

# Cash Management Services in the United Kingdom



The London office of Danske Bank was established in 1984 and operates as a branch of Danske Bank A/S.

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

With our in-house settlement of electronic domestic and international payments as well as on-line integration with the bank's central IT platform in Copenhagen, London Branch provides flexible and sophisticated cash management solutions to our corporate customers.

Currency:	GBP
Time zone:	GMT
Central bank:	Bank of England
SWIFT BIC	DABAGB2L
Sort Code	30-12-81

## Clearing and local market conditions

### Foreign exchange regulations

None in force; central bank reporting not required.

### Clearing systems

Four principal clearing systems/companies exist as member organisations.

- 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 and is available 24/7.
- BACS – Bulk electronic clearing system handling both direct debits and direct credits.
- Cheque and Credit Clearing (C&CCC) – bulk paper clearing.

Payment strategy is determined by The Payments Council

### Clearing formats

No uniform format across different clearing systems. Each clearing organisation is responsible for the setting of message formats; cheques and credits, for example, must conform to C&CCC Standards 3.1, 3.2 and 3.3 before printing.

### Payment instruments – excluding cash

- Credit transfers via BACS/FPS are established as a common form of settlement accounting for 20% of payment volume. Companies are increasingly using this for settlement of supplier payments.
- Cheques: Accounts for only 8% of payment volume overall but in B2B area 42% of payments settled this way.
- 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 and this accounts for around 20% of payment volume overall.

### 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. Card transactions account for around 52% of payment volumes (20% for B2B)

### Electronic banking

Electronic banking services are well developed and increasingly popular. In recent years almost all sorts of banking services suited for electronic processing have been migrated to the internet.

### 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 23% (dropping to 21% in 2014). For UK resident companies with annual profits below GBP 300,000 the tax rate is 20%

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 London

### 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

Danske Bank offers several flexible liquidity management solutions to help you streamline daily cash flows, optimise interest 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 in all major currencies are

available 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, also known as Business eBanking in some of our markets - is Danske Bank's web-based business system, which provides rapid access for setting up payments, viewing account information and authorising several payments at once.

All information is in real time, so you can always stay informed of your company's current liquidity situation.

Business Online 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, Ireland and United Kingdom incl. Northern Ireland, enable you to make local payments in each country.

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

Danske Bank supports a wide range of file formats, ISO 20022 XML CGI/version2 variant, Group-wide EDIFACT setup, SAP and IDoc format in the four Nordic countries. Furthermore we support our own CSV-based solution and the SWIFT-based MT 101 format for payments and MT 104 format for direct debits.

### Links to other banks

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

### Further information

If you require more information about Cash Management in UK, please visit our Website [www.danskebank.com/london](http://www.danskebank.com/london).