G20 National Remittance Plan 2019
Saudi Arabia
Background

The Outbound transfers from banks and money exchange centers have decreased slightly. However, the inbound transfers have increased in Q2 of 2019 (year-to-date) compared to the same period of the previous year.

Outbound in Q2 of 2019 (year-to-date) compared to the same period of the previous year. Transfers: (Saudi Riyal)

- The outbound transfers have decreased by 0.6% from 690B to 686B.
- Companies’ outbound transfers are 85% (584B) of total outbound transfers; the percentage of Saudi companies’ outbound transfers is 97% (569B).
- Individual outbound transfers decreased by 5% from 107B to 102B, Saudi individuals’ transfers have decreased by 2.2B, foreign individuals’ transfers decreased by 3.3B.
- Foreign individuals’ transfers is 69% (70B) of the total individuals’ outbound transfers.

Inbound in Q2 of 2019 (year-to-date) compared to the same period of the previous year. Transfers: (Saudi Riyal)

- The inbound transfers have increased by 22.7% from 366B to 448B.
- Companies’ inbound transfers are 96% (433B) of total inbound transfers; the percentage of Saudi companies’ inbound transfers is 88% (380B) of the total companies’ inbound transfers.
- Individual inbound transfers increased by 52% from 10.3B to 15.7B.
- Saudi individuals’ transfers is 73% (11.4B) of the total individuals’ inbound transfers.

Call to Action on Remittances

Saudi Arabia 2014 Call to Action: The Saudi Arabian Monetary Agency (SAMA), the Saudi central bank, has in place, or is in the process of adopting, a number of actions to address issues related to remittances that incorporate factors other than cost, such as transparency, competitiveness and consumer protection. The

Banking Consumer Protection Principles (BCPP) was implemented on 1 September 2013 and emphasises customers’ rights to have high-quality services, while providing the basis for disclosure, transparency and competitiveness in prices and commissions. The SAMA has permitted commercial banks to establish independent centres for remittance services in cooperation with global financial transfer firms. The SAMA continues to hold meetings with commercial banks working on remittance services to monitor prices and service quality, as well as to ensure fulfilment of all domestic and international requirements. The SAMA is encouraging commercial banks to expand electronic services through their websites. The SAMA is continually reviewing and monitoring prices of remittances and relevant exchange fees to ensure fees reasonably balance costs to customers and profit margins to banks.

G20 commitment regarding financial inclusion and remittances: Financial inclusion and remittances activities in the G20, focusing on providing full and equal access to formal financial services for all, enhancing financial literacy and education and consumers protection, promoting digital financial inclusion, and reducing the cost of transferring remittances, help reduce poverty and inequality (SDG 1,10) and foster inclusive growth (SDG 8, AAAA paras 39, 40). The Global Partnership for Financial Inclusion (GPFI) is working on expanding access to financial services as well as usage for those formerly excluded, particularly youth and women, and addressing financial
system challenges and legal uncertainties around SMEs financing in both G20 and non-G20 countries.

The G20 will continue to develop evidence-based practices on sustainably increasing financial inclusion, both for individual and SMEs, including considering how digital technologies can offer affordable opportunities for the financially excluded. The G20 remains committed to National Remittances Plans as an important step towards helping to reduce the transaction cost of migrant remittances to less than 3 per cent and eliminate remittance corridors with costs higher than 5 per cent (SDG 10, AAAA para 40) and addressing the potential negative impact of risk re-evaluation by financial institutions, commonly known as “de-risking”.

Saudi Arabia has not been negatively impacted with the waves of de-risking exercise of correspondent banks.

2019 Country plan for reducing remittance transfer costs

1. **Increase remittance market competitiveness, including through improvements to the regulatory environment**
   - Opening the market to allow foreign MTO to set up business in Saudi Arabia
   - Call for innovative proposition specifically centered around the remittance business to be tested in the Regulatory Sandbox

2. **Improve financial system infrastructure and pursue policies conducive to supporting innovation and harnessing emerging technologies.**
   - Continue the existing initiative on instant pay
   - Coordinate with relevant authorities to harmonise the data outsourcing rules - i.e. current discrepancy between the SAMA outsourcing rules and the National Cybersecurity Law.

3. **Improve transparency and consumer protection of remittance transfers.**
   - Setting up of the Financial Literacy Entity and start the implementation of the Financial Literacy National Strategy.