

Interview Guide: Remittance Transfer Rule Implementation Case Studies

The guide below is a list of potential questions that may be asked. The Bureau does not expect that all respondents will be asked to answer every question. The Bureau will attempt to answer some of the questions regarding respondents' current businesses from publicly available information, such as websites, prior to the start of structured interviews. Additionally, the subset of topics covered, the specific questions asked in any particular structured interview, and the amount of time spent discussing any particular topic or question will be tailored to the nature and context of the respondent's business, the interest and focus of the specific functional leaders with whom we will conduct the interviews, respondents' available time, and any particular concerns, interests, or questions that respondents raise.

The questions below are directed to providers, service providers, or both. For the purposes of this document only, the term "provider" refers to entities that provide remittance transfers to senders. For the purpose of this document only, the term "service provider" is used to refer to an entity that provides services to a provider. A service provider might be a software company or a correspondent bank whose services a provider uses to facilitate its remittance transfers. One company with multiple business lines might operate both as a provider and as a service provider. As a result, the provider and service provider questions are mixed together in the list below.

BACKGROUND: CURRENT BUSINESS

These questions regard the respondent's current business, prior to the effective date of the Remittance Transfer Rule. Information about the respondent's current business will help the Bureau understand the changes that respondents may be considering or are implementing in reaction to the Remittance Transfer Rule. This information may also help the Bureau identify which of the other questions in this interview guide should be asked.

- 1) If you are a provider, what services are you currently offering to U.S. consumers to send money abroad? *E.g.*,
 - a. International wire services (Brand____)
 - b. International ACH service (Brand name_____)
 - c. Proprietary network service (Brand name_____)
 - d. Advance scheduled or recurring transfers (Brand name_____)
 - e. International bill pay service (Brand name _____)
 - f. Other (Brand name_____)

- 2) If you are a provider, please discuss the importance of these remittances services to your overall business model.

- 3) If you are a service provider, what types of services offered by providers are you supporting for U.S. consumers sending money abroad? For example:
 - a. International wire services
 - b. International ACH service

- c. Proprietary network services
 - d. Advance scheduled or recurring transfers
 - e. International bill pay services
 - f. Other
- 4) If you are a service provider, what services are you currently offering to providers to support international transfers sent by consumers in the United States? For example:
- a. Software services
 - b. Correspondent bank services
 - c. Other settlement or messaging services
 - d. Other
- 5) If you are a service provider, please discuss the importance of your remittances-related services to your overall business model.
- 6) If you are a provider, please further describe each of the services that you offer to U.S. consumers to send money abroad. Aspects of the services may include:
- a. Market positioning and target market
 - b. Number of transactions, dollar volume of transactions, number of customers, and/or market share
 - c. Key corridors and destination countries
 - d. Average, median, maximum, or minimum transaction size
 - e. Delivery time
 - f. Channels for sending
 - g. # of send states
 - h. # of receive countries
 - i. Receipt currencies
 - j. Percent of transfers for which there is no foreign exchange
 - k. Methods of funding transfers
 - l. Methods of receiving transfers
 - m. Add-ons, e.g., free phone call to notify recipient
- 7) If you are a service provider, please further describe each of the services that you offer to support U.S. consumers sending money abroad. Aspects of the services may include:
- a. Market positioning and target market
 - b. Number of transactions, dollar volume of transactions, number of customers, and/or market share
 - c. Key corridors and destination countries
 - d. Average, median, maximum, or minimum transaction size
 - e. Delivery time
 - f. Channels for sending
 - g. # of send states
 - h. # of receive countries
 - i. Receipt currencies
 - j. Percent of transfers for which there is no foreign exchange
 - k. Methods of funding transfers

1. Methods of receiving transfers
- 8) If you are a provider, please describe the business partners, practices, and processes that you use to provide each of the international transfer services described above. This description may include:
- a. Key business partners involved
 - b. Parties responsible for key aspects of the transaction, including foreign exchange
 - c. Payment and messaging systems used to settle transactions
 - d. Languages used to communicate with customers (or supported)
 - e. Pricing model, including
 - i. Fees you charge
 - ii. Fees others may charge
 - iii. Exchange rate, including practice for setting rate
 - iv. Taxes imposed on transfer
 - f. Commissions or revenue sharing among business partners involved
- 9) If you are a service provider, please describe the business partners, practices and processes that you use to support remittance transfers. This description may include:
- a. Key business partners involved
 - b. Parties responsible for key aspects of the transaction
 - c. Payment and messaging systems used to settle transactions
 - d. Languages used to communicate with customers (or supported)
 - e. Pricing model, including
 - i. Fees you charge
 - ii. Fees others may charge
 - iii. Exchange rate, including practice for setting rate
 - f. Commissions or revenue sharing among business partners involved

BACKGROUND: CURRENT PRACTICE WITH REGARD TO REGULATED AREAS

The following questions also regard the respondent's current business, prior to the effective date of the Remittance Transfer Rule.

- 10) If you are a provider, please describe your current and recent practices regarding the following areas, for each of the services that you offer to U.S. consumers to send money abroad. In your description, please address how your practice may differ for various channels for sending money, or payment devices used.
- a. Prepayment disclosures
 - b. Receipts
 - c. Knowledge /research of taxes imposed on remittance transfers and fees that others may impose on remittance transfers
 - d. Languages used in marketing, advertising, and soliciting remittance transfers
 - e. Cancellation
 - f. Complaint handling and error resolution
 - g. Advance/recurring transfers

- 11) If you are a service provider, please describe the services that you currently offer or have recently offered to remittance transfer providers regarding the following. Please describe how your practice may differ for various channels for sending money, or different types of institutions or services supported.
 - a. Prepayment disclosures
 - b. Receipts
 - c. Knowledge /research of taxes imposed on remittance transfers and fees that others may impose on remittance transfers
 - d. Languages used in marketing, advertising, and soliciting remittance transfers
 - e. Cancellation
 - f. Complaint handling and error resolution
 - g. Advance/recurring transfers

- 12) If you are a provider, please discuss the frequency with which you encounter the following for international transfers sent by U.S. consumers. Please also discuss how you directly, or in coordination with others, handle the following, and your level of success in doing so.
 - a. Cancellation requests
 - b. Errors and/or complaints
 - i. Wrong amount charged
 - ii. Wrong amount received
 - iii. Delayed transfer
 - iv. Nonreceipt of transfer (including through deposit into wrong account)
 - v. Other types of errors or complaints
 - c. Advance scheduled and/or recurring transfers
 - d. Requests, complaints, or other communications in languages other than English

- 13) If you are a service provider, please discuss the frequency with which you encounter the following when handling transactions that may be consumer-initiated international transfers. Please also discuss how you directly, or in coordination with others, handle the following, and your level of success in doing so.
 - a. Cancellation requests
 - b. Errors and/or complaints
 - i. Wrong amount charged
 - ii. Wrong amount received
 - iii. Delayed transfer
 - iv. Nonreceipt of transfer (including through deposit into wrong account)
 - v. Other types of errors or complaints
 - c. Advance scheduled and/or recurring transfers
 - d. Requests, complaints, or other communications in languages other than English

- 14) If you are a provider, please discuss any other types of errors or complaints that you receive from U.S. consumers regarding international money transfers.

- 15) If you are a service provider, please discuss any other types of errors or complaints that your clients receive from U.S. consumers regarding international money transfers.

BACKGROUND: CURRENT ECONOMICS

The following questions also regard the respondent's current business, prior to the effective date of the Remittance Transfer Rule.

- 16) If you are a provider, with regard to each of your current remittance transfer services, please discuss your revenues and costs. Please focus on recent years (e.g., last 2-3 years) but describe any notable changes in the recent past.
 - a. This discussion can include key fixed and variable costs, as well as operating or net profit margins.
 - b. Key areas of revenue can include fee and foreign exchange revenue.
 - c. Key areas of cost can include commissions and other agent costs, labor costs for front-line, headquarters, and compliance staff, and IT maintenance and development costs.

- 17) If you are a service provider, with regard to each of the services provided to remittance transfer providers, please discuss your revenues and costs. Please focus on recent years (e.g., last 2-3 years) but describe any notable changes in the recent past.
 - a. This discussion can include key fixed and variable costs, as well as operating or net profit margins.
 - b. Key areas of revenue can include fee and foreign exchange revenue.
 - c. Key areas of cost can include labor costs and IT maintenance and development costs.

REMITTANCE TRANSFER RULE: IMPLEMENTATION

The following questions are focused on the respondent's actions in response to the Remittance Transfer Rule.

- 18) If you are a provider, what are the solutions that you have developed or are planning to develop to comply with the disclosure, cancelation, and error resolution requirements of the Remittance Transfer Rule? What alternatives did you consider and why did you decide on the path you chose? For example:
 - a. Disclosures:
 - i. Method of determining whether disclosures are required?
 - ii. Combined or separate disclosures?
 - iii. Sources of required information?
 - iv. Estimation methodology? (if estimation is permitted)
 - v. Circumstances or frequency with which you plan to disclose estimates?
 - vi. Use of disclaimer and/or optional disclosure regarding taxes and certain fees imposed by persons other than the provider?
 - vii. Form and method of providing disclosures? (e.g., electronic, phone, fax, paper)
 - viii. Contractual relationships/liability agreements related to information received from third parties?
 - ix. Use of foreign languages?

- b. Cancellation:
 - i. How are you ensuring that canceled transfers can be refunded?
 - ii. How will you know when cancellation is permitted?
 - c. Error resolution:
 - i. Method of receiving complaints?
 - ii. Method of selecting remedy?
 - iii. Processes for investigations?
 - iv. Any plans regarding how costs or duties related to error resolution will be shared with your service providers and/or agents?
- 19) If you are a service provider, what are the solutions that you have developed or are planning to develop to help providers to implement the disclosure, cancellation, and error resolution requirements? What alternatives did you consider and why did you decide on the path you chose? For example:
- a. Disclosures:
 - i. What role are you playing in making available information required for disclosures?
 - ii. Are you providing disclosure form templates?
 - iii. Are you assisting with the use of foreign languages?
 - iv. Are you offering any warranties regarding information that you provide that may be used in disclosures?
 - b. Cancellation:
 - i. Are you providing any assistance in the receipt and handling of cancellation requests?
 - c. Error resolution:
 - i. Are you doing anything to facilitate the receipt, investigation, or resolution of complaints?
 - ii. Have you made any plans regarding how costs or duties related to error resolution will be shared with your clients in event of an error?
- 20) Please discuss whether and why (or why not) you submitted a comment letter to the Federal Reserve Board or the CFPB regarding the Remittance Transfer Rule and related proposed rules.
- 21) Please discuss whether, why (or why not), and how you have been involved in any other efforts to either change the Remittance Transfer Rule, or change industry practice to enable compliance with the Remittance Transfer Rule.
- 22) How and when did you learn of the requirements of the Remittance Transfer Rule (including amendments to it)? To what extent have you relied on any of the sources listed below to understand the requirements?
- a. Outside counsel
 - b. In-house counsel
 - c. In-house compliance staff
 - d. Trade groups
 - e. CFPB staff, webinar, speeches, or other resources

- f. Business partners
 - g. External consultants
- 23) If you are a provider, please discuss the actions and steps you have taken (or will take) to implement the requirements of the Remittance Transfer Rule, including the timelines for and the number of people and hours devoted to critical tasks, such as:
- a. Learning about the requirements of the rule
 - b. Planning and managing the implementation process
 - c. Implementing disclosure requirements, including
 - i. Gathering any information required for disclosures
 - ii. Updating and testing computer systems
 - d. Designing and documenting changes in business processes
 - e. Seeking new business relationships or revising existing ones (*e.g.*, agent or service provider contracts)
 - f. Training staff, agents, or business partners
 - g. Updating hardware
 - h. Changing marketing materials
 - i. Updating compliance procedures
- 24) If you are a service provider, please discuss the actions and steps you have taken (or will take) to develop a solution related to the Remittance Transfer Rule, including the timelines for and the number of people and hours devoted to critical tasks, such as:
- a. Learning about the requirements of the rule
 - b. Planning and managing the implementation process
 - c. Implementing disclosure requirements, including
 - i. Gathering any information provided to clients for disclosures
 - ii. Updating and testing computer systems
 - d. Designing and documenting changes in business processes
 - e. Seeking new business relationships or revising existing ones (*e.g.*, client or business partner contracts)
 - f. Selling solution
 - g. Training staff, clients, or business partners
 - h. Updating hardware
 - i. Updating compliance procedures
- 25) Please discuss the considerations that affected your decisions about when to take certain actions related to the requirements of the Remittance Transfer Rule. For example, were your decisions affected by any of the events listed below?
- a. Holiday period
 - b. Planned systems shutdown periods or maintenance windows
 - c. Other regulatory implementation projects
 - d. Other priority projects
 - e. Business partners' schedules or limitations
 - f. Expectations or hopes that regulatory requirements might change
 - g. The effective date of the Remittance Transfer Rule
 - h. CFPB's announcements, CFPB's website content or other resources, or other CFPB

action

- 26) Please discuss your collaboration (or consideration of such collaboration) with any other parties in developing solutions regarding the Remittance Transfer Rule.
- 27) Please discuss:
- a. How does the timeline, benefit, cost, or impact of this regulatory implementation projects compare to other regulatory implementation projects?
 - b. What aspects of the Remittance Transfer Rule have been most and least costly, time consuming, and/or challenging to address? Why?
 - c. Which aspects of the Remittance Transfer Rule have required the greatest or least lead time to address?
 - d. How did your plan to implement (or help others implement) the requirements of the Remittance Transfer Rule evolve over time?
 - e. Throughout your implementation of changes related to the Remittance Transfer Rule, what are or have been key areas of uncertainty or risk?
 - f. Did you consider any alternatives for complying with any aspect of the Remittance Transfer Rule? Why or why not?
 - g. In your implementation of the Remittance Transfer Rule requirements, are there any areas in which you have compromised, in comparison to your original planned implementation approach, or what you would have considered best practice? If so, what are they and why?

IMPACT OF THE REMITTANCE TRANSFER RULE

The following questions are focused on the respondent's actions in response to the Remittance Transfer Rule.

- 28) If you are a provider, please describe whether or how the disclosure, cancelation, or error resolution requirements in the Remittance Transfer Rule will affect any of your services, including those described in response to Questions 1, 6, or 8 above. For each change, please describe why it is being made and what alternatives were or are being considered. Aspects of the services that may change may include:
- a. Market positioning and target market
 - b. Number of transactions, dollar volume of transactions, number of customers, and/or market share
 - c. Key corridors and destination countries
 - d. Average, median, maximum, or minimum transaction size
 - e. Delivery time
 - f. Channels for sending
 - g. # of send states
 - h. # of receive countries
 - i. Receipt currencies
 - j. Percent of transfers for which there is no foreign exchange
 - k. Methods of funding transfers
 - l. Methods of receiving transfers

- 29) If you are a service provider, please describe whether or how your efforts to assist others with compliance with the Remittance Transfer Rule will affect any of your services, including those described in response to Questions 3, 4, 7, or 9 above. For each change, please describe why it is being made and what alternatives were/are being considered.
- 30) For any of the solutions described above, please discuss whether and why changes are required or will be implemented in the following:
 - a. Business partners or service providers used
 - b. Contractual relationships
 - c. Staffing
 - d. Programming or software
 - e. Hardware
 - f. Risk management procedures
 - g. Other critical aspects of operations, processes, or other business practices
- 31) For any solution or change described above (and in sum), please discuss (and, if possible, estimate) the actual or anticipated impact on your income, including:
 - a. Startup costs
 - b. Ongoing costs
 - c. Revenue
- 32) Please discuss how you were planning to comply (or help others comply) with the Remittance Transfer Rule as it stood prior to the spring 2013 amendments, and the impact that your earlier planned solution would have had on your business and your customers. Please focus on differences between your earlier planned solution and your current planned solution, and include:
 - a. The solutions you were planning to develop
 - b. What would have been ready by the original effective date, of February 7, 2013, and what would have been available later?
 - c. What changes would you have made in your services or business practices, processes, and partners?
 - d. What impact did you anticipate on other areas of your business?
- 33) Please discuss the impact of the CFPB's 2012 and 2013 amendments to its Remittance Transfer Rule on the actions, decisions, plans, or changes discussed in response to the above questions.
- 34) Please describe any changes in consumer demand (if you are a provider) or customer demand (if you are a service provider) expected as a result of the Remittance Transfer Rule and the efforts you are making to implement the requirements or assist others with doing so. Please include any expected shift in the mix of services or products that consumers or customers will demand.
- 35) Please discuss the impact of the Remittance Transfer Rule on aspects of your business other than any remittance transfer services you provide (provider) or any services that

you provide to remittance transfer providers (service provider). For example:

- a. Changes in services, or underlying business processes
 - b. Changes in costs, revenues, or customer demand
 - c. Changes in plans, priorities, or resources
 - d. Changes in disclosure, cancelation, or error/complaint processes
- 36) Please discuss (and, if possible, estimate) the total ongoing benefits, costs, and impacts that you expect on your business due to the Remittance Transfer Rule. Please include a discussion of any modeling that you have done of the impact of the Remittance Transfer Rule. For example: Revenues, Costs, Demand
- 37) Please discuss whether or how you believe the Remittance Transfer Rule will change the shape of the remittance transfer market, any segment of that market, or any related markets, more generally.
- 38) Please discuss whether, why, and how you believe the Remittance Transfer Rule, or other factors, will change remittance industry practice generally in coming years.
- 39) Please discuss whether, how, and why you think the availability of information regarding fees and taxes imposed on remittances by persons other than providers will evolve.