



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 5.7 million and a forecasted GDP of nearly \$304bn in 2025, Finland is a small, high-income open economy, with modest external asset holdings. According to Eurostat, Finland's NIIP (excluding non-defaultable instruments) stood at just 3.6% of GDP in December 2023, down from 6.8% in 2022, signalling limited foreign asset cushions.

Public debt remains moderate but in a rising trend: government debt stood at approximately 74.4% of GDP in 2023, projected to climb to 75.9% in 2024 and 77.8% in 2025, rising further to 82.1% by 2028. The fiscal deficit is expected to widen to around 3.7% of GDP in 2024, before stabilising at about 3.2% in 2025 amid a slow recovery from recession.

Finland's recovery has been sluggish, with growth forecasts of -0.2% in 2024, recovering to ~1.7% in 2025. Core challenges include an ageing demographic profile, moderate productivity growth, and fiscal strain from public services.

While fiscal credibility is maintained, reducing debt and deepening external resilience remain central medium-term priorities.

Summary

BNP Paribas presence

BNP Paribas has a representative office in Helsinki, enabling both foreign companies with a presence in Finland and Finnish companies seeking to expand internationally to access a wide range of services including cash management and international trade finance:

- We support our clients in Finland through non-resident accounts that can be located in any SEPA country
- Capabilities include tax, social security and salary payments
- Full integration with global BNP Paribas solutions
- Partner bank capabilities if cash collections are required
- Card Acquiring via Partner

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 Finnish central bank is Suomen Pankki (www.suomenpankki.fi).
- The Suomen Pankki 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. Finnish Financial Supervisory Authority (*Finanssivalvonta* – www.finanssivalvonta.fi).

Bank accounts

Resident / non-resident status

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

Bank accounts for resident entities

	Within FINLAND	Outside FINLAND
Local Currency	<ul style="list-style-type: none">• Permitted without restriction, fully convertible	<ul style="list-style-type: none">• Permitted without restriction, fully convertible
Foreign Currency	<ul style="list-style-type: none">• Permitted without restriction, fully convertible	<ul style="list-style-type: none">• Permitted without restriction, fully convertible

Bank accounts for non-resident entities

	Within FINLAND	Outside FINLAND
Local Currency	<ul style="list-style-type: none">• Permitted without restriction, fully convertible	<ul style="list-style-type: none">• Permitted without restriction, fully convertible
Foreign Currency	<ul style="list-style-type: none">• Permitted without restriction, fully convertible	<ul style="list-style-type: none">• Not applicable

Lifting fees

- Fixed item-based fees are applied on payments between residents and non-residents.

Factoring

Legal framework

Finland is serviced from Denmark.

Please consult the Denmark 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

Electronic credit transfers are the most commonly used payment instrument, by value. Companies use them to make supplier, payroll and tax payments. Card payments represent approximately two-thirds of all cashless payments. Contactless payments are the most popular type of card payment; in 2020, contactless payments accounted for 55% of the total volume of card payments.

Electronic banking services are available from all banks. Transaction and balance reporting and transaction initiation services are available on a domestic and cross-border basis. Finance Finland (FFI) It has also developed a Nordic XML-based standard, MIG (Message Implementation Guideline), based on C2B payment initiation, for e-banking, in conjunction with its Danish, Norwegian and Swedish counterparts.

Finvoice is an electronic invoicing standard among banks which facilitates intercompany invoicing. The service produces an XML-based invoice, which is sent to the payer in electronic format via the internet.

Online and mobile banking services are provided by all of Finland's banks. It is estimated that over 90% of Finnish residents use online banking services.

Payment Systems

TARGET2-Suomen Pankki	Type	<ul style="list-style-type: none"> • Real-time gross settlement. • Finnish component of the pan-European TARGET2 system.
	Participant	<ul style="list-style-type: none"> • 24.
	Transaction types processed	<ul style="list-style-type: none"> • High-value and urgent EUR-denominated domestic and cross-border credit transfers. • Net obligations from the POPS clearing house.
	Operating hours	<ul style="list-style-type: none"> • 08:00–19:00 EET, Monday to Friday.
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> • Payments cleared and settled in real time. • Interbank payment cut-off time = 19:00 EET.
	System holidays	<ul style="list-style-type: none"> • TARGET2 is closed weekends and 1 January, Good Friday, Easter Monday, 1 May, 25, 26 December.
POPS	Type	<ul style="list-style-type: none"> • Bilateral netting system.
	Participants	<ul style="list-style-type: none"> • 9 direct, 2 indirect.
	Transaction types processed	<ul style="list-style-type: none"> • Domestic customer-initiated express payments, high-value cheques and bank drafts.
	Operating hours	<ul style="list-style-type: none"> • 08:00–17:00 EET, Monday to Friday.
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> • The value of a transfer decides the settlement method to be used. If the transfer value is over the agreed interbank bilateral limit then the payment is settled directly by TARGET2. Transfers below the limit are bilaterally netted. • Final payment cut-off time = 16:30 EET. • End of day settlement of bilateral net positions take place in TARGET2 =17:00 EET.

	System holidays	<ul style="list-style-type: none"> POPS is closed at weekends and on all Finnish bank holidays. Finland's bank holidays are: 2nd half 2021: 6, 24–26 December. 2022: 1, 6 January, 15, 18 April, 1, 26 May, 24 June, 6, 24–26 December.
STEP2	Type	<ul style="list-style-type: none"> Multilateral net settlement system.
	Participants	<ul style="list-style-type: none"> 8 SCT participants, 8 SDD Core participants and 1 B2B SDD participant.
	Transaction types processed	<ul style="list-style-type: none"> Low-value and non-urgent domestic and cross-border SEPA payments (credit transfers (SCTs) and direct debits (SDDs)).
	Operating hours	<ul style="list-style-type: none"> Throughout the day, Monday to Friday.
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> Payments are processed in batches, with participant balances settled in TARGET2-Suomen Pankki. Cut-off time for overnight settlement of SCTs by 08:30 EET = 03:00 EET. Cut-off time for same-day settlement of SCTs by 10:45 EET = 10:00 EET. Cut-off time for same-day settlement of SCTs by 13:15 EET = 12:30 EET. Cut-off time for same-day settlement of SCTs by 15:45 EET = 15:00 EET. Cut-off time for same-day settlement of SCTs by 17:20 EET = 17:00 EET. In addition to the five daytime cycle above, there are two optional STEP2 SCT overnight cycles: Cut-off time for same-day settlement of SCTs by 22:40 EET = 22:00 EET. Cut-off time for same-day settlement of SCTs by 03:00 EET = 02:00 EET. Cut-off time for same-day settlement of consumer (CORE) SDDs = 12:00 EET Cut-off time for same-day settlement of B2B SDDs = 13:00 EET.
	System holidays	<ul style="list-style-type: none"> STEP2 is closed weekends and 1 January, Good Friday, Easter Monday, 1 May, 25, 26 December.

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax and treasury payments.
- SEPA credit transfers are settled via STEP2.
- All Finnish banks 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-Suomen Pankki.

- High-value, domestic and urgent 'express transfers' can also be processed via POPS.
- 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. Four banks in Finland participate directly in EURO1.
- High-value cross-border credit transfers in domestic and other currencies can be processed via SWIFT, correspondent banking and bank branch networks.
- The European Payment Council's SCT Inst scheme enables the transfer of funds to another account in less than ten seconds. The maximum threshold value is EUR 100,000, although there is no upper limit for transfers within Finland. There are five Finnish 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. There are six participants from Finland.
- 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. There are no Finnish participants to date.

Direct debits

- Direct debits are used for regular payments, such as utility bills.
- There are a number of alternative domestic direct debit schemes in Finland, including direct invoicing, e-invoicing and SEPA direct debits.
- Direct invoicing allows the payer to verify payment information before the payment is made.
- E-invoicing, offered by banks, enables clients to send electronic invoices directly to their corporate and consumer customers.
- SEPA direct debits are settled on a same-day basis via STEP2. There are eight participants in the Core SDD scheme and one in the B2B SDD scheme.

Cheques

- The cheque is rarely used in Finland. In 2020, just EUR 21 million in cheque payments was processed, down from EUR 56 million in 2019 and EUR 283 million in 2018.
- Cheques are primarily used for high-value business payments.
- Cheques are processed by POPS and settled via TARGET2-Suomen Pankki.

- Cheque payments above a bilaterally agreed settlement threshold are settled directly via TARGET2-Suomen Pankki.

Card payments

- Card payments, particularly debit card payments, are increasingly popular, especially for retail transactions. There were 1,746 million debit card transactions in 2020, compared to 161 million credit card transactions.
- Payments with Finnish payment cards decreased slightly in 2020, to 1.9 billion, compared to 2019. The total value of card payments increased by 3.5%, to EUR 56.0 billion, from EUR 54.1 billion over the same period.
- There were 9.9 million payment cards in circulation at the end of 2019.
- Contactless card technology is available in Finland. Contactless payments accounted for 55% of the total volume of card payments in 2020.
- Most payments are processed by Nets.
- All cards are SEPA-compliant with EMV chips.

ATM/POS

- There were 1,751 ATMs in Finland at the end of 2019.
- All ATMs and POS terminals are EMV-compliant.

Electronic wallet

- There are a number of electronic wallet schemes in Finland. E-purse cards are issued by some public transport operators as well as phone and retail companies.
- International pre-paid cards are available.
- Mobile payment schemes such as MobilePay and Siirto are available.
- A total of 168 million remote payments were made in 2020, 36% more than in 2019. Total value grew 23% to EUR 6.8 billion.

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 available for residents and non-residents.

Time deposits

- Time deposits are a popular instrument form with small companies in Finland.
- Most time deposits are issued with maturities below one month.

Certificates of deposit

- Domestic banks issue certificates of deposit with a range of tenors.
- The minimum investment is EUR 150,000.

Treasury (government) bills

- The State Treasury issues Treasury bills denominated in EUR and USD with terms ranging from one day to one year.

Commercial paper

- Commercial paper is issued by companies with a range of maturities.

Money market funds

- Money market funds are available.

Repurchase agreements

- Repurchase agreements are commonly available in Finland.

Banker's acceptances

- Banker's acceptances are not used in Finland.

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 provides a comprehensive range of trade finance and supply chain management solutions to the key exporting companies in the Nordics, enabling them to mitigate their payment risk, secure commercial contracts and enhance their working capital needs. Through the bank's trade centre for the Nordics, BNP Paribas provides a single entry point for its customers to manage all their trade finance needs including advice on local guarantee wording.

International trade

General trade rules

- As a member of the EU, Finland 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 and the UK are currently negotiating their future trading relationship following the UK's withdrawal from the EU.

Imports / exports

Imports	Crude petroleum	Cars and vehicle parts	Refined petroleum	Broadcasting equipment	Packaged medicines
Primary Import sources	Germany (16.0%)	Sweden (14.0%)	Russia (13.0%)	China (6.0%)	Netherlands (6.0%)

Exports	Refined petroleum	Cars	Stainless steel	Paper and pulp	Lumber
Export markets	Germany (14.0 %)	Sweden (10.0%)	USA (8.0%)	<u>Netherlands</u> (6.0%)	China (6.0%)

Import / export volumes

SSources: IMF, International Financial Statistics and World DataBank, August 2020.

		2016	2017	2018	2019	2020
Exports	- goodsUSD m	58,863	67,198	74,302	72,656	68,375
	- services USD m	26,870	28,880	31,937	34,472	28,971
Imports	- goods USD m	58,459	65,510	73,982	70,097	64,436
	- services USD m	29,730	30,444	35,196	36,472	31,709
Current account as % GDP		− 0.8	− 0.9	− 1.8	− 0.5	+ 0.5



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