

Advantages of Paying Vendors in Local Currency vs. USD

When USD is sent to an overseas account, the beneficiary's bank often performs the currency conversion — at its own rate, with fees neither party can see. Paying in local currency puts transparency and control back in your hands.

13 ADVANTAGES

- 1 Better Vendor Experience**
 - Eliminates exchange rate confusion and deductions
 - Builds stronger supplier relationships
 - Supplier may offer discounts to be paid in local currency
- 2 Greater FX Transparency**
 - Local currency provides a known rate upfront
 - Reduces vendors' need to pad invoices for FX risk
 - Full visibility for both parties on conversion
- 3 Avoids Hidden Conversion Costs**
 - Receiving bank's FX spread is often unknown and costly
 - Local currency gives full visibility into total cost
- 4 Reduces Payment Returns & Repairs**
 - Local rails require fewer intermediary banks
 - Fewer rejected or delayed payments
- 5 Faster Delivery Times**
 - In-country ACH networks vs. international wires
 - Payments may arrive in 1-2 business days
- 6 Lower Payment Fees**
 - Global ACH generally costs less than SWIFT wires
 - Fewer intermediaries means fewer lifting fees
- 7 Vendors Receive Full Payment**
 - USD wires can be reduced by intermediary fees
 - Local currency payments arrive as intended
- 8 Greater Payment Predictability**
 - Exchange rate is locked before payment is sent
 - Easier budgeting and forecasting for both parties
- 9 Improved Reconciliation**
 - Invoices and payments in the same currency
 - Less manual matching effort
 - Fewer disputes from FX-related underpayments
- 10 Supports Global Expansion**
 - Easier to establish relationships in new markets
 - Demonstrates commitment to local business practices
- 11 Reduces Administrative Burden**
 - Fewer payment investigations and "where is my payment?" calls
 - Less time resolving currency-related disputes
- 12 Better Visibility & Control**
 - Sender controls conversion instead of receiving bank
 - Clearer reporting and cost management
 - Ascendant's Track 360 provides transparency on when the payment arrives
- 13 Access to Local Payment Networks**
 - Domestic payment systems unavailable via USD wire
 - Improves speed, cost, and delivery certainty

EXAMPLE

Sending USD abroad: The supplier's bank auto-converts at its own rate. The supplier sees less than expected and builds FX buffers into future invoices.

Paying in local currency: the exchange rate is agreed upfront. The supplier receives the expected amount. Both parties gain transparency and predictability.