

Cash Management Services in Russia



Since 2007, Danske Bank has been represented in Russia by ZAO Danske Bank, a subsidiary physically located in central St. Petersburg and providing services everywhere in Russia.

ZAO Danske Bank offers a targeted range of products and services to corporate customers, based on our deep insight into the local business environment in Russia. The services include cash management, treasury and financing.

Danske Bank Group provides seamless and efficient Cash Management services from Ireland in the West to Estonia and Russia in the East; covering all countries and mainly based on one central IT platform to deliver integrated services for corporate customers.

Currency:	RUB
Time zone:	St. Petersburg region CET +2, outside St. Petersburg - 11 time zones in the range from CET +1 (Kaliningrad) to CET + 12 (Kamchatka)
Central bank:	Central Bank of Russia
SWIFT BIC	DABARU2P
Danske Bank ratings:	Moody's S&P
Short-term:	P-1 A-1+
Long-term:	Aa1 AA-

General information on cash management in Russia

Clearing and local market conditions

Company status

In Russia, companies are either resident or non-resident. A company is considered resident if it is established under Russian law.

A non-resident company is a foreign legal entity, which has an account opened in a Russian bank or representative offices set up inside Russia.

Account opening is significantly more complicated for a non-resident company, but still possible.

Foreign exchange regulations

All restrictions on foreign exchange operations concerning RUB have been lifted and RUB is a freely convertible currency. However, currency deals (incl. foreign exchange) should be internally registered at the Bank - forwarded to Central Bank - and followed by VO-code.

Clearings systems

The clearing system of the Central Bank of Russia (CBR) is the main system used by banks for their settlements. It is also possible to execute payments directly between two banks. The CBR system is Russia's decentralised

gross settlement system composed of 78 regional centres all with regionally operating settlement centres.

For other users there are also various credit institutions' private systems, interbank payment systems and certain non-bank credit institutions' private systems.

The Central Bank of Russia is developing a real-time gross settlement system, called BESP, to streamline the clearing of large value payments in Russia. The BESP will facilitate better liquidity management and more efficient infrastructure with payments executed within a few hours, in particular incoming funds with same-day value.

Opening hours

Banks are usually open from 9 am to 6 pm local time.

Payment instruments

- Both debit and credit cards are used for corporate purposes.
- Payment cards are expanded both in use and the infrastructure accepts payment cards.
- The credit card market is increasing but still in limited use
- Salary Cards for employees
- Custom Cards
- Credit transfers
- Direct Debits

- Cheques are rarely used and there is no inter-bank cheque clearing system
- Cash is still common.

Local and foreign currency payments

In general all payment instructions need to be punctual and correct - Russian banks do not usually correct mistakes.

Local payments

Can only be executed in RUB and in accordance with the formats dictated by the Central Bank of Russia.

Foreign payments

Cross-border payments related to export, import or financing transactions between resident and non-resident legal entities, go through specific currency control procedures at the resident's bank and payments exceeding USD 5,000 require a transaction passport from resident clients issued prior to execution of outgoing or release of incoming cross-border payments.

All cross-border payments in RUB require a VO Code for statistics defined by the Central Bank of Russia and used to describe the subjects of the payment.

Taxation

Residents and permanent established branches of foreign established companies are subject to tax on their world income, the tax rate is 24%(2008).

Non-resident companies have limited liability for tax on Russian income only and a tax rate of 20% (2008) is applied for major types of income and 15% (2008) for dividend payments.

A non-resident company has to be registered with local tax authorities to open an account in Russia.

Companies are required to prepay part of the annual corporate profits tax during the assessment period, based on advanced payments that are made within 28 days of the current month and are calculated according to the 1/3 of the tax paid for the previous quarter. Otherwise they pay monthly, based on the actual profit. In this case, advanced payments are made within 28 days of the following month. Any underpaid tax is charged a penalty and overpaid tax is compensated.

VAT is levied on the supply of goods and services at a general rate of 18% (2008). Rates of 0% and 10% (2008) are also applied for certain types of operations.

For details, please consult a local tax advisor or auditor.

Cash Management Products and services of ZAO Danske Bank – St. Petersburg

Danske Bank will assist you in setting up in Russia - To make the entry smooth, take your first step in co-operation with our wholly owned Russian subsidiary ZAO Danske Bank.

Accounts

Resident accounts in all main currencies including RUB.

Non-resident accounts in all main currencies including RUB with certain extra documents needed from the client.

All Documents delivered by ZAO Danske Bank for account opening are also in English. All material of the company has to be translated to Russian in Russia.

Deposits

Term deposits available with competitive interest rates in all maturities and in all main currencies including RUB.

Payments

Domestic payments

Domestic payments are executed through the Central Bank (CBR) system. Payment orders can be presented to the bank either in electronic form using the Bank's electronic

banking system or in paper form at the premises of the bank.

Through the CBR clearing system, all payments are executed daily with value same day within the St. Petersburg region. Payments to other regions are executed with value next day.

Foreign payments

Foreign payments are executed in RUB or other currencies through the SWIFT system. Payment orders can be presented to the bank either in electronic form using the Bank's electronic banking system or in paper form at the premises of the bank. ZAO Danske Bank acts as an agent on behalf of the customer in reporting to the Central Bank of Russia for both incoming and outgoing payments.

Liquidity management

Within Danske Bank Group including ZAO, your company can make group payments with value the same day and free of charge.

Additional services provided

- Salary cards: (VISA Electron) for employees available through a local partner
- Bank Guarantees and letters of credit
- Customs guarantees
- Customs cards to be launched by the end of 2008
- Treasury products (e.g. currency conversions)
- Cash services

Electronic banking

Bank Client Link is ZAO Danske Bank's electronic banking software in Russian and English languages offered for clients inside Russia. It can be linked to several ERP systems used in Russia. The system provides access to viewing accounts, setting up payments and delivery of documents for currency control. Term deposits can also be set up from Bank Client.

The system is based on a compact software package and installed on the customer's computer by the bank's specialists. Bank Client uses the common Internet for data transmission.

Reporting to the parent company

The parent company can receive account statements (MT940) via Business Online, the Danske Bank's online business system, with one day delay. Using Business Online, the parent company can also transfer funds from the account of the subsidiary (MT101) in Russia.

Reporting to other banks

Reporting via MT940 statements, if required.

Further information

If you require more information about Cash Management in Russia, please visit our website www.danske-bank.ru or www.danskebank.com/corporate.