

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 66 million and a forecasted GDP of $3,211bn in 2025,France is a large advanced open economy, supported by significant diversification, and with high income per capita. However, its net international investment position remains substantially negative, estimated at around –20?% of GDP at end 2024, making France one of the euro?area economies with among the highest external liabilities.

One point of structural weakness lies in France’s high public debt burden: general government debt exceeded 113?% of GDP in 2024, projected to rise to approximately 116?% in 2025 and 118?% in 2026 under current policies . The fiscal deficit stood at 5.8?% of GDP in 2024, up from 5.4?% in 2023, well above the EU’s 3?% benchmark, and falling only gradually toward about 5.6?% in 2025 and 5.7?% in 2026 .

Fiscal credibility has been strained. The IMF flagged a deficit of ??5.3?% in 2024, exceeding government projections, and recommended additional consolidation to bring the deficit below 4.9?% .

Fiscal history shows that France managed to reduce deficits in the late 2010s, returning under the 3?% threshold in 2018–2019, but the pandemic and energy?crisis stimulus reversed that trend. Debt rose from below 100?% in 2019 to over 110?% in 2023–2024 .

Other medium?term challenges include demographic ageing, productivity stagnation, high public spending inertia, and climate transition demands. Growth edged up from about 0.9?% in 2024 to an expected 1.3?% in 2025, with gradual convergence toward potential output under structural reforms.

Summary

BNP Paribas presence

BNP Paribas is well-established as the market-leading bank in France, providing comprehensive services to both retail and institutional clients of all sizes, including cash management, international trade services, and support for e-commerce. A strong network of 38 business centres across France is complemented by 1,899 branches. In addition, 28 trade centres, 6 regional dealing centres and a central dealing room for large customers provides a unique degree of local contact. Competence centres in cash management and trade provide specific expertise, advisory services and solution design and delivery. Further capabilities include:

- Extensive card acquiring solutions, including e-commerce, NFC contactless, mobile POS, Lyf pay and PayIIb mobile wallets, Dynamic Currency Change, cross border card acquiring with European reach (12 countries)
- Innovative collection solutions: Marketplace /Collection on Behalf, Virtual Accounts, Alipay Wechat pay wallets, PSD2 payment initiation, SDD electronic mandates

- Comprehensive payment solutions methods, live experimentation of SWIFT gpi initiative, international payments via blockchain technology, leading instant payments initiative
- Full connectivity offer: SWIFTnet, Ebics, FTPS, Connexis, local web solutions Netcash and MaBanque Entreprises, secured flows
- SCT Instant payments domestic and cross border (via API!) from France. Note: reachability of the beneficiary is still a key factor.

Currency

Currency

France uses the euro (EUR).

Exchange rates

	2015	2016	2017	2018	2019	2020
Exchange rate: EUR per USD	0.9017	0.9040	0.8873	0.847	0.893	0.88

Source: IMF, International Financial Statistics, June 2021.

Central Bank

- The French central bank is the Banque de France (www.banque-france.fr).
- The Banque de France is a member of the European System of Central Banks (ESCB) and operates certain activities, such as issuing currency, under the authority of the European Central Bank (ECB – www.ecb.europa.eu).

Bank Supervision

- In November 2014, the ECB, via the Single Supervisory Mechanism (SSM), assumed responsibility for supervising the financial stability of banks operating within the euro zone. However, while the ECB has final supervisory authority over all banks operating within the euro zone, it will only directly supervise those banks classified as ‘significant’ under the terms of the SSM (115 significant banking

groups have been recognized to date). ‘Less significant’ banks will continue to be supervised by the national supervisory authority, i.e. the ACPR.

- French banks and other credit institutions are also supervised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR – acpr.banque-france.fr).
- The Ministry of Economy and Finance (www.economie.gouv.fr) is responsible for the regulatory regime for banks and insurance companies.
- The Comité Consultatif du Secteur Financier (CCSF) supervises relationships between credit institutions and users (CSSF – www.ccsfin.fr).
- New regulations must first be scrutinised by the Comité Consultatif de la Législation et de la Réglementation Financières (CCLRF – www.tresor.economie.gouv.fr/CCLRF).

Bank accounts

Resident / non-resident status

- There is no statutory definition of company residence in French law; a company is generally considered resident in France if its place of effective management is located in France.

Bank accounts for resident entities

	Within FRANCE	Outside FRANCE
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 FRANCE	Outside FRANCE
Local Currency	Permitted without restriction, fully convertible.	Permitted without restriction, fully convertible.
Foreign Currency	Permitted without restriction, fully convertible.	• Not applicable

Lifting fees

- Lifting fees are rarely applied on payments between resident and non-resident bank accounts.
- Item-based charges and/or subscription fees are applied on payments between resident and non-resident bank accounts.

Factoring

Legal framework

- **LOI DE MODERNISATION DE L'ECONOMIE (LME, 2008)**

  Payment terms fixed to 30 days from delivery if not specified in general terms and maximum 60 days if specified in the general terms.

- **LOI PACTE (PLAN D'ACTION POUR LE CROISSANCE ET LE TRANSFORMATION DE L'ENTREPRISE, 2019)**

  Article 106 of the Pact Law provides an incentive for public administrations and public enterprises to use reverse factoring to reduce corporate cash flow gaps and secure the accounts of SMEs.

- **THERE ARE 2 WAYS OF ASSIGNING THE OWNERSHIP OF THE INVOICES**

  1- Subrogation: the assignor transfers its debtors' rights to the assignee: - The client sends a "subrogation receipt" to confirm the transfer to the factor. - By accepting the subrogation, the factor pays the corresponding amount on a current account (open in books of factor). - The cash available is transfered to the client. With the "droit de tirage" (drawing right) option, the client can withdraw the cash available from its current account on demand. Ownership is enforceable to third parties (debtors), whether disclosed to them or not.

  2- Cession Dailly: the assignor sends a remittance split (very formal, any error can result in the loss of enforceability) to the assignee, by which the assignee becomes the owner of the receivables.

- **SUB-CONTRACTING**

  The French law regarding sub-contractors allows them to collect the payment directly from these debtors (with priority over the BNP Paribas Factoring rights).

Product specifics

- **DISCLOSED / UNDISCLOSED**

Undisclosed programmes are possibly subject to a satisfactory audit (based on factorability and performance of ledger management) and a good counterpart (rating 7 and lower on BNPP scale).

- **RECOURSE / NON-RECOURSE**

Mainly non-recourse (95%) of which 40% based on a pledge of a credit insurance policy (co-insurance).

- **STRUCTURED PRODUCTS**

Reverse factoring and syndications are possible. No maturity factoring. Tax credit financing: Tax credit for Research (CIR), including dedicated products for SMEs, VAT Financing and Ehpad (retirement homes).

- **EXPORT / IMPORT**

Direct export is used for Spain, Italy, Germany, Switzerland, Belgium, UK, Luxembourg, Portugal and the Netherlands – the two-factor system is used for all the other countries.

- **CONCENTRATION REQUIREMENTS**

No concentration limits are applied. Concentration is a factorability issue that will be assessed and managed accordingly.

- **HOLD BACK RESERVE (HBR)**

Retention operated on outstanding defined as a percentage of the total ledger may be applicable. The HBR is included in the FIU (discounting charges base calculation).

- **MAX. PREPAYMENT %**

Usually 90% but can be increased up to 95% for top clients.

- **CREDIT COVER %**

Maximum credit cover is 100 %, VAT included.

- **USUAL FUNDING PERIOD**

In general 45 to 60 days after due date.

- **OFF-BALANCE SHEET SOLUTIONS**

Off-balance sheet solutions are marketed to large corporates.

- **INVOICE TRANSFER**

Transfer of invoices is automated (over 99%) through a website or a bank protocol. If needed, a specific solution is provided to transform data from the client’s IT system according to the BNP Paribas Factor template.

- **ON-LINE APPLICATIONS**

The client can consult whatever kind of portfolio information through Transaction Management ("Gestion des Opérations“: transfer, withdrawal, debtor limit, dunning actions,etc.) plugged to Niu Viu (real time) and Co-Pilot (which offers different axis of analysis of the portfolio).

Mobile App, MyView, is also available both for consultation and for basic transactions. A full digital onboarding journey is available for 2 products (Reverse and Impulsion).

- **DELAYED DUNNING**

When a management mandate is given to the client, the usual period before the factor takes over the collection is 60 to 90 days.

- **DATA FACTORING**

Both Ledger Assignment (“cession de balance”) and Data Factoring are possible.

- **CURRENCIES OF FINANCE**

EUR, USD, GBP, CHF, SEK, PLN, DKK, CZK, CAD, JPY, NOK, SGD, AUD, RON and CNY. The “liquidity premium” differs from one currency to the other.

- **LOCAL RETAIL OFFERS “IMPULSION”**

A range of products which evolve with the needs of professional clients and SME’s, with a turnover up to EUR 1.5 million.

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

Electronic credit transfers are the payment instrument most commonly used by companies to make supplier, payroll and tax payments. Cheques remain popular among consumers and small businesses, although their use is declining rapidly. Direct debits are used by companies to collect regular payments. Card payments, predominantly via debit card, account for over 50% of all cashless payments by volume. Mobile payment schemes such as YouPass, Lydia, Lyf Pay and Apple Pay, are available.

Promoting a cashless society is the cornerstone of the central bank's National Retail Payments Strategy (2019-2024). The strategy includes incorporating contactless functionality into every payment terminal and strengthening the security of, and confidence in, electronic payments.

Electronic banking services are available from all banks. Domestic companies primarily use SEPA-compliant EBICS protocols. Multinational companies also use the SWIFT for Corporates messaging standards. 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 provided by all of the country's banks. The YouPass mobile payment app enables customers to effect contactless payments by holding mobiles over POS terminals. Transactions are secured by the consumer's existing bank.

Payment Systems

TARGET2 - BANQUE DE FRANCE	Type	• Real-time gross settlement. • French component of the pan-European TARGET2 system.
	Participants	• 135 direct, 165 indirect.
	Transaction types processed	• High-value and urgent EUR-denominated domestic and cross-border credit transfers. • Net obligations from CORE.
	Operating hours	• 06:45-18:30 CET, Monday to Friday.
	Clearing cycle details(e.g. cut-off times)	• Payments cleared and settled in real time. • Interbank payment cut-off time = 18:00 CET.
	System holidays	• TARGET2 is closed weekends and 1 January, Good Friday, Easter Monday, 1 May, 25, 26 December.
CORE	Type	• Multilateral deferred net settlement system.
	PARTICIPANTS	• 10 direct, 154 indirect.
	TRANSACTION TYPES PROCESSED	• Domestic and cross-border payments. • SEPA payments (credit transfers and direct debits). • Paper-based payments (cheques, bills of exchange) which must be truncated into electronic items before processing. • Payment card transactions.
	OPERATING HOURS	• 24 hours a day, Monday to Friday. • CORE closes at 14:00 CET, Saturday.
	CLEARING CYCLE DETAILS (eg cut-off times)	• CORE operates a number of clearing cycles for different payment types. • Credit transfers, direct debits, card payments and ATM withdrawals are settled on a same-day basis. Cut-off time = 13:30 CET • Cheques are settled on a next-day basis. Cut-off time = 18:30 CET. • Electronic bills of exchange and promissory notes (LCRs and BORs) are settled on a five-day cycle. Cut-off time = 18:30 CET.

	SYSTEM HOLIDAYS	• CORE is closed on all French bank holidays. • French bank holidays are: • 2nd half 2021: 14 July, 15 August, 1, 11 November, 25, 26 December. • 2022: 1 January, 15, 18 April, 1, 8, 26 May, 6 June, 14 July, 15 August, 1, 11 November, 25, 26 December.

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, to make tax payments via the *transfert de données fiscales et comptables* procedure) and for treasury payments.
- SEPA credit transfers can be settled via CORE, STEP2 or via correspondent banking networks. STET has plans to migrate SEPA credit transfers (SCTs) from CORE to SEPA.EU. Unlike the current system used by CORE, in SEPA.EU the cycle concept will be replaced by continuous settlement with a prefunding model.
- Approximately 268 banks in France participate in the SEPA credit transfer scheme.
- High-value and urgent domestic and cross-border (within the euro zone) credit transfers can be settled in real time via TARGET2-Banque de France.
- High-value and urgent cross-border credit transfers can also be settled with end-of-day value via the Euro Banking Association's EURO1 system. Fourteen banks in France participate directly in EURO1.
- Cross-border transfers can be made via SWIFT and settled through correspondent banks abroad.
- 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. There are 126 participants of the SCT Inst scheme in France.
- The SEPA.EU platform hosts STET’s Instant Payments CSM, which launched alongside the launch of the EPC’s SCT Inst scheme.
- 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.
- 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.
- SEPA direct debits can be settled on a same-day basis via CORE or STEP2.

Cheques

- The cheque as a cashless payment instrument is in decline. In 2019, cheque volume and value fell 9.2% and 8.6% respectively to 1,586 million, with a value of EUR 814.52 billion.
- Cheques are truncated into electronic items before being settled on a next-day basis via CORE.
- A small number of cheques cannot be truncated. These, and cheques with a value greater than EUR 5,000, are physically exchanged within four days of presentation.
- Cheques are valid for just six months.
- Negotiable, transferable bills of exchange are also available in France. These are truncated into electronic items before being settled on a five-day cycle via CORE. There are two forms which remain out of the scope of SEPA:
  - The *lettre de change relevé* (LCR): an electronic trade bill, which is usually discounted to finance trade.
  - The *billet à ordre* (BOR): a promissory note.

Card payments

- Card payments, particularly debit cards, are increasingly popular, especially for retail transactions.
- In 2019, debit card payments increased 9.1% and 6.4% respectively in volume and value terms, to 12,561 million, with a value of EUR 521.7 billion. Credit card volume and value increased 15.6% and 10% respectively to 2,047 million transactions, with a value of EUR 87 billion.
- Groupe de Cartes Bancaires (GCB) is France's national payment card operator. It has 120 member institutions.
- There were 69.1 million debit cards and 15.4 million credit cards in circulation at the end of 2019.
- Most cards issued in France are co-branded with GCB and either MasterCard or Visa.
- American Express and Diners Club credit cards are also available.
- There are also two domestic credit card issuers: Cofinoga and Cetelem.
- Domestic card payments are processed by CORE.
- Contactless card technology is available in France.
- All cards issued are SEPA-compliant with EMV chips.

ATM/POS

- There were 52,969 ATMs in France at the end of 2019.
- There were 2.09 million POS terminals in France at the end of 2019.
- All payments are settled via CORE.
- All ATMs and POS terminals are EMV-compliant.

Electronic wallet

- Electronic wallet schemes are available via reloadable pre-paid cards.
- Mobile payment schemes such as YouPass, Lydia, Lyf Pay, Samsung Pay and Apple Pay are available and increasingly popular.
- In 2020 Societe Generale partnered with Apple Pay to launch an instant digital card. This ‘virtual’ payment card can be issued on a permanent or temporary basis.
- E-money payments are settled via CORE.

Short term investments

Market overview

Interest payable on credit balances

- Interest-bearing current accounts are available.

Demand deposits

- Demand deposits are available in EUR or major foreign currencies.

Time deposits

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

Certificates of deposit (CD)

- Domestic banks issue certificates of deposits (CDs) with terms ranging from overnight to 12 months. Terms of three and six months are most common.
- CDs can be issued paying fixed or variable interest.
- The minimum investment is EUR 150,000.

Treasury (government) bills

- The French sovereign debt management agency (Agence France Trésor) issues treasury bills (*bons du Trésor*).

- Short-term treasury bills are issued at a discount for terms up to one year. These are known as BTFs (*bons du Trésor à taux fixe*).

Commercial paper

- Domestic commercial paper is issued by companies and public authorities. Most paper (*billet de trésorerie* – BT) is issued for a month, although terms ranging from overnight to 12 months are permitted.
- Euro commercial paper (ECP) is issued by larger companies with a published credit rating. ECP can be issued in a range of currencies.

Money market funds

- Domestic money market funds (*organismes de placement collectif en valeurs mobilières* - OPCVMs) are popular short-term investment instruments.
- There are two main forms of OPCVMs:
  - SICAVs (*société d'investissement à capital variable*) are open-ended investment funds, required to publish their net asset value daily; and
  - Investors in FCPs (fond commun de placement) co-own assets bought by the fund, similar to a unit trust.

- OPCVMs are permitted to invest in many types of instrument, including money market instruments, bonds and equities.
- International money market funds are also available to French investors.

Repurchase agreements (repos)

- Repurchase agreements with maturities ranging from overnight to one week are commonly available in France. Longer terms are sometimes available.

Bankers' acceptances

- These are not used in France.

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 is a key trade finance bank in France with 18 trade centres incorporating 50 senior trade managers and trade advisors to address the full range of clients' trade finance needs. A centralised competence centre supports the trade centre network providing a high level of expertise, innovative solutions and advisory services. In addition, the trade development team supports clients' international expansion ambitions by providing bespoke solutions such as tailor-made market studies, prospecting missions and research into potential partners, amongst others. Corporates benefit from high quality electronic trade finance solutions and ISO-certified documentary operations platforms.

International trade

General trade rules

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

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-UK Trade and Cooperation Agreement entered into force on 1 May 2021.

Imports / exports

Imports	Packaged medicines	Vehicles	Crude oil	Aircraft machinery	Refined oil		
Primary Import sources	Germany (18%)	Belgium (9%)	Italy (9%)	Spain (7%)	China (7%)	Netherlands (6%)	UK (5%)

Exports	Packaged medicines	Aircraft	Cars and vehicle parts	Gas turbines	Wine		
Export markets	Germany (14%)	USA (8%)	Italy (7%)	Spain (7%)	Belgium (7%)	UK (7%)	

Import / export volumes

		2016	2017	2018	2019	2020
Exports	**- goods USD bn**	521	560	616	597	501
	- services USD bn	259	272	303	294	246
Imports	**- goods USD bn**	557	610	674	650	572
	- services USD bn	237	249	273	270	231
Current account as % GDP		– 0.5	– 0.6	– 0.6	– 0.7	– 1.9

Source: IMF, International Financial Statistics, June 2021.



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