

OF Portal - FAQs on remittances

1. What are overseas Filipino (OF) remittances?

Cash remittances are the total value of private income transfers sent back by our OFs. These remittances bestow macroeconomic benefits to the country's economy whenever majority of OFs send part of their earnings back home in the form of cash or goods to support their families.¹

2. What are the benefits of OFW remittances?

Remittances serve as a catalyst for economic activity in supporting growth and development in the receiving country. Beyond providing a stable source for the country's foreign currency reserves, remittances serve as an important source of finance for receiving households by directly contributing to their income and helping improve their standard of living.

Remittances also promote broad-based development when channeled efficiently to productive activities. With annual value reaching as high as 8.9% of the country's GDP, remittances can be harnessed to bring more macro benefits through investments in the form of: (i.) human resource through education and health care for beneficiaries; (ii.) real investments through acquisition of real properties, including land purchases and home construction; (iii.) financial investments through savings in bonds and other financial instruments; and (iv.) investments in business ventures.²

3. Why is it better to send remittances via formal channels such as banks and financial technology (fintech)-enabled money transfer companies?

Banks and other formal channels afford its customers due protection and recourse, which may not be the case for informal channels. Remittance transactions are also duly reported to the Bangko Sentral ng Pilipinas.

4. What are the different formal channels that can be used to send remittances?

Formal channels for remittances are regulated financial service providers that include banks and money transfer companies.

¹ [Personal remittances](#) are computed as the sum of net compensation of employees (i.e., gross earnings of overseas).

² BSP inputs for the 2022 International Day of Family Remittances: Recovery and Resilience through digital and financial inclusion

On the other hand, informal channels include relatives, friends, coworkers, or overseas Filipinos (OFs) coming home where a rough estimate of the remittance is given but not the actual.

Learn more about the channels of overseas Filipino remittances [here](#).

5. I am an OFW who want to send money to my family back home. Where can we get information on the comparison between remittance fees/service charges?

The World Bank provides important information on remittances charges in various remittance corridors (i.e., sending and receiving countries) across the globe. You may access the comparative charges for sending to Philippines from selected countries [here](#).

How to access the comparative charges table:

1. Choose the *sending country* in the drop-down list.



2. Choose the *receiving country* in the drop-down list.



3. Click *Show*.

THE WORLD BANK
REMITTANCE PRICES WORLDWIDE
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Cutting prices by at least 5 percentage points can save up to \$16 billion a year.

FIND AND COMPARE PRICES

Transfer money from to
 from to
 United Kingdom
 Philippines
 Show

4. The next page should display the data on the cost of sending and receiving money from the sending country to the receiving country.

Sending money from UNITED KINGDOM to PHILIPPINES

Data collected on: Feb 20, 2022-Mar 03, 2022
 Collection period for: First Quarter 2022

GBP | USD

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120.00 GBP | 300.00 GBP

Firm	Payment instrument	Access point	Sending network coverage	Transfer speed	Receiving method	Disbursing network coverage	Fee	Exchange rate margin (%)	Total cost (%)	Total cost (GBP)
Wise		Internet	High	3-5		High	1.10	0.01	0.93	1.12
Western Union		Internet	High	1		Medium	0.00	1.03	1.03	1.24
Small World		Agent	High	1		Medium	1.99	-0.44	1.22	1.46

6. I am an OFW dependent. What would be a convenient way to receive remittance from my family member working abroad?

Receiving remittances directly to a bank or e-money account would significantly be more convenient for OFW dependents. Apart from receiving remittances, having a bank or e-money account would be helpful for important transactions, whether it is for paying bills or purchasing goods and services.

Furthermore, bank and e-money accounts will enable OFW dependents to easily set aside for their savings and investments, such as in mutual funds and government securities.

7. Where can my family and I invest my remittances back home?

Investing is the process of expending money on a financial plan with a goal of achieving profit or material result. This can be classified into two:

- *Fixed-Income*. These are investments that provide regular or fixed interest payments such as:

- Treasury bills - income from the investment is in advance;
 - Treasury bonds - return may not be too high and risky but will not experience any loss either; and
 - Corporate bonds
- *Variable-Income.* Potential income varies every due date and may involve certain risks. Variable-income investments include:
 - Unit investment trust fund (UITFs);
 - Mutual funds; and
 - Stocks - may experience gains and losses overtime but if one invests long enough, the monetary investment gains in the end.

Learn more about the basics of investing [here](#).

8. Where can we find the list of exchange rates for the day?

The daily reference exchange rate bulletin in the BSP website may be accessed via this [link](#).

9. What are the BSP's ongoing initiatives for OFs?

The OFWs and their dependents are important target segment of BSP's financial inclusion agenda. Promoting innovative digital financial services and financial literacy are just some of the efforts undertaken toward greater inclusion of the OFWs and their households. Ongoing BSP initiatives on OF-related concerns can be found [here](#).