



## **International Wire Transfer Notice**

Although international wire transfers represent a small percentage of funds transfer services for most credit unions, you should be aware of the **unique processing, regulatory, and risk aspects** that apply to this important service. International wires are processed very differently from domestic wires, and need to be handled with caution.

First, when wire transfers are sent outside the United States, **our laws and regulations no longer apply** to them. Therefore, your ability to trace, recall, or even research international wires can be very limited. In many countries, especially in the less developed world, the processing of wire transfers can be expensive, cumbersome, and somewhat unreliable. With the use of multiple correspondent banks and limited banking infrastructures, some transfers can take weeks or even months to reach the beneficiary. Expect even more time if you attempt to recall the wire – which may be difficult if not impossible to do successfully.

**You may want to consider limiting your international wire transfer services** to those countries with more reliable networks and faster processing histories. We have found that Western European countries, Canada, Mexico, Japan, Australia, and other developed countries are fairly reliable. Unstable banking networks and processes in some Asian, Latin American, and African countries are more challenging for efficient and reliable transfers.

Second, **complete and accurate bank and account number information is crucial**. Without accurate information, the chances that the wire transfer may be lost or misrouted become much higher. Most European and several other countries require the IBAN (international bank account number) be used for all international transfers. The IBAN is a combination of country, bank, and account information used to process many international payment transactions. We recommend that your wire transfer request form include a statement to members on the importance of accurate bank and account information for proper processing.

Third, the **fees associated with international wire transfers can be much higher** than a typical domestic transfer. To alleviate the costs, we recommend that the transfer be sent in the currency of the beneficiary's foreign account. Transfers in U.S. Dollars should only be sent to foreign accounts that are specifically held in U.S. Dollars. Foreign currency transfers should result in lower processing fees and a much better exchange rate for the beneficiary. Your member originator also has more control over the exact amount of foreign currency that the beneficiary will ultimately receive.

Finally, law enforcement and regulators have identified **international wire transfers as a common method for money laundering, terrorist financing, consumer scams, and other illegal activities**. Be sure to perform your required OFAC screening on all parties in the transaction before submitting the wire transfer request. In addition, your BSA (Bank Secrecy Act) policies may have identified international transfers as potentially higher risk transactions for most member accounts. Extra account due diligence tasks and SAR (Suspicious Activity Report) submissions may be necessary. Check with your credit union's BSA/OFAC Compliance Officer for specific details.

If you have any questions or concerns regarding international wire transfers or our International SunWires System, please contact our Member Services Department at 1-877-786-2677, Option 1 – **before submitting your international wire transfer request!**