

NOMENCLATURE

Foreign exchange transaction

A transaction of selling/buying foreign currency against domestic currency or other foreign currency.

Spot transaction

A transaction of selling/buying foreign currency with the settlement date in two days at most from the date the transaction was concluded, at the exchange rate agreed between the parties (spot exchange rate). When the settlement date is a non-banking day, the settlement shall be made on the next banking day, except for the cases where other agreements are made between the parties.

Forward transaction

A transaction of selling/buying foreign currency with the settlement date in more than two days after the date the transaction was concluded, at the exchange rate agreed between the parties (forward exchange rate). When the settlement date is a non-banking day, the settlement shall be made on the next banking day, except for the cases where other agreements are made between the parties.

Swap transaction

A transaction of simultaneously buying and selling of the same amount of foreign currency with the same counterpart, with the settlement date at two different value dates (usually spot and forward), at different exchange rates (spot and forward) set on the transaction date.

Transaction date

The date when the transaction is concluded.

Value date

The date when the settlement of the transaction is made:

- value today (*same day value*) – value date is the same with the transaction date;
- value tomorrow – value date is the banking day after the transaction date;
- spot – value date is two banking days after the transaction date;
- forward – any value date after the spot settlement.

Firm quotation

The quotation of a firm price that engages the credit institution. Adding certain restrictions on time or amount ('firm for one minute' or 'firm for one million') is recommended.

For info only

A quotation that is not firm due to the impossibility to trade because of certain reasons (exceeding of exposure limit, etc.).

Direct quotation

A quotation is direct when the domestic currency is expressed in relation to a currency unit of another currency named reference currency.

Indirect quotation

A quotation is indirect when the national currency unit named reference currency is expressed in relation to a foreign currency.

Order at limited exchange rate

Order that must be executed up to the limit exchange rate specified by the customer. The meaning of “limit” is “sell for at least” in case of a selling order and “buy for at most” in the case of a buying order. The orders shall specify the period during which they are valid (number of days).

Pip

The last figure of a quotation.