A Direct Credit to American Express' bank account. You must pay us in full in cleared and transferable funds for the amount of any transaction, as well as our applicable service fees before we pay, transmit or exchange any funds for you. American Express does not accept cheque payments for Direct Credit payments.

Each settlement method is subject to the attached terms and conditions.

Cut-off Time

Orders placed by facsimile (including receipt of Direct Credit funds) are required by 3.00pm (EST) for payments to be transferred same day. Orders placed online in FX International Payments must be completed by 5.00pm (EST) for payments to be transferred same day.

Please note, while the beneficiary generally receives payment within 24-48 hours after the transaction has been initiated, the payment can take up to 72 hours in certain circumstances. Where an order relates to a time critical transaction, orders must be placed at least 3 business days prior to the date and time when payment is required in order for customers to be assured of their payment being received on time.

Telegraphic Transfers

Fax Confirmations

Transaction Receipts and completed Transaction Confirmations are faxed to the customer. This procedure is generated automatically as the transactions are processed.

Customers ordering via the internet receive an online transaction reference and confirmation posted to their secure inbox.

Significant Benefits

- Fast, efficient transfers throughout the world.
- Able to transfer funds in up to 100 different currencies.
- Competitive exchange rates.

Significant Risks

- Payments may be delayed or become lost if incomplete or inaccurate payment instructions are provided.
- In the event of cancellation, any refund will be calculated at the current exchange rate on date of receiving the refund which may cause a foreign exchange gain or loss depending on the movements in exchange rates.
- For facsimile instructions, you should be careful as there is a risk of fraudulent facsimile instructions that can be made by someone who has access to your business details and a copy of authorised users' specimen signatures. We reserve the right to implement additional security checks at any time.
- We use a range of correspondent financial institutions to enable payments to be effected. There is a risk that payments may be delayed by one or more of these institutions due to factors outside our control.
- As the fees set by third party processing institutions vary, the amount of the payment actually received by the beneficiary may not necessarily be the same as requested.

Telegraphic Transfers

Dispute Resolution

American Express is committed to customer satisfaction as part of its service philosophy. We have established internal procedures to resolve the complaints regarding our products. We are a member of an ASIC approved independent dispute resolution scheme.

If you have a complaint about the service or products provided to you, please take the following steps; direct your complaint, at first instance, to the point of purchase or otherwise, contact American Express by telephone on **1300 554 884**.

If your complaint is not satisfactorily resolved within 20 business days, please address your complaint in writing to:

The Complaints Manager
Foreign Exchange Services
American Express International, Inc.
12 Shelley Street, GPO Box 1582
Sydney NSW 2001
Australia.

We make every endeavour to resolve the complaints in a prompt and fair manner. If however, you continue to remain dissatisfied with the decision, you may seek to have your complaint considered by an independent, external dispute resolution body – the Banking and Financial Services Ombudsman (BFSO), American Express International, Inc, is a member of this scheme. You may contact the BFSO by the following means:

Mail:	Banking & Financial Services Ombudsman GPO Box 3A Melbourne Vic 001 Australia
Telephone:	1300 780 808
Fax:	+613 9613 7345
Internet:	www.abio.org.au

Privacy of your Personal Information

Our commitment to your privacy

American Express is proud of their reputation for, and commitment to, safeguarding information about their customers. The American Express Customer Privacy Principles have been in place for many years and provides a minimum standard which applies throughout American Express worldwide. In Australia, we adhere to the National Privacy Principles and the Privacy Act 1988 (Cth). A copy of our Privacy Policy Statement is located on our website at americanexpress.com.au/privacy or may be obtained by calling us on **1300 139 060**.

Collection of information

American Express limits the collection of information about our customers to what we need to know to fulfil our legal and regulatory obligations, to provide customer services and to offer new products and services to our customers. Generally, we collect personal information directly from you, such as when you apply or request a product or service. Depending on the product, we may also collect personal information through third parties such as credit reporting agencies when you apply for a foreign exchange facility.

Use of information

We use your personal information for the purposes stated above. This includes using the information to establish and manage your account, provide requested services to you and to carry out transactions you wish to make. Where necessary we will also use your personal information to meet our legal obligations and to collect overdue payments. In addition, we may communicate our, a related company's or a third party's marketing offers to you – when making the offer we will let you know how you may stop receiving any further marketing offers. If you do not wish us to use your personal information for marketing purposes, please call us on **1300 554 884**.

Privacy of your Personal Information

Information quality and security

We use available technology and well defined employee practices to ensure that customer personal information is processed promptly, accurately and completely. We use security techniques to protect our customer data and to limit access to that data.

When we may disclose your personal information

There are limited situations where we may disclose personal information about you. This includes where we have contracted an external organisation to provide us with support services, to third parties to provide requested services to you, to comply with our legal obligations and to credit reporting agencies in connection with providing a foreign exchange facility to you. We will obtain your authority on our application forms and in our product conditions to facilitate providing your personal information to third parties.

You can access your personal information

We will take reasonable steps to make sure that the personal information we collect, use or disclose is accurate, complete and up-to-date. If your personal details change, such as your telephone number or billing address, please contact us so that we can continue to provide you with our products and services. Following a request, we will provide you with a copy of personal information which we hold about you. We will promptly acknowledge and investigate any complaints about the way we manage personal information.

Terms and Conditions

1) These terms and conditions (June 2008 edition) apply to all Telegraphic Transfer transactions carried out by American Express International, Inc. (“we”, “our” or “us”) at the request of the company which has completed the application form for foreign exchange services (“you, your”). By signing the application, you agree to be bound by these terms and conditions.

2) Fees and Charges

You agree to pay all fees and charges in relation to processing a Telegraphic Transfer. These fees and charges include those disclosed in the product disclosure statement, but may also include fees and charges which a third party charges us for processing a Telegraphic Transfer on our behalf. You acknowledge that in some cases the third party may not charge us a fee, but will instead deduct this fee from the amount the beneficiary receives. We also reserve the right to suspend or cancel your international payments facility if any outstanding amounts or fees and charges owing on any Telegraphic Transfer remain unpaid.

3) Authorised Users

It is your responsibility to notify us in writing of all changes in your Authorised Users and to provide us with the specimen signature if an Authorised User is to be added to the account.

4) Fax or Internet Instructions

You authorise us to rely upon and act on your behalf in accordance with any fax or internet instructions, provided that:

- in the case of a fax, the instructions are signed by you or the signature appears reasonably similar to the specimen signature of one of your Authorised Users;
- in the case of the internet, the instructions are submitted to us using the user ID and password we have given to you; and
- we reserve the right, at our discretion, to request additional information relating to any transaction or to decline to carry out any transaction, in which case we shall not be liable to you for the delay or non-completion of the transaction. We are not obliged to enter into any transactions with you.

Terms and Conditions

5) Delayed payment

We are unable to guarantee receipt of funds by the recipient within the standard clearing process timeframe, as the transaction may be delayed by factors outside of our control, such as inaccurate payment instructions and/or delays by third party financial institutions. The standard timeframes are provided by way of indication only. You agree that we are not liable for any costs, losses or damages if a payment is delayed and we have acted on your instructions in good faith.

6) Direct Credit Settlement

Unless we have approved you to settle through Direct Debit Settlement, you must pay us in full in cleared and transferable funds for the amount of any transaction, as well as our applicable service fees on or before the Value Date. Payments will not be transferred until receipt of cleared funds. Customers may choose to utilise a 'priority' or RTGS (real time gross settlement) functionality on their banking system when executing an electronic funds transfer to ensure delays are minimised. American Express does not accept cheque payments for Direct Credit payments. If you fail to pay the required cleared funds on or before the Value Date, we reserve the right to either:

- Cancel the transaction, in which case you are liable for all fees and charges incurred by us in relation to the cancelled transaction; or
- Adjust the applicable exchange rate to accommodate a new Value Date for the transaction.

7) Direct Debit Settlement

If we have approved you to settle through Direct Debit Settlement, following receipt of your instructions initiating the transaction, the standard clearing process may require up to three business days to elapse before your payment is completed. You are obliged to make sufficient cleared funds available to satisfy the transaction, including our fees and charges. Should any transaction be rejected due to your failure to do so, you are liable to pay us any fees and charges incurred as a result of the transaction, including any rejection fees charged by third party financial institutions.

8) Indemnity

You agree to indemnify us and keep us indemnified against any claim, action, demand, loss, damage, cost, expense, or liability incurred by or threatened against us as a direct or indirect result of or in connection with any Telegraphic Transfer transaction, including without limitation, if we act or fail to act on any facsimile or internet instruction whether or not such instruction is issued by you, except to the extent caused by our own negligent, reckless or wilful conduct.

Terms and Conditions

9) Liability

You agree that if any Telegraphic Transfer transaction is rejected by the payee financial institution or if we cancel your transaction or facility in accordance with these terms and conditions, you are liable to pay to us any amount then owing in relation to that transaction or account, including any outstanding fees and/or costs or expenses we incurred in terminating the transaction or cancelling your account.

10) Limitation of Liability

You agree that we shall not be liable to you for:

- any performance, delay or failure which is due to a cause beyond our reasonable control including, without limitation, delays in receipt of payment instructions and other details, delays in receipt of cleared funds, failure of any communications system or delays caused by a third party. We use funds transfer and draft issuance services of JP Morgan Chase Bank, Citibank N.A., American Express Bank, Westpac Banking Corporation, and other third party licensed banks, and shall not be liable for any failure or error in such services.
- any loss of profits or any incidental, indirect, consequential, punitive or special damages, regardless of how they arise; and/or
- any amount in excess of AUD\$10,000.

11) Set Off

You agree that we are entitled to set off and withhold any monies we hold for you or owe you against any amounts you are obliged to pay us under these terms and conditions. You also agree that we are entitled to set off any advance part payment or other credit held on your behalf for any reason against any debt or amount you owe us, including amounts owed for any foreign exchange or money transfer transactions. We may exercise this right of set off in our complete discretion where the debt owed to us has been outstanding for more than 5 business days. If a set off is effected under this clause, we will inform you of the remaining balance(s) (if any) then owing on all of your account(s) held with us.

12) Compliance with Law

You acknowledge that American Express is subject to various legal obligations (such as anti-money laundering and sanctions) in the markets in which it operates, and declare that your instructions will not breach any laws in Australia or any other country. American Express may delay, block or refuse to process any transaction without incurring any liability if we suspect that the transaction may breach any law in Australia or any other country.

Terms and Conditions

13) General

These terms and conditions are governed by the law of the state, territory or country where the application is signed. We can change these terms and conditions at any time. American Express may require additional financial or identity information whilst processing your application or reviewing it on an annual basis.

Authority to American Express International, Inc. under the Privacy Act:

To provide you with your Foreign Exchange service, American Express International, Inc. needs to:

- collect personal information about you; and
- obtain your agreement in relation to handling this personal information.

If you do not provide the information requested or give your agreement below, American Express International, Inc. may not be able to provide you with the Foreign Exchange service.

The American Express Privacy Policy Statement sets out policies on management of personal information. In accordance with the Privacy Act, you can access personal information about you held by American Express International, Inc., and advise if you think it is inaccurate, incomplete or out-of-date.

To arrange access to personal information about you, request a copy of the American Express Privacy Policy Statement or enquire generally about privacy matters, write to – The Privacy Officer, American Express International, Inc., 12 Shelley Street, GPO Box 1582, Sydney NSW 2001.

In this section 'personal information' means information about you, including your financial circumstances and the use of Foreign Exchange products.

I agree that, subject to the Privacy Act, you and your agents may do the following:

- Transfer personal information confidentially to your related companies and other organisations which issue or service American Express Foreign Exchange products, subject to appropriate conditions of confidentiality. This includes transferring personal information to the United States or other countries for data processing and servicing.
- Monitor and record all telephone conversations between American Express and the authorised representative of the company.

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