

Cash Management Services in Northern Ireland

November 2012



Danske Bank has been operating in Ireland since 2005 when we acquired Northern Bank, became a subsidiary of Danske Bank and a part of the Group's banking activities.

1 June 2012, we changed our organisation so that Danske Bank going forward 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 of our banking activities are gathered under the Danske Bank brand name.

Today Danske Bank Northern Ireland has a network of branches and offers a full range of financial products and services designed for the needs of both business and personal banking customers.

Business solutions include, Cash Management, Asset Finance, Invoice Finance, Treasury, and Trade Finance products.

Currency:	GBP
Time Zone:	GMT
Central Bank:	Bank of England
BIC-SWIFT	DABAGB2B

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 (GBP only).
- 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 increasingly popular up to 90% of the national workforce are being paid via BACS and companies are increasingly using this for settlement of supplier payments.
- Cash: Remains a common payment method all payments by volume. The use of cash is expected to decrease, as cards become increasingly popular.
- Cheques: A majority of B2B transactions continue to be settled by cheque, however volumes continue to decline each 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 50% 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 three or more plastic cards.

Taxation

The standard corporate rate of taxation is 23%. (From 2013) For UK resident companies with annual profits below GBP 300,000 the tax rate is 19%.

The standard VAT rate is 20%. Certain goods are subject to a reduced VAT rate of 5% (e.g. domestic supplies of gas and electricity). Certain supplies are VAT exempt, for instance most food items, publications, children's clothes, medicines and aids for equipment for disable persons.

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

Cash Management, products and services of Danske Bank Northern Bank

Accounts

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

Domestic payments

Danske 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.

Liquidity management

Danske Bank offers several flexible liquidity management solutions to help you streamline your daily cash flows. We offer both domestic and cross-border cash pool.

- Real-time zero balancing services domestically, in the Nordic countries, Germany, Poland, Ireland and the United Kingdom including Northern Ireland.

- 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, Ireland and the United Kingdom including Northern Ireland.

Electronic banking

Business eBanking is Danske 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.

Business eBanking consists of various modules you can choose from according to your needs. The cash management modules, which are available for Denmark, Sweden, Norway, Finland, Germany, United Kingdom incl. Northern Ireland and Ireland, enable you to make local payments in each country.

Business eBanking also supports online collection, via SEPA Direct Debit and local Direct Debit schemes, as well as local electronic and paper based invoicing.

Data can also be integrated in the company's accounting system or communication can be set-up directly from your own system to Danske Bank's EDI Gateway.

Danske Bank supports a wide range of local file formats, ISO20022 XML based on the SEPA/version2 variant and Group-wide EDIFACT setup. Furthermore we support our own CSV-based solution and the SWIFT- based MT101 format for payments and MT104 format for direct debits.

Further information

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