

Terms and Conditions for Direct Debit Payments under the SEPA Business to Business (B2B) Direct Debit Scheme

The present translation is furnished for the customer's convenience only. The original German text of the Terms and Conditions for Direct Debit Payments under the SEPA Business to Business (B2B) Direct Debit Scheme (»Bedingungen für Zahlungen mittels Lastschrift im SEPA-Firmenlastschriftverfahren«) is binding in all respects. In the event of any divergence between the English and the German texts, constructions, meanings or interpretations, the German text, constructions, meanings or interpretations shall govern exclusively.

The following terms and conditions shall apply to payments which the customer who is not a consumer makes to payees (creditors) by SEPA business-to-business (»B2B«) direct debit through his/her account held with the Bank.

1. General

1.1 Definition

A direct debit is a payment transaction initiated by the payee and charged to the customer's account where the amount of the payment is specified by the payee.

1.2 Charges

The provisions stipulated in No. 12 paragraphs 2 to 6 of the Bank's General Business Conditions (Allgemeine Geschäftsbedingungen) shall apply to charges and amendments to charges.

1.3 Out-of-court dispute resolution and other complaints procedures

Consumers may have any disputes with the Bank resolved by the German private banks' Ombudsman. Where disputes resulting from the scope of application of the law on payment services (Sections 675 c – 676 c of the German Civil Code) are involved, customers who are not consumers also may request their resolution by the German private banks' Ombudsman. Further details are contained in the »Rules of Procedure for the Settlement of Customer Complaints in the German Private Commercial Banking Sector«, which are available on request or can be downloaded from the Internet at www.bankenverband.de. Complaints should be addressed in writing to the Customer Complaints Office at the Bundesverband deutscher Banken (Association of German Banks), Postfach 04 03 07, 10062 Berlin, Germany.

In addition, the customer may make complaints at any time in writing or orally on the record of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn, Germany, and Lurgiallee 12, 60439 Frankfurt, Germany, about breaches by the Bank of the German Payment Services Supervision Act (ZAG – Zahlungsdienstleistungsaufsichtsgesetz), Sections 675c to 676c of the German Civil Code (BGB) or Article 248 of the Introductory Act to the German Civil Code (EG-BGB – Einführungsgesetz zum Bürgerlichen Gesetzbuch).

2. SEPA Business to Business (B2B) Direct Debit

2.1 General

2.1.1 Main features of the SEPA B2B direct debit scheme The SEPA B2B direct debit scheme may only be used by customers who are not consumers. The SEPA B2B direct debit scheme enables the customer to effect payments in euros via the Bank to a payee within the Single Euro Payments Area (SEPA).

The states and regions listed in the appendix are recognised to be part of the Single Euro Payments Area.

For payments to be effected by the SEPA B2B direct debit:

- the payee and his/her payment service provider must use the SEPA B2B direct debit scheme,
- the customer must issue the payee with a SEPA B2B direct debit mandate before the payment transaction and
- the customer must confirm with the Bank that the SEPA B2B direct debit mandate has been issued.

The payee initiates the respective payment transaction by submitting the direct debits to the Bank via his/her payment service provider. In case a payment which has been made on the basis of SEPA B2B direct debit is authorised, the customer shall not be entitled to claim a refund of the amount debited from his/her account from the Bank.

2.1.2 Unique identifiers The customer must use the IBAN¹ notified to him and the BIC² of the Bank as his/her unique identifier vis-à-vis the payee, as the Bank is authorised to effect a payment by SEPA B2B direct debit solely on the basis of the unique identifier it has received. The Bank and the intermediary institutions involved will execute the payment to the payee on the basis of the IBAN and BIC provided in the direct debit collection dataset from the payee as his/her unique identifier.

2.1.3 Transfer of direct debit information Direct debit collection datasets resulting from SEPA B2B direct debits may be transferred from the payee's payment service provider to the Bank via the messaging system operated by the Society for Worldwide Interbank Financial Telecommunication (SWIFT), which is based in Belgium and has data centres in the European Union, Switzerland and the US.

2.2 SEPA B2B direct debit mandate

2.2.1 Issuing a SEPA B2B direct debit mandate The customer shall issue a SEPA B2B direct debit mandate to the payee. He thereby authorises his/her Bank to pay the SEPA B2B direct debit drawn by the payee. The mandate must be issued in writing or in the manner previously agreed with the Bank.

The following customer declarations must be included in the SEPA B2B direct debit mandate:

- authorisation of the payee to collect payments from the customer's account by SEPA B2B direct debit, and
- instructions to the Bank to pay SEPA B2B direct debits drawn on his/her account by the payee.

The SEPA B2B direct debit mandate must include the following information (authorisation data):

- payee name and address,
- creditor identifier,
- identification of one-off payment or recurring payments,
- customer name,
- name of customer's bank, and
- customer's unique identifier (see No. 2.1.2).

The direct debit mandate may include further information in addition to the authorisation data.

2.2.2 Confirmation of issue of a SEPA B2B direct debit mandate The customer shall without undue delay confirm authorisation (as described in section 2.2.1) with his/her bank by communicating the following information included in the SEPA B2B direct debit mandate issued to the payee:

- payee name and address,
- creditor identifier,
- unique mandate reference,
- identification of one-off payment or recurring payments, and
- date that the mandate was signed.

The customer may send the Bank a copy of the SEPA B2B direct debit mandate for this purpose.

The customer must inform the Bank without undue delay, preferably in writing, of any amendments or revocations in connection with SEPA B2B direct debit mandates.

2.2.3 Revocation of a SEPA B2B direct debit mandate A SEPA B2B direct debit mandate may be revoked by the customer by means of a declaration to this effect. The revocation shall take effect on the business day, as stated in the »List of Prices and Services« (»Preis- und Leistungsverzeichnis«), following the day of receipt of the revocation. The revocation should preferably be stated in writing and sent to the branch where the account is held. It should, in addition, be given to the payee. The revocation of the SEPA B2B direct debit mandate shall not cover SEPA B2B direct debit payments that have already been charged to the customer's account. Section 2.2.4 paragraphs 2 and 3 shall apply in this instance.

Explanatory footnotes

1 IBAN - International Bank Account Number

2 BIC - Bank Identifier Code

2.2.4 Rejection of individual SEPA B2B direct debits

(1) The customer may issue the Bank with a separate instruction not to effect specific SEPA B2B direct debits. This instruction must be received by the Bank no later than the end of the business day, as stated in the »List of Prices and Services« (»Preis- und Leistungsverzeichnis«), before the due date specified in the direct debit collection dataset. This instruction should preferably be made in writing and preferably be sent to the branch where the account is held. It should, in addition, be given to the payee.

(2) A SEPA B2B direct debit entry on the debit date may only be rejected on this date if the customer and the Bank have agreed thereupon. The agreement shall come into effect if the Bank manages to finally recover the amount debited. The Bank shall levy the charge set out in the »List of Prices and Services« for administering a customer revocation of this kind.

(3) The customer may no longer reject a SEPA B2B direct debit after the date on which the debit entry is made.

2.3 Collection of a SEPA B2B direct debit by the payee under the SEPA B2B direct debit mandate

(1) The SEPA B2B direct debit mandate issued by the customer shall remain with the payee. The payee shall enter the authorisation data and any additional information into the dataset that is required for the collection of SEPA B2B direct debits. The respective debit amount charged shall be specified by the payee.

(2) The payee shall transfer the dataset required for the collection of SEPA B2B direct debits electronically to the Bank (acting as paying agent) via his/her payment service provider. This dataset shall also represent the customer instruction to the Bank, included in the SEPA B2B direct debit mandate, to pay the respective SEPA B2B direct debit (see No. 2.2.1 sentences 2 and 4). For receiving this instruction, the Bank shall waive the form agreed on for issuing the SEPA B2B direct debit mandate (see No. 2.2.1 sentence 3).

2.4 Payment transaction based on SEPA B2B direct debit

2.4.1 Debiting the customer account with the direct debit amount

(1) Incoming SEPA B2B direct debits from the payee shall be debited from the customer's account on the due date specified in the dataset with the direct debit amount that the payee has specified. If the due date does not fall on a business day, as described in the »List of Prices and Services«, the account shall be debited on the following business day.

(2) The customer's account shall not be debited or the transaction shall be cancelled no later than the second business day following its activation, if:

- the Bank has not received a confirmation from the customer as described in No. 2.2.2,
- the Bank has received a revocation notice of the SEPA B2B direct debit mandate as described in No. 2.2.3,
- the Bank has received notification from the customer that the request is being rejected as described in No. 2.2.4,
- the customer has insufficient funds in his/her account or does not have sufficient credit to cover the amount to be debited; the Bank shall not make partial payments,
- the payer's IBAN specified in the direct debit collection dataset does not correspond to any account held by the customer with the Bank, or
- the direct debit cannot be executed by the Bank because the following information is incomplete in the direct debit collection dataset:
 - a creditor identifier is missing, or it is evidently inaccurate to the Bank,
 - a unique mandate reference is missing,
 - an issue date for the mandate is missing or
 - no due date has been specified.

2.4.2 Payment of SEPA B2B direct debits SEPA B2B direct debits are paid if the debit entry on the customer's account is not cancelled before the deadline as described in No. 2.4.1 paragraph 2.

2.4.3 Notification of non-execution or cancellation of debit entry or payment rejection The Bank shall inform the customer without undue delay and no later than by the deadline agreed as per No. 2.4.4 if the debit has not been executed or has been cancelled (see No. 2.4.1 paragraph 2) or if the SEPA B2B direct debit payment has been refused (see No. 2.4.2). This information may also be conveyed via the communication channels agreed for providing account information. In doing so, the Bank shall

specify, as far as possible, the reasons that led to non-execution, cancellation or refusal of the payment and provide options to rectify the problem. For informing the customer about a legitimate refusal, the Bank may levy the charge set out in the »List of Prices and Services«.

2.4.4 Execution of the payment

(1) The Bank shall be obliged to ensure that the debit amount charged by it to the customer's account on the basis of the SEPA B2B direct debit initiated by the payee is received by the payee's payment service provider within the execution timeframe specified in the »List of Prices and Services«.

(2) The execution timeframe shall begin on the due date specified in the direct debit collection dataset. If this date does not fall on a business day, as specified in the Bank's »List of Prices and Services«, the execution timeframe shall begin on the following business day.

(3) The Bank shall notify the customer of the execution of the payment via the communication channels agreed for providing account information and at the frequency agreed.

2.5 Preclusion of entitlement to a refund in the case of authorised payments

In the case of authorised payments of SEPA B2B direct debits, the customer shall not be entitled to claim a refund from the Bank of the amount debited from his/her account. Any claims pertaining to Section 675x of the German Civil Code (BGB - Bürgerliches Gesetzbuch) shall be precluded.

The customer's entitlement to a refund for non-execution or incorrect execution of an authorised payment shall be determined by No. 2.6.2.

2.6 Customer refund claims and claims for damages

2.6.1 Refund of an unauthorised payment In the event of an unauthorised payment, the Bank shall have no right to claim a refund of its expenses from the customer. The Bank shall refund the customer the debit amount that has been charged to his/her account without undue delay. This will then return the account to its original balance before a charge was incurred by the unauthorised payment.

2.6.2 Compensation

(1) Should an authorised payment not be executed or be executed incorrectly or in the event of an unauthorised payment, the customer may claim compensation from the Bank for any damage arising as a result. This shall not apply if the Bank is not responsible for breach of duty. In the event that the customer has contributed to the occurrence of the loss by any own fault, the principles of contributory negligence shall determine the extent to which the Bank and the customer shall have to bear the loss. Claims pertaining to Section 675y of the German Civil Code (BGB) shall be precluded.

(2) The Bank's liability for damage shall be limited to the amount of the direct debit. If this relates to consequential damages, liability shall, in addition, be limited to a maximum of 12,500 euros in respect of each payment. This limitation of liability shall not apply in the event of intent or gross negligence on the part of the Bank and to risks the Bank has specifically taken on.

2.6.3 Preclusion of liability and objection

(1) Liability on the part of the Bank under section 2.6.2 shall be precluded

- if the Bank proves to the customer that the payment amount was received by the payee's payment service provider on time and in full, or
- if the payment was executed in accordance with the incorrect unique identifier of the payee specified by the payee. In this case, however, the customer may request that the Bank makes every possible effort to recover the payment amount. The Bank may levy the charge specified in the Bank's »List of Prices and Services« for the recovery of this payment.

(2) Any claims by the customer under sections 2.6.1 and 2.6.2 and any objections by the customer against the Bank as a result of non-execution or incorrect execution of payments or as a result of unauthorised payments shall be precluded if the customer fails to duly inform the Bank within a period of 13 months at the latest after being debited for an unauthorised or incorrectly executed payment. This period shall start to run only once the Bank has informed the customer about the debit entry for the payment through the agreed account information channel no later than one month after the debit entry was made; other-

wise the date on which the customer is informed shall determine when the period commences. The customers may assert claims for compensation arising from a fault liability on the part of the Bank as described in section 2.6.2 also after expiry of the period referred to in sentence 1 if he/she was prevented, through no fault of his/her own, from adhering to this period.

(3) Any claims by the customer shall be precluded if the circumstances substantiating a claim

- are based upon an exceptional and unforeseeable event on which the Bank has no influence and whose consequences could not have been avoided even by exercising due diligence or
- were brought about by the Bank as a result of a legal obligation.

Appendix: List of states and regions belonging to SEPA

States from the European Economic Area (EEA)

Members of the European Union: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom of Great Britain and Northern Ireland.

Other states: Iceland, Liechtenstein, Norway.

Other states and regions

Mayotte, Monaco, Switzerland, Saint-Pierre and Miquelon.

