



B U S I N E S S

**THIS IS EMERGING
INTERNATIONAL
PAYMENT &
REGULATORY TRENDS**



WESTERN UNION **WU**

B U S I N E S S

moving money for better

TODAY'S AGENDA

1 Welcome & Introductions

2 Emerging Payment Trends

3 Regulatory Trends

4 Q&A

Presenters

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WESTERN UNION GLOBAL PAYMENT NETWORK

170

countries and territories
bank payout

200+

countries and
territories

100K+

business
clients

2000+

dedicated
employees

130+

currencies

2.5B

principal moved
for Education

30%

WU transactions
related to Education

WHY OUR CLIENTS PARTNER WITH US



200+

REGULATORY
LICENCES



523m

BUSINESS
PAYMENTS
MADE ANNUALLY



1

HOLISTIC SOLUTION
OFFERING



100k

BUSINESS
CUSTOMERS



51

CANADIAN
LANGUAGE
SCHOOL CLIENTS



31

AVERAGE
PAYMENT
PER SECOND



400k

FRAUDULENT
TRANSFERS STOPPED
BY WU COMPLIANCE



\$80bn

IN PRINCIPAL
SENT ANNUALLY
FOR BUSINESS

Emerging Payment Trends

YOUR CHALLENGES



What are the challenges you face
when accepting and sending international payments?

CHALLENGES FACED BY LANGUAGE SCHOOLS



Spending too much time reconciling international student payments



Investing too much time on the phone with worried students



Spending more money than you would like on international bank fees



Too much time spent managing foreign currency accounts to pay overseas invoices



Incurring merchant service fees when receiving payments by credit card



THE CHALLENGES OF RECEIVING FUNDS

Your international payments don't always arrive in-full and on time



Reconciling: Time-consuming to match payments to students



Tracking: Too much time responding to worried students



Refunding: Difficult to make international refunds



Mobility: Students prefer to pay by smartphone



Diversity: Students know and trust local payment providers

THE CHALLENGES OF SENDING FUNDS

Sending international payments is a very complex process

- 1 Paying:** Managing invoices in various currencies
- 2 Banking:** Need foreign bank accounts
- 3 Tracking:** Payments getting lost in transit
- 4 Visibility:** Not knowing how much foreign currency you need
- 5 Unpredictability:** Market volatility and changing foreign exchange rates



THE NEW REALITY FOR LANGUAGE SCHOOLS

Language Schools

More cross-border
purchases to pay
for such as
agent payments

International students

More students from
abroad paying for tuition,
accommodation & fees
online

MARKET TRENDS



GLOBAL PAYMENT COMPLEXITY

All of these complex payment transactions happen in various currencies, at various exchange rates, using various payment methods and foreign banks. It's a lot to manage and can become tedious and complicated.



A CHANGING WORLD

Sending & receiving international funds is part of everyday life



4% increase in student numbers at Canadian language schools¹



eWallet payments projected to **exceed credit card** payments by 2019²



Regional, **online payment providers** have taken the world by storm



Growth expected to continue due to visa policies, plus Trump and Brexit effect³

1. Languages Canada Annual Survey Report

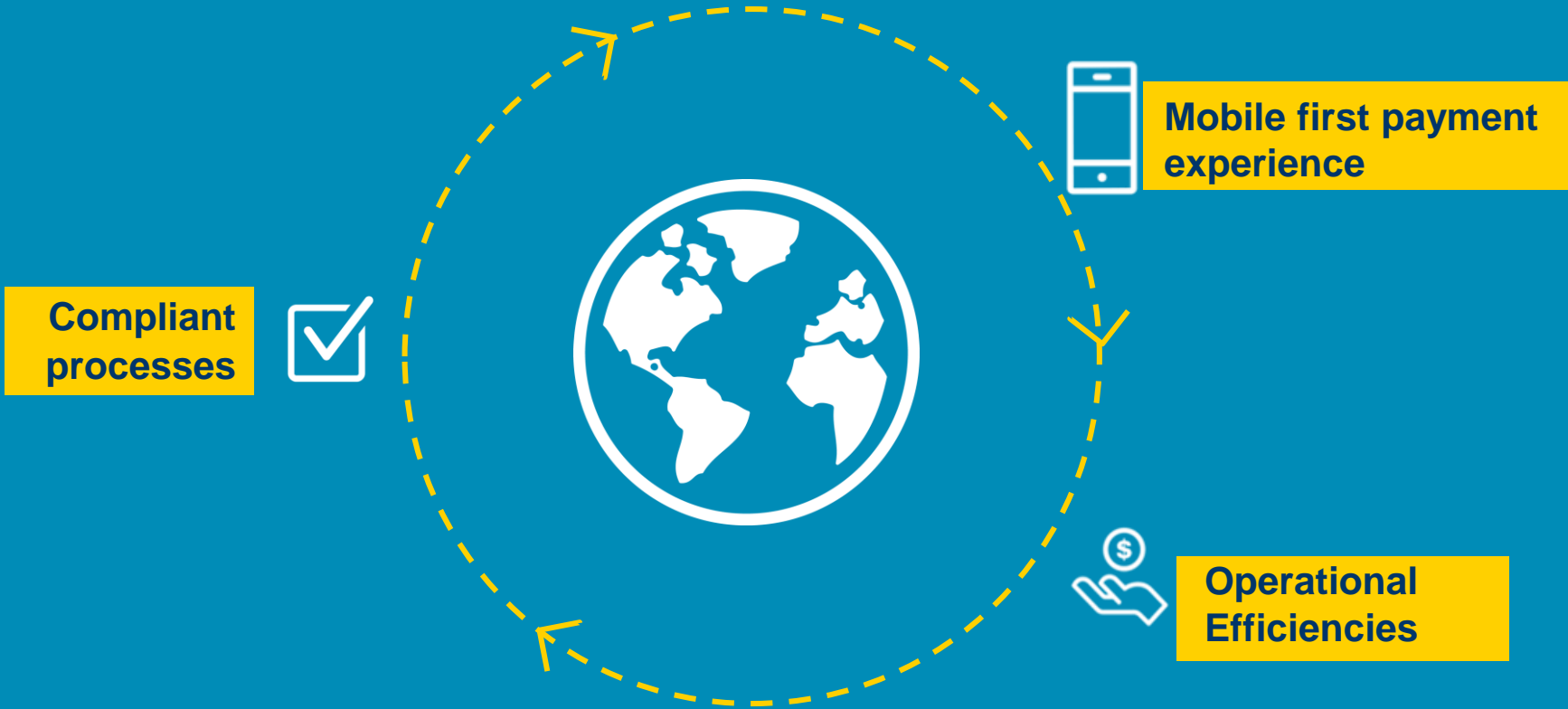
2. Worldpay Global Payment Report 2016

3. IBISWorld Ltd. (2016), Universities in the UK: Balancing the books

CHANGING PAYMENT LANDSCAPE

- ◆ Payment expectations of students are evolving.
- ◆ More payment options available from non traditional providers.
- ◆ Requirement to keep your school compliant while meeting payment expectations of students.

DOES YOUR PAYMENT PROCESS MEET THESE REQUIREMENTS?



ALIGN WITH YOUR ENROLMENT STRATEGIES

Current

Top Send Countries of Students to Languages Canada members:



Japan



Brazil



China



South Korea



Mexico

Future

Top Recruitment Targets for Languages Canada members:



Mexico



China



Brazil



Vietnam



South Korea

Source: Languages Canada Annual Survey Report

DIGITALLY ENABLE YOUR PAYMENT ACCEPTANCE

Leverage digital technology for best in class payment capabilities



Mobile-first design user interface
offer a best in class payer experience



Payment tracking
provides visibility on payments status



Intuitive e-commerce experience
deliver a slick payment journey



On demand reporting dashboard
view payment activity at-a-glance



Online payment options such as Unionpay, Tenpay & AliPay, POLI payments, iDeal, Trustly and SOFORT. WeChat Pay and India Net Banking.



Automate your refund process
helps streamline internal processes

LEAP INTO THE DIGITAL REVOLUTION



Makes the job of receiving, reconciling, tracking and refunding international funds very simple **for you**

Offering a digital payment solution



Makes paying for tuition, accommodation and other school expenses easy **for students**

DELIVER A WORLD-CLASS STUDENT EXPERIENCE



Offer a seamless **payment experience**, just as intuitive as online shopping

Enable students & agents to :

Easily pay by smartphone
.....

Use local payment methods they know and love
.....

Get real-time status updates via text or email

Optimize your payment options for mobile payment

A WORLD OF LANGUAGES AND PAYMENT OPTIONS



Payment Options

Offline Bank Transfer

eWallet



Credit / Debit Cards



Online Bank Transfer



Languages

English

Japanese

French

Chinese Traditional

Chinese Simplified

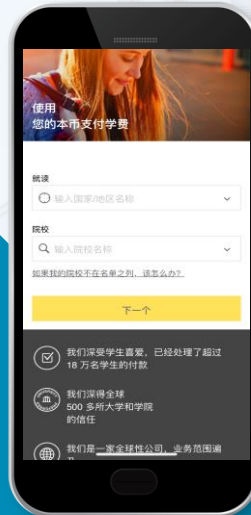
Hindi

Indonesian

Korean

Arabic

Spanish



THE WECHAT STORY



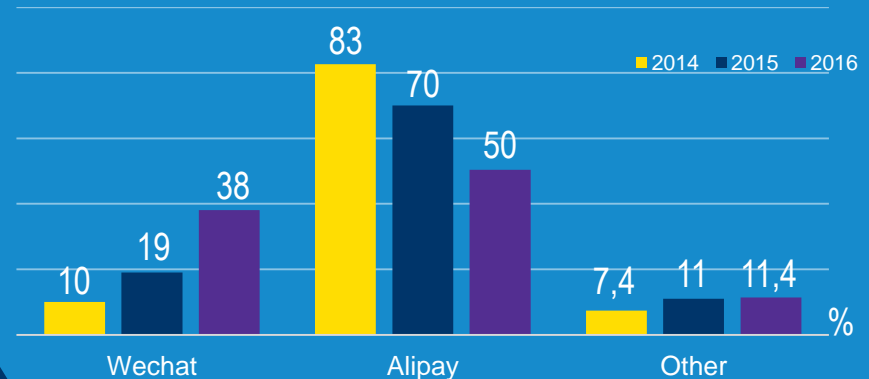
How WeChat moved into Payments



“ WeChat occupies **35%** of time spent on mobile phones in China. ”

2017 Wechat Key Trends Report.

3rd party mobile payment market in China



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Regulatory Trends

PROTECT YOUR REPUTATION

Nefarious people
and organizations
launder money

In today's climate, the language school sector is more at risk than ever before. You need to know the people you are transacting with are students, parents, agents, and guardians.

We make compliance a priority because
your reputation is paramount.

20%

of our employees
dedicated to
compliance



Western Union invests

\$200 million USD

every year on compliance to help
ensure your transactions are screened

INVESTMENT IN COMPLIANCE



Western Union spends **\$200 million** annually on its compliance program*



20% of Western Union **Employees** work in the Compliance Department Globally



200+ Regulatory Licenses



Dedicated **regional teams** that focus on country specific compliance requirements.



WHY THIS INVESTMENT MATTERS?



In house compliance resources v reliance on banking partners



Fast access to **resolve queries** and complete transactions



Confidence that your students' funds are protected



Rigorous **due diligence processes** when sourcing payment partners

- ◆ Someone who has been entrusted with a prominent public function either overseas or domestically. A PEP generally presents a higher risk for potential involvement in bribery and corruption by virtue of their position and the influence that they may hold.
- ◆ PEPs can also refer to persons who are or have been entrusted with a prominent function by a state owned enterprise or an international organisation.
- ◆ Requirements for a PEP apply to family members or close associates.
- ◆ Payment providers should be monitoring transactions against list of PEPs and flagging any potential matches to ensure your school and your students are protected.

CHOOSE THE RIGHT PARTNER

1

Can your partner allow you to **send and receive funds internationally**?

2

Is your partner **legally authorized** to send funds overseas (so you can make legal refunds and purchases)?

3

Is your partner **licensed in the countries** you send money to?

4

How much money does your partner **spend on compliance** every year to make sure your reputation is protected?

5

Do you have proof your partner is **financially stable**?



Questions?



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Thank you



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