



ATLAS
BY BNP PARIBAS

CASH MANAGEMENT

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BNP PARIBAS

The bank
for a changing
world

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With a population of 19 million and a forecasted GDP of \$403bn in 2025, Romania is an upper-middle income country of 19.8 million people with a GDP growth which is expected to decelerate markedly to 1.4% in 2024 as export growth remains subdued. A gradual recovery in external demand, easing of financial conditions and resilient private consumption and investment are set to accelerate growth above 2% in 2025 and in 2026. Inflation slowed slightly in 2023 due to a marked deceleration of energy and food prices, but is expected to remain above 5% in 2024.

Strong labour demand is set to further reduce unemployment. Romania’s general government deficit is forecast to reach 8% of GDP in 2024, much higher than in 2023. It is expected to stay broadly at that level in 2025 and 2026.

Summary

BNP Paribas presence

BNP Paribas is one of the largest international banks in Romania, with a business centre in Bucharest. The bank has direct access to the local clearing system, and provides comprehensive services for both paper-based and electronic payments, as well as international cash management and trade finance.

Currency

Currency

- Romanian new leu (RON).

Exchange rates

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------------|-------|-------|-------|-------|------|
| Exchange rate: RON per USD | 4.059 | 4.052 | 3.942 | 4.238 | 4.24 |

Source: IMF, International Financial Statistics, July 2021.

Central Bank

- The Romanian central bank is the Banca Națională a României (BNR – www.bnro.ro)
- The BNR is a member of the European System of Central Banks (ESCB).

Bank accounts

Resident / non-resident status

- A company is generally considered resident in Romania if its place of effective management is located there.

Bank accounts for resident entities

| | Within ROMANIA | Outside ROMANIA |
|------------------|--|--|
| Local Currency | Permitted without restriction, fully convertible | Permitted without restriction, fully convertible |
| Foreign Currency | Permitted without restriction, fully convertible | Permitted without restriction, fully convertible |

Bank accounts for non-resident entities

| | Within ROMANIA | Outside ROMANIA |
|------------------|--|--|
| Local Currency | Permitted without restriction, fully convertible | Permitted without restriction, fully convertible |
| Foreign Currency | Permitted without restriction, fully convertible | Not applicable |

Lifting fees

- The application of lifting fees varies from bank to bank.

Factoring

Legal framework

Romania is serviced from Poland.











Please consult the Polish pages.

BNP Paribas Cash Management Capabilities

Collections

| | |
|----------------------------------|---|
| Cash collections |  |
| Cheque collections |  |
| Direct debit collections |  |
| Domestic incoming transfers |  |
| Virtual IBAN |  |
| Virtual accounts |  |
| International incoming transfers |  |
| Card acquiring |  |

Payments

| | |
|---|---|
| Cash withdrawals |  |
| Cheque payments |  |
| Direct debit payments |  |
| Domestic outgoing transfers |  |
| Commercial cards |  |
| Virtual cards |  |
| International outgoing transfers |  |
| SWIFT gpi |  |
| Real-time international payments through BNP Paribas' network |  |
| Card issuing |  |

Channels

| | |
|-----------------------------|---|
| Local e-Banking |  |
| Global e-Banking - Connexis |  |
| SWIFT/ host to host |  |

Payments & collections

Market overview

Companies primarily use electronic credit transfers to pay suppliers. Direct debits are also growing in importance, both for regular payments such as utility bills and for individually authorised one-off payments. Payment cards, especially debit cards, are popular for consumer transactions. The number of contactless payments and the use of electronic wallets have surged as a result of the pandemic: electronic payments increased by 53.15% in volume and 40.36% in value in 2020. In 2020, the Romanian Government set up the Authority for the Digitalisation of Romania to support the digital transformation of the country's economy.

Electronic banking services are available from all large banks. There is no national electronic banking standard in Romania; most banks use MultiCash. Transaction and balance reporting, automated end-of-day sweeping, and some transaction initiation services are available on a domestic and cross-border basis.

Online and mobile banking services are offered by the country's banks. Adoption of digital banking services is low; Romania was ranked last at an EU level by the European Commission in 2018 in its Digital Economy and Society Index.

Payment Systems

| | | |
|-------------------|---|---|
| TARGET 2- ROMANIA | TYPE | <ul style="list-style-type: none"> • Real-time gross settlement. • Romanian component of the pan-European TARGET2 system. |
| | PARTICIPANTS | <ul style="list-style-type: none"> • 31 direct. |
| | TRANSACTION TYPES PROCESSED | <ul style="list-style-type: none"> • High-value and urgent EUR-denominated domestic and cross-border transfers. |
| | OPERATING HOURS | <ul style="list-style-type: none"> • 08:00–19:00 EET, Monday to Friday. |
| | CLEARING CYCLE DETAILS (eg cut-off times) | <ul style="list-style-type: none"> • Payments are cleared and settled in real time. • Interbank payment cut-off time = 19:00 EET. |
| | SYSTEM HOLIDAYS | <ul style="list-style-type: none"> • • ReGIS is closed at weekends and on all Romanian bank holidays. • Romania's bank holidays are: • 2nd half 2018: 15 August, 30 November, 1, 25, 26 December. • 2019: 1, 2, 24 January, 29 April, 1 May, 1, 17 June, 15 August, 30 November, 1, 25, 26 December. |
| ReGIS | TYPE | <ul style="list-style-type: none"> • Real-time gross settlement. |

| | | |
|------|---|---|
| | PARTICIPANTS | <ul style="list-style-type: none"> • 40 direct. |
| | TRANSACTION TYPES PROCESSED | <ul style="list-style-type: none"> • High-value (above RON 50,000) and urgent RON-denominated domestic credit transfers. |
| | OPERATING HOURS | <ul style="list-style-type: none"> • 08:00–18:00 EET, Monday to Friday. |
| | CLEARING CYCLE DETAILS (eg cut-off times) | <ul style="list-style-type: none"> • Payments are cleared and settled in real time. • Interbank payment cut-off time = 17:00 EET. |
| | SYSTEM HOLIDAYS | <ul style="list-style-type: none"> • ReGIS is closed at weekends and on all Romanian bank holidays. • Romania's bank holidays are: • 2nd half 2021: 15 August, 30 November, 1, 25, 26 December. • 2022: 1, 2, 24 January, 22, 25 April, 1 May, 1, 13 June, 15 August, 30 November, 1, 25, 26 December. |
| SENT | TYPE | <ul style="list-style-type: none"> • Multilateral net settlement system. |
| | PARTICIPANTS | <ul style="list-style-type: none"> • 36. • 4 participants instant payments. |
| | TRANSACTION TYPES PROCESSED | <ul style="list-style-type: none"> • Low-value (less than RON 50,000) and non-urgent credit and debit payments. • Paper-based payments (cheques). |
| | OPERATING HOURS | <ul style="list-style-type: none"> • 08:25–18:00 EET, Monday to Friday. • EURO-SENT: 08:00–18:15 EET, Monday to Friday. |
| | CLEARING CYCLE DETAILS (eg cut-off times) | <ul style="list-style-type: none"> • SENT processes payments on a first-come, first-served basis. • Cut off for payments through its own communication network = 18:00 EET. • Clearing take place in batches three times daily for RON payments: 08:45–10:20, 11:25–13:00 and 14:05–15:40 EET. All transactions cleared before 15:25 are settled on a same-day basis. • Clearing take place in batches three times daily for EUR-denominated SEPA credit transfers: 08:15–11:00 and 11:30–14:15 EET and 14:45–17:30 EET. All transactions cleared before 16:00 are settled on a same-day basis. |

| | | |
|--|-----------------|--|
| | SYSTEM HOLIDAYS | <ul style="list-style-type: none"> • SENT is closed at weekends and on all Romanian Bank holidays: • Romanian bank holidays are: • 2nd half 2021: 15 August, 30 November, 1, 25, 26 December. • 2022: 1, 2, 24 January, 22, 25 April, 1 May, 1, 13 June, 15 August, 30 November, 1, 25, 26 December. |
|--|-----------------|--|

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax and treasury payments.
- The majority of credit transfers are automated.
- High-value and urgent EUR-denominated domestic and cross-border (within the euro zone) credit transfers can be settled in real time via TARGET2.
- High-value (above RON 50,000) and urgent RON-denominated credit transfers can be settled in real time via ReGIS.
- High-value, cross-border credit transfers in domestic and foreign currencies can be processed via SWIFT, correspondent banking and bank branch networks.
- Low-value (less than RON 50,000) and non-urgent credit transfers can be settled on a same-day basis via SENT.
- Payments sent via the Instant Payments service can be made 24/7/365 up to a maximum of RON 50,000/EUR 15,000 online and via mobile.
- SEPA credit transfers can be settled via EURO-SENT or STEP2 (accessed indirectly via international networks). Twenty-three banks in Romania participate in the SEPA credit transfer scheme.
- The European Payment Council's SCT Inst scheme (a pan-European 24/7 instant payment scheme for SEPA credit transfers) enables the transfer of funds (the maximum threshold value is EUR 100,000) to another account in less than ten seconds.
- EBA Clearing and Italy's SIA Group have developed and implemented a pan-European platform for instant EUR payments called RT1. It is fully compliant with the SCT Insts scheme and is in line with the ISO 20022 global messaging standards for instant payments.
- EBA Clearing has launched a pan-European request to pay (R2P) infrastructure solution with the support of 27 payment service providers from 11 countries. The new 24/7 service is compatible with the SCT and SCT Inst schemes and allows payees to take the initiative to request a specific payment from the payer.
- TIPS is a pan-European service for the settlement of instant payments in central bank money. The service enables payment service providers and ACHs with access to TARGET2 to offer fund transfers 24/7, 365 days a year. TIPS is aligned with SCT Insts. It is primarily focused on EUR payments but is technically capable of settling payments denominated in other currencies.

Direct debits

- Direct debits are used for regular payments, such as utility bills.
- Direct debits are settled on a next-day basis via SENT.
- SEPA direct debits are available in Romania and can be settled on a same-day basis via STEP2. Two banks in Romania offer Core SDDs. One offers B2B SDDs.

Cheques

- The cheque is not a common cashless payment instrument in Romania. It is primarily used for commercial payments.
- Cheques are truncated into electronic items before being settled via SENT. Cheques are usually settled within two days.
- Cheques that are not truncated are cleared bilaterally between banks.

Card payments

- Card payments are increasingly popular, especially for retail transactions.
- There were 18,818,308 cards (14,592,364 were active) in circulation at the end of Q1 2021. Of these, 15.9 million were debit cards and 2.9 million credit cards.
- Contactless cards are issued and are rapidly being adopted by consumers – it is estimated that two out of three payments are made using contactless payment cards.
- Visa and Mastercard-branded payment cards are the most widely issued.
- Transactions are processed via Romcard, Provus Service Provider or PayNet before clearing via Visa and MasterCard's own clearing houses.
- All cards issued are SEPA-compliant with EMV chips.

ATM/POS

- There were 10,184 ATMs in Romania at the end of Q1 2021.
- There were 260,594 EFTPOS terminals in Romania at the end of Q1 2021.
- All ATMs and POS terminals are EMV-compliant.

Electronic wallet

- Reloadable pre-paid cards are available.
- Mobile wallet and payment services, such as the local Romcard Masterpass Wallet, MobilPay and Google Pay are available.

Market overview

Interest payable on credit balances

- Interest-bearing current accounts are permitted for residents and non-residents.

Demand deposits

- Demand deposits are available.

Time deposits

- Time deposits are available in RON or major foreign currencies for terms ranging from one night to one year.

Certificates of deposit

- Domestic banks and the BNR issue certificates of deposit in RON, EUR and USD for terms of one, three, six, nine and 12 months.

Treasury (government) bills

- The Ministry of Finance issues treasury certificates with maturities of three, six and 12 months.

Commercial paper

- Domestic commercial paper is issued.

Money market funds

- Money market funds are not widely available in Romania.

Repurchase agreements

- Repurchase agreements with one week maturities are available in Romania.

Banker's acceptances

- Banker's acceptances are not used in Romania.

BNP Paribas Trade Finance Capabilities

Trade payments

| | |
|-------------------------|---|
| Documentary credits | ✓ |
| Documentary collections | ✓ |

Guarantees

| | |
|---------------------------|---|
| Bank guarantees | ✓ |
| Standby letters of credit | ✓ |

Supply chain management

| | |
|-------------|---|
| Receivables | ✓ |
| Payables | ✓ |
| Inventory | ✓ |

Trade channels

| | |
|-----------------------|---|
| Connexis Trade | ✓ |
| Connexis Supply Chain | ✓ |

| | |
|-------------------------------|---|
| SWIFTNet Trade for Corporates | ● |
| Connexis Connect | ● |
| Connexis Guarantee | ● |
| SWIFTnet Supply Chain | ● |

- BNP Paribas' trade centre for Romania, based in Bucharest, comprises a senior trade manager and a trade advisor. Back office support is provided through the shared service centre located in Bulgaria. In addition to trade finance solutions, such as trade guarantees, the bank offers a highly competitive portfolio of supply chain management solutions, including inventory solutions and non-recourse, undisclosed receivables financing.

International trade

General trade rules

- As a member of the EU, Romania follows the EU customs code and applies all associated regulations and commercial policies.
- Trade with other countries in the European Economic Area (EEA) and Switzerland is exempt from tariffs and other controls.
- Romania operates seven free trade zones.

Trade agreements

- The EU has trade agreements in place with over 30 countries.
- The EU is currently in free trade negotiations with a number of countries, including the Association of Southeast Asian Nations (ASEAN), Australia, Indonesia, Mercosur (the Southern Common Market), Uruguay, and the USA.
- The EU and the UK are currently negotiating their future trading relationship, following the UK's withdrawal from the EU.

Imports / exports

| | | | | | |
|------------------------|------------------------|------------------|-------------------|---------------------------|------------------------|
| Imports | Cars and vehicle parts | Insulated wiring | Crude petroleum | Packaged medicines | Broadcasting equipment |
| Primary Import sources | Germany (19%) | Italy (9.0%) | Hungary (7.0%) | Poland (6.0%) | France (5.0%) |
| Exports | Cars and vehicle parts | Insulated wiring | Refined petroleum | Electrical control boards | Seats |
| Export markets | Germany (22.0%) | Italy (10.0%) | France (7.0%) | | |

Import / export volumes

| | | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------------|------------------|--------|--------|--------|--------|--------|
| Exports | - goods USD m | 57,722 | 64,585 | 73,050 | 70,618 | 65,848 |
| | - services USD m | 19,919 | 24,595 | 28,055 | 30,279 | 27,163 |
| Imports | - goods USD m | 68,002 | 78,458 | 91,069 | 90,582 | 87,778 |
| | - services USD m | 11,372 | 15,348 | 18,194 | 20,601 | 16,383 |
| Current account as % GDP | | - 2.1 | - 2.8 | - 6.4 | - 7.0 | - 7.8 |

Sources: IMF, International Financial Statistics, July 2021.



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