SALE CONTRACT FOR FORWARD EXCHANGE ON IMPORTS

The Manager,
People's Bank,

Name: .....
Address: .....
.....
Contact No: .....
NIC/BR No: .....

FORWARD COVER REQUIRED FOR ..... MONTH/S

Dear Sir,

L/C for ..... No. .....

FVG - .....

Please book forward exchange at the best available rate on my/our behalf covering the above mentioned transaction, I/ We forward herewith the relevant foreign exchange form for this purpose.

The purpose of entering into this Forward Sale Contract ("Contract") is to hedge the exposure of exchange risk. I/We hereby confirm that this Contract is entered in respect of an underlying current account transaction.

I /We wish to exercise a Contract with a fixed date on (*DD/MM/YYYY*) or a Contract with an optional period from (*DD/MM/YYYY*) to (*DD/MM/YYYY*) under this Contract.

In the event of me/us being unable to utilise the foreign exchange on or before the expiry date I/We hereby undertake to instruct the Bank to extend or cancel it, whichever may be the case, giving reasons for the extension required/ cancellation to the Bank's Treasury Dept. at least 2 days prior to the expiry date. In the event that I/ We fail to instruct the bank latest by the expiry date either to extend or cancel, I authorize the bank to cancel the contract as per the practice of the bank.

I/We clearly understand the nature of the derivative contract and its inherent risk and I/we have established sufficient measures to monitor and manage the risks arising from the transaction entered into. I/We have made our own independent decision with regarding to the entering into of the Contract and as to whether the Contract is appropriate and proper for us and we have obtained such professional advice as is considered necessary in that regard. We understand that any information and explanations provided by you in relation to the Contract do not constitute advice or recommendations provided by you in that regard.

I/We hereby confirm that the total value of the derivative transactions with all Eligible Banks (as such term is defined in the Central Bank Directions) do not exceed the exposure or the value of the underlying transactions. I / We also confirm that the maturity date of the Forward Sale Contract corresponds to the maturity date of the underlying transaction and does not extend beyond the date of the underlying transaction based on prevailing circumstances.

In the event of the cancellation of the Contract due to;

a. Non-utilisation by me/us of the forward exchange so booked on or before the expiry date of the Contract; or
b. Due to my/our inability to use the foreign exchange due to the restriction placed on the period of option for which I/We have opted.

I/We hereby agree to pay to you the difference in exchange resulting therefrom and instruct you to debit such difference in exchange to our account No..... with your ..... Branch. I /We specifically agree that in such circumstances I/We shall not be entitled to receive any mark to market gains arising from exchange rates prevailing as at the time of cancellation.

I/We confirm that this transaction is not in lieu of a canceled Letter of Credit and that no forward exchange has been booked previously for the foreign exchange covered by this Contract.

I/We hereby consent in terms of Section 7.2 of the Banking Act Direction No. 04 of 2018 dated 21st August 2018 to enter into this Contract with you without entering into a ISDA Master Agreement.

- *Delete whatever inapplicable.*
  All alterations must be duly authenticated by the applicant

I/We confirm our sale of Forward Exchange from you today at the rate and for the period indicated below

Forward Contract No	L/C Bill/License No	L/C Bill /License Currency & Amount	L/C Bill/License Maturity Date	Forward contract Currency & Amount	Exchange Rate	Forward contract Expiry Date

SIGNATURE OF APPLICANT

Date :.....

I am/We are satisfied on a professional analysis, of the institutional/ individual capacity and the overall suitability of the customer to engage in the derivative products offered by the Bank.

The branch undertakes responsibility to utilise this contract when the bill is retired at the Contract rate irrespective of the current prevailing rate.

People's Bank .....Branch

AUTHORISED OFFICER (Branch)
Date:.....

Yours Faithfully,

We have quoted the above Exchange rate for this Contract at the request of the customer / Branch.

AUTHORISED OFFICER (Treasury)

Date :.....

AUTHORISED OFFICER (Treasury)

Date :.....