

Knowing Some Words Used in Electronic Money Transfers

Electronic money transfers are not only used in connection with foreign currency exchange payments, but in a host of other payments especially when larger amounts are involved such as property, cars, boats, in fact anything.

Nowadays, EUROPEAN CROSS BORDER PAYMENTS are made easier for the parties to send, thanks to the use of IBAN which means International Bank Account Number for short.

IBAN is a bank code which identifies the account number and additional characters, thus avoiding possible mistakes..

It must be noted however, that its validation is no guarantee that the account number or bank code is correct or that it exists.

It is the responsibility of the account owner to notify their IBAN to the party they wish to deal with.

The IBAN is given for the account by the bank serving that account, and should only be taken from that bank. It prevents getting possible incorrect IBAN details, as this can cause delay in receiving payment. Nobody wants any delays when making foreign currency exchange payments.

Companies dealing with international money transfers are very exact and are eager to change one currency against the other as fast as they possibly can, to complete the deal and show their clients how smoothly and quickly they perform.

The bank identification code BIC is another abbreviation, which you will come across.

BIC is a way of being able to identify financial institutions so that the process of telecommunication in financial institutions/banks is facilitated.

In order to make a payment, it is required to quote the IBAN and BIC. The use of IBAN became compulsory since July 2003.

Most people have heard of the abbreviation SWIFT, which stands for Society for Worldwide Interbank Financial Telecommunication

SWIFT is a global provider of secure financial messaging service. It is this service that foreign currency exchange companies use to move the money bank to bank. It is also the same service constantly used to move millions of pounds and other currencies by countless other financial institutions. It is fast and safe.

CHAPS or in short The Clearing House Automated Payment System is an electronic same day value payment in sterling, and within the United Kingdom.

It is to be remembered that banks make a charge for the electronic payment transfers.

In contrast, almost all foreign currency exchange companies do not make a charge for outward electronic payment transfers.

When making foreign exchange currency transfers you will simply need to fill in a form, which the company you select to do the business with will provide. The few above mentioned details, serve only to inform those, who wish to know what certain abbreviations actually stand for, plus a little explanation here and there.

About the Author

Paul Dubsy is director of [Foreign Currency Exchange Services Ltd](http://www.fxarticles.info). The company is focused on being able to offer really friendly currency exchange rates. We believe we are the only Foreign Currency Exchange company which offers special rates to Senior Citizens.

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