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THE BANK TRANSFER

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Abstract *The bank transfer appeared at a certain stage of economic development, namely with the development of the banking system. The transfer is the operation of payment made by the bank through which, at the client order and based on the existing available funds in his account, it will make the transfer of money from customer's account to the account of a designated beneficiary, by debiting the customer's account and crediting the account of the beneficiary. The transfers can be debit or credit transfers, transfers in the national currency or foreign currency or national or international transfers.*

Key words:

Bank transfer, current account, issuing Bank, receiving Bank, scriptural currency, SWIFT [1]

1. Introduction

The payment system can be defined as a set of arrangements for the discharge of obligations by economic entities, including individuals from economic transactions with goods, including financial assets, or services[2]. Payment systems have dual function of intermediation in payments and ensuring payment transactions. Payment systems are components of financial systems. A payment system comprises institutions providing payment services, various forms of transferred claims, the methods and means to transfer messages and communication channels. Assets circulating in the payment system - money - representing claims on government (coin), the central bank (notes or records of the funds from the central bank, that bank deposits) and on banking institutions (bank deposits). These assets are known under the generic name means of settlement.

Currency is a claim to the one who holds the debt for which it issued[3]. All transactions, whether we are talking about the purchase of goods, services or financial assets is based on the transfer of assets, financial assets or services on the one hand and the funds that may be cash (notes and coins) or deposits at institutions credit on the other side[4].

Individuals and legal entities may open a credit institution several bank accounts and availabilities accounts, current accounts, deposit accounts, credit accounts and special purpose accounts. Payment processes is a set of techniques determined by the particular transactions aimed at achieving the transfers of funds and such obligations of the partners under the conditions set by them. We distinguish between two groups of payment methods: credit transfer and debit transfer.

Credit transfer is a method of transferring of funds, done through the banks from one account to another, using specific instruments available to the borrower (buyer) in favor creditoruli (seller) the transfer or letter of credit

Debit transfer is the process of transfer of funds made through the banks from one account to another, using specific tools from the creditor (seller) will not depend on the borrower (buyer): check, direct debit, standing order site, bill of exchange or the process of collection.

The payment instruments are currencies that are proper and certain operational bank documents on paper, magnetic or electronic technique that works on the basis of specific operating and securing circuits for the transfer of funds from the originator to the beneficiary.

These instruments are issued by the central bank (banknotes in circulation and bank deposits in central bank accounts) and commercial banks (bank deposits, created by commercial banks) with the approval of the central bank to ensure a standardized and economic and legal content that enable secure transfer of funds and lines of responsibility participants to transfer. Payment instruments fall into two categories: cash instruments and non-cash instruments. Cash payment instruments are represented by metallic money and banknotes issued by the central bank in general, but in some countries and commercial banks may issue banknotes.

2. Bank transfer. Definition, characteristics and principles

Bank transfer occurred at a certain stage of economic development, namely with the development of the banking system. Along the way, bank transfer payment method becomes predominant as whatever the payment instrument used. No transfer, economic transactions would be impossible, therefore it is the cornerstone of banking services.

If as regards other payment instruments Romania's banking legislation is detailing the legal characters and effects in connection with the bank transfers are observed lack of a legal definition. In French law can be observed to avoid granting a regulatory space Monetary and Financial Code, except for the bank transfer in the European economic area[5], following the implementation at European level of the following:

- Recommendation of 14 February 1990 on the transparency of banking conditions applicable to cross-border financial transactions (90/109/EEC);
- Directive of 27 January 1997 on cross-border credit transfers (Directive 97/5/EC of the Parliament and the Council).

The economic doctrine, bank transfer is defined as a special payment process is done by transferring the amount from one account to another or by debiting and crediting the account payer beneficiary[6]. General transfer order has a legal and therefore credit institutions have the opportunity to establish their own rules of operation of the bank transfer, including specific forms.

Bank transfer is, on the one hand, the specific financial accounting technique used to transfer the records of a certain amount from an account holder of a named ordinator, the account of another subject of law, called the beneficiary of the operation, and on the other hand the movement of funds produced by the effect of accounting operations involving cutting by a bank to its customer order, its credit account to credit the account of another client (opened at the bank or another bank), there necessarily entailing a bank account to which the order relates to the account holder. As a legal nature, the transfer order given by the account holder is a mandate by which the Customer authorizes the bank to debit a certain amount from his account and credit that amount to another account[7].

In another vision, bank transfer is the transfer of an amount of a bank account in another bank account opened using a bank clearing system[8]. In the literature, some works analyzes the transfer of banking as a separate contract giving the name of the bank giro contract[9].

Regarding bank transfer into Romanian legislation is made correspondence with the concept of cashless payment, this concept is defined in NBR Regulation no. 10/1994 as any payment made without the use of concrete in its currency but by order, assignment or transfer[10]. The text above the Community and Regulation (EC) 2560/2001 of the Council on Parlamnetului and border payments in euro have been officially translated into Romanian by using the concept of transfer and not virement, although for the same activity we have the term "virement" in French and "transfer" in English.[11]

The transfer payment is a special process which achieves transfer monetary resources from one person to another by debiting the beneficiary. In this case using scriptural currency. From a macroeconomic perspective the transfer has the following characteristics[12]:

- resulting from the specific method of transferring money circulation as a scriptural currency. Because of this transfer is the process influences the regulation of velocity of money and broad money in circulation also.
- bank transfer is a transfer of receivables as are carried out through bank accounts and the account's value holds the claim that the bank account holder. By paying the transfer decreases their right to request the bank by transferring them shrinkage of claims that the beneficiary.

The transfer payment transaction or transfer is made by a bank through which the client order and based on existing available funds in his account, it will make the transfer of money from customer's account on behalf of a designated beneficiary of it, by debiting the customer account and crediting the account of the beneficiary. For payment by bank transfer it is not necessary any request from the recipient, nor can it make to order, but the order payer[13].

To achieve this payment instrument requires the involvement of at least one banking company in its development, namely the receiving bank where both the payer and the recipient have accounts with the same bank, the bank running the payer to make available to the beneficiary a certain amount of money[14]. As a main feature, bank transfer implies a bank account of the natural or legal person and the existence of available funds in this account created through previous deposits, receipts or credit from the bank, bank transfer payment method is also an abstract character . Abstract nature of the transfer the following consequences:

- The bank can not refuse a transfer order issued by the customer account holder, if the account has a credit balance; Exception: where public order is violated rules on the procedure of conducting transfers arising from the application of legal provisions on measures to avoid financial deadlock.

- The Bank shall not verify the legal cause of the transfer order, the validity of the legal act does not depend on the validity of this process is achieved by the bank;
- Bank is not obliged to verify by the transfer order has the legal capacity to perform legal document made by bank transfer;
- The transfer results in the birth of a beneficiary's right to bank debt and simultaneously the issuer settle possible claims against the same bank.

From the legal point of view, by means of the bank transfer may be carried out different legal acts and settle an obligation by paying a loan or making a donation, and at economic level the bank transfers an amount dint of moving to another account so by carrying the scriptural currency circulation, bank deposits claims of third parties expresses to the bank, and the transfer is a process of transfer of receivables from bank creditors. Also a very important aspect of macroeconomic viewpoints is that the transfer as scriptural money transfer is an effective tool to combat monetary inflation. Bank transfer principles are:

- The existence of both the payer's bank account and the beneficiary;
- The existence of the account balance at least in the size of the bank transfer;
- Use only the bank transfer payment instruments indicated in the legislation (the provision of payment, request payment provision)[15].

3. Classification transfers

According to banking institutions involved in the transfer, bank transfer may be internal or intra when conducted between two accounts with the same bank and interbank foreign or when taken between two accounts with different banks. Interbank transfers is done in stages, so the payer issue the transfer order demanding his bank to debit the account with a certain amount, to credit the beneficiary's account opened at another bank, the payer's bank to the beneficiary's bank put a credit equal to the same amount, payee's bank credited his account, the two băncirealizându the settlement of accounts through interbank clearing house. The date of the bank transfer the day the amount is available to the beneficiary's account crediting by the bank. Depending on authorizing the operation distinguish between customer transfers representing a client's order to make a money transfer by debiting his account to one or more beneficiaries and payment of BNR, the case for inter-bank business.

Depending on the purpose of ordering and the payment distinguish between credit transfer and debit transfer.

In a credit transfer, the payer orders his bank (paying bank) promoting payment order specified by the recipient, the paying bank takes the sum of the payer's account and the bank makes the payment to the creditor and creditor bank indicate the amount to the beneficiary.

In a debit transfer the payer authorizes the creditor for such operations, he asks his bank approving the transaction, the creditor filed sum payment documentation (invoice) to the bank and the payer include payment amount on the due date of payment and after payment amount bank branch returns to the creditor's account. Depending on the currency in which the transfer is made, transfers will meet in lei and foreign currency transfers.

A feature of the bank transfer is the placement banks that form the circuit between originator and beneficiary. If the transfer is between the banks from those countries can talk about a national transfer (which may be between branches, branches of the same bank or between different banks involving transfer of funds between them) or, if they are between banks located in different states is We can talk about an international transfer, which has the same specific difference that involves an international transfer of funds[16]. National transfers are achieved by means of interbank communication, following strict procedures specific national banking structure and operational peculiarities of each bank individually, the embodiment of which is classic (for a duration of 1-2 days) or telex type (transfer made the same day of submission of the payment order by the payer).

4. International bank transfer

There are some features when using payment in foreign currency retention especially in countries with currency (as is the case of Romania) where it follows certain procedures, most often required by national legislation or rules of the NBR instructions. These procedures affect especially how to make payments in foreign currency accounts as there is in local currency and foreign currency accounts, aiming to whether or not payment necessary availability and also, if possible based bank to acquire cash in asked currencies national currency necessary to carry out the bank transfer.

Most international bank transfers are made in foreign trade operations, it is necessary to make a payment by the importer. The transfer of funds is done through various methods based on various reasons that are not subject of this presentation. It should be noted that only the transfer porpriu itself is often performed before actually tranfer funds based banking agreements or national standing endorse warranty and guarantee the transfer of funds. In addition it may be recalled that, in the desire to eliminate the drawbacks of classical methods of mail or telex transfer and to meet the requirements of speed, privacy and security requirements of international transactions was founded in May 1973 the company "SWIFT" (Society for Worldwide interbank Financial Telecommunication) is an international interbank network communication electronically[17].

SWIFT is designed in a modular manner and comprises three levels of operation:

- bank with their terminals;
- National cumulatorul role concentration node information (national)
- switching center represented by a relay system SWIFT network for coupling to the country which they are distributed.

There are, at this moment, three such centers of switching, in the US - having assigned countries in North America, South America and the Far East, in Belgium (Brussels) - having assigned European countries like France, Italy, Belgium, Spain, Denmark and Israel and in the Netherlands (Zoeterwonde) where there are two switches, one for Germany, Austria, Switzerland, Hungary and other UK, Scandinavia, the Netherlands, Greece, Portugal[18].

To achieve SWIFT transfers, the buyer (borrower payment) performs the usual operations of any payment to a beneficiary. The main role in this way it has bank transfer launching coded messages in interbank network like any other process execution requesting transfer to the beneficiary's bank, of the bank transfer being made in achieving the 20 minutes (normal pocedura) or 5 minutes (emergency procedures).

V. Risks in bank transfer

The bank transfer itself is done often before the actual transfer of funds, based on standing agreements or national bank guarantee and guarantee endorse the transfer of funds. For this reason the transfer by transfer certain risks, such as risk of revocation and the risk of system [19]. The first type of risk assumed, as in the period from submission of payment order (the order of transfer) and until its processing (ie extraction amount indicated in it payer's account) the payer has the right to cancel the payment.

In this case, the provision for payment submitted by the beneficiary is not making this payment guarantee. The possibility to reduce this risk - reducing the term of the provision of payment processing.

The second type of risk requires the existence of technical errors, including the system that do not allow entry of the cashed beneficiary.

The simplest example - because of an error in the account number of the beneficiary, unintentionally committed payer, payee's bank can not record sum to the beneficiary and forced her to return the payer's bank. Again this provision of payment, including paying bank entries, which certifies payment is not guarantee its collection for the beneficiary[20].

6. Concluding remarks

In conclusion, the bank transfer is a special cashless payment process carried out by transferring a sum of money in local currency or foreign currency account which receives authorizing the beneficiary's account, meaning first debiting and crediting the account of others. In Romania, using bank transfer as payment process is governed by Regulation No. 4/1996 regarding the payment by bank transfer to the beneficiary's direct request consent by debiting the payer's account - direct debit- and the norms No. 9/1996 on the execution of standing orders.

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