

Cash Management Services in Estonia



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.

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.

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

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

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

- ESTA system for domestic payments. Clearing cycle every hour from 9.00 to 18.00
- All banks operating in Estonia are participants of real-time gross settlement system TARGET-2.

The banking sector consists of 7 domestic banks and 11 banks owned by foreign banks. Further 13 foreign banks have a representative office in the country. The four largest banks are Swedbank, SEB, Nordea Bank Estonia and Sampo Pank. All banks are member of the clearing systems.

Clearing formats

- ESTA clearing format is FIXED WIDTH (text file)
- TARGET-2 clearing format is SWIFT

Payment instruments

- Domestic payments are mainly electronic with credit transfers, internet banking, cards and direct debit as the dominant transaction types.
- Credit transfers is widely used in terms of volume and value. Payments from corporate customers are mainly credit transfers. Normal value dates are +0.
- The Domestic Direct Debit Cross-use System enables to effect direct debit payments between different banks and allow corporate customers to collect direct debits payment from their clients.

Internet banking is growing both on the corporate and consumer side. 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 1,8 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 20%.

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

International Bank Account Number – IBAN have been used since 2004 but local account numbers are also widely used.

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 the best suitable package for your company depending on your number of payments.

Sampo Panks offers Standing orders in local currency and direct debit service. Direct debits across banks are also offered in cooperation with Itella Eesti.

Foreign payments

EU payments to an attractive price and ordinary and same day value international payments are available. BIC/IBAN is fully implemented.

Group payments are offered for companies holding accounts in Danske Bank Group. Group payments are faster and free of charge compared to ordinary payments.

Liquidity management

Group account is offered for companies for flexible management of the finances of the whole business group.

Electronic banking

Reporting through SWIFT messages both SWIFT MT940 and MT942 is supported.

“Sampo Internet Bank”, available in both Estonian and English, 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, providing you with 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 all account information.

Links to other banks

Reporting via SWIFT 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.