



## Insight Guide: FX International Payments



# Key Steps Business Owners Should Know About Successful International Payments

The global economy has created opportunities for businesses of all sizes. Tapping into a worldwide market can help your business acquire new customers or locate new suppliers.

To take advantage of these global opportunities, you need to have a reliable international payment solution in place. It is important to select a provider with the expertise to help you navigate what can be a complicated process, so you can focus on your business.

This guide provides you with key steps to improve your international payment processing and introduces you to the benefits of using American Express for your foreign payments. The goal is to find a provider who can meet the specific needs of your business.

Sections include:

### [ INSIGHTS ]

Four Essential Strategies For Processing International Payments

### [ SOLUTIONS ]

Simplify Foreign Currency Payments with American Express®  
FX International Payments

### [ FAQ ]

Foreign Currency Payments

## [ INSIGHTS ]

# Four Essential Strategies For Processing International Payments

Whether you are sourcing products overseas or selling products and services to an international clientele, foreign currency payments have become a necessity for many businesses.

Follow these four steps to familiarize yourself with making foreign currency payments:

## 1. Become Familiar with Foreign Currencies

If you are considering doing business abroad, you may think it's easier to use U.S. dollars to pay overseas parties. Yet, paying in foreign currency may have advantages:

- Paying overseas business partners in a foreign currency may allow you to take advantage of a competitive exchange rate.
- You may be able to negotiate better prices by saving your international partners the hassles and cost of exchanging U.S. dollars into the local currency.

However, transacting payments in foreign currency inevitably exposes your business to some degree of risk. Exchange rates are in constant flux, which makes it difficult to predict and control costs. Consider the euro and the British pound, two currencies commonly traded with the U.S. dollar: In 2010, the euro's value fluctuated by as much as 16% vs. the US dollar, while the pound's value in USD varied as much as 13%.

On larger transactions, the volatility of foreign exchange rates can be very costly for your business if not properly managed.

## 2. Manage Fluctuating Exchange Rates

Just as large corporations have hedging strategies to protect their bottom lines from unpredictable and potentially costly fluctuations in the currency markets, other businesses can also reduce their vulnerability with a few simple steps:

- Lock in today's exchange rate. If you have an obligation to make a payment in foreign currency, such as an upcoming purchase of inventory, a forward contract allows you to lock in an exchange rate by agreeing to purchase a specific amount of foreign currency at a specific time. This way, you know how much it will cost you in U.S. dollars to purchase the foreign currency that you will need. Forward contracts help you to reduce your exposure to variations in the foreign currency markets.
- Batch transactions. Aggregating multiple payments with the same currency can help you to get a better exchange rate than sending payments individually. Batch payments are popular with business owners who work with several suppliers or contractors who receive payments in the same currency.
- Weigh providers carefully. The cost and convenience of doing business overseas can vary greatly depending on the service you use. Think of the higher transaction fees to make international wire transfers, which can affect companies that manage multiple recurring payments each quarter.

[ **INSIGHTS** *continued* ]

### 3. Help Protect Yourself From Transaction Risk

In addition to currency-related risks, the transaction process can be very complex. Incomplete or inaccurate information can hold up transactions and cost your business time and money.

An experienced international payment provider can answer your questions about what information you will need to provide in order to initiate a payment. This can help you to collect the necessary information and to get your payments submitted on time.

### 4. Save Time

A service provider who is dedicated to foreign currency payments can help you get the most out of your transactions, while freeing up your time so that you can focus on managing your business.

Online platforms have also made it easier to send payments overseas. Users may be able to view transaction details online and to save the payee details for future use.

Using an online platform for financial transactions can come with risks, which is why it is important to choose a payment provider with appropriate security procedures. For example, you may want to look for an international payments provider who allows you to set up a requirement for a second approval level for each transaction (i.e., a requirement that a transaction be approved by two users that you select, before it will be processed). A well-established provider can demonstrate a strong performance record and will have a knowledgeable staff to address concerns.


#### What to Look for when Choosing an International Payment Provider:

- > Competitive rates
- > Outstanding customer service
- > Multiple payment solutions
- > Real-time exchange rates
- > No setup cost
- > No maintenance fees
- > Online data management
- > Security and reliability

**[ SOLUTIONS ]**

## Simplify Foreign Currency Payments with American Express® FX International Payments

American Express FX International Payments offers flexibility and convenience in foreign currency transactions, making this service a smart way to help manage your international payments. Initiate a payment by telephone or online.

Getting started with FX International Payments is easy. The service works with your existing U.S. business bank account, so there's no need to set up a new account. [View demo.](#) 

Features include:

### Competitive Exchange Rates

Get value with real-time exchange rates for more than 110 currencies. Download a complete list of available currencies at [amexb4b.com/fxpayments](https://amexb4b.com/fxpayments).

### Account Manager Support

An account manager is available to provide you with valuable information and support to assist you with your foreign payment needs.

### Range of Payment Solutions

FX International Payments offers a variety of transaction options to accommodate your business needs, including:

- **Wire transfers:** A faster way to transfer funds, wire payments can be simple to make with FX International Payments' secure online platform.
- **Foreign checks (drafts):** When wire transfers are not feasible, American Express can sell you a foreign-currency check.
- **Forward contracts:** Lock in an exchange rate for future use and help reduce your exposure to fluctuations in the FX markets.
- **Incoming payments:** Funds in 11 major currencies, including the euro, British pound and Japanese yen, can be converted into U.S. dollars and then sent to your bank account. As with outgoing wire transfers, American Express can help you to secure competitive exchange rates.

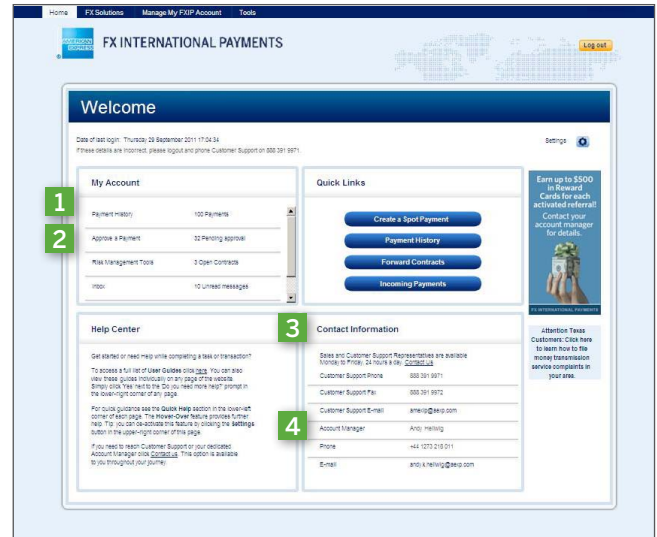
[ SOLUTIONS *continued* ]

For those who like the convenience of paying online, FX International Payments offers a secure, web-based platform from which you can send payments anytime and anywhere, with no additional software to run or load.

## Customizable Online Platform

Tailor your splash page based on your specific business needs.

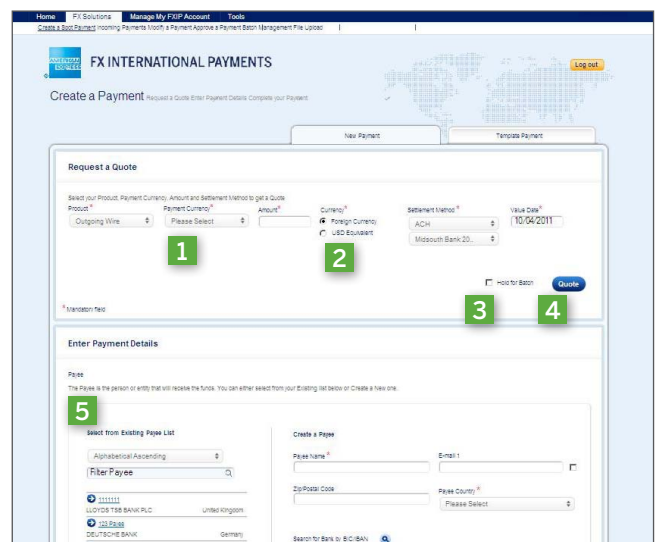
- 1 Payment History** — simplify reporting and record keeping with comprehensive, customizable reports that allow you to check transaction details and download payment history.
- 2 Approve a Payment** — reduce the risk of fraud by appointing a second approver to release your transactions.
- 3 Contact Information** — receive personal one-on-one support with a knowledgeable account manager, available 24 hours a day, Monday through Friday.
- 4 Account Manager** — have an account manager assigned to your account as a direct point of contact to assist your payment needs.



## Create and Send Payments

It's fast, easy and secure to request a quote, enter payment details and complete your payment.

- 1 Settlement Method** — pay overseas companies directly from your existing U.S. business bank account.
- 2 Payment Currency** — we offer exchange rate quotes online for more than 110 currencies.
- 3 Hold for batch** — group multiple payments with the same currency into a single batch to lock in a competitive exchange rate.
- 4 Quote** — receive real-time, competitive exchange rates.
- 5 Existing Payee List** — help save time and reduce errors by storing your information, payee information and other transaction options for future payments.



[ SOLUTIONS *continued* ]

## Organize Tax Records

FX International Payments can make it simple to put together financial information when doing your taxes or creating budgets by allowing you to:

- Easily check the payment history of each transaction, including status, date, currencies involved and the currency exchange rate used. Transaction histories are automatically saved.
- Create an audit trail for any transaction.
- Download data in a variety of formats to suit your own accounting system.
- Store your information to reduce time reentering data or correcting errors.
- Receive detailed confirmations when transactions are completed.

## Earn Membership Rewards® Points<sup>1</sup>

You can earn one Membership Rewards bonus point for every \$30 of eligible foreign currency payment<sup>1</sup> transferred internationally. You can redeem points for products or gift cards and gift certificates. American Express Corporate Cardmembers can earn 15,000 points on their first eligible FX transaction<sup>2</sup> and 15,000 more points after making three FX transactions within the first 90 days.<sup>2</sup>



**[ FAQ ]**

## Frequently Asked Questions about Foreign Currency Payments

The foreign exchange industry is continually changing. The following FAQs help explain some of the basics of making FX payments:

### Q. How do FX forward contracts work?

**A.** An FX forward contract is an agreement to buy a specific amount of FX at an agreed-to rate at a future time. By entering into a forward contract, you lock in an exchange rate for a pair of currencies (e.g., euro-dollar). Once you have an FX forward contract in place, you can more accurately forecast your costs, since you know how much it will cost you to purchase the foreign currency for that upcoming international payment. There are two types of FX forward contracts:

- Fixed forward contracts lock in a rate to use for a transaction up to one year in the future. These contracts are used when you know the transaction date.
- Window forward contracts (forward contracts) set a range of dates during which you will purchase the FX. These contracts are helpful when payment dates are uncertain.

### Q. What is an incoming foreign exchange wire?

**A.** An incoming foreign exchange wire is an electronic transfer into your U.S. bank account. Foreign currency that you hold overseas or that another party owes you is converted by American Express into U.S. dollars and deposited in your U.S. bank account.

### Q. What information do I need to include with an international payment?

**A.** You will typically need the name, address and account number of the recipient along with the recipient's bank name, address and routing information, including its Bank Identifier Code (BAC). For European payments, an International Bank Account Number (IBAN) is required.

### Q. How long does it take for a payment to reach a recipient?

**A.** The time varies according to the type of payment and the service provider. In most cases, an international wire payment will arrive in 24 to 72 hours.

### Q. How can I help protect myself and my company from fraud and phishing?

**A.** Be wary of emails imitating reputable companies that ask you to take urgent action requiring sensitive information to be divulged (e.g., validating or updating account details). Phishing emails are often generic and don't address you by name. Avoid clicking on links in these emails. Make sure that your anti-virus software is up to date.

## Notes

For more information on American Express® FX International Payments  
visit [amexb4b.com/fxpayments](https://amexb4b.com/fxpayments) or call 1-866-291-1324.



<sup>1</sup> One (1) Membership Rewards bonus point will be awarded for every \$30 your business wires internationally using the FX international Payments ("FXIP") Service. The maximum award per transaction is 4,000 bonus points. Not valid for same currency transactions (e.g., US Dollar to US Dollar). To be eligible to earn Membership Rewards bonus points, your business must first apply for the FXIP service and be approved, and must also complete and submit to us a form designating an American Express Card that is already enrolled in the MR Program at the time the transaction is initiated, FXIP must have a completed registration on file for the card, and there must be no unpaid FXIP obligations of your business or other violation of or default under the FXIP Terms and Conditions at the time of bonus fulfillment. No Bonus points will be awarded retroactively for transactions processed prior to the enrollment of the business in the FXIP service and the processing of the MR Program registration form. In the event a registered Card is lost, stolen or renewed, you must register the new Card submitting an updated form to FXIP with the new Card information. Processing of the registration form takes approximately 2-4 weeks. To obtain a registration form call 1-866-291-1324. Bonus points will be credited to the Card's MR Program account within 10-12 weeks after the eligible transaction is complete. Membership Rewards bonus points that are awarded to the business for its transactions with FXIP are subject to the terms and conditions of the MR Program, including rules regarding forfeiture of Membership Rewards points. See [membershipewards.com/terms](http://membershipewards.com/terms) for more information. Transactions by university or financial institution clients are not eligible for this offer. **Bonus ID 7601.**

<sup>2</sup> To earn 15,000 Membership Rewards bonus points for activation of your FXIP account, you must satisfy the following conditions: (i) you must complete an FXIP application form and a Membership Rewards registration form and submit them to us no later than **May 31, 2012**; (ii) your FXIP application and Membership Rewards registration must have been processed and approved by us; and (iii) you must complete at least one international wire payment through your new FXIP account no later than **May 31, 2012**. In order to earn an additional 15,000 Membership Rewards bonus points, you must meet the conditions in the preceding sentence and you must also initiate at least three (3) foreign currency wire transactions within ninety (90) days of your first international wire.

\*\*FX International Payments is a service of American Express Travel Related Services Company, Inc. ("American Express"). This service is not available to consumers. To enroll in this service, your business will be required to complete an application which is subject to review and approval by American Express. For a copy of the application, including terms and conditions, call 1-866-291-1324.