

Remittance @ 1 USD

World Bank's Goal of Reducing Remittance Cost

How **World Bank** and **Post Office** can help migrant workers to reduce *Cost of Remittance*.

Post Bank Network



Each country to have a Main Office of Post Bank connected to SWIFT

Build Post Bank Network

- Create Post Bank across the World, a subsidiary of Post Office to handle banking activity
- Create a BIC for Post Bank, where 4 characters of the BIC are common across the Globe.
 - for e.g. POSTUS33 for US Post, POSTAU2L for Australia, POSTINBB for India Post, POSTNPKM for Nepal Post etc.
 - each Post Bank branch in the country to get a unique BIC for e.g. POSTINBBA23 – Post Bank Allahabad Branch
- Connect the main branch of Post Bank network to SWIFT Network in each of the Country, viz. New York, London, Cairo, Lama etc. Head Offices are connected to SWIFT Network

Connect Post Bank Branch Network

- Connect the Local Branches to the main office via internal network.
- Use options like Drone/Local Telecom office/Satellite Network to connect every rural branch
- Create a unique message type under MT1 series which caters to Postal payments and purpose of payment is purely Remittance back home
- Post Bank branches will hold accounts of local residents (migrant workers/beneficiaries)

How to Transact using Post Bank Network

- The accounts will be used for sending or receiving the remittance funds
- Country's main office will have a nostro a/c maintained in commonly used Currencies, for e.g. USD in New York, AED in Dubai, PKR in Pakistan etc.
- SWIFT will also be the scanning agent for Sanction Entities across the World
- The cost of remittance to be deducted by each organization in the chain

Cost for using Post Bank Network

- The cost of the transaction will be at cost plus margin, which will be arrived at by both the World Bank and respective Government
- Cap for max remittance and also no of times a payment can be made a month
 - The cost which should be in the range of 1 USD

SWIFT Transaction Cost	0.20
SWIFT Scanning Cost	0.25
Technology Cost @ Post Office Banks	0.50
Processing Cost @ Post Office Banks	0.15
Total Cost	1.10

* In USD

Sharing Benefit using Post Bank Network

- The cost of the transaction will be collected by each of the organization on the way, no billing activity will be used
- SWIFT will collect cost through NOSTRO Agent, who will collect cost and remit to SWIFT account
- The FX earned to be shared /used to further bring down the cost

Sample Payment

Payment Method - Serial

Sender (X Post Bank)	-	Receiver (Nostro Agent)
Sending Reference	-	same as field 20
Payment Method	-	only credit to account
Amount Currency and Value Date	-	same as field 32
Remitter Details	-	field 50 K
Beneficiary	-	field 59 K
Purpose	-	remittance/support to home only
Charge	-	'Ben' (each agent to collect)

Thank you

World Bank & Post Bank

Make a difference to migrant workers and HELP NEEDED!