

# Cash Management Services in Germany



Since 1985, Danske Bank has been represented in Germany. Out of our branch in Hamburg we offer a full range of products, including trade finance to international companies operating in Germany.

With our in-house settlement of domestic and international payments as well as on-line integration with the bank's central IT platform in Copenhagen, Hamburg Branch offers flexible and sophisticated cash management solutions to our corporate customers.

Currency:	EUR
Time zone:	GMT + 1
Central bank:	Deutsche Bundesbank
SWIFT BIC	DABADEHH

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

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

### Clearings systems

Participation in all three principal clearing systems run by the German central bank:

- RTGS<sup>plus</sup>: Real-Time-Gross-Settlement system for same-day settlement of high-value payments. Linked to TARGET
- ELS: Alternative clearing system for banks that do not use RTGS<sup>plus</sup>
- EMZ: Electronic clearing system for bulk payments, direct debits, and paperless cheque collection (BSE) or collection of cheques > EUR 3,000 (GSE)

### Clearing formats

- DTA (exchange of data media) for EMZ
- SWIFT format
- EDIFACT format

### Payment instruments

- Payment orders: Most payment orders are transmitted to the bank by means of electronic banking systems.
- Cheques: Cheques are still very common and make up approximately 33% of all non-cash payment transactions in Germany, although the volume is decreasing.
- Direct debits: Two different types make up nearly 40% of all non-cash payment transactions in Germany.

### Cards

A variety of cards with debit, credit, cash and e-functions are increasingly popular. Cash cards enjoy widespread acceptance. International credit cards are accepted, but are not as common in Germany as in other European countries.

### Restrictions

There are no restrictions or limitations in connection with central bank reporting, neither for local payments in foreign currency nor for foreign payments in general.

Residents are required to report most payment transactions with non-residents exceeding the amount of EUR 12,500 or the equivalent in another currency (EUR 50,000 after January 1). This includes payments for credits or deposits with a maturity of more than 12 months.

### Taxation

Corporate income is subject to taxation of approximately 40%.

Private income is subject to taxation at a progressive rate with an approximate maximum of 47% in 2004.

For residents, a withholding tax of 30% applies to interest income accrued on domestic bank accounts. On top of this, 5.5% of the calculated withholding tax is charged as "Solidarit tzuschlag".

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. Account opening forms in German and English.

### Domestic payments

Danske Bank is fully integrated with and has direct access to the German clearing systems.

### Foreign payments

No restrictions.

### Liquidity management

- Real-time zero balancing services domestically, in the Nordic countries, Germany and the United Kingdom. International cash sweeping is subject to restrictions concerning the status of the beneficial owner.
- Domestic zero balancing (per transaction) cash pools in all major currencies. Resident and non-resident accounts may be included and no central bank reporting is required.
- International multi-currency interest netting system (interest enhancement) in all major currencies across Danske Bank's northern European branch network.

### Electronic banking

- MultiCash Plus is the dominating PC/Windows-based electronic banking system used in Germany and is also offered and supported by the major German banks under own-brand names such as db direct<sup>MC</sup>, COTEL or DreCash. Due to its high compatibility, companies working with more than one bank usually need only this system to handle all their bank accounts. MultiCash Plus enables you to initiate domestic and foreign payment orders and retrieve account information for domestic accounts.
- Business PC is Danske Bank's PC/Windows-based electronic banking system and enables you to initiate domestic and foreign payment orders and retrieve real-time account information for accounts with Danske Bank.

By installing Business PC or MultiCash Plus with "International Payments" modules, you can make local payments in Denmark, Norway, Sweden, Finland, the United Kingdom and Germany and view real-time 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 Germany, please visit our Website [www.danskebank.de](http://www.danskebank.de).