



# Westpac Foreign Currency Accounts

Savings & Investments

It's time.



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**If you're planning to go overseas, doing business with overseas companies, or simply wanting to invest in another currency, a foreign currency account may be right for you.**

**This brochure tells you more about how our foreign currency accounts work.**

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# Is a foreign currency account for you?

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**A Westpac foreign currency account is a New Zealand bank account that holds money in most major currencies.**

A foreign currency account may be right for you if you want to:

- take advantage of changes in exchange rates
- earn interest in a foreign currency (subject to a minimum balance and interest rates at the time)
- deposit and withdraw money without having to convert to or from New Zealand dollars
- hedge your funds to meet future payments for import or export orders.

## **Choose an on-call or term investment account**

Your money can be deposited in an on-call account so you have access to your money whenever you want. Or you can choose a term investment account with a fixed term and interest rate\*.

With either account you can choose to deposit in most major currencies – and if you maintain a minimum balance in your on-call account, you could earn interest too.

There's more about this over the next few pages.

\* Subject to a minimum balance and interest rates at the time.

# What currency do you want?

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**Your account can be in most currencies and you can make deposits using either New Zealand dollars or another major currency.**

Major currencies include:

- United States dollars
- British pounds
- Australian dollars
- Canadian dollars
- Hong Kong dollars
- Singapore dollars
- Japanese yen
- Danish kroner
- Swedish kroner
- Swiss francs
- Euro

## **Earning interest in a foreign currency**

You can earn interest on your money, depending on the amount you deposit, the currency you deposit in, the current interest rates and the type of account you choose. On-call accounts and some term deposits don't always pay interest.

Interest rates are based on market rates for that currency at the time. Any interest you've earned is paid into your account in the currency your account is in.

If you're depositing foreign cheques, travellers' cheques and bank drafts, these must be cleared before you can start earning interest on the money.

# Do you want an on-call account?

An on-call account gives you access to your money when you want. You can open an account with any amount, but need a minimum balance to be eligible to earn interest.

## Earn interest with a minimum balance

This chart gives you a guide as to how much you need to have before you can earn interest, but of course, whether you actually earn any interest depends on the market interest rates at the time.

If your currency is...	To earn interest you'll need at least...
United States dollars	USD5,000
British pounds	GBP4,000
Australian dollars	AUD8,000
Euro	EUR5,000
Other major currencies	Please ask

## Receive your interest every month

Your interest, if any, is calculated daily and paid to your on-call account every month in the currency your account is in (less any tax we're required to take out first).

## Keeping track is easy

You'll get a statement to help you keep track of the transactions you've made on the account. You can choose to get your statement weekly, fortnightly or monthly.

# Do you want a term investment?

You can have a term investment in selected currencies for a fixed term from 30 days up to 180 days. The interest rate\* is fixed for the whole of the term, so you know exactly what you can expect to earn right from the start.

## Minimum balances for term investments

You'll need to invest a certain amount of money to have a foreign currency term investment. Term investments are available in these currencies and minimum amounts.

For a term investment in this currency...	You need to invest at least...
United States dollars	USD5,000
British pounds	GBP4,000
Australian dollars	AUD8,000
Canadian dollars	CAD8,000
Euro	EUR5,000
Other major currencies	Please ask

The interest rate is worked out at the time you invest and paid at the end of the fixed term, in the currency you have invested in (less any tax we're required to take out first).

Terms and conditions apply. See the Westpac Foreign Currency Term Investment Term Sheet for the terms and conditions that apply. A copy of this term sheet is available at [westpac.co.nz/foreign-currency-investment-terms](https://westpac.co.nz/foreign-currency-investment-terms)

\*Interest rates are based on interest rates for that currency at that time.

## Choose how your investment is paid

On maturity you can choose to have your investment, together with any earned and unpaid interest (less any applicable charges and taxes):

- reinvested as a new Foreign Currency Term Investment (in the same currency or another available currency);
- paid to a Westpac foreign currency account (in the same currency or another available currency); or
- converted into New Zealand dollars and paid to a New Zealand bank account.

Westpac will comply with your instructions unless it is unable to due to any conditions of exchange that restrict it from doing so.

If you do not provide us with maturity instructions, on maturity we will automatically reinvest the foreign currency principal amount of your investment together with unpaid interest on that amount (less any applicable charges and taxes) for the same term as the original investment at the applicable interest rate offered by us at the time of reinvestment, subject to the terms and conditions applying to Foreign Currency Term Investments at that time.

## If you need your money early

When you choose a term investment it means you're willing to keep your money invested for a set time. Except for a seven business days cooling off period, If you need to take your money out early you'll need to get the approval of Westpac beforehand. In deciding whether to agree, Westpac will apply its Early Withdrawal Policy which may change from time to time. Details of the Early Withdrawal Policy are set out at [westpac.co.nz/earlywithdrawalpolicy](http://westpac.co.nz/earlywithdrawalpolicy) and are available from any Westpac branch. Taking money out early will affect the interest rate you get on any money you take out and any you leave invested.

# What does it cost?

**For an on-call account there is no monthly maintenance charge to keep your account open. You'll only pay deposit fees for foreign cash and cheques.**

It costs nothing to have a term investment, but deposit charges still apply.

<b>Maintenance charge</b>	<ul style="list-style-type: none"><li>- On-call accounts – free</li><li>- Term investments – free</li></ul>
<b>Deposit charges</b>	<ul style="list-style-type: none"><li>- Foreign cash – 2% of amount (min NZ\$35). Foreign cheques, travellers' cheques, bank drafts NZ\$5 each</li></ul>

There may be other charges as well, for instance, if you purchase foreign cash or send money overseas via telegraphic transfer or bank draft. So please pick up a Transaction and Services Fees brochure or call us for more details.

Foreign cheque deposits are subject to acceptance criteria and a transit period of between 7-15 days depending on the currency of the cheque. The funds will be unavailable to be drawn against during this period. The bank will retain full recourse on the funds until the cheque has been cleared by the issuing bank.

You can get a copy of the current disclosure statement for Westpac New Zealand Limited and the investment statement for Foreign Currency Term Deposits from any Westpac branch, free of charge.

# What happens with tax?

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We're required to take withholding tax (or approved issuer levy if relevant) off any interest you earn, unless you supply us with a valid certificate of exemption from the Inland Revenue Department.

Here's a quick overview of how it works, but if you'd like to know more please contact Inland Revenue on **0800 227 774**.

## If you live in New Zealand

If you (or anyone who gets interest from the account) area resident in New Zealand we must deduct resident withholding tax from your interest. You need to let us know your IRD number and whether or not you're a company.

If you've told us your IRD number we'll deduct tax at these rates for companies –

- 28% (or you can choose to have 33% deducted)
- for everyone else – 17.5% (or you can choose to have 10.5% (individuals or testamentary trusts only), 17.5% 30% or 33% deducted).

## If you don't usually live here

If you (and anyone you share the account with) are not a resident in New Zealand we must deduct non-resident withholding tax from your interest, unless you choose to have the approved issuer levy (currently 2%), deducted instead.

## Seek professional advice

This section on tax is a general description only and we suggest you seek professional tax advice.

Taxation rates were correct when this brochure was printed.



Westpac accepts no liability for losses suffered as a result of it converting currencies and any exchange risks from the conversion of currencies is the responsibility of the account/deposit holder. The information in this brochure and the terms, conditions and pricing for Foreign Currency accounts may vary from time to time. You can get a copy of Westpac's current disclosure statement and the Westpac Foreign Currency Term Investment Term Sheet from any Westpac branch free of charge.

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