

Cash Management Services in Latvia



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.

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.

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:	Aa3	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 clearing 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 express payments go through 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 to 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.

Clearing formats

EKS is fully automated multilateral net settlement system based on Bank of Latvia Functional specification of EKS which process only corporate and retail payments in the form of credit transfers in electronic payment message files.

Bank of Latvia SAMS system processes messages using the SWIFT FIN Y-Copy mode, system is fully automated.

Payment instruments

- Payment Orders: Credit transfers are the dominant payment type in terms of volume and value. Payments from Corporate customers are mainly made as electronic credit transfers
- Cash is second most used payment method
- Direct Debit is run by Itella, agreement should be concluded at cooperation bank and provides bill payments to utility companies etc.
- Cheques-extremely limited use.
- Postal payment instruments

Internet banking is growing both on the corporate side and household. E-payment and E-invoice have been introduced in Latvia.

Cards

Widespread acceptance of credit and debit cards.

Local foreign currency payments

No restrictions, settlement abroad.

Foreign payments

No restrictions. Central bank reporting is required.

Central bank reporting

Transactions over LVL 1,000 (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 18%. 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.

Withholding tax applies to payments made by Latvian companies to non-residents. WHT rates under Latvian law vary according to the type of payment. WHT rates may be reduced or entire classes of payment may become exempt based on relevant double tax treaties. In general dividends and interest paid to non-resident are subjects to 10% WHT.

WHT exemption is available to a Latvian company paying dividends to a company resident in any EU Member States.

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

Danske Banka is a full member of the clearing systems SAMS and EKS in Latvia and thus has direct access.

Foreign payments

No restrictions.

Central bank reporting is required.

Liquidity management

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

Electronic banking

Reporting through SWIFT messages.

Danske E-Bank is Danske Bank's online business system in Latvian and English language. The system provides access to real-time updated account information and setting up payments.

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, Estonia 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 Latvia, please visit our Website www.danskebanka.lv or www.danskebank.com/corporate.