



ATLAS
BY BNP PARIBAS

CASH MANAGEMENT

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BNP PARIBAS

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world

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With a population of 121 million and a forecasted GDP of \$4,186bn in 2025, Japan is a large advanced economy, offering high income per capita and a substantial positive net foreign asset position—estimated NIIP at 280% of GDP in 2023, one of the largest globally. The current account remained in surplus (~3.4% of GDP in 2023), supported by substantial investment income from foreign assets.

However, Japan's public debt ratio is exceptionally high, with gross government debt at 234.9% of GDP at end of March 2025 (slightly declining from 258% in 2020), and fiscal deficits narrowing but still averaging 6–7% of GDP in recent years. Debt remains the highest among major economies.

While Japan retains fiscal credibility, household and corporate sector balance sheets face stress from demographic decline and low productivity. The economy has struggled with secular stagnation: annual real GDP growth averaged only ~0.75% over the past decade, and younger workers' wages have remained stagnant.

Recent policy shifts—ending negative interest rates and achieving near balance in fiscal accounts in early 2025—have created cautious optimism. Public debt fell modestly to 235% in 2025, while nominal deficits declined. Nonetheless, sustained progress hinges on structural reforms in labor markets, fertility policy, and innovation to boost productivity and maintain solvency.

Growth is projected at around 0.9% in 2025, close to 1% through 2026.

Summary

BNP Paribas presence

BNP Paribas has been present in Japan since 1867 with over 800 BNP Paribas specialists based in the Tokyo headquarters. The bank offers domestic and cross-border cash and liquidity management services and international trade finance solutions to both Japanese corporations and multinational corporations with a presence in Japan.

Currency

Currency

- Japanese yen (JPY).

Exchange rates

	2016	2017	2018	2019	2020
Exchange rate: JPY per USD	108.793	112.166	110.423	109.010	106.77

Source: IMF, International Financial Statistics, June 2021.

Central Bank

- The Japanese central bank is the Bank of Japan (BOJ - www.boj.or.jp).

Bank supervision

- Japanese banks are licensed and supervised by the Financial Services Agency (FSA – www.fsa.go.jp).

Bank accounts

Resident / non-resident status

- A company is considered resident in Japan if its principal or head office is located in the country, with the exception of companies considered resident in countries with which Japan has a double-tax treaty.

Bank accounts for resident entities

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

Lifting fees











- Percentage-based lifting fees are applied on payments between resident and non-resident 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

There is a strong preference for cash in Japan; government statistics indicate that it has a cashless ratio below 20% versus 96% in South Korea, for example. The government has set a target of doubling the percentage of cashless payments by 2025 to reduce the country's dependency on cash. Most recently, it has proposed reforms that would enable companies to pay salaries digitally.

MoneyTap is a P2P cash transfer app and enables real-time settlement for domestic payments in JPY or foreign currency 24/7/365 via a bank account, phone number or QR code. In 2020, the volume and value of e-money transactions decreased 5.0% to 5,923 million on 2019. Value increased 4.9% to JPY 6.0 trillion.

Electronic banking services are available from all banks. There is no national electronic banking standard in Japan, so companies use banks' proprietary services.

Companies use Answer Network System for Electronic Requests (ANSER) to see balance records across a variety of bank accounts. Zengin can then be used to initiate domestic and foreign-currency transfers between these accounts. Foreign companies sometimes operate separate electronic banking systems due to the difficulty in translating characters used in Japanese data to a readable format.

Payment Systems

BOJ-NET	Type	<ul style="list-style-type: none">• Real-time gross settlement.
	Participants	<ul style="list-style-type: none">• 494 direct.
	Transaction types processed	<ul style="list-style-type: none">• High-value (in excess of JPY 100 million) and urgent JPY-denominated interbank transfers.• Net obligations from the FXYCS, Zengin and BCCS payment systems.
	Operating hours	<ul style="list-style-type: none">• 08:30–21:00 JST, Monday to Friday.
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none">• Payments are cleared and settled in real time.• BCCS payments cut-off time = 17:00 JST.• Zengin payments cut-off time = 16:30 JST.• FXYCS payments cut-off time = 15:00 JST.

	System holidays	<ul style="list-style-type: none"> • BOJ-NET is closed on all Japanese bank holidays • Japan's bank holidays are: • 2nd half 2021: July 19, August 11, September 20, 23, October 11, November 3, 23, December 31. • 2022: January 1-3, 10, February 11, 23, March 21, April 29, May 3-5, July 18, August 11, September 19, 23, October 10, November 3, 23, December 31. •
FXYCS	Type	<ul style="list-style-type: none"> • Real-time gross settlement.
	Participants	<ul style="list-style-type: none"> • 27 direct. 173 indirect.
	Transaction types processed	<ul style="list-style-type: none"> • JPY-denominated cross-border electronic payments. • JPY-denominated non-resident payments. • JPY-denominated bond transactions.
	Operating hours	<ul style="list-style-type: none"> • 08:30-15:00 Simultaneous Settlement Payment Instructions. • 08:30-21:00 Ordinary Settlement Payment Instructions. • 09:00-15:00 Exchange hours for payment instructions.
	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> • Payments are cleared and settled in real time. • Payment instruction cut-off time = 14:00 JST. • Final settlement via BOJ-NET = 17:00 JST.
	System holidays	<ul style="list-style-type: none"> • FXYCS is closed on all Japanese holidays. (Dates as above)
Zengin	Type	<ul style="list-style-type: none"> • Designated time net settlement.
	Participants	<ul style="list-style-type: none"> • 1, 195. • 1,168 More Time System.
	Transaction types processed	<ul style="list-style-type: none"> • JPY-denominated electronic payments.
	Operating hours	<ul style="list-style-type: none"> • 08:30–15:30 JST, Monday to Friday. (07:30–16:30 on the last business day of each month). • The More Time System has extended operating hours, enabling intraday interbank funds transfers of less than JPY 100 million to be made to the account of the receiving bank on a real-time basis 24 hours a day, 365 days a year.

	Clearing cycle details (e.g. cut-off times)	<ul style="list-style-type: none"> • Payment instruction cut-off time: 15:30 JST. • Payments in excess of JPY 100 million are settled via BOJ-NET in real time. • Payments with a value of JPY 100 million or less are settled via BOJ-NET at 16:15 JST.
	System holidays	<ul style="list-style-type: none"> • Zengin is closed on all Japanese holidays. (Dates as above)
BCCS	Type	<ul style="list-style-type: none"> • Designated time net settlement.
	Participants	<ul style="list-style-type: none"> • 105 direct and 198 indirect (Tokyo Clearing House).
	Transaction types processed	<ul style="list-style-type: none"> • Paper-based payments (cheques and promissory notes).
	Operating hours	<ul style="list-style-type: none"> • Monday to Friday.
	Clearing cycle details (e.g. cut off times)	<ul style="list-style-type: none"> • Settlement takes place on a same-day basis. • Payments are settled via BOJ-NET at 12:30 JST. • Access to cleared funds is available on a next-day basis after 13:00 JST.
	System holidays	<ul style="list-style-type: none"> • The BCCS is closed on all Japanese holidays (Dates as above).

Credit transfers

- Credit transfers are used by companies to pay salaries and suppliers, and to make tax payments and treasury payments.
- High-value (with a value greater than JPY 100 million) and urgent domestic JPY-denominated credit transfers are either processed and settled in real time via BOJ-NET.
- Low-value (with a value of JPY 100 million or less) and non-urgent domestic JPY-denominated credit transfers are processed via Zengin and settled on a same-day basis via BOJ-NET
- Non-resident or high-value JPY-denominated cross-border credit transfers can be settled in real time via the FXYCS.
- Low-value credit transfers involving non-residents are processed via the FXYCS on a same-day basis. Final settlement is via BOJ-NET.
- Cross-border transfers can also be made via SWIFT and settled through correspondent banks abroad.
- The MoneyTap system enables real-time settlement for domestic payments in JPY or foreign currency 24/7/365 via a mobile app.
- The volume and value of credit transfers processed increased 2.7% and 0.5% respectively in 2019 on 2018 figures, to 1,691 million, with a value of JPY 2,931 trillion.

Direct debits

- Direct debits are used for low-value regular payments, such as utility bills.
- Direct debit payments are settled via banks' networks. Banks employ semi-manual processes for direct debit transactions. Settlement times can be over a week.

Cheques

- The cheque remains an important cashless payment instrument, although its use is in decline as electronic payment methods increase in popularity. Cheques are used primarily by companies.
- Cheques are processed via the BCCS and settled on a next-day basis via BOJ-NET.
- The volume and value of cheques processed fell by 6.3% and 29.5% respectively in 2019 on 2018 figures, to 48 million, with a value of JPY 184 trillion.

Card payments

- Card payments are increasingly popular, especially for retail transactions.
- There were approximately 456 million debit cards in circulation at the end of 2020. In the three months to December 2020, there were 138 million debit card transactions totaling JPY 618 billion.
- There are more than 292 million credit cards in circulation.
- J-Debit is Japan's national debit card service.
- Visa, MasterCard, American Express, Diners Club and JCB-branded payment cards are the most widely issued.
- Domestic card schemes such as Nicos, UC or the UFJ Card are also available.
- Debit card payment transactions are processed via the Credit and Finance Information System (CAFIS) and cleared via the Zengin System.
- Credit card payment transaction are processed via CAFIS and cleared via the card-issuing schemes.

ATM/POS

- There are approximately 134,000 ATMs in Japan.
- There are approximately 1.9 million POS terminals in Japan.
- The Multi Integrated Cash Service (MICS) connects Japan's nine private ATM networks. Japan Post also operates an ATM network

Electronic wallet

- There are approximately 447 million e-money instruments in circulation in Japan (44 million mobile phones have e-money functionality). There are also approximately 5.2 million e-money terminals.
- In 2020, the volume and value of e-money transactions decreased 5.0% to 5,923 million on 2019. Value increased 4.9% to JPY 6.0 trillion.
- J-Coin Pay digital wallet payments are processed via an app using a QR barcode, a phone number or a Line messenger personal ID number. J-Coin Pay enables users to make payments, send and receive transfers on their smartphones.
- The dominant electronic wallet schemes are: Edy, ICOCA, Kitaca, nanaco, PASMO, SUGOCA, Suica, WAON and densai.net.
- Mobile payment schemes are also available, including Apple Pay and Google Pay.
- In April 2020, the JPQR unified code for payments was rolled out nationally. The JPQR standard is compatible with 11 QR codes.
- E-money payments are settled via the individual schemes.

Short term investments

Market overview

Interest payable on credit balances

- Interest-bearing current accounts are permitted although rare. It is possible to sweep surplus balances into interest-bearing overnight accounts.

Demand deposits

- Demand deposits denominated in JPY or major foreign currencies are available for terms ranging from overnight to one year.

Time deposits

- Time deposits are available in JPY or major foreign currencies for terms ranging from one month to ten years.

Certificates of deposit

- Domestic banks issue certificates of deposit with terms ranging from overnight to five years. Terms of three months are most common.
- Certificates of deposit are issued paying fixed interest.

Treasury (government) bills

- The Japanese government issues Treasury bills to corporations through bi-monthly auctions for terms of three, six and 12 months.
- T-bills of JPY 10,000 are issued to retail investors with a three-year fixed-rate, five-year fixed-rate and ten-year floating-rate.

Commercial paper

- Domestic commercial paper is issued by companies for terms of up to one year. Terms of three months are most common.
- The minimum investment amount is JPY 100 million.

Money market funds

- Domestic money market funds are popular short-term investment instruments.

Repurchase agreements



- Repurchase agreements with maturities ranging from overnight to one week are commonly available to companies.
- The use of 'gensaki' repos is increasing. Gensaki transactions are available for any maturity dates up to one year, but most agreements are within three months or less.

Banker's acceptances

- Banker's acceptances are not used in Japan.

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 Global Trade Solutions' (GTS) team in Japan is made up of 4 trade professionals, offering a comprehensive range of trade finance and supply chain management solutions. BNP Paribas' GTS team in Japan has been gaining momentum with corporates headquartered in, and operating in Japan with its export letters of credit offering and its connections into GTS' extensive international network.

International trade

General trade rules

- As a member of the Asia-Pacific Economic Cooperation (APEC) forum, Japan has agreed to liberalise trade and investment rules between member states.

Trade agreements

- Japan has signed a Comprehensive Economic Partnership Agreement with the Association of Southeast Asian Nations (ASEAN).
- In November 2020, Japan and 14 other Asia-Pacific countries signed the Regional Comprehensive Economic Partnership (RCEP). It is expected for the terms of the trade deal will come into effect at the start of 2022.
- Japan has signed free trade agreements (FTAs) with ASEAN, Australia, Brunei, Chile, the EU, India, Indonesia, Malaysia, Mexico, Peru, Mongolia, the Philippines, Singapore, Switzerland, Thailand and Vietnam.
- Japan is a signatory of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CP-TPP).
- In October 2019, Japan and the USA signed a limited trade deal.
- The trade agreement between Japan and the UK formally came into effect on 1 January 2021.
- Japan is negotiating agreements with Canada, Colombia, the Gulf Cooperation Council (GCC) countries (Bahrain, Oman, Qatar, Saudi Arabia, UAE and Kuwait), and Turkey. It is also in negotiations for a three-party FTA between both China and South Korea.

Imports / exports

Imports	Crude petroleum	Natural gas	Integrated circuits	Semiconductors	Coal
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Primary Import sources	China (23.0%)	USA (11.0%)	Australia (6.0%)		
Exports	Cars and vehicle parts	Integrated circuits	Personal appliances	Ships	
Export markets	USA (19.0%)	China (18.0%)	South Korea (6.0%)	Taiwan (6.0%)	

Import / export volumes

		2016	2017	2018	2019	2020
Exports	- goods USD bn	636	689	736	695	631
	- services USD bn	176	187	194	209	162
Imports	- goods USD bn	585	645	725	694	603
	- services USD bn	187	193	203	219	197
Current account as % GDP		3.8	4.2	3.5	3.6	3.3

Source: IMF, International Financial Statistics, June 2021.



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