



# ATLAS

BY BNP PARIBAS

## CASH MANAGEMENT

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As an overseas department of France, Martinique's GDP represents about 0.5% of France's total GDP. In 2018, its GDP per capita stood at EUR 24,460 in real terms (compared to EUR 34,017 for France). Only a small proportion of the population has a tertiary qualification, resulting in high unemployment at 15% (compared to 8% in metropolitan France), although this is about 5-ppt lower than other French overseas departments. The services sector provides 80% of employment and of value-added. In terms of sectoral specialisation, Martinique's economy is based mainly on oil refining, agriculture / food processing, fishing, aquaculture and tourism.

In 2020, Martinique's economy is marked like other French regions by the impacts of the Covid-19 crisis: its GDP is expected to contract by 3%. This shock comes at a time the economy had already been marked by weaker growth since 2015. However, the impact of the lockdowns and other restrictions measures is cushioned firstly by the high share in the economy of non-market services and public administrations and secondly by the various emergency measures put in place by the government. As in metropolitan France, the decline in employment is therefore relatively small compared to the GDP contraction while business creations remain at a high level as does construction activity. On the other hand, the hit to tourism is severe.

## Summary

## BNP Paribas presence

As an overseas territory of France, BNP Paribas customers in Martinique enjoy a comparable level of support as those in mainland France. 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 both cash management and international trade services.

## 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

### Central bank

- The Institut d'émission des départements d'outre-mer (IEDOM – [www.iedom.fr](http://www.iedom.fr)) acts as the central bank in French overseas departments and territories in the name, on behalf, and under the authority, of the Banque de France ([www.banque-france.fr](http://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.int](http://www.ecb.int)).

### 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.
- Banks are supervised by the Autorité de Contrôle Prudentiel et de Résolution (ACPR – [www.acpr.banque-france.fr](http://www.acpr.banque-france.fr)).
- The IEDOM, in collaboration with the ACPR, oversees the banking system in Martinique.

### Bank accounts

## Resident / non-resident status



- Martinique is an overseas region of France, consisting of a single overseas department. A resident of Martinique is therefore a resident of France.
- 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 MARTINIQUE	Outside MARTINIQUE
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 MARTINIQUE	Outside MARTINIQUE
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.

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

Cash remains a common method of payment Martinique - 39% of all transaction are paid for using cash, although cash withdrawals are in decline showing an increasing preference for electronic payment methods, i.e. payment cards. Card-based payments increased 5% in Q1 2021.

Electronic banking services are available from all banks. Domestic companies primarily use EBICS (Electronic Banking Internet Communication Standard) protocols which have replaced the previous ETEBAC standards. 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 the country's leading banks.

### Payment Systems

<a href="#">TARGET2</a>  Banque de France	Type	<ul style="list-style-type: none"><li>• Real-time gross settlement.</li><li>• French component of the pan-European <a href="#">TARGET2</a> system.</li></ul>
	Participants	<ul style="list-style-type: none"><li>• 135 direct, 165 indirect in France (including all overseas regions).</li></ul>

	Transaction types processed	<ul style="list-style-type: none"> <li>• EUR-denominated domestic and cross-border payments.</li> <li>• SEPA payments (credit transfers and direct debits).</li> <li>• Paper-based payments (cheques, bills of exchange) which must be truncated into electronic items before processing.</li> <li>• Payment card transactions.</li> <li>• There is a maximum value threshold of EUR 800,000.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 06:45–18:30 CET, Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• CORE operates a number of clearing cycles for different payment types.</li> <li>• Credit transfers, direct debits, card payments and ATM withdrawals are settled on a same-day basis. Cut-off time = 13:30 CET</li> <li>• Cheques and interbank payment orders are settled on a next-day basis. Cut-off time = 18:30 CET.</li> <li>• Electronic bills of exchange (LCRs) are settled on a five-day cycle. Cut-off time = 18:30 CET.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• ?</li> <li>• TARGET2 is closed at weekends and on 1 January, Good Friday, Easter Monday, 1 May, and 25 and 26 December</li> </ul>
CORE	Type	<ul style="list-style-type: none"> <li>• Multilateral deferred <a href="#">net settlement system</a>.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 10 direct, 154 indirect in France (including all overseas regions).</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• Domestic and cross-border payments.</li> <li>• SEPA payments (credit transfers and direct debits).</li> <li>• Niche domestic direct debits (TIPs and TLRs).</li> <li>• Paper-based payments (cheques, bills of exchange) which must be truncated into electronic items before processing.</li> <li>• Payment card transactions.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 24 hours a day, Monday to Friday.</li> <li>• CORE closes at 14:00 CET, Saturday.</li> </ul>



	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• CORE operates a number of clearing cycles for different payment types.</li> <li>• Credit transfers, card payments and <a href="#">ATM</a> withdrawals are settled on a same-day basis. Cut-off time = 13:30 CET</li> <li>• Cheques and interbank payment orders are settled on a next-day basis. Cut-off time = 18:30 CET.</li> <li>• Direct debits are settled on a four-day cycle. Cut-off time = 19:30 CET.</li> <li>• Electronic bills of exchange (LCRs) are settled on a five-day cycle. Cut-off time = 18:30 CET.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• CORE is closed on all French bank holidays.</li> <li>• French bank holidays are:</li> <li>• 2nd half 2021: 14 July, 15 August, 1, 11 November, 25, 26 December.</li> <li>• 2022: 1 January, 15, 18 April, 1, 8, 26 May, 6 June, 14 July, 15 August, 1, 11 November, 25, 26 December.</li> </ul>

## 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.
- 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 in November 2017, 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 is a common cashless payment instrument used both by consumers and small companies. However, its use is in steady decline. Cheque payments fell 22.1% in 2020 to four million. Although this steep decline is almost certainly Covid-related, it is indicative of a drop in cheque usage. Cheque payments fell 12% in 2019.
- 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.
- Negotiable, transferable bills of exchange are also available. These are truncated into electronic items before being settled on a five-day cycle via CORE. There are two forms:
  - The *lettre de change relevé* (LCR) is an electronic trade bill, which is usually discounted to finance trade.
  - The *billet à ordre* (BOR) is a promissory note.

## Card payments

- Card payments are increasingly popular, especially for retail transactions.
- There were 647,103 debit and ATM cards in circulation in Martinique at the end of 2020, a 4.8% increase on 2019 figures. Debit cards account for 65.9% of the total number of cards in use.
- Card payments totalled EUR 2.5 billion in 2020.
- Contactless payment cards are available but not widely used.
- Most cards in Martinique are co-branded with Visa and MasterCard.
- American Express credit cards are also available.
- Contactless payment cards are available, although availability is limited.
- Domestic card payments are processed by CORE.
- All cards issued are SEPA-compliant with EMV chips.

## ATM/POS

- There were 321 ATMs in Martinique at the end of 2020.
- All payments are settled via CORE.
- All ATMs and POS terminals are EMV-compliant.

## Electronic wallet

- Pre-paid wallets are available.
- Mobile payment methods such as Paylib and Apple Pay are available but not widely accepted.

## Short term investments

## Market overview

### Interest payable on credit balances

- Interest-bearing current accounts are permitted.

### 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

- Domestic banks issue certificates of deposits (CDs) with terms ranging from overnight to 12 months.

### Treasury (government) bills

- Martinique does not issue its own Treasury bills (*bons du Trésor*); this is undertaken by the French sovereign debt management agency (Agence France Trésor).
- Short-term Treasury bills are issued at a discount for terms up to one year. These are known as *bons du Trésor à taux fixe* (BTFs).

## Commercial paper

- Commercial paper is issued by companies. Most paper (*billet de trésorerie*) is issued for a month, although terms ranging from overnight to 12 months are permitted.

## 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

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

## Banker's acceptances

- Banker's acceptances are not used in Martinique.

## 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	●
	●
	●

- As an overseas department of France, customers in Martinique have access to BNP Paribas' comprehensive Global Trade Solutions (GTS) network. 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 part of France, Martinique follows the EU customs code and applies all associated regulations and commercial policies.

### 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

- Please refer to the import/ export volumes for France.



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