



General information

Wirecard is offering a new product in its portfolio: forex services. Retailers now have the option of integrated currency exchange on favourable conditions.

This represents an effective solution for the increasingly cross-border e-commerce carried out by international retailers.

AT THE PARTNER'S END

Invoicing and payouts are carried out on a quarterly basis and only a side letter is required in addition to the existing main contract to set up this service, taking account of the pressing desire by retailers to keep costs and administrative effort as low as possible

The scheduled currency exchange rate is based on the daily foreign exchange reference rate of the European Central Bank (ECB) plus a 1 % premium and is classified as a buy rate.

If the rate sold to a retailer is above the buy rate, the partner receives a payout comprising 50 % of the difference between the two rates as commission (50/50 split).

AT THE RETAILER'S END

There are a wide range of benefits for the retailer from this forex service. Firstly, it reduces the accounting effort and expense that would be incurred by handling different currencies and, secondly, the transaction costs which are linked to receiving transfers in different currencies. Transparency requirements are met by clear pricing comprising the daily foreign exchange reference rate of the ECB plus a 1 % premium.

EXAMPLE FOREX DL

Exchange rate (USD -> EUR)	Premium	Buy rate	Premium by partner	Sell rate		50/50 split (on sell rate – buy rate)	
1.2775	1 %	1.290275	2 %	3 %	1.315825		
Sample invoice (USD -> EUR)	Exchange rate + 1 %	Amount	2 %	Exchange rate + 3 %	Amount	Difference: sell rate and buy rate	Commission payment for partner
USD 1,200,000.00	1.290275	EUR 930,034.30		1.315825	EUR 911,975.38	EUR 18,058.92	EUR 9,029.46

BENEFITS FOR PARTNERS AND THEIR RETAILERS

PARTNERS

Reduced administration expense

- ▶ Quarterly payment of commission
- ▶ No new contract required; side letter is sufficient
- ▶ Automated currency exchange

Internationalisation

- ▶ A service that meets the demands of an increasingly globalised world

Higher financial returns

- ▶ Additional income possible

RETAILERS

Reduced administration expense

- ▶ Simplified accounting (payout in one currency)
- ▶ No new contract required; side letter is sufficient

Lower costs

- ▶ Reduction of transfer expenses (incurred for receipt of payments in different currencies)

Transparent pricing conditions

- ▶ 1 % premium on the latest daily foreign exchange reference rate of the ECB
- ▶ Exchange is often more cost-effective and transparent than conversion on receipt of payment from house bank