

## INTERNATIONAL

# INTERNATIONAL PAYMENTS: BEST PRACTICES



Companies must implement secure and efficient payment processes in the face of an evolving web of customs, laws and regulations that varies from country to country. We offer best practices that can help you avoid errors and delays.

**1. Get the payment instructions right:** Use correct payment information to avoid returns, delays and extra costs. And be sure to use the complete IBAN for European payments for straight-through processing.

*Depending on your payment, you may also need to:*

**2. Provide payment purpose codes:** These are required to process the payment correctly in certain markets, including China and India. For a complete listing, please visit <https://www.pnc.com/en/corporate-and-institutional/international-services/payment-purpose.html>.

**3. Provide complete remittance information:** Make sure to use the open fields in web portals or in files to give payment detail (for example, the invoice number). This makes it easier for your payee to apply cash appropriately. It's also a good idea to ask for the same level of detail when you are receiving payments. Not all payment systems and payment types support related remittance information.

**4. Understand local rules:** For example, be sure you have the required documentation for cross-border payment in countries with controlled currencies and central bank reporting, including China, India and Brazil.

**5. Understand local bank practices of value dating:** Extending float an additional day on an international payment can be a means of compensation and is common in Latin America and Asia.

**6. Centralize payments:** Web portals including PINACLE®, PNC's corporate online and mobile banking portal, and transmission services like PNC's Payables Advantage and SWIFT for Corporates provide a one-stop shop for payments.

**7. Consider paying in local currency:** Paying either from a foreign exchange transaction, multicurrency account or local account can improve your competitive position and reduce costs.

**8. Consider receiving payments in your client's currency:** Using a local account or specialized account to receive payments in your client's currency makes your company look more local. For example, PNC's Europe Express accounts can receive payments from BACS and SEPA payment systems. You may also benefit from enhanced pricing. Paying and receiving in the same currency can serve as a natural hedge.

**9. Avoid cross-border checks in foreign currencies:** Electronic payments can accelerate updates to receivables, reduce fraud risk and improve your internal processes.

**10. Talk to your trading partner:** Having close communications with your trading partner can help not only identify a potential payment delay, it also allows you and your trading partners to work closer with your banks to correct the payment going forward and remediate future issues.



### READY TO HELP

Country Profile Reports developed by the Association for Financial Professionals provide details on 30 countries, including local payment and cash management information. Ask your PNC Relationship Manager how to get access.

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