
Listen to a dialogue between Rachel, the owner of a small business, and her business account manager**• Optional exercise**

Listen to the dialogue and complete Rachel's notes.

Foreign exchange services

1. Wire transfer is fastest and _____ way to transfer money.
2. Should use international wires in foreign currency – lower _____ and less risk.
3. Know full cost of _____ before wire is sent.
4. Sterling wire transfers use _____ rate applicable when wire is received.
5. Another advantage of using foreign currency – could negotiate better price for _____.
6. Many foreign currency cheques can be cleared next _____.
7. Need to send cheque with _____ slip and foreign cash _____ agreement.
8. Send to foreign cheque _____ centre.

Account manager: Ah, Rachel, good to see you again. What can I do to help you?

Rachel: Well, as you know, I run a small company manufacturing children's clothes.

Account manager: Yes, and it's doing rather well, if I remember correctly.

Rachel: Yes, I've recently increased production, and I'm very happy with my sales figures. In fact, I've had some interest from overseas retailers wanting to sell my clothes. I'd also like to be able to buy materials from abroad. What I'd like to know is if I can make and accept payments in foreign currencies.

Account manager: We offer full foreign exchange services, so there shouldn't be a problem. We have an extensive foreign correspondent bank network so funds can easily be transferred worldwide.

Rachel: So this bank is part of a network of foreign banks?

Account manager: That's right. The advantage is that payments can be made and received quickly and efficiently and at the lowest cost to you and your suppliers and purchasers. You can do this by wire transfer – it's the fastest and safest way to transmit money around the world. Using our services, you can send international wires in foreign currency. You pay lower fees than for international sterling wires, and you reduce risk because you lock in the exchange rate and know the full cost of the transaction before the wire is sent.

Rachel: How exactly does this reduce risk?

Account manager: Currency exchange rates fluctuate, so if you send a wire in sterling, you won't know the exact exchange rate applicable when the wire is received and the funds converted into the foreign currency. You could find yourself under or overpaying your supplier. Using the supplier's currency may also mean you can negotiate more favourable pricing of materials.

Rachel: I see, and the same applies for my customers. If I use their currency, I won't be in danger of over or undercharging them.

Account manager: Exactly.

Rachel: What happens if a foreign customer wants to pay by cheque?

Account manager: We offer foreign currency cheque conversions for a wide range of countries. We can even offer next-day credit for many countries, so you don't have to wait weeks for the cheque to clear. All you have to do is complete a foreign cash letter agreement and send it, along with the cheque and a deposit slip, to our foreign cheque processing centre.

Rachel: So I shouldn't have any problems dealing with foreign currencies. Now, I've got another question ...

Answers: 1 safest, 2 fees, 3 transaction, 4 exchange, 5 materials, 6 day, 7 deposit, letter, 8 processing