

Cash Management Services in Poland



Danske Bank A/S S.A. Branch in Poland was founded in 2000.

Our office is located in the centre of Warsaw. However, thanks to our IT solutions and service concept, the bank successfully serves customers with offices located all over Poland.

Our branch provides services primarily to northern European companies doing business in Poland.

Danske Bank A/S S.A. Branch in Poland provides corporate customers with a broad range of financial products tailored to the Polish market. Local expertise, combined with the international profile of the Danske Bank Group, ensures the highest quality of products and services.

Currency:	PLN
Time zone:	GMT + 1
Central bank:	National Bank of Poland
SWIFT BIC	DABAPLPW

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

In Poland, transactions between resident companies can be settled both in PLN and foreign currencies.

Central bank reporting

In some specific situations, e.g., when a resident concludes a loan agreement with a non-resident, opens an account abroad, participates in an intra-group netting settlement or his turnover with a non-resident exceeds a certain threshold such a resident is required to report directly to the Central Bank of Poland.

Clearing systems

Two clearing systems exist in Poland:

- ELIXIR: a net settlement system operated by the Polish clearing house KIR (Krajowa Izba Rozliczeniowa S.A.) used for low-value standard payments, all ZUS (social insurance) and tax payments. Paper-based payment instructions are accepted by banks, but are converted into electronic messages in ELIXIR.
- SORBNET: a real-time gross settlement system provided by the National Bank of Poland (NBP); used for the execution of interbank transactions as well as high-value customer payments (over PLN 1 million).

Generally, payments in currencies other than PLN are cleared via the SWIFT system and are

handled as foreign payments. However, in March 2005 KIR introduced the Euro-Elixir system, enabling all banks operating in Poland to process euro payments. The system allows both domestic and cross-border payments in euro within the EU. At the same time, NBP introduced the SORBNET-EURO system to support banks' current accounts denominated in euro and execute payments between Polish and European Union banks.

Clearing formats

Separate message formats are used in both clearing systems. EDIFACT is not widely used in Poland. However, the Polish Bankers' Association has developed a number of EDIFACT formats.

Payment instruments

- Payment orders: A credit transfer via ELIXIR, when ordered electronically, is the cheapest and most efficient payment method and is very popular for settling supplier payments. Additionally, according to current regulations, all B2B transactions exceeding EUR 15,000.00 must be settled through a bank transfer.
- Cash: Cash is still widely used, especially for B2C transactions and salary payments. The use of cash is likely to decrease in the future as credit and debit cards become more widespread.

- Direct debit: Domestic direct debit payments are cleared via the ELIXIR system on the basis of a multilateral agreement between the participating banks. Direct debit is currently available for transactions not exceeding the equivalent of EUR 50,000 for corporate customers and EUR 1,000 for private customers. Direct debit transactions are becoming increasingly popular; however, they still account for only 1% of the total number of transactions.
- Cards: All major credit, charge and debit cards are widely accepted in Poland. Due to the continuous decline in bank charges and increased supply of different types of card products, cards are becoming a very widespread payment method.
- Cheques: Cheques are available, but are very rarely used.

Taxation

The standard rate of corporation tax is 19%. The general VAT rate is 23%. For certain products and services the VAT rate ranges between 0% and 8%.

Withholding tax on interest, dividends and royalties is usually levied on transactions between residents and non-residents, with some exceptions resulting from double taxation treaties or EU regulations.

Cash Management Products and Services of Danske Bank

Accounts

It is possible to open both resident and non-resident accounts in local and foreign currencies. Account opening forms are available in Polish and English.

Domestic payments

Danske Bank Poland is a full member of the local clearing systems and is thus able to offer all types of domestic payments.

Foreign payments

Cross-border payments, as well as Polish domestic payments in currencies other than PLN, are executed via the SWIFT system.

Liquidity management

Danske Bank Poland offers its clients cash pooling solutions, enabling smooth liquidity management (in PLN and other currencies) as well as interest optimisation within a group.

Depending on the client's exact needs, we can offer domestic, cross-border and offshore cash pooling solutions, for both resident and non-resident companies.

Since cash pooling is not defined in Polish law (although there are a number of regulations that might potentially apply to cash pooling transactions), this kind of solutions result in several legal and tax uncertainties. We believe

that the mentioned cash pooling structures are feasible and comply with Polish legal and tax regulations. We base this belief on in-depth discussions with independent legal advisors, who supported our view in a complex legal opinion, which we are ready to present upon request.

Clients who decide to implement one of our solutions will be able to benefit from our assistance with obtaining the binding tax rulings from the Ministry of Finance, with respect to the main tax concerns (Tax on Civil Act Transactions and Thin capitalization). Nevertheless, we strongly recommend each client to seek an opinion on legal and tax implications from the client's own legal/tax advisors.

Cards

MasterCard Corporate Card offered by Danske Bank Poland is a charge card available in two versions, Classic and Gold. It can be used for paying for goods and services as well as for cash withdrawals at ATMs and at the bank counters.

MasterCard Corporate Card offers a wide range of benefits, including:

- extensive insurance coverage
- emergency cash and card replacement within 48 hours
- customizable limits

- complete monthly reporting
- automatic repayment
- car rental discounts

Electronic banking

Danske Bank Poland offers its clients MultiCash Plus, the most widespread PC/Windows-based electronic banking system in use in Poland. MultiCash Plus is an off-line system that enables you to initiate domestic and foreign payments and retrieve account information for domestic accounts.

Monitoring bank accounts from outside Poland

Danske Bank Poland offers reporting in SWIFT (MT940 and MT942) and EDIFACT (DEBMUL, CREMUL or FINSTA) formats.

If the parent company or treasury centre uses Danske Bank Business Online, information about the Polish accounts can be obtained on-line on a real-time basis.

Execution of payments from outside Poland

Danske Bank can accept payment orders delivered by mail or electronically in MT101 SWIFT format. If Danske Bank Business Online is used, this functionality is always available.

Further information

If you require more information about Cash Management in Poland, please visit our website at www.danskebank.pl.