



Building a Payouts Channel for the 2020s and Beyond

GETTING ON BOARD
WITH LOCAL BANK TRANSFERS



FROM TRANSPAY'S SERIES:
ULTIMATE GUIDE TO LOCAL BANK TRANSFERS



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INTRODUCING LOCAL BANK TRANSFERS

If you want to learn about Local Bank Transfers, what they can do for your company and the basics of how to use them – you’ve come to the right place! Welcome to The Ultimate Guide to Local Bank Transfers. Here, you’ll find answers to your most pressing payouts questions.

Perhaps you’ve heard about Local Bank Transfers and know they’re important. Or maybe you’ve never heard the term and are curious to know more. Some might have the misconception that e-wallets are the only payouts option that recipients need, or that Local Bank Transfers are the same as bank wires. But Local Bank Transfers offer so many more advantages, while at the same time being incredibly simple to use and well-suited to the demands of today’s global digital economy.

ABOUT THIS GUIDE

The premise of The Ultimate Guide to Local Bank Transfers is that anyone can learn the ins and outs of Local Bank Transfers and in doing so, understand a whole lot more about the current payments ecosystem. We’ll aim to show you where Local Bank Transfers fit in, and why you should care about whether or not you offer them. You’ll get helpful advice for navigating the sometimes murky and confusing world of global mass payouts while you learn to discern between various payouts forms and their pros and cons.

The whole world is changing as the global economy becomes more interconnected, and that's causing a surge of interest in Local Bank Transfers.

With the growth of the digital economy, businesses need to make regular, mass global payouts to their recipients around the globe. Facilitating these payouts in a timely, cost-effective, secure and transparent fashion is increasingly critical for business success.

Local Bank Transfers can be used by a wide range of businesses, from payroll companies who pay out employees to publishers who pay out their affiliates. Whether your business is paying sellers, freelancers, affiliates or individuals for services or goods purchased from a global marketplace, Local Bank Transfers are an essential addition to your array of payouts offerings.

Features Used in This Guide



HEADS UP

When you see this feature, you'll know to proceed slowly and with caution, because a potential pitfall lurks here.



AND NOW A WORD FROM OUR SPONSOR

This feature will shed additional light on a subject, from Transpay's point of view.



PRO TIP

Want to do like the payouts experts do? Follow our tips and soon you'll be operating like a pro.



Glossary of Terms

Hop

The correspondent banking handoff made during the transfer of funds

Local Bank Transfers

A Local Bank Transfer is a payment structure that makes it possible to send funds from a business' bank account directly into a recipient's bank account, in the local currency of the recipient, without using the traditional bank networks. Local Bank Transfers are built on the idea that there's got to be a better way of getting money into a bank account than what has been traditionally offered by the banking system. So, enterprising payment providers went ahead and created a new way themselves.

Mass Global Payouts

Low-value, high-volume payouts sent to recipients around the globe

Payments Industry

The broader industry that encompasses both payments and payouts

Payouts Provider or Payouts Specialist

Two terms that mean the same thing, namely the company that you as sender contract with to send your payouts to recipients

Recipient

An individual or business receiving payouts

Sender

A business sending payouts globally



Welcome

In this installment in an ongoing series, we'll explore the ways in which technology has knitted together formerly isolated markets with developed markets, making distance, once a barrier to the exchange of goods and services, irrelevant. Huge, untapped markets that were formerly isolated and hard to reach are now within reach of every business. A vital part of tapping into the potential of new global markets and building successful relationships with global partners, sellers, freelancers, employees or vendors is embedding efficient and cost-effective payouts options into your broader payments program.

We'll examine the digital economy's dynamic growth, the opportunity for forward-thinking businesses to expand their reach into new markets and the significant role that a payouts channel can play in a global expansion plan.

How can you construct a global payouts channel that will help achieve your business goals for the 2020s and beyond? How can adding a Local Bank Transfer option to that channel build your brand and cement a positive relationship with your recipients? What role do tracking,

compliance and convenience play? How can you find a solution that works at a fair and reasonable cost to both you and your recipients?

We'll answer those pressing questions as well as share the latest trends in payouts and best practices when it comes to vitally important functions including compliance, risk, forex and transparency and pricing. Finally, we'll take a look at Local Bank Transfers' unparalleled ability to forge new paths for you in countries that were formerly hard to reach, in terms of payouts.



PRO TIP

For a primer on Local Bank Transfers, including their definition, their place in the payouts ecosystem, how they work and whether your business needs to offer them to recipients, see [Getting to Know Local Bank Transfers: What They Are and How They Can Work for You](#).

Exploring the Trends Driving the Dynamic New Digital Economy

The past decade has seen a sea change in the world of work and commerce. The new digital economy is spreading rapidly from Karachi, Pakistan to Lagos, Nigeria to Hanoi, Vietnam. Global freelancers and enterprising entrepreneurs are pursuing their dreams by connecting to online platforms to sell goods and services. Whether you call this phenomenon the gig economy, the digital economy, the freelance lifestyle, or something else, one thing is certain: Traditional boundaries aren't relevant to the new global digital workforce, whether they are your business partners, sellers, freelancers, employees or vendors. Thanks to the web of interconnectedness created by technology, businesses can reach previously isolated

societies more easily than ever before. The world is being propelled into an exciting future – one where work and commerce move at the speed of information on the Internet.

In a world where the partners, sellers, freelancers, employees or vendors you are seeking can choose to work on any one of multiple marketplace or e-commerce platforms, payouts can be deployed as a competitive advantage to tip the scales in your favor. Deciding which payouts options to offer means striking a balance between what is easy and convenient for your business and what is easy and convenient for your recipients.

Rigid boundaries are being washed away by wave after powerful wave of technology, making a skilled global base of partners, sellers, freelancers, employees or vendors not only possible, but a key competitive advantage. That's why faster payouts have also become a need, not simply an item on a wish list for "someday." That "someday" has already arrived!



PRO TIP

The most successful and forward-thinking global businesses have a philosophy of providing payouts options that have them meeting recipients where they are – just as they meet their customers where they are by offering multiple ways to pay.

SEEING THE BIG PICTURE BY REVIEWING DATA AND TRENDS

According to a 2017 Harvard Business School study, the ad-supported Internet ecosystem brings more than \$1 trillion to the U.S. GDP each year and is growing at a rapid rate of 20 percent a year. Included in that sector are giant marketplaces such as Upwork for freelancers or Amazon for goods, which enable consumers to buy from sellers in other countries who they would never have found otherwise.

In the U.S., not only does about 40 percent of the American workforce now make at least 40 percent of their income via gig work, that type of work is expanding, according to a 2018 survey by leading payments publication, PYMNTS, and their Gig Economy Index. It's not just Uber and Lyft drivers accounting for that 40 percent either: Gig workers are hairdressers, makeup artists, tutors and independent contractors in all sectors. And the U.S. is far from the only country with workers making significant portions of their income from gig work.

U.S. Leads Demand, Asia Leads Supply

The U.S. ranked first in terms of demand for online services, while supply is largely provided by through the Asian corridor, representing 68 percent of global freelancers. That trend is backed by data from Transpay. In 2018, Transpay's data showed that outbound payments from the U.S. increased significantly, with Pakistan and Bangladesh receiving the most principal from the U.S. in the first quarters of 2017 and 2018. Overall, outbound cross-border transactions from the U.S. processed by Transpay increased by 93 percent in the first quarter of 2018, compared with the same period of 2017, while the total transaction value, or principal, increased by 43 percent.

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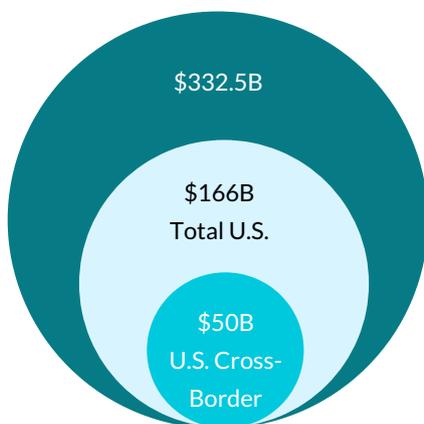
Now more than ever, selecting the right payouts partner is a first step towards creating a competitive overseas payment offering.

The amount of work done via online platforms grew 25 percent between 2016 and 2017, and the market size of business-to-consumer (B2C) for services supplied by foreign sellers represented about \$50 billion in volume. Even larger is the market for B2C marketplaces such as Amazon and Alibaba. The market size of B2C for goods supplied by foreign sellers is estimated at \$54 billion, slightly larger than that of cross-border freelance suppliers. U.S. e-commerce sales grew 16 percent from 2016 to 2017 and, globally, cross-border e-commerce is

projected to grow at twice the rate of domestic e-commerce. Global acquiring network Payvision predicts a 17% compound annual growth rate for cross-border e-commerce over the next three years and leading digital technology analyst firm Juniper Research projects that cross-border B2B transactions will exceed \$218 trillion by 2022 (up 31.2 percent from \$150 trillion in 2017). Now more than ever, selecting the right payouts partner is a first step towards creating a competitive overseas payment offering.

Global Online Labor Market

2017 Volume

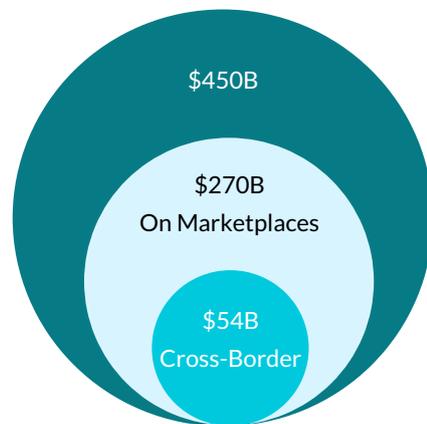


25% Growth in amount of work in online freelance platforms from 2016-2017

Source: Glenbrook Analysis

Total U.S. Retail E-commerce

2017 Volume



16% Growth in U.S. e-commerce sales from 2016-2017

Globally, cross-border e-commerce is projected to grow at twice the rate of domestic e-commerce.

Source: Glenbrook Analysis

LEARNING THE MINDSET OF POTENTIAL GLOBAL PARTNERS, SELLERS, FREELANCERS, EMPLOYEES AND VENDORS

As the free flow of goods and services becomes the norm, participants in the new digital economy grow impatient and frustrated any time that flow is impeded. The expectation has been set: Everything should move at the speed of information on the Internet. Today, gig workers can get work anywhere there is demand for their skills. When a freelancer in Pakistan performs work for a U.S.-based business, why should she or he wait for weeks to get paid, and why does the payouts process reduce the funds received by such a significant percentage? The question on many recipients' minds is: Why can't funds flow as freely as information does on the Internet?

Businesses can go a long way toward alleviating recipients' frustrations by doing their homework about payouts options. Careful evaluation of your recipient base from an accounts payable position, for example, can be enlightening in terms of understanding any inconveniences or pain points you're causing your partners when you send them a payout. Ultimately, global businesses require an array of payouts that are flexible, transparent, cost-efficient and compliant, and it doesn't take futuristic technology to deliver that — just a solid understanding of the options available and how they will play out in each market. Real innovation in payouts today isn't about using futuristic technologies.



PRO TIP

High fees, hidden fees and delayed payouts are all-too-common pain points of recipients, who often feel challenged to be able to accurately calculate the costs that they will incur for using various payouts options. Sometimes, something as simple as a calculator tool for Local Bank Transfers on a sender's website can solve the issue and help the recipient make the appropriate choice for them.

Real innovation is about ensuring the depth and breadth of reach across global geographies to ensure that no recipient is left without a method for receiving funds.

In a world that has gone beyond checks and wire transfers, there's a lot more vetting to be done on the sender's side to ensure that a solution will work for recipients while also meeting the sender's corporate goals. That need for a win-win solution for your business and your recipients across geographies, while also offering all types of last-mile options, from deposit into a bank account to cash pickup or mobile wallet, is one reason why Local Bank Transfers are on the rise.

Understanding the Rise of Local Bank Transfers

In the digital economy, your suppliers and partners are no longer located in two or three countries – instead, they are likely to be located all over the world. And while you might have the acceptance side of your payments equation well in hand, the seemingly insurmountable challenge of sending mass global payouts to a myriad of countries on a daily basis might compel you to throw your hands in the air and say, “There’s got to be a better way!”

Fortunately, there is – read on to learn why Local Bank Transfers can go a long way toward simplifying a complex challenge.

GETTING ON BOARD WITH LOCAL BANK TRANSFERS

As with trains, so go payouts. Old rails cannot accommodate the speed and efficiency demanded by modern payouts.

In 2018, New York City’s Metropolitan Transportation Authority launched a plan to modernize the city’s subway system. Unbelievably, subway trains in New York City are running on rails and switching systems that were built at the turn of the 20th century. The multi-billion-dollar, multi-year plan will completely overhaul that system to take New York into the modern era of transportation.

As with trains, so go payouts. Old rails cannot accommodate the speed and efficiency demanded by modern payouts.

In an effort to accommodate those demands, banks and nonbanks alike have undertaken projects to retrofit carbon paper-era systems to meet the demands of the new digital economy. These efforts are still very much a work in process, and their success is far from certain. Adding to the problems in retrofitting these old networks is the fact that each year, due to risk, an increasing number of correspondent banks pull out of correspondent banking networks. In fact, between 2013 and 2016, the number of correspondent banking relationships declined by 38 percent.

By contrast, during that time, the number of financial institutions rose seven percent, from 42,708 to 45,893. Accuity, a payments data and software company, forecasts the decline in relationships to continue and estimates the rate of decline to be between 15 and 20 percent from 2018 to 2022.

Against this backdrop, enterprising payouts providers, including Local Bank Transfer specialists, have forged their own rails for

sending funds around the globe, seeking ways to get money into bank accounts with fewer “hops” (a colloquialism for the correspondent banking handoffs along the way). Local Bank Transfers travel with ease on these new rails, which are specifically designed for handling global mass payouts, the hallmark of the new digital economy.



AND NOW A WORD FROM OUR SPONSOR

SEND GLOBAL PAYOUTS WITH TRANSPAY'S PROPRIETARY RAILS

Using Transpay, businesses of all sizes are able to send global mass payouts worldwide without incurring the high fees and experiencing the inefficiencies associated with wires, e-wallets and cards. Transpay accomplishes this via its Local Bank Transfer network, one of the strongest in the world. You'll reach more than 95 percent of bank accounts worldwide, skipping the middlemen while saving time and money. Local Bank Transfers ride on Transpay's proprietary rails which enables

us to execute transfers in an immediate or same-day timeframe. We offer in-house — never outsourced — compliance capabilities with KYC, AML and OFAC services. Our product is designed to easily integrate with any invoicing tool you might currently use. For the convenience of your recipients, we also offer strategic tools which you as the sender can share on your website, including a payout tracker, currency converter and cost calculator.

PAYING OUT IS AS MISSION CRITICAL AS ACCEPTING PAYMENTS

The acceptance, or “accounts receivable” side of the payments equation has already been prioritized and fully developed by businesses. That makes sense: You want your customers to be able to pay you, and it’s in your best interest to provide a range of options that makes it easy. That’s why, on the acceptance side, there has been a long journey to maturity with much investment resulting in a well-established array of options.

But what about the flip side? As a platform or merchant operating globally, you must be able to not only accept a payment, but then turn around and send a payout to the supplier of the goods or services. Those “suppliers” might be gig workers for a marketplace for services, entrepreneurs or small businesses for an e-commerce marketplace, or a manufacturer for a merchant. This payout, representing the “accounts payable” aspect of payments, should be accomplished quickly, efficiently and in the recipient’s own currency.

Reaching Developing Markets

This is where things get tricky. Increasingly, recipients such as freelancers, Uber drivers and software developers live in developing economies that are hard to reach in payments terms. The details involved in successfully getting funds to an individual while also complying with the various regulations of each country’s central bank, navigating a number of currencies and more, can make sending funds feel like a juggling act with flaming swords. The good news is that, in recent years, investment has started happening on the payouts side, and new methods for getting payouts into recipients’ hands are emerging, most notably, with Local Bank Transfers.

As a platform or merchant operating globally, you must be able to not only accept a payment, but then turn around and send a payout to the supplier of the goods or services.

ENHANCING YOUR BRAND REPUTATION

Forward-thinking payments executives understand that their role isn't limited to payments but also includes broader responsibility for building their business' brand equity. Many payments executives have begun prioritizing their brand's role in the payouts experience and are understandably reluctant to hand over the recipient relationship to a payouts provider at the stage in the relationship when the recipient is the happiest – when he or she is being paid. A Local Bank Transfer specialist can provide a white-label service, enabling senders to offer a payouts method that is often the fastest and least expensive under their own brand – not the brand of the payouts provider.



AND NOW A WORD FROM OUR SPONSOR

BUILD YOUR BRAND WITH TRANSPAY

Transpay's API and hosted portal allow you as the sender to retain full control of your recipient relationships, without ever overshadowing your brand. We pride ourselves on providing a service that can be white-labeled and acts as a brand-builder for our clients – not the other way around!

Building an Optimal Payouts Channel for the 2020s and Beyond

The signature feature of the global digital economy is providing a positive user experience, and payouts are an important element in the user experience you provide to tens, hundreds, thousands or even millions of recipients. An optimal payouts channel strikes a balance between payouts methods that are easy, convenient and cost-effective for your business, and what is easy, convenient and cost-effective for your global suppliers, freelancers, partners and more. Offering two or three well-thought-out options for your recipients to receive payouts and then executing on them proficiently will engender goodwill and brand loyalty in a world where competition for the best suppliers, freelancers, partners and more grows daily.

ENHANCING RECIPIENT SATISFACTION WITH AN OPTIMAL PAYOUTS EXPERIENCE

Common complaints from recipients include the fact that cash-flow restraints negatively impact their operations and livelihood, both in terms of time and cost. And it's true: While real-time access to funds is becoming commonplace for gig workers in the U.S., such flexibility is not commonly experienced by recipients of global mass payouts. Equally as vexing for global recipients is the issue of transaction costs. According to the World Bank, transaction costs can

reach as high as 10.9 percent of a global payout's principal. Finally, recipients are challenged to run their businesses when, due to hidden fees, the payouts they receive often differ from the amount they are owed. Imagine trying to create a profit and loss forecast when you can't know with any certainty how much you will receive! That uncertainty puts a recipient's business at a competitive disadvantage and creates a pain point between you and the recipient that is completely avoidable.

The pain points of banked recipients are only one part of the payouts equation. The World Bank estimates there are still 1.7 billion adults worldwide who do not have a bank account, and that brings up a whole new challenge. While financial inclusion is on the rise globally – the share of adults who have an account with a financial institution or mobile money service has risen globally from 62 percent to 69 percent in 2018 – unbanked adults remain a significant population. Partnering with a payouts provider who offers a cash-pickup option with a large number of locations can enable you to reach vast numbers of recipients, particularly in countries where cash is still widely used. In other countries, mobile wallet adoption is widespread, and you'll want to ensure that your payouts provider supports mobile wallets in those countries.

Today's most forward-thinking payments leaders are building payouts channels that are solving pain points of recipients. Because there is no one-size-fits-all when it comes to recipients and payouts preferences, offering two or three payouts options has become an accepted best practice, and having redundancy in payouts methods is recommended. If you view Local Bank Transfers as the foundation of your payouts offering, then other methods such as international wires, prepaid cards and e-wallets are the walls, and features that shield your business from risk such as compliance and fraud screening are the roof. What you will have constructed is an integrated payouts channel that serves and shelters your business while empowering recipients to receive funds in the way that suits their personal preferences.

Because there is no one-size-fits-all when it comes to recipients and payouts preferences, offering two or three payouts options has become an accepted best practice, and having redundancy in payouts methods is recommended.



PRO TIP

For unbanked recipients, Local Bank Transfers can serve as an important first step toward becoming banked. Simply walking into a bank to pick up a payout in cash, for example, generates a positive experience that over time can lead to recipients becoming comfortable with a bank and opening an account.

Let's take a look at the various payouts options on offer today:

CROSS-BORDER PAYOUT OPTIONS



| PAYOUT METHOD | DESCRIPTION |
|---|--|
|  Bank Wires | International payment messages that are delivered bank to bank through a correspondent bank network. One of the best-known international wire transfers is the SWIFT Wire Network. |
|  Prepaid Cards | Pre-funded payment cards that are typically sponsored by Visa or Mastercard and can be used to make purchases or cash withdrawals at ATMs. |
|  E-wallets | Virtual accounts that allow funds to be exchanged and stored in a virtual wallet. |
|  Money Transfers | Services that send and receive payments to cash agent locations. |
|  Checks | Checks are a printed form of exchanging bank-to-bank payments. |
|  Local Bank Transfers | Independently owned alternative global payout services that operate outside of the SWIFT Wire Network. |

ENSURING BEST PRACTICES IN SECURITY, COMPLIANCE, FOREIGN EXCHANGE, AND PRICING AND TRANSPARENCY

Security and Compliance

BSA (Bank Secrecy Act), AML (Anti-Money Laundering), OFAC (Office of Foreign Asset Control), KYC (Know Your Customer), MSB (Money Services Business) – though you may not be familiar with this alphabet soup of acronyms, your payouts provider should be. These acronyms relate to various entities and regulations that govern global payouts. When it comes to complying with regulations, Local Bank Transfers are your ally. Because funds are sent directly into a bank account, Local Bank Transfers are the most compliant solution on the market. Whatever payouts methods you use, ensure that your chosen payouts providers adhere to the requirements and the requisite licenses in each country where you will be active. The rules and regulations around risk and compliance vary by country and change frequently. It's easy to run afoul of rules as a U.S. e-commerce business paying into another country, simply due to lack of awareness.

In-House Teams Are the Gold Standard

The gold standard for payouts providers is to have an experienced in-house team (not outsourced) that ensures that the payments are coming and going as per the law in every jurisdiction. The U.S. Department of Treasury can charge significant fines and take legal action against organizations that knowingly or inadvertently neglect to comply.

The Patriot Act requires all U.S. businesses to comply with Office of Foreign Assets Control (OFAC) regulations. It falls on the sender to ensure that rules and regulations are met, and if a recipient gets an OFAC hit or otherwise breaks the rules, it's the sender, not the recipient, that might find itself in media headlines, doing serious damage to its brand reputation. Your payouts provider should actively screen transactions against a sanction list that includes OFAC SDN, PEP, HMT, RES 1988, AQ and CFSP and others.



AND NOW A WORD FROM OUR SPONSOR

TRANSPAY'S IN-HOUSE TEAM

When it comes to compliance, Transpay's in-house team checks every transaction on global OFAC and local compliance lists as if it were a new transaction, every time. Any KYC and AML compliance happens in the Local Bank Transfer process, as opposed to other methods that don't allow governments to view payouts.

Foreign Exchange

Foreign exchange (also known as forex or FX) best practices call for doing your homework about how many hops your payout will take, the parameters of what you're being charged at each hop and the range of currencies your payout provider is capable of holding. First, the table stakes: Your payouts provider should be capable of holding the type of currency you hold, as well as the type of currency that your recipients will need. It's not always as simple as it sounds! Many payouts providers only deal in one or two currencies. For example, if you are a U.S.-based business that accepts Euros and you need to pay out in Germany, you would assume it's a like-for-like transaction, in Euros. But you could easily find yourself working with a payouts provider who only deals in USD as a base currency.

In that case, you would be converting Euros to USD and back to Euros and incurring fees each step of the way.

While many recipients will prefer getting paid in their local currency, other recipients might prefer to be paid in USD. Particularly in developing economies, there can be a lack of stability in local currency and giving recipients the option to be paid in either their local currency or USD can go a long way in attracting the best talent and retaining the best partners, while also minimizing the number of currency conversions a payout must go through. In countries with currency volatility, make sure that your payouts provider will give you a guaranteed rate.



AND NOW A WORD FROM OUR SPONSOR

MINIMIZE REGULATORY RISK WITH TRANSPAY'S NETWORK

Transpay is authorized and licensed in over 70 jurisdictions worldwide, which allows for safe and secure Local Bank Transfers in nearly every country. We screen both sender and recipient on every transaction to ensure a business does not inadvertently run afoul of not only global lists, but local ones as well. Because we own our payouts network, we own the transaction from initiation to completion. That way, we can control the full movement and, thus, avoid regulatory risks.



Pricing and Transparency

Pricing transparency is all about taking the guesswork out of payouts. When you have a bill to pay, you want to pay it as close to in-full as possible. As such, it's critical to understand each hop and whether or not there is a fee at that hop. Do you have a clear view of where the funds are at all times, or do you lose track of your funds until they wind up in your recipient's account? Are you aware of where fees can be applied and what the fees can be? Where will the foreign exchange be marked up if there are multiple hops in a bank network or an ATM network? Ensuring no under- or over-payment when currency needs to be exchanged is an important part of making sure reconciliation goes smoothly.



HEADS UP

If your payout shows up in your recipient's account with \$5 less than what you owed, that's a pain point neither of you should have to contend with, and it will be distracting (at best) and detrimental (at worst) to your business relationship. In order to gain clarity on what the exact amount received will be, senders should map out the entire flow of funds from beginning to end and assess any potential challenges or fees involved. That way, you as the sender can inform your recipients if you will be deducting a fee.

TEAMING WITH YOUR LOCAL BANK TRANSFERS PROVIDER TO SUPPORT GLOBAL GROWTH

The ultimate goal of your payouts program should be that no recipient is left without a method for receiving payouts from your business. That's why forward-thinking payments executives team with Local Bank Transfer providers as partners who can walk shoulder-to-shoulder with them in support of their business' broader goals.

Here's a process to help ensure that you team up with the right provider:



Evaluate your customer base from an accounts payable position.

- Determine the average transaction size.
- Assess what sort of "pain," in terms of expense or time, you are currently putting on your partners when you send a payout.



Evaluate payouts providers who can solve those particular pain points while giving you cost and time efficiencies.



Go in depth with that provider by asking detailed questions.

- Discern not only which countries they serve, but the depth of their network in those countries.

Once you understand your options, you can even go back to your recipients to share the options and have a discussion about what would work best for them.



PRO TIP

Features that you should seek from a Local Bank Transfer provider include:

- Recipient onboarding
- Payment detail validation and verification
- Tax form collection
- ERP integration
- Payment reconciliation

Savvy businesses have grasped the idea that when it comes to growing globally, getting it right locally is job one. By “local,” you might mean Hanoi, Vietnam, Dubai, United Arab Emirates, or Lagos, Nigeria – each completely different from the other in terms of reaching recipients. If, for example, you are a merchant with suppliers in Hanoi, Vietnam, before signing on with a Local Bank Transfer provider, ensure that their network is connected to each of Hanoi’s key banks rather than leaving some of them unsupported. If you also decide to use prepaid cards, consider practical questions, such as, are you offering recipients a very large array of ATMs where they can access their money? As your business seeks to capitalize on short-term opportunity while also looking to establish a long-term foothold, you’ll want to partner with a provider who can move payouts into markets that are currently priorities, and who also offers depth in the markets you have your eye on for future growth – whether that growth is slated for six months or five years from now.



AND NOW A WORD FROM OUR SPONSOR

RELATIONSHIPS RESULTING IN REAL INNOVATION

Relationships lead to innovation, and real innovation today means offering an array of payouts options that ensures that each of your recipients is being paid in the way he or she prefers. Transpay’s banking relationships in India are a great story of relationships resulting in real innovation. In India, the world’s fastest-growing economy and a major “receive” country for global payouts, Transpay has an extensive network of banking relationships that have resulted in a particularly innovative payout offering. We hold two licenses with the Central Bank of India. In order to ensure

that no recipient is left without their preferred method of receiving payouts, we also offer a cash payout network of more than 30,000 payout points in India, something that is critical in a country where cash is prevalent and 78 percent of e-commerce is paid in cash on delivery. We also work to ensure your enterprise does not exceed the legal thresholds on dollar volume or the number of transactions sent each year, as India has limits on how much a recipient can receive from an outside entity each year.

Minimizing Global Growing Pains

Global growing pains are compounded when senders miss the local nuances of working within the rules established by local central banks around the world. Because many central banks, particularly in developing economies, have not yet taken into account the online marketplace model, their rules and regulations are not aligned with the new digital economy. For instance, some central banks limit transaction size or frequency for prepaid cards. If the central bank only allows individuals to receive 30 transactions a year, then weekly payments will only reach recipients through the first half of the year, leaving them unable to receive their payouts on weeks 31 through 52. Still, if you wish to do business, you must play by the local rules. A payouts provider can advise on how to select payouts methods that play within the specific rules of each country. Flexibility is key! You might decide to pay out less frequently or skip the prepaid cards because of a limit on transaction frequency.

When it comes to payouts coverage, the number of countries served by a payouts provider is meaningless if their payouts network lacks local tie-ups and hooks into the local clearance systems. That's the definition of depth in payouts, and when combined with reach, you have a potent combination that will add up to rapid global expansion.



AND NOW A WORD FROM OUR SPONSOR

REACH MORE THAN 95 PERCENT OF BANK ACCOUNTS WORLDWIDE

Transpay ensures that you have the reach you need, however far you plan to expand globally. With Transpay, you can send funds to 95 percent of bank accounts worldwide, including most major and emerging markets.

LEADING THE PAYMENTS INDUSTRY

Transpay takes an active leadership role in reaching out to central banks worldwide to share updates on the latest trends in global payouts in order to facilitate better payouts methods for its clients. Transpay believes it is important to advocate for its clients and the payments industry by communicating directly to government leaders. Each year, Transpay executives meet world leaders via meetings hosted by the Business Council for International Understanding, a New York-based nonprofit that facilitates mutually beneficial, person-to-person relationships between business and government leaders worldwide.



Get the Latest from Transpay's Series:
**ULTIMATE GUIDE TO LOCAL
BANK TRANSFERS**

Did you enjoy this guide? Stay tuned for the next installment in our series!

Learn more at transpay.com
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Future installments will include more helpful advice for navigating the sometimes-complex world of global mass payouts, including:

- Choosing a Local Bank Transfers Provider
- Integrating Local Bank Transfers into Your Payouts Processes
- Sharing the News of the Local Bank Transfers Option with Your Recipients

"The best vision is insight."

Malcolm Forbes



ABOUT transpay

Transpay is a service from Transfast, a leading global payments company with more than 30 years of operating history. Transfast processes over \$8 billion USD in annual payment volumes. Transpay provides businesses of all sizes with a scalable, secure, and fully compliant cross-border mass payout solution, making it easy to send funds directly to the local bank accounts of vendors, business partners, freelancers or others, reaching over 95 percent of the world's bank accounts. To learn more, visit www.transpay.com.

**Ready to Talk to a
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