Britain inBusiness TRADE FORUM

Factsheet: Understanding different types of transaction

Spot

This is the most common choice for making and receiving day-to-day payments. Buy now, pay now.

Forward contract

You can secure your foreign exchange exposure using a forward contract. This means fixing the current exchange rate for a set amount of payment and delivery at a future date, usually up to 12 months in the future.

Market order

When you put a market order in place, you set up now to buy or sell an amount of currency at a set rate and date in the future. If the rate is achieved, then the order automatically completes.