



**ATLAS**  
BY BNP PARIBAS

**CASH MANAGEMENT**

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Slovenia is a small and export-oriented economy. It is a member of the Eurozone. Its main export market is the European Union (3/4 of total exports) primarily in equipment and the automotive sector.. Public debt is fairly high (a legacy of the global financial crisis), it reached 80% by 2020. It is expected to remain at a fairly high level in the medium and long term considering the rising cost of the healthcare and pension systems. The public sector's weight in the economy remains significant, and privatisation of state assets has been underway for several years. Nevertheless, this process is likely to remain slow given political constraints.

Despite elements of economic strength (high per capita income, competitive export-oriented sector and prudent fiscal policy), the Slovenian economy is vulnerable to economic conditions in the eurozone, and the unfavourable demographic trend (rapidly aging population) creates medium-term challenges for the pension and health systems.

Exports to EU and tourism activity (around 10% of GDP) have been hard hit by the pandemic. Nevertheless, European fiscal and monetary support, as well as healthy public finances, should soften the impact of the crisis on public finances and growth prospects.

## Summary

## BNP Paribas presence

- Please contact your relationship manager for information on BNP Paribas' cash management and trade finance services in Slovenia.

## 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 Slovenian central bank is Banka Slovenije (BSI – bsi.si).
- The BSI 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](http://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 NBS.

## Bank accounts

### Resident / non-resident status

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

### Bank accounts for resident entities

	Within SLOVENIA	Outside SLOVENIA

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 SLOVENIA	Outside SLOVENIA
Local Currency	Permitted without restriction, fully convertible	Permitted without restriction, fully convertible
Foreign Currency	Permitted without restriction, fully convertible	Not applicable

## Lifting fees

- There is no standard approach to lifting fees.

## 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	●

### Market overview

Cash remains an important payment method in Slovenia, especially for low-value retail transactions. However, there is a shift towards electronic payment methods, particularly card-based payments. In 2020, Flik, Slovenia's national instant P2P money transfer system was launched enabling P2P transactions.

Electronic credit transfers are the most widely used instrument by companies to make supplier and payroll payments. Domestic credit transfers accounted for 52.4% of the total number of payments through Slovenia's payment systems in 2019 (15.9% of the value). Card payments are also on the rise but, according to Mastercard Slovenia, as many as three-quarters of SMEs in Slovenia do not accept cards. Mastercard has launched an initiative which aims to encourage as many small businesses in Slovenia as possible to make a transition to digital payment methods. EUR 1 million will be made available to selected participants in the next three years.

Electronic banking services are available from all banks in Slovenia. Transaction and balance reporting and transaction initiation services are available. Digital-only banks and the digitalisation of services by traditional banks has driven the widespread adoption of digital banking services in Slovenia and most routine services are now performed online. There were one million individual users of online banking at the end of Q1 2021 (71,201 in Q1 2020) and 999,398 users of mobile banking (800,925 in Q1 2020).

Bankart provides the E-invoice system which enables digital exchange of invoices and other documents between the participants in this system.

### Payment Systems

TARGET2-SI	Type	<ul style="list-style-type: none"><li>• Real-time gross settlement.</li><li>• Slovenia component of the pan-European TARGET2 system.</li></ul>
	Participants	<ul style="list-style-type: none"><li>• 14 direct.</li></ul>
	Transaction types processed	<ul style="list-style-type: none"><li>• High-value and urgent EUR-denominated domestic and cross-border credit transfers.</li><li>• Net obligations from Slovenia's other clearinghouses.</li></ul>

	Operating hours	<ul style="list-style-type: none"> <li>• 07:00–18:00 CET, Monday to Friday.</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Payments are cleared and settled in real time.</li> <li>• Customer payment cut-off time = 17:00 CET.</li> <li>• Interbank payment cut-off time = 18:00 CET.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• TARGET2 is closed at weekends and on 1 January, Good Friday, Easter Monday, 1 May, and 25 and 26 December</li> </ul>
SIMP-PS	Type	<ul style="list-style-type: none"> <li>• Multilateral net settlement system.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 15 direct.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• Domestic direct debits.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• NA</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Payment processing in SIMP-PS is carried out in four clearing cycles.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• SIMP-PS is closed on all TARGET2 holidays.</li> <li>• TARGET2 is closed at weekends and on 1 January, Good Friday, Easter Monday, 1 May, and 25 and 26 December.</li> </ul>
BIPS	Type	<ul style="list-style-type: none"> <li>• Real-time settlement.</li> </ul>
	Participants	<ul style="list-style-type: none"> <li>• 15 direct.</li> </ul>
	Transaction types processed	<ul style="list-style-type: none"> <li>• Instant payments according to the SCT Inst scheme between domestic banks</li> <li>• Domestic credit transfers.</li> <li>• Single transactions have a maximum value of EUR 50,000.</li> </ul>
	Operating hours	<ul style="list-style-type: none"> <li>• 24/7/365</li> </ul>
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> <li>• Instant payments are cleared and settled in real time.</li> <li>• Credit transfers are settled in six clearing cycles: 00:00, 08:00, 10:00, 12:00, 14:00 and 16:30.</li> </ul>
	System holidays	<ul style="list-style-type: none"> <li>• NA</li> </ul>



## Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax and treasury payments.
- Credit transfers can be paper-based or electronic.
- In 2020, 153 million credit transfers were processed (160.8 million in 2019), with a value of EUR 273 billion (EUR 285.5 billion in 2019). Of the total number sent, 10.5 million were paper based, with a value of EUR 14 billion.
- Domestic credit transfers and instant credit transfers can be processed via BIPS.
- Instant payments can be processed via BIPS-IP. There are two sub-systems: BIPS-IP for commercial interbank instant payments and the FLIK Domestic payment scheme.
- Cross-border SEPA credit transfers can be settled via STEP2 or via correspondent banking networks.
- Sixteen banks in Slovenia participate in the SEPA credit transfer scheme.
- High-value and urgent domestic and cross-border (within the eurozone) credit transfers can be settled in real time via TARGET2-SI.
- 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.
- Cross-border transfers can also 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 six 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.
- In 2020, 44 million direct debits were processed (43 million in 2019), with a value of EUR 3.5 billion (EUR 3.5 billion in 2019).
- Direct debits can be settled on a same-day basis via SIMP-PS.

- SEPA direct debit CORE and B2B SEPA direct debit schemes are available in Slovenia. Sixteen banks in Slovenia participate in the SEPA direct debit CORE scheme, nine in the B2B scheme.

## Cheques

- Cheques are rarely used in Slovenia.

## Card payments

- Card payments, particularly debit cards, are increasingly popular, especially for retail transactions.
- There were 2.7 million debit and 129,059 credit cards in circulation at the end of March 2021. There were 1.3 million delayed debit cards in circulation.
- The number of domestic debit card payments in 2020 was 158.8 million (198.7 million in 2019). There were 3.9 million credit cards transactions (4.2 million in 2019).
- There are three domestic card schemes in Slovenia. Activa, Karanta and Bankart. Active cards are co-branded with Maestro, Mastercard, Visa or Electron. Karanta cards are co-branded with Mastercard.
- American Express and Diners Club credit cards are also available.
- Contactless payment cards are available.
- Bankart processes BA cards and Karanta cards. Activa is the processor of that Activa card scheme.
- MasterCard processes domestic transactions made using MasterCard and Maestro payment cards.
- All cards issued are SEPA-compliant with EMV chips.

## ATM/POS

- There were 1,480 ATMs in Slovenia at the end of Q1 2021.
- There were 36,197 POS terminals in Slovenia at the end of 2019.
- Poravnava Kartic processes all domestic transactions with MasterCard, Karanta and MA/Maestro cards at POS and ATMs. It is operated by Bankart.
- Poravnava bankomatov processes domestic debit cards transactions (BA Maestro, Activa Maestro) at ATMs when the cardholder makes a withdrawal from an ATM belonging to another participant in the payment system. It is operated by Bankart.
- All ATMs and POS terminals are EMV-compliant.

## Electronic wallet

- Reloadable pre-paid cards are available from banks and non-banks.

- There are three licensed e-money institutions in Slovenia.
- Instant payments can be made using Flik, Slovenia's national instant P2P money transfer system. Payments can be made 24/7/365 using a mobile number or email address. Flik is available from all commercial banks and savings bank which own it. Transfers of up to EUR 15,000 are permitted.
- Mobile wallet apps, such as VALÚ, Google Pay and Apple Pay, are available.

## Short term investments

### Market overview

#### Interest payable on credit balances

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

#### Demand deposits

- Demand deposits are permitted for residents and non-residents in domestic and foreign currency.

#### Time deposits

- Time deposits are available in EUR or major foreign currencies for terms of one, three, six or 12 months.
- ?Certificates of depositCertificates of deposit are offered by commercial banks with maturities up to one year.

#### Treasury (government) bills

- The Ministry of Finance issues Treasury bills at auction with terms up to 18 months.
- ?T-bills are issued in denominations of EUR 1,000.

#### Commercial paper

- Domestic commercial paper is issued by large domestic and international companies with terms ranging from one week to one year.

#### Money market funds

- Money market funds are available.

### Repurchase agreements

- Repurchase agreements are available.

### Banker's acceptances

- Banker's acceptances are not used in Slovenia.

## BNP Paribas Trade Finance Capabilities

### Trade payments

Documentary credits	●
Documentary collections	●

### Guarantees

Bank guarantees	●
Standby letters of credit	●

### Supply chain management

Receivables	●
Payables	●

Inventory	●
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## Trade channels

Connexis Trade	●
Connexis Supply Chain	●
SWIFTNet Trade for Corporates	●
Connexis Connect	●
	●
	●

## International trade

### General trade rules

- As a member of the EU, Slovenia 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	Packaged medicines	Cars and vehicle parts	Refined petroleum	Electricity	Delivery trucks	
Primary Import sources	Germany (14.0%)	Italy (12.0%)	Austria (8.0%)	Switzerland (8.0%)	China (7.0%)	
Exports	Packaged medicines	Cars and vehicle parts	Refined petroleum	Electrical lighting	Electricity	
Export markets	Germany (18.0%)	Italy (11.0%)	Croatia (8.0%)	Austria (7.0%)	France (5.0%)	Switzerland (5.0%)

## Import / export volumes

		2016	2017	2018	2019	2020
Exports	- goods USD m	27,655.7	32,080.6	36,387.9	35,845.6	33,871
	- services USD m	7,194.3	8,389.4	9,544.9	9,561.8	7,861
Imports	- goods USD m	25,949.9	30,250.7	34,865.4	34,352.8	31,009
	- services USD m	5,061.8	5,834.7	6,454.2	6,446.0	5,589
Current account as % GDP		+ 4.8	+ 6.3	+ 6.4	+ 6.3	+ 8.1

Source: IMF, International Financial Statistics, July 2021.

Trade finance - Imports

Documentation

- Documentation is not required for imports from within the EU, although a commercial invoice should be supplied.
- The following documentation is usually required in order to import goods into Slovenia from outside the EU:
  - customs declaration
  - commercial invoice
  - bill of lading
  - packing list
  - certificate of origin (in certain cases).

## Import licences

- Import licences are required for agricultural products with quantitative restrictions, in accordance with the EU's Common Agricultural Policy.

## Import taxes and tariffs

- Tariffs are set according to the EU customs code for all imports from outside the EU, with higher tariffs for agricultural imports.

## Financing requirements

- None.

## Risk mitigation

- None.

## Prohibited imports

- Slovenia prohibits the import of certain items in line with EU regulations and UN Security Council resolutions.
- Specific imports are prohibited in order to protect fauna and flora, for health and safety or moral reasons, and/or for national security.

### Documentation

- Documentation is not required for exports from within the EU, although a commercial invoice should be supplied.
- The following documentation is usually required in order to export goods from Slovenia outside the EU:
  - customs declaration
  - commercial invoice
  - bill of lading
  - packing list
  - certificate of origin (in certain cases).

### Export licences

- Export licences are required for dual-use goods and technological products, military equipment, armaments and ammunition, dangerous chemicals, poisons, narcotics and psychotropic substances.

### Export taxes and tariffs

- None.

### Financing requirements

- None.

### Risk mitigation

- Slovenia has implemented the EU directive on export credit insurance.
- SID Bank is Slovenia's export credit agency, provides state-supported export credit insurance in addition to state-subsidised export credit.
- Export credit insurance is also available from private insurance companies.



## Prohibited exports

- Slovenia prohibits the export of certain items in line with EU regulations and UN Security Council resolutions.

### Regulatory requirements

## Reporting regulations

- All transactions between residents and non-residents must be reported to the central bank.

### Reporting method

For external statistics purposes, resident non-bank entities report on their own behalf.

## Exchange controls

- Slovenia does not apply exchange controls.
- Restrictions apply to foreign investment in a limited number of sectors such as maritime and air transport by non-EEA residents.

### Taxation

## Resident / non-resident

### Resident/non-resident

- A company is considered resident if its seat or place of effective management is in Slovenia.

### Tax authority

- Ministry of Finance.
- ?Financial Administration of the Republic of Slovenia.

## Tax Year/filing

- The tax period is a calendar year or financial year.
- A tax return must be submitted by the end of the third month following the end of the tax year.
- Slovenia operates a self-assessment regime. In general, corporate income tax prepayments are due in monthly or quarterly instalments.
- Consolidated tax returns are not permitted; each company must file a separate return.

## Financial instruments

- N/A

## Interest and financing costs

- Interest expense may be deducted on loans from company owners or other associated parties up to a maximum of the amount calculated by using the prescribed interest rate published by the Ministry of Finance. Taxpayers must increase taxable profits by the amount of any excess interest expense unless they can prove that they could have received the loan on comparable terms from an unrelated party.

## Foreign exchange

- N/A

## Advance tax ruling availability

- Binding and non-binding rulings on proposed business activities may be obtained from the tax authorities.

## Capital gains tax

- Capital gains are subject to a base rate tax of 27.5%. which is reduced to 20% after the asset has been held for five years, 15% after 10 years and 10% if the asset is held for more than 15 years. Capital gains is tax exempt if the asset is held for more than 20 years.
- Capital gains arising from derivatives are taxed at a rate of 40% if disposed of during the first year of ownership. The rate decreases for longer periods of ownership.

## Withholding tax (subject to tax treaties)

Payments to:	Interest	Dividends	Royalties	Other income
Resident entities	0%	0%	0%	0%
Non-resident entities	15%	15%	15%	0-15%

## Tax treaties / tax information exchange agreements (TIEAs)

- Slovenia has concluded 62 tax treaties.
- Slovenia has implemented country-by-country reporting requirements.
- With country-by-country reporting, tax administrations of jurisdictions where a company operates will have aggregate information annually relating to the global allocation of income and taxes paid, together with other indicators of the location of economic activity within the MNE group. It will also cover information about which entities do business in a particular jurisdiction and the business activities each entity engages in. The information is collected by the country of residence of the MNE group, and then exchanged through exchange of information supported by such agreements as the MCAA. First exchanges under the MCAA started in 2017–18 on 2016 information.

## Thin capitalisation

- N/A

## Transfer pricing

- Transactions with non-resident related parties must be on arm's length terms. The same applies for resident related parties if one of the parties is deemed to be in a beneficial tax position. Documentation and reporting requirements apply.

## Stamp duty

- There is no stamp duty.

## Cash pooling

- There are no specific rules for cash pooling arrangements.

## Financial transactions / Banking services tax

- Tax is levied on financial services provided by banks and other financial institutions. The tax rate is 8.5% and is applied to the fee of the financial service.

All tax information supplied by Deloitte Touche Tohmatsu and Deloitte Highlight 2021 ([www.deloitte.com](http://www.deloitte.com)).



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