

Cash Management Services in Estonia



Danske Bank acquired Sampo Pank in Estonia, in 2006 with effect from February 2007.

As of 1 June 2008 Sampo Pank operates as a branch of Danske Bank in Estonia as Danske Bank A/S Estonia Branch. The brand name, Sampo Pank, is unchanged.

Sampo Pank in Estonia is one of the leading banks in the country. Sampo Pank offers services to corporate and institutional customers including cash management, asset management, treasury and conventional retail banking products.

Danske Bank provides seamless and efficient Cash Management services from Ireland in the West to Estonia and Russia in the East; covering all countries and mainly based on one central IT-platform to deliver integrated services for corporate customers

Currency:	EEK
Time zone:	GMT + 2
Central bank:	Easti Pank
SWIFT BIC	FOREEE2X
Member of EU in 2004	

Danske Bank ratings:	Moody's	S&P
Short-term:	P-1	A-1
Long-term:	Aa3	A

Clearing and local market conditions

Foreign exchange regulations

Central Bank reporting of transactions exceeding EUR 50,000. Estonia has taken in regulations from EU Directives e.g. within money laundering etc.

Clearings systems

- RTGS system to high value transactions and clearing between the banks. Opening hour 8:15 to 17.00
- ESTA system to low value clearing. Clearing cycle on every hour from 9.00 to 18.00

The banking sector consists of 6 domestic banks and 4 banks owned by foreign banks. Further 5 foreign banks have a representative office in the country. The three largest banks are Hansebank, Union Bank of Estonia and Sampo Pank. All banks are member of the clearing systems.

Clearing formats

- RTGS clearing format is SWIFT
- ESTA clearing format is FIXED WIDTH (text file)

Payment instruments

Domestic payments are mainly electronic with credit transfers, internet banking, cards and direct debit as the dominant transaction types.

- Credit transfers are the dominant payment type in terms of volume and value. Payments from Corporate customers are mainly made as credit transfers. Normal value dates are +0.
- The Domestic Direct Debit Cross-use System enables to effect direct debit payments between different bank. The Corporate customers to collect direct debits payment from their clients.

Internet banking is growing both on the corporate side and household. E-payment and E-invoice have been introduced in Estonia, but have not reached significant volumes. Estonia has made the Electronic Signature Act where an electronic signature has the same legal right as a handwritten signature.

Cards

Cards are very popular in Estonia. More than 1,3 million bank cards have been issued and that approximately one card for all inhabitants in the country. Use of the cards in shops and in ATM are widespread

Local foreign currency payments

No restrictions, settlement abroad.

Foreign payments

No restrictions. All international payments exceeding EUR 50,000 have to be declared.

Most payments are based on SWIFT

Taxation

A company is considered resident in Estonia for tax purposes if it is established under Estonian law. A permanent establishment (including an Estonian branch) of a foreign entity will normally be a non-resident tax payer.

The Estonian transfer pricing rules between an Estonian company and a related non-resident company are based on the arm's length principle.

The standard VAT rate is 18%.

Please consult a local tax advisor or auditor for more details.

Cash Management Products and services of Danske Bank

Accounts

A current account can be opened by

- Legal representatives of legal persons
- Persons notarially authorised by legal representatives of legal persons

Opening a securities account

In order to conduct transactions in securities through Sampo Pank (transactions with equities, bonds, fund shares) it is necessary to open a securities account in Sampo Bank

Domestic payments

Bank transfer is the safest and fastest way for companies to settle accounts with their partners.

Sampo Pank offers you an opportunity to execute domestic payments in Estonian kroons as well as payments in euros for a fixed monthly fee. You can choose between two packages:

- The package of EEK payments
- The package of EEK & EUR payments

Sampo Panks offers Standing orders in Estonian kroons and direct debit service across banks are also offered in cooperation with Itella Eesti.

Foreign payments

EU payments to an attractive price and ordinary international payments are fully available. You can also order an SWIFT cheque. BIC/IBAN is fully implemented.

Liquidity management

In Danske Bank group you can make group payments. These transfers are faster and cheaper than ordinary payments.

Group account can be offered in Estonia.

Electronic banking

Reporting through SWIFT messages.

Sampo Internet Bank in both Estonian and English languages gives access to setting up payments and viewing account information.

MicroBanker 2000, electronic e-banking software, can be linked to the accounting system which provides easy access to payment reconciliation.

Business Online is Danske Bank's online business system, which provides rapid access to setting up payments, viewing account information and authorising several payments at the same time.

All information in Business Online is updated constantly. So you always have an up-to-date picture of your company's cash position.

By installing Business Online you can make local payments in Denmark, Norway, Sweden, Finland, the United Kingdom, Ireland, Germany, Poland, Latvia and Lithuania and view account information.

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 Estonia, please visit our website www.sampopank.ee or www.danskebank.com/corporate.