

Foreign exchange wire transfer

Frequently asked questions

INTRODUCTION

MUFG Bank offers US domestic and international payment and account services in USD as well as other currencies. Cross border payment services provide an efficient and timely way to pay your counterparties in a variety of currencies, anywhere in the world. MUFG can be used to both send and receive foreign currency and foreign exchange wire transfers.

MUFG supports foreign exchange wire transfers submitted through **MUFG Exchange** (online), **MUFG Connect** (transmission), and SWIFT. FX may be purchased through these channels and through MUFG's FX desk. This FAQ covers MUFG Exchange foreign exchange related capabilities. For more information regarding MUFG Connect and SWIFT transmission options, please contact your Treasury Relationship Manager.

Note: MUFG product names and data element names used in MUFG Exchange screens and reports have been capitalized and marked with bold font for identification.

DEFINITIONS

- Foreign currency – A currency other than USD. MUFG supports accounts in 16 foreign currencies plus USD. Please contact your Treasury Relationship Manager for list of supported currencies.
- Foreign exchange – Purchase or sale of currency. MUFG supports 24 currencies for purchase plus USD.
- Offline FX contract - An FX contract arranged by phone in advance of creation of the wire in MUFG Exchange.
- Online FX contract – An FX contract arranged during creation of a FX wire in **MUFG Exchange**, MUFG's web based payments and cash management application.
- Transmission – **MUFG Connect**. MUFG's payment and cash management transmission based (application to application) channel.
- **MUFG Exchange** terminology
 - **Contract ID** – A field in MUFG Exchange that appears during FX wire creation after the credit currency has been specified. Used to enter the contract ID for an FX contract previously arranged offline with MUFG.
 - **Indicative Rate** – An informational rate provided by MUFG Exchange before currency purchase. The Indicative Rate is an approximation of price.
 - **Exchange Rate** – The final purchase rate of the currency, either by purchase online or by entry of a previously established contract.
 - **Indicative Amount** – An approximation of the debit amount to your account based on the **Indicative Rate**.
 - **Debit Amount**: Amount your account will be debited for purchase of currency. The Indicative amount becomes the Debit amount once the currency has been purchased online or a previously arranged contract is entered into the system.
 - **Interactive FX** – An **MUFG Exchange** configuration option supporting online FX purchase by the client user.
 - **Passive FX** - An **MUFG Exchange** configuration option supporting FX purchase by MUFG during wire processing.
 - **Value Date** – The date of value to the remitter (the date of processing and debit to the MUFG account).

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GENERAL

What currencies does MUFG support for FX wires?

MUFG supports 24 foreign currencies plus USD. Currencies supported include: AED, AUD, CAD, CNY, CHF, DKK, EUR, GBP, HKD, ILS, INR, JPY, PLN, NOK, NZD, RUB, SAR, SGD, THB, ZAR. For FX wires originated online:

1. Sell USD from USD accounts, buy FX in 24 currencies. Restricted currencies require purchase through the RM or the FX Desk. Restricted currencies are: AED, ILS, RUB, SAR.
2. Sell 16 foreign currencies held in foreign currency accounts, buy USD from foreign currency accounts. Supported foreign currencies include: AUD, CAD, CHF, CNY, DKK, EUR, GBP, HKD, JPY, MXN, NOK, NZD, SEK, SGD, THB, ZAR.
3. Cross currency transactions (sell FX, buy FX) are supported. Cross currency contracts should be established offline through the RM or the FX desk before submission of the FX wire instruction including reference to the **Contract ID** field in the wire.

MUFG also supports conversion of foreign currency receipts to USD.

What deadlines apply to FX wires?

FX wires must be received by the bank for processing before 3 pm ET on the value date. If the deadline is missed for FX wires sent through **MUFG Exchange**: The wire will need to be unapproved, the value date changed to the next business day, and the wire reapproved.

Payments in MEX and CAD currencies may be made for same day value to the beneficiary when the payment is received by the bank for processing before 12 noon ET.

MUFG EXCHANGE - FX PURCHASE OPTIONS

What foreign exchange purchase options does MUFG Exchange support?

MUFG Exchange supports multiple foreign exchange purchase options including:

- Available by client configuration (clients have one or the other configuration):
 - Either: Contract for currency online with real time FX rates ("**Interactive FX**").
 - Or: Create and deliver a wire requiring currency and the bank will contract for the FX during wire processing ("**Passive FX**").

Or

- Available to all clients (clients with either the **Interactive FX** or **Passive FX** options): During creation of an FX wire in MUFG Exchange, include an FX contract ID previously arranged with MUFG offline through the RM, the FX desk, or other means.

MUFG EXCHANGE - FX CONTRACTS AND FX WIRES

Can more than one FX contract be specified for an FX wire?

Yes. Multiple contracts may be linked to a single wire. Also, if a wire is received with a contract insufficient to cover the full currency requirement an additional contract will be provided.

Can more than one wire reference the same FX contract?

Yes. FX contracts covering multiple FX wires may be established through the FX Desk, then referenced in each FX wire to the maximum value of the contract. All wires using the same contract must have the same currency pair.

What formatting is required to identify the use of a second FX contract ID?

An FX contract may be added to a wire preceded by the code word "/CONTR/" followed by the 13 character contract ID. E.g.:

- In MUFG Exchange using manual entry - Map the data to the field **Payment Details** line 1: /CONTR/2023031600001.
- In MUFG Exchange using file import - Map the data to SWIFT MT101 field 70 line 1; in ISO20022 pain.001 to RmtInf; or to the equivalent fields for **Payment Details** in CSV or fixed width formats.

What if a linked contract's principal value is insufficient to cover the wire requirement?

An additional contract for the difference will be required. MUFG will arrange for FX purchase during wire processing.

MUFG EXCHANGE - FX RATES

MUFG Exchange FX rates - What is the difference between an "Indicative rate" and "Exchange rate"?

Indicative Rate: Assigned as soon as the user enters a credit currency different than the debit currency (the currency of the debit account). The **Indicative Rate** provides an approximation of FX market validation and is used to estimate the debit amount of the payment. An **Indicative Rate** is not a price and is not the same as the FX rate used to purchase the currency (but should be close, representative). Debit amounts to your MUFG account remain "Indicative" as long as the rate remains indicative.

Exchange Rate: The FX price once currency purchase has been completed. Exchange rate is reflected in the payment instruction after either: 1. Currency purchase through MUFG Exchange using **Interactive FX** or; 2. Entry of a previously arranged FX contract (e.g. a contract purchased by phone before creation of the FX wire in MUFG Exchange).

When is the final FX rate (Exchange Rate) and debit amount available for an FX Wire in MUFG Exchange?

For wires created with a final FX rate (**Interactive FX** or if a contract was established offline then later entered into the FX wire): **MUFG Exchange** will display the final **Exchange Rate** and the final **Debit Amount** after FX purchase.

For **Passive FX**: The final rate and final debit amount are only available through current day and prior day account reporting.

For all FX wires: The purchase rate and debit amount are available for all FX wires in the current day and prior day account reporting transaction advices.

What are the key characteristics of MUFG Exchange's Interactive FX configuration option?

Key characteristics:

- FX purchase occurs online by the user, after acceptance of a quoted Exchange Rate.
- The FX rates quoted during the **Get Rate** function are real time rates based on an FX market rate feed (RET, formerly Reuters).
- Payments may be entered and approved on or before the **Value Date**. FX rate request and FX purchase online may only be performed on the **Value Date**.

How is the Debit Amount calculated?

The **Debit Amount** calculation is based on the purchase rate (the **Exchange Rate**).

MUFG EXCHANGE – DEADLINES, TIMING, DATA RETENTION

What deadlines apply to FX wires?

FX wires must be received by the bank for processing before 3:00 p.m. ET on the value date. If the deadline is missed the wire will need to be unapproved, the value date changed to the next business day, and the wire reapproved.

CAD and MEX payments can be made same day if received by the bank before noon ET.

What value dates are supported?

The **Value Date** field in **MUFG Exchange** refers to the value date to the remitter (the MUFG client). It is the date of processing and posting to the MUFG account. Value date to the beneficiary is generally the remitter's **Value Date** plus one business day. MXN and CAD can be same day value to the beneficiary for instructions delivered before noon ET.

How quickly are Indicative Rates and Exchange Rates available?

Indicative Rates are available in MUFG Exchange immediately as soon as a credit currency different than the debit currency has been entered. Timing is 1-3 seconds. Indicative Rate is established on date of entry of the wire.

Exchange Rates are available:

- For clients with the **Interactive FX** configuration – Rates are sourced from a market rate feed and should be available in 3 to 5 seconds for major currencies. Minor currencies may require additional time (as much as 60 seconds) for the rate request response. Exchange Rate is only available on the value date.
- For clients with a previously arranged contract (both **Interactive FX** and **Passive FX** configuration clients) – Rates are sourced from a contract database once the FX contract ID has been entered. Rates should be available in 1 to 5 seconds. The exchange rate will appear on the date of assignment of the contract to the FX wire.
- For **Passive FX** clients (where FX purchase occurs after release to the bank for process) – **MUFG Exchange Payment Center** will only show **Indicative Rates**. Rates should be available within 3 to 5 seconds.
- For all FX wires – Exchange Rate and Debit Amount will be reported through current day and prior day account reporting (MUFG Exchange Reporting) after processing is completed.

When (on what date) can FX wires be entered and approved in MUFG Exchange?

FX wires may be entered and approved on the day of value and up to 126 days in advance of the value date.

For clients with the **Interactive FX** configuration: FX purchase must occur on the value date after which the wire will automatically be released to the bank for processing.

For clients with the **Passive FX** configuration: The wire will be released on the day of value as soon as it is approved. If entered and approved before the value date the wire will be released to the bank for processing early in the morning on the value date.

For FX wires where an FX contract has been obtained before wire creation: The wire will be released:

- At start of day if approved prior to the value date or
- As soon as the payment is approved on the value date.

How much history is retained in MUFG Exchange?

MUFG Exchange saves 366 days of transaction history.

MUFG EXCHANGE WORKFLOWS

MUFG Exchange workflow: How does online workflow differ between the three FX purchase options supported by MUFG Exchange?

By workflow:

1. Purchase based on client configuration in **MUFG Exchange**:

- Online during MUFG Exchange wire creation (**Interactive FX**) – For clients with this configuration option, once the wire is completed and approved, additional steps are required to request, receive, and accept the FX rate. Once FX is purchased, the final **Exchange Rate** and **Debit Amount** are displayed, and the wire is released to the bank for processing.
- Offline after release of the FX wire to the bank for processing (**Passive FX**) - The wire is released to the bank for processing without an FX contract. An FX contract is arranged by the bank during wire processing. FX **Indicative Rate** and debit **Indicative Amount** will be displayed on screen.

2. Purchased offline before creation of the wire in MUFG Exchange (through the RM or the FX desk):

- During entry of an FX wire online, a preexisting FX contract may be entered into the FX wire to identify the source of foreign currency. A correct contract ID for an open (not yet settled) contract must be entered. Once entered, the system will validate the contract and return the FX rate associated with that contract. The final FX **Exchange Rate** and **Debit Amount** will be displayed on screen. One contract may be applied to multiple FX wires as long as the principal value is sufficient to cover.

What steps are required to purchase currency online (Interactive FX)?

Note: Refer to online help for a quick reference guide covering **Interactive FX** workflow.

To purchase currency online, the client must have the Interactive FX configuration option and: 1. Have an FX Wire that is fully approved; and 2. The **Value Date** of the FX wire is current business day before the 3:00 pm ET deadline for FX wires.

The workflow to purchase currency online:

- On the value date (and after the wire is approved), the transaction will have a “**Needs Rate**” status.
- From the Payments List View, access the “**Needs Rate**” view.
- Select the payment or group of payments requiring rate(s). The payments in a group can involve different currency pairs.
- Click on the FX **Get Rate** button at the bottom of the screen.
- The system will return rates for each FX Wire selected. Rates are available within 3-5 seconds for major currencies. Minor currencies may require up to 60 seconds.
- Accept the rate(s). Rates expire in 30 seconds if not accepted.
- Once a rate has been accepted for an FX Wire, **MUFG Exchange** will:
 - Automatically release the wire to the bank for processing.
 - Update the transactions record in **MUFG Exchange** to reflect the actual purchase rate (**Exchange Rate**) and actual **Debit Amount**.

Can foreign exchange and foreign currency wires be paid to US based entities?

All FX wires, including book transfers and wires to US destinations must be entered as an International Wire. If the beneficiary and their bank are US resident the wire will be processed:

- As a book transfer if both accounts are on the MUFG US branch
- Via SWIFT.

OTHER RESOURCES

What additional features in MUFG Exchange are useful for managing FX?

Once processed and posted to your account, transaction advices will be available through MUFG Exchange account reporting (current day and prior day). Advices include the **Debit Amount** and the Exchange Rate of the transaction. The Wire Transaction Report covers wire activity specifically.

MUFG Exchange alerts may be used to advise when: 1. An FX wire deadline is approaching; and 2. An FX wire requires approval (for all FX wires) or Exchange Rate (if the client has the Interactive FX configuration).

What other documents (resources) are available in the system (in online help) and/or by request?

Directly relevant:

- MUFG Exchange - Creating FX Wires with Real Time Rates (Interactive FX Quick Reference Guide)
- MUFG Exchange - International Wire Payments (Quick Reference Guide)
- Product Deadlines (including all wire deadlines)
- MUFG Exchange Alerts
- Settlement instructions for foreign currency collections

Also useful:

- MUFG Exchange - Wire Service Reference/Confirmation Numbers
- MUFG Exchange – Wire Transfer Formatting Guidelines
- MUFG Exchange Payment Statuses
- International Wire – Beneficiary Bank Country Requirements
- International Wire – Reason for Payment Guide (country Purpose of Payment codes and related formatting)