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About OpenNode

OpenNode empowers people and connects the world through trusted digital payment infrastructure with the lowest fees, quickest settlement, and an exceptional focus on user success.

Value to remittance businesses:

- Full service, powerful, platform with high integrity and reliability
- Compliant Bitcoin payment infrastructure
- Integration via a powerful API that allows launch within days, not weeks

Value to senders and receivers:

- Lowest transaction processing costs
- No hidden charges
- No recipient fees
- Fastest transaction speeds of any payment rail



Introduction

Millions of migrant or foreign-born workers are active in today's global economy, supporting their families in their home countries by sending (or remitting) part of their earnings on a regular basis. Because of globalization, international money transfers (or remittances) have been growing by more than 10% every year since 2000. (Note: in 2020 global remittances are projected to decline by about 20% due to the pandemic and ensuing economic crisis).

The traditional financial system is ill-equipped to deal with remittances. Sending money abroad has historically been a slow and expensive task, with never-ending chains of middlemen, manual paperwork, and hidden charges.

The remittance industry has consistently taken an inequitable cut from migrant workers and stifled their ability to efficiently deliver funds to their families back home. Pressure from the G20 and UN to lower costs for senders has resulted in fees for transfers declining year-on-year since 2008. According to the World Bank, the total remittance market now totals over \$700B in annual payment flows. The World Bank also reports an average cost of 6.67%. That means ~\$48B in fees is extracted from senders and recipients every year.

As a payment system, Bitcoin provides a better way to transfer digital cash anywhere in the world. Payments are simple, secure, near instant, low cost, and global.

By the numbers

\$714 Billion

The total amount of remittances sent in 2019

6.67%

The average cost to send a remittance

\$48 Billion

Remittance service provider revenues in 2019

\$554 Billion

Total amount of remittances received by low- and middle-income countries



Remittance Operator Landscape

Banks



Post Offices



Money Transmitter Operators (MTO)

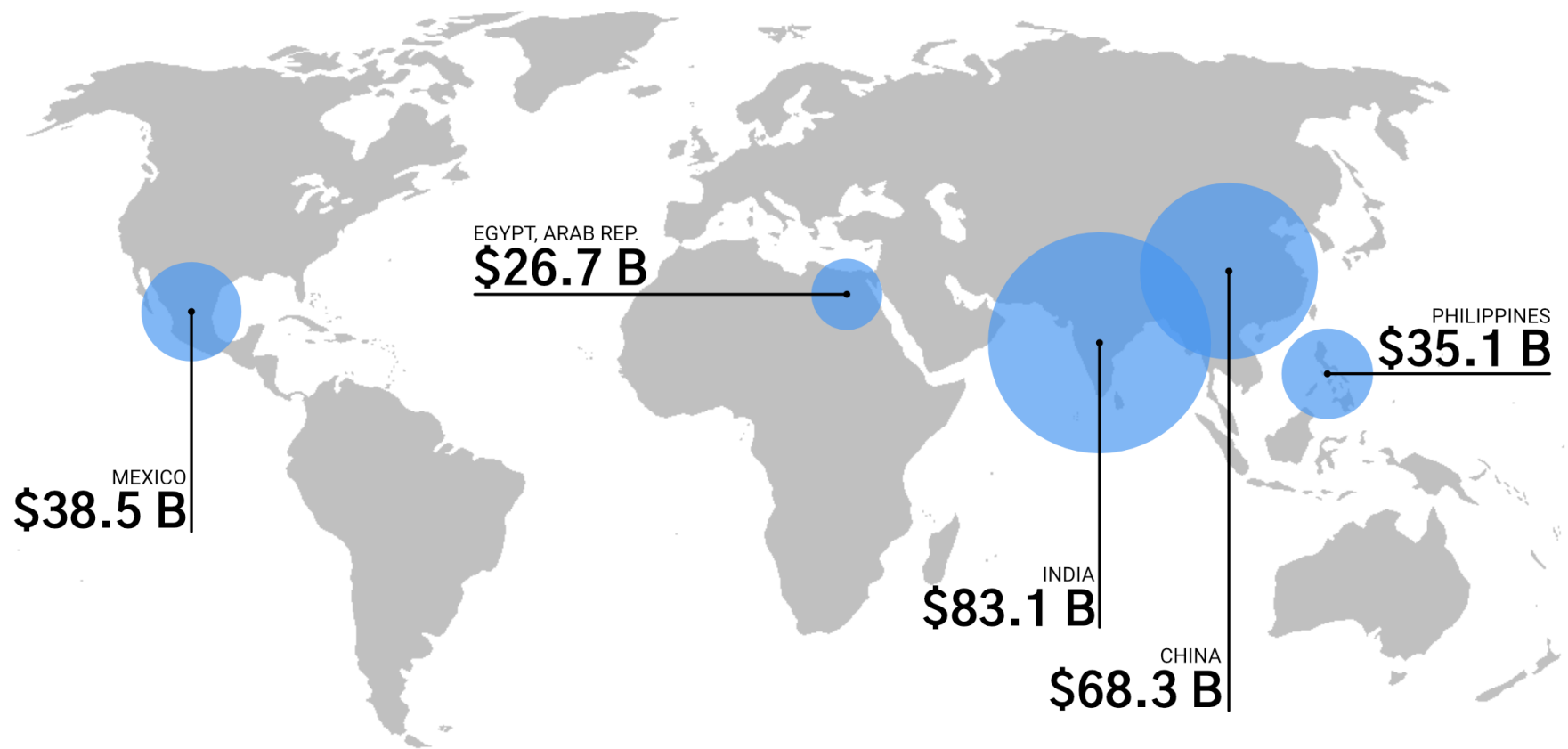


Mobile Money Operators (MMO)





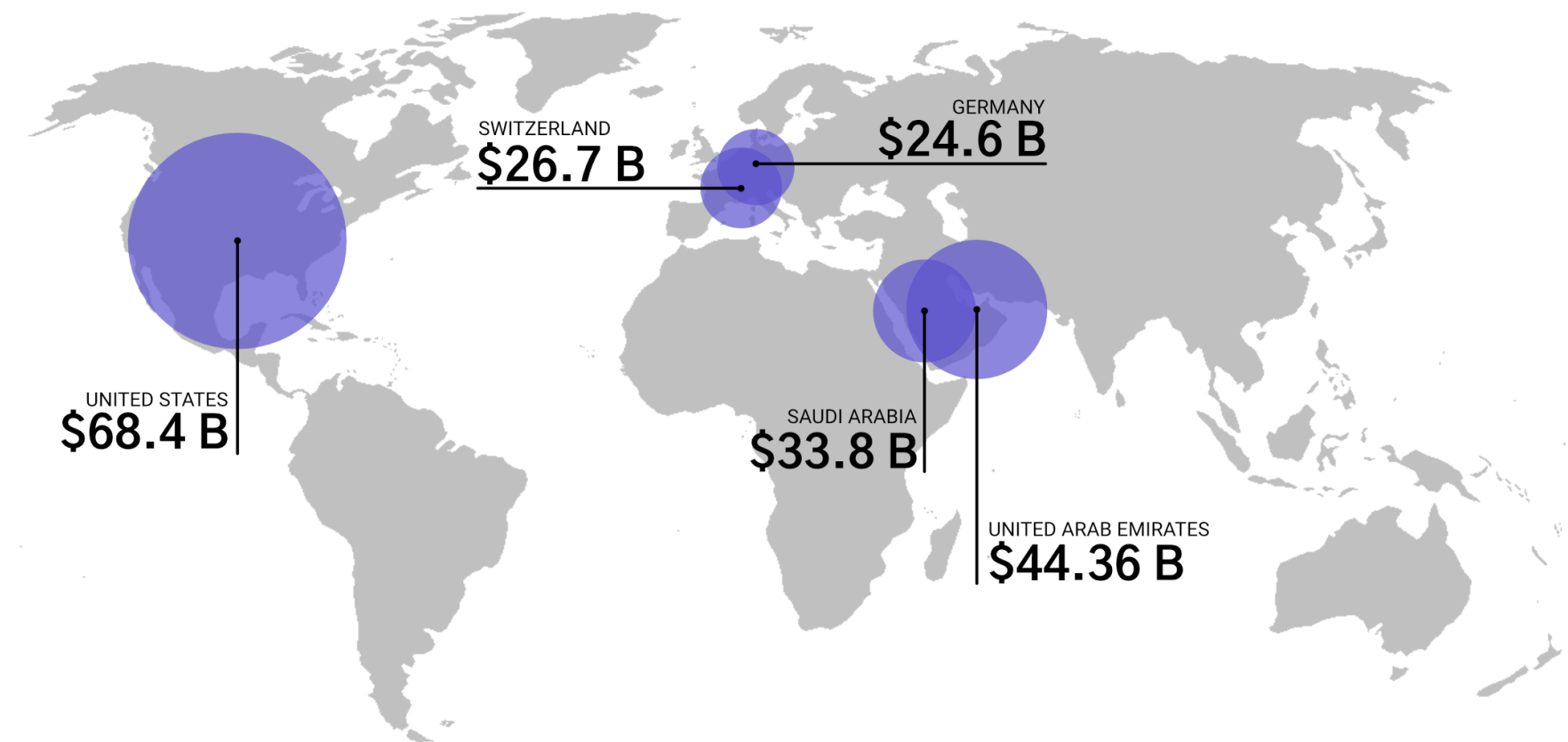
Top 5 Remittance Countries by Inflow



Source: World Bank, 2020



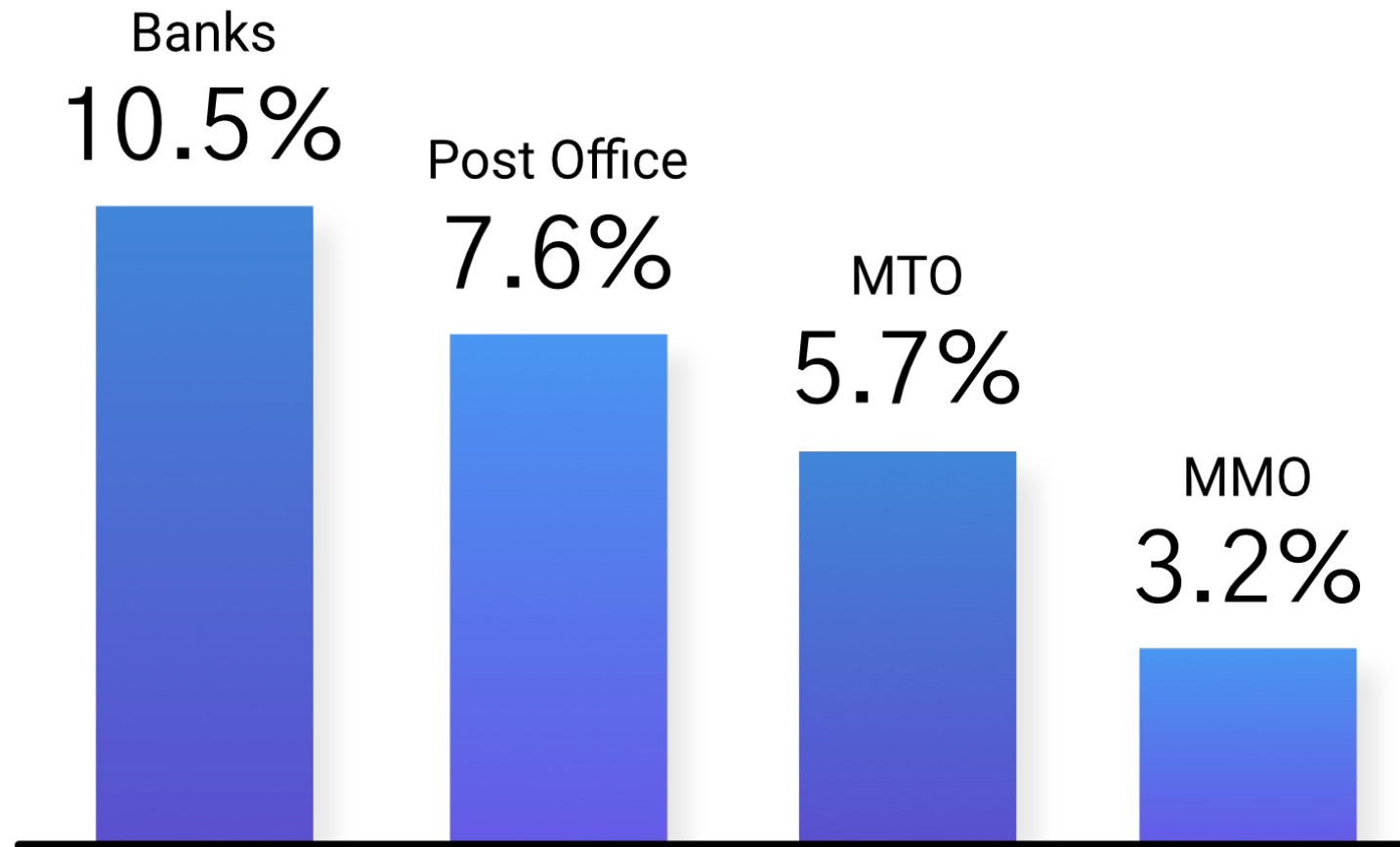
Top 5 Remittance Countries by Outflow



Source: World Bank, 2020



Average Cost to Send an International Remittance



Source: World Bank, 2020



Why Remittances Cost So Much and Take So Long

The business model of cross border transactions is primarily a mix of two variables: direct fees and foreign-exchange (FX) fees. The majority of remittances are handled by traditional banks, credit unions and MTOs that specialize in cross border payments. Some of the largest providers in the space include Western Union, MoneyGram.

The complexities of different currencies and banking systems means that sending money from one country to another is very different from a domestic transfer. The number of intermediaries and lack of transparency significantly contribute to the time it takes for international payments to reach their recipient: anywhere from 1-7+ days. On top of that, many remittance companies charge large premiums (or spreads) on top of the market FX rate and keep the difference.

Technological progress is driving a number of developments, of note:

- Competition is increasing, and dominant money transfer provider Western Union has seen its revenue growth stagnate.
- Transferwise is working within/around the constraints of the inter-bank system to deliver cost reduction and transparency to users.

By the numbers

10.5%

Currency conversion complexities drive costs upwards of 10.5%

7+ days

Banking system complexities can cause remittance delays up to 7 days, or more

6 intermediaries

Remittances can require as many as 6 participants to process/deliver



How Bitcoin Fixes Remittance

Bitcoin dramatically lowers the cost of remittances, speeds transfer of funds, and adds much needed transparency into the remittance flow, without having to operate within or around the constraints of fiat and legacy interbank systems.

The benefits of transacting with cash extend to the best form of digital cash, Bitcoin:

Private: Transfer of value, not personal data

Trusted: Decentralized, open, consensus-driven

Universal: Accessible, peer-to-peer, liquid

Sound: Available, stable settlement tool

Interoperable: Interchangeable, fungible

Bitcoin payments are perfectly formed to complement MTO criteria for differentiation and success:

Brand: Loyalty and trust from customers due to being a transparent and reliable service

Network/Utility: Depth of local agents/banks in network

Technology: Using technology to lower customer costs and make transfers faster

By the numbers

\$219 Billion

The market capitalization of Bitcoin (August 2020)

\$398.74

The fee paid on a \$468 million Bitcoin transaction (July 2019)

1–2 hours

On-chain transactions typically settle in under 24 hours. Lightning transactions settle instantly.



Bitcoin Works Better

OpenNode is Purpose Built to Power Digital Remittances

	Bank	Post Office	MTO	MMO	OpenNode
Average Fee	10.5%	7.6%	5.7%	3.2%	1.0%
Settlement Time (days)	3-7	5-7	3-5	0-3	0-1
Global*	✗	✗	✗	✗	✓
Settlement 24/7/365	✗	✗	✗	✗	✓

Source: World Bank, 2020

* In compliance with BSA/ATF regulations



Why Remittance Businesses Choose OpenNode

OpenNode is a Bitcoin payment infrastructure provider that offers the benefits of a Bitcoin payment rail to Money Transfer Operators, Mobile Money Operators, and Digital Wallet Providers.

OpenNode offers:

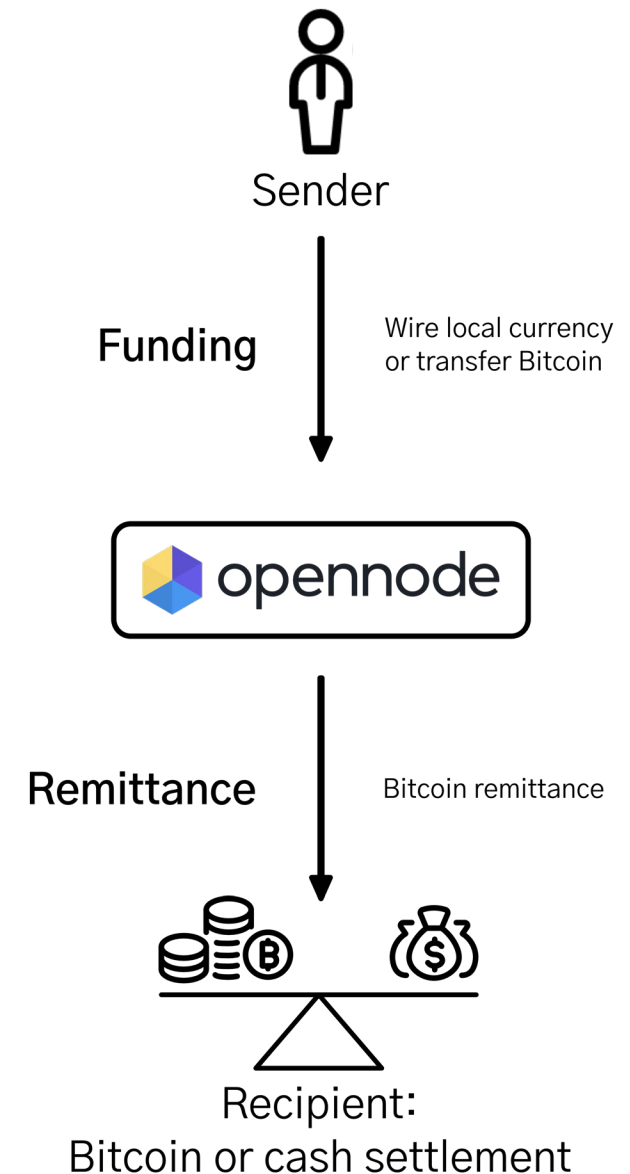
1. Bitcoin payment processing using compliant infrastructure with near-instant settlement
2. Automatic conversion of funds to the local currency of the recipient's choice and bank transfer

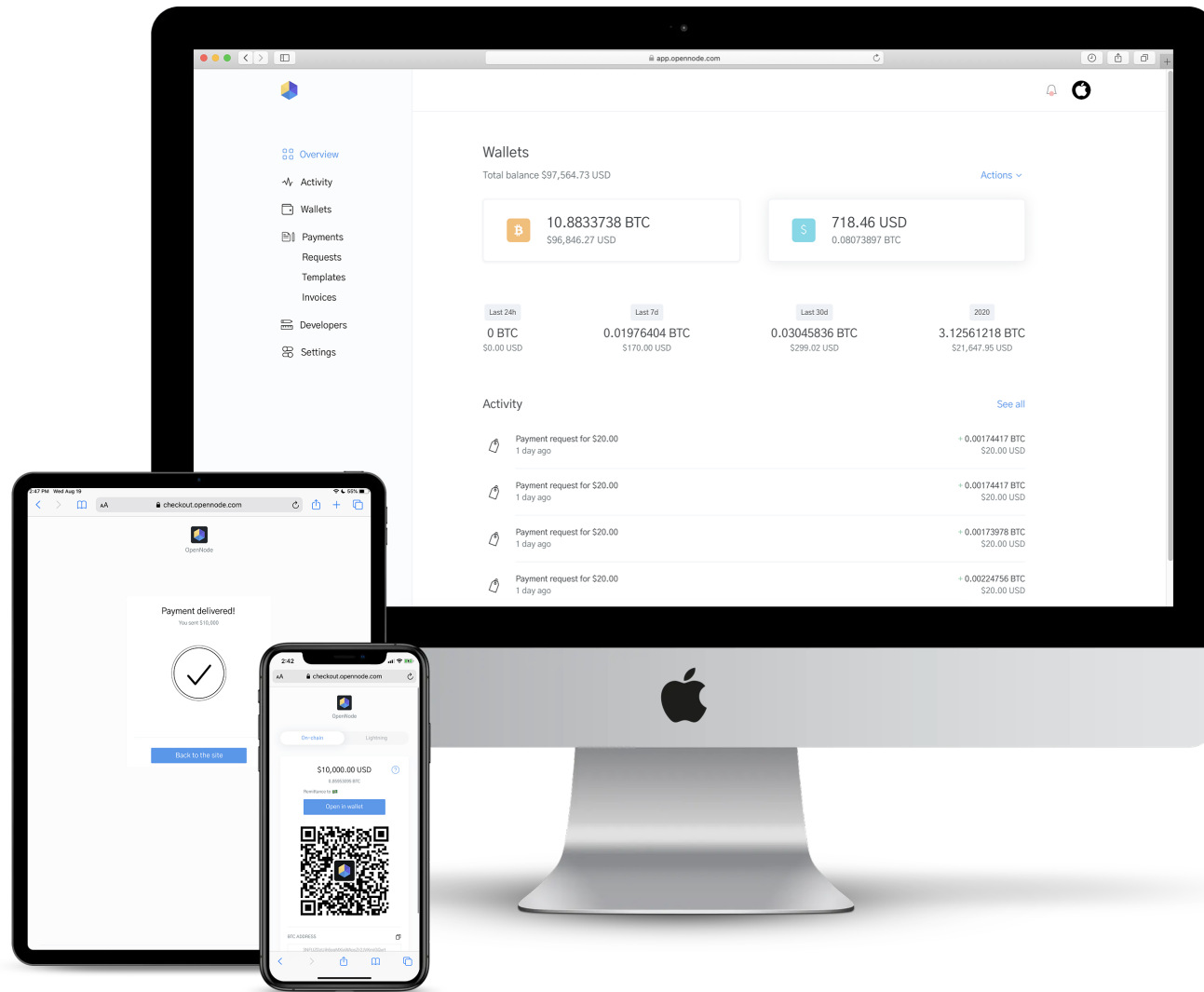
Value of OpenNode to remittance businesses:

- Remit to and from any country around the world with Bitcoin
- On-ramps and off-ramps for local currencies (8 supported, with many more planned)
- Revenue share on the payment industry's lowest transaction processing costs ($\leq 1\%$)
- Fastest transaction speed (0-1 days) in the payment industry
- Able to service underserved corridors
- Perfect complement to remittance business brand, network, utility, and customer acquisition engine

Value of Bitcoin to senders and recipients:

- Integrated with MTO apps/websites
- Convenience of sending and/or receiving payments using local currency
- Real-time tracking of transactions using Block Explorer





Get Started with Bitcoin Remittances Today

Contact us



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