

Cash Management Services in Northern Ireland



Northern Bank was acquired in March 2005 and successfully migrated to the Danske Bank Group Platform in April 2006. With around 2300 employees, Northern Bank offers a full range of financial products and services designed for the needs of both business and personal banking customers. Business solutions include, Asset Finance, Treasury, Trade Finance and Cash Management products.

Cash Management Products and Services

Accounts

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

Domestic payments

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

Foreign payments

No restrictions.

Links to other banks

Reporting via MT940 and MT942 statements, if required. Danske Bank Group can also report via EDIFACT (DEBMUL, CREMUL or FINSTA) formats.

Currency:	GBP
Time Zone:	GMT
Central Bank:	Bank of England
BIC-SWIFT	DABAGB2BXXX

Electronic banking

Business eBanking is Northern Bank's web based online business system, which provides rapid access for setting up payments, viewing account information and authorising several payments at once.

All information in Business eBanking is real-time, therefore you always have an up-to-date picture of you company's cash position. By installing Business eBanking you will also be able to make local payments in Denmark, Norway, Sweden, Finland, United Kingdom, Republic of Ireland or Germany.

Clearing and local market conditions

Foreign exchange regulations

None in force; central bank reporting not required.

Clearings Systems

Four principal clearing systems/companies exist which are all run by the Association of Payment and Clearing Services (APACS):

- CHAPS - RTGS system used for the settlement of same day GBP payments.
- FPS - Faster Payments Service, launched in May 2008, is used for low value, real time credit transfers.
- 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 (Association of Payment Clearing Services) 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 80% of the national workforce being paid via BACS and companies increasingly using this for settlement of supplier payments.
- Cash: Remains a common payment method accounting for approximately 60% of all payments by volume. The use of cash is expected to decrease, as cards become increasingly popular.
- Cheques: Majority of Business to Business 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 card.
- Direct debit: Widely used, with 80% of adults in the United Kingdom having at least one direct debit from their account. Over 45% 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, Maestro and Visa. 90% of adults in the United Kingdom hold two or more plastic cards.

Taxation

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.

Further information

Should you want more information about Cash Management in Northern Ireland, you are welcome to visit our website www.northernbank.co.uk/business or contact a member of our Cash Management team cashmanagement@northernbank.co.uk