

Cash Management Services in Denmark



Danske Bank's roots go back to 1871. The present bank is the result of a three-bank merger in 1990 and the subsequent merger in 2000 with RealDanmark, a major Danish financial group that included BG Bank.

In Denmark, Danske Bank operates as a full service bank and is the country's largest player with more than 300 Danske Bank branches, six agricultural centres and nine finance centres throughout the country.

The Danske Bank Group one of the largest financial enterprises in the Nordic region, and has a unique international banking concept based on a central IT platform in Copenhagen.

Currency:	DKK
Time zone:	GMT + 1
Central bank:	Danmarks Nationalbank
SWIFT BIC	DABADKKK

Danske Bank ratings:	Moody's	S&P
Short-term:	P-1	A-1
Long-term:	A2	A

Clearing and local market conditions

Foreign exchange regulations

None in force; distinction between residents and non-residents for central bank reporting purposes.

Clearings systems

Real Time Gross Settlement (RTGS) system, KRONOS (DKK and EUR) with link to TARGET2 (EUR), the pan-European RTGS system. The Netting system "Sumclearing" (DKK) handles low-value payments e.g. credit transfers, debit cards, cheques and direct debits. The "Sumclearing" is operated by PBS Nets on behalf of the system owner, the Danish Bankers Association. There is no paper-based clearing in Denmark.

Clearing formats

There is no national format. At present, the Danish banking sector is served by several facility management companies all using their own proprietary formats. PBS formats are generally accepted by all banks, and EDIFACT formats are interpreted in largely the same way by the banks and facility managers who have adopted EDIFACT.

Payment instruments

- Credit transfers, is the principal mean of payment used for C2B and B2B payments. Almost all salary and wage payments are effected via credit transfers..

- Cheques: The use of cheques is declining.
- Direct debits: Widely accepted and has a steady increase in usage. Two different clearing cycles exist for B2B and B2C transactions. All registration of creditor and debtor data is managed by PBS Nets.
- Nemkonto (EasyAccount); Both consumers and companies are obliged to register an EasyAccount in order to receive payments from public authorities, for example tax and VAT refunds.
- E-invoicing; Electronic Bill Presentment is increasing, especially due to a law passed in 2005, instructing all companies trading with public authorities, to send an electronic invoice. The invoice must be sent in the format OIOXML.

Cards

- The nation-wide debit card, Dankort, dominates the debit market. Almost 95% of all Dankort transactions are made as electronic payment for purchases in shops. Other types of debit cards, linked to the holder's bank account, are frequently used as well. International credit cards are widely used and dominated by VISA and MasterCard.

- Both Debit and Credit cards represent a common method of payment via the Internet, and online card transactions have increased heavily in the past years.

Electronic Banking

Electronic banking services are widespread and highly utilised. In Denmark there are more than 3 million private eBanking and over 230.000 corporate eBanking agreements. Most eBanking solutions supports account information, payments, FX dealings, intercompany netting solutions and more. Some eBanking solution includes elnvoicing as well.

Local foreign currency payments

No restrictions, settlement abroad.

Foreign payments

No restrictions. Reporting to the Danish central bank takes place directly to the central bank from companies selected by the central bank.

Taxation

Corporate tax rate is 25% . and the standard VAT rate is 25%. For further details, please consult a local tax advisor or auditor.

Cash Management Products and services of Danske Bank

Accounts

Resident and non-resident accounts in local and foreign currency. Opening forms in Danish and English.

Domestic payments

Danske Bank is a full member of all clearing systems in Denmark and has direct access to these systems.

Foreign payments

No restrictions.

Liquidity management

Danske Bank offers several flexible liquidity management solutions to help you streamline your daily cash flows. We offer both domestic and cross-border cash pool.

- Real-time zero balancing services domestically, in the Nordic countries, Germany, Poland, Ireland and the United Kingdom including Northern Ireland. International cash sweeping is subject to restrictions concerning the status of the beneficiary owner.
- Domestic zero balancing (per transaction) cash pools in all major currencies. Resident and non-resident accounts may be included, but this entails local central bank reporting.

Real-time Single Legal Account cash pool domestically and in the Nordic countries.

- International multi-currency interest netting system (interest enhancement) in all major currencies across Danske Bank's Nordic branch network, Germany, Ireland and the United Kingdom including Northern Ireland.

Electronic banking

Our online banking system - Business Online, also known as Business eBanking in some of our markets - is Danske Bank's web-based system, which provides rapid access for setting up payments, viewing account information and authorising several payments at once.

All information is in real time, so you can always stay informed of your company's current liquidity situation.

Business Online consists of various modules you can choose from according to your needs. The cash management modules, which are available for Denmark, Sweden, Norway, Finland, Germany, United Kingdom incl. Northern Ireland and Ireland, enable you to make local payments in each country.

Business Online also supports online collection, via SEPA Direct Debit and local Direct Debit schemes, as well as local electronic and paper based invoicing.

Data can also be integrated in the company's accounting system or communication can be set-up directly from your own system to Danske Bank's EDI Gateway. Danske Bank supports a various number of local file formats, EDIFact and ISO 20022 XML.

Links to other banks

Reporting via MT940 and MT942 statements, if required. Danske Bank can also report via EDIFACT (DEBMUL, CREMUL or FINSTA).

Further information

If you require more information about Cash Management in Denmark, please visit our website www.danskebank.com/corporate.