

# ICICI BANK CUSTOMER EDUCATION SERIES

TIMES BUSINESS ASSOCIATE COMMUNICATION

## Exchange Rates For Online Money Transfer Into India

### Has this happened to you?

Mr. Kumar initiated a dollar remittance from USA to his beneficiary in India using an Indian bank's online money transfer website. At that time, the USD/INR indicative exchange rate displayed on the website for his remittance amount was 48. However when the beneficiary received the money in India (on a later day), the exchange rate applied was 47.80. Mr. Kumar could not understand why.

### So, why did this difference in exchange rates occur?

- Market exchange rates are volatile. Their values displayed on websites like Bloomberg and Reuters represent the movements both within the day and from one day to another. Hence, at two different points of time, the values of the market exchange rate are likely to be different.
- Further, for small-value or retail remittances (like in the case of Mr. Kumar's), every bank applies its own margin to the prevailing market exchange rate at the time of the conversion (i.e. when the remittance request is processed).

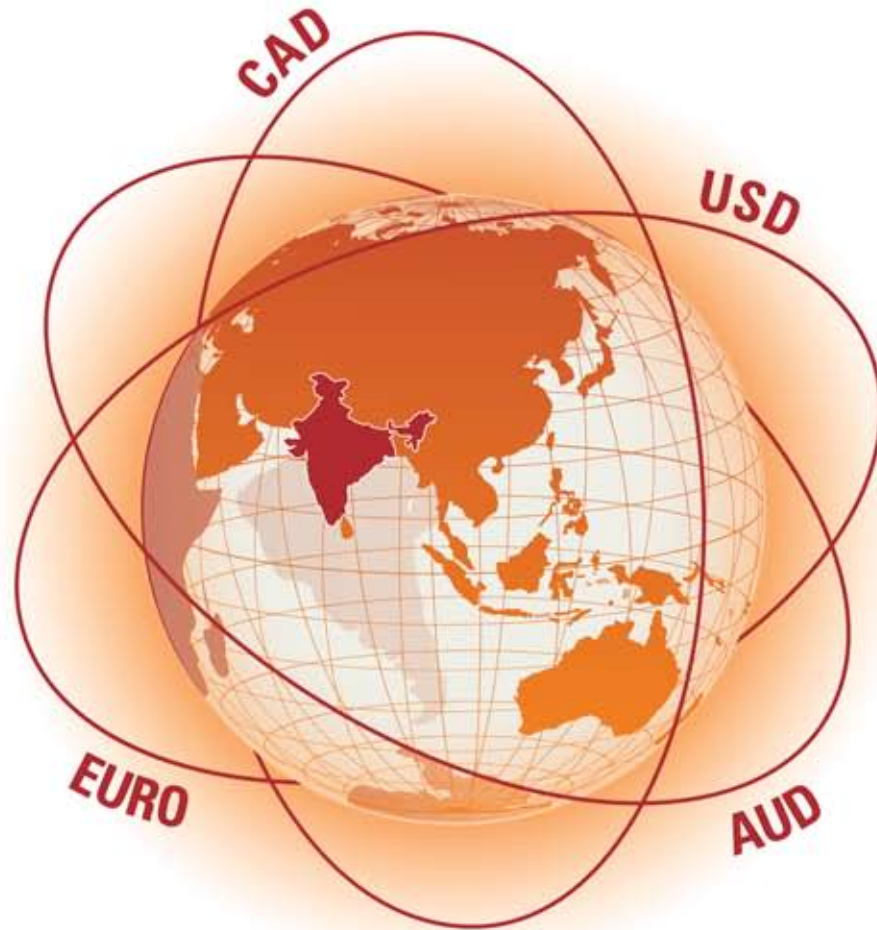
Therefore, in Mr. Kumar's case, the USD to INR exchange rate of INR 48 was the indicative exchange rate at the time when he submitted the remittance request. However, this rate changed by the time the actual conversion was processed by the bank.

### Important note:

Market exchange rates, also known as inter-bank rates, are applicable for large-value (bulk) transactions.

The Reserve Bank of India's website also displays market rates. However, these values represent the exchange rate only at one specific time of the day.

To know more, please visit [www.money2india.com](http://www.money2india.com)



Map not to scale/Applicable to all currency denominations.



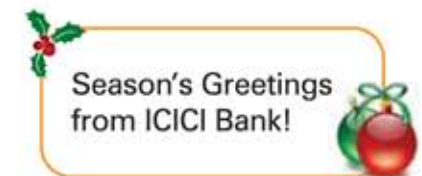
### Rate this article!

SMS <CES 1> for Excellent  
<CES 2> for Good  
<CES 3> for Ok or  
<CES 4> for Bad  
to 53030.

### Tip of the day

The movement of the exchange rate during the course of the day can be adverse or favourable to the beneficiary.

Reserve Bank of India also displays indicative inter-bank exchange rates on its website.



We welcome your questions, suggestions and feedback on this column. Please use the 'Email Us' link at [www.icicibank.com](http://www.icicibank.com) or send us an SMS at 53030. Please include your full name, address and phone number. Your comments may be edited for clarity and space.

BE AN INFORMED CONSUMER. Watch this space every Monday.