



ATLAS

BY BNP PARIBAS

CASH MANAGEMENT

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BNP PARIBAS

The bank
for a changing
world

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The Netherlands is a small, densely populated country, with 504 persons per km². Only 50% of its territory is more than one metre above sea level. It is among the richest countries in the world, with GDP per capita more than 50% above the EU average. The country benefits from a favourable geographical location, being at the centre of Europe's wealthiest region. Trade is crucial for the Netherlands. The seaport of Rotterdam is the largest in Europe and Schiphol International Airport is the third busiest airport in Europe, both in passenger terms and cargo volume. Exports of goods and services made up more than 80% of GDP in 2019. However, due to the large share of re-exports, the contribution of exports to GDP is limited to around 30%.

The importance of industrial activity has declined. In 2000, the manufacturing sector accounted for 15% of value added. By 2020, its share had declined to about 12%. Gas exploration has substantially declined due to production limitations after a series of mini-earthquakes in Groningen. The share of the mining sector in GDP declined to less than 0.5% in 2020 compared with 3.8% in 2008. By contrast, the share of public sector, including education and health, increased to 22% in 2018, a gain of 4 percentage points since 2000.

As an open economy, the Netherlands has responded well to the challenges of globalisation. More than 20% of employees have flexible working arrangements, which is among the highest in the EU. A third of these are on-call employees. As a result, the unemployment rate, at 3.4% in 2019, is one of the lowest in the EU.

Thanks to its favourable fiscal environment and excellent infrastructure, the Netherlands is home to many multinational corporations. It is also an important financial centre. Since Brexit, Amsterdam has ousted London as Europe's top share trading hub. The banking sector had accumulated assets of 340% of GDP by end 2020, while private pension fund assets were worth around 215% of GDP, the highest in the OECD. Almost all pension funds have funding ratios between 105% and 135%.

Since October 2017, the country has been governed by a centre-right coalition, consisting of the business-friendly liberal VVD party, the progressive liberal D66 party and the Christian democratic parties, CDA and Christian Union. Mark Rutte (VVD) is Prime Minister, a position that he has held since 2010 in three different coalition governments. In January 2021, the government resigned over a childcare subsidies scandal, but continued to run the affairs in a caretaker capacity. The general election held in March 2021 were won by the liberal parties VVD and D66. However, these parties have failed until now to form a coalition that has a majority in the second chamber of parliament.

Summary

BNP Paribas presence

The Netherlands is a major market for BNP Paribas and the bank provides a comprehensive range of services to institutional customers including instant payments. BNP Paribas' corporate and financial institution customers are supported from three business centres in Amsterdam, Rotterdam and

Eindhoven. Amsterdam is BNP Paribas' largest [cash concentration](#) hub in Europe, leveraging the right of set-off permitted under Dutch law.

Currency

Currency

- Euro (EUR).

Exchange rates

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

Source: IMF, International Financial Statistics, July 2021.

Central Bank

- The Dutch central bank is De Nederlandsche Bank (DNB – www.dnb.nl).
- The DNB 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 Netherlands Authority for the Financial Markets (De Autoriteit Financiële Markten (AFM – www.afm.nl)).

Bank accounts

Resident / non-resident status

- A company is generally considered resident in the Netherlands if its place of effective management is located there or it is incorporated under Dutch law.

Bank accounts for resident entities

	Within NETHERLANDS	Outside NETHERLANDS
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 NETHERLANDS	Outside NETHERLANDS
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 not applied on payments between resident and non-resident accounts

Factoring

Legal framework

- Legal base for factoring: pledge or assignment with transfer of legal ownership.
- In NL it is possible to take over the ownership of the bank account of a client (ING/RABO/ABN), which facilitates directing the payment flow of debtors towards the factor.
- Specific industries (interim labour and construction) need to operate a specific bank account (G-account) on which debtors need to pay social charges.

Product specifics

• DISCLOSED / UNDISCLOSED

Both options are available, undisclosed solutions are only offered to well-rated companies.

• RECOURSE / NON-RECOURSE

Both solutions are offered but the market demand mainly consists of recourse factoring.

• STRUCTURED PRODUCTS

Offered products are: receivables financing/purchasing, stock financing and payables. Off-balance (IFRS/ Dutch GAAP) A/R only.

• STOCK FINANCING

Only in combination with receivables.

• EXPORT / IMPORT

Import factoring via FCI. Export factoring via BNP Paribas factoring network companies.

• CONCENTRATION REQUIREMENTS

Standard concentration level is 15%-20%, more is possible depending on the creditworthiness of the debtor.

- **MAX. PREPAYMENT %**

Up to 90% for recourse or non-recourse business and 100% for off-balance purchase.

- **CREDIT COVER %**

Re-insurance is 100%.

- **USUAL FUNDING PERIOD**

60 - 90 days depending on sector and risk spread.

- **OFF-BALANCE SHEET SOLUTIONS**

One shot & recurring off-balance sheet solutions can be offered to large corporate/listed clients.

- **INVOICE TRANSFER**

Electronic transfer.

- **ON-LINE APPLICATIONS**

The client can consult portfolio information and financing possibilities through Client-Manager plugged to Aquarius (real time).

- **DELAYED DUNNING**

Delayed dunning is possible up to 90 days.

- **DATA FACTORING**

Data factoring is common practice in the market.

- **CURRENCIES OF FINANCE**

Common currencies are EUR, USD and GBP. Others are possible on request.

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 most commonly used payment instruments by companies to make supplier, payroll and tax payments. Card payments, especially debit card payments, are increasing, aided by the high level of adoption of contactless payments: the share of contactless payments using payment cards had increased to 85% by end 2020. Digital and mobile payments are also increasing in popularity.

Electronic banking services are available from all banks. There is no national electronic banking standard in the Netherlands, so companies use banks' proprietary services. Multinational companies also use the SWIFT for Corporates messaging standards. Transaction and balance reporting, automated end-of-day sweeping, and transaction initiation services are available on a domestic and cross-border basis.

The online SEPA-compliant iDEAL application is offered by the leading Dutch banks for secure purchases via credit transfer. It is available in all mobile banking apps. In 2020, there were 890 million transactions via iDEAL (667 million 2019), with a value of EUR 70 billion (EUR 53.4 billion 2019).

Mobile and internet banking services are provided by Netherlands's leading banks. In 2020, there were 519 million mobile banking transactions (643 million in 2019), with a value of EUR 232 billion (EUR 201 billion 2019). There were 511 million internet banking transactions (465 million in 2019), with a value of EUR 2.33 billion (1.84 billion 2019).

Payment Systems

TARGET2 NL	TYPE	<ul style="list-style-type: none"> • Real-time gross settlement. • Dutch component of the pan-European TARGET2 system.
	PARTICIPANTS	<ul style="list-style-type: none"> • 55 direct, 12 indirect.
	TRANSACTION TYPES PROCESSED	<ul style="list-style-type: none"> • High-value and urgent EUR-denominated domestic and cross-border credit transfers. • Net obligations from equensWorldline CSS.
	OPERATING HOURS	<ul style="list-style-type: none"> • 07:00 -18:00 CET, 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 = 18:00 CET.
	SYSTEM HOLIDAYS	<ul style="list-style-type: none"> • TARGET2 is closed at weekends and on 1 January, Good Friday, Easter Monday, 1 May, and 25 and 26 December.
equensWorldline CSS	TYPE	<ul style="list-style-type: none"> • Multilateral net settlement system.

	PARTICIPANTS	<ul style="list-style-type: none"> • 25 direct.
	TRANSACTION TYPES PROCESSED	<ul style="list-style-type: none"> • SEPA payments (credit transfers and direct debits). • Payment card transactions. • Niche payment instruments: IBAN-Acceptgiros and TNS credit transfers.
	OPERATING HOURS	<ul style="list-style-type: none"> • 07:00-17:00 CET, Monday to Friday.
	CLEARING CYCLE (eg cut-off times)	<ul style="list-style-type: none"> • 07:30–17:00 CET: settlement is every 30 minutes via TARGET2 SSP. • Cut-off time for same-day settlement = 15:30 CET.
	SYSTEM HOLIDAYS	<ul style="list-style-type: none"> • equensWorldwide CSS is closed on all TARGET2 holidays.

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax and treasury payments.
- SEPA credit transfers can be settled via equensWorldline CSS, STEP2 or via correspondent banking networks.
- Approximately 37 banks in the Netherlands participate in the SEPA credit transfer scheme.
- The Telegiro Nieuwe Stijl (TNS), a domestic low-value and urgent credit transfer scheme, was closed in 2020.
- IBAN-Acceptgiros are pre-prepared, in-payment transfers initiated by the payee. Plans to phase out IBAN-Acceptgiros in 2019 were cancelled, although their use is falling rapidly.
- Instant Payment credit transfers are processed within five seconds and are immediately credited to the account of the beneficiary, regardless of where the account is held. Instant Payments are available 24/7, 365 days of the year. Large Dutch banks offer the service via their online and/or mobile channels using the clearing and settlement services of EquensWorldline. There is no value limit for instant payments within the Netherlands. Cross border instant payments have a maximum limit of EUR 100,000 per transaction. The Dutch Instant Payments scheme fully complies with the EPC's SCT Inst Scheme. All participating Dutch banks automatically process payments via mobile devices and internet banking as Instant Payments.
- There were 372 million Instant Payments in 2020 (201 million in 2019), with a value of EUR 276 billion (EUR 149 billion 2019).
- 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 and urgent cross-border credit transfers can also be settled with end-of-day value via the Euro Banking Association's EURO1 system. Five banks in the Netherlands 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 10 participants.
- 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.
- SEPA direct debits can be settled on a same-day basis via EquensWorldline CSS or STEP2.
- There are 25 Core SDD participants and 15 B2B SDD participants.

Cheques

- Cheques have not been issued in the Netherlands since 2002.
- Legacy cheque items are occasionally used despite being expensive and difficult to negotiate.
- Cheques are cleared bilaterally between banks.

Card payments

- Card payments, particularly debit cards, are increasingly popular, especially for retail transactions.
- In 2020, there were 4.87 billion debit card transactions, with a value of EUR 126 billion. There were 30 million credit card transactions, with a value of EUR 2 billion.
- There were 30.1 million debit cards and 6.1 million credit cards in circulation at the end of 2020.
- Visa and Maestro/MasterCard-branded payment cards are the most widely issued.
- American Express and Diners Club credit cards are also available.
- Most card payments are settled via EquensWorldline CSS.

- Contactless card technology is available and widely used in the Netherlands. In 2020, the share of contactless payments using payment cards had increased to 85% by end 2020.
- All cards issued are SEPA-compliant with EMV chips.

ATM/POS

- There were 3,540 ATMs in the Netherlands at the end of 2020.
- There were 328,000 EFTPOS terminals in the Netherlands at the end of 2020.
- Payments are settled via equensWorldwide CSS.
- All ATMs and POS terminals are EMV-compliant.
- Netherlands' three largest banks ING, Rabobank, and ABN AMRO have announced plans for a joint ATM network covering the whole country. The partners started migrating the network in early June 2019 and aim at completing the project by the end of 2021.

Electronic wallet

- MasterCard's MasterPass electronic wallet payment platform facilitates online purchases by MasterCard, Visa and American Express card holders in the Netherlands using PCs and mobile devices.
- There were 15,000 payment cards with an e-purse function in circulation at the end of 2019.
- Digital wallet services such as MasterCard's MasterPass, iDEAL, NETELLER and Skrill are available and widely used. The number of mobile contactless payments reached 116 million in 2019.
- E-money payments can be settled via equensWorldwide CSS.

Short term investments

Market overview

Interest payable on credit balances

Interest-bearing current accounts are permitted for residents and non-residents denominated in EUR or foreign currency.

Demand deposits

- Demand deposits denominated in EUR or major foreign currencies are available to both residents and non-residents.

Time deposits

- Time deposits are available in EUR or major foreign currencies for terms of one night to more than one year.
- Time deposits pay fixed or floating interest.

Certificates of deposit

- Domestic commercial banks issue certificates of deposit.

Treasury (government) bills

- The Dutch State Treasury Agency issues Dutch Treasury Certificates (DTCs), for terms of three, six, nine and 12 months.

Commercial paper

- Domestic [commercial paper](#) is issued by companies, financial institutions and public authorities with terms ranging from one month to two years. The minimum investment is EUR 500,000.

Money market funds

- Domestic money market funds are available.

Repurchase agreements

- Collateralised loans (belending) are available.

Banker's acceptances

- Banker's acceptances are not used.

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 has a long heritage of supporting international trade flows in the Netherlands, and now ranks third in the market for large corporates. The Global Trade Solutions (GTS) team in the Netherlands includes 3 marketers, 1 trainee (IVB - International Volunteers in Business) and 10 middle and back officers. The direct handling of a variety of GTS products and services by experienced local specialists, with support across front-, back- and middle offices is greatly appreciated by corporate clients as it ensures short communication lines, close relationships and a detailed understanding of corporates' international trade needs.

International trade

General trade rules

- As a member of the EU, the Netherlands 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.

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 came into force on 1 May 2021.

Imports / exports

Imports	Crude petroleum	Refined petroleum	Broadcasting equipment	Computers	Cars
Primary Import sources	Germany (15.0%)	China (11.0%)	Belgium (9.0%)	USA (8.0%)	Russia (7.0%)
Exports	Refined petroleum	Packaged medicines	Broadcasting equipment	Photography equipment	Computers

Export markets	Germany (20.0%)	Belgium (12.0%)	UK (9.0%)	France (7.0%)	USA (5.0%)
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Import / export volumes

			6	2017	2018	2019	2020
Exports	- goods USD m		465,517	520,637	572,561	552,951	533,453
	- services USD m		157,640	175,168	201,176	202,820	202,820
Imports	- goods USD m		392,888	439,411	487,960	476,593	453,704
	- services USD m		150,330	166,814	189,418	184,589	168,957
Current account as % GDP			8.0	10.9	10.9	9.9	9.0

Source: IMF, International Financial Statistics, July 2021.



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