

Show me the money!

International Banking

Finance and Business English Webinar Series 2022

Thanks to

REGIONAL ENGLISH LANGUAGE
OFFICE Russia (U.S . Embassy and
Consulates), США



Jennifer Uhler,
Regional English Language Officer
Russia



Центр юридического
английского языка Legal
English Centre, Россия

Софья Барина,
Руководитель и
преподаватель центра



First thing you think of hearing "International Banking"



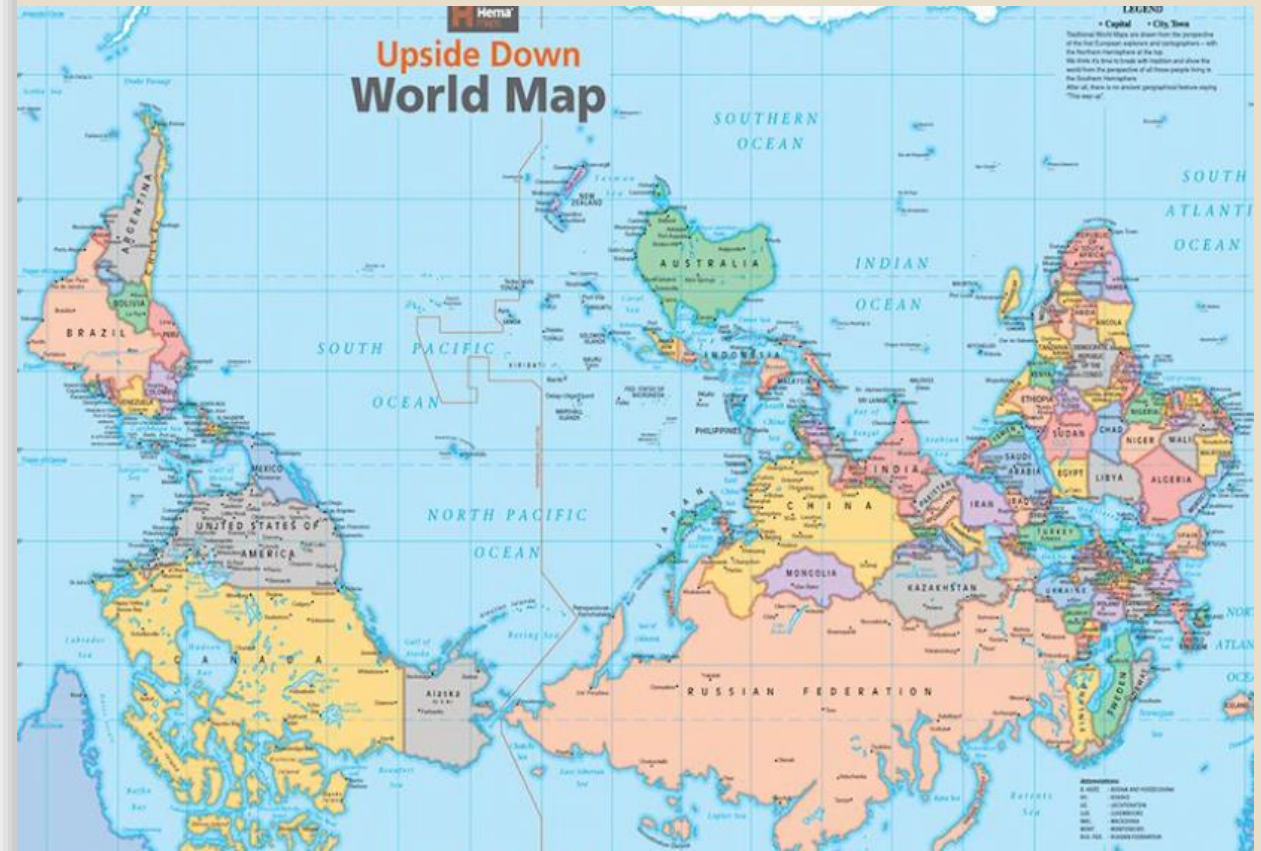
Money changers

but ye have made it a den of thieves. [Matthew 21:12–13](#)



How to get money from here to there... and back?

Marco Polo



Well, not the whole world...

Loans and grants

Low-income countries

Middle-income countries

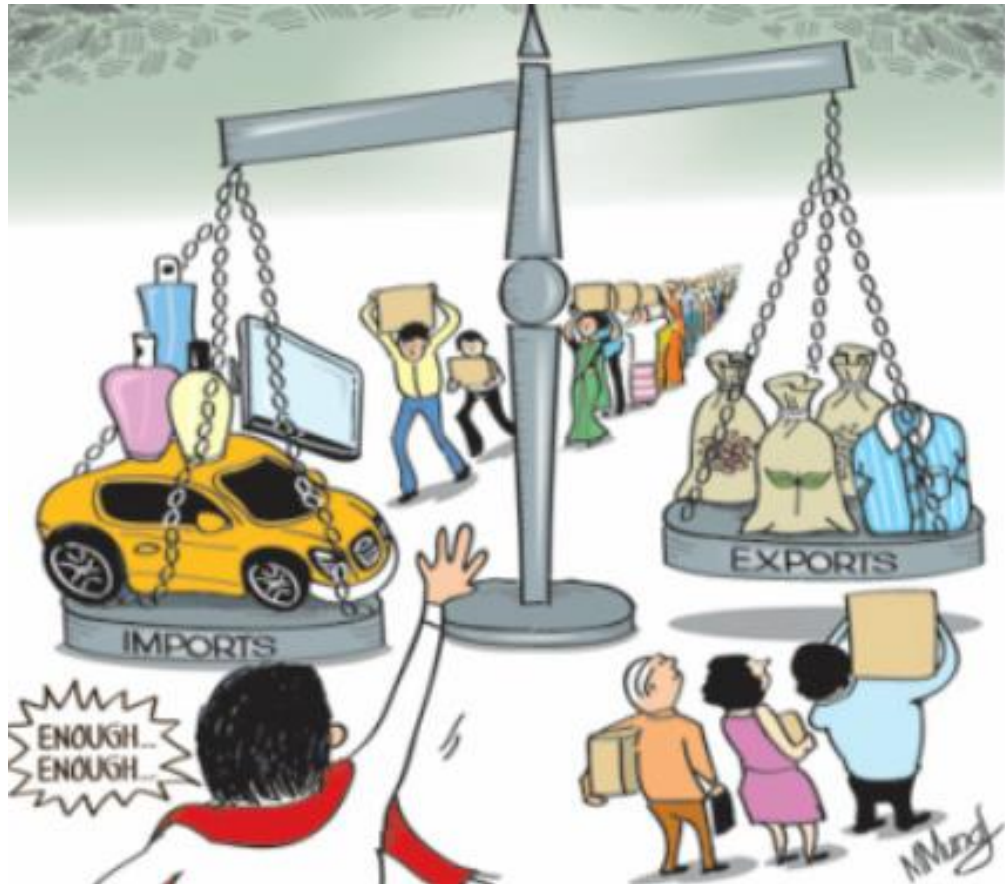


Balance of Trade



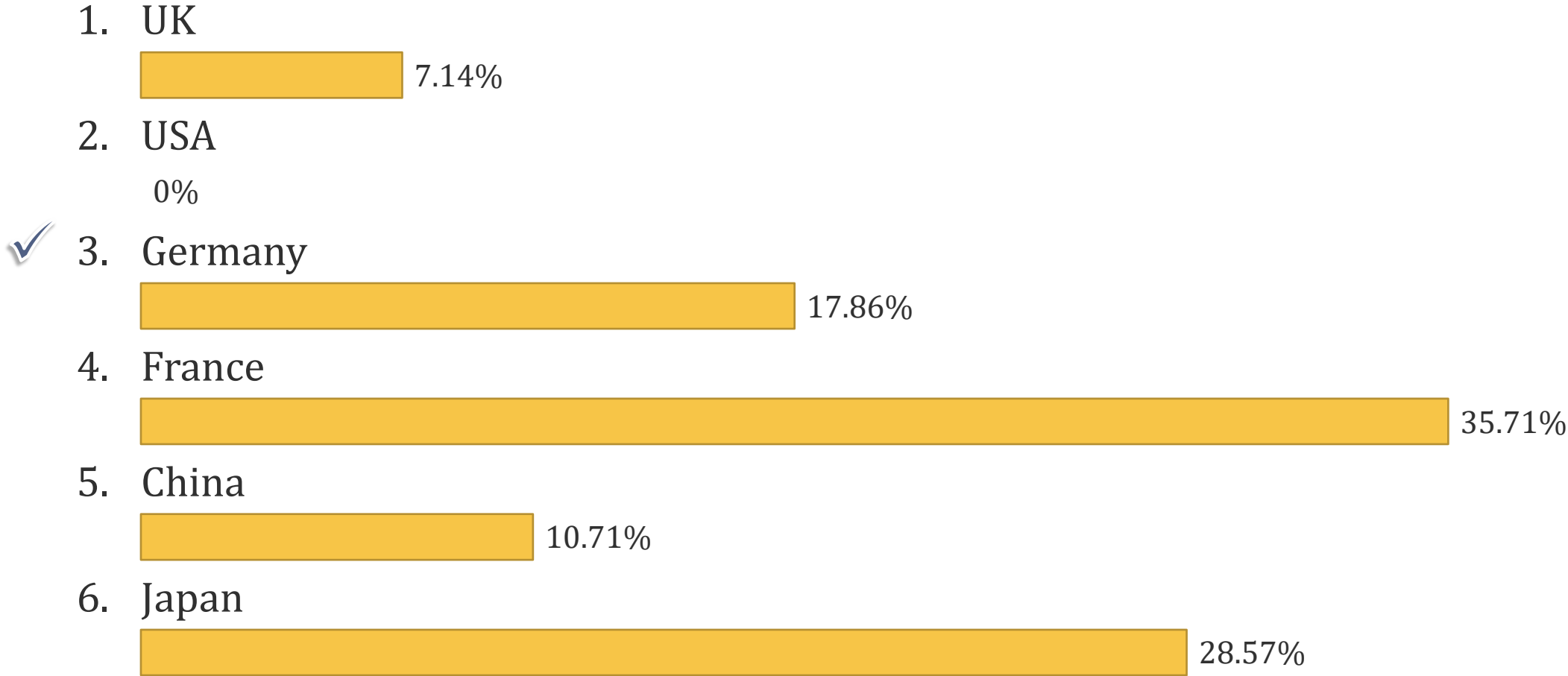
Purchase of Manhattan Island.

Balance of Payments



- What do you have?
- What do you need?
- What do you want?

Which country does NOT have one of the 10 largest banks in the world?



Hmmm 1-4 in China





Types of International Banking Offices

- Correspondent bank
- Representative office
- Foreign branch
- Subsidiary and affiliate bank
- Edge Act Banks (in the USA)
- Offshore banking center

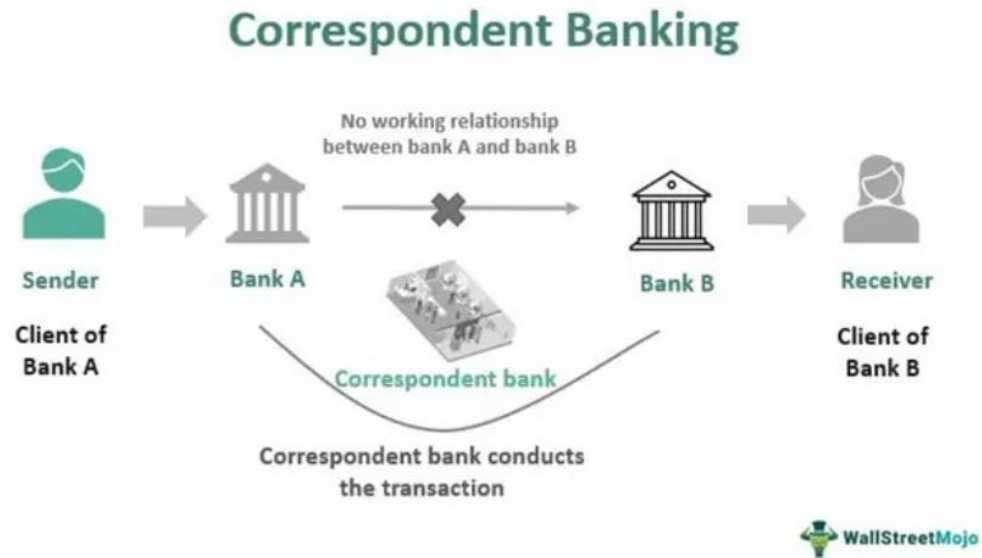
Type of Bank	Physical Location	Accept Foreign Deposits	Make Loans to Foreigners	Subject to Fed Reserve Requirements	FDIC Insured Deposits
Domestic bank	U.S.	No	No	Yes	Yes
Correspondent bank	Foreign	N/A	N/A	No	No
Representative office	Foreign	No	No	Yes	Yes
Foreign branch	Foreign	Yes	Yes	No	No
Subsidiary bank	Foreign	Yes	Yes	No	No
Affiliate bank	Foreign	Yes	Yes	No	No
Edge Act bank	U.S.	Yes	Yes	No	No
Offshore banking center	Technically Foreign	Yes	Yes	No	No
International banking facility	U.S.	Yes	Yes	No	No

International transactions

- **IBAN**
- **International Bank Account Number**
- **SWIFT**
- **Society for Worldwide Interbank Financial Telecommunication**
- **Routing number**

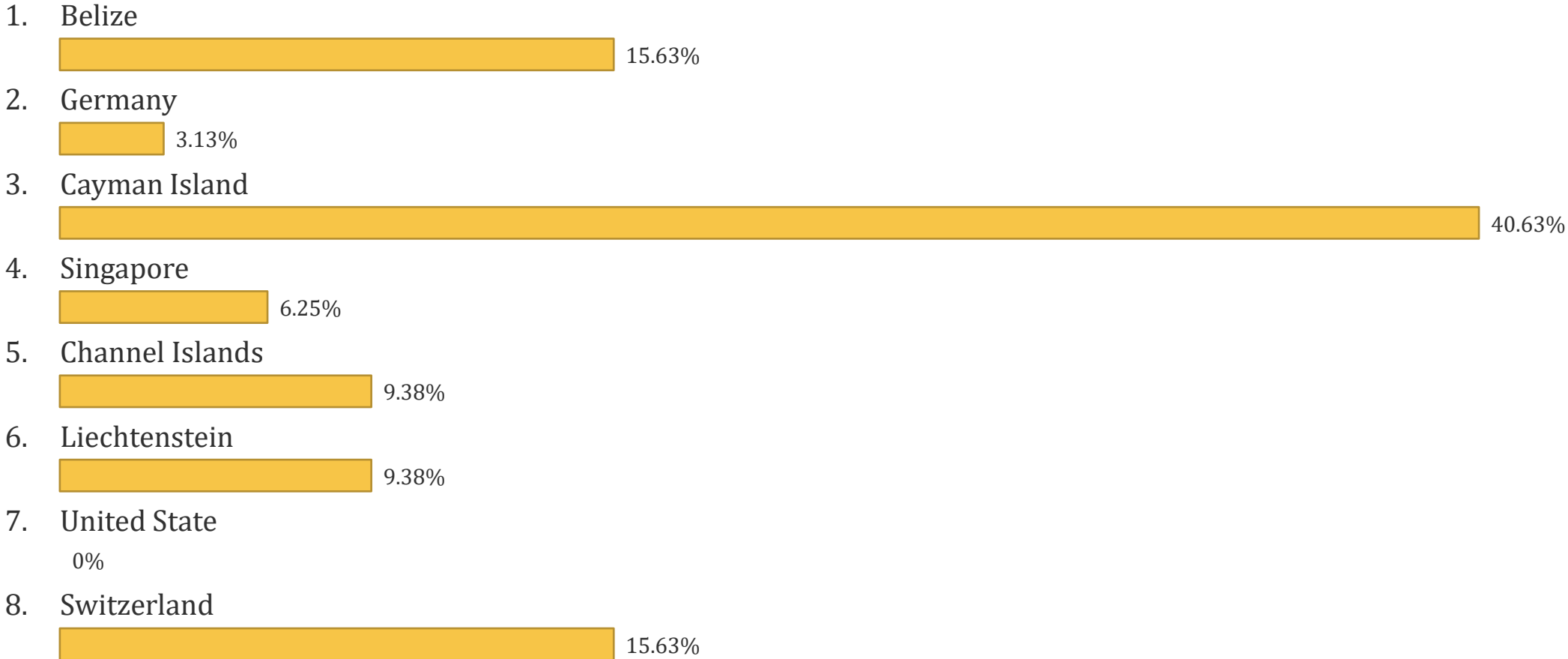


Correspondent account



- SABB in Riyadh to my tiny credit union in Memphis
- no direct link!
- a bank holding for another bank: vostro account.
- money that's being held for it: a nostro account.
- fees!!!!
- US\$15 to RECEIVE

Which country do you think of first when you hear "tax haven" or secret bank accounts?



Off-shore

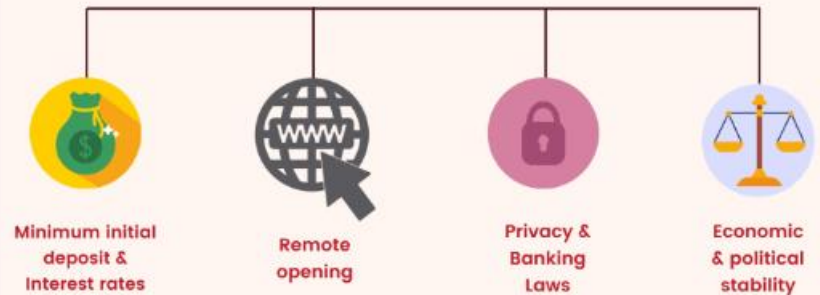
Tax havens

Numbered accounts

Secrets!

Best jurisdictions for offshore bank account opening

What to consider:



4 best jurisdictions



Off-shore Banking

Tax havens

How Nike pay less tax by charging themselves for intellectual property

1 Regular accounting

Money from shoe sales across Europe, the Middle East and Africa all flow into Nike's European headquarters in the Netherlands. The amount of tax due is determined by its reported net profits



2 Minimum-profit accounting

A subsidiary of the company charges the Dutch headquarters for intellectual property rights, resulting in much lower taxable profits



How do I get foreign money?

EURO/DOLLAR 1.05

Multiply right > $1 \times 1.05 = \$1.05$

Divide left < $1/1.05 = 95$ Euro cents

Mind the spread!!!

Exchange Rate		Buy	Sell
	Euro	1.2631	1.0301
	USA	1.6768	1.3721
	South Africa	12.7125	9.9553
	Hong Kong	13.2715	10.7923
	Japan	162.2830	130.2621
	Australia	1.8911	1.5822
	Canada	1.7999	1.3011
	Switzerland	1.8333	1.5900
	Philippine	1.7822	1.5200
	New Zealand	2.1729	1.9125
	Czech Republic	34.1200	30.0091
	Bulgaria	26.6721	24.3319
	Turkey	2.7520	2.3331
	Egypt	10.8412	8.9551

Breaking the Bank (of England)



Black Market – Parallel Market

“Official Black Market” -- Nigeria

- Prague, 1989
- Official rate
- \$1:10 CZK
- Black Market rate:
- \$1:40 CZK



Base to quote pairs: converting € to Indonesian rupees (IDR)

- Forex
- Base: 1 Euro
- Quote: How many IDR?
- Lots



Currency Exchange

1 EUR to IDR - Convert Euros to Indonesian Rupiahs

Xe Currency Converter

[Convert](#) [Send](#) [Charts](#) [Alerts](#)

Amount **From** **To**

1.00 Euro =
16,380.981 Indonesian Rupiahs

1 IDR = 0.0000610464 EUR

[View transfer quote](#)

We use the mid-market rate for our Converter. This is for informational purposes only.

Do you know the slang name for

- One US dollar bill?
- Buck
- One Canadian dollar coin?
- Loonie
- Two Canadian dollar coin?
- Toonie



FOREX

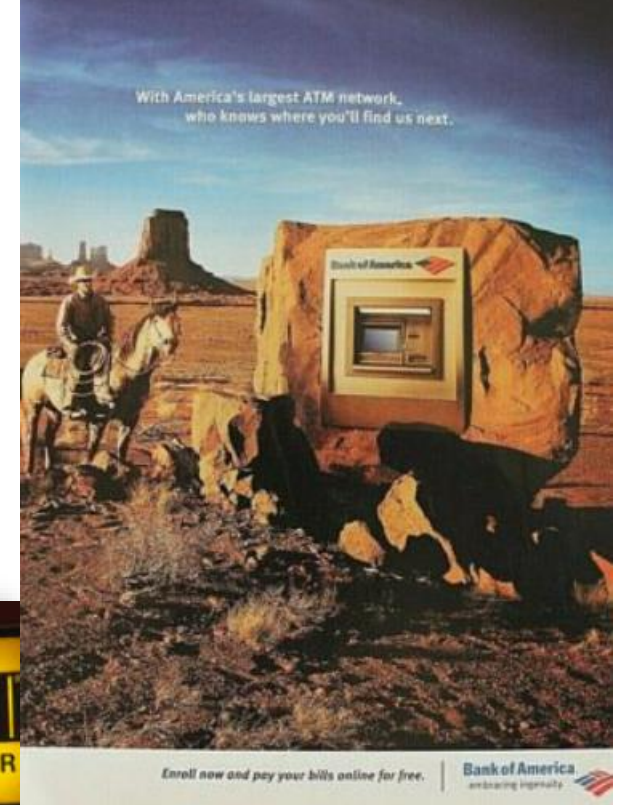
- USD/GBP: pound-dollar
- USD/CHF: dollar-swissy
- USD/CAD: dollar-loonie
- AUD/USD: Aussie-dollar
- NZD/USD: kiwi-dollar
- https://youtu.be/3Lpob_qNPp0

For us mortals

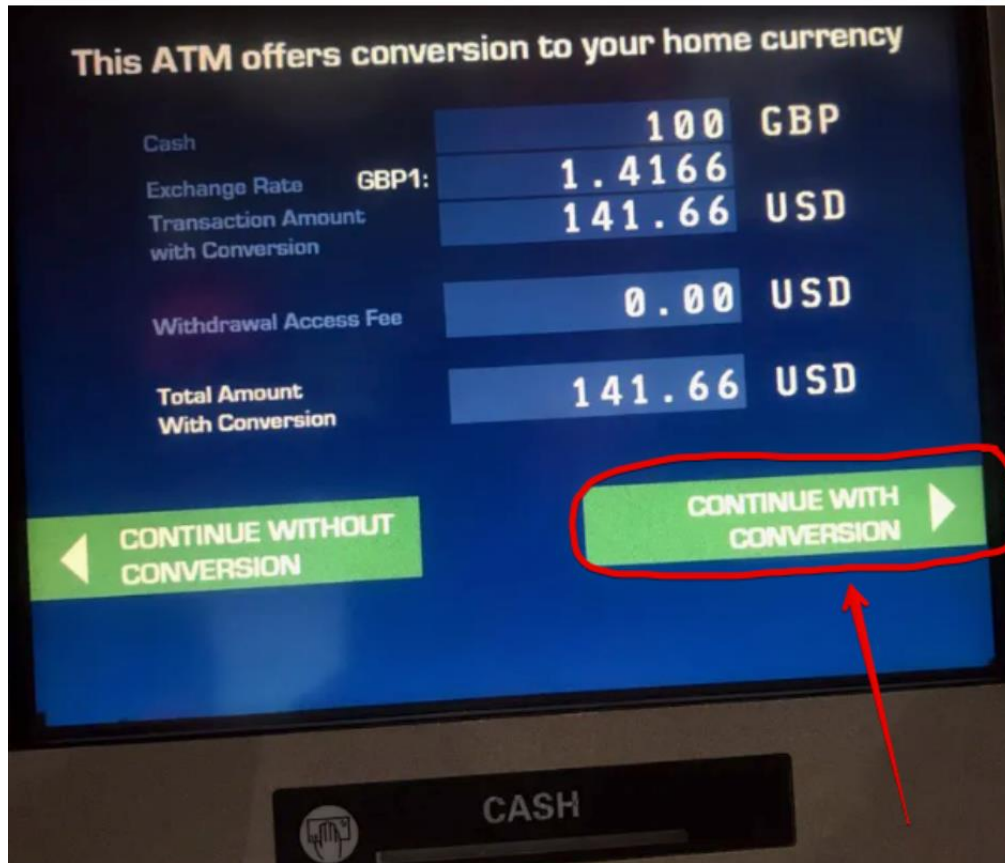
Currency exchange booth

Bank

ATM



“dynamic currency conversion”



Merchant choose their rate ;-)

Never!!!!

FREE intensive English online from the American Language Center!

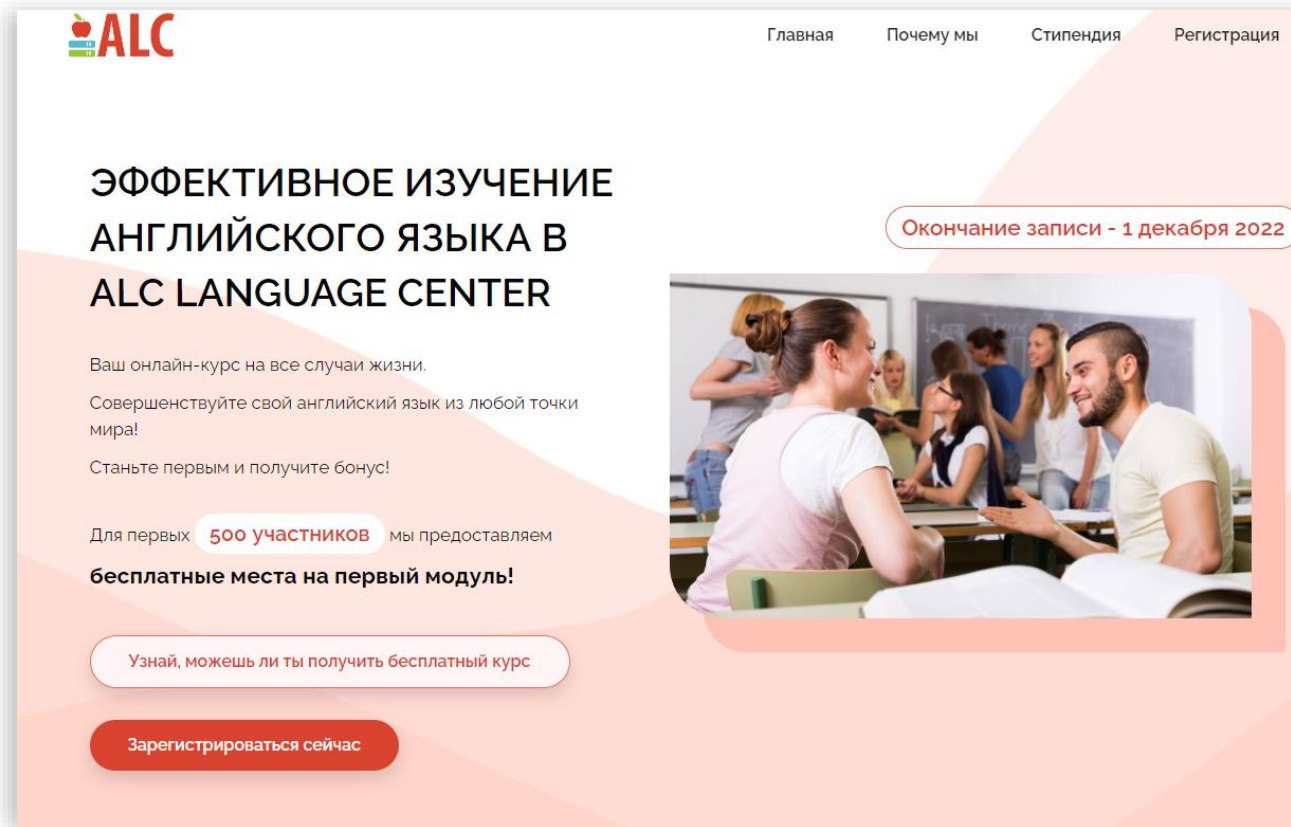
Scholarships for:

- university students of any major
- pre-service and novice English teachers
- adults ages 18-35

Includes weekly classes with Virtual Educators from the United States.

The application is now open!

More information available at: <https://www.englishalc.ru>



The screenshot shows the ALC website landing page. At the top left is the ALC logo. At the top right are navigation links: Главная, Почему мы, Стипендия, and Регистрация. The main heading is in Russian: ЭФФЕКТИВНОЕ ИЗУЧЕНИЕ АНГЛИЙСКОГО ЯЗЫКА В ALC LANGUAGE CENTER. Below this is a sub-heading: Ваш онлайн-курс на все случаи жизни. Совершенствуйте свой английский язык из любой точки мира! Станьте первым и получите бонус! A red callout box on the right says: Окончание записи - 1 декабря 2022. Below the text is a photo of students in a classroom. At the bottom, there is a red button that says: Зарегистрироваться сейчас. A white callout box above the button says: Узнай, можешь ли ты получить бесплатный курс. Another white callout box above that says: Для первых 500 участников мы предоставляем бесплатные места на первый модуль!

ALC

Главная Почему мы Стипендия Регистрация

ЭФФЕКТИВНОЕ ИЗУЧЕНИЕ АНГЛИЙСКОГО ЯЗЫКА В ALC LANGUAGE CENTER


Ваш онлайн-курс на все случаи жизни.
Совершенствуйте свой английский язык из любой точки мира!
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Узнай, можешь ли ты получить бесплатный курс

Зарегистрироваться сейчас

Окончание записи - 1 декабря 2022



A vertical decorative bar on the left side of the slide, featuring a golden-yellow background with various 3D-rendered financial symbols such as the dollar sign (\$), pound sign (£), yen sign (¥), and Euro sign (€).

Buy Sell

- Cash in advance
- Letter of credit
- Consignment
- Escrow accounts

A vertical decorative bar on the left side of the slide, featuring a golden-yellow background with various 3D-rendered financial symbols such as the dollar sign (\$), pound sign (£), yen sign (¥), and Euro sign (€).

Escrow: a roll of parchment

- Bank
- Real Estate
- ATM
- Vending machines!

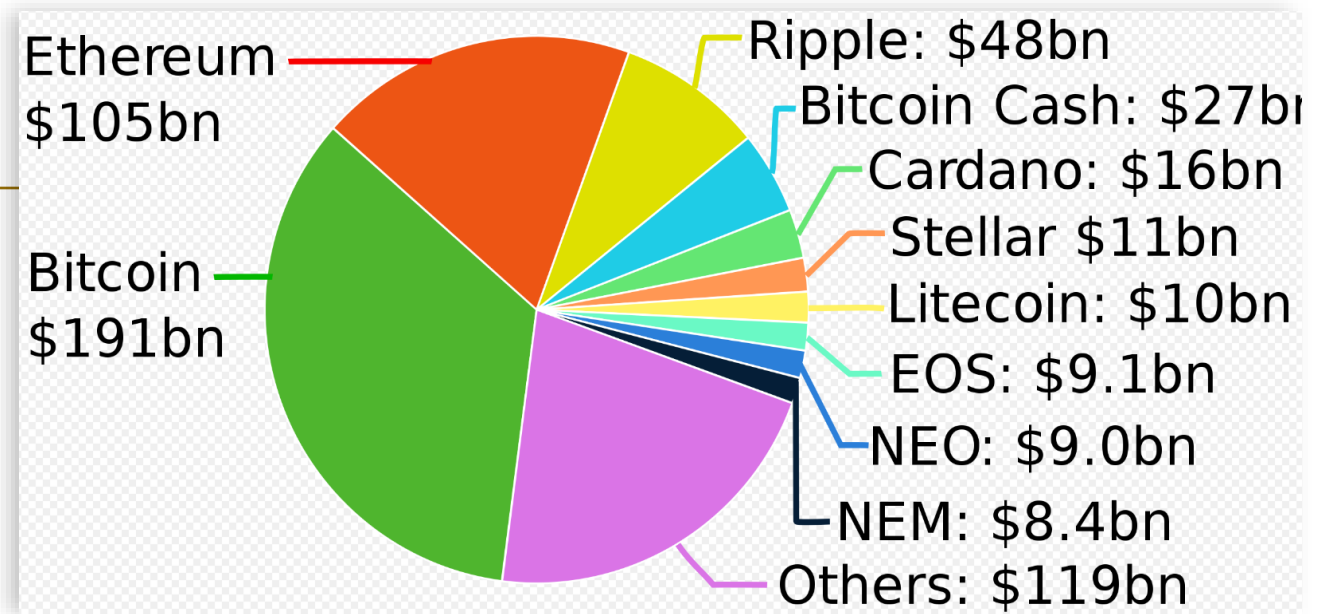
From metal to coin to paper to nothing

Cryptocurrencies

Not "real"

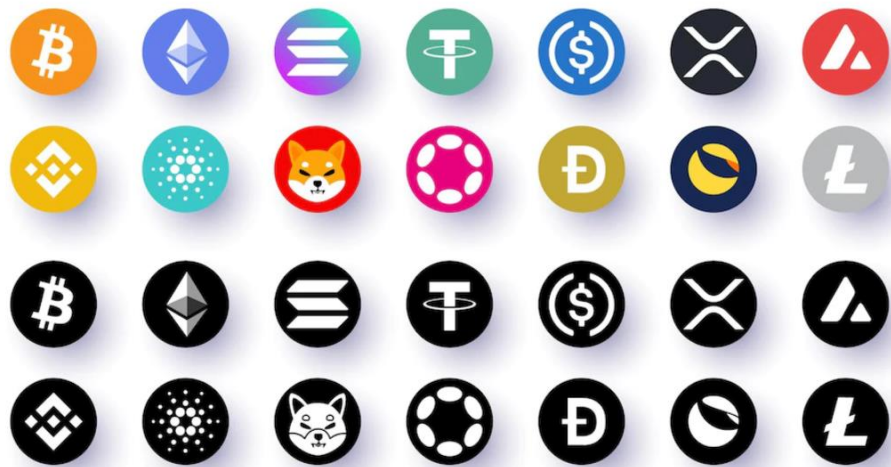
Blockchain -

Don't ask me



Thousands and thousands

- So watch out for scams:



OneCoin

- 2019 [BBC](#) podcast series
- *The Missing Cryptoqueen*
- [PhD](#) in private international law
- the [University of Constance](#) in Germany

Ruja Ignatova



Ignatova in 2015

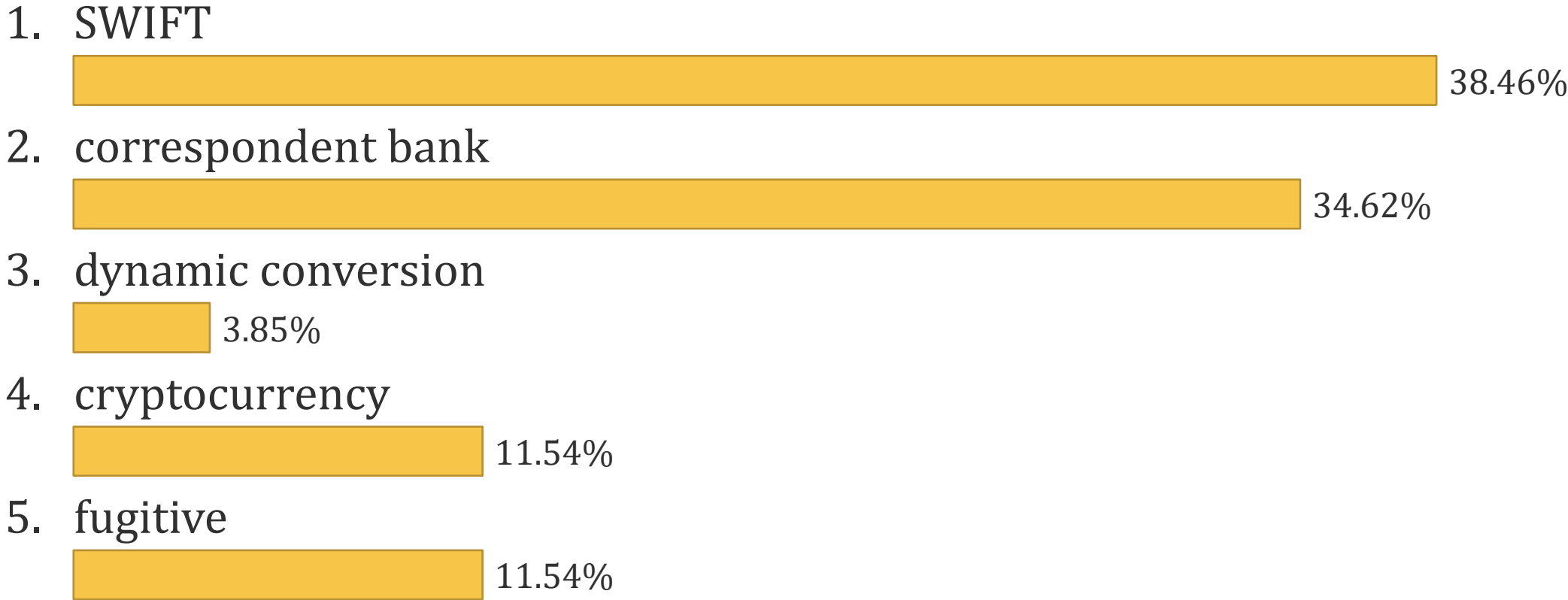
FBI Ten Most Wanted Fugitive

Reward \$100,000

Description

Born Ruzha Plamenova Ignatova

What was the word/term you will remember most from tonight?



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