

Cash Management Services in the United Kingdom



The London Branch of Danske Bank was set up in 1984.

Danske Bank London branch offers a full range of services to selected corporate and institutional customers including asset management, treasury, trade finance and conventional bank and cash management products.

London Branch provides sophisticated cash management solutions based on a central IT platform in Copenhagen.

Currency:	GBP
Time zone:	GMT
Central bank:	Bank of England
SWIFT BIC	DABAGB2L

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; central bank reporting not required.

Clearings systems

Three principal clearing systems that are all run by the Association of Payment and Clearing Services (APACS):

- CHAPS – RTGS system used for the settlement of same-day payments (both GBP and EUR).
- BACS – Bulk electronic clearing system handling both direct debits and direct credits (both GBP and EUR).
- Cheque and Credit – bulk paper clearing.

Clearing formats

No uniform format across different clearing systems.

APACS oversees the setting of message formats for each clearing system, and cheques and credits, for example, must conform to APACS approved layouts before printing.

Payment instruments

- Payment orders: Credit transfers via BACS are becoming increasingly popular with 70% of the national workforce being paid via BACS and companies increasingly using this for settlement of supplier payments.
- Cash: Remains the most common payment method accounting for approximately 70% of all payments by volume. The use of cash is expected to decrease, as cards become increasingly popular.
- Cheques: The majority of B2B transactions continue to be settled by cheque, however volumes continue to decline every year as companies and individuals increasingly switch to settlement via BACS or cards.
- Direct debit: Widely used, with 70% of adults in the United Kingdom having at least one direct debit from their account. Over 40% of regular bills are paid by direct debit.

Cards

All major credit and charge cards are widely accepted in the United Kingdom. In addition there are two debit card schemes, Switch and Delta. Some 90% of adults in the United Kingdom have one or more cards.

Local foreign currency payments

No restrictions, settlement abroad.

Foreign payments

No restrictions. Central bank reporting not required.

Taxation

The standard corporate rate of taxation is 30%.

The standard VAT rate is 17.5%. Certain goods are subject to a reduced VAT rate of 5% (domestic supplies of gas and electricity), and certain supplies are VAT exempt, for instance transport, certain food stuffs, publications, medicines and aids for the handicapped. Generally there is no withholding tax on dividends paid to resident or non-resident companies. However, a withholding tax is levied on dividends paid to non-resident shareholders qualifying for the imputation tax credit. A withholding tax is levied on interest paid to resident and non-resident companies. No withholding tax is levied on interest payments to banks or branches of foreign banks in the UK, to a UK parent from a 51% subsidiary and non-residents holders of Eurobonds.

Cash Management Products and services of Danske Bank

Accounts

Resident and non-resident accounts in local and foreign currency.

Domestic payments

Danske Bank in London is able to provide its customers with full access to all of the domestic clearing systems within the United Kingdom.

Foreign payments

No restrictions.

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, no central bank reporting is required.
- International multicurrency interest netting system (interest enhancement) in all major currencies across Danske Bank's Nordic branch network and in Germany and the United Kingdom.

Electronic banking

- 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.
- Business PC is PC/Windows-based and enables you to initiate domestic and foreign payment orders and retrieve real-time account information for accounts with Danske Bank.

By installing Business Online or Business PC you can make local payments in Denmark, Norway, Sweden, Finland, the United Kingdom and Germany and have 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 UK, please visit our Website www.danskebank.com/corporate.