



Bank of Russia

**RESULTS OF THE SURVEY OF
INDIVIDUALS MAK-ING/RECEIVING
CROSS-BORDER REMITTANCES
VIA PAYMENT SYSTEMS**

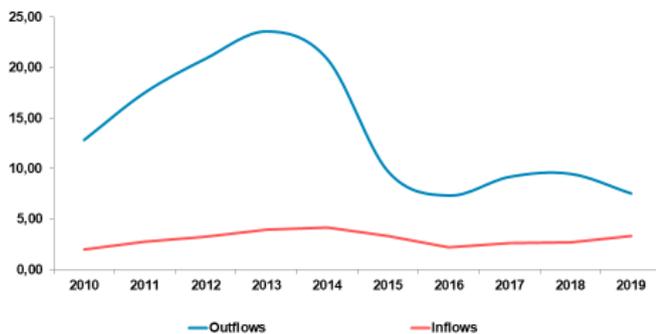
(BASED ON 2019 DATA)

Moscow
2020

The value of remittances of individuals from the Russian Federation via payment systems went down in 2019 by 20.5% to \$7.5 billion compared to 2018. On the contrary, 2018 saw an increase of 3.3% to \$9.5 billion.

Remittances via payment systems in favour of individuals in the Russian Federation grew by 24.9% to \$3.3 billion compared to an increase of 2.2% in the previous year.

CROSS-BORDER TRANSFERS OF INDIVIDUALS FROM/TO THE RUSSIAN FEDERATION VIA PAYMENT SYSTEMS (billions of US dollars)



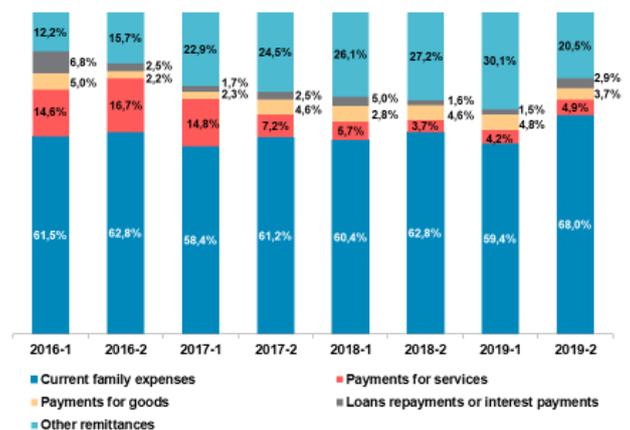
*According to Bank of Russia data

In order to get information on the main characteristics of cross-border remittances, surveys of individuals who make transactions via payment systems (hereinafter, surveys) were conducted in 2019 H1 and H2. According to the survey results, the number of remittances from the Russian Federation notably exceeded remittances to the Russian Federation. 71.8%¹ of total respondents indicated that they sent cross-border remittances from the Russian Federation abroad (vs 75.3% in 2018). At the same time, 64.9% indicated that they were non-residents of the Russian Federation (65.2% last year). Thus, the relative share of recipients of remittances to the Russian Federation amounted to 28.2% (24.7% in the previous year). Non-residents accounted for 43.6% of remittances (42.6%).

I. REMITTANCES FROM RUSSIA

Transfers for current expenses of a family remained the most widespread in the composition of remittances from Russia by purpose. Their share remained virtually unchanged in 2019 at 62.2% vs 62.0% in 2018. Most respondents who noted this purpose of remittance were non-residents of the Russian Federation (72.1%). Payment for goods accounted for 4.4% (4.7% in 2018); services – 4.4% (4.3%); loans repayments and interest payments – 2.0% (1.9%); other remittances – 26.9% (27.0% in the previous year).²

COMPOSITION OF REMITTANCES FROM RUSSIA IN 2016-2019 BY PURPOSE

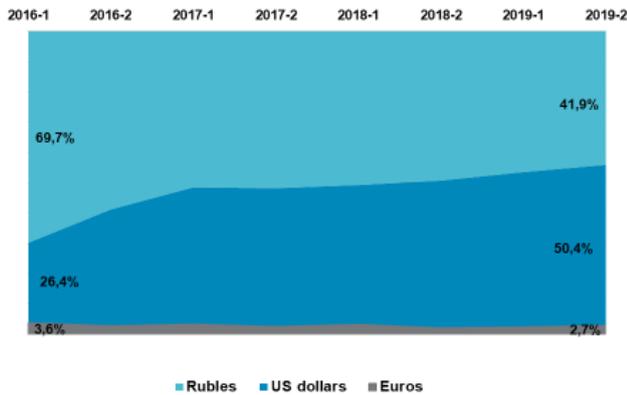


The analysis of remittances currency composition based on the results of the 2019 surveys showed, as in previous years, the domination of three currencies: Russian rubles, US dollars and euros. The Russian rubles remained the prevailing currency over the whole period of surveys since 2012. However, in 2019, the currency composition changed in favour of the US dollar whose share increased to 50.4% (vs 47.3% in 2018). The shares of euros and other currencies also increased by 0.1 pp and 0.8 pp to 2.4% and 2.7% respectively, whereas the share of the Russian ruble decreased by 4.0 pp to 44.5%.

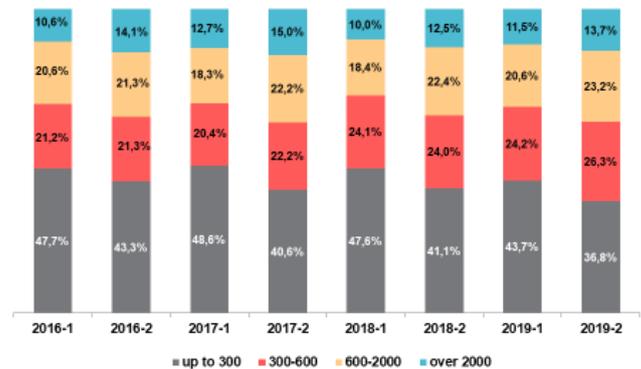
¹ Here and elsewhere the average weighted values for two surveys performed in 2019 are provided. The weighted average values for two surveys performed in 2018 are used for comparison. The number of questionnaires received for each survey is used for determining weights.

² In certain cases, there may be discrepancies between the total and the sum of the components due to rounding.

CURRENCY COMPOSITION OF REMITTANCES FROM RUSSIA IN 2016–2019

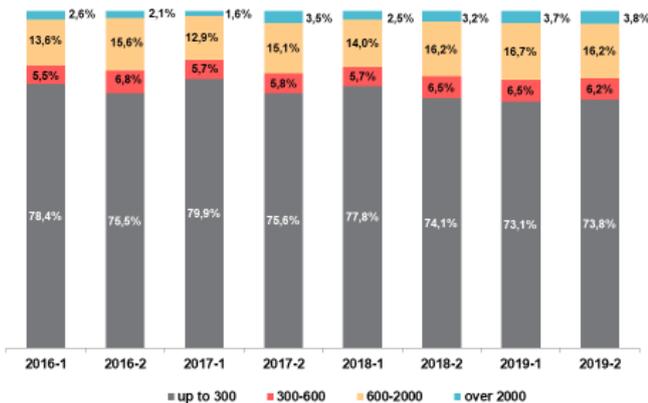


DOLLAR-DENOMINATED REMITTANCES FROM RUSSIA IN 2016–2019



The majority of respondents who made remittances in Russian rubles (73.3%) stated that the amount of their transaction did not exceed the equivalent of \$300 (75.5% in 2018). The range of \$300–600 accounted for 6.4% of remittances (6.2% in the previous year); \$600–2,000 – 16.6% (15.3%); the relative weight of remittances over \$2,000 rose to 3.7% from 3.0% in 2018.

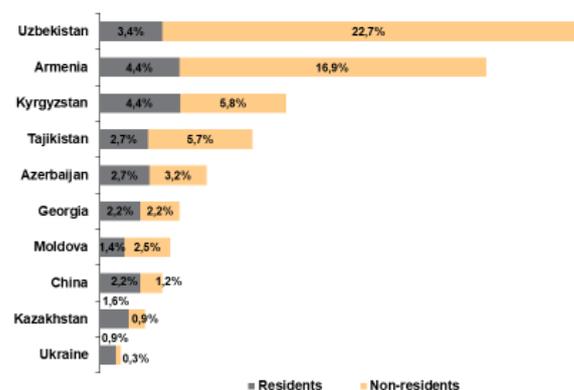
RUBLE-DENOMINATED REMITTANCES FROM RUSSIA IN 2016–2019 (in US dollar equivalent)



As the year before, amounts of US dollar remittance outflows were significantly larger. The range of up to \$300 accounted for 41.4% of remittances from the country (43.8% in 2018). The range of \$300–600 accounted for 24.9% of remittances outflows (24.1% in the 2018); \$600–2,000 – 21.4% (20.7%); over \$2,000 – 12.3% (11.4%).

According to the survey results, in the geographical structure of the remittances outflows, the main recipient countries of remittances from Russia were: Uzbekistan (26.2%); Armenia (21.3%); Kyrgyzstan (10.3%); Tajikistan (8.4%); Azerbaijan (5.9%); Georgia (4.4%); Moldova (3.9%); China (3.4%); Kazakhstan (2.5%); and Ukraine (1.2%). Other countries together accounted for 12.6% of remittances outflows. Respondents who stated that they were not residents of Russia primarily made remittances to Uzbekistan, Armenia, Kyrgyzstan, and Tajikistan.

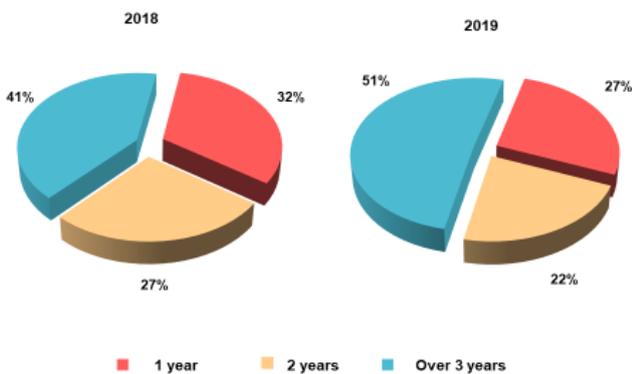
REMITTANCES FROM RUSSIA BY COUNTRIES IN 2019 (in % of the outflows)



Among the respondents of the 2019 surveys, the relative share of remittances senders who used payment systems over the course of one year decreased compared to 2018 from 32.0% to 26.9%. The share of survey participants who carried out transactions via payment systems over the course

of two years also fell from 27.2% to 22.3%. At the same time, the share of remittance senders who used payment systems over the course of three years rose from 40.9% to 50.8%. As in 2018, none of the respondents who took part in the 2019 surveys stated that they had used payment systems for the first time.

PERIOD OF PAYMENT SYSTEMS USE BY SENDERS



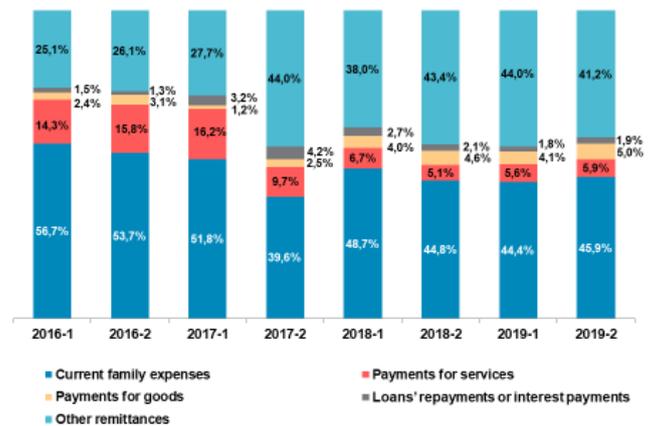
Based on the results of the surveys, 17.4% of remittances senders stated that they visited a family abroad at least once a month (25.4% the year before); 17.7% – once in six months (21.8%); 35.0% – once a year (37.7%); and 29.9% – once in two years and less frequently (15.1%). When visiting their family and relatives, 35.5% of respondents stated that they took up to ₺3,000 in cash with them (14.8% in 2018); 23.3% – ₺3,000–10,000 (27.7%); 15.7% – ₺10,000–30,000 (25.7%); 13.0% – ₺30,000–50,000 (15.6%); and 4.8% over ₺50,000 (7.8%). That said, 7.7% of survey participants stated that they did not carry any cash with them (8.4% in 2018).

II. REMITTANCES TO RUSSIA

In the composition of the inflows by purpose, same as with the outflows, daily households expenses remained the key purpose: in 2019, its share declined by 1.2 pp to 44.8% compared to 2018. Remittances received by individuals as payments for goods also decreased to 4.3% (5.0% in 2018). At the same time, other remittances increased to 43.3% (compared to 41.4% the year before). The shares of remittances

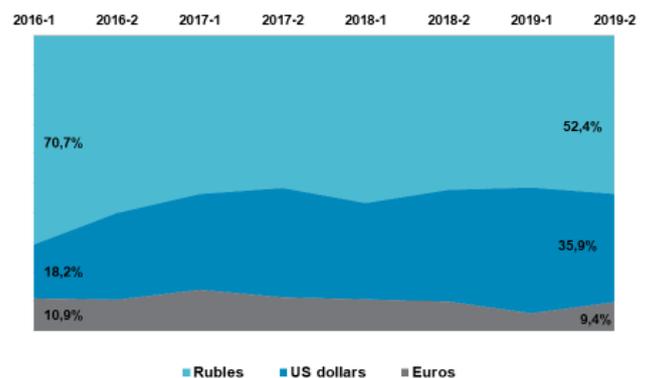
received as payment for various services and as loan repayments and interest payments remained at the 2018 level at 5.7% and 1.9% respectively.

COMPOSITION OF REMITTANCES TO RUSSIA IN 2016–2019 BY PURPOSE



In the currency composition of remittances received, the relative weight of transactions in Russian rubles declined by 2.7 pp vs 2018 and amounted to 51.0%. The share of remittances in euros also declined to 6.7% (vs 7.0% in 2018); the proportion of other currencies fell to 1.9% (2.5%). At the same time, the share of remittances in US dollars rose by 3.6 pp to 40.4%.

CURRENCY COMPOSITION OF REMITTANCES TO RUSSIA IN 2016-2019

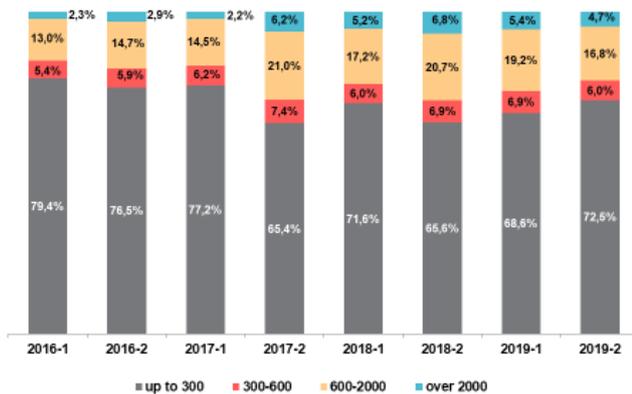


Similar to remittances from the Russian Federation, payments in the amounts not exceeding \$300 prevailed in the composition of remittances inflows.

In ruble inflows, the relative weight of remittances in the US dollar equivalent not exceeding \$300

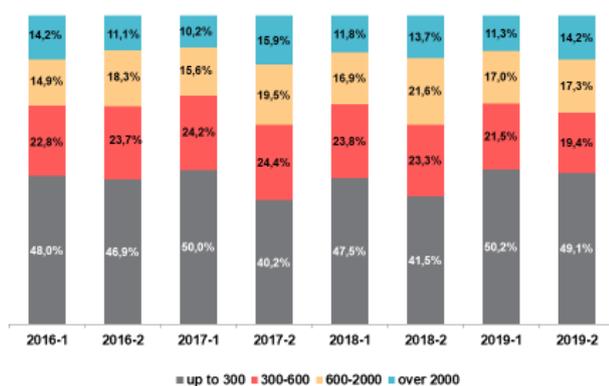
amounted to 69.6% (68.2% in 2018). The share of remittances in the range of \$300–600 was 6.7% (6.5%). The range of \$600–2,000 decreased to 18.5% (19.1% the year before); and the share of remittances over \$2,000 rose to 5.2% (6.2% in 2018).

RUBLE-DENOMINATED REMITTANCES TO RUSSIA IN 2016-2019
(in US dollar equivalent)



In the composition of US dollar remittances to Russia, in 2019, 49.9% of respondents (44.0% in the previous year) received amounts less than \$300. The shares of other ranges fell: \$300–600 – from 23.5% to 21.0%; \$600–2,000 – from 19.4% to 17.1%; over \$2,000 – from 13.0% to 12.0%.

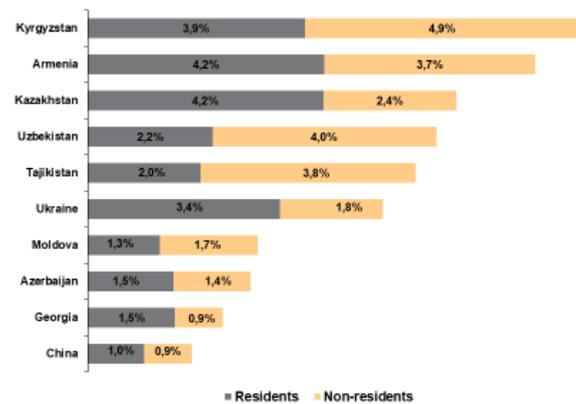
DOLLAR-DENOMINATED REMITTANCES TO RUSSIA IN 2016-2019



During 2019, the most important remittances sender countries, according to the results of the surveys, were Kyrgyzstan (8.7%), Armenia (8.0%), Kazakhstan (6.5%), Uzbekistan (6.2%), Tajikistan (5.8%), Ukraine (5.2%), Moldova (3.0%), Azerbaijan (2.9%), Georgia (2.4%), and China (1.9%). Other countries

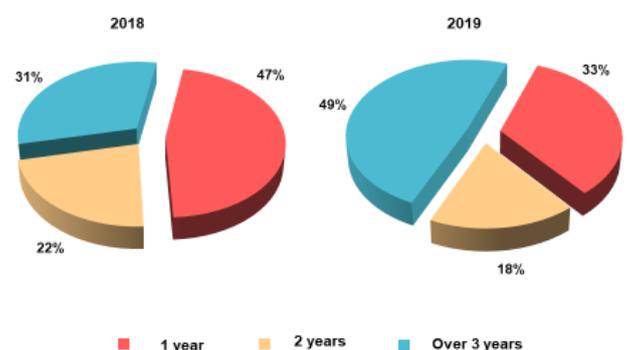
in aggregate accounted for 49.4% of remittances received. Remittances to non-residents were mainly received from Kyrgyzstan, Uzbekistan, Tajikistan, and Armenia.

COMPOSITION OF REMITTANCES BY COUNTRIES IN 2019
(in % of the inflows)



The share of respondents who received remittances via payment systems for one year declined in 2019 to 33.5% from 46.5% in 2018; for two years – from 22.4% to 17.8%. The share of respondents of the 2019 surveys who used payment systems' services for three years and more rose from 31.2% to 48.8%. Same as in 2018, none of the respondents who took part in the 2019 surveys stated that they had used payment systems to receive transfers for the first time.

PERIOD OF PAYMENT SYSTEMS' USE BY RECIPIENTS



Respondents, who received remittances in the Russian Federation, answered the questions about the frequency of visits by relatives and bringing cash as

follows: family members visited 32.9% of respondents at least once a month (18.5% the year before); 12.8% – once in six months (18.8%); 25.0% – once a year (26.1%); and 29.3% – once in two years and less frequently (36.7%). Relatives of 34.8% of respondents brought up to ₱3,000 (34.5% the year before); 16.5% – ₱3,000–10,000 (20.8%); 11.7% – ₱10,000–30,000 (17.1%); 9.0% – ₱30,000–50,000 (9.7%); 4.0% – over ₱50,000 (6.5%); and 24.0% of survey participants stated that their family members did not bring any cash with them (11.3% in 2018).

Appendix

Survey procedure

Since 2012, the Bank of Russia and major payment systems have conducted a survey of cross-border remittance senders and receivers twice a year. This review looks at the results of the survey conducted in 2019: between 18 and 23 February and between 19 and 23 August.

The main purpose of the survey is determining the composition of remittances by purpose and receiving additional information about senders/recipients to improve the methodology of calculation of aggregates of cross-border transactions of individuals³ that are reflected in the balance of payments of the Russian Federation within the categories of personal transfers⁴ and personal remittances⁵.

The survey was voluntary and targeted at individual residents and non-residents sending money transfers from the Russian Federation abroad and receiving money transfers from abroad.

The survey was carried out strictly over the course of five business days in the service units of customers who send or receive international remittances.

For the purposes of each survey, senders/recipients filled in paper forms, either themselves or with the assistance of employees of credit institutions in the service units of which the survey was conducted.

The period of the survey (the first and the third quarters of the year) was chosen to receive the most representative cross-section of transactions given the seasonal nature of remittances.

The questionnaire contained questions in the following categories:

1. Remittance direction
2. Residential status of an individual
3. Remittance purpose
4. Remittance currency
5. Remittance amount range
6. Country of sender/recipient
7. Period of use of payment systems
8. Frequency of entries/departures for visiting a family
9. Range of cash sums taken when visiting a family or brought by their family members when visiting relatives.

The following credit institutions, participants of payment systems, took part in the survey:

1. PJSC Asia-Pacific Bank
2. PJSC JSCB AK Bars Bank
3. JSC JSCB Alef-Bank
4. Vozrozhdenie Bank
5. JSCB Absolut Bank (PJSC)
6. JSC Genbank
7. PJSC Krayinvestbank
8. PJSC Uralsib Bank
9. PJSC SKB-Bank
10. TKB Bank PJSC
11. PJSC Promsvyazbank
12. JSC CB Unistream
13. JSCB Fora-Bank (JSC)
14. Avangard JSB
15. JSC CentroCredit Bank
16. CB Finance Business Bank LLC
17. CB Crocus-Bank (LLC)
18. PJSC JSCB Sviaz-Bank
19. PJSC Social Commercial Bank of Primorye Primotsbank

The correlation in the composition of remittances senders and recipients corresponded to the similar composition based on data about cross-border

³ Cross-border transfers of individuals mean cross-border non-cash transfers of individual residents and non-residents (receipts to the account of individual residents and non-residents) effected via / without an open account by a credit institution, including transfers via payment systems.

⁴ Personal transfers cover both transfers without a quid pro quo from households residing abroad for the benefit of households residing in the

reporting country and similar transfers from residing households to recipients abroad.

⁵ Personal transfers are household incomes from their family members residing abroad and non-resident households, which are related, as a rule, to temporary or permanent migration.

transactions of individuals collected by the Bank of Russia as part of regular bank reporting.⁶

⁶ Information on transfers is based on reports of credit institutions submitted under Form 0409407 'Data on cross-border transfers of individuals'.