

Cash management services in Denmark



Danske Bank Group is one of the largest financial service providers in the Nordic region. Our unique international business model is based on a single IT platform across the Group.

Danske Bank's roots go back to 1871. The present organisation is the result of a merger between three Danish banks in 1990 and the subsequent merger in 2000 with RealDanmark, a major Danish financial group that included BG Bank.

On 1 June 2012, Danske Bank changed its organisation so that it now consists of three business units - Personal Banking, Business Banking and Corporates & Institutions - that span all of the Group's geographical markets.

As part of the reorganisation, all banking activities now operate under the Danske Bank brand name.

Danske Bank is the largest financial institution in Denmark, offering a broad range of services in banking, mortgage finance and insurance. It covers one third of the Danish market.

Danske Bank serves both personal and business customers in Denmark. Its finance centres cater to private banking and corporate customers. Danske Bank also has a number of agricultural centres and offers a range of leasing solutions to the corporate segment.

Currency:	DKK
Time zone:	GMT +1
Central bank:	Danmarks Nationalbank
SWIFT BIC:	DABADKKK

Clearing and local market conditions

Foreign exchange regulations

No regulations in force. Distinction between residents and non-residents for central bank reporting purposes.

Clearing systems

Real Time Gross Settlement (RTGS) system and KRONOS (DKK) with link to TARGET2 (EUR), the pan-European RTGS system. A netting system, Sumclearing (DKK), handles low-value payments such as credit transfers, debit cards, cheques and direct debits. The system is operated by Nets Denmark on behalf of the system owner, the Danish Bankers Association. Denmark has no paper-based clearing.

Clearing formats

There is no national format in Denmark. At present, several facility managers use their own proprietary formats. The formats operated by Nets are generally accepted by all banks, and the EDIFACT and XML20022 formats are interpreted in largely the same way by the banks and facility managers that have adopted EDIFACT and XML 20022.

Payment instruments

- Credit transfers are the principal means of payment used for C2B and B2B payments. Almost all salary and wage payments are completed as credit transfers.
- Cheques: The use of cheques is declining.

- Direct debits: Widely accepted with a steady increase in use. Two different clearing cycles exist for B2B and B2C transactions. Registration of creditor and debtor data is managed by Nets.
- NemKonto (Easy Account): Both consumers and companies are required to have a NemKonto account to receive payments from public authorities, for example tax and VAT refunds.
- eInvoicing: Electronic bill presentment is increasing, especially because of legislation passed in 2005 that instructs all companies trading with public authorities to issue electronic invoices. Invoices must be sent in the OIOUBL format.

Cards

- The nationwide debit card, Dankort, dominates the debit market. Almost 95% of all Dankort transactions are made as electronic payments for shop purchases. Other types of debit cards, linked to the holder's bank account, are frequently used as well.
- International credit cards are widely used and dominated by VISA and MasterCard.
- Both debit and credit cards represent a common method of payment via the Internet, and online card transactions have soared in the past few years.

Electronic banking

Electronic banking services are used extensively. In Denmark, there are more than three million personal eBanking and more than 230,000 business eBanking agreements. Most eBanking solutions support account information, payments, FX transactions, intercompany netting solutions and other transactions. Some eBanking solutions also offer eInvoicing.

Local foreign currency payments

No restrictions. Settlement abroad.

Foreign payments

No restrictions.

Companies selected by the Danish central bank report transactions directly to the central bank.

Taxation

The corporation tax rate is 25%, and the standard VAT rate is 25%.

For more details, please consult a local tax adviser or auditor.

Danske Bank's cash management solutions, products and services in Denmark

Accounts

Resident and non-resident accounts in local and foreign currencies. Opening forms in Danish and English.

Domestic payments

Danske Bank is a full member of all clearing systems in Denmark and has direct access to these systems.

Foreign payments

No restrictions.

Liquidity management

Danske Bank offers several flexible liquidity management solutions to help you streamline daily cash flows, optimise interest rates and reduce the need for credit lines. Customised to your needs, the solutions provide full visibility and control of liquidity across companies, borders and currencies.

- Real-time (per transaction) Zero Balancing cash pools in all major currencies are available in all of the Group's geographical markets except for the Baltic states and Russia.
- Real-time (per transaction) Single Legal Account cash pools in all major currencies are available in the Nordic countries.
- Real-time Multicurrency Cash Pool solutions are available in all major

currencies in all of the Group's geographical markets except for the Baltic states and Russia.

- Zero and Target Balancing services are available in all of the Group's geographical markets.
- Multicurrency Interest Netting solutions in all major currencies are available in all of the Group's geographical markets except for the Baltic states and Russia.
- Flexible Credit Lines in all major currencies are available in all of the Group's geographical markets except for the Baltic states and Russia.

Electronic banking

Business Online is Danske Bank's web-based business system. It allows you to quickly create payments, view account information and authorise multiple payments at a time.

All information is shown in real time so you can always stay up to date with your company's current liquidity situation.

Business Online has various modules that you can choose from according to your needs. The cash management modules, which are available for Denmark, Sweden, Norway, Finland, Germany, Great Britain, Northern Ireland and Ireland, enable you to make local payments in each country.

Business Online also supports online collections via SEPA Direct Debit and local direct debit schemes, as well as local electronic and paper-based invoicing.

You can also integrate data in your company's accounting system or set up communication directly from your own system to Danske Bank's EDI gateway.

Danske Bank supports a wide range of local file formats, including ISO20022 XML based on the SEPA/version3 variant, group-wide EDIFACT setup and the IDoc format in the four Nordic countries. We also support our own CSV-based solution and the SWIFT-based MT 101 format for payments and the MT 104 format for direct debits.

Links to other banks

Reporting via MT 940 and MT 942 statements, if required. Danske Bank can also report via the XML format and EDIFACT (DEBMUL, CREMUL or FINSTA).

More information

If you need more information about our cash management solutions in Denmark, please visit our website at www.danskebank.com.