Money transfers

s the world is seeing an increasing number of people moving across borders, money transfer is becoming a fast growing form of business. The last 150 years have witnessed an evolution in this industry in order to meet the needs of migrants, students, workers and travellers around the world, who need to send and receive money globally.

International money transfers (or remittances) are traditionally used to send money home to families and loved ones in different parts of the world: each year, migrant workers send huge amounts of money to their home countries, which contribute to their GDP and help drive the economy.

There are a number of options available to transfer funds, via:

- banks;
- online payment system;
- the **post office**;
- specialised money transfer firms, such as Western Union, HiFX or Travelex International Money Transfers.

Since banks only authorise payments abroad to their own customers, who are identified via the account obligations, they no longer accept unknown occasional customers under the antimoney laundering rules, in an effort to help fight the funding of terrorist activities.

Therefore, money transfer providers, who don't require a bank account for money transfers, are usually the handiest way to send funds. For security reasons they are legally obliged to





identify their customers, to check the ownership and the origin of the money in question, and the purpose of the transfer. They always require a valid form of personal identification (passport, national identity card or foreign resident's permit), usually for both the sender and the recipient and, if necessary, proof of residence. The money transfer process is simple and operates in the same manner with all providers: money is paid in cash to the agent after filling in an accompanying form with the sender's and recipient's details. Once the money has been transferred, the sender informs the recipient and gives him/her the reference number needed to pick up the money at a money transfer agency. In some cases, it is sufficient for the recipient to present a valid form of identification, although, depending on the provider and the country, additional documentation may be required. The money is paid out to the recipient in different ways: in cash by an agent in that country, transferred to a bank account, or sometimes even sent by home delivery.

Pros

- Fast;
- High level of security;
- Wide reach;
- No bank account needed;
- Open on Sundays and outside office hours.

Cons

- Generally expensive for transfers of small sums of money;
- Exchange rates higher than market rates;
- No other financial services offered.

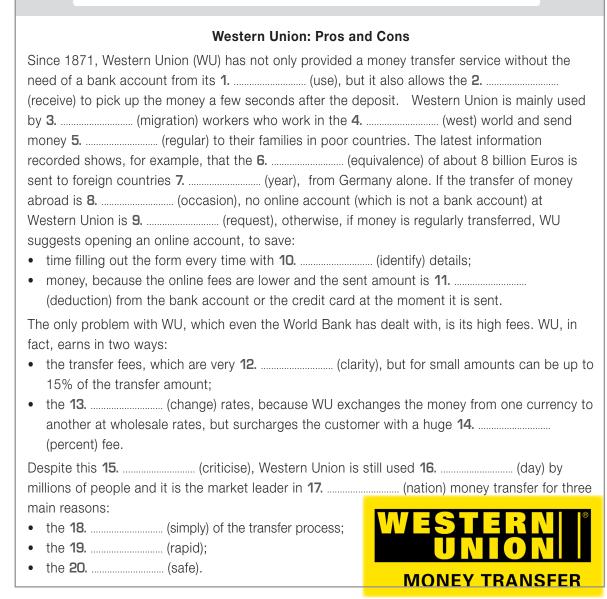


Answer these questions.

- 1. Why is the money transfer industry a fast growing sector?
- 2. Why are migrant workers' remittances important to their home countries' economies?
- 3. Can funds be transferred only via bank institutions?
- 4. Do banks offer money transfer services abroad to any customers? Why? Why not?
- 5. Why do foreign migrants often send funds by money transfer providers such as Western Union?

Fill in the gaps, transforming the word in brackets into a suitable form (noun, adjective or verb).

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Listen to the text and fill in the gap with the missing words. Then, match the words or expressions in bold to the definitions. There are six extra words in bold.

Why 'Remit' Money?

are often for a very precise **purpose** and are a way for the **11.**..... to still have a voice and a role in the local community. **12.**...... don't just send money back, but they have certain **expenses** in **13.**...... For example, in

14. remittances are often used to pay for funeral **costs** when a relative dies, in **15.** they help build houses in villages or they are used to pay for a younger brother to go to school or for an uncle's hospital **bills**.

- a. It means extraordinarily large in size, weight, quantity or area.
- b. It means support, help or assistance.
- c. It is an expression that means considering.
- d. It is a detailed and official study and examination.
- e. The statements of the money owed for goods or services.
- f. The country in which a person was born and usually raised.
- g. It is an amount or value expressed in numbers.
- h. The amount of money received over a given period of time for work or services.
- i. It means bonds or links.
- j. When something has an aim and a purpose, it is called this.

