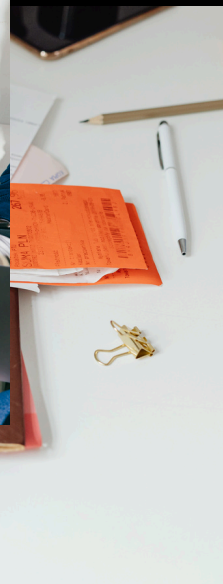


Checklist

(+) Strategy



International Cash Pooling Implementation

A guide to establishing an efficient cash pooling structure across multiple countries and regions, helping multinational companies optimize liquidity management and reduce costs.

(+) Enhanced
Liquidity

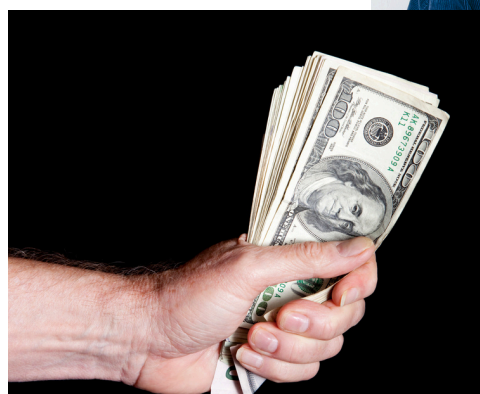
(+) Cost
Reduction

(+) Operational
Efficiency



Assessment & Planning

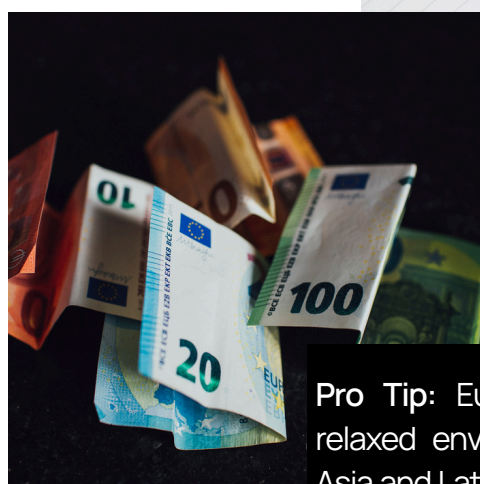
	<p>Assess liquidity needs across subsidiaries: Analyse how much cash each entity requires for operations and where surpluses exist</p>
	<p>Determine treasury structure: Decide between centralized control or decentralized management based on your organization's needs.</p>
	<p>Identify trapped cash: Locate funds in jurisdictions with strict regulations that may be difficult to include in pooling.</p>



Pro Tip: Map out monthly cash flow cycles for each entity over a full year to identify seasonal patterns that might impact your pooling structure.

Regulatory & Legal

	<p>Research country-specific permissions: Identify which countries fully permit, partially allow, or restrict cash pooling activities.</p>
	<p>Review foreign exchange controls: Understand limitations on moving currencies across borders in each jurisdiction.</p>
	<p>Check minimum capital requirements: Ensure subsidiaries maintain required capital levels to avoid regulatory issues.</p>



Pro Tip: Europe generally offers the most relaxed environment for cash pooling, while Asia and LatAm present more challenges. Start with easier regions to build momentum

Tax Considerations

	<p>Review transfer pricing implications: Ensure intercompany transactions are priced at arm's length to satisfy tax authorities.</p>
	<p>Assess withholding taxes: Identify where taxes apply to cross-border interest payments and where tax treaties provide relief.</p>
	<p>Document cash transfers: Maintain comprehensive records of all intercompany movements to demonstrate compliance.</p>



Pro Tip: Tax authorities often view intercompany transfers as loans—maintain arm's length documentation even between wholly-owned subsidiaries.

Model Selection

	<p>Choose appropriate pooling model: Select physical (actual fund transfers), notional (virtual consolidation), or hybrid approaches.</p>
	<p>Consider multi-currency needs: Determine how to handle different currencies most efficiently in your structure.</p>
	<p>Align with organisational requirements: Match your pooling structure to business priorities and operational realities.</p>



Pro Tip: Hybrid models combining physical sweeps with notional pooling offer maximum flexibility—especially useful when operating across regions with varying regulations

Banking Partners

	<p>Select banks with necessary permits: Choose partners authorised to provide pooling services in all your operating jurisdictions.</p>
	<p>Evaluate fee structures: Compare transaction costs, interest calculations, and maintenance fees across potential providers.</p>
	<p>Verify technological capabilities: Ensure banks offer the integration and reporting tools needed for efficient operation.</p>
	<p>Determine Daylight Overdraft Limits: Based on the activity and cash needs of the accounts in the pool, determine the correct level of credit needed to allow for limited manual funding actions.</p>



Pro Tip: Not all banks offer the same services globally. Choose partners with strong presence in your key markets and experience with your industry.

Technology Setup

	<p>Implement a Treasury Management System: Select a treasury system that supports your pooling structure and integrates with existing system</p>
	<p>Configure automation features: Set up automated transfers based on predefined thresholds and conditions.</p>
	<p>Have visibility: Have in place tools that provide insights into global cash positions.</p>



Pro Tip: The right treasury tool should monitor intercompany balances to prevent exceeding thresholds that could trigger regulatory issues.

Operations & Monitoring

	<p>Establish master account structure: Create the hierarchy of accounts that will form your pooling system.</p>
	<p>Define target balances: Set optimal cash levels for each participating account in the structure.</p>
	<p>Implement regular reviews: Schedule periodic assessments to optimise performance and ensure compliance.</p>



Pro Tip: Dynamic target balancing that adjusts in real-time based on market conditions gives you greater flexibility during uncertain economic periods.

Regional Quick-Checks

	<p>Europe→ Check ATAD compliance: Ensure alignment with EU Anti-Tax Avoidance Directive requirements.</p>
	<p>Asia→ Review local regulations: Address specific requirements in China (PBOC/SAFE), Thailand (FX conversion), and Vietnam.</p>
	<p>LatAm→ Assess transfer restrictions: Research country-specific limitations on moving funds across borders.</p>



Pro Tip: China's pilot programs in Shanghai and Beijing offer more flexible pooling options—consider these locations for your Asian headquarters.

About Palm

Palm is an AI-powered platform that optimises liquidity with cash flow insights and intelligent fund management



Palm is designed to help enterprises optimise liquidity and streamline Cash Management. By automating workflows for forecasting and cash movement, Palm enables businesses to free up operational cash, reduce manual processes, and make data-driven financial decisions. With palm, enterprises can replace outdated, manual treasury processes with an intelligent, automated system that improves liquidity, enhances control, and empowers teams to focus on high value financial strategy

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