

Banking is business connected with money lending, borrowing, investing and servicing. Banks provide a whole range of services for individuals. A customer can open a current account with the bank. From now the bank will keep his money safe for him until he wants to spend it. In a few days the bank will supply the customer with a checkbook instead of carrying a lot of cash.

If the customer wants to buy something he makes out a check. The shop will send the check to its account at its own bank. The shopkeeper's bank will pass the check on to the customer's bank and the money will be transferred from one account to the other. Automatic check processors sort millions of checks a day. The electronic eyes read the details on each check which are then recorded on the bank's computers against the current accounts. So the more people use checks to pay for things the less they need to move cash from one place to another.

Another convenient way of paying for things is a credit card. In England most credit cards are provided by companies owned by the banks. The customer doesn't need to carry cash or a checkbook. Instead he uses his credit card which allows him to spend up to a limit which has been agreed. At the end of a month the card holder receives a statement showing what he has spent. He can then pay for all purchases with one check either by posting it off to the company or by paying it into the bank and the bank can help to make it easier to pay other bills as well. It's easy to send a check by post or use the bank credit system available at every bank branch. There are some payments which customers have to make regularly, for e.g. insurance and rent payment. In this case there is no need to make out any checks at all. Instead the customer signs a standing order or a direct debit mandate and the bank sees that the regular bill is paid every month if the customer keeps enough money on his account. It's easier to pay by credit cards, especially when wage is paid directly into the bank account.

Study the Vocabulary:

lend – одалживать деньги, давать займы

borrow – занимать деньги

range – диапазон, ассортимент, ряд

current account – текущий счет

a statement – выписка из счета

to pay bills – оплачивать счета

rent payment – оплата за аренду, квартиру

wage – зарплата
standing order/ direct debit mandate – постоянное поручение
(распоряжение, выданное клиентом банка выплачивать в указанный день определенную сумму денег конкретному получателю платежа)

SERVICES PROVIDED BY THE BANK

Investment in shares can be made through any branch of the bank on behalf of the customers. All quoted stock exchange securities can be bought or sold with maximum security and minimum formality through the bank. Being in constant touch with leading stock brokers, the bank is in position to obtain information regarding all classes of stocks and shares in which customers may be interested. Shares may be bought or sold without any charges beyond those payable to a stockbroker, and the bank is responsible for the proceeds of a sale and for the delivery of the certificate on a purchase. An investment report service is also available for the customer who needs a portfolio being managed individually. In addition, professional advice can be given on investments in foreign stock not quoted on the London Stock Exchange.

Share certificates, documents, jewellery and valuables can be stored in special depositories of the bank.

The bank also provides a permanent service for personal income tax payers by checking tax liabilities and preparing tax returns and claims. If the sources of income and allowances are complicated, it is not easy to know for the individual if he is paying the right amount of tax. The bank helps the customer on particular problems resulting from Capital Gains Tax (CGT) and Capital Transfer Tax (CTT).

Insurance need not be a problem for the bank customers either. Insurance cover for life, house accident or anything else may be effected through any bank insurance. This is the service which employs highly experienced brokers in this field. They can usually provide the best possible terms consistent with absolute safety.

No matter what the customer's age is, it is a wise and considerable precaution to make a will. When one dies, it will be his executor's responsibility to protect and to distribute the property in accordance with his last will. The appointment of the bank as the will executor ensures that the estate will be dealt with efficiently and in strict confidence.

on behalf of – от лица
 share – акция
 quoted stock exchange securities –
 ценные бумаги, котированные на бирже
 proceeds of a sale – продажа ценных бумаг на внебиржевом рынке с
 использованием выручки для покупки других бумаг
 certificate on a purchase – лицензия на покупку/документ,
 подтверждающий право приобретения
 investment report – отчетность о состоянии вклада/ инвестиций
 foreign stock – иностранная акция, ценная бумага
 personal income tax payers – подоходный налог, взимаемый с частных
 лиц
 tax liabilities – задолженность по налоговым платежам
 tax return – налоговый доход, налоговая декларация
 allowances – денежные пособия/содержание
 Capital Gains Tax (CGT) – налог на доход от прироста капитала
 Capital Transfer Tax (CTT) – налог на передачу капитала
 insurance – страхование
 to make a will – составить завещание
 the will executor – судебный исполнитель по завещаниям
 estate – имущество, недвижимость

Central banking system

The central banking system is a major sector of any modern monetary system. Central banks are responsible for the implementation of monetary policy and supervision over the banking system. They control the money supply, fix the minimum interest rate, act as lenders of last resort to commercial banks with liquidity problems, issue coins and bank notes, influence exchange rates by intervening in foreign exchange markets. Central banks impose reserve requirements, obliging commercial banks to deposit a certain amount of money with the central bank at zero interest. The CBR has been using the following main instruments of monetary policy:

- fixed targets for the money supply growth,
- refinancing of commercial banks,
- interest rates,
- open market operations,

- commercial banks reserve requirements,
- foreign currency control,
- direct quantity restrictions.

Commercial banks

Commercial banks are businesses that trade in money. They provide payment services and act as financial intermediaries. They offer a variety of services such as deposit and current account.

A current account usually pays little or no interest, but allows the holder to withdraw cash with no restrictions. A deposit account pays interest. A notice is often required to withdraw money. Standing orders are ways for customers of paying regular bills at regular intervals.

Banks offer loans and overdrafts. A bank loan is a fixed sum of money, lent for a fixed period, on which interest is paid; banks usually require some form of guarantee before lending. An overdraft is an arrangement by which a customer can overdraw an account; interest on the debt is calculated daily.

Also commercial banks carry out the following functions: consider bills, open Letter of credit; carry out operations with a foreign currency, issue travelers' cheques, provide safe-deposit strong-room facilities for clients' valuables.

The more recent development in banking is the merging of investment and commercial banking.

Contract

Trade is a major factor in economic development of any country including Russia. More than 145 countries of the world are our trade partners. But it was a very difficult process of forming good relations. One of the most important things in foreign trade is drawing up contracts.

A Contract is an agreement of buy-back transaction between the Buyer and Seller. In foreign trade transaction a Contract is draw up to give legal expressions to the intention of the partners and to ensure that the obligations contained in the Contract will be fulfilled. Usually a Contract is draw up and then signed in duplicate for each partner. In other words, the Seller and the Buyer issue 4 copies of a Contract. Contract usually covers different forms of foreign trade.

According to the purpose and contents Contracts can cover goods, services, licenses, patents, technology and known-how.

According to Russian laws contracts must always be made in the form of duly signed documents containing the terms of an agreement between two firms or associations called counterparts to supplies goods or services as a rule at a fixed price.

Foreign trade activities comprise several stages: market research work; choosing proper methods of trade on this particular market; planning foreign trade operation; carrying out a publicity campaign; preparations and conclusion of a Contract of sale with a foreign counterpart; fulfillment of contractual obligations.

A written Contract of sale is made out in the form of a document signed both by the Buyers and the Sellers. When there is no necessity of introducing special terms and conditions into the Contract of sale.

Contract contains the following clauses: naming of the Parties; subject of the Contract and volume of delivery; prices and the total value of the Contract; time of delivery; terms of payment; transportation of goods; the seller's guarantees; sanction and compensation for damage; insurance ; force majeure circumstances; arbitration; general provisions.