

currencies direct



**foreign
currency
drafts**



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Functioning much like a bankers draft, a foreign currency draft is a cheque denominated in foreign currency, drawn on a foreign bank and payable overseas.

Foreign currency drafts are most commonly used for relatively low value payments or when there is a need to hand over payment, or post it with a remittance advice.

They decrease the likelihood of collection delays as the Currencies Direct draft is issued on an account in the country it will be cashed. The draft is instantaneously validated via a wire advice from the issuing bank before the recipient's bank will honour the draft - this makes the potential for fraud much less.

Say, for instance, a clothing retailer is purchasing a new line from a French designer. The designer wishes to be paid in euros by cheque in order to maintain a paper record, so the retailer pays by draft.

There are special circumstances when payment in the countries currency may be the only option. For example, there are countries where regulatory requirements mandate that foreign currency transactions must be completed domestically. However, as more and more countries move toward freely floating currencies, convertibility will continue to evolve.

To arrange for a free consultation call **1300 552 893**

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