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G20 Research Group
at Trinity College at the Munk School of Global Affairs in the University of Toronto
with the
International Organisations Research Institute
at the National Research University Higher School of Economics, Moscow
present the

2014 Brisbane G20 Summit Final Compliance Report

17 November 2014 to 1 October 2015

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14 November 2015
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“The University of Toronto ... produced a detailed analysis to the extent of which each G20 country has met its commitments since the last summit ... I think this is important; we come to these summits, we make these commitments, we say we are going to do these things and it is important that there is an organisation that checks up on who has done what.”

— *David Cameron, Prime Minister, United Kingdom, at the 2012 Los Cabos Summit*

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14. Development: Remittances

“We commit to take strong practical measures to reduce the global average cost of transferring remittances to five per cent and to enhance financial inclusion as a priority.”

G20 Brisbane Leaders’ Declaration

Assessment

	No Compliance	Partial Compliance	Full Compliance
Argentina	-1		
Australia		0	
Brazil		0	
Canada			+1
China			+1
France		0	
Germany		0	
India			+1
Indonesia		0	
Italy		0	
Japan		0	
Korea		0	
Mexico			+1
Russia			+1
Saudi Arabia	-1		
South Africa			+1
Turkey	-1		
United Kingdom		0	
United States			+1
European Union		0	
Average		+0.20	

Background

Remittance payments are defined as transfers of money from migrant workers to individuals back in his or her home country. Remittance payments count as one of the largest forms of financial flows to developing countries, estimated to be at a sum of USD 454 billion in 2015.²⁰⁷³ In previous years global remittance payments have significantly exceeded global payments in official development assistance (ODA), such as in 2013 when remittance payments were three times larger than the annual ODA.²⁰⁷⁴ Notably, remittances to and from G20 countries account for nearly 80% of world’s total remittance flows.²⁰⁷⁵

However, there are quite significant transaction costs on remittance payments. The global average cost is calculated as the average total cost for sending USD 200.²⁰⁷⁶ At the end of 2014, the World Bank estimated

²⁰⁷³ Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access Date: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>

²⁰⁷⁴ Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access Date: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>

²⁰⁷⁵ G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access Date: 6 February 2015. <http://www.international.gc.ca/g20/assets/pdfs/G20-PlanToFacilitateRemittanceFlows.pdf>

²⁰⁷⁶ Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access Date: 12 February 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf

the global average cost of sending remittance transfers to equal approximately 7.9% of the aggregate value sent.²⁰⁷⁷ As of Q4 2014, the average remittance costs of sending to the G20 countries have converged to become exactly equal to the global average cost of 7.9%.²⁰⁷⁸ However, the average remittance costs of sending from the G20 countries are 8.06%.²⁰⁷⁹

The main factors driving remittance costs include migration costs, passport costs, exchange rates and the fees associated with sending remittance.²⁰⁸⁰ However, with the increase in electronic and mobile remittance systems, transaction costs continue to fall.²⁰⁸¹ Though, these services are greatly limited in many regions of the world and furthermore come with a number of reliability and institutional problems.

Since the 2004 G8 Sea Island Summit, which created the Global Remittances Initiative in partnership with the World Bank, countries have begun taking measures to reduce these high average costs.²⁰⁸²

The G20 has made several commitments throughout the years to reduce the global average costs of remittance payments. Beginning in 2010 at the Seoul Summit, G20 members agreed, through the Seoul Development Consensus for Shared Growth, to lower the average costs of remittance payments.²⁰⁸³ At the Cannes Summit in 2011, the G20 members committed to “work to reduce the average cost of transferring remittances from 10 to 5 per cent by 2014, contributing to release an additional USD 15 billion per year for recipient families.”²⁰⁸⁴ In 2012 at the Los Cabos Summit, these sentiments were reiterated alongside a request to the World Bank to report every six months on remittance cost progress.²⁰⁸⁵

Most recently in 2013 at the St. Petersburg Summit, the G20 members pledged to “consider in 2014 innovative results-based mechanisms to further reduce the cost of transferring remittances to developing countries.”²⁰⁸⁶

Notably, global average costs have recently dropped a full 1% from 8.9% to 7.9% since 2013.²⁰⁸⁷

²⁰⁷⁷ Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access Date: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>

²⁰⁷⁸ Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access Date: 12 February 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf

²⁰⁷⁹ Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access Date: 12 February 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf

²⁰⁸⁰ Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access Date: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>

²⁰⁸¹ Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access Date: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>

²⁰⁸² Fact Sheet: Applying the Power of Entrepreneurship to the Eradication of Poverty, G8 Information Centre (Toronto) 9 June 2004. Access Date: 6 February 2015. http://www.g8.utoronto.ca/summit/2004seaisland/fact_poverty.html

²⁰⁸³ Seoul Development Consensus for Shared Growth, 27 June 2010. Access Date: 6 February 2015. www.g20.utoronto.ca/2010/g20seoul-consensus.pdf

²⁰⁸⁴ Cannes Summit Final Declaration – Building Our Common Future: Renewed Collective Action for the Benefit of All, 4 November 2011. Access Date: 6 February 2015. <http://www.g20.utoronto.ca/2011/2011-cannes-declaration-111104-en.html>

²⁰⁸⁵ 2012 Progress Report of the Development Working Group, 19 June 2012. Access Date: 6 February 2015. <http://www.g20.utoronto.ca/2012/2012-0619-dwg.html>

²⁰⁸⁶ G20 Research Group: Final 2013 St. Petersburg G20 Final Compliance Report, 15 November 2014. Access Date: 6 February 2014. <http://www.g20.utoronto.ca/compliance/2013stpetersburg-final/index.html>

²⁰⁸⁷ Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access Date: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>

Commitment Features

G20 members have made significant progress in reducing remittance costs and are recommitting to a 5% reduction target. Members realize that remittance payments play an integral role in long-term social and economic development and financial inclusion. Accordingly, they have committed to, both domestically and internationally, take strong practical measures to meet their targets.

Both the G20 Development Working Group and the G20 Global Partnership for Financial Inclusion vis-à-vis the Financial Inclusion Action Plan have proposed a number of recommendations to the G20 Plan to Facilitate Remittance Flows on how to take strong practical measures. Collectively, these groups seek innovative methods and networks to improve their current policies.

Accordingly, the G20 Plan to Facilitate Remittance Flows outlines, in their Country Plans for Reducing Remittance Transfer Costs, a number of methods in which countries can take to meet their reduction target. It proposes four “strong practical measures” for reducing remittance costs and increasing access to affordable remittances.

- 10.1. “increase remittance market competitiveness” by means of facilitating the entrance of more retail payment systems (RPSs) and improving the supervision of RPSs in order to undermine anti-competitive practices.²⁰⁸⁸
- 10.2. “improve financial system infrastructure and technology” by supporting the innovation and widespread usage of these new RSP technology.²⁰⁸⁹
- 10.3. “improve transparency and consumer protection of remittance transfers.” This can be done by boosting transparency of RSPs, bulwarking consumer legal protection, and increasing RSP regulation.”²⁰⁹⁰
- 10.4. “improving financial inclusion and development impact of remittances.” This can be done by enhancing the financial literacy of consumers, offering remittance price databases for customers to compare costs, and discouraging taxes on migrant remittance transfers.²⁰⁹¹

These four methods proposed in the Country Plans for Reducing Remittance Transfer Costs outline the various methods of compliance for G20 members to take.

As remittances to and from G20 countries account for nearly 80% of world’s total remittance flows,²⁰⁹² this report will also highlight the current costs of remittance in each G20 country. Consequently, this will have a substantial impact on the global average cost of transferring remittances. Thus, full compliance will awarded to members that take action on all four measures outlined above to enhance access to affordable remittances, and is able to meet the target of 5%.²⁰⁹³

Scoring Guidelines

-1	Member does not take any measures to enhance access to more affordable remittances.
0	Member takes some measures to enhance access to more affordable remittances.
+1	Member takes all measures to enhance access to more affordable remittances.

²⁰⁸⁸ G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access Date: 6 February 2015.
<http://www.international.gc.ca/g20/assets/pdfs/G20-PlantoFacilitateRemittanceFlows.pdf>

²⁰⁸⁹ G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access Date: 6 February 2015.
<http://www.international.gc.ca/g20/assets/pdfs/G20-PlantoFacilitateRemittanceFlows.pdf>

²⁰⁹⁰ G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access Date: 6 February 2015.
<http://www.international.gc.ca/g20/assets/pdfs/G20-PlantoFacilitateRemittanceFlows.pdf>

²⁰⁹¹ G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access Date: 6 February 2015.
<http://www.international.gc.ca/g20/assets/pdfs/G20-PlantoFacilitateRemittanceFlows.pdf>

²⁰⁹² G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access Date: 6 February 2015.
<http://www.international.gc.ca/g20/assets/pdfs/G20-PlantoFacilitateRemittanceFlows.pdf>

²⁰⁹³ Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access Date: 12 February 2015.
https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf

Argentina: -1

Argentina has not complied with its commitment to help reduce the average cost of remittances and increase access to affordable remittances.

The government of Argentina has not released any information about the current costs of remittances. According to World Bank estimates, the average cost for Latin American countries was 6.03 per cent in the last quarter of 2014.²⁰⁹⁴ This is an increase from 6.02 per cent in the third quarter of 2014 and 5.57 per cent in the second quarter of 2014.

In the last quarter of 2014, strict foreign exchange controls in Argentina increased the cost of sending remittances to Bolivia, Colombia, Paraguay and Peru.²⁰⁹⁵ Capital controls also dampened the volume of outward remittances from Argentina. For example, remittance flows from Argentina to Peru decreased by 6 per cent in 2014.²⁰⁹⁶ The World Bank notes that remittance growth was “sluggish” in Argentina in 2014.²⁰⁹⁷

In February 2015, the government of Argentina stated that it would begin to lift foreign exchange controls before the end of the year.²⁰⁹⁸ As of September 2015, the government has not taken any steps towards easing restrictions.²⁰⁹⁹ Argentina will hold a general election on 25 October 2015. Each of the three main presidential candidates has pledged to loosen capital controls.²¹⁰⁰

Argentina has not taken action to enhance access to affordable remittances or decrease the average cost of remittances in this cycle. Thus, it has been awarded a score of -1.

Analyst: Meghan King

Australia: 0

Australia has partially complied with its commitment to reduce the average cost of transferring remittances to 5 per cent and to enhance access to affordable remittances.

In Q2 2015, the average cost of sending remittances in Australia was 9.22 per cent, up from 8.97 per cent in Q1 of 2015 and 8.92 per cent in Q4 of 2014. This marks four consecutive quarters of increases in average sending costs.²¹⁰¹

Table 7 outlines the average cost of sending remittances in Australia:²¹⁰²

²⁰⁹⁴ Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access: 12 February 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf.

²⁰⁹⁵ Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 6 October 2014. Access: 6 February 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief23.pdf>.

²⁰⁹⁶ Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 13 April 2015. Access: 9 October 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief24.pdf>.

²⁰⁹⁷ Migration and Remittances: Recent Developments and Outlook, The World Bank (Washington) 13 April 2015. Access: 9 October 2015. <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1288990760745/MigrationandDevelopmentBrief24.pdf>.

²⁰⁹⁸ Argentina to Ease Currency Controls For Importers – Central Bank, Reuters (Buenos Aires) 9 February 2015. Access: 28 February 2015. <http://www.reuters.com/article/2015/02/09/argentina-imports-idUSL5N0VJ4I520150209>.

²⁰⁹⁹ Argentina Country Commercial Guide, Export.gov, 14 September 2015. Access: 9 October 2015. <http://www.export.gov/argentina/doingbusinessinargentina/argentinacountrycommercialguide/index.asp>.

²¹⁰⁰ Despite Elections, Argentina’s Economic Trajectory is Set, Stratfor Global Intelligence, 3 September 2015. Access: 9 October 2015. <http://emergingequity.org/2015/09/03/despite-elections-argentinas-economic-trajectory-is-set/>.

²¹⁰¹ Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 3 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

Table 7: Remittance Costs in Australia

Q4 2014	Q1 2015	Q2 2015	Q3 2015
8.92 per cent	8.97 per cent	9.22 per cent	9.24 per cent

In December 2014, Westpac Banking Corporation — the last remaining large Australian bank offering overseas remittances — announced that it would exit the remittance business. Australia’s banks have cited rising compliance costs and a fear of breaching strict terrorism financing and anti-money laundering laws as their reasons for closure.²¹⁰³ With these closures, money transfers to some countries, such as Somalia, will no longer be possible using conventional banking services.²¹⁰⁴

The Australian government formed a working group on remittance account closures in December 2014, following Westpac’s decision. The group, which aims to build confidence between Somali remitters and the banking sector, includes Somali remitters and industry representatives.²¹⁰⁵

On 2 February 2015, the Australian Transaction Reports and Analysis Centre released the Post Implementation Review (PIR) of anti-money laundering/countering terrorist finance rules in chapters 58 and 59 relating to the cancellation and suspension of remitter registrations. The PIR seeks stakeholder views on the operation of the rules and their impact.²¹⁰⁶ These policies will allow for more effective regulation over remittance service providers.

On 26 June 2015, the Australian Remittance and Currency Providers Association reported that they had not made progress in discussions with the Australian Bankers’ Association on the possibility of re-establishing ties between banks.²¹⁰⁷

On 21 July 2015, the Australian Transaction Reports and Analysis Centre released drafts to the anti-money laundering and counter-terrorism finance rules that would enable authorized deposit-taking institutions to offer their customers remittance transfer services through the Western Union platform, ultimately making remittance payments easier.²¹⁰⁸

On 7 September 2015, an Australian parliamentary committee released a report criticizing the big banks for cutting off services to money remitters. The report also said that a solution was needed that supported robust anti-money laundering and counter-terrorism finance rules and allowed legitimate remitters to operate.²¹⁰⁹

²¹⁰² Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²¹⁰³ Banks closure of remittances may pose a ‘security risk,’ Send Money Pacific (Australia) 18 November 2014. Access: 4 April 2015. <http://www.sendmoneypacific.org/news/fiji/article/613/banks-closure-of-remittances-may-pose-a-security-risk.html>.

²¹⁰⁴ UPDATE 1-Australia’s Westpac to Quit Remittance Business by March 31, Reuters (New York) 22 December 2014. Access: 27 February 2015. <http://www.reuters.com/article/2014/12/22/australia-remittances-westpac-idUSL3N0U61NF201412223>

²¹⁰⁵ Cutting Remittance Lifeline Will Deepen Somali Crisis, Oxfam Australia (Melbourne) 19 February 2015. Access: 27 February 2015. <https://www.oxfam.org.au/media/2015/02/cutting-remittance-lifeline-will-deepen-somali-crisis-oxfam/>.

²¹⁰⁶ Post Implementation Review of AML/CTF Rules in Chapters 58 and 59 relating to the cancellation and suspension of remitter registrations, Australian Transaction Reports and Analysis Centre (Melbourne) 2 February 2015. Access: 5 April 2015. <http://www.austrac.gov.au/news/post-implementation-review-amlctf-rules-chapters-58-and-59-relating-cancellation-and-suspension>.

²¹⁰⁷ Australian remittance firms group says re-opening bank ties unlikely, Reuters (New York) 26 June 2015. Access: 23 October 2015. <http://www.reuters.com/article/2015/06/26/australia-banks-remittance-idUSL3N0ZB2P520150626>.

²¹⁰⁸ Draft Rules Account Based Money Transfer Systems, Australian Transaction Reports and Analysis Centre (Melbourne) 21 July 2015. Access: 3 October 2015. <http://www.austrac.gov.au/sites/default/files/draft-rules-account-based-money-transfer-systems.pdf>.

²¹⁰⁹ Banks criticized for shutting out money remitters, The Australian (New South Wales)

Australia has taken some measures to enhance access to more affordable remittances and reduce the average cost of remittances. Therefore, Australia receives a score of 0.

Analyst: George Mason

Brazil: -1

Brazil has not complied with its commitment to help reduce the average cost of remittances and increase access to affordable remittances.

In Q3 of 2015, the average cost of sending remittances from Brazil was 7.40 per cent²¹¹⁰ This rate has increased from the last quarter of 2014, in which Brazil experienced a decline in its sending remittance rate, below the target of 5 per cent.²¹¹¹

In Q2 of 2015, Brazil had one of the least expensive sending remittance rates at 5.72 per cent.²¹¹² This rate has increased from the last quarter of 2014, in which Brazil experienced a decline in its sending remittance rate, below the target of 5 per cent.²¹¹³

Brazil’s receiving remittance rate was one of the highest among G20 countries at 9.38 per cent in Q2, increasing from its receiving rates in 2014.²¹¹⁴

Table 8 outlines the average cost of sending remittances in Brazil:²¹¹⁵

Table 8: Remittance Costs in Brazil

Q4 2014	Q1 2015	Q2 2015	Q3 2015
4.74 per cent	5.02 per cent	5.72 per cent	7.40 per cent

Brazil has not taken any actions to reduce the average cost of remittances or increase access to affordable remittances. Thus, Brazil is awarded a score of -1.

Analyst: Bushra Ebadi

Canada: 0

Canada has partially complied with the commitment on remittances.

In the last quarter of 2014, the average cost of sending remittances from Canada increased from 9.31 per cent to 9.52 per cent.²¹¹⁶ Canada dropped to 9.34 per cent in the first quarter of 2015 and back down again to 9.31

²¹¹⁰ Remittance Prices Worldwide: An Analysis of Trends in the Cost of Migrants Remittance Services, World Bank Group (Washington) June 2015. Access: 14 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²¹¹¹ Remittance Prices Worldwide: An Analysis of Trends in the Cost of Migrants Remittance Services, World Bank Group (Washington) June 2015. Access: 14 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf

²¹¹² Remittance Prices Worldwide: An Analysis of Trends in the Cost of Migrants Remittance Services, World Bank Group (Washington) June 2015. Access: 14 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²¹¹³ Remittance Prices Worldwide: An Analysis of Trends in the Cost of Migrants Remittance Services, World Bank Group (Washington) June 2015. Access: 14 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf

²¹¹⁴ Remittance Prices Worldwide: An Analysis of Trends in the Cost of Migrants Remittance Services, World Bank Group (Washington) June 2015. Access: 14 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²¹¹⁵ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²¹¹⁶ Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access: 28 February 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf.

per cent in the second quarter of 2015.²¹¹⁷ The average cost of sending money from Canada remains above both the G8 and global averages.²¹¹⁸

Table 9 outlines the average cost of sending remittances in Canada:²¹¹⁹

Table 9: Remittance Costs in Canada

Q4 2014	Q1 2015	Q2 2015	Q3 2015
9.52 per cent	9.34 per cent	9.31 per cent	9.08 per cent

On 21 April 2015, Finance Minister Joe Oliver presented Canada’s 2015 Federal Budget. As part of the Economic Action Plan 2015, the Canadian government will provide six million dollars over a period of five years to “introduce measures that will help ensure Canadians have access to safe, reliable and lower-cost remittance services.”²¹²⁰ The plan further aims enhance access to safe and reliable remittance services for those sending money abroad, particularly to developing countries.²¹²¹

To meet its commitment on remittances, Canada will establish a price-comparison website that will increase transparency by synthesizing the fees different service providers charge.²¹²² This will enable users to make better informed decisions and improve the development impact of remittances. The government of Canada, in cooperation with Statistics Canada and the Department of Foreign Affairs, Trade and Development (DFATD), will gather data on remittance flows from Canada in order to “understand the needs of Canadian remitters.”²¹²³ The government has further pledged to engage with financial institutions and “evaluate possible collaboration opportunities to expand access to lower-cost remittance services.”²¹²⁴

Canada has made progress towards meeting its commitment on remittances. Thus, it has been awarded a score of 0.

Analyst: Meghan King

China: +1

China has fully complied with its commitment to enhance access to more affordable remittances and decrease the average cost of remittances.

²¹¹⁷ Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 8 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²¹¹⁸ Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 8 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²¹¹⁹ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²¹²⁰ Economic Action Plan 2015: Strong Leadership: A Balanced Budget, Low Tax Plan for Jobs, Growth and Security, Government of Canada (Ottawa) 21 April 2015. Access: 8 October 2015. <http://www.budget.gc.ca/2015/docs/plan/budget2015-eng.pdf>.

²¹²¹ Access to Safe, Reliable, and Lower-Cost Remittance Services. Economic Action Plan 2015: Strong Leadership: A Balanced Budget, Low Tax Plan for Jobs, Growth and Security, Government of Canada (Ottawa). Access: 8 October 2015. <http://actionplan.gc.ca/en/initiative/access-safe-reliable-and-lower-cost-remittance-services#sthash.01e40r0a.dpuf>.

²¹²² Access to Safe, Reliable, and Lower-Cost Remittance Services. Economic Action Plan 2015: Strong Leadership: A Balanced Budget, Low Tax Plan for Jobs, Growth and Security, Government of Canada (Ottawa). Access: 8 October 2015. <http://actionplan.gc.ca/en/initiative/access-safe-reliable-and-lower-cost-remittance-services#sthash.01e40r0a.dpuf>.

²¹²³ Access to Safe, Reliable, and Lower-Cost Remittance Services. Economic Action Plan 2015: Strong Leadership: A Balanced Budget, Low Tax Plan for Jobs, Growth and Security, Government of Canada (Ottawa). Access: 8 October 2015. <http://actionplan.gc.ca/en/initiative/access-safe-reliable-and-lower-cost-remittance-services#sthash.01e40r0a.dpuf>.

²¹²⁴ Access to Safe, Reliable, and Lower-Cost Remittance Services. Economic Action Plan 2015: Strong Leadership: A Balanced Budget, Low Tax Plan for Jobs, Growth and Security, Government of Canada (Ottawa). Access: 8 October 2015. <http://actionplan.gc.ca/en/initiative/access-safe-reliable-and-lower-cost-remittance-services#sthash.01e40r0a.dpuf>.

In Q3 and Q4 2014, the cost of receiving remittances remained at 10.49 per cent.²¹²⁵ In Q1 2015, the cost of receiving remittances increased to 10.54 per cent.²¹²⁶ The cost of receiving remittance has decreased slightly to 10.38 per cent in the second quarter of 2015.²¹²⁷

Table 10 outlines the average cost of receiving remittances in China:²¹²⁸

Table 10: Remittance Costs in China

Q4 2014	Q1 2015	Q2 2015	Q3 2015
10.49 per cent	10.54 per cent	10.38 per cent	10.18 per cent

On 14 July 2014, China’s banks halted an experimental yuan remittance program sanctioned by the central bank. The program helped citizens transfer large sums overseas in spite of government capital controls. The program was suspended following allegations that the Bank of China had used it to help clients launder money.²¹²⁹

On 9 December 2014, the Bank of China announced that it, in partnership with Western Union, will begin providing money transfer services at its branches in mainland China. Beginning in January, “the services are expected to allow consumers to receive international remittances at over 10, 000 Bank of China locations.”²¹³⁰

On 4 February 2015, the Bank of China announced that it, in partnership with Western Union, will expand banking options to include a greater variety of services aimed at increasing convenience.²¹³¹ These services will include “direct Western Union Money Transfers into bank accounts via online banking” as well as the alternative of “receiving money at select self-service kiosks.”²¹³² Western Union also projects an increase in service locations in China from 10,000 locations to 30,000 locations nationwide.²¹³³

In August 2015, MoneyGram International announced an agreement with the Postal Savings Bank of China to expand its money transferring services in that country. According to the agreement, Moneygram will provide transfer services in over 3,700 locations.²¹³⁴

On 26 June 2015, the China Banking Regulatory Commission announced that it would allow the establishment of more private banks in an attempt to shore up the state-dominated financial sector.²¹³⁵ In

²¹²⁵ Remittance Prices Around the World, The World Bank (Washington) 12 January 2015. Access: 2 March 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf.

²¹²⁶ Remittance Prices Around the World, The World Bank (Washington) 12 January 2015. Access: 2 March 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf.

²¹²⁷ Remittance Prices Around the World, The World Bank (Washington) 2015. : 9 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²¹²⁸ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²¹²⁹ Chinese Banks Halt Experimental Yuan-Remittance Program, Wall Street Journal (New York) 14 July 2014. Access: 23 October 2015. <http://www.wsj.com/articles/chinese-banks-halt-experimental-yuan-remittance-program-1405345453>.

²¹³⁰ Bank of China to Offer Western Union Money Transfer Service, Western Union, 9 December 2014. Access: 6 April 2015. <http://ir.westernunion.com/News/Press-Releases/Press-Release-Details/2014/Bank-of-China-to-Offer-Western-Union-Money-Transfer-Service/default.aspx>.

²¹³¹ Western-Union-Money-Transfer-Service/default.aspx. 5 Western Union® Live at Bank of China, Western Union 4 February 2015. Access: 9 October 2015. <http://ir.westernunion.com/default.aspx?SectionId=5cc5ecae-6c48-4521-a1ad-480e593e4835&Languageld=1&PressReleaseld=313483d8-0c8c-437f-9fe3-4c9c04a3c577>.

²¹³² Western Union® Live at Bank of China, Western Union, 4 February 2015. Access: 9 October 2015. <http://ir.westernunion.com/default.aspx?SectionId=5cc5ecae-6c48-4521-a1ad-480e593e4835&Languageld=1&PressReleaseld=313483d8-0c8c-437f-9fe3-4c9c04a3c577>.

²¹³³ Western Union® Live at Bank of China, Western Union, 4 February 2015. Access: 9 October 2015. <http://ir.westernunion.com/default.aspx?SectionId=5cc5ecae-6c48-4521-a1ad-480e593e4835&Languageld=1&PressReleaseld=313483d8-0c8c-437f-9fe3-4c9c04a3c577>.

²¹³⁴ Moneygram in Partnership with Agricultural Bank of China, Send Money Asia. 20 August 2015. Access: 23 October 2015. <http://www.sendmoneyasia.org/news/china/article/737/moneygram-in-partnership-with-agricultural-bank-of-china.html>.

2015, the China Banking Regulatory Commission (CBRC) granted licenses to two internet banks: WeBank and Mybank.²¹³⁶ WeBank launched on 18 January 2015²¹³⁷ and Mybank launched on 25 June 2015.²¹³⁸ These additions both offer remittance services and have the potential to accelerate the provision of financial services.²¹³⁹

On 11 September 2015, China, as a member of the Asia-Pacific Economic Cooperation, participated in the signing of the Cebu Action Plan (CAP). In this agreement, APEC members committed to, among other goals, sharing financial inclusion and literacy strategies and reducing the cost of remittances.²¹⁴⁰ As a member of APEC, China committed to developing and sharing its own plan to help reduce the average transaction costs of remittances to 5 per cent.²¹⁴¹

China has taken concrete policy action to help increase access to remittances and reduce the average cost of remittances. Thus, China has been awarded a score of +1.

Analyst: Pin Hui Chen

France: 0

France has partially complied with its commitment to help reduce the average cost of remittances and enhance access to affordable remittances.

In Q3 2015, the average cost of sending remittances from France was 7.56 per cent, an increase from 7.22 per cent in Q2 and a substantial decrease from 10.70 per cent in Q4 2014.

Table 11 outlines the average cost of sending remittances from France:²¹⁴²

Table 11: Remittance Costs in France

Q4 2014	Q1 2015	Q2 2015	Q3 2015
10.70 per cent	7.45 per cent	7.22 per cent	7.56 per cent

On 5–6 December 2014, the Foundation for International Development Assistance (FIDA) held a workshop in Paris on remittance and money transfer mechanisms for investment in rural Senegal. The workshop included representatives from FIDA, the government of France and the government of Senegal. Stéphane Gallet of the Ministry of Foreign Affairs and International Development, alongside Florence Armitano-Grivel of the Agence française du développement (AFD), presented the government’s intervention strategy for 10 priority sectors. Pape Birama Thiam, representing the Programme d’Appui aux Initiatives de Solidarité pour le Développement (PAISD), presented opportunities to formalize partnerships and continue investments for

²¹³⁵ Update 1-China eyes more private banks, allow more foreign participation, CNBC (New York) 26 June 2015. Access: 18 October 2015. <http://www.cnbc.com/2015/06/26/reuters-america-update-1-china-eyes-more-private-banks-allow-more-foreign-participation.html>.

²¹³⁶ Alibaba steps up China online finance network push with new index, bank, Reuters (Beijing) 9 April 2015. Access: 18 October 2015. <http://www.reuters.com/article/2015/04/09/us-china-alibaba-mybank-idUSKBN0N005N20150409>.

²¹³⁷ Tencent-backed WeBank begins trial operation, Wall Street Journal (New York) 19 January 2015. Access: 23 October 2015. <http://blogs.wsj.com/digits/2015/01/19/tencent-backed-webank-begins-trial-operation/>.

²¹³⁸ Alibaba launches online bank, Financial Times (London) 25 June 2015. Access: 23 October 2015.

²¹³⁹ New Accounts in China Drive Financial Inclusion Figures, Consultative Group to Assist the Poor (Washington) 22 May 2015. Access: 18 October 2015. <http://www.cgap.org/blog/new-accounts-china-drive-global-financial-inclusion-figures>.

²¹⁴⁰ APEC Finance Ministers’ Process (FMP) Roadmap/Cebu Action Plan, APEC 11 (Mactan) September 2015. Access: 9 October 2015. https://www.mof.go.jp/english/international_policy/convention/apec/20150911_1.pdf.

²¹⁴¹ APEC Finance Ministers’ Process (FMP) Roadmap/Cebu Action Plan, APEC 11 (Mactan) September 2015. Access: 9 October 2015. https://www.mof.go.jp/english/international_policy/convention/apec/20150911_1.pdf.

²¹⁴² Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

social and structural program financed by immigrants based in France. The workshop identified strategies moving forward, including complementary studies, reporting and restorative workshops.²¹⁴³

On 20 January 2015, AFD, with the support of PAISD, organized a local workshop on migration and development in Dakar. In 2014, AFD requested Grdr, in partnership with l'Institut fondamental d'Afrique noire (Ifan) to conduct a study in the Senegal River Basin, Paris, and in France. The study asked how to integrate the factor of mobility in local development strategies and how to optimise the role of migrants in governance and economic development in their country of origin.²¹⁴⁴

France has taken some actions to help reduce the cost of remittances and increase access to affordable remittances. Thus, France has been awarded a score of 0.

Analyst: Ariel Sim

Germany: 0

Germany has partially complied with the commitment to reduce the average cost of remittances and enhance access to affordable remittances.

In the first quarter of 2015, the average cost of sending remittances decreased by 1 per cent to 7.43 per cent; in Q2 of 2015, the average cost increased to 7.48%.²¹⁴⁵ The cost of sending remittances was 7.32 per cent in Q3 of 2015.

Table 12 outlines the average cost of sending remittances from Germany:²¹⁴⁶

Table 12: Remittance Costs in Germany

Q4 2014	Q1 2015	Q2 2015	Q3 2015
8.43 per cent	7.43 per cent	7.48 per cent	7.32 per cent

On 6 December 2014, professionals from the nursing and tourism sector of Georgia were selected to participate in the pilot circular migration scheme, carried out by the Centre for International Migration and Development (GIM) (a joint operation of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the German Federal Employment Agency). The scheme includes a training program to train migrants in financial literacy and remittances services.²¹⁴⁷

As of 20 September 2015, there is no publicly available information demonstrating that Germany has taken any action on implementing new policies to enhance access to more affordable remittances during the compliance cycle.

Although Germany has previously implemented some policies to enhance access to more affordable remittances, it has not taken any new actions during the compliance period. Thus, Germany has been awarded a score of 0.

Analyst: Natalia Valencia

²¹⁴³ Compte-Rendu Executif: Atelier Sur L'Investissement des Migrants en Millieur Rural au Sénégal, FIDA (Paris) January 2015. Access: 20 March 2015. http://www.ifad.org/events/remittances/2014/atelier/atelier_report.pdf.

²¹⁴⁴ France-Sénégal: Étude sur la dimension locale de la dialectique Migration et Développement, AFD (Paris) 20 January 2015. Access: 3 April 2015. <http://www.envoirdargent.fr/content/france-s%C3%A9n%C3%A9gal-etude-sur-la-dimension-locale-de-la-dialectique-migration-et-d%C3%A9veloppement>.

²¹⁴⁵ Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 6 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²¹⁴⁶ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²¹⁴⁷ Trainings and information events for participants of circular migration project, State Commission on Migration Issues (Georgia) December 2014. Access: 17 October 2015. http://migration.commission.ge/index.php?article_id=114&clang=1.

India: +1

India has fully complied with its commitment to reduce the average cost of remittances and enhance access to more affordable remittances.

In Q2 2015 the receiving rate of remittances was 6.88 percent, a decrease from 6.78 percent in Q1 2015.²¹⁴⁸ In Q3 of 2015 the average receiving cost was 6.50 per cent.

Table 13 outlines the average receiving cost of remittances in India:²¹⁴⁹

Table 13: Remittance Costs in India

Q4 2014	Q1 2015	Q2 2015	Q3 2015
6.88 per cent	6.78 per cent	6.88 per cent	6.50 per cent

On 5 February 2015, the Reserve Bank of India increased its foreign exchange remittance limit to USD 250,000 under its liberalized remittance scheme.²¹⁵⁰ The foreign exchange remittance limit was previously raised to USD 125,000 in June 2014.²¹⁵¹

On 16 September 2015, the Reserve Bank of India (RBI) gave in-principle approval to ten entities to set up small finance banks. Eight of the ten entities are micro-finance organizations, which will help expand access to financial services in rural and semi-urban areas. One of the entities, Ujjivan, has already indicated that it plans to offer remittance transfer services.²¹⁵²

According to a statement released by the Ministry of Finance on 31 July 2015, the Reserve Bank of India has reconstituted the Financial Inclusion Advisory Committee to monitor financial inclusion plans and progress. The organization's new mandate includes: monitoring financial inclusion and plans submitted by banks and evaluating their impact; monitoring financial literacy progress reports submitted by banks and evaluating their impact; and preparing a national strategy for financial inclusion.²¹⁵³

On 3 March 2014, the Reserve Bank of India announced plans to allow foreign inward remittances sent through money transfer service schemes to be deposited directly into the bank account of the beneficiary.²¹⁵⁴

On 26 January 2015, India worked with the United States Agency for International Development, the Calvert Foundation, and numerous financial institutions to create the Indian Diaspora Investment Initiative. This initiative will allow American-Indians and financial institutions to provide critical financing for Indian

²¹⁴⁸ Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 23 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²¹⁴⁹ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²¹⁵⁰ Reserve Bank of India Doubles Forex Remittance Limit Up to \$250000, India Today (Noida) 5 February 2015. Access: 17 April 2015. [http://indiatoday.intoday.in/education/story/reserve-bank-of-india-doubles-forex-remittance-limit-upto-\\$250000/1/417124.html](http://indiatoday.intoday.in/education/story/reserve-bank-of-india-doubles-forex-remittance-limit-upto-$250000/1/417124.html).

²¹⁵¹ Reserve Bank of India Doubles Forex Remittance Limit Up to \$250000, India Today (Noida) 5 February 2015. Access: 17 April 2015. [http://indiatoday.intoday.in/education/story/reserve-bank-of-india-doubles-forex-remittance-limit-upto-\\$250000/1/417124.html](http://indiatoday.intoday.in/education/story/reserve-bank-of-india-doubles-forex-remittance-limit-upto-$250000/1/417124.html).

²¹⁵² What to expect from small finance banks, SendMoneyAsia. 22 September 2015. Access: 23 October 2015. <http://www.sendmoneyasia.org/news/india/article/743/what-to-expect-from-small-finance-banks.html>.

²¹⁵³ Financial Inclusion Advisory Committee, Press Information Bureau (New Delhi) 31 July 2015. Access: 23 October 2015. <http://pib.nic.in/newsite/PrintRelease.aspx?relid=124045>.

²¹⁵⁴ RBI allows money transfer directly into beneficiaries' bank accounts, The Hindu (Chennai) 4 March 2014. Access: 23 October 2015. <http://www.thehindu.com/business/Industry/rbi-allows-money-transfer-directly-into-beneficiaries-bank-accounts/article5750697.ece>.

businesses and Indian infrastructure projects. This initiative will work to facilitate greater remittance flows to India from the United States.²¹⁵⁵

India has taken concrete policy actions to increase the availability of affordable remittances. Thus, India is awarded a score of +1.

Analyst: Jasjit Goraya

Indonesia: 0

Indonesia has partially complied with its commitment on remittances.

According to the World Bank, between Q4 2014 to Q2 2015, the average domestic cost of receiving remittances in Indonesia shifted downwards from 7.34 per cent to 6.69 per cent.²¹⁵⁶

Table 14 outlines the average receiving cost of remittances in Indonesia:²¹⁵⁷

Table 14: Remittance Costs in Indonesia

Q4 2014	Q1 2015	Q2 2015	Q3 2015
7.34 per cent	6.74 per cent	6.69 per cent	6.90 per cent

On 1 July 2015, the Agency for the Placement and Protection of Indonesian Migrant Workers launched a plan that would encourage migrant workers to send remittances home.²¹⁵⁸ The plan — which requires migrant workers to open local bank accounts for themselves and their families before departing — is a part of a larger effort to double the amount of remittances the country receives each year.²¹⁵⁹

In March 2015, Bank Mandiri announced a collaboration with the state pawnshop operator, Pegadaian, to increase access to remittance services. The partnership will increase expand the reach of money transfer operators and allow migrant workers to send money to their families throughout the country.²¹⁶⁰

Indonesia has taken some access to increase access to affordable remittances. Thus, it has been awarded a score of 0.

Analyst: Heather Gale

Italy: 0

Italy has partially complied with its commitment to reduce the average cost of transferring remittances to 5 per cent and enhance access to affordable remittances.

²¹⁵⁵ New Initiative Accounted to Enable Diaspora Investment in India's Development, USAID Press Office (Washington) 26 January 2015. Access: 6 April 2015. <http://www.usaid.gov/news-information/press-releases/jan-26-2015-new-initiative-announced-enable-diaspora-investment-indias>.

²¹⁵⁶ Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 1 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²¹⁵⁷ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²¹⁵⁸ Govt aims to double remittance, The Jakarta Post (Jakarta) 16 April 2015. Access: 23 October 2015. <http://www.thejakartapost.com/news/2015/04/16/govt-aims-double-remittance.html>.

²¹⁵⁹ Govt aims to double remittance, The Jakarta Post (Jakarta) 16 April 2015. Access: 23 October 2015. <http://www.thejakartapost.com/news/2015/04/16/govt-aims-double-remittance.html>.

²¹⁶⁰ Transaction value amounts to USD 38.937m: Bank Mandiri determined to facilitate Indonesian expats, Customs Today (Jakarta) 18 March 2015. Access: 23 October 2015. <http://www.customstoday.com.pk/transaction-value-amounts-to-USD-38-937m-bank-mandiri-determined-to-facilitate-indonesian-expats/>.

The cost of sending remittances from Italy was 6.73 per cent in the fourth quarter of 2014, down from 6.83 per cent in the third quarter of 2014. In Q1 and Q2 2015, the average cost of sending remittances decreased to 6.49 per cent.²¹⁶¹

Table 15 outlines the average cost of sending remittances from Italy:²¹⁶²

Table 15: Remittance Costs in Italy

Q4 2014	Q1 2015	Q2 2015	Q3 2015
6.73 per cent	6.49 per cent	6.49 per cent	6.05 per cent

On 30 November 2014, a report by the Centre for International Policy Studies indicated that there is a downward trend in the cost of sending remittances from Italy, as a result of a plurality of operators committed to achieving the 5% target.²¹⁶³ These improvements are also a result of measures such as the: introduction of innovative tools, the use of rechargeable cards, and the introduction of new online remittance services such as World Remit, Xendpay and TransferWise.²¹⁶⁴

Italy has taken measures to enhance access to more affordable remittances. However, it has failed to take all required measures. Therefore, Italy receives a score of 0.

Analysts: Leslie Woods and Tea Cimini

Japan: 0

Japan has partially complied with its commitments to provide more affordable remittances.

Between Q3 and Q4 2014, the cost of sending remittances in Japan decreased from 13.74 per cent to 13.28 per cent.²¹⁶⁵ The cost of remittances then increased to 13.43 per cent in Q1 2015 and 13.55 per cent in Q2 2015.²¹⁶⁶

Table 16 outlines the average cost of sending remittances from Japan:²¹⁶⁷

Table 16: Remittance Costs in Japan

Q4 2014	Q1 2015	Q2 2015	Q3 2015
13.28 per cent	13.43 per cent	13.55 per cent	12.97 per cent

In 2015, the Japan International Cooperative Agency helped organize the APEC Forum on Financial Inclusion. The conference took place from 3-4 March 2015 and included speakers from the Japanese government and Japan's development agency.²¹⁶⁸

²¹⁶¹ Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 6 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²¹⁶² Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²¹⁶³ The Database of the Italian Remittance Costs, Centre for International Policy Studies, 30 November 2014. Access: 27 February 2015. http://www.mandasoldiacasa.it/sites/default/files/Analisi%20dati_nov_14_ITA_def.pdf.

²¹⁶⁴ The Database of the Italian Remittance Costs, Centre for International Policy Studies, 30 November 2014. Access: 27 February 2015. http://www.mandasoldiacasa.it/sites/default/files/Analisi%20dati_nov_14_ITA_def.pdf.

²¹⁶⁵ Remittance Prices Around the World, The World Bank (Washington) March 2015. Access: 6 April 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_march_2015.pdf.

²¹⁶⁶ Remittance Prices Around the World, The World Bank (Washington) June 2015. Access: 9 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²¹⁶⁷ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

On 11 September 2015, Japan, as a member of the Asia-Pacific Economic Cooperation, launched the Cebu Action Plan (CAP), which aims to further develop a financially integrated, transparent community among APEC member states.²¹⁶⁹ Reducing remittance costs was one of the areas which the CAP aimed to promote. As a short term goal to be completed in one year, Japan agreed to consult the G20 Plan to Facilitate Remittance Flows in order to encourage remittance flows and to decrease costs for remittance transactions.²¹⁷⁰ Furthermore, Japan agreed to use the “G20 Plan to Facilitate Remittance Flows” as a guideline for developing a plan to decrease the average transaction cost of remittances to 5 per cent in 2-10 years.²¹⁷¹

Japan has engaged actions towards enhancing access to affordable remittances, but has not taken concrete policy action. Thus, Japan has been awarded a score of 0.

Analyst: Pin Hui Chen

Korea: 0

Korea has partially complied with its commitment to reduce the average cost of remittances and increase access to affordable remittances.

From Q3 to Q4 2014, the domestic cost of sending remittances in Korea increased from 6.0 per cent to 6.2 per cent.²¹⁷² However, in the eastern and central region of the world, where Korea is located, the average remittance costs have gone down 7.67 per cent to per cent 7.54 from Q3 to Q4 of 2014.²¹⁷³ Through Q1 and Q2 2015, the cost of sending remittances in Korea decreased slightly to 6.09 per cent.²¹⁷⁴

Table 17 outlines the average cost of sending remittances from Korea:²¹⁷⁵

Table 17: Remittance Costs in Korea

Q4 2014	Q1 2015	Q2 2015	Q3 2015
6.20 per cent	6.19 per cent	6.09 per cent	5.43 per cent

On 15 December 2014, the Bank of Korea and Financial Services Commission announced a new policy that will allow for real-time remittances and lower transfer fees between Korea and Vietnam²¹⁷⁶ This new service takes the place of SWIFT, an international system which takes a couple of days to process remittances.²¹⁷⁷

²¹⁶⁸ “Developing the Lending Infrastructure for Financial Inclusion,” Asia Pacific Forum on Financial Inclusion (Tagaytay City) 4 March 2015. Access: 17 October 2015. <http://fdc.org.au/wp-content/uploads/2015/06/2015-Asia-Pacific-Forum-on-Financial-Inclusion.pdf>.

²¹⁶⁹ APEC Finance Ministers’ Process (FMP) Roadmap/Cebu Action Plan, APEC (Mactan) 11 September 2015. Access: 9 October 2015. https://www.mof.go.jp/english/international_policy/convention/apec/20150911_1.pdf.

²¹⁷⁰ APEC Finance Ministers’ Process (FMP) Roadmap/Cebu Action Plan, APEC (Mactan) 11 September 2015. Access: 9 October 2015. https://www.mof.go.jp/english/international_policy/convention/apec/20150911_1.pdf

²¹⁷¹ APEC Finance Ministers’ Process (FMP) Roadmap/Cebu Action Plan, APEC 11 (Mactan) September 2015. Access: 9 October 2015. https://www.mof.go.jp/english/international_policy/convention/apec/20150911_1.pdf.

²¹⁷² Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access: 3 March 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf.

²¹⁷³ Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access: 3 March 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf

²¹⁷⁴ Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 4 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²¹⁷⁵ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²¹⁷⁶ Real Time Remittances to Vietnam Now Available, Business Korea (Seoul) 15 December 2015. Access: 17 April 2015. <http://www.businesskorea.co.kr/article/7867/korea-vietnam-remittance-real-time-remittances-vietnam-now-available>.

²¹⁷⁷ Real Time Remittances to Vietnam Now Available, Business Korea (Seoul) 15 December 2015. Access: 17 April 2015. <http://www.businesskorea.co.kr/article/7867/korea-vietnam-remittance-real-time-remittances-vietnam-now-available>.

On 20 May 2015, the Korean Financial Services Commission stated that it would allow overseas foreign exchange remittances through social network services in the near future.²¹⁷⁸ In the same statement, the Financial Services Commission said the Ministry of Strategy and Finance was already working on the details of a scheme that would allow non-bank players to offer remittance services based on SNS platforms.²¹⁷⁹

On 20 May 2015, the Korean Financial Services Commission also announced plans to allow brokerages and insurance firms to offer remittance transfer services for students living overseas and foreign residents in Korea.²¹⁸⁰ Prior to this announcement, only Korean banks offered overseas remittance transfers.²¹⁸¹

Korea has adopted some policy measures to help increase access to affordable remittances. Thus, Korea has been awarded a score of 0.

Analysts: Ben Fickling and Jini Wang

Mexico: +1

Mexico has fully complied with its commitment to reduce the average cost of remittances and enhance access to affordable remittances.

In Q3 2015, the average cost of receiving remittances in Mexico was 5.59 per cent, an increase from 5.30 per cent in Q2.

Table 18 outlines the average receiving cost of remittances in Mexico:²¹⁸²

Table 18: Remittance Costs in Mexico

Q4 2014	Q1 2015	Q2 2015	Q3 2015
4.37 per cent	4.62 per cent	5.30 per cent	5.59 per cent

On 3 February 2015, Directo a México updated its online tools for transferring money. With these transfers — which are sent from the United States to Mexico — the recipient receives the funds at no cost. The introduction of this tool could decrease costs for a large number of recipients. In December 2014, Directo a México processed 37,498 transfers amounting to USD 22,401,852; in January 2015, Directo a México processed 37,011 transfers amounting to USD 21,577,919.²¹⁸³

On 25 February 2015, the Bank of Mexico published an updated 2014 Annual Balance of Payments report that cited a surplus of 23.877 million in the transfer account from remittances from family members abroad, an increase of 7.8 per cent from the previous year, and an average value of USD 294.²¹⁸⁴

²¹⁷⁸ S. Korea to allow overseas FX remittance via SNS, Global Post (Boston) 19 May 2015, Access: 4 October 2015.

<http://www.globalpost.com/article/6554553/2015/05/20/s-korea-allow-overseas-fx-remittance-sns>.

²¹⁷⁹ S. Korea to allow overseas FX remittance via SNS, Global Post (Boston) 19 May 2015, Access: 4 October 2015.

<http://www.globalpost.com/article/6554553/2015/05/20/s-korea-allow-overseas-fx-remittance-sns>.

²¹⁸⁰ Brokerages, Insurance Firms to Offer Remittance Services, The Korea Times (Seoul) 25 May 2015. Access: 4 October 2015.

<http://www.pressreader.com/korea-republic-of/the-korea-times/20150525/281496454876584/TextView>.

²¹⁸¹ Brokerages, Insurance Firms to Offer Remittance Services, The Korea Times (Seoul) 25 May 2015. Access: 4 October 2015.

<http://www.pressreader.com/korea-republic-of/the-korea-times/20150525/281496454876584/TextView>.

²¹⁸² Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²¹⁸³ Sistemas de Pago de Bajo Valor, Banco de Mexico (Mexico City). Access: 20 March 2015.

<http://www.banxico.org.mx/SieInternet/consultarDirectorioInternetAction.do?accion=consultarCuadro&idCuadro=CF311§or=21&locale=es>.

²¹⁸⁴ La Balanza de Pagos en 2014, Banco de Mexico (Mexico City) 25 February 2015. Access Date: 20 March 2015.

<http://www.banxico.org.mx/informacion-para-la-prensa/comunicados/sector-externo/balanza-de-pagos/%7BAEE2CBD4-2C71-DA27-336B-8F558037ED1E%7D.pdf>.

On 2 April 2015, the new Rules of Operation for SEDESOL's 3x1 Program for Fiscal Year 2015 came into force. With the 3x1 Program, the federal government encourages migrants living abroad to send money to Mexico by contributing three dollars for every one dollar invested from abroad. The new rules of operation promote accessibility to vulnerable populations, the marginalized and those living in poverty.²¹⁸⁵

In August 2015, Banxico reported a monthly import of USD 22,369,961 in remittances, an overall increase from those received in November 2014, when imports totalled USD 20,696,450. The monthly total of imported dollars steadily increased over the compliance period, although it did experience some fluctuations.²¹⁸⁶

The total average cost of sending remittances from the United States to Mexico in Q2 2015 was 5.30 per cent, an increase from 4.43 per cent in Q1 2015, 4.40 per cent in Q4 2014 and 4.48 per cent in Q3 2014.²¹⁸⁷

Mexico has implemented policies that reduce transfer costs and improve access to affordable remittances. Thus, it has been awarded a score of +1.

Analyst: Ariel Sim

Russia: +1

Russia has fully complied with the commitment on remittances.

On 10 February 2015, Russian ministry of finance announced its plans to start working on the National financial literacy strategy in 2015 in partnership with relevant governmental bodies and private sector. The strategy will define the objectives of the government in the area of increasing financial literacy for the mid-term perspective.²¹⁸⁸

On 13 February 2015, the Bank of Russia Expert Board on Financial Literacy in the Activities of Non-Bank Financial Institutions (NFI) held its first meeting. The participants discussed measures aimed at strengthening financial literacy regarding NFI instruments and services.²¹⁸⁹

On 3 March 2015, Bank of Russia revealed its draft Program on improving financial literacy. The program provides for the creation of a specialized web site, launching relevant TV programs and developing a financial literacy study course for schools.²¹⁹⁰

According to the G20 plan to facilitate remittance flows, Russian National financial literacy strategy and Program on improving financial literacy will "help lower the cost of transferring remittances by harmonising regulation, increasing the efficiency of payment systems infrastructure, and fostering innovative low-cost products such as digital and mobile payments."²¹⁹¹

²¹⁸⁵ 3x1 para Migrantes, Secretaría de Desarrollo Social (Sedesol). Access: 10 October 2015.

http://www.sedesol.gob.mx/en/SEDESOL/Programa_3x1_para_Migrantes.

²¹⁸⁶ Sistemas de Pago de Bajo Valor, Banco de Mexico (Mexico City). Access: 9 October 2015.

<http://www.banxico.org.mx/SielInternet/consultarDirectorioInternetAction.do?accion=consultarCuadro&idCuadro=CF311§or=21&locale=es>.

²¹⁸⁷ Remittance Prices Worldwide: Making Markets More Transparent, World Bank. Access: 9 October 2015.

<https://remittanceprices.worldbank.org/en>.

²¹⁸⁸ International conference on financial literacy and access to finance, Russian Ministry of Finance 10 February 2015. Access date: 14 May 2015. http://minfin.ru/ru/press-center/?id_4=33087.

²¹⁸⁹ On meeting of Bank of Russia Expert Board on Financial Literacy in NFI activities, Bank of Russia 13 February 2015. Access date: 14 May 2015. http://www.cbr.ru/eng/press/PR.aspx?file=13022015_164508eng_sbrfr2015-02-13T16_40_43.htm.

²¹⁹⁰ Central Bank has prepared a program of increasing financial literacy of the Russians, Interfax 3 March 2015. Access date: 14 May 2015. <http://www.interfax.ru/business/427633>.

²¹⁹¹ G20 plan to facilitate remittance flows, G20 Australia November 2014. Access date: 14 May 2015.

http://g20australia.org/sites/default/files/g20_resources/library/g20_plan_facilitate_remittance_flows.pdf.

The average cost of sending remittances from Russia decreased from 2.44% in Q4 2014 to 1.92% in Q3 2015. Thus, it remains well below the G20 5% target and is considerably lower than both the G20 and G8 averages.²¹⁹²

During the compliance period Russia has discussed measures aimed at reducing remittance transfer costs. Moreover, its sending cost has decreased and stands well below the G20 target of 5% at 1.92%. Thus, Russia is awarded a score of +1.

Analyst: Andrey Shelepon

Saudi Arabia: -1

Saudi Arabia has failed to comply with the commitment to help reduce the average cost of remittances.

According to the World Bank, Saudi Arabia's average outgoing transfer cost in Q4 2014 was below the 5 per cent target, at 4.41 per cent,²¹⁹³ a 0.56 per cent increase from Q3 2014.²¹⁹⁴ Saudi Arabia's average cost of sending remittances in the second quarter of 2015 fell by 0.62 per cent from the first quarter to 4.06 per cent.²¹⁹⁵

Table 19 outlines the average cost of sending remittances from Saudi Arabia:²¹⁹⁶

Table 19: Remittance Costs in Saudi Arabia

Q4 2014	Q1 2015	Q2 2015	Q3 2015
4.41 per cent	4.68 per cent	4.06 per cent	4.13 per cent

Despite being below the 5 per cent target, the Saudi Arabian Monetary Agency is “continually reviewing and monitoring prices of remittances and relevant exchange fees” to ensure that transfer fees are fairly divided between consumers and banks.”²¹⁹⁷

As of 20 September 2015, there is no publicly available information demonstrating that Saudi Arabia has taken action on implementing new policies to enhance access to more affordable remittances during the compliance cycle.

Although its average remittance transaction cost is below the global target of five per cent, it has not taken further policies to reduce costs and improve access to affordable remittances during the compliance period. Thus, Saudi Arabia has been awarded a score of -1.

Analyst: Natalia Valencia

South Africa: +1

South Africa has fully complied with its commitment on remittances.

²¹⁹² Remittance Prices Worldwide, Issue n. 153, World Bank October 2015. Access date: 21 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²¹⁹³ Remittance Prices Worldwide, The World Bank (Washington) January 2015. Access: 23 February 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_january_2015.pdf.

²¹⁹⁴ Report on the Remittance Agenda of the G20, The World Bank (Washington) 2014. Access: 7 April 2015.

http://siteresources.worldbank.org/EXTFINANCIALSECTOR/Resources/282884-1400093105293/GPFI_Remittances_Report_Final072014.pdf.

²¹⁹⁵ Remittance Prices Worldwide, The World Bank (Washington) June 2015. Access: 6 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²¹⁹⁶ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015.

https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²¹⁹⁷ G20 Plan to Facilitate Remittance Flows, Group of 20 November 2014. Access: 4 April 2015.

<http://www.international.gc.ca/g20/assets/pdfs/G20-PlantoFacilitateRemittanceFlows.pdf>.

In Q3 2015, the average cost of sending remittances from South Africa was 15.19 per cent a decrease from 16.79 percent in Q2 2015.²¹⁹⁸

Table 20 outlines the average cost of sending remittances from South Africa:²¹⁹⁹

Table 20: Remittance Costs in South Africa

Q4 2014	Q1 2015	Q2 2015	Q3 2015
19.76 per cent	18.00 per cent	16.79 per cent	15.19 per cent

On 28 January 2015, “the South African Reserve Bank (SARB) introduced a new type of license specifically for money transfer operators (MTOs), known as “category three” licenses, which will allow them operate independently of banks.” It is projected that this will contribute to a rise in competition, which would result in lower costs. “Mama Money, a new startup in Cape Town, was the first money transfer company in South Africa to receive a category three operating license last month.”²²⁰⁰ “Operators such as Mama Money allow Zimbabweans living in South Africa to send money home through their cellphones at a rate of just under 5% of the total cost of the transaction.”²²⁰¹

On 4-5 March 2015, South Africa, in tandem with the International Fund for Agricultural Development, hosted the first African Conference on Remittances and Postal Networks.

This conference focused on “finding ways to leverage this powerful financial and development force by making remittance services more affordable and accessible to rural people [in Africa].”²²⁰²

On June 5th 2015, Finance Minister Nhlanhla Nene approved a long-awaited exemption from legislation for cross-border remittances. According to FinMark Trust, it is expected that the exemption will reduce the cost of remittances with neighbouring countries and encourage remitters to use formal networks. The exemption will permit agencies to obtain proof of residence or a South African tax number for cross-border transactions, provided the amount is less than R3 000 a day or R10 000 in a calendar month.²²⁰³

Zimbabwean operator Econet — a mobile vending service used by more than 60,000 informal sector small business shop owners throughout South Africa — received approval for launching Ecocash remittance service with South African company Flash Mobile Vending.²²⁰⁴

On July 23rd 2015, Finance Minister Nhlanhla Nene addressed the first SADC financial inclusion Indaba in Johannesburg regarding regional economic development. At that time, he stated that “there is a need for a more graduated policy approach — that balances regulation and the risk of exclusion” in order to bring down the cost of remittances. Nene mentioned limited infrastructure as a “barrier in extending access” to

²¹⁹⁸ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²¹⁹⁹ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²²⁰⁰ South African Reserve Bank Grants New License For Money Transfer Operators, Fxcompared.com, 18 February 2015. Access: October 10 2015. <https://www.fxcompared.com/blog/south-african-reserve-bank-grants-new-license-for-money-transfer-operators/>.

²²⁰¹ Sending money out of SA set to become easier and cheaper, Mail & Guardian (Johannesburg) 09 June 2015. Access: 9 October 2015. <http://mg.co.za/article/2015-06-09-sending-money-out-of-sa-set-to-become-easier-and-cheaper>.

²²⁰² First African Conference on Remittances and Postal Networks Addresses Cost of Sending Money, International Fund for Agricultural Development (Paris) 2 March 2015. Access: 9 April 2015. <http://www.ifad.org/media/press/2015/16.htm>.

²²⁰³ Sending money out of SA set to become easier and cheaper, Mail & Guardian (Johannesburg) 09 June 2015. Access: 9 October 2015. <http://mg.co.za/article/2015-06-09-sending-money-out-of-sa-set-to-become-easier-and-cheaper>.

²²⁰⁴ Zim’s Econet secures SARB nod for cash remittances, eNCA (Johannesburg) 12 June 2015. Access: 9 October 2015. <https://www.enca.com/money/zim’s-econet-secures-sarb-nod-cash-remittances>.

technology and financial services. He also asked for further development in these areas and hoped that the Indaba would make them one step closer.²²⁰⁵

South Africa has taken concrete action to enhance access to affordable remittance during this compliance period. Thus, it has been awarded a score of +1.

Analyst: Yalda Mehren

Turkey: -1

Turkey has not complied with its commitment to reduce remittance costs to a 5 per cent reduction target.

While Turkey has not succeeded in reducing its remittance costs to 5 per cent, it has achieved a reduction in the cost of receiving remittances in 2015. In Q2 2015, Turkey's receiving remittance rate was 6.79 per cent.²²⁰⁶ Turkey's receiving remittance rate has declined from previous years.

Table 21 outlines the average cost of receiving remittances in Turkey:²²⁰⁷

Table 21: Remittance Costs in Turkey

Q4 2014	Q1 2015	Q2 2015	Q3 2015
6.42 per cent	6.72 per cent	6.79 per cent	6.95 per cent

Turkey has not taken any actions to reduce the average cost of remittances or increase access to remittance providers during the compliance cycle. Thus, Turkey is awarded a score of -1.

Analyst: Bushra Ebadi

United Kingdom: 0

The United Kingdom has partially complied with its commitment to take practical measures to enhance access to more affordable remittances.

As of Q2 2015, the average cost of sending remittances from the United Kingdom was 7.2 per cent, down from 7.49 per cent in Q1 2015 and 7.55 per cent in Q4 2014.²²⁰⁸

Table 22 outlines the average cost of sending remittances from the United Kingdom:²²⁰⁹

Table 22: Remittance Costs in the United Kingdom

Q4 2014	Q1 2015	Q2 2015	Q3 2015
7.55 per cent	7.49 per cent	7.20 per cent	7.41 per cent

In December 2014, the United Kingdom's "Action Group on Cross Border Remittances" reached a consensus to extend its mandate for another year. The action group is made up of government, industry and

²²⁰⁵ Speech by Minister of Finance Mr. Nhlanhla Nene, Ministry of Finance: Republic of South Africa (Johannesburg) 23 July 2015. Access: 16 October 2015. http://www.treasury.gov.za/comm_media/speeches/2015/2015072301%20-%20Financial%20Inclusion%20Speech.pdf.

²²⁰⁶ Remittance Prices Worldwide: An Analysis of Trends in the Cost of Migrants Remittance Services, World Bank Group (Washington) June 2015. Access: 14 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²²⁰⁷ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²²⁰⁸ Remittance Prices Worldwide: Issue n. 14, June 2015, World Bank Group (Washington) June 2015. Access: 15 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²²⁰⁹ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

international partners responsible for monitoring changes in the flow of remittances from the UK to Somalia, and identifying and addressing deficiencies in the UK-Somalia remittance corridor.²²¹⁰

In December 2014, the action group also decided to redefine its actions to include the following: 1) monitoring developments in the UK remittances market; 2) monitoring remittances flows and decisions by the formal banking institutions of the nation; 3) integrating law enforcement into any financial plans so that there is a general understanding of the legal stipulations concerning remittances; 4) advising on any relevant technical issues which have an impact on remittances; and 5) ensuring close monitoring and the development of a safer corridor initiative for UK-Somalia exchanges.²²¹¹

In Q2 2015, the first transactions in the Action Group on Cross Border Remittances' "Safer Corridor Pilot" began. The "Safer Corridor Pilot" — a project funded by the UK government and implemented by the World Bank — aims to create a safe avenue for remittance flows from the UK to Somalia.²²¹² The project was launched to "explore options to provide an interim mechanism to sustain the flow of remittances from the UK to Somalia by managing the risk of abuse for illicit purposes ... and to build the confidence of commercial banks to engage with the market and support transactions."²²¹³

The Action Group on Cross Border Remittances last met on 25 June 2015 to evaluate perceived money laundering and risks to terrorism financing. UK banks have become increasingly reluctant to take on and manage the risks posed by money remittances, especially where cash transfers are concerned.²²¹⁴ The UK government has been working with the National Crime Agency to mitigate these risks. One example of this was a series of closed workshops with the UK Money Transmitters Association and Somali Money Services Association, which worked on developing mechanisms to enhance regulatory transparency. The UK Money Remitters Association is also looking into developing further best practice standards.²²¹⁵

The UK has partially complied with its commitment to take practical measures to improve access to more affordable remittances. Thus, UK is awarded a score of 0.

Analyst: Jasjit Goraya

United States: +1

The United States has fully complied with its commitment to reduce the average cost of remittances and enhance access to more affordable remittances.

²²¹⁰ Revised Terms of Reference for the Action Group on Cross Border Remittances, The UK Government (London) January 2015. Access: 10 March 2015. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418688/15-03-20_SCP_Stakeholder_Engagement_Summary.pdf.

²²¹¹ Revised Terms of Reference for the Action Group on Cross Border Remittances, The UK Government (London) January 2015. Access: 10 March 2015. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418688/15-03-20_SCP_Stakeholder_Engagement_Summary.pdf.

²²¹² Revised Terms of Reference for the Action Group on Cross Border Remittances, The UK Government (London) January 2015. Access: 10 March 2015. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418688/15-03-20_SCP_Stakeholder_Engagement_Summary.pdf.

²²¹³ Revised Terms of Reference for the Action Group on Cross Border Remittances, The UK Government (London) January 2015. Access: 10 March 2015. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418688/15-03-20_SCP_Stakeholder_Engagement_Summary.pdf.

²²¹⁴ Progress Update, Action Group on Cross Border Remittances, January 2015. Access: 29 September 2015. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/348649/Action_Group_on_Cross_Border_Remittances_-_6_month_update.pdf.

²²¹⁵ Progress Update, Action Group on Cross Border Remittances, January 2015. Access: 29 September 2015. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/348649/Action_Group_on_Cross_Border_Remittances_-_6_month_update.pdf.

In Q2 2015, the cost of sending remittances from the US increased to 6.3 per cent from 5.92 per cent in Q1 2015 and 5.97 per cent in Q4 2014.²²¹⁶

Table 23 outlines the average cost of receiving remittances in the United States:²²¹⁷

Table 23: Remittance Costs in the United States

Q4 2014	Q1 2015	Q2 2015	Q3 2015
5.97 per cent	5.92 per cent	6.30 per cent	6.04 per cent

On 15 January 2015, the US Department of the Treasury and the US Department of Commerce announced the forthcoming publication of the revised Cuban Assets Control Regulations and Export Administration Regulations.²²¹⁸ These regulations include four changes to the United States' policies on sending remittances to Cuba. First, limits on remittances to Cuban nationals will be increased from \$500 to \$2,000 per quarter; second, remittances to Cuban nationals for humanitarian projects, support for the Cuban people, or development of private businesses will be generally authorized without limitation; third, authorized travellers will be allowed to carry with them to Cuba \$10,000 in total family remittances, periodic remittances, remittances to religious organizations in Cuba, and remittances to students in Cuba pursuant to an educational license; finally, banking institutions, including US-registered money transmitters, will be permitted to process authorized remittances to Cuba without having to apply for a specific license.

On 21 September 2015, the Department of the Treasury and the Department of Commerce amended these regulations to increase the flow of resources and information to Cuba. Among other things, these changes include a removal of the cap on donative remittances to Cuban nationals other than prohibited Cuban Government or Cuban Communist party officials.²²¹⁹

On 26 January 2015, President Obama announced the formation of the Indian Diaspora Investment Initiative. The initiative — a partnership between the US Agency for International Development, the Calvert Foundation and numerous private financial institutions within India — encourages Indian Americans to invest in non-traditional markets in India. The initiative will assist businesses and organizations in India that have the potential to reduce poverty through a variety of means, such as increasing financial inclusion.²²²⁰

On 6 February 2015, the Merchants Bank of California, the principle US bank facilitating remittances to Somalia, closed all of its money-transfer operations to Somalia.²²²¹ This closure was prompted by concerns that Somalia was a particularly risky destination for money transfers because of its weak financial regulation and the presence of groups listed as terrorists.²²²² According to Keith Ellison, a congressman and

²²¹⁶ Remittance Prices Worldwide: Issue n. 14, June 2015, World Bank Group (Washington) June 2015. Access: 15 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_june_2015.pdf.

²²¹⁷ Remittance Prices Worldwide, The World Bank (Washington) October 2015. Access: 23 October 2015. https://remittanceprices.worldbank.org/sites/default/files/rpw_report_october_2015.pdf.

²²¹⁸ FACT SHEET: Treasury and Commerce Announce Regulatory Amendments to the Cuba Sanctions, US Department of the Treasury (Washington) 15 January 2015. Access: 23 October 2015. <http://www.treasury.gov/press-center/press-releases/Pages/jl9740.aspx>.

²²¹⁹ Cuba Sanctions, US Department of State (Washington) 21 September 2015. Access: 23 October 2015. <http://www.state.gov/e/eb/tfs/spi/cuba/>.

²²²⁰ New Initiative Accounted to Enable Diaspora Investment in India's Development, USAID Press Office (Washington) 26 January 2015. Access: 6 April 2015. <http://www.usaid.gov/news-information/press-releases/jan-26-2015-new-initiative-announced-enable-diaspora-investment-indias>.

²²²¹ Hanging By A Thread, Joint Agency Briefing Note. 19 February 2015. Access: 17 April 2015. <http://adesoafrika.org/wp-content/uploads/2015/02/bn-hanging-by-thread-somalia-remittances-190215-embargo-en.pdf>.

²²²² Hanging By A Thread, Joint Agency Briefing Note. 19 February 2015. Access: 17 April 2015. <http://adesoafrika.org/wp-content/uploads/2015/02/bn-hanging-by-thread-somalia-remittances-190215-embargo-en.pdf>.

representative for Minneapolis, the decision to close these accounts will have a “devastating [effect] of closing the last safe and legal pipeline to provide humanitarian remittances to Somalia.”²²²³

The United States adopted policies that will increase access to affordable remittances. Thus, the US is awarded a score of +1.

Analysts: Jasjit Goraya and Mariel Seymour

European Union: 0

The European Union has partially complied with its commitment to take practical measures to enhance access to more affordable remittances.

Notably, the average remittance cost percentage could not be calculated because average remittance costs vary across EU members.

On 5 December 2014, “[European Union] member-states reached an agreement on the proposal for a revised Payment Services Directive (PSD) to a new Payment Services Directive (PSD2).”²²²⁴ PSD2 has an increased focus on consumer protection, enhanced security, competition, and innovation. PSD2 also aims to improve the cost-transparency of remittances.²²²⁵ Higher transparency on the market could lead to cheaper remittances abroad.²²²⁶

The European Parliament and the Council of the EU came to an agreement on a final version of the PSD2 on 5 May 2015.²²²⁷ During a plenary session on 6 October 2015, the European Parliament will vote on plans for a revised PSD2 before the directive is voted upon for implementation.²²²⁸

On 4-5 March 2015, the EU co-financed the first African Conference on Remittances and Postal Networks on “finding ways to leverage this powerful financial and development force by making remittance services more affordable and accessible to rural people [in Africa].”²²²⁹

The EU has demonstrated some action on reducing remittance costs and enhancing financial inclusion. Thus, it was awarded a score of 0.

Analyst: Ahysa Horvat

²²²³ Ending Somali-US money transfers will be devastating, Merchants Bank warned, The Guardian (London) 6 February 2015. Access: 23 October 2015.

²²²⁴ Payment Service Directive: Towards More Clarity?, European Banking Federation (Brussels) 19 December 2014. Access: 17 April 2015. <http://enews.ebf-fbe.eu/2014/12/payment-service-directive-towards-more-clarity/>.

²²²⁵ Key Features of PSD2 and What They Mean for the Payments Industry, Out-law.com (London) 26 January 2015. Access: 27 February 2015. <http://www.out-law.com/en/articles/2015/january/key-features-of-psd2-and-what-they-mean-for-the-payments-industry/>.

²²²⁶ Payment Services Directive and Interchange fees Regulation, EU Business (Chesham) 24 July 2013. Access: 5 April 2015. <http://www.eubusiness.com/topics/finance/payment-services-2/>.

²²²⁷ PSD2: Almost final – a state of play, European Payments Council 6 June 2015. Access: 3 October 2015. <http://www.europeanpaymentscouncil.eu/index.cfm/blog/psd2-almost-final-a-state-of-play/>.

²²²⁸ Procedure file 2013/0264(COD), European Union Legislative Observatory. Access: 3 October 2015. [http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2013/0264\(COD\)&l=en](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2013/0264(COD)&l=en).

²²²⁹ First African Conference on Remittances and Postal Networks Addresses Cost of Sending Money, International Fund for Agricultural Development (Rome) 2 March 2015. Access: 9 April 2015. <http://www.ifad.org/media/press/2015/16.htm>.