Guide to International Payments

Making the cross-border payment decision

The current state of payments across borders

In a modern, interconnected world, global trade and cross-border transactions are the lifeblood of the international economy. These exchanges of goods, services and capital across national boundaries have seen dramatic growth, fueling a growing demand for payment methods that are efficient and cost-effective. Globally, cross-border payments reached more than $208 trillion in 2025 and are projected to grow to $320 trillion by 2032.[1] At the heart of these financial transactions lies the crucial decision about how to make these payments – a choice that can significantly impact a company's financial health and operational efficiency.

87%

of organizations now engage in cross-border payments, up from 78% in the last three years[2]

73%

of mid-market organizations want improved cross-border payment capabilities[3]

[1] FXC Intelligence, Q1 2026

[2] Association of Financial Professionals, 2025 Digital Payments Survey

[3] Datos Insights, Q3 2025

Control the conversion to minimize currency risk

One of the most effective choices to make when doing business with foreign companies is to settle invoices in their own currency. Although paying in U.S. dollars (USD) may seem easier, organizations that send payments in USD run the risk of being surprised by conversion rates and fees, adding unexpected costs to the transactions. Instead, those currency risks can be managed by negotiating payment in the foreign currency.

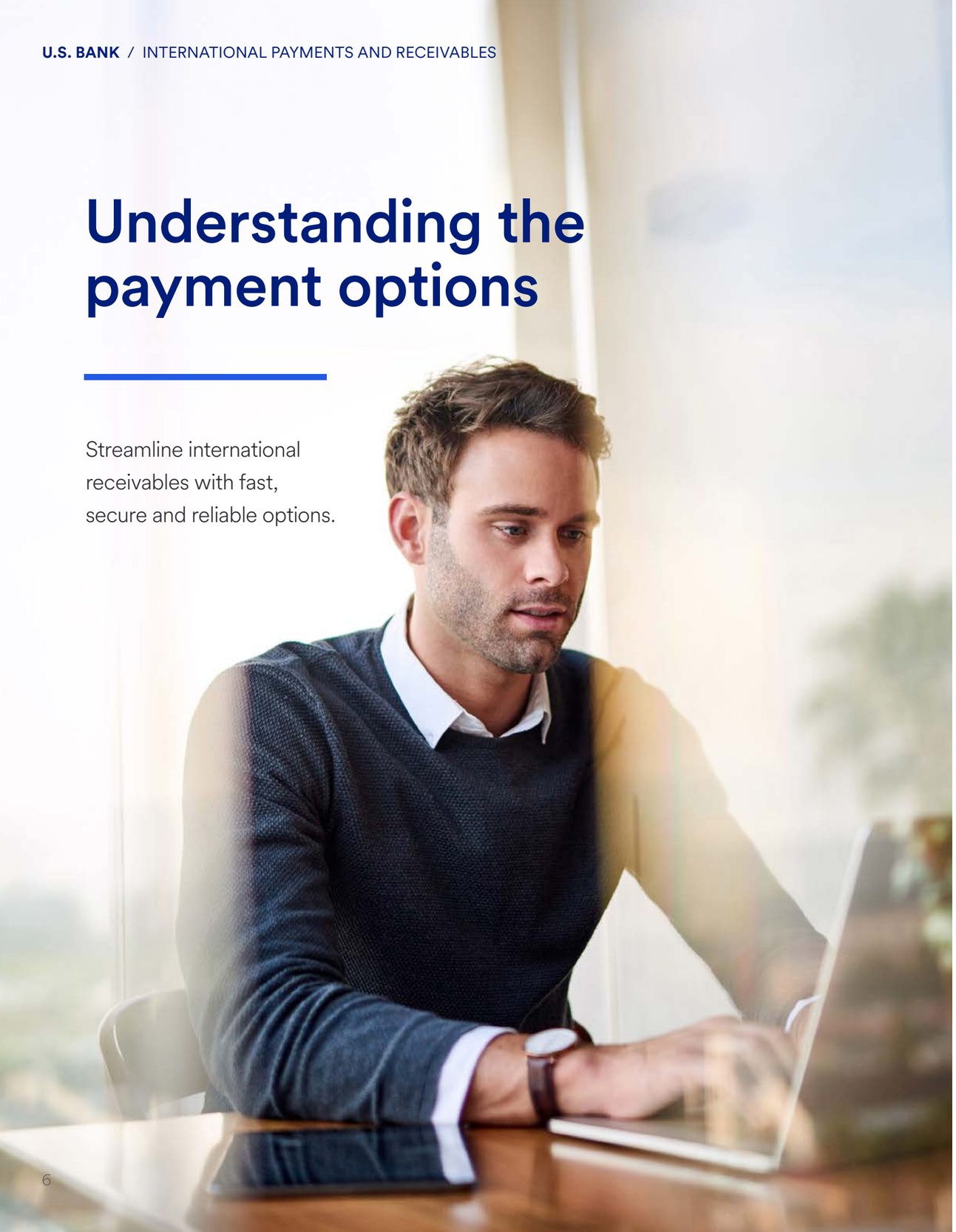
Whoever controls the currency conversion faces fewer risks, so the benefits of paying invoices in a customer or supplier's local currency may include:

- Earning discounts on purchases
- Extending payment terms
- Fixing payment amounts and settlement terms
- Improving trading partner relationships

Beyond that, companies that import from and export to the same foreign country can create efficiency when the respective payment transactions are in the same currency. With both receivables and payables in the same currency, companies can substantially reduce their exposure to fluctuations in the value of that currency, creating a natural hedge against foreign exchange risk.

Understanding the payment options

Streamline international receivables with fast, secure and reliable options.



For years, international wire transfers have been the go-to method for most international payments, due to their speed and reliability. As international payment systems have evolved and matured, another payment type is gaining popularity. International Automated Clearing House (ACH) payments offer a powerful combination of cost-effectiveness and flexibility, creating an attractive option for some international payments.

Businesses that understand the comparative benefits of these international payment options can optimize transaction costs by choosing the best method for each transaction.

If your payment has high value, is urgent and would benefit from end-to-end tracking, a **wire transfer** is usually the right choice.

But if the payment is not urgent and smaller in value, you may be able to reduce transaction costs by using **international ACH**.

However, there are still more variables to consider for optimizing each payment, since wires are available in more countries than international ACH and wire transactions settle more quickly.

This guide will help you understand the options available to develop a comprehensive, cost-efficient, cross-border payment strategy.

When to choose wire transfers?

Traditionally, businesses have relied on international wire transfers for cross-border payments, particularly for substantial financial transactions. Wire payments are safe, secure and irrevocable, which enables customers to transfer funds to the intended recipient with little delay. Wire transfer costs may be higher than other payment channels, but they provide customers with peace of mind knowing their funds will arrive on time with immediate availability.

Wires may be the best option if you must deliver U.S. dollars, rather than the local currency.

Wire transfers also settle faster than international ACH (often on the same day, depending on time zones and banking hours), which can allow the sender to maximize cash flow by delaying large payments until right before their invoice is due. In addition, given the strategic importance of these payments, wires include end-to-end tracking so the sender can be confident the payment will be delivered effectively and any problems can be quickly resolved.

Wires may be the best option if you must deliver U.S. dollars, rather than the local currency, since international ACH can only be delivered in local currency. Additionally, you can send a wire to more countries than you can send an ACH.

International wire transfers

Available to most countries – U.S. Bank services 195+ countries in 60+ currencies

Payment can be made in either U.S. dollars or foreign currency

Delivery often executed within a day

Lifting fees may be deducted from beneficiary amount

Speak the language of international wires

International wires can be sent to hundreds of different countries and territories, involving many languages and spanning all the world's time zones, so it's no surprise that international wires have a language all their own.

Cracking the Swift code

For U.S. Bank, the BIC ID is USBKUS44IMT (for International Money Transfer).

USBK is the identifier for U.S. Bank, U.S. is the country and 44 indicates the location of the bank headquarters.

If a three-character branch code is added to the end, it will further identify which area of the bank it's going to.

The full 11-digit BIC Code is the one our customer would give to their customers overseas if they wanted to receive the wire at U.S. Bank.

Here are some key terms:

What is Swift? The Society for Worldwide Interbank Financial Telecommunication (Swift) is a global member-owned cooperative and the world's leading provider of secure financial messaging services. It is a service that U.S. Bank and over 11,000 entities worldwide use for initiating cross-border payments to more than 200 countries.

What is a BIC?

The Business Identifier Code (BIC) is eight or eleven characters long and uniquely identifies an entity that is on the Swift FIN Network. If you think of an international wire as an electronic message, the Swift BIC is like a bank's email address.

What are BIC numbers?

The first four characters are the business party prefix, the next two identify the country where the entity is located and the last two characters are the business party suffix.

What are IBANs?

IBAN stands for International Bank Account Number. It is a specific account number that is used for cross-border payments, but the length can vary between 22 and 34 characters, depending on the country.

What is international ACH?

In the United States, we use the term “ACH” to refer to a single domestic, low-value electronic payment system. However, “International ACH” is a bank service that allows payers to send electronic payments through a variety of individual ACH-like clearing systems overseas, such as SEPA in the eurozone and EFT in Canada.

International ACH transactions are a good fit for low-value, non-urgent payment types. While taking a little longer to deliver – two to four days as compared to same day for wires – they typically cost less than $5 apiece vs. $20 to $50 for a wire.

In addition, if you send a $500 international wire, the beneficiary typically receives a reduced amount – say $450 – due to lifting fees taken by intermediary banks involved in processing the payment. On the other hand, if you send an international ACH, the beneficiary receives the full amount that was sent.

Identifying uses for international ACH

When does it make sense to send international ACH? It depends on your business needs, but you can typically create the greatest impact by identifying payments that fit three key criteria:

1. Non-urgent payment, such that a 2–4 day clearing cycle is acceptable.
2. Predictable and payment details are known in advance, avoiding the necessity of paying extra for the faster settlement of wire transfers.
3. Ongoing, to scale the savings across multiple transactions over time, creating a sustained and significant financial impact by batching payments.

While many businesses can benefit from a switch to international ACH, the savings add up fastest if you make a large number of low-value international ACH payments – especially if they are easy to schedule in advance. For example, a shareholder services company that's contractually obligated to make quarterly dividend payments to its overseas shareholders could see substantial saving by shifting some of its smaller payments to international ACH. The non-urgent transaction could be scheduled two to four days in advance to account for the typical settlement time of international ACH, the fee for the small payments would be lower than wire transfers and the company would avoid all of the challenges of paying by check – including escheatment.

Other non-urgent and low-value payments to consider making via international ACH include:

- Recurring vendor payments
- Travel and expense related transactions
- Payments to gig workers and consultants
- Payroll and direct deposit payments
- Legal settlements

Value of paying in foreign currency

Many companies negotiate international trade agreements in USD, believing they are simplifying the process and reducing foreign exchange risk. However, pricing in USD achieves neither of those goals and merely transfers the international business risk to your trade partner.

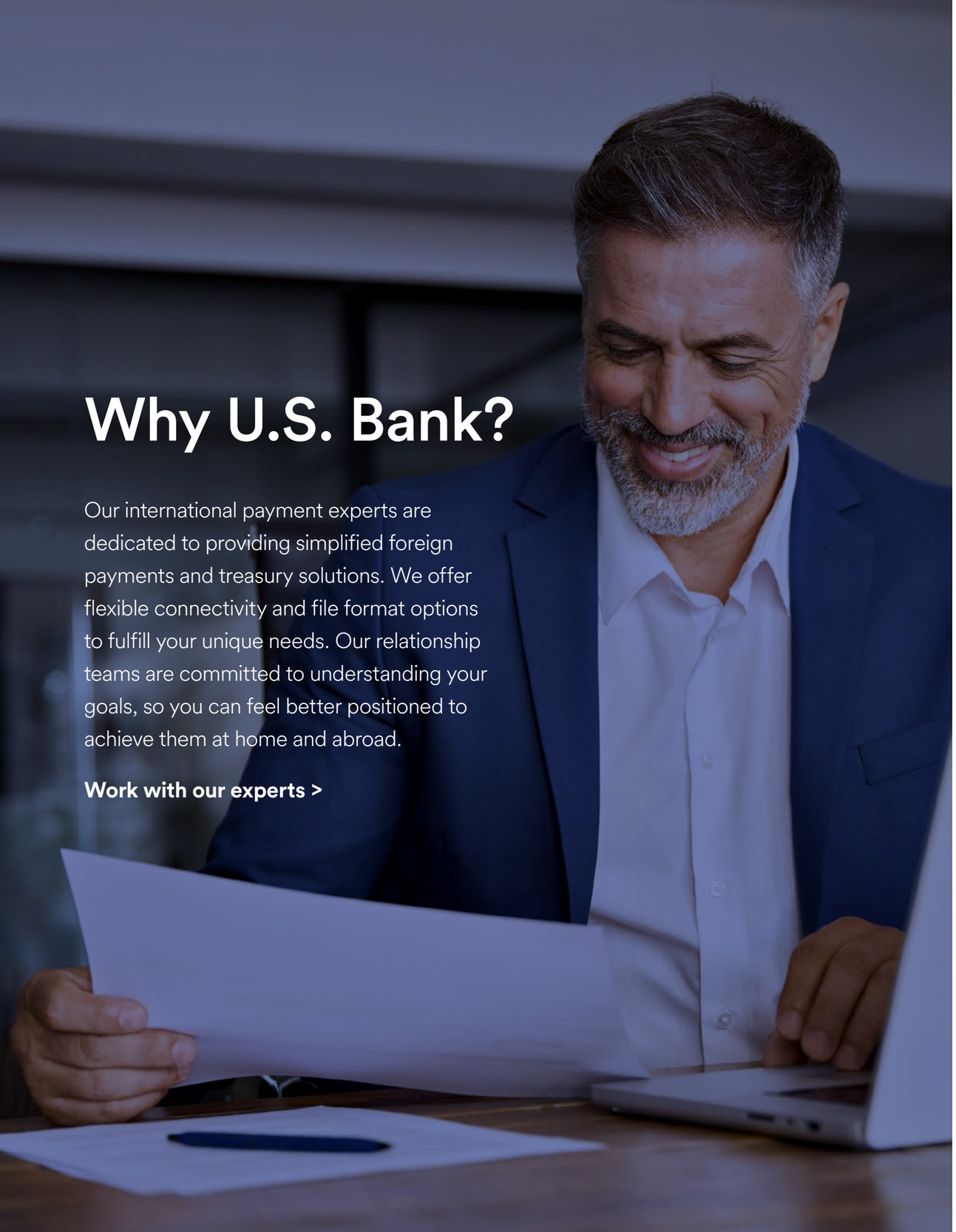
- **FX risk is unavoidable:** Most cross-border trade (whether in USD or local currency) inherently has foreign exchange risk.
- **Trading counterparty preference for local currency:** Local currency pricing mitigates foreign currency risk for the trade counterparty.
- **Exporter loss of competitiveness:** USD pricing makes an exporter's product cost a function of USD value; if USD strengthens, your product becomes more expensive to them.
- **Increased importer costs:** Foreign vendors protect their USD receivables from FX risk and transaction fees by adding buffers to their pricing and/or removing or reducing available discounts.
- **Processing costs and delays:** USD payables can take multiple days to process and will result in additional costs and fees to the counterparty.

Add international ACH in 5 simple steps

Adding international ACH to your cross-border payment strategy can save money by reducing transaction fees and eliminating lifting fees on some transactions. Follow these steps for a smooth transition.

1. Identify the payments that you want to switch.
2. Make sure you have the extra contact info.
3. Notify the trading partners.
4. Research the information needed to send ACH to that country.
5. Start with a small pilot payment to test your systems and information.

Learn more: *Strategies for a smooth transition to international ACH*



Why U.S. Bank?

Our international payment experts are dedicated to providing simplified foreign payments and treasury solutions. We offer flexible connectivity and file format options to fulfill your unique needs. Our relationship teams are committed to understanding your goals, so you can feel better positioned to achieve them at home and abroad.

Work with our experts >

Our foreign exchange capabilities

U.S. Bank provides a full suite of foreign exchange products in all major and most emerging market currencies. Our strong credit profile provides clients with reduced counterparty credit risk on foreign exchange transactions.

FX Marketing

- Foreign exchange specialists based around the country
- Average of more than ten years' experience covering wholesale banking clients at U.S. Bank and other top financial institutions

FX Trading

- Traders based in Chicago and New York
- 24-hour trading coverage

FX Operations

- Chicago and Minneapolis-based teams coordinate middle and back-office support of all client transactions

FX Product Management

- An experienced team of global product specialists oversees the development and delivery of market-leading solutions

Eligibility requirements, restrictions and fees may apply. Payments to Canada and Mexico, governed by Nacha Rules, must be formatted to comply with the IAT SEC code and are subject to ACH credit underwriting. All other currencies are routed to the local low value system and are not part of ACH credit underwriting and require prefunding. For more information, please see the U.S. Bank Services Terms and Conditions Supplement for Global ACH. Foreign-denominated funds are subject to foreign currency exchange risk. Customers are not protected against foreign currency exchange rate fluctuations by FDIC insurance, or any other insurance or guaranty program. Deposit accounts with non-U.S. financial institutions offered through U.S. Bank are not deposits of U.S. Bank and are not insured by the FDIC. ©2026 U.S. Bank CR-68571135