



Comment Intake
Bureau of Consumer Financial Protection
1700 G Street NW
Washington, D.C. 20552

Via Electronic Submission

RE: Request for Information Regarding Potential Regulatory Changes to the Remittance Rule (Docket No. CFPB-2019-0018)

To Whom It May Concern:

The Clearing House Payments Company LLC (“TCH”), the American Bankers Association, the Consumer Bankers Association, and the Bankers Association for Finance and Trade (collectively, the “Associations”)¹ respectfully submit this comment in response to the Consumer Financial Protection Bureau’s (“CFPB” or “Bureau”) Request for Information Regarding Potential Regulatory Changes to the Remittance Rule (“Remittance RFI”).² In the Remittance RFI, the Bureau seeks comment on two aspects on its Remittance Transfer Rule, subpart B of Regulation E (the “Remittance Rule”): (1) the pending July 2020 expiration of a temporary exception that, if certain conditions are met, allows insured depository institutions to estimate the exchange rate and certain fees on remittance transfers, 12 CFR 1005.32(a) (“Temporary Exception”); and (2) the Remittance Rule’s 100-transfer safe harbor that provides an exemption from the Remittance Rule for institutions that send 100 or fewer annual remittance transfers, 12 CFR 1005.30(f)(2). This comment letter focuses on the Temporary Exception.

The Associations appreciate the Bureau’s willingness to work with industry participants to find a solution to this impending problem. As more fully discussed below, bank-provided remittance transfers are an important service for bank customers. Without action by the Bureau, the expiration of the Temporary Exception will have the perverse effect of reducing consumer

¹ Appendix A contains information regarding the Associations.

² 84 FR 17971 (Apr. 29, 2019).

choice, forcing bank customers to use less convenient or more expensive services, and, for some consumers, leaving them without an alternative means of sending the transfers that they send today through their banks. Accordingly, the Associations request that the Bureau:

- Recognize the distinct segment of the remittance transfer market that is served by banks; and
- Utilize its existing authority to permit banks to provide estimated disclosures so that they can continue providing remittance transfer services to their customers with the same worldwide reach that their customers are accustomed to today.

I. Introduction

The Remittance Rule, which implements section 1073 of the Dodd-Frank Act (codified at section 919 of the Electronic Fund Transfer Act (“EFTA”)), established a comprehensive system for consumer protection for consumers who send remittance transfers in the United States to individuals and businesses in foreign countries. A requirement of the Remittance Rule is to provide consumers with disclosures that include the price of a remittance transfer (including most fees and the exchange rate), the amount of currency to be delivered to the recipient, and the date the funds will be available to the recipient.³

Although disclosures are generally required to be exact, in section 1073 of the Dodd-Frank Act, Congress included a time-limited exception allowing insured depository institutions that satisfy specified conditions to estimate certain fees and the exchange rate.⁴ The Remittance Rule incorporated this exception. Congress initially set the exception to last for five years, until July 2015, and authorized the Bureau to extend the exception further, to July 2020, if the expiration “would negatively affect the ability of [insured institutions] . . . to send remittances.”⁵ In 2014, the Bureau made such a determination and extended the exception to July 21, 2020.⁶ In doing so, the Bureau explained insured institutions were, for some transfers, unable to disclose exact exchange rates or fees and that the Bureau did not expect solutions to this problem to emerge before July 2020.⁷

Recently, the Bureau assessed the Remittance Rule (“Assessment”).⁸ The Assessment found that, in 2017, bank and credit union-initiated remittance transfers made up less than 5 percent of the total volume of remittance transfers but accounted for 28.2 percent of the total value of remittance transfers. The Assessment also found that, although the percentage of banks using the Temporary Exception dropped since the Remittance Rule took effect 11.6 percent of banks reported using the Temporary Exception in 2017 for 10.2 percent of their transfers (or 6.4 percent of all bank remittance transfers).⁹

³ See generally 12 CFR Part 1005 subpart B.

⁴ 15 U.S.C. 1693o-1(a)(4).

⁵ 15 U.S.C. 1693o-1(a)(4).

⁶ 79 FR 55970, 55970 (Sept. 18, 2014).

⁷ *Id.* at 55983.

⁸ The Assessment is available at <https://www.consumerfinance.gov/data-research/research-reports/remittance-rule-assessment-report/>. This Assessment compiled available data on a number of data points about the Rule including data collected through bank and credit union call reports, informal surveys, and other means. Assessment at 21-28.

⁹ *Id.* at 139. Call report data shows eight of the ten largest U.S. banks use the temporary exception.

II. Ongoing Challenges for Open Network Remittance Transfers

A. Open Network Wire Transfers Background

The vast majority of international payments—including both commercial and consumer payments—sent by U.S. depository institutions remain wire transfers sent via correspondent banks in an open network.¹⁰ The Bureau defines an open network as “one in which no one entity necessarily exerts end-to-end control over a remittance transfer.”¹¹ Banks of all sizes use open networks because the relationships banks have with one another allow them to send a wire transfer to virtually any other bank account in the world regardless of whether the originating bank has a direct account relationship with the beneficiary bank. No other remittance product has the same global reach.¹²

Correspondent banks provide accounts and services to other banks. They also hold accounts with large banks around the world and use those accounts to facilitate international wire transfers. Depending on the origin and destination of a wire transfer, the number and identity of correspondent banks involved in any transfer may vary. When a bank sends payments via its correspondents, it typically transmits payment instructions through the Society for Worldwide Interbank Financial Telecommunication (SWIFT) communication network. SWIFT’s global communications protocol allows banks to communicate securely. The SWIFT network connects over 11,000 institutions in more than 200 countries and territories.¹³ SWIFT is a communication system only and, thus, does not transfer value. Banks use their correspondent accounts or market infrastructures (*e.g.*, CHIPS, Fedwire) to settle payments that they have instructed through SWIFT. Banks credit (or debit) the accounts they hold for other banks for payments that have been instructed to (or by) the other banks.

While other technologies and methods for sending remittance transfers from bank accounts continue to expand (see Part III below), correspondent banking still forms the backbone of most banks’ international payment services.

B. Fee Disclosure Challenges

As banks instruct customer wire transfers to other banks in the chain, banks may charge processing fees—also known as lifting fees—on the wire transfers they process. The typical practice is for banks to deduct these fees from the principal amount of the payment. U.S. banks have limited mechanisms in the correspondent banking system either to know the amount of the lifting fees upfront or to prevent other banks from deducting them from the principal amount.¹⁴ Specifically, there are two mutually exclusive ways that an originating bank can know fee data at

¹⁰ *Id.* at 51.

¹¹ 84 FR at 17973.

¹² Bank for Int’l Settlements, Committee on Payments & Market Infrastructures, *Cross-border retail payments*, at 1 (Feb. 16, 2018), <https://www.bis.org/cpmi/publ/d173.htm> (“CPMI Report”).

¹³ SWIFT, *Introduction to SWIFT*, at <https://www.swift.com/about-us/discover-swift>.

¹⁴ Assessment at 52-53.

the time it must generate a Remittance Rule disclosure, neither of which works for all wire transfers.

1. The “Split and Cover” Method and Serial Payments

First, an originating bank can use the “split and cover” method by (i) sending a payment instruction with an “OUR” charge code¹⁵ directly to a beneficiary bank with which the originating bank has an established SWIFT relationship and which will honor the OUR code and (ii) settling the payment as a bank-to-bank cover payment so lifting fees will not be deducted. Using this method, the originating bank knows at the time it sends a transfer that no other bank that processes the transfer will deduct lifting fees from the principal, and instead, any fees will be separately billed back to the originating bank. An originating bank can only use this method if these two conditions (*i.e.*, having an established SWIFT relationship with a beneficiary bank and having that bank honor the OUR code) are met.

The other potential option is to send a “serial” wire with an OUR charge code. With a serial wire, the payment is instructed and settled a step at a time between each of the banks in the chain. Using this method, intermediary banks will typically charge lifting fees. While the originating bank can negotiate the amount of the fee charged by its correspondent (and the first link in the correspondent banking chain) under their account agreement it is often unable to know which other banks the payment will be routed through and the fees those banks will charge. As payments move from one bank to the next in the chain, the likelihood that the OUR code is conveyed forward and honored decreases.¹⁶ Hence, unless the originating bank’s correspondent also happens to be the beneficiary bank, the originating bank cannot provide exact disclosures for all covered third party fees for a serial payment. Given this unreliability, banks cannot have confidence that when they provide disclosures for wires sent via this method that those disclosures are accurate because the potential remains for an OUR code to be ignored, changed, or dropped.

2. Why “Split and Cover” Cannot be Used for all Remittance Transfers

As stated above, the Split and Cover method requires that the originating bank have an established SWIFT relationship with the beneficiary bank that honors the OUR charge code. This relationship, established using SWIFT’s Relationship Management Application (“RMA”), allows banks to send messages to each other on the SWIFT network.¹⁷ With an RMA, the originating bank can use the OUR code to instruct the beneficiary bank to charge back any lifting fees to the originating bank.

¹⁵ The OUR code in a payment instruction tells the receiving bank that it should charge back any lifting fees to the originating bank rather than deduct the fee from the principal amount of the transfer.

¹⁶ Payments Market Practice Group, *Market Practice Guidelines for the Settlement of International Payment Charges*, at 110 (v.1, Aug. 2014) available at <https://www.swift.com/node/8401> (“PMPG Guidelines”).

¹⁷ See Wolfsberg Group, *Wolfsberg Guidance on SWIFT Relationship Management Application (RMA) Due Diligence* at 1-2 (2016), available at <https://www.wolfsberg-principles.com/sites/default/files/wb/pdfs/wolfsberg-standards/7.%20SWIFT-RMA-Due-Diligence.pdf>. The Wolfsberg Group is an association of thirteen global banks that aims to develop frameworks and guidance for the management of financial crime risks. See <https://www.wolfsberg-principles.com/>.

Banks are limited in the RMA relationships they can establish due to AML and other risk management requirements. 2016 Guidance from a coalition of global banks instructs financial institutions to conduct due diligence into RMA partners in order to limit “operational risk” and anti-money laundering concerns, particularly when the partners’ underlying customers are using the RMA relationship to send messages.¹⁸ Similarly, SWIFT has stated banks should only establish RMA agreements with parties they trust and RMA agreements are “increasingly seen as a compliance control.”¹⁹ Thus, banks evaluate the reasons for establishing an RMA including anticipated volumes and potential AML risks. Most banks also place potential RMA partners through their third party risk management processes; this process can take as long as two years. Furthermore, even if a U.S. bank wants to create an RMA, the potential foreign bank may be unwilling to partner with it to establish a relationship.

Once established, the “potential risks associated with the establishment of a non-customer RMA need to be managed throughout the lifecycle of that RMA.”²⁰ One of the concerns posed by RMA relationships relates to cybersecurity. In 2016, hackers stole over \$1 billion from the Bank of Bangladesh allegedly due to fraudulent messages sent through the SWIFT system.²¹ SWIFT recommends banks continually rationalize their RMA authorizations and eliminate “dormant or inactive” RMAs to minimize time, cost and risk.²² Many banks have reconsidered their existing RMA relationships and are increasingly hesitant to work towards establishing new relationships. As a result, it is neither feasible nor recommended for banks to establish RMAs with as many other SWIFT members as possible to cover every remittance transfer for which they now estimate lifting fees pursuant to the Temporary Exception.

The second condition for using the split and cover method is that the beneficiary bank with which the originating bank has an RMA relationship must honor the OUR charge code. OUR instructions are market practices, not legally binding requirements. Consequently, some banks do not honor OUR instructions for a number of reasons, including local custom and the additional cost and complexity to downstream banks of collecting fees from the originating bank.²³ See Appendix B for a list of countries that Association members identified as generally

¹⁸ *Id.*; see also Int’l Fin. Corp., *Navigating Essential Anti-Money Laundering and Combating the Financing of Terrorism Requirements in Trade Finance: A Guide for Respondent Banks* at 9 (Sept. 2018), <http://documents.worldbank.org/curated/en/761701540793262064/pdf/131400-WP-Navigating-Essential-anti-money-laundering-Guide-for-Respondent-Banks-PUBLIC.pdf> (the Wolfsberg principles are “minimum standards” that “should not be seen as exhaustive”).

¹⁹ See SWIFT, *Info. Paper: RMA and RMA Plus: managing your correspondent connections*, at 4 (July 2016), <https://www.swift.com/resource/rma-and-rma-plus-managing-your-correspondent-connections> (“SWIFT Info Paper”). As SWIFT explains: “When RMA was introduced in 2009 ... the spirit of the product was for banks to open the door to as many counterparties and correspondents as possible. Today, however, the more stringent regulatory climate means that many institutions are now rationalising their correspondent banking relationships in order to remove higher risk correspondents and to help to reduce the risk of fraudulent transactions. Banks today would rather keep the door open only to parties they trust and want to do business with—and shut other doors in order to avoid potentially problematic transactions.” *Id.*

²⁰ Wolfsberg Principles at 3 (setting forth how banks should monitor existing RMAs).

²¹ Jim Finkle and Sanjeev Miglani, “SWIFT rejects Bangladeshi claims in cyber heist, police stand firm,” REUTERS (May 8, 2016).

²² SWIFT Info. Paper at 5.

²³ 79 FR at 23246; see also PMPG Guidelines at 2 (explaining substantial problems with use of OUR code including local practices that differ from local rules, lack of necessary agreements, inconsistent standards for post-payment claiming of charges, and uncertain processes).

not honoring OUR instructions. However, even in countries in which OUR instructions are generally honored, a particular beneficiary bank may unilaterally choose not to honor the instruction.

The nature of the open network does not allow banks to know whether other banks will honor an OUR code. This system is quite different from domestic payment systems, which are subject to uniform state laws and system rules that enable the clearing and settlement of payments between thousands of depository institutions according to common requirements. There are no similar international payment systems with common legal requirements. Hence, in lieu of common legal requirements, banks using the SWIFT network have developed non-binding market practices within their countries that determine how payments are usually—but not always—instructed and handled.

In summary, an originating bank can only provide exact fee disclosures when either (i) the two conditions are met for a split and cover payment or (ii) the beneficiary bank is the originating bank's correspondent. But for the Temporary Exception, these limitations on the ability to provide exact disclosures obviously impede compliance with the Remittance Rule. However, U.S. SWIFT members cannot force change (*i.e.*, prevent lifting fees or mandate that all other banks honor OUR charging) throughout the worldwide system and, thus, there is an ongoing need for the ability to provide estimated disclosures.²⁴

C. Exchange Rate Disclosure Challenges

Under the Remittance Rule, when a customer sends a wire transfer and informs the bank that the transfer will be received in a foreign currency, the bank must disclose an exchange rate.²⁵ For these transfers, unless the sending bank, its correspondent, or a third party foreign exchange service provider actually performs the currency exchange when the transfer is sent or earlier, the sending institution is unlikely to know the exchange rate that either subsequent banks or the recipient institution will use for the currency exchange when it finally occurs. Exchange rates constantly fluctuate, so when the foreign currency exchange occurs after a transfer is sent, the sending institution will only be able to estimate the future exchange rate that will apply to the transfer.²⁶

The specific currency at issue largely determines whether the foreign exchange can occur in the United States. For transfers involving most widely-traded currencies, banks or their correspondents will typically be able to convert the currency at the outset. In such cases, the bank or its correspondent maintains a currency-trading desk where it can conduct the exchange. For these currencies, the sending bank will be able to provide the consumer an exact exchange rate disclosure. Additionally, banks define which currencies to offer to their customers based on

²⁴ SWIFT is a global organization. SWIFT cannot easily alter its practices because some of its U.S. members are subject to the Remittance Rule for a small portion of their total transfers. SWIFT's 25 member Board of Directors includes only two representatives from United States' banks. See <https://www.swift.com/about-us/organisation-governance/board-members>.

²⁵ See Comment 31(b)(1)(iv)-1 (provider not required to disclose an exchange rate if the sender does not know if the recipient account is denominated in a different currency).

²⁶ Recognizing future exchange rates are unknown, the Remittance Rule allows estimates for remittance transfers scheduled five or more days before the date of the transfer. See 12 CFR 1005.32(d) and .36.

multiple factors that are unique to the respective bank, its risk tolerance, and other factors. Banks also may offer different currencies to their different client segments (*e.g.*, corporate, consumer, etc.).

For a portion of remittance transfers, however, the correspondent bank cannot conduct the foreign exchange in the United States, and thus, it is not able to provide an exact exchange rate to the sending institution for it to disclose to its customer. When this occurs, providers rely on either the permanent exception for transfers to certain countries (12 CFR 1005.32(b)(1) (“Countries List Exception”), or the Temporary Exception. There are various reasons why foreign exchange must occur in the recipient country including local laws, customs of local banks, illiquid currency markets outside of the recipient country, and central bank currency controls. Banks usually profit on their foreign exchange services. In some cases, these banks do not want to lose this revenue and may refuse to process incoming wire transfers not denominated in U.S. dollars.²⁷

D. The Temporary Exception Successfully Prevented Disruption Without Harming Consumers.

The Remittance Rule’s Temporary Exception has provided an important relief valve for some of the remittance transfers for which banks cannot disclose exact fee or exchange rate information. By allowing banks to estimate, Congress and the Bureau prevented disruption in remittance services provided by depository institutions and for the consumers that choose to use a depository institution to send a remittance transfer. As noted in the Assessment, evidence suggests that the vast majority of banks only use the Temporary Exception for a small portion of the remittance transfers they send.²⁸ The Temporary Exception has allowed banks to maintain an important service that their consumer customers could lose access to if it expires and the Bureau does not use its authority to allow insured institutions to continue to provide compliant services.

1. Reliance on the Temporary Exception and the Quality of Estimated Disclosures

TCH members act as correspondents for many of the banks subject to the Remittance Rule. Accordingly, these banks rely on the Temporary Exception whenever their correspondent relies on it. As the Bureau explains in the Assessment, reported use of the Temporary Exception varies widely across institutions.²⁹ The Bureau assumes that the Call Report data means, “certain insured institutions are able to provide remittance transfers without relying on the Temporary Exception while others are not.”³⁰ Based on feedback and discussions with its members, the

²⁷ Appendix C sets forth a list of countries and currencies that pose challenges to the Associations’ members.

²⁸ The Associations note that this is contrary to the concerns of some consumer groups in 2014 that insured institutions were using the exception for more remittance transfers than was necessary. 79 FR at 55975.

²⁹ Remittance RFI at 11 (citing 2017 Call Report data). As noted above, eight of the ten largest U.S. banks cite reliance on the temporary exception in their Call Report submissions.

³⁰ *Id.* at 12.

Associations do not believe this assumption is accurate. There are several explanations for why banks report such variable use of the Temporary Exception.³¹

First, some institutions limit their remittance transfer activity to only those recipient institutions in countries that do not require the local performance of foreign exchange and with whom they or their correspondent does not have RMA relationships that can limit lifting fees.³² In these situations, the OUR code will be honored, an originating bank can disclose accurate fees, and its Call Report data would reflect no usage of the Temporary Exception. Second, to the extent an originating bank is relying on a correspondent to provide Remittance Rule disclosure information on its behalf, the bank may not realize that the correspondent is providing estimated information and as a result may not report this Temporary Exception usage. Third, banks may inaccurately report 100 percent reliance on the Temporary Exception based on the fact that they always rely on a correspondent and have no relationship with downstream banks.

It is important to recognize that banks calculate estimates as accurately as possible, even though it is not possible to provide an exact amount. Banks have developed and maintain databases of fee information to allow them to provide highly reliable estimates when they are unable to know with certainty the exact covered third party fees that will be charged. To underscore customer satisfaction under the Temporary Exception, there are no published complaints in the CFPB's Complaint Database expressing a consumer's concern with an estimate. Nor has the CFPB ever publicly expressed concern with banks' estimation methodologies.³³ In addition, banks have invested substantial time and resources into minimizing their usage of the Temporary Exception specifically and more generally in providing transparency to their customers regarding wire transfers.

2.The Impact of the Expiration of the Temporary Exception on Consumers

If the Bureau does not take action, many banks will likely be unable to comply with the Remittance Rule for a portion of their remittance transfers, and instead banks will eliminate some or all of the impacted remittance services. In fact, if the key correspondent banks upon which other banks rely to provide the services react to the expiration by limiting or increasing the cost of their offerings, there will likely be a domino effect in the industry that will negatively influence the cost of, or access to these services for consumers. While institutions of various sizes depend on correspondents, many impacted institutions are smaller community banks or credit unions that operate in smaller towns and may have customer bases that contain an older

³¹ In its Assessment, the Bureau also expressed doubt about the accuracy some banks' understanding of the Temporary Exception. *See* Assessment at 141 n.313 (Explaining confusing survey results and noting "[i]t is also possible some banks and credit unions are relying on the exception and do not realize it.").

³² In some cases the exact disclosures would include no covered third party fees because the originating bank is using a "guaranteed OUR" service in which its correspondent bank is able to ensure that the OUR instruction will be honored because it has an account relationship with the beneficiary bank. The originating bank will absorb the cost of fees the beneficiary bank charges back to it.

³³ The CFPB has never brought an enforcement action for violation of the Remittance Rule. Moreover, while some editions of the CFPB's Supervisory Highlights do address certain Remittance Rule compliance issues, none of those issues involves estimation or the Temporary Exception.

population.³⁴ These institutions are adept at preventing wire transfer fraud and elder abuse, an issue of substantial concern to law enforcement.³⁵ If the Temporary Exception expires and the Bureau takes no action to mitigate the expected impact, many small banks subject to the Remittance Rule will curtail their remittance services and their customers may have limited or no comparable alternatives to send remittances.

Consumers who still try to send these remittance transfers will face added complexity and risk. While some non-banks may offer some comparable services, they almost all have substantial limitations. For example, because non-banks do not hold customer funds in accounts like banks do, customers that want to use a non-bank service have to transfer funds from their own bank account to the non-bank provider. Consumers sending non-bank transfers typically fund them with cash that they bring to a physical agent location.³⁶ Cash presents obvious risks not present in bank transfers. While in some cases a consumer can fund a transfer via ACH, a domestic funding transfer can take several days to arrive before the provider can send the remittance transfer. At the receiving end, pick-up options are often limited and may require recipients to receive cash rather than an account deposit even if funded by ACH in the United States. Such cash pick up may not meet the needs of the remitting consumer and their recipient. Finally, most non-banks limit the dollar amount of their transfers. The average bank transfer is greater than \$10,000; non-banks typically cap transfer amounts at \$1,000 or less.³⁷

There is no evidence of consumer harm from disclosing estimates to consumers. There are no relevant consumer complaints in the Bureau's public database, nor is there any other evidence of consumer harm related to estimates. The problem faced by providers is a technical compliance issue, not one that consumers recognize or experience. For example, assume an insured institution estimates a lifting fee of \$5 for a fee it does not know will eventually be \$4.50. Given an average remittance transfer value of \$10,000,³⁸ this is a difference of less than 0.005% in the cost of the remittance transfer.³⁹ In contrast, not being able to send the transaction at all because the provider did not know the exact fee is substantially more disruptive. To deny consumers the ability to send remittance transfers through their banks limits consumer choice and potentially forces consumers to seek out a more costly, less safe alternative.

III. Viability of Alternative Technologies and Methods in the Marketplace

In the RFI, the Bureau seeks comments on whether there are viable alternatives for banks' open network remittance transfers that now rely on the Temporary Exception. The

³⁴ See, e.g., CenterState Correspondent Div., *Countering the Aging Community Bank Customer Base*, (accessed June 20, 2019), at <https://csbcorrespondent.com/blog/countering-aging-community-bank-customer-base>.

³⁵ As the CFPB explained in a 2016 report on elder abuse: "Financial institutions play a vital role in preventing and responding to this type of elder abuse. Banks and credit unions are uniquely positioned to detect that an elder account holder has been targeted or victimized, and to take action." CFPB, *Report for Financial Institutions on Preventing Elder Financial Abuse*, (Mar 23, 2016); at <https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-advisory-and-report-for-financial-institutions-on-preventing-elder-financial-abuse/>.

³⁶ Assessment at 99.

³⁷ *Id.* at 73, 165.

³⁸ *Id.* at 73 (citing analysis of Call Report data).

³⁹ Differences between exact and estimated exchange rates may be somewhat larger but still are unlikely to be more than a tiny fraction of the overall remittance transfer amount.

alternatives mentioned in the RFI—international ACH and SWIFT gpi—currently are employed by banks to the extent possible. There will be no complete solutions for remittance transfers that now rely on the Temporary Exception by July 2020 and the Associations do not expect any to be developed in the foreseeable future. Because commercial wire transfers make up the vast majority of all wire transfers and there is no disclosure requirement for them, moving the market for the small percentage of transfers subject to the Remittance Rule remains difficult.

A. International ACH

As the Bureau explained in 2014 and again in the Assessment, some depository institutions and credit unions send some remittance transfers through the Automated Clearing House (ACH) system. There is no equivalent to SWIFT for ACH that enables ACH payments to be instructed to any bank in the world. All ACH systems are domestic (“local clearing”) and are accessed from within the country or through a limited set of arrangements in which country operators agree to connect their system to one or more other countries’ ACH systems. International ACH transfers “share some characteristics of closed network transfers, in that the agreements among gateway ACH operators and the United States and foreign entities involved may be used to control the amount and type of fees that are charged and/or exchange rates that are applied in connection with a remittance transfer.”⁴⁰

In 2014, the Bureau acknowledged that international ACH is not a viable alternative for most remittance transfers. ACH services are generally “developed on a country-by-country or region-by-region basis because they require agreements on protocol” with foreign entities.⁴¹ As a result, “international ACH services generally have a much more limited reach than wire services.”⁴² While improved, these limitations remain; a 2018 report concludes that while linking domestic ACH systems “may in theory streamline certain processes” such arrangements are “difficult in practice” and require “harmonization of legal, technical and operational aspects” as well as “political will, commitment from participants in both payment systems, and a convincing business case to be made for each jurisdiction.”⁴³ Given the complexity and effort involved, the report notes that such links are most likely between countries with considerable economic activity or migration flows.⁴⁴ Hence, not all countries will create such connections.

There are several additional reasons why international ACH is not a viable alternative. First, only 41 countries (and their associated territories) permit in-bound foreign payments into their ACH systems.⁴⁵ These 41 countries support only nine currencies.⁴⁶ Second, ACH is mostly available in highly trafficked corridors where current use of the Temporary Exception is

⁴⁰ 79 FR 23233, 23235-36 (Apr. 25, 2014).

⁴¹ *Id.* at 23247.

⁴² *Id.* The Bureau also noted that banks have not historically used international ACH for consumer remittance products and providers were concerned with cost and complexity of developing an international ACH service.

⁴³ CPMI Report at 28.

⁴⁴ *See id.* at 13.

⁴⁵ A list of countries and currencies where international ACH is available is in Appendix D.

⁴⁶ The Federal Reserve reports that participants can send FedACH international payments to “more than 25 countries.” *See* The Federal Reserve, *FedGlobal® ACH Payments* at <https://www.frbservices.org/financial-services/ach/fedglobal/index.html> (accessed June 11, 2019). Only three of these countries are outside the European Union (Canada, Mexico, and Switzerland).

already limited. ACH is less present in countries where the Temporary Exception is more frequently used.⁴⁷ Third, while the use of international ACH has grown substantially relative to its very low volumes, it still is not an option for most remittance transfers as only 13% of financial institutions offer international ACH to consumers sending remittance transfers.⁴⁸ Thus, despite efforts to encourage the expanded use of the ACH system, international ACH is not going to be a solution for most transfers that now rely on the Temporary Exception.

B. SWIFT gpi.

SWIFT, with the strong support of global banks including many of the Associations' members, is working to improve the speed and transparency of payments made through correspondent banking. However, to date none of its efforts has solved the problems of providing exact, upfront disclosures for open network transfers.⁴⁹ A significant SWIFT initiative—SWIFT Global Payment Initiative (“SWIFT gpi”)—currently involves approximately 450 banks⁵⁰ and represents more than half of all SWIFT cross-border payment instructions.⁵¹ However, SWIFT gpi does not currently allow sending banks to know what lifting fees will be deducted from a transfer prior to transmission.⁵² Instead, the SWIFT gpi “tracker” database contains after-the-fact information about the lifting fees imposed on a transfer, and, as noted above, banks use the tracker data to make accurate estimates for future transfers. While SWIFT gpi banks agree to a common set of rules that establish common service level agreements (such as how quickly banks must execute an instruction or make funds available), these rules do not prohibit or set lifting fees.

Although SWIFT has stated publicly it wants to provide upfront fee information in the future,⁵³ this feature is not likely to be available soon. The Associations' members note it may never be feasible due to collusion and antitrust concerns, challenges in maintaining accurate fee databases, and a continued inability to know how intermediate banks in the correspondent banking chain may route a particular transfer. Additionally, SWIFT gpi is a closed network service within SWIFT's open network in which some SWIFT members voluntarily agree to participate. Even if every U.S. SWIFT member participated, they could not dictate participation

⁴⁷ See, e.g., Fed. Res. Bd., *Report to the Congress on the Use of the ACH System and Other Payment Mechanisms for Remittance Transfers to Foreign Countries*, at 13 (May 2019), <https://www.federalreserve.gov/publications/2019-may-ach-report-other-payment-mechanisms.htm> (noting that 90% of FedGlobal ACH volume is for transfers to Canada and Europe).

⁴⁸ *Id.*

⁴⁹ As a recent SWIFT report noted: “This future [of payments that are smart, embedded, and instant payments] is within reach. The elements are already in place, the technology is available, and the SWIFT community is progressing towards it. Key players have the ambition and commitment to realize this goal. A coalition of the willing is forging ahead with change, making the future a reality sooner than might be expected.” SWIFT, *Payments: Looking to the future*, at 2 (accessed June 20, 2019), <https://www.swift.com/news-events/news/payments-looking-to-the-future> (“SWIFT Payments Paper”).

⁵⁰ SWIFT, *Members*, (accessed June 20, 2019), <https://www.swift.com/our-solutions/swift-gpi/swift-gpi-for-banks/members>.

⁵¹ <https://www.swift.com/our-solutions/swift-gpi>

⁵² SWIFT gpi payments include an end-to-end identification number to allow for tracking payments. SWIFT maintains a database in which banks enter information about a payment including when it was received and lifting fees deducted. Other banks in the chain can access the tracker to see the status of a payment but only after the fact.

⁵³ SWIFT Payments Paper at 7 (fee transparency is a future goal of SWIFT gpi).

by their foreign counterparts. Thus, SWIFT gpi will not be an alternative to use of the Temporary Exception by July 2020 and it is unlikely to be an alternative for the foreseeable future. Even if it was a solution, the vast majority of U.S. banks, credit unions, and thrifts are not even SWIFT members and would become entirely dependent on SWIFT gpi member services, thus increasing costs and reducing competition.

C. Non-Bank Services and Other New Technologies.

Non-bank providers offer closed-network services to banks that may be an alternative for some—but not all—transfers that use the Temporary Exception. One bank reported it reviewed options from three major non-bank vendor services⁵⁴ and concluded none of them solves this member's challenges. All three provided services for a limited number of corridors and one has a low transaction size limit. Other banks similarly report a lack of suitable non-bank alternatives for transfers that now contain estimated disclosures. More broadly, closed-network services may result in more fractured international payments.⁵⁵ If international payments are ultimately dominated by large technology companies with closed networks, there will be less competition and choice for end-users⁵⁶. Hence, there are important public policy reasons why consumers should have the ability to access open networks for their international payments.

The Bureau also asks whether new technologies such as cryptocurrency and distributed ledger (or blockchain) technology can replace correspondent banking. Indeed, some companies are working to allow banks to be able to use a commonly accepted cryptocurrency and an associated ledger to make payments without using correspondents and paying lifting fees.⁵⁷ Several TCH members have invested substantially in these technologies in order to determine if the banks can deploy them at scale for bank services, including potentially international consumer payments.⁵⁸ However, these technologies are in their infancy. No bank can or will deploy them by July 2020 apart from limited pilot programs. As one report explained,

⁵⁴ The three services included an international ACH-based service, a card network service, and a large MSB's service. Of the three, the MSB service reached the most countries but still only half of what banks reach through the correspondent banking system.

⁵⁵ As SWIFT explained recently: "Importantly, we don't think that cross-border payments challenges should be solved for with closed loop systems. Doing so would easily solve for a subset—or multiple subsets—of participants, but value needs to move everywhere—from every account, to every account. Loops create barriers and friction; they reduce fungibility and portability, they limit competition and they fragment liquidity." SWIFT, *Payments: Looking to the future*, (June 20, 2019), <https://www.swift.com/news-events/news/payments-looking-to-the-future> ("SWIFT Payments Paper").

⁵⁶ The Bank for International Settlement has identified the need to better assess and regulate risk that large technology companies may pose as they expand into financial services. "Given the importance of the financial system as an essential public infrastructure, the activities of big techs are a matter of broader public interest that goes beyond the immediate circle of their users and stakeholders. ... Big techs have the potential to become dominant through the advantages afforded by the data-network activities loop, raising competition and data privacy issues." BIS, *Big Tech in Finance*, (June 2019), <https://www.bis.org/publ/arpdf/ar2019e3.htm>.

⁵⁷ See, e.g., Penny Crossman, "Could Ripple's XRP replace correspondent banks? This bank says yes," AMER. BANKER (Jan. 8, 2019); available at <https://www.americanbanker.com/news/could-ripples-xrp-replace-correspondent-banks-this-bank-says-yes>.

⁵⁸ See, e.g., Lucinda Shen, "Here's why Bank of America has filed nearly 50 blockchain-related patents," FORTUNE (Jun. 20, 2018); available at <http://fortune.com/2018/06/20/bank-of-america-blockchain-patent-why/>; Michael J. de La Merced & Nathaniel Popper, "JPMorgan Chase Moves to Be First Big U.S. Bank With Its Own Cryptocurrency," N.Y. TIMES (Feb. 14, 2019).

blockchain technology “is an evolving technology that has yet to prove it is sufficiently robust to achieve wide-scale operation.”⁵⁹ This same report further explained, “[r]ecent studies of the application of this technology to payments by central banks and others have identified a number of technical, legal, and regulatory obstacles that will take time to overcome. It could thus be a while before the use of [distributed ledger technology] results in significant improvement to cross-border retail payments.”⁶⁰

IV. Potential Regulatory Solutions

For the reasons stated above, the Associations urge the Bureau to grant depository institutions relief to allow them to continue to serve their customers’ remittance transfer needs without interruption. EFTA sections 904(a) and (c) allow the Bureau to adopt “classifications, differentiations, or other provisions, and ... provide for such adjustments or exceptions for any class of ... remittance transfers that the Bureau deems necessary or proper to effectuate the purposes of the title ... or to facilitate compliance” and EFTA section 919(c) allows exceptions “when the method by which transactions are made in the recipient country do not allow” accurate disclosures.⁶¹ As most estimation occurs for fees rather than exchange rates, specific country or currency specific exceptions may help some transfers, but not all. Just as the Bureau has appropriately used its authority to modify requirements of the Remittance Rule to aid compliance, including removing other burdens for banks sending open network transfers, it should do so again here. If the Bureau is unwilling to provide broad relief as outlined in section IV.B., below, the Associations suggest some more targeted relief options in section IV.B and C., below, that would address some, but not all of the problems identified in this letter.

With any of the suggested solutions discussed below, the Associations recognize the importance of ensuring that banks do not abuse such solutions and continue to improve aspects of open network transfers so that exact disclosures are provided where feasible.

A. Recognize Bank-Provided, Open Network Transfers as a Category of Remittance Transfers with Different Disclosure Requirements

The simplest way to resolve the Temporary Exception’s pending impact on the remittance marketplace is for the Bureau to recognize the unique nature of bank-provided remittance transfers and use its EFTA section 904(c) authority to create a new category of remittance transfers for which estimated disclosures are permissible. Specifically, the Associations suggest the Bureau permit a bank to provide estimated disclosures for open network transfers in which the bank cannot reasonably know the covered third party fees that would apply to the transfer and/or cannot reasonably know the exchange rate. In commentary, the Bureau could establish the circumstances in which a bank “cannot reasonably know” covered third party fees and exchange rates. For example, the Bureau could say a bank that maintains

⁵⁹ See CPMI Report at 24.

⁶⁰ *Id.* at 29.

⁶¹ See also Dodd-Frank section 1021 (one of the Bureau’s purposes is to ensure that “outdated, unnecessary, or unduly burdensome regulations are regularly identified and addressed in order to reduce unwarranted regulatory burdens”). Applying section 1021 to remittances, the Bureau should note the disproportionately small impact on consumers of receiving estimated disclosures as compared to the substantial impact of loss of service due to excessive regulatory burden created if insured institutions are unable to estimate.

commercially-appropriate numbers of RMA relationships (directly or through another U.S. correspondent bank) and conducts foreign exchange in a commercially-appropriate number of foreign currencies (directly or through another U.S. correspondent bank or service provider) could be permitted to estimate where those relationships cannot guarantee pricing for a particular remittance transfer.

The 6.4 percent of bank-sent remittance transfers at issue are unique and consumers who send them may not be able to find a reasonable substitute. Bank-sent remittance transfers are, on average, substantially higher value transfers than those sent by non-banks and, as noted above, non-bank providers do not offer comparable services to fill the gaps left were the Bureau not to take action.⁶² Banks want to continue to allow their customers to send account-to-account transfers to virtually any account in the world in amounts they choose. Eliminating this option through the expiration of the Temporary Exception would cause some consumers to be without a viable alternative. Further, permitting broad relief for bank-sent remittance transfers will have a minimal impact on the overall marketplace.⁶³ The vast majority of consumers will still receive exact disclosures, but a small but important segment of consumers will continue to be able to use banks as their remittance transfer service providers of choice. As discussed previously, current bank estimates are close to the exact covered third party fees and exchange rates ultimately imposed. The Bureau's estimation methodologies are quite specific and intended to produce near-accurate disclosures.⁶⁴ Unsurprisingly and as noted, the Associations are aware of no consumer harm or dissatisfaction with receiving estimates instead of exact disclosures.

The Bureau has a long history of recognizing the unique challenges of insured institutions in sending remittance transfers through an open network and making appropriate adjustments to the Rule.⁶⁵ The evidence here supports similar action.⁶⁶

B. Broader Methods Exception to Address Covered Third Party Fee Issues

If the Bureau declines to propose broad relief, the Associations suggest the Bureau broaden its methods exception to address lifting fee disclosure issues. The Bureau can exercise its authority under EFTA section 919(c) to cover wire transfers as a method that does not allow the sending bank or its correspondent to disclose exact lifting fees. The current methods

⁶² For example, TransferWise can send transfers to accounts in 49 countries and limits transfer size to \$5,000 (<https://transferwise.com/help/11/getting-started/2571942/what-countries-can-i-send-to>), Xoom can send to accounts in 30 countries and limits transfer size to \$10,000 (<https://www.xoom.com/international-money-transfer>), Western Union appears to be able to send transfers to accounts in 30 countries and limits transfer size to \$5,000 (<https://www.westernunion.com/us/en/send-money/app/start>).

⁶³ As the Bureau observed, "MSBs have a much bigger effect across the market than banks and credit unions on the consumer experience of sending a remittance transfer and on the price of the average transfer." Assessment at 64.

⁶⁴ See 12 CFR 1005.32(c).

⁶⁵ The Bureau has adjusted the Remittance Rule on multiple occasions to reflect challenges banks face in sending open network transfers including when it made optional the requirement to disclose recipient bank fees, (§ 1005.30(h)(2)) and foreign taxes (§ 1005.31(b)(1)(ii)). The Bureau also excluded incorrect account numbers from the definition of error (§ 1005.33(a)(1)(iv)(D)).

⁶⁶ The Federal Reserve Board used this authority to exclude large value transactions from Regulation Z.

exception applies only to remittance transfers sent via FedGlobal ACH Payments.⁶⁷ EFTA does not require the Bureau to limit the methods exception to international ACH. EFTA section 919(c) expressly permits the Bureau to develop a broader exception to cover other methods. The Bureau could allow a bank's estimation of covered third party fees for remittance transfer sent through an open network when the bank or its correspondent does not have a direct RMA with the beneficiary bank. This is a "method" of transfer just as international ACH is a method of transfer. By broadening the exception, the Bureau would level the playing field for all open network transfers and afford this method the flexibility contemplated by the statute.

Neither of the reasons the Bureau cited in 2012 when it declined a similar (but broader) exception applies now. First, the Bureau said that a broad exception would render meaningless the phrase in EFTA section 919(c) that the exception relate to "methods of transfer in a recipient country."⁶⁸ The Bureau then stated that correspondent banking is "not a method that is particular to a specific country or group of countries."⁶⁹ This is an overly narrow interpretation of EFTA that disregards the substantial varying practices involved in correspondent banking from country-to-country. Law and custom in specific corridors makes knowing lifting fees difficult. If worldwide practice was the same, disclosure of lifting fees would be always possible or impossible, rather than only possible in certain circumstances. Thus, the Bureau can interpret the phrase "methods of transfer in a recipient country" to include, for example, open network transfers to countries in which U.S. banks limit their direct correspondent account and RMA relationships due to high AML concerns, countries where local banks are unwilling to enter into RMAs with U.S. banks, countries where local banks' practice is to disregard OUR codes, and countries where few local banks participate in SWIFT. The Bureau should not handicap the global reach of correspondent banking for being a solution that operates within the confines of local practices and challenges as compared to ACH, which is available in a limited number of countries and requires negotiated arrangements between ACH systems to support international payments. Second, the Bureau asserted, "the application of the permanent exception to international wire transfers and ACH transactions generally would make the temporary exception superfluous."⁷⁰ That reason is not relevant after the Temporary Exception expires.

C. Suggestions for Addressing Exchange Rate Issues.

1.Adjust the Countries List—Content & Procedure.

To allow banks to continue to estimate exchange rates, the Bureau should revamp its administration of the Countries List Exception.⁷¹ Under the current structure, the Bureau solicits feedback from the public for inclusion of additional countries on its list. The Associations suggest that to allow more flexibility, the Bureau loosen and revise the requirements for the Bureau to add a country to the list.

⁶⁷ Specifically, transfers sent via international ACH on terms negotiated between the U.S. government and the recipient country's government, under which the exchange rate is a rate set by the recipient country's central bank or other governmental authority after the provider sends the remittance transfer. Comment 32(b)(1)-3.

⁶⁸ 77 FR 6193, 6245 (Feb. 7, 2012).

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ See 78 FR 66251 (Nov. 11, 2013) (publishing the Bureau's September 2012 list in the *Federal Register*).

2. Permit Providers to Rely on Their Own Determinations.

The Remittance Rule theoretically provides two ways for a provider to disclose estimates as a result of the laws in a particular country: the provider either makes the determination itself or relies on the Bureau's safe harbor list.⁷² In practice, the Associations' members do not rely on the first method because they are concerned regulators would take a dim view of their disclosing estimates for transfers to countries the Bureau did not include on the list. In other words, if the Bureau has not itself determined a country's laws make disclosure impossible, banks are uncomfortable making the determination on their own. The Bureau should revise this provision to make clear to remittance transfer providers that if they have a good faith basis to believe the laws of a country do not permit a determination of exact amounts, they can rely on this exception even if the country at issue is not on the Bureau's safe harbor list. This would allow providers to use this exception as intended.⁷³

3. Change Process for Including Countries on the Countries List

The Bureau should also make it easier to add countries to its Countries List. Currently, the Bureau must be satisfied that the law of the particular country does not allow a provider to know the exchange rate. The Associations note, based on past requests, that such a showing is challenging because some countries' laws can be difficult to know or understand given different languages, legal systems, and the absence of verifiable statements of law in the format we typically expect in the United States. In bankers' experience, local practice in some countries varies from what the law of that country might say in ways that may be hard to prove but are plainly experienced on the ground. In such cases, it may be impossible for providers to present enough evidence to satisfy the Bureau's current standards to add that country to the existing list.

Given these challenges, the Bureau should explore how to make it easier to add countries. The Bureau could, for example, consider establishing an evidentiary floor that, if satisfied, would qualify a country for inclusion on the list.⁷⁴ Similarly, the Bureau could include countries for which providers have a reasonable basis to conclude should be included unless and until the Bureau determines otherwise. Finally, the Bureau could publish its reasoning for denying a request to add a country and allow an interested party to contest that determination. While they would not address all of the Associations' concerns, these changes would allow the list to be more reflective of actual challenges providers face in certain countries, and make the Bureau's process of adding countries more transparent.

⁷² 12 CFR 1005.32(b).

⁷³ Additionally, currency challenges can occur quickly given changing local and geopolitical situations. A bank may have trouble for a short period with a particular currency. As currently designed, the Bureau's process does not appear to allow for these sudden changes.

⁷⁴ Such documentation could include: (a) copy of the country's law or regulations, (b) interpretive statement from a regulatory authority or central bank regarding the country's laws or regulations, (c) explanatory letter from an established local banker, lawyer, or trade association explaining how the country's laws are applied, (d) statement from trade or standards-setting organization about the application of a country's laws.

4.Currency Methods Exception

The Associations also suggest that the Bureau adopt a new methods exception to address situations where local customs and practices, rather than specific laws, prevent banks from disclosing an exact exchange rate. In many cases, local customs or practices may make foreign exchange outside the United States difficult or impossible even if these restrictions are not in the law. For some currencies, the market is too small and illiquid, which makes maintenance of an exchange rate desk in the United States difficult or impossible. For others, it may not be economically viable for a correspondent bank to conduct foreign exchange for other reasons including that some currencies may just simply be hard or expensive to purchase. To allow banks to continue to make transfers that involve such currencies, the Bureau should adopt a new EFTA section 919(c) exception that would permit estimation for any transfer that involves exchanging a foreign currency if the remittance transfer provider or its foreign currency provider is unable to conduct the foreign exchange in the ordinary course of its business.⁷⁵ Because correspondents' foreign currency coverage would remain the same, this exception would not result in an increase in estimation.

D. Timing Considerations

The Associations understand that whatever determination the Bureau makes with respect to the sunset of the Temporary Exception, any changes to the Rule are unlikely to be final and published until late 2019 or possibly early 2020. Until banks know what relief the Bureau will provide, they cannot begin to implement any changes. Given the complexities of determining how a final rule will affect services to consumers and other banks, the need to communicate those impacts to customers, and to create new procedures and training to enable compliance, Association members estimate they will need one year to implement any changes to the Remittance Rule. Therefore, if the Bureau does not adopt changes to the Remittance Rule that would maintain the status quo, the Associations request the Bureau adopt a *one-year* transition rule providing a compliance safe harbor for banks' good faith implementation and compliance efforts while they adjust to any regulatory changes or otherwise revise their service offerings.

⁷⁵ This would comply with EFTA section 919(c)'s requirement that the "method by which transactions are made in a recipient country" necessitate the exception because currency issues are usually country-specific.

* * *

Thank you for your consideration and review of this comment letter. If you have any questions or wish to discuss this letter, please do not hesitate to contact any of the undersigned.

Sincerely,

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Appendix A Description of Trade Associations

The Clearing House

Since its founding in 1853, The Clearing House has delivered safe and reliable payments systems, facilitated bank-led payments innovation, and provided thought leadership on strategic payments issues.

Today, The Clearing House is the only private-sector ACH and wire operator in the United States, clearing and settling nearly \$2 trillion in U.S. dollar payments each day, representing half of all commercial ACH and wire volume. It continues to leverage its unique capabilities to support bank-led innovation, including launching RTP®, a real-time payment system that modernizes core payments capabilities for all U.S. financial institutions. As the country's oldest banking trade association, The Clearing House also provides informed advocacy and thought leadership on critical payments-related issues facing financial institutions today. The Clearing House is owned by 25 financial institutions and supports hundreds of banks and credit unions through its core systems and related services.

The American Bankers Association

The American Bankers Association is the voice of the nation's \$18 trillion banking industry, which is composed of small, regional, and large banks that together employ more than 2 million people, safeguard nearly \$14 trillion in deposits, and extend more than \$10 trillion in loans. Learn more at www.aba.com.

The Consumer Bankers Association

The Consumer Bankers Association is the only national financial trade group focused exclusively on retail banking and personal financial services—banking services geared toward consumers and small businesses. As the recognized voice on retail banking issues, CBA provides leadership, education, research, and federal representation for its members. CBA members include the nation's largest bank holding companies as well as regional and super-community banks that collectively hold two-thirds of the total assets of depository institutions.

BAFT (The Bankers Association for Finance and Trade)

BAFT is a financial services trade association whose membership includes large global and regional banks, service providers, and fintech companies headquartered around the world. BAFT provides advocacy, thought leadership, education, and a global forum for its members in transaction banking, including international trade finance and payments. For nearly a century, BAFT has expanded markets, shaped policy, developed business solutions, and preserved the safety and soundness of the global financial system. Learn more at <http://www.baft.org>.

Appendix B
Foreign Countries that generally do not honor OUR codes
for foreign currency transactions⁷⁶

Argentina
Australia
British Virgin Islands
Canada
Cayman Islands
Chile
East Timor
Ecuador
El Salvador
Federated States of Micronesia
Iceland
Iraq
Japan
Kosovo
The Marshall Islands
Moldova
Montenegro
Palau
Philippines
Serbia
Taiwan
Thailand
Turks & Caicos Islands
Zimbabwe

⁷⁶ This list is informed by submissions from certain of the Associations' members. It is not exhaustive and does not necessarily reflect the ability of any one Association member to rely on an OUR code.

Appendix C
Currencies that Pose Foreign Exchange Challenges⁷⁷

Argentine peso
Brazilian real
Chilean peso
Chinese renminbi
Columbian peso
Costa Rican colon
Egyptian pound
Guatemalan quetzal
Kazakhstani tenge
Indian rupee
Indonesian rupiah
Malaysian ringgit
Nigerian Naira
Philippine peso
Peruvian nuevo sol
South Korean won
Taiwanese dollar
Uruguayan peso
Vietnamese dong

⁷⁷ This list is informed by submissions from certain of the Associations' members. It is not exhaustive and does not necessarily reflect all Association members' foreign currency capabilities.

Appendix D
International ACH Participating Countries and Available Currencies

Participating Countries

Australia
Austria
Belgium
Bulgaria
Canada⁷⁸
Croatia
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Greece
Hong Kong
Hungary
Iceland
India
Ireland
Italy
Latvia
Liechtenstein
Lithuania
Luxembourg
Malta
Monaco
Mexico
The Netherlands
New Zealand
Norway
Philippines
Poland
Portugal
Romania
San Marino
Singapore
Slovakia
Spain
Sweden
Switzerland
United Kingdom

Foreign Currencies

Australian dollar
Canadian dollar
Euro
Hong Kong dollar
Indian rupee
Mexican peso
New Zealand dollar
Philippine peso
United States dollar

⁷⁸ Canada participates only via FedGlobal.