

Settlement Guidance

When you are required to settle your currency contract you can send your funds to Halo Financial via various transfer methods. Please find below an explanation of these methods, their respective advantages and disadvantages and best applications.

TRANSFER OPTION 1: CHAPS TRANSFERS

CHAPS (Clearing House Automated Payment System) transfers are electronic payments that are guaranteed for same day delivery by your bank (unless made after your bank's cut-off time, which may vary from bank to bank). CHAPS transfers are the most popular means of transferring funds into our accounts and are our recommended payment method.

Advantages

- Fastest means of transferring funds within the UK
- Same day transfer
- Secure electronic payment

Disadvantages

- A small fee will be levied to use this method
- Not usually available through Internet banking

Best application: To settle both spot and forward contracts. CHAPS transfers are the only method fast enough and suitable for settling immediate spot contracts and forward contracts with fast approaching value dates.

TRANSFER OPTION 2: BACS TRANSFERS

BACS (Banking Automated Clearing System) transfers are electronic payments that clear into our accounts on the 4th business day after the payment has been initiated. Please note your bank will apply a BACS transfer if you effect your payment through Internet banking or telephone banking.

Advantages

- BACS transfers are cheaper than CHAPS and often free
- Secure electronic payment

Disadvantages

- Some banks levy a maximum daily transfer amount which may be lower than needed
- Additional 3 day clearance time
- Not suited for immediate transfers e.g. spot contracts

Best application: To effect the final settlement of a forward contract, provided sufficient time is given for the payment to clear into our account ahead of the value date. Also suitable if you are under no time restrictions, such as when you may wish to transfer funds to us in advance of undertaking a transaction.

TRANSFER OPTION 3: CHEQUES

We require 6 business days to clear a Pounds sterling cheque into the Halo Financial transaction account. Cheques are another popular means of settling a contract but are only suitable for contracts that can accommodate a 6 business day clearance period e.g. a forward contract.

Advantages

- No charge to clear a cheque

Disadvantages

- Take 6 business days to clear
- Could be intercepted through the post

Pounds sterling denominated cheques should be made payable to our transaction account designated 'Halo Financial Ltd Sterling Client Account' and should include your Halo Contract Reference Number clearly printed on the back.

With cheques sent from a third party e.g from your lawyers account, it is a legal requirement that we receive a brief letter/fax from the third party stating that the funds are for the use of the person on whose behalf they are being sent. Reference to the amount being transferred and the Contract Reference Number of the transaction must be included.

Please note, we do not accept cheques drawn in a foreign currency as they are a slow and less secure method of payment.

Best application: To effect final settlement of a forward contract, provided sufficient time is given for the payment to clear into our account ahead of the forward contracts value date. Also suitable if you are under no time restrictions, such as when you may wish to transfer funds to us in advance of undertaking a transaction.

TRANSFER OPTION 4: TELEGRAPHIC (SWIFT) TRANSFERS

Telegraphic transfers (TT's) are electronic payments for the international transfer of funds and are therefore not limited to Pounds sterling denominated transfers within the UK, as is the case with CHAPS and BACS transfer options. We recommend telegraphic transfers as the most reliable method of sending us funds, in any currency, from overseas.

Advantages

- Fastest means of transferring overseas funds
- Same day transfer (depending on currency)
- Secure electronic payment

Disadvantages

- A small fee will be levied to use this method

Best application: To settle both spot and forward contracts with funds that are being transferred from an overseas account. Telegraphic transfer payments are the only method of international funds transfer that are fast enough and suitable for settling immediate spot and forward contracts with fast approaching value dates.

GENERAL IMPORTANT POINTS

Cash payments

We do not recommend settling contracts by cash. Whilst it is simple to pay cash over the counter at your bank, you may be charged a handling fee usually calculable as a percentage of the amount you are paying in. Considering security issues as well, we do not deem this method to be sufficiently cost effective nor advantageous over the alternative payment methods outlined above.

Online banking

If your online banking system cannot accept your Contract Reference Number we will need an official document proving that you transferred the necessary funds to us. This document could be either an original copy of your bank statement or letter/fax from your bank on headed paper detailing the transaction.

Transfers from company accounts or third parties

When sending funds drawn on a company account, we require proof that the person(s) sending them are authorised to do so, even if funds are drawn from their own company. A brief letter/fax on headed paper from an individual authorised to make financial payments on behalf of the company, stating to whom the funds are intended for would suffice. Reference to the amount being transferred and the Contract Reference Number of the transaction must be included.

Onward transfer

Please note that we can only onward transfer your currency to its destination when:

1. Your 'Outbound Transfer Instruction' form - which we will provide on agreeing a transaction - has been completed in full.
2. The transaction has been settled (paid for) in full and has cleared into the Halo Financial transaction account.
3. All information provided is accurate and funds have been correctly referenced.