

## SEPA (Single Euro Payments Area)

– SEPA for exporters

SEPA is a key initiative that has simplified payments and collections across SEPA by introducing a series of common standards and rules. By invoicing in EURO's you can take advantage of some of the benefits SEPA provides:

- SEPA credit transfers will reach your account after just one business day from anywhere within the SEPA area.
- SEPA payments guarantee that the entire amount will arrive at Danske Bank without deduction of fees.
- SEPA payments ensure that the remittance information included by the payer can be seen in full by you. This allows for fully automated payment reconciliation – end-to-end STP.
- SEPA Direct Debit is available on your account on due date.

### Invoicing

If you invoice customers in SEPA countries without using euro as invoicing currency, you may want to consider invoicing in euro. Only then will you be able to utilize the advantages that SEPA can provide you with.

In order for you to receive SEPA payments your invoice must include your Danske Bank

May 2012

IBAN and BIC.

As not all banks execute euro payments as SEPA payments automatically, you must also advise your customers to make a SEPA Credit transfer.

### Easier reconciliation

You can request that your customers always include your payment reference in the SEPA payment. This reference can be attached to SEPA payments in a specific reference box which will optimize your reconciliation even further.

You will receive all remittance information and the entire amount without deduction of fees, which will ease reconciliation.

### A single euro account

If you have established a EURO account with a bank abroad to reduce costs and/or float for you and your customers, you should investigate whether this solution still works to your advantage.

As SEPA mandates that payments must be settled under the same conditions as local payments there will often be advantages to initiating all payments directly from one account with Danske Bank.

### Using SEPA Direct Debit

Direct Debit is widely used between businesses in Europe and you may want to consider using SEPA Direct Debit.

With SEPA Direct Debit you can draw the amount directly from the debtor's account on the due date with the funds being available to you the same day. This should result in more effective liquidity management and cash flow forecasting plus improving risk management as you will immediately receive a notice about any rejected collections if there is no cover on the debtor's account.

SEPA Direct Debit also optimizes the entire collection and reconciliation process since SEPA Direct Debit allows you to control the reference for the reconciliation of payments.

### More information

Please contact us if you would like to discuss how you can get the most out of SEPA.