

GLOBAL REMITTANCES WORKING GROUP
IMPLEMENTING THE CPSS–WORLD BANK GENERAL PRINCIPLES FOR
INTERNATIONAL REMITTANCE SERVICES

THE WORLD BANK GROUP

REMITTANCE PRICE COMPARISON DATABASES

MINIMUM REQUIREMENTS AND
OVERALL POLICY STRATEGY

Guidance and Special-Purpose Note

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This document has been prepared by the World Bank in consultation with the Public and Private Partnership on Remittances and with the contribution of the International Advisory Committee of the Global Remittances Working Group (GRWG). It is intended to become a Guidance Note and to be published on the GRWG Web page.



REMITTANCE PRICE COMPARISON DATABASES

International organizations and individual countries have addressed remittances from many different points of view in the last few years, taking into consideration all the many aspects of this economic and social phenomenon.

The World Bank and the Committee on Payment and Settlement Systems of the Bank for International Settlements concentrated their activities on the payment system aspects of remittances, aiming at clarifying the crucial mechanisms that allow the creation of safe, efficient, and low-priced markets for remittances in each country and worldwide.

The joint effort led to the production of “General Principles for International Remittance Services,” a report created by a task force consisting of representatives from international financial institutions involved in remittances and from central banks in both sending and receiving countries.¹ The report provides an analysis of the payment system aspects of remittances and establishes general principles designed to assist countries in improving the market for remittance services.

The general principles have not been created to impose strict regulations but rather to advise countries. The application of the principles should help in achieving

the public policy objectives of safe and efficient international remittance services, which require the markets for the services to be contestable, transparent, accessible, and sound.

Since their publication, the general principles have received international recognition by multilaterals, donors, and other international organizations and groups. The G-20, the Financial Stability Forum, and the G8 have officially endorsed the general principles and have urged countries to adopt them and make the efforts necessary to implement the recommendations and actions outlined in the report.

IMPORTANCE OF TRANSPARENCY

In particular, General Principle 1 insists on the fundamental role of full information and transparency in the market.² Transparency enables migrants to acquire all the information needed to make informed decisions about available services. At the same time, it helps push actors competing in the market toward efficiency and lower costs.

¹The report is available at www.worldbank.org/paymentsystems.

²General Principle 1, on transparency and consumer protection, states: “The market for remittance services should be transparent and have adequate consumer protection.”

In the remittance market, the final cost of transfers is determined by two elements:

- The fees charged at any stage of the transaction
- The exchange rate used to convert the local currency into the currency of the destination country

However, the impact of these two factors on the cost of transfers is not easy to calculate by consumers, who are, in most cases, low-income migrants lacking specific financial education and with limited ability to make informed comparisons. Language barriers and time constraints also affect their decision-making capability.

In an ideal world, all remittance service providers (RSPs) should provide detailed information about their services; this information should be easy to obtain and displayed in a comprehensible form.

Government authorities and others should strive to provide greater transparency and to ensure that senders and receivers understand the information provided. They can increase awareness of the real cost of sending remittances by publishing and disseminating comparative tables and data on the different services available in the market. Brochures and contact points in embassies and consulates should be considered as possible mechanisms for delivering this information. Newspapers and local media such as radio and TV can reach migrants and their families efficiently and in their own languages.

REMITTANCE DATABASES

One of the most efficient means to improve the transparency of the market for remittances is the creation of publicly available databases containing detailed information on the cost of remitting in particular corridors.

Price comparison tables enable remitters to see at a glance how much their beneficiaries will receive, taking into account both the commission charged and the exchange rate applied.

Over the last four years, a number of remittance price comparison databases have been developed, usually in the form of Web sites. They provide information to consumers who wish to send money home for many countries around the world. Consumers can go to one of these Web sites, enter the name of the country they wish to send money to, and receive information on the main RSP. In addition to fees and foreign exchange rates for two price points, the information provided includes the time it takes to make the transaction and the method of transfer. In most instances, the amount the receiver will collect is shown in the local currency. A variety of general information is also often available, such as links to diaspora sites, contact details for consulates and immigration offices, and specific news items concerning the remitter's country of origin.

To assist those many migrants who may not have access to the Internet, it is recommended that the same data be displayed in brochures, local and ethnic press, and other media. Awareness campaigns and meetings with migrant communities can increase both the use of the Web sites and the number of people who are aware of the availability of this information. Such efforts have been successfully undertaken in Mexico and other countries in Latin America and have greatly increased the utility of the information provided online and through other means.

Except for two private sector sites in the United Kingdom, all of the remittance price comparison sites that are currently available are government sponsored. The governments of the United Kingdom and Mexico (the only receiving market to have a site) pioneered the field; the following countries also now have government-sponsored sites: France, Germany, Italy, the

NATIONAL REMITTANCE DATABASES AVAILABLE ONLINE

- France: www.voidargent.org
- Germany: www.geldtransfair.de
- Italy: www.mandasoldiacasa.it
- Mexico: www.remesamex.gob.mx
- Norway: www.sendepenger.no
- The Netherlands: www.geldnaarhuis.nl
- Australia: www.sendmoneypacific.org
- New Zealand: www.sendmoneypacific.org
- UK private sector: www.moneymove.org; www.sendmoneyhome.org

Netherlands, Australia, and New Zealand. These governments have recognized the development value of remittances and the potential impact that providing a tool to increase transparency will bring. Government sponsorship has been essential in starting these projects because the private sector has generally not had sufficient financial incentive to justify building a Web site.

In September 2008, the World Bank launched its online Remittance Prices Worldwide database,³ which shows costs for remittances in 165 corridors. This global database provides data on the cost of sending and receiving small amounts of money from one country to another; its data are collected via a structured methodology that enables remittance prices to be gathered at predefined periods (for example, every four to six months).

The aim of this database is to provide a global benchmark to assess trends in remittance prices over time. It also allows for comparisons in the price competitiveness of remittance services across different markets and corridors.

³Available at <http://remittanceprices.worldbank.org>.

The Remittance Prices Worldwide database gives costs in the sender's local currency as well as with a U.S. dollar equivalent. Costs for two amounts—\$200 and \$500—are collected. To facilitate comparisons over time and to take exchange rate fluctuations into account, the database will always use the \$200 and \$500 benchmarks, and the data displayed will be the result of the adjustment to the local currency amount.

Currently, the 165 corridors covered include 23 major remittance-sending countries and 83 receiving countries, accounting for about 60 percent of total remittances to developing countries. In the majority of cases, data have been acquired for the main sending location/area for each corridor to the capital or most populous city in the receiving market.

The data in the database were collected by contacting individual RSPs within each corridor and posing as customers. To control for fluctuations in exchange rates and other changes in fee structures, data were collected within each corridor on the same day; the most recent update to the database—its third—was made in March 2010. The database thus provides a snapshot of the cost of remitting at a specific point in time. Users can obtain data for previous dates as well, thus allowing pricing trends over time to be displayed.⁴

The Remittance Prices Worldwide database receives thousands of visits on a monthly basis, and is among the top 50 most popular World Bank Group sites out of a total of 1,800 tracked sites.

Many RSPs that have not been included in the database because of their low market share in a specific corridor have specifically requested inclusion in future iterations, and agree to be tested by “mystery shopping.” This will increase the database's coverage of the

⁴Additional details on the methodology used for collecting data are available at <http://remittanceprices.worldbank.org/Methodology/>.

players in the market, allowing it to provide further details on operators that, in many cases, have been shown to offer remittance services at prices below the average for a specific corridor.

The data available in the Remittance Prices Worldwide database allows for several kinds of comparisons to be made:

- Between operators in the same corridor
- Between different corridors in the same sending market
- Between different sending countries to the same receiving country and, more broadly, between countries

Further comparisons can be made according to the amount sent (\$200 or \$500 and the local currency equivalent) or according to when the data were collected. The data enable the World Bank and others to understand the dynamics of the various markets in each of the 165 corridors and how to direct their efforts to achieve the greatest level of effectiveness in reducing the cost of remittances. It also provides national authorities of the countries analyzed with a snapshot of their national markets for remittances, thus shedding light on possible inefficiencies. The information also affords governments an opportunity to monitor the effects of policy actions aimed at reducing the costs of sending remittances.

Preliminary analysis of the first two iterations of the database and anecdotal evidence suggest that the database is contributing to enhanced competition in some markets.

NEED FOR STANDARDIZATION

While many of the national Web sites have been inspired from the same source, most have been developed in isolation, and the methodologies and content vary among them. For example, in some countries the site was considered a by-product of a study to benchmark costs on a one-off basis; in others, it was explicitly seen as a tool to help lower remittance costs. As a result, most of the sites do not employ a consistent methodology. In addition, best practices have not been shared.

A number of governments and intergovernmental bodies are currently considering developing their own databases, and the World Bank is engaged in close dialogue with many of them to ensure that the methodology is consistent with some minimum requirements that would allow the data extracted from these Web sites to be cross-comparable and reliable. In doing so, the World Bank is urging national governments to adopt an approach that is customer oriented and enables frequent updates.

These developments are welcome, as they increase the amount of potentially transparent information available to consumers. It would be helpful for those organizations that wish to develop sites to have an established methodology that would make database development easier and faster and allow them to come online quicker. The availability of consistent data would support international institutions and national authorities in their efforts to improve the collection of data on remittances. And, because remitters are reasonably mobile and move between countries, it would be helpful for them to see information on the cost of remittances displayed in a consistent format.

The Web sites would have two different types of users, depending on the information they need to obtain from the available data:

- Migrants and consumers in general will browse the databases looking for reliable and updated information on the cheapest and fastest services available; they may be seeking alternatives to the RSP they currently use.
- Governments, development organizations, nongovernmental organizations, universities, RSPs, and others might be interested in trend data, benchmarks, references, and information on specific corridors to assist in policy formation and to foster greater competition.

A common methodology would enable sites to be linked and listed prominently in the World Bank Remittance Prices Worldwide database so that information can be shared by a wider audience in more countries.

IMPACT OF THE DATABASES

Remittance price comparison databases are a relatively new phenomenon. Many of the sites have been in existence for less than two years, and the earliest known examples are only four years old.

The methodologies used to collect data vary substantially. Several government-sponsored sites do not currently collect any foreign exchange information, and the frequency of data updates is inconsistent across sites. In addition, many of the sites do not collect data on a mystery shopping basis but instead rely on the operators for this information.

These factors make it challenging to produce valid data to measure the impact the databases can have. In addition, while remittance price databases can have a positive impact on pricing, other factors—including changes in the competition structure in the markets—will also have an impact.

TOTAL COST TO THE CONSUMER TO TRANSFER £100 FROM THE UNITED KINGDOM IN 2005–07 AND 2009

Recipient country	2005–07				2009				Change (%)		
	Date collected	Fee	Foreign exchange	Total cost	Date collected	Fee	Foreign exchange	Total cost	Fee	Foreign exchange	Total cost
Bangladesh	7/1/05	11.64	6.77	18.41	2/10/09	4.80	1.80	6.60	-58.8	-73.4	-64.1
China	7/1/05	16.87	6.78	23.65	2/10/09	7.95	1.74	9.69	-52.9	-74.3	-59.0
Ghana	1/2/07	7.46	3.93	11.39	2/10/09	4.46	3.03	7.49	-40.2	-22.9	-34.2
India	3/1/06	13.16	3.31	16.47	2/10/09	5.28	1.87	7.15	-59.9	-43.5	-56.6
Kenya	6/1/07	10.27	4.63	14.90	2/10/09	5.92	2.50	8.42	-42.4	-46.0	-43.5
Nigeria	7/1/05	6.14	3.96	10.10	2/10/09	5.71	1.44	7.15	-7.0	-63.6	-29.2
Average		10.92	4.90	15.82		5.69	2.06	7.75	-43.52	-53.97	-47.78

Sources: 2005 data are from DfID sendmoneyhome leaflets; 2009 data are from www.moneymove.org.

Nonetheless, it is possible to demonstrate the beneficial impact databases can have. In this context, the experience of the United Kingdom between 2005 and 2009 is instructive. In 2005, the U.K. Department for International Development (DfID) launched a remittance price database, www.sendmoneyhome.org. Initially, the site used a mystery shopping approach which enabled data to be gathered using a reasonably consistent methodology. (Since DfID support for the database ended, the site has adopted a more commercial approach and does not, for example, carry data from the two largest RSPs.) In 2007, a separate site, www.moneymove.org, was established. This site uses a methodology more in line with that used by the World Bank's Remittance Prices Worldwide database.

It is not possible to obtain comparable data on the change in the price of remittances between 2005 and 2009 in the United Kingdom from the same source. However, data obtained from two different sources are presented in the table below. The table displays remittance costs collected for DfID in 2005–07 and, for the same corridors but using a different approach, in February 2009.

The data show the average cost in pounds (including fee and foreign exchange) required to transfer £100 from the United Kingdom to each corridor at two particular points in time. The averages were calculated as an unweighted average of all the operators that were researched. Note that there were more operators in each corridor in 2009 than in 2005–07; the results should therefore be treated as indicative only.

Nonetheless, the order of magnitude of the differences is highly significant. The cost to a consumer of a remittance transaction within the six corridors presented has declined, subject to the caveats mentioned above, by an average of about 48 percent. Of the possible factors that could have led to such a decrease, the introduction and promotion of price comparison databases

is considered to have had an impact. Other factors—such as new companies entering the market, increased consumer understanding of remittance pricing, new products, and so on—also play a role.

The key areas in which the price databases will have made a major impact are in bringing greater transparency to the market and in changing RSP behavior. RSPs have, for example, changed fee levels more regularly, since this information is now readily available to consumers.

Data for other markets with price comparison databases are not available at this point. The databases in Australia and New Zealand, which were launched in March 2009, have established baseline prices so that changes over time can be identified, as in the Remittance Prices Worldwide database.

DESIGNING NATIONAL DATABASES

National remittance price databases should contain information that is useful to consumers, legislators, development agencies, and other stakeholders. Also, the data should be collected and displayed in a manner that is consistent across the various sites and with the Remittance Prices Worldwide database. Additional information could be provided about the speed of the transfer and about the network coverage of the RSPs in any single corridor. Such information should be standardized so customers can rank RSPs on the basis of various criteria. Alongside this need for standardization is the equally important consideration that the design of each individual site reflect its own identity and that of its users in its cultural, environmental, and geographic features.

Information on additional costs for remittance recipients in remote or rural areas, as well as on special offers for specific periods or holidays during the year, would provide customers with useful tools in making a more

informed choice. This information could be included in the Web sites to address specific needs in individual countries and areas.

MINIMUM DATABASE REQUIREMENTS

Through the experience gained during implementation of the various phases of the Remittance Prices Worldwide database, the World Bank has developed a comprehensive methodology for the creation of remittance price databases. This methodology includes both minimum mandatory requirements (discussed in this section) and optional elements (discussed in the next) that should be considered in the creation of national databases.

The World Bank will adhere to these requirements in designing and implementing national databases in the context of its provision of technical assistance to governments and national authorities. It will also apply

them in analyzing the potential for linking its database to one designed and implemented by other authorities or entities. (See “Linkage to the Remittance Prices Worldwide Database” at the end of this paper.)

Data Should Be Collected for a Minimum of Two Price Points

It is important to collect data that is as representative as possible of the circumstances of the remitter. Therefore, as a minimum, information on two price points should be collected. The recommended data points are the average value (mean) in a corridor and the most frequently sent amount (the mode). Establishing these values is challenging in many corridors, as the information does not exist or, where it does exist, it is not complete. Organizations should use all methods possible to establish these levels including holding discussions with RSPs.

As a default, the World Bank database collects data on the local currency equivalents of \$200 and \$500 for each corridor that it surveys. In the absence of any additional local data being available, these values can be used as a proxy for the mean and the mode. Organizations that wish to consider developing remittance price comparison sites are encouraged to add other price points in addition to these if their resources allow and the data can be collected in a consistent manner. (See discussion below under “Optional Elements of National Databases.”)

Data Should Be Collected on Sending Side Fee(s)

This price element is the most visible cost to a consumer, and the database must collect this information from each RSP. When collecting the data, it would be helpful to note whether the fee is based on a percentage of the value being sent or is a fixed fee.

KEY MINIMUM MANDATORY REQUIREMENTS OF A NATIONAL REMITTANCE PRICE DATABASE

- Two price points at minimum
- Sender fees included
- Exchange rate included
- Total costs clearly identified/displayed
- Speed of transaction noted
- Type of transfer service noted
- Minimum of 60% of market coverage per corridor
- Independence of the researchers
- Validation through “mystery shopping” exercises
- No advertisements
- No subscription policy; clear funding process
- Linkage with other World Bank–approved databases

Consumers must know if there are any other fees for sending a remittance. With the introduction of new methods of remitting money—for example, prepaid cards—there may be a number of new categories of fees that need to be taken into account, such as monthly account fees or load fees.⁵ The relevant fee information should be gathered, and consideration given as to how this should be shown. It is recommended that fee information be displayed as a percentage of the transaction value as well as the currency value to make it easier for all interested parties to make comparisons.

Any potential fees on the receiving side should be noted. Different RSPs adopt different charging models. Some remittances have a fee deducted from the amount the receiver will obtain. It is important to establish whether the sending RSP is able to confirm whether any fees are to be deducted and, if so, at what level. This area of cost to the consumer can be hidden at the time of the transaction but should have an influence on the consumer's choice. If the information is not available, the operator is not providing a transparent service.

Investigations in this area are particularly important when researching services sent via banks, as there are a number of charging conventions banks use when sending money internationally which may lead to additional expense for consumers. Specific mention should be made when remittance products are linked to bank accounts, as they might imply costs or advantages that are not easily accountable and identifiable, such as fixed costs for account management or promotional tariffs and exchange rates for account holders.

⁵A monthly fee could be charged in the case of prepaid cards. As remittances are usually sent on a monthly basis, the related fee should be included as an element of the total cost.

The Exchange Rate Applied Should Be Noted

Because the majority of remittance transactions are paid in local currencies, they require an exchange operation. Most international remittance operations will thus entail a currency exchange cost as part of the transaction. Foreign exchange rates can differ significantly among RSPs, and many use the exchange rates to compete with each other and earn additional revenues. Remitters do not always find it easy to compare exchange rates or to understand that exchange rates vary among operators. Additionally, many consumers not understand that there is a cost involved in currency exchange. It is therefore essential that the exchange rate that is to be applied to a transaction is understood and disclosed.

Some operators are not able to provide information on an exchange rate. This may be for structural reasons or because the rate is applied by the RSP handling the receiving part of the transaction. In these cases, further research should be undertaken to, at a minimum, confirm the process used to establish the applied exchange rate.

The Total Cost of the Transaction Should Be Clearly Displayed

Migrants should be able to easily see the aggregated cost of the transaction, including fees, exchange rate margins, and any other additional costs that could be charged in either the sending or receiving country. The exact real cost might sometimes differ from that collected, due to an array of factors that could not be detected by the researchers. Such a constraint can be avoided only by validating the data through a mystery shopping process (see below). Nevertheless, the information displayed should be as complete as possible, to enable as informed and complete choice for the consumer as possible, avoiding complicated calculations for those with a lower education level. This informa-

tion is frequently not clearly displayed by RSPs, and migrants generally lack an explicit table of comparisons upon which to base their decisions. Providing the total cost of the transaction would fill this gap.

The Time Needed for the Money to Be Made Available Should Be Noted

The importance of the speed of a money transfer varies depending on the sender's needs. However, research has consistently shown that knowing the speed of a transaction is important to consumers. The time that it takes for the money to be made available to the recipient is part of the value proposition for a consumer. It may also be a measure of the reliability of an RSP's service. Research for the Remittance Prices Worldwide database has shown that it can take between 10 minutes and 6 days for money to be received within the same corridor, depending on the method being used. Establishing consistent terminology to describe how long it takes for money to be made available is also important, and the World Bank has developed a standard list.

The Transfer Option(s) Should Be Noted

The method used to transfer money (credit to bank account, cash collection, and so on) will have an impact on the transaction's cost and speed. Many RSPs offer a choice of transfer options, and each might have a different price structure. Data should be collected on those services that are important to the consumer and have a significant market share or, in the case of new technologies, have the potential to gain a large market share.

The Data Collected Should Be Representative of the Corridor

The RSPs surveyed should, in total, cover at least 60 percent of the market for a particular corridor. However, the database should, in the medium term,

aim at providing the greatest coverage possible of the market. It is essential that the information gathered be representative of the specific corridor. Thus, information will need to be collected from the RSPs that conduct the largest volume of transactions. The database will be of limited value if it only focuses on smaller operators, even if it is easier to obtain information on them.

Obtaining accurate market share information is a challenging task. The World Bank is in the process of developing a number of models and measures to aid in this activity; guidance should be sought when required. The process of measuring market share may in itself help in developing a deeper understanding of the corridor.

The Data Must Be Gathered Independently and Transparently

It is essential to maintain the integrity of the database and any associated Web site. To this end, the data must be gathered by an institution, company, or entity completely separate from the market industry, and with no current connections to any RSP being surveyed, using a transparent methodology designed to avoid any possible conflict of interest. It is important to build the trust of people who transfer money, and maintaining independence is the most powerful way to do this. The public authority, when not directly involved in the creation of the database, should at least exercise an oversight role in the process of establishing and managing the database, in order to have an independent entity that can guarantee the trustworthiness of this instrument.

A Mystery Shopping Process Should Be Used Where Necessary and Appropriate

Information should be obtained by posing as a customer, as opposed to information being provided by RSPs. In this way, the information is collected in the

same way in which a consumer would collect it. In many countries, this is best achieved by telephone; where this proves difficult, the data can be gathered by visiting RSP locations. Costs will vary depending on the method of data collection used, which will affect how often the data can be updated; this will necessitate trade-offs. However, the key principle is that the data be gathered by a mystery shopping process. To ensure the accuracy of the information displayed, it is preferable for actual transactions to be conducted, at least on a random basis. Should an RSP wish to provide information directly, that information should be independently verified.

No Advertising Should Be Allowed by Any of the Organizations in the Database

Establishing impartiality is essential to the credibility of the database. Thus, there should be no commercial relationship between the RSPs being surveyed and the database or the organization operating the database. If an RSP were seen to have the potential to benefit from a relationship with the database operator, consumers may feel misled and the validity of all the information on the site would be questioned.

Database Financing Must Be Transparent and Accountable

Companies in the database should not pay to be included, and the financing criteria behind each database must be transparent and accountable. It is essential to the database's integrity that there be total impartiality in the way the data are collected. Some financial services price comparison sites provide information only on companies that pay to be included. This circumstance has damaged consumer confidence in these sites. Therefore, in order to build the trust of all potential users and maintain a reputation for impartiality, it is recommended that RSPs not be able to influence the database content or data collection process at all.

Links to Other Approved Price Comparison Databases Should Be Established

Providing easy access to other databases built to the same standards will encourage increased usage of all the sites. Over time, this will lead to a greater understanding of the true cost of remittances and improved transparency. Links to the World Bank database will be a form of endorsement for the individual Web sites and increase the awareness and visibility of the national databases outside national borders.

OPTIONAL ELEMENTS OF NATIONAL DATABASES

The World Bank has identified a series of optional elements to be taken into consideration in the creation of national databases. The incorporation of these elements is not mandatory; however, they would add value to the databases and facilitate greater use of the information contained therein.

Frequency of Data Collection

Optimally, data would be gathered on a biweekly or monthly basis, but collection over a longer period of time is acceptable. The data collection interval will depend on the ultimate use of the national database.

KEY OPTIONAL ELEMENTS OF A NATIONAL REMITTANCE PRICE DATABASE

- Update frequency
- Number of sending and receiving locations
- Foreign exchange spread
- Total amount to be received
- Display of the market exchange rate
- Additional price points
- Information on RSPs business history
- Support to alternative products and initiatives

More frequent updates would certainly help in informing consumer choice, but might represent a degree of accuracy that is not necessarily required if the database aims primarily at creating benchmarks and serving as an instrument for scientific and statistical purposes. For national databases, the medium-term objective is the maximum update frequency possible within technical and budgetary limitations; real-time updates reflecting operator price changes as they occur are neither expected or necessary.

Number of Locations in the Sending and/or Receiving Country

The costs of sending money can differ quite significantly according to the network of each RSP at both ends of the transaction. In countries covering a wide geographical area and/or with a poor transport infrastructure, reaching the closest available RSP can entail additional costs—often as substantial as the entire cost of the remittance transaction. The national databases could include, among other information, details on the network coverage of any given RSPs.

Foreign Exchange Margin

Indicating the exchange rate margin applied by each RSP to each transaction could help consumers more readily understand the mechanism behind this element of the total cost of sending money to their families. It could also provide a further element by which to compare companies and could drive them to compete on this aspect.

Total Amount for Recipients

Information on the total amount the receiver will obtain at the completion of the transaction should be available. This measure helps people transferring money understand how much the recipient will actually receive. For many remitters, this is the easiest way for them to compare RSPs. It also enables both the

remitter and the recipient to confirm that the correct amount has been received. Also, because the measure also allows a total percentage cost of a transaction to be understood, it can be used for intercorridor and intercountry comparisons. This information can be collected from the sending RSP and checked by making a calculation using the exchange rate and fee information gathered and validating the calculation through a mystery shopping process, in order to exclude the influence of unknown or hidden costs.

Exchange Rate Applied

The interbank exchange rate or most common exchange rate applied in a given country at the time the data were collected should be provided. This information could help in clarifying to consumers the details of the transaction, as it could provide a useful reference. It would also assist RSPs in understanding the basis on which the foreign exchange margin was calculated.

Additional Price Points

In many cases, the equivalent in local currency of \$200 and \$500 may not represent the average value (mean) in a corridor and the most frequently sent amount (mode). The national database could include additional price points to address this lack.

Reliability of the RSPs

Where available, the national database could display information on any forms of certification existing at the national or international level regarding the quality and safety of the various RSPs, licensing requirements, and the reputation of the companies. In this way, the consumer could have information on aspects related to provider trustworthiness and not just on economic and logistic issues.

Related Products and Initiatives

The Web site where the database resides may serve other purposes, such as supporting financial literacy, promoting access to finance, and providing awareness campaigns for migrants, including a section on frequently asked questions (FAQs) regarding remittances and other initiatives and programs. This material should be presented in a transparent and clear way and should not affect the key minimum mandatory requirements, in particular the independency and impartiality of the data collection.

LINKAGE TO THE REMITTANCE PRICES WORLDWIDE DATABASE

Official recognition of the national Web site/database will be accorded by the World Bank after verification of its compliance with the above standards. Databases will be screened according to the above-mentioned criteria, and, if they comply with the minimum requirements, they will be approved to display a logo confirming this certification.

Formal agreement between the managers of the national database and the World Bank would lead to the exchange of reciprocal recognition; this agreement would be published in a dedicated section of the Remittance Prices Worldwide database.

