



# Government Payments in the Netherlands and Portugal

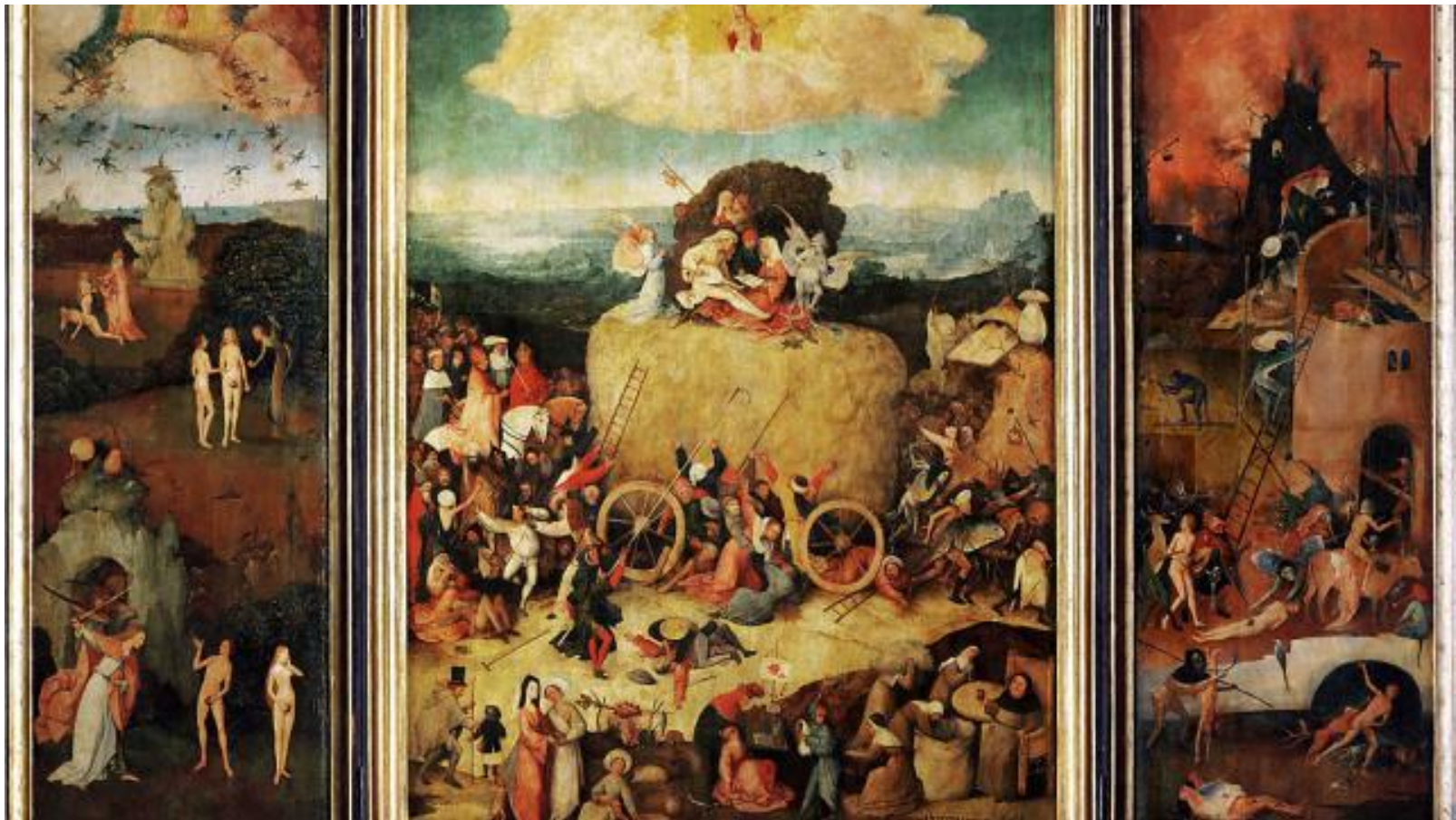
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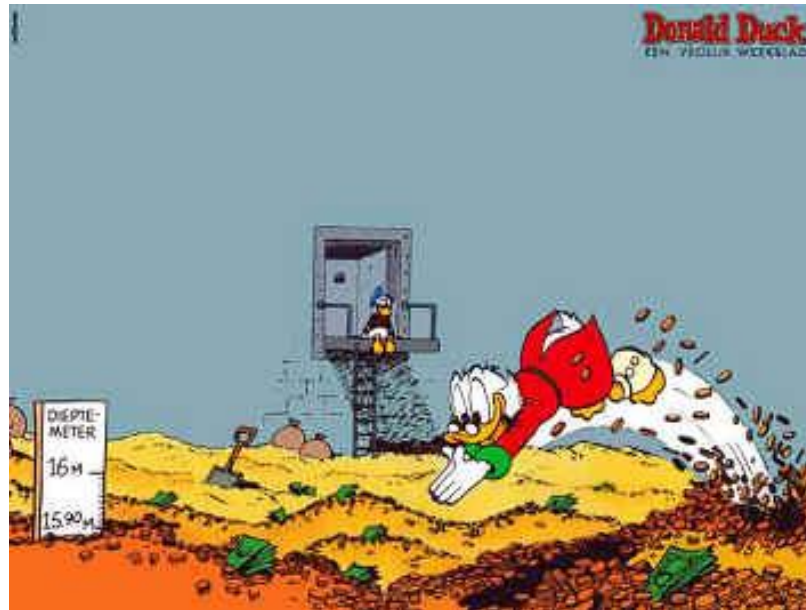
EUROSYSTEEM

# Jheronimus Bosch The Haywain triptych 1502



# Overview

- Role of central banks
- Government Payments in the Netherlands
- Government Payments in Portugal
- Conclusions





# Public sector – NL

- Central government/ministries
- Lower governments: regional bodies and local communities
- Tax Authorities
- G4-partners (SVB, UWV, CJIB and DUO)
- Other independent organisations



# Public sector Payments in the Netherlands

- Money market operations
- Commercial banks are implementing public sector payments
- Tender procedure for selecting a new home bank
- ING is responsible for the central government payments for the period 1 May 2016-30 April 2020
- Treasury banking



# Expenditures of government payments

- Salaries of civil servants
- Social expenditures
- Other current expenditures
- Investments



# Gouvernement collections

- Tax collections
- Profits (Gas earnings)
- Participations in State firms
- Public sector payments
- Other



# Treasury banking

- Obligated for government bodies after the collapse of Ice Save and the financial crisis in 2007-2008
- Participation in the treasury without market risks
- Less risks, more effective cash management
- Less borrowings by the central government
- Lower level of EMU-debt (advantage is 2%)



# Public sector – PT

- Central government/ministries, incl. Tax Authority
- Regional governments (islands) and local communities (municipalities)
- Role of the Treasury
- Social Security



# Public sector Payments in Portugal

- The State Treasury participates in the clearing system
- It ensures payments execution for the vast majority of public bodies (e.g. Tax Authority, etc)
- The Social Security is an exception



# Expenditures of government payments

- Salaries of civil servants
- Other current expenditures
- Investments
- Social Security opens tenders to have sponsoring banks for a given period
- Other entities work with the Treasury



# Conclusions

- Government payments are rather sophisticated and efficiently organised
- Commercial banks are implementing the government payments in the Netherlands
- In Portugal the system is mixed for overall payments ordered by the government

