

Cash Management Services in Finland



Sampo Bank's history begins in 1887 as Post and Savings Bank. In 1970 the bank was reconstituted as the Post Bank and in 1988 its legal status was changed from that of a public corporation to a state-owned limited liability company. In 1997 Post Bank and Finnish Export Credit Ltd merged using the name Leonia Bank. In December 2000 insurance company Sampo and Leonia Bank merged and Sampo Bank was established. In January 2007 Danske Bank acquired Sampo Bank.

Danske Bank has been operating in Finland since 1973 and is among the country's most well-reputed foreign banks.

Danske Bank provides pan-Nordic cash management services based on a central IT platform in Copenhagen.

Danske Bank and Sampo Bank offer private, corporate and institutional customers a full range of services including asset management, treasury, trade finance and conventional bank and cash management products.

Currency:	EUR
Time zone:	GMT + 2
Central bank:	Suomen Pankki/ Bank of Finland
SWIFT/ BIC	
Sampo Bank	DABAFIHX

Danske Bank ratings:	Moody's	S&P
Short-term:	P-1	A-1
Long-term:	Aa3	A
Sampo Bank ratings:	Moody's	S&P
Short-term:	P-1	A-1
Long-term:	A1	A

Clearing and local market conditions

Foreign exchange regulations

None in force; central bank reporting is not required.

Clearings systems

- BOF: RTGS system, linked to TARGET.
- Banks' payment clearing systems: PMJ for standard domestic retail payments, POPS for urgent payments.
- There is no paper-based clearing (e.g. cheques) between banks.

Clearing formats

National formats LMO2 (without credit notes), LMO3 (with credit notes), PMJ90 (recurring payments) and LUM2 (foreign payments) are in use.

Payment instruments

Almost all of the payment traffic in Finland is electronic via multibanking program / web.

- Payment orders: Reference numbers are widely used when invoicing and reconciling; the dominant payment method is called "reference payment" respectively
- Direct debits: Not frequently used in B2B; mainly by heavily invoicing customers (B2C).
- Cheques: Extremely limited use. They are not used for B2C and B2B purposes at all. Merchants refuse to accept cheques. On occasion cheques are used for large value corporate payments to replace urgent payments via POPS.

Cards

Widespread acceptance of credit and debit cards. Payment by card has completely replaced cheque-based payments and partly cash payments in B2C. Debit card acquiring is done by banks. Also Visa and MasterCard acquiring can be channelled via bank to Luottokunta, a service company jointly owned by retailers and banks.

Local foreign currency payments

No restrictions, settlement abroad.

Foreign payments

No restrictions. Central bank reporting is not required.

Taxation

Resident companies are subject to tax on their worldwide income whereas foreign companies are limited liable to tax in Finland, i.e. foreign companies are liable to tax on their Finnish source income only.

Corporate income is subject to taxation of approximately 26%.

Dividend payments to foreign companies are subject to a 28% withholding tax, unless the EU Parent-Subsidiary Directive is applicable.

VAT is levied on the supply of goods and services at a rate of 22%, 17%, 8% or 0%.

For 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 currencies. Account opening forms in Finnish, Swedish and English available.

Domestic payments

Danske Bank has direct access to BOF, PMJ and POPS.

Foreign payments

No restrictions.

Electronic invoicing

- E-invoice service: electronic invoicing using a banking software both in e-invoice and Finvoice formats. It is possible to manage the sending and retrieving of invoices.
- E-invoice on the web: suitable for small companies with low invoice volumes
- Web invoices service: electronic invoices for the consumers.
- Additional services via partners (electronic business and financial administration, printing, scanning, archiving etc.)

Liquidity management

- Real-time zero balancing services domestically, in the Nordic countries, Germany and the United Kingdom.

- Domestic zero balancing (per transaction) cash pools in all major currencies. Resident and non-resident accounts may be included, with some restrictions.
- Notional pool, currency in all major currencies.
- International multi-currency interest netting system (interest enhancement) in all major currencies across Danske Bank's Nordic branch network and in Germany and the United Kingdom.
- In addition automated cash concentration in one account (single currency) – sweeping/topping.

Electronic banking

- Sampo Bank's web bank provides rapid access to setting up payments, viewing account information and authorising several payments at the same time.
- Most of the information on the web bank is updated constantly. So you always have an up-to-date picture of your company's cash position.
- Global Link is Sampo Bank's banking software offering all payment services.
- Global Link and multibanking softwares are based on Finnish Bankers' Association standards; e.g. LMO2 and LMO3 for domestic payments and LUM2 for foreign payments can be used.

- 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.

Web business

Secure trade and business on the web

- Web payment service
- Certification service

Links to other banks

Reporting via MT940 and MT942 statements, if required. Requests for transfer via MT101. Danske Bank can also report via EDIFACT (DEBMUL, CREMUL or FINSTA).

Further information

If you require more information about Cash Management in Finland, please visit our website www.sampopankki.fi or www.danskebank.com/cashmanagement.