

# Top Ways to Transfer Your Money Internationally

By EUGENE CHUA

**S**ending money overseas – we do it all the time, yet the odds are that the majority of us aren't doing it as efficiently as possible. With the right knowledge and awareness of what's out there, you'd be surprised at how much you can actually save! This article highlights some of the essential things you should be aware of when transferring your funds abroad.

## Factors to consider

### 1. Price/Cost

The most important thing to consider when transferring money overseas is of course, the cost. As a result, it is absolutely essential that you find the deal which will give you the most value for money. That's the key statement here. There are three main costs involved.

First of all, as the term 'international' depicts, it's the matter of currency exchange rate. All international money transfers involve this stage and hence, it is important to find the best deal.

The second cost that many transfer agents may charge is commission, which usually depends on the amount of money transferred. Remember that the exchange rate you get is crucial. Many companies that transfer money claim to be charge-free/commission-free but then give you a substantially worse exchange rate, meaning you get less value for your money.

The third and most occasional cost you may acquire when sending money is the actual transfer fees, usually charged by banks.

In any case, when you want to compare two international money transfer services for cost purposes, it is best to ask the golden question:

***"How Much Euros/Yen/Dollars Will I Get For My Ringgit After All Fees And Charges?"***

### 2. Time

Another very important factor in transferring money abroad is the speed in which the transfer is conducted and subsequently, the time it takes to reach its destination. Some services can take as short as a few minutes, to as long as a few days or weeks to complete. It's therefore very important to find out about the transaction speed before committing to transfer the money.

### 3. Amount

Many services tend to impose limits on the amount of money you are allowed to send (in Malaysia, the limit is typically RM5,000 – RM10,000 per day), based on whether or not they are designed for large transfer amounts. This limit should also be considered when trying to choose the best method for overseas money transfer.

### 4. Safety

While small amounts may not involve high risks for transfer, larger amounts of money call for extra security measures. For this reason, it is always best to work with those services which have been long in the business. One might consider the use of a colleague or a friend's past experience in a successful money transfer.



## Methods of Transferring Your Money

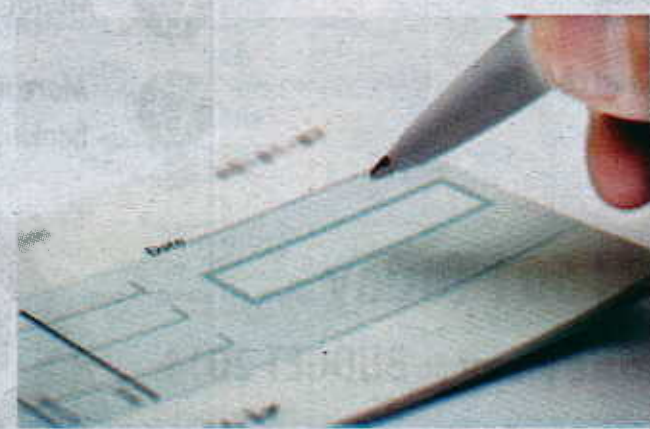
Banks typically have their own personalised method of transferring funds overseas, however other services in the market are also available for use (some banks even use them as well). Some of the most commonly found ones around are:

### 1. Cash

Though this may be considered the "old-fashioned way" when it comes to transferring money, this option can be extremely practical in some circumstances. For occasions where time is not the most important consideration, simply withdrawing cash and physically bringing it to another bank to deposit into an account is completely free! However, do be careful as it is not exactly the safest method of moving money around. Keep in mind that sending cash through the mail is discouraged. If the mail gets lost, there is no way to retrieve the money.

### 2. Personal Cheques

Things get a bit trickier when sending cheques internationally. Sending a cheque overseas that's written in Ringgit Malaysia can often result in delays in cashing the cheque so that the bank can verify the deposit, and some banks may not even accept foreign cheques. The recipient of the cheque may also have to pay a fee for cashing it and cover the exchange rate to have the funds exchanged into the local currency. This method is safer than cash for sending by mail because you can cancel a cheque if it doesn't arrive at its destination.



### 3. Bank Drafts and Cashier's Cheques

These methods for money transfer are often great and safe choices when it comes to physical transfers of foreign currencies. You can purchase bank drafts and money orders in the currency of the location you're sending money to. Demand Drafts and Cashier's Cheques typically cost around RM2 – RM5 to purchase in most Malaysian banks. As mentioned previously, since a bank draft requires a physical transfer, it is entirely up to you how long it would take to reach its designated bank or institution.

### 4. Remittance via MoneyGram and Western Union

MoneyGram and Western Union provide similar services that allow you to transfer money to a different city, state or country without the physical money or draft needing to go there. They charge a flat rate for the transfer that is based on the speed of the transfer, the location you're sending money to and the amount of money you are sending. If you're doing an overseas or international transfer, you'll also be charged an exchange rate. These money transfer services don't generally offer a very competitive exchange rate, which results in a hidden charge if you transfer money using this method. However, one of the major benefits of these services is that they tend to be both highly dependable and convenient.

## The Bottom Line

As you should already know, charges can vary and change frequently. As such, shopping around and investigating your options will help you find the best deal for money transfers. Take your time and look at your options. The cheapest method for transferring money in one circumstance might not be the same in another. Do your homework to make sure that you're not giving away your hard-earned money to big financial institutions or money transfer organisations.

**\*Eugene Chua is the Finance Editor of SaveMoney.my, an online consumer advice portal which aims to help Malaysians save money through smart (and most of the time painless) savings in their daily banking, technology, and lifestyle spending habits.**