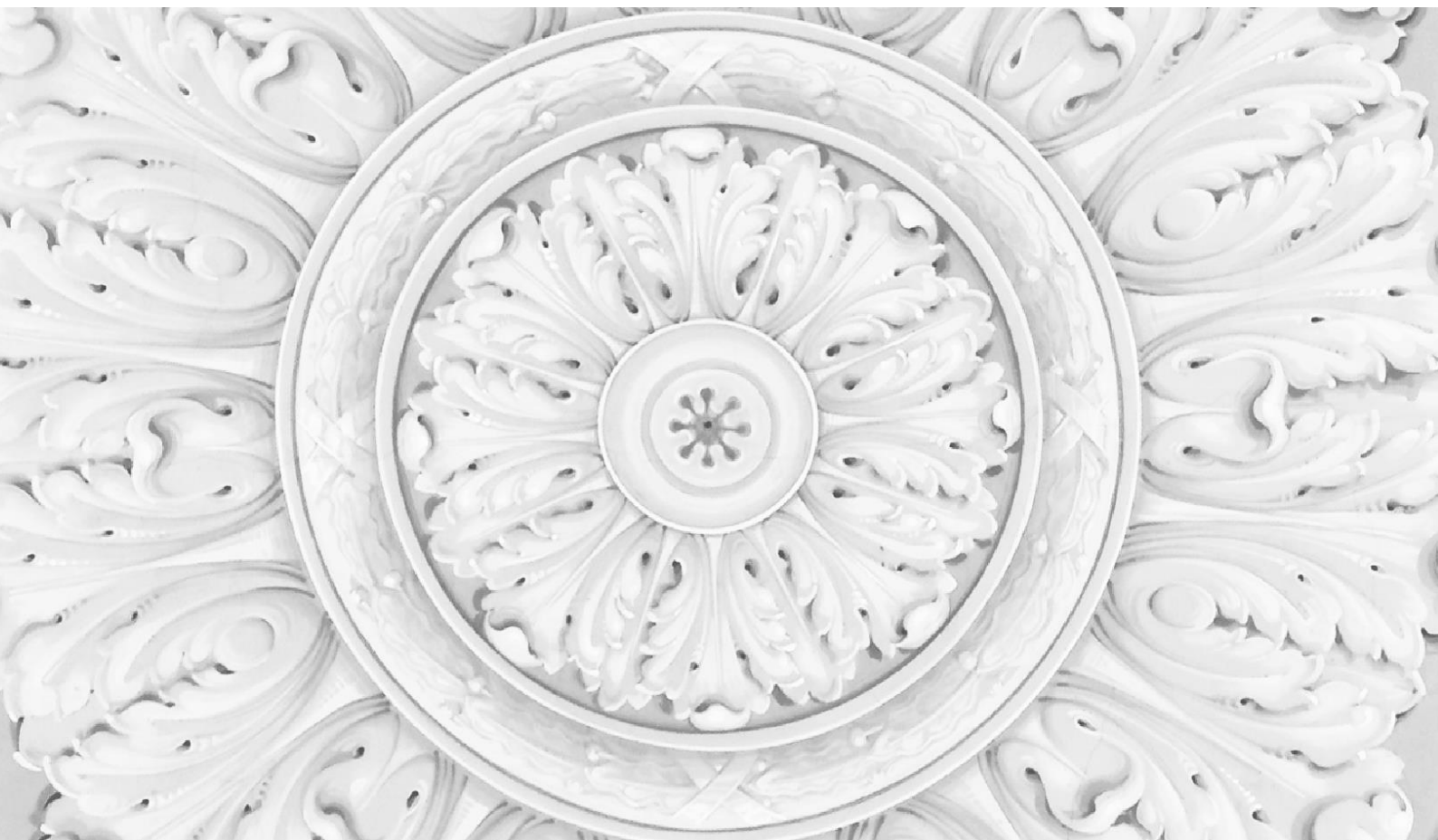




**Bank of Russia**

The Central Bank of the Russian Federation



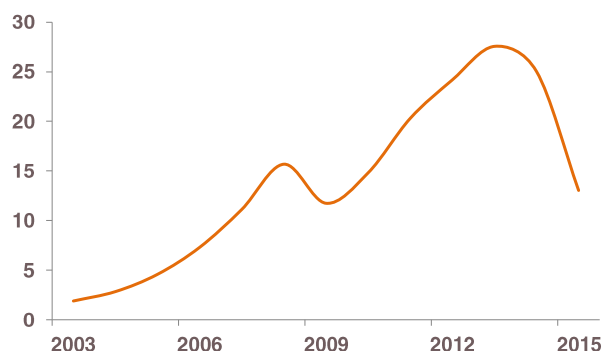
**RESULTS OF SURVEY OF  
INDIVIDUALS  
MAKING/RECEIVING CROSS-  
BORDER REMITTANCES**

(BASED ON 2015 DATA)

The Russian Federation, being a key donor to partner countries in the CIS, is one of the largest participants in the cross-border remittances market in the world. The trends in cross-border transactions are directly dependent on the economic situation in the donor country. While the period between 2009 and 2013 saw expansion of the volume of money transfers, as the economic downturn unfolded in 2014-2015 and the ruble weakened, individuals' cross-border remittances shrank both in volume and numbers thereof. Compared to 2014, the 2015 turnover of cross-border remittances via payment systems dropped by 47.9% from \$25.0 billion to \$13.0 billion.

Main destination of outgoing remittances from Russia conducted by individuals via payment systems is CIS countries which are mostly related to migrants' employment activities, as well as to remittances without a quid pro quo made by CIS countries' natives residing in Russia to their native countries. In 2015, as much as \$11.1 billion was remitted from Russia to CIS destinations, with transfers via payment systems absolutely prevailing and totalling \$8.0 billion (representing 72%). Top recipient countries of Russian money transfers via payment systems have persistently been partner countries of the CIS (Uzbekistan, Tajikistan, Ukraine, and Kyrgyzstan).

Turnover of cross-border transfers  
via payment systems  
(billions of US dollars)



According to the World Bank, individuals' cross-border transfers play a meaningful role in shaping global capital flows. Cross-border money transfers in 2014 totalled \$436 billion. Estimates suggest that in 2015 growth of cross-border transfers abruptly slowed down amounting, to \$440 billion. Nevertheless, against the background of global economic rebound in 2016, these transactions are expected to recover with their volume possibly reaching \$479 billion by 2017. Geographically, the most part of money transfers in 2014 was bound for the Asia-Pacific region (\$238 billion) and Latin America (\$64 billion). Money transfer flows to European and Central Asian countries totalled \$48 billion, which was, compared to the 2013 outcome, a reduction by 12.7%, mainly triggered by the sharp reduction in money transfers out of Russia.

Cross-border transfers have become a key reallocation channel of advanced economies' resources for the benefit of emerging market economies; in terms of volume, they are second only to direct investment. A number of CIS countries are to a large degree reliant on money transfers' receipts from labour migrants working abroad that make a meaningful contribution to these countries' GDPs. For example, their contribution stands at 49% for Tajikistan, 32% for Kyrgyzstan, and 25% for Moldova.

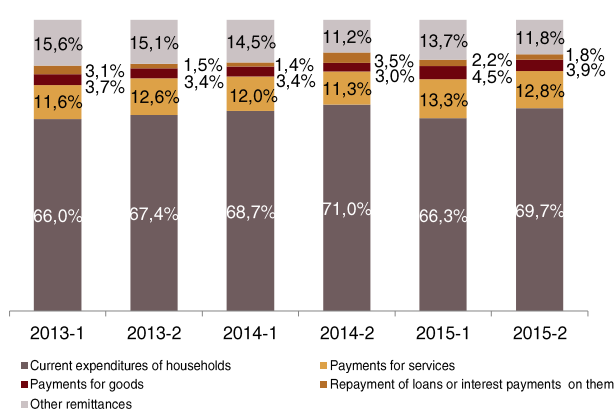
*Migration and Development Brief, April 13, 2015 The World Bank*

## I. REMITTANCES FROM RUSSIA

The 2015 survey results showed that remittances from Russia abroad averaged 67.4% of the total number of received responses. One half of such transfers were effected by non-residents<sup>1</sup>.

In the purpose breakdown, outgoing remittances from Russia were dominated by transfers of to cover daily household expenditures (68.4%), with the majority of respondents who marked such purpose of their transfers being non-residents (57.3%). The other meaningful purposes included payment for services, payment for goods, loan repayment and interest payment thereon (13.0%, 4.2%, and 2.0%, respectively).

Composition of remittances from Russia in 2013-2015 by purpose

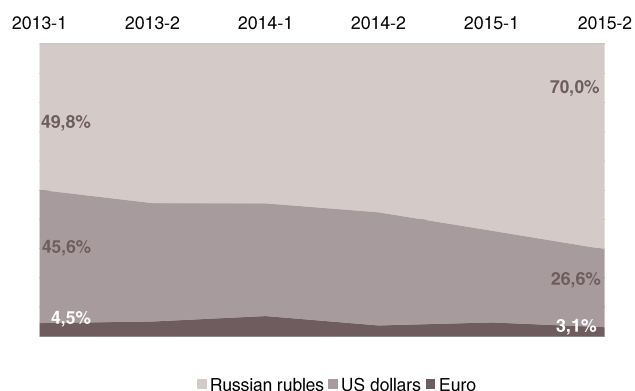


The currency composition of cross-border transfers has been steady. Transfers were mainly effected in three currencies. The Russian ruble's, US dollar's and euro's shares stood at 67.6%, 28.5%, and 3.7%, respectively. The Russian ruble's share, compared to the average share based on the two 2014 surveys was 11.5 percentage points higher in 2015, largely as a result of a 10.1 percentage points reduction in the share of the US dollar. The share of

<sup>1</sup> Here and elsewhere, the report uses average readings for the two surveys conducted in 2015. For the sake of comparison, the report uses average readings for the two surveys conducted in 2014.

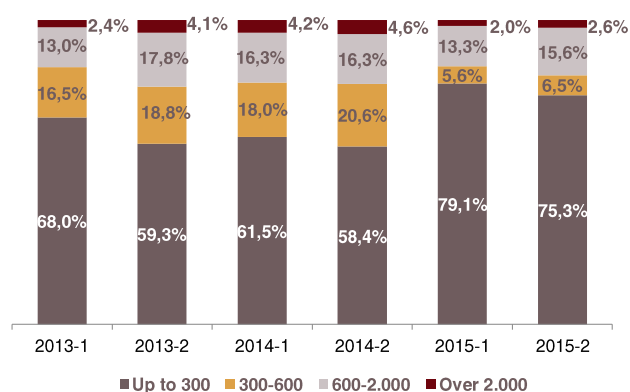
euro showed a negligible decline by 1.5 percentage points totalling 3.7% of all 2015 transfers.

Currency composition of remittances from Russia



As the two 2015 surveys showed, most respondents who made ruble transfers (76.7%) indicated that their transactions did not exceed the equivalent of \$300; compared to the same reading in 2014, the share of petty ruble transfers rose by 16.9 percentage points. The \$300-\$600 range (USD equivalent) accounted for 6.2% of all outbound remittances (against 19.4% in 2014); the \$600-\$2,000 range made up 14.7% (against 16.3% in 2014); remittances in excess of \$2,000 comprised 2.4% (against 4.4% in 2014).

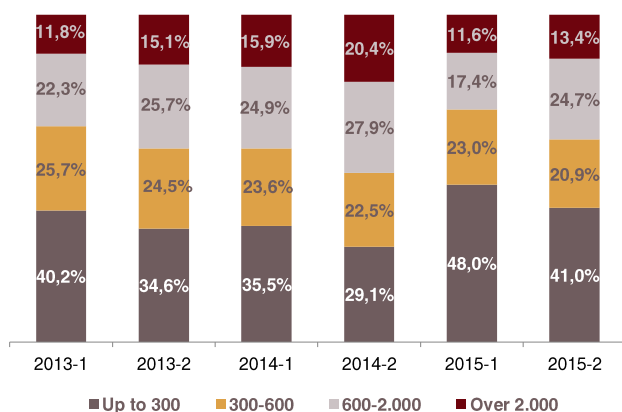
Remittances from Russia in Russian rubles by size (in US dollar terms)



The US dollar was the preferred currency for large amount transfers. On average, 44.1% of all outgoing transfers were equal to or below the equivalent of \$300. Transfers within the \$300-\$600 range accounted for 21.8% of all outbound transfers. Large amount transfers (\$600-\$2,000 and

above \$2,000) represented over one third of all transactions in US dollars.

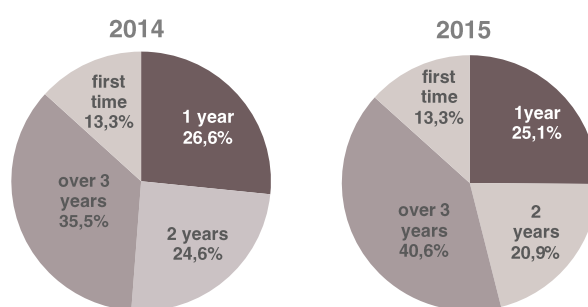
Remittances from Russia in US dollars by size



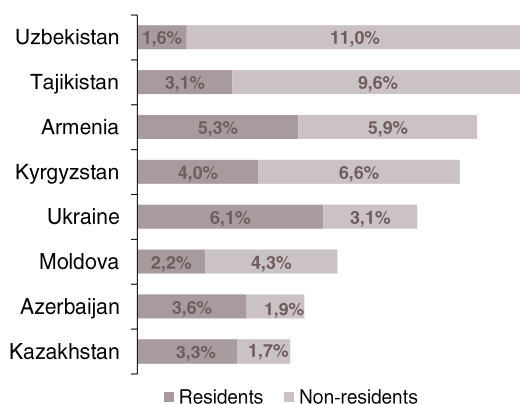
The geographical breakdown of the outbound flows has overall remained steady. Key recipient countries for money transfers from Russia were Uzbekistan (12.7%), Tajikistan (12.7%), Armenia (11.2%), and Kyrgyzstan (10.6%). Ukraine's share fell from 14.0% in 2014 to 9.2% in 2015. Other destinations of importance included Moldova (6.6%), Azerbaijan (5.5%), and Kazakhstan (5.0%). Other countries accounted for 26.5%. Those respondents who identified themselves as non-residents of Russia mainly sent money transfers to the Central Asian countries, Armenia, and Moldova.

suggested by the two surveys in 2014, to an average of 40.6% for 2015 surveys. At the same time, the share of survey respondents who used payment systems' services for two years declined from 24.6% to 20.9%. The share of one year payment system users remained virtually unchanged at 25.1%. The lowest-numbering group (13.3%) was made up of first-time payment systems' services users.

Length of use of payment systems by sender respondents



Remittances from Russia by country in 2015



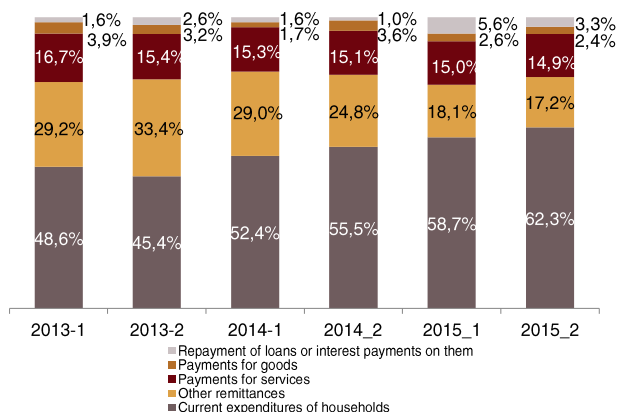
The 2015 survey results showed a rising share of long-time payment systems' customers. The share of senders who have used payment systems for more than three years was up from 35.5%, as

## II. TRANSFERS TO RUSSIA

The share of polled money transfer recipients in the Russian Federation grew from 21.0% in 2014 to 32.6% on average, as seen from the two 2015 surveys. Most of these (66.4%) were residents.

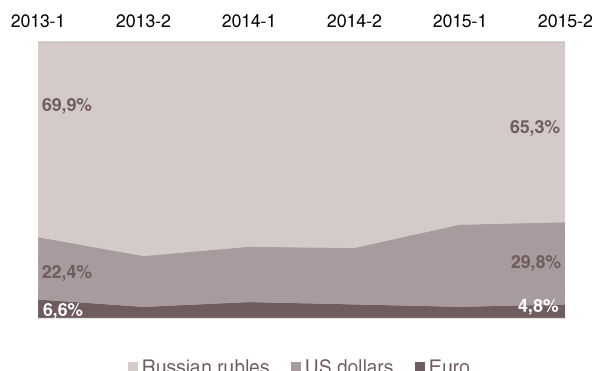
In breakdown of both inflows and outflows by purpose, daily households' needs were the key purpose: compared with 2014, the purpose's share grew from 54.0% to 60.6%. The second-ranking most important purpose category of inflows (15.0%) comprised those related to payment for services, i.e. education, health services, tourism and other services. Receipts for the benefit of individuals related to loan repayments and interest payments on them, as well as those related to payment for goods in 2015 averaged 4.4% and 2.5%, respectively.

Composition of remittances to Russia in 2013-2015 by purpose



The Russian ruble's share within the currency composition of money transfers declined somewhat from 74.1% as seen in the 2014 surveys to 65.6% in 2015. As a result, the US dollar's share grew by 9.6 percentage points to 29.8% in 2015. Euro's and other currencies' shares remained insignificant (4.5% and 0.1%, respectively).

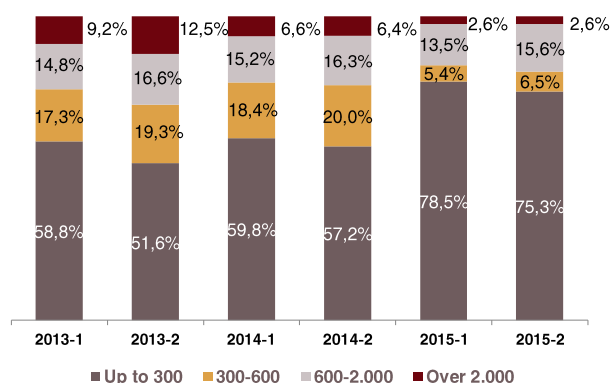
Currency composition of remittances to Russia



Like in the case of *outgoing* remittances, the largest share of *incoming* transfers was made in small amounts (not exceeding the equivalent of \$300).

The share of ruble transfers not exceeding the equivalent of \$300 grew to 76.2% (from 60.3% in 2014). While transfers within the range of \$300-\$600 in dollar terms totalled on average 6.2% (down from 18.5% in 2014), transfers equivalent to \$600 and more represented 17.6% (against 21.1% in 2014 ).

Remittances to Russia in Russian rubles by size (in US dollar terms)

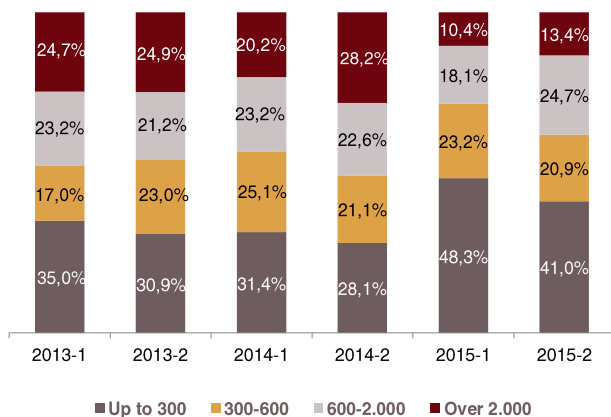


Within the structure of transfers to Russia in US dollars, the share of small transfers increased on the 2014 outcome. In 2015, transfers under \$300 were received by 43.4% of respondents which was 8.8 percentage points higher than the outcome of the previous year. The weight of transfers within the \$300-\$600 range edged down from 23.3% in 2014 to 21.6% in 2015. Most of the decline was seen in large amount receipts (over \$600) which totalled

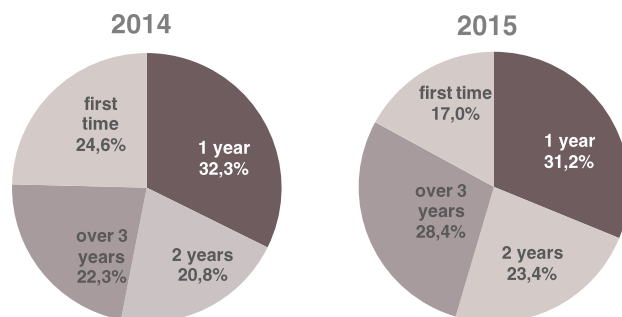
35.0% in 2015 declining by 12.2 percentage points below the 2014 average.

have used payment systems for one year and of those who were new to them in 2015 decreased to 31.2% and 17.0%, respectively.

Remittances to Russia in US dollars by size

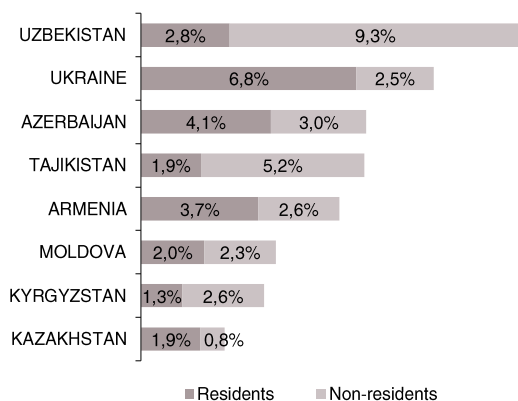


Length of use of payments systems by recipient respondents



In the course of 2015, top partner countries remained Uzbekistan (12.1%), Ukraine (9.3%), and Azerbaijan (7.2%). Money transfers for the benefit of non-residents came mainly from Uzbekistan, Tajikistan, and Kyrgyzstan. Geographically, there were more transfers originating from countries of Central Asia in 2015 compared to 2014 (an increase by 14.1 percentage points).

Remittances to Russia from select countries



The surveys showed that recipient individuals were increasingly long-time payment systems' users. Thus, the share of respondents who indicated they were more than three years' payment systems' users grew from 22.3% in 2014 to 28.4% in 2015. The share of respondents who stated they had used payment systems' services for around two years grew from 20.8% in 2014 to 23.4% in 2015. At the same time, the weights of individuals who

## Supplement

### Survey terms and conditions

The questionnaire-based survey of individuals making and/or receiving cross-border remittances is the Bank of Russia's joint effort with major payment systems' operators; it is held two times annually since 2012. The present report covers the 2015 surveys' results which were conducted between 16 and 20 February and between 24 and 28 August.

The surveys were mainly aimed at identifying the composition of money transfers by purpose and obtaining additional data on senders/recipients of remittances in order to improve the methodology for compiling individuals' cross-border transactions' indicators<sup>2</sup> for the balance of payments of the Russian Federation under two categories, i.e. 'personal transfers'<sup>3</sup> and 'personal remittances'<sup>4</sup>.

Surveys were voluntary and targeted individual residents and non-residents sending money transfers from the Russian Federation abroad and/or receiving money transfers from abroad.

Each survey was conducted through filling out questionnaires on paper forms by individuals making and/or receiving cross-border remittances or with the help of the polling credit institutions' employees.

The surveys' timing (the first and the third quarters of the year) was chosen to enable the most representative cross-section of money transfer transactions taking into account their seasonal bias.

Each survey took five working days.

The questionnaire included 7 questions in the following categories:

1. Transfer destination
2. Individual's status (resident / non-resident)
3. Transfer purpose
4. Transfer currency
5. Amount range of the transfer
6. Country of the sender/recipient
7. How long the respondent has used payment systems' services

The questionnaire included seven credit institutions operating key payment systems for individuals' money transfers.

Credit institutions which took part in conducting surveys:	Payment system:
JSC CB UNISTREAM	Unistream
JSCB RUSSLAVBANK JSC	Contact
JSCB INTERCOOPBANK JSC	InterExpress
JSC OJSCB Svyaz-Bank	Blizko
LLC NCO WESTERN UNION DP VOSTOK	Western Union
LLC CB Anelik RU	Anelik
NCO CJSC LEADER	Leader

The correlation in the composition of money transfers of individuals making and/or receiving cross-border remittances, as well as the geographical breakdown of transfers based on processed questionnaires corresponded overall with similar data on individuals' cross-border transactions collected by the Bank of Russia as part of regular bank reporting<sup>5</sup>.

<sup>2</sup> Cross-border transfers of individuals - cross-border wire transfers of individual residents and non-residents (receipts for the benefit of individual residents and non-residents) effected via / without an open account by a credit institution, including transfers via payment systems.

<sup>3</sup> 'Personal transfer transactions' 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 abroad.

<sup>4</sup> 'Personal remittances' represent household income from their family members residing abroad and from non-resident households, which are associated, as a rule, with temporary or permanent migration.

<sup>5</sup> Information on transfers is based on reports of credit institutions submitted under Form 0409407 'Data on cross-border transfers of individuals'.