

Cash Management Services in Latvia



Danske Bank provides seamless and efficient Cash Management services from Ireland in the West to Latvia 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 Banka in Latvia in 2006 with effect from February 2007.

On 30 June 2008 Sampo Banka became Danske Bank A/S Latvia branch. Danske Bank's profile in Latvia is Danske Banka.

Danske Banka offers services to corporate and institutional customers including cash management, asset management, treasury and conventional retail banking products.

Currency:	LVL
Time zone:	GMT + 2
Central bank:	Bank of Latvia
SWIFT BIC	MARALV22
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

None in force, no difference between residents and non-residents.

Clearings systems

There are two main systems in Latvia:

- SAMS is the national RTGS system to high-value interbank transactions and clearing settlement between the Latvian banks. Customer payments above LVL 50,000 and urgent payments are processed in SAMS. Operating hours from Monday to Friday from 8.30 a.m. to 4.00 p.m. local time
- EKS is the national ACH system for low value transactions. Bulk payments are settled with the same value date in two clearing cycles daily from Monday to Friday- from 8.30 a.m. to 10.30 a.m. and from 10.30 a.m. to 3.00 p.m. local time.

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 the same day, if the payment is received before 13.30 am.
- Direct Debit is mostly used for public utilities and service settlements.

Internet banking is growing both on the corporate side and household. E-payment and E-invoice have been introduced in Latvia, but is not widespread.

Cards

Cards are very popular in Latvia. The most popular card brands are MasterCard and VISA. More than 2.4 million bank cards have been issued. The use of cards in shops, on the internet and in ATM's is widespread.

Local foreign currency payments

No restrictions, settlement abroad.

Central bank reporting

Transactions over LVL 5,000 (or equivalent in foreign currency) between residents and non-residents must be reported to central bank.

Taxation

The standard corporate income tax rate is 15%.

The standard VAT rate is 21%. Certain goods are subject to a reduced VAT rate of 5%, certain supplies of goods and services (for example, export) are zero-rated and some are VAT exempt.

Dividends and interest paid subjects to 10% WHT. Applies for residents and non-residents.

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 currency. Account opening forms in Latvian and English.

Domestic payments

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

Local clearing system for domestic payments is open from 8:30 to 15:00 (GMT +2)

Usual cut off time for customers for same day value domestic payments is 13:30 (GMT +2).

Payments between Latvian banks are transferred 2 times a day, urgent payments within 1 hour. All payments received via local system are covered and credited immediately after receipt of payment information.

Foreign payments

Different types of cross border payments are offered via branch offices and electronic channels:

- Regular and urgent payments in different currencies
- Same day value payments
- EU regulated payments
- Same day value payments within Danske Bank Group. Group payments are free of charge for companies holding an account

with different banks of the Danske Bank Group

Liquidity management

Danske Banka can offer the following liquidity management tools in order for your company to reduce administration costs, make interest benefits possible and optimise your group's liquidity management.

- Automatic Cash Concentration, gather liquidity across banks into one account in one bank
- Account adjustment, automatic move of funds between accounts held in Danske Bank Group, according to guidelines set by your company.
- Danske Bank Group cash pool is a key component of group account and liquidity management services. It is based on real-time zero balancing and will always show the net balance on your accounts.

Electronic banking

Danske E-Bank is Danske Bank's online business system providing access to real-time account information and possibility create payments. Danske E-bank also offers the possibility for file exchange with ERP systems and flexible user management to build up multi-level signatory rights for users.

Business Online is Danske Bank Group's web-based business system that enables companies to conduct routine banking transactions, use international cash management facilities, execute trades in the financial markets, and more. Business Online gives you quick access to your account information and versatile facilities for creating and approving payments. All the information appears in real time, so you can always stay informed of your company's current liquidity situation. You can also integrate the data in your company's accounting system.

Country modules enable you to make local payments in Denmark, Norway, Sweden, Finland, the United Kingdom, Ireland, Germany, Poland, Estonia, Latvia and Lithuania and view account information.

Links to other banks

Set-up for reporting via MT940 and MT942 statements, if required.

Further information

If you require more information about Cash Management in Latvia, please visit our Website www.danskebank.lv or www.danskebank.com/corporate.