

"DIRECT DEBIT TRANSFER REQUEST" SERVICE LEVEL RULES & REGULATIONS

1. Introduction

The present document constitutes the "Direct Debit Transfer Request" Service Level Schedule under the Service Level Master Agreement (SLMA) for the realisation of Direct Debit Transfer Requests. This Service Level Schedule contains the Rules & Regulations governing, on a bilateral basis, "Direct Debit Transfer Requests" involving pairs of Participating Banks as defined in the SLMA having selected this Service Level Schedule as a Selected Service Level Schedule and having communicated their handling and processing capabilities in respect of Direct Debit Transfer Requests.

Capitalised terms used in this Service Level Schedule and not defined herein but defined in the SLMA, shall have the same meaning herein as therein.

This Service Level Schedule is subject to the provisions of the SLMA and to the provisions of the SWIFTStandards volumes, provided, that the provisions of the SLMA shall prevail over the provisions of the SWIFTStandards volumes each time Operations are involved.

2. Definitions

For purposes of this Service Level Schedule, the following definitions shall apply and have precedence over the definition of the same terms in the SWIFTStandards volumes and/or the SLMA:

"Acceptance" shall mean the acceptance by a Creditor's Bank to process a Direct Debit Transfer Request (DDTR) submitted to it by a Creditor according to the Creditor's instructions and in accordance with any applicable National Scheme rules and under the terms of a general agreement or contract between the Creditor and the Creditor's Bank whereby the Creditor's Bank formally accepts the use of direct debit collection instructions from the Creditor to collect payment from one or more specified Debtors.

"Automated Clearing House (ACH)" shall mean the organisation acting on behalf of a Collecting Bank and/or a Debtor's Bank and which may provide services for the registration of Direct Debit Mandates and/or for the collection of direct debits via a National Scheme.

"Business Day" shall mean a day (other than a Saturday or Sunday) on which banks generally are open for business in the jurisdiction where the Debtor's Bank is located.

"Cancellation" shall mean a request from a Creditor's Bank to cancel the Execution of a DDTR previously sent by a Creditor's Bank to a Collecting Bank.

“Collecting Bank” shall mean the Participating Bank located in the country of the Debtor's Bank which Executes a DDTR acting on behalf of a Creditor's Bank and which credits an account held for the Creditor's Bank, or an account held for a Creditor if so instructed by the Creditor's Bank, with the amounts collected in connection with a DDTR.

“Collection Information” shall mean all information about the reason for a DDTR which the Creditor instructs its bank to transmit to the Debtor's Bank as required under any applicable National Scheme rules and in order to facilitate reconciliation by the Debtor.

“Concentrating Bank” shall mean any Participating Bank which is to process DDTRs for Creditors with accounts at other banks (whether or not Participating Banks themselves) and which holds itself out as willing to act as a Concentrating Bank.

“Creditor” shall mean the customer of the Creditor's Bank upon whose behalf: a) the DDTR is issued and b) the amounts due following Execution are collected by the Collecting Bank.

“Creditor Information” shall mean all the information about the Creditor which the Creditor instructs the Creditor's Bank to transmit to the Debtor's Bank and/or the Debtor as required under any applicable National Scheme and, where required, to enable the Debtor's Bank to obtain from the Debtor the authorisation for a transaction.

“Creditor's Bank” shall mean the Participating Bank which maintains an account for the Creditor and which accepts instructions under the terms of a general agreement or contract between it and the Creditor whereby the Creditor's Bank undertakes to issue DDTRs to collect payment on the Creditor's behalf from one or more specified Debtors.

“Debtor” shall mean the customer whose account is to be debited upon collection of the amounts due following Execution by the Collecting Bank.

“Debtor's Bank” shall mean the bank which maintains an account for the Debtor and which receives a direct debit collection instruction from the Collecting Bank or from an ACH as the case may be. To avoid any doubt, a Debtor's Bank is not necessarily a party to these Rules & Regulations.

“Direct Debit Mandate” shall mean the specific contract or agreement between a Debtor and a Creditor whereby the Debtor authorises the Creditor to order the debit(s) to a specified account which the Debtor maintains with the Debtor's Bank. The Debtor's Bank may be informed of the details of a Direct Debit Mandate (usually the case for a "Pre-authorised Direct Debit") or not (usually the case for a "Non Pre-authorised" Direct Debit).

“Direct Debit Transfer Request (DDTR)” shall mean the single or multiple instruction initiated by a Creditor's Bank pursuant to an instruction received from a Creditor under the terms of a general

agreement or contract between the Creditor's Bank and the Creditor, whereby the Creditor's Bank agrees and undertakes to convey direct debit collection instructions to a Collecting Bank in order to arrange for the collection from one or more specified Debtors of the specified amounts in favour of the Creditor.

"Due Date" shall mean the Business Day on which the Debtor's account is to be debited following Execution by a Collecting Bank.

"Execution" shall mean the process initiated by the Collecting Bank whereby the direct debit transactions in an MT 104 message received from a Creditor's Bank are collected by a Debtor's Bank from one or more Debtor's accounts in accordance with the Requested Execution Date instruction in an MT 104 message. The Collecting Bank performs the role of a Debtor's Bank in respect of its own Debtor customers.

"National Scheme" shall mean a direct debit collection system in the country of the Debtor's Bank, the rules of which govern the applicable legal and sponsorship requirements for the initiation of direct debit collections in that country.

"Non Pre-authorised Direct Debit" shall mean a DDTR sent by a Creditor's Bank to a Collecting Bank which is not the subject of a prior authorisation from the Debtor to the Debtor's Bank. This means that the Debtor's Bank must seek prior authorisation from the Debtor for each debit pursuant to such DDTR.

"Original Amount" shall mean the original ordered amount for each transaction in a DDTR as specified by the Creditor to the Creditor's Bank.

"Participating Bank" shall mean a Participating Bank (as defined in the SLMA) which has selected this Service Level Schedule and in respect of which this Service Level Schedule is in full force and effect whereby a Participating Bank can be a sender (Creditor's Bank and/or Concentrating Bank) and a receiver (Collecting Bank) of DDTRs or a receiver only or a sender only.

"Plausible" shall mean an account number the structure of which (format - check digit) appears to be valid (provided, that this does not imply that the account number exists, nor that it is the account number of the stated Debtor).

"Pre-authorised Direct Debit" shall mean a DDTR sent by a Creditor's Bank to a Collecting Bank which is the subject of a prior authorisation from the Debtor to the Debtor's Bank.

"Recall" shall mean the process initiated by a Collecting Bank, after advice from a Debtor's Bank, to effect the reversal of one or more transactions in a DDTR which has/have been previously Executed. Recall may only occur at individual direct debit transaction level and always after inter-bank settlement. A Recall takes place when the Debtor's Bank is unable or is not authorised to debit the Debtor's

account for the transaction amount in accordance with applicable National Scheme rules.

“Rejection” shall mean the refusal for technical reasons by a Collecting Bank to execute all the transactions in a DDTR received from a Creditor's Bank. Rejection may only occur at batch level and always before inter-bank settlement.

"Requested Execution Date" shall mean the Business Day of Execution by the Collecting Bank of the direct debit transactions contained in a DDTR sent by the Creditor's Bank. The Requested Execution Date in field 30 of the MT 104 message received by the Collecting Bank shall be used to derive both the inter bank settlement date and the Due Date for all the direct debit transactions contained in the batch.

"Return" shall mean the refusal for technical reasons by a Collecting Bank to execute one or more transactions in a DDTR received from a Creditor's Bank. Return may only occur at individual direct debit transaction level and always after inter-bank settlement.

“Reversal” shall mean the process initiated by a Creditor's Bank (usually after advice from a Creditor) whereby a credit transfer message is sent to the Collecting Bank to effect the reversal of one or more transactions in a DDTR which has/have been previously Executed. A Reversal may occur at batch or individual direct debit transaction level and always after inter-bank settlement.

“Revocation” shall mean the process initiated by a Collecting Bank, after advice from a Debtor via a Debtor's Bank, to effect the reversal of one or more transactions in a DDTR which has/have been previously Executed. Revocation may only occur at individual direct debit transaction level when the Debtor's account at the Debtor's Bank has already been debited and the Debtor's Bank is obliged to credit the Debtor's account in accordance with applicable National Scheme rules.

“Sponsoring Bank” shall mean the Collecting Bank which is responsible for supporting the Creditor's application to join a National Scheme where this support is required under applicable National Scheme rules.

"Transaction Charges" shall mean the fees or foreign exchange conversion commissions charged from time to time by credit institutions involved in Operations under this Service Level.

3. Scope of the Service Level

(a) The following shall be considered "DDTRs" capable of being processed under this Service Level Schedule:

Any DDTR which

(i) is in the Convertible Currency of the Debtor or the Creditor, or subject to bilateral agreements among Participating Banks and to applicable National Scheme rules, is in the Euro (EUR), or is

- in United States Dollars (USD), and
- (ii) is for any amount (except where minimum and/or maximum amount restrictions are communicated), and
 - (iii) contains charging arrangements following the Creditor's instructions and in accordance with applicable National Scheme rules (available charging options being: (x) all Transaction Charges borne by the Creditor or (y) shared Transaction Charges, or (z) all Transaction Charges borne by the Debtor), and
 - (iv) is in accordance with applicable National Scheme rules.

- (b) Creditor's Banks shall decide independently the scope of the related services they offer to prospective Creditors in their respective markets.
- (c) Participating Banks shall have the right to decide independently with which Participating Bank they are prepared to enter into "DDTR" Operations. Participating Banks may make their participation in Operations under this Service Level subject to a separate bilateral agreement.

4. Undertakings

The Participating Banks undertake to each other that:

- (a) the Execution of a DDTR shall take place in line with the Requested Execution Date instructions in field 30 of the MT 104 message as specified in Article 6 below;
- (b) in case the Creditor's charging option is that all Transaction Charges are to be borne by the Creditor, they shall instruct the Debtor's Bank to debit the Debtor's account with the Original Amount as instructed by the Creditor;
- (c) in case the Creditor's charging option is that all Transaction Charges are to be split, or borne by the Debtor, they shall provide the Debtor's Bank with sufficient information to permit reconciliation of the different amounts (i.e., Original Amount plus Transaction Charges);
- (d) in case the Original Amount is converted by the Collecting Bank and subject to Article 10 below, they shall provide the Debtor's Bank with sufficient information to permit reconciliation of the different amounts (i.e., Original Amount and/or the currency exchange rate used for the conversion);
- (e) when acting as a Collecting Bank, they shall transmit to the Debtor's Bank the Collection Information and Creditor Information as supplied by the Creditor's Bank subject to the maximum length capabilities as communicated by each Participating Bank and subject always to an overall maximum possible length of 4 lines of 35 characters;
- (f) a redress procedure is offered in case of failure by either the Creditor's Bank or the Collecting Bank to fulfil any of their respective obligations under this Service Level Schedule.

5. Handling and Processing Capabilities

Participating Banks are responsible for promptly communicating upon request their handling and processing capabilities in connection with Operations (provided, that individual handling and processing capabilities must not fall short of the requirements of this Service Level Schedule).

In the absence of applicable country-general information, the parameters to be published shall include at a minimum:

- (i) Whether banks intend to function under the Service Level as a Creditor's Bank or as a Collecting Bank, or in both roles;
- (ii) Maximum length of Collection Information supported;
- (iii) Maximum length of Creditor Information supported;
- (iv) Transaction Charges and Inter-bank Fees;
- (v) Transmission methods;
- (vi) Cut-off times in relation to a given Requested Execution Date;
- (vii) The time scales for inter bank settlement and Due Dates in relation to a given Requested Execution Date;
- (viii) Local bank practices regarding currency conversion;
- (ix) Currencies supported;
- (x) The inter-bank means of reporting the Execution of Operations (e.g., MT 900, 910, 940, 950) and the associated time scales
- (xi) The local rules, conditions, and time scales relating to Recalls, Rejections, Returns, Reversals, and Revocations;
- (xii) Optional fields of the MT 104 not supported or only partially supported (as a Creditor's Bank and/or as a Collecting Bank);
- (xiii) Additional specification of the MT 104 fields supported to meet the requirements of a National Scheme;
- (xiv) Regulatory reporting obligations and the party(ies) responsible for the provision of the information.

6. Obligations of the Creditor's Bank

- a) The Creditor's Bank shall process a DDTR under the terms of a general agreement or contract entered into with the Creditor. For the purpose of this Service Level Schedule, "process" means that the Creditor's direct debit instruction is forwarded to the Collecting Bank in the form of an MT 104 message, as further specified in Article 8 below.

The MT 104 message shall contain the following data:

- (i) A unique message reference (field 20) to be used in any related messages (e.g., confirmation, statement, query, cancellation) sent by the Creditor's Bank in connection with one or more transactions contained in the MT 104;

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- (ii) A unique transaction reference (field 21) for each individual transaction contained in the MT 104;
 - (iii) An instruction code (field 23E) specifying the type of DDTR;
 - (iv) The Requested Execution Date (field 30) specifying the date on which all the transactions contained in the MT 104 message are to be Executed;
 - (v) The currency and amount to be debited for each transaction (field 32B);
 - (vi) Creditor Information (field 50a) and, where required, the details of the Creditor's account which is to be credited with the proceeds of collection. In the case of a Non Pre-authorised Direct Debit the Creditor's Bank shall ensure that sufficient Creditor and/or mandate information is provided in order to allow Execution by the Collecting Bank;
 - (vii) The Debtor's name and account number (field 59a) and, if it cannot be identified solely from the account number, the details of the branch of the Debtor's Bank at which the Debtor's account is held (field 57a); or the alternative communicated information as required by a National Scheme in order to identify the Debtor's account;
 - (viii) Remittance Information (field 70) specifying the details of the individual transactions to enable the Debtor to reconcile the debit to its account (e.g., invoice number, life insurance policy, pension reference...), where required;
 - (ix) Details of Charges (field 71A);
and, optionally:
 - (x) Sum of amounts information (field 19) where charges settlement is included in an MT 104 message;
 - (xi) Direct debit originator identification, mandate and direct debit reference information (fields 21C, 21D, and 21E). In the case of a Pre-authorised Direct Debit the Creditor's Bank shall ensure that sufficient mandate information is provided in order to allow Execution by the Collecting Bank;
 - (xii) Transaction type code (field 26T);
 - (xiii) Currency/Original Ordered Amount and Exchange Rate (fields 33B & 36);
 - (xiv) Sender's Correspondent details (field 53a);
 - (xv) Creditor's Bank details (field 52a);
 - (xvi) Regulatory reporting information (field 77B);
- (b) The Creditor's Bank shall, however, not be responsible for any incorrect or insufficient information received from the Creditor and transmitted to the Collecting Bank, in particular when the practices or regulations in the country of the Debtor provide that in case of doubt or inconsistency debits are allocated giving priority to the account number over the name.
- (c) The Creditor's Bank is responsible for ensuring that the MT 104 messages are sent in sufficient time so that they should reach the Collecting Bank before its published cut-off time for the receipt of incoming DDTRs in order to meet a specified Requested Execution Date.
- (d) Each Creditor's Bank may, at its discretion, carry out a control check of the Plausibility of the Debtor's account number but is not obliged to do so.

7. Obligations of the Collecting Bank

- (a) The Collecting Bank is responsible for Execution in accordance with the instructions contained in an MT 104 message received from the Creditor's Bank. The Collecting Bank is responsible for collecting the funds due to the Creditor upon Execution.
- (b) The Collecting Bank is responsible for putting the funds collected upon Execution at the disposal of the Creditor within the time scale communicated by the Collecting Bank either: by crediting an account which it services for the Creditor's Bank (or by crediting the Creditor's Bank via the Sender's Correspondent if so indicated in field 53a of the MT 104) or by crediting an account which it services for the Creditor, if so instructed by the Creditor's Bank and in accordance with the relevant provisions of the Annex to these Rules & Regulations.
- (c) The Collecting Bank is responsible for advising the Creditor's Bank of the details of the Execution of Operations under this Service Level and in accordance with applicable National Scheme rules. Except in the case of Rejection, this advice shall take the form and follow the time scales as communicated by Participating Banks . In the case of Rejection, a Rejection advice message shall be issued by the Collecting Bank in accordance with the provisions of Articles 8 and 14 below.

8. Transmission Methods and Message Standards

Participating Banks shall transmit messages over the SWIFT network using either the FIN service or other appropriate SWIFT messaging service (such as File Act) and the message standard "MT 104" to transmit DDTR instructions. Each Participating Bank shall decide which of the defined transmission methods it will support, and shall inform its correspondents accordingly.

Participating Banks are responsible for the proper registration with SWIFT for the exchange of MT 104 messages as required in the SWIFTStandards volumes. The following specifications supersede or complement message standards specifications as notified in the SWIFTStandards volumes:

Flagging :

The MT 104 messages shall contain in field 23E the instruction code identifying the type of DDTR. One of the following code words must be used:

“AUTH” for Pre-Authorised Direct Debits

“NAUT” for Non Pre-Authorised Direct Debits

“RTND” for the Rejection of all the transactions contained in an MT 104 received from a Creditor's Bank. In this case the MT 104 shall also contain as the first element in line 1 of field 72 the code "/REJT/" followed by the reason for Rejection of the batch of transactions.

“OTHR” for bilaterally agreed codes or information (specified in the second sub-field of field 23E).

All MT 104 messages exchanged between Participating Banks are subject to this Service Level

Schedule unless bilaterally agreed and indicated in field 23E.

9. Batching Criteria for MT 104

The following batching criteria apply:

- a) All the transactions in a batch must be in the same currency and for the same Requested Execution Date (field 30);
- b) Settlement for all the transactions items in a batch must be on the same settlement account (i.e., either on an account held for the Creditor's Bank or for the Creditor(s));
- c) A batch must contain either Service Level transactions only or other transactions only.

10. Transparency, Transaction Charges, Conversion Costs

Participating Banks shall provide their customers with full particulars of Transaction Charges applicable in connection with DDTRs to be Executed or Executed in accordance with the provisions of this Service Level Schedule, subject to any further requirements under mandatory provisions of applicable laws or regulations. Creditor's Banks shall provide the Creditor with such information prior to the Acceptance of DDTRs instructed by such Creditor, in accordance with their usual practices for communicating with customers.

If all or part of the Transaction Charges are to be borne by the Debtor, the Creditor's Bank shall forward to the Collecting Bank for eventual forwarding to the Debtor's Bank, full particulars of all Transaction Charges added to the Original Amount of the direct debit, as well as foreign exchange conversion data, if applicable, in accordance with the provisions of Article 4 (c).

The Debtor's Bank is expected to provide the Debtor with the particulars of taxes levied and applicable foreign exchange conversion data as required by applicable law, and the Collecting Bank shall have no responsibility in this respect.

11. Regulatory Reporting

Participating Banks assume responsibility for compliance with the relevant regulatory reporting obligations in their respective countries. The Creditor's Bank is responsible for the regulatory reporting obligations on outward DDTRs from its country. The regulatory reporting obligations and responsible party(ies) in respect to inward DDTRs in the country of the Debtor's Bank shall be promptly communicated upon request.

Creditor Banks shall endeavour to obtain from Creditors and pass on to the Collecting Bank any information which will enable the responsible party in the country of the Debtor's Bank to speed up the

regulatory reporting, and hence, direct debit collection process. This endeavour represents only a "best effort".

12. Foreign Exchange

Participating Banks shall generally Execute DDTRs in the currency instructed by the Creditor, except as otherwise provided in the third paragraph of this Article.

If the DDTR is instructed in a currency other than the currency of the Debtor's account, then the local practices in the country of the Debtor's Bank will prevail. The Collecting Bank shall inform the Creditor's Bank about these local bank practices and, if relevant, about the foreign exchange commissions applied. The Creditor's Bank shall inform the Creditor as early as possible (and, if possible, prior to receipt of an instruction to issue a DDTR) as to the currency in which a DDTR is expected to be Executed including the applicable foreign exchange commissions published or notified by the Collecting Bank in the country of the Debtor's Bank.

When the amount of the DDTR is to be debited in a currency different from that of the Creditor's instruction, then the exchange rate and/or the Original Amount must be notified to the Debtor's Bank. If it converts the Original Amount, the Creditor's Bank shall provide the relevant exchange rate information to the Collecting Bank.

13. Cancellations

Cancellations of DDTRs by the Creditor's Bank are outside the scope of this Service Level. The permissibility or feasibility of cancellations must be determined in light of the laws and contractual arrangements governing the relationship between the Creditor's Bank and the Collecting Bank (other than the SLMA and these Rules & Regulations), further subject to such additional arrangements as may be made from time to time among Participating Banks.

14. Controls and Rejections

It is the responsibility of the Collecting Bank to have such controls in place that will enable it to identify such DDTR instructions from a Creditor's Bank that possibly could not be Executed with the Requested Execution Date because of incomplete or incorrect information (eg, implausible contents, incorrect control totals).

Rejections and Returns are permitted in accordance with the relevant National Scheme rules pertaining in the country of the Debtor's Bank. In the absence of applicable country-general information, Participating Banks shall promptly communicate upon request the rules, the reasons (codes and glossary), conditions and time scales applying to both Rejections and Returns (both for Pre-Authorised and Non Pre-Authorised DDTRs).

For the purposes of this Service Level, if Rejection occurs it shall always be deemed to take place at batch level and before inter bank settlement. For the avoidance of doubt this means that a Participating Bank receiving a Rejection advice message shall act on the basis that its account (or that of the Creditor) has not been credited with the total amount due upon collection of the batch of transactions contained in an MT 104 message.

In the case of Rejection, an MT 104 Rejection advice message with the code "/RTND/" in field 23E and with the code "/REJT/" as the first element in line 1 of field 72 in Sequence A, together with the reason code and additional Rejection reference information as specified in the "Payments Reject/Return Guidelines" section of the SWIFTStandards volumes, shall be sent by the Collecting Bank to the Creditor's Bank.

After inter bank settlement has taken place a Rejection advice message must not be used. The only permissible messages which may then be exchanged by Participating Banks in connection with a previously sent MT 104 message are the Recall, Return, Revocation or Reversal messages as specified herein.

In the case of Return, an MT 195 or 199 Return advice message with the code "/RETN/" as the first element in line 1 of field 72 in Sequence B, together with the reason code and additional Return reference information as specified in the "Payments Reject/Return Guidelines" section of the SWIFTStandards volumes, shall be sent by the Collecting Bank to the Creditor's Bank within the time frame specified in the Directory relating to the Return of DDTRs in the country of the Debtor's Bank.

The Collecting Bank is responsible for advising the Creditor's Bank of the reason for Rejection or Return within the communicated time frame relating to the Rejection or Return of DDTRs in the country of the Debtor's Bank and hence that the Service Level shall not be honoured.

If applicable Rejection or Return fee information must also be included in either field 72 of the MT 104 Rejection advice or field 79 of the MT 195 or 199 Return advice message sent to the Creditor's Bank. Creditor's Banks shall decide whether Rejection or Return fees are to be borne by the Creditor.

All Rejection or Return messages exchanged by Participating Banks under this Service Level shall be subject to the relevant provisions of the Annex to these Rules & Regulations.

15. Recalls, Revocations and Reversals

Recalls, Revocations and Reversals are permitted in accordance with the relevant National Scheme rules pertaining in the country of the Debtor's Bank. In the absence of applicable country-general information, Participating Banks shall promptly communicate upon request the rules, the reasons (codes and glossary), conditions and time scales applying to Recalls, Revocations and Reversals (both for Pre-Authorised and Non Pre-Authorised DDTRs).

In the case of Recall or Revocation an MT 195 or 199 Recall or Revocation advice message with the code "/RETN/" as the first element in line 1 of field 79 together with the reason code and additional return reference information as specified in the "Payments Reject/Return Guidelines" section of the SWIFTStandards volumes, shall be sent by the Collecting Bank to the Creditor's Bank within the communicated time frame relating to the Recall or Revocation of DDTRs in the country of the Debtor's Bank.

A Recall or a Revocation must be in the same currency as the original MT 104 message to which it relates. The Collecting Bank is responsible for providing information as specified in the SWIFTStandards volumes to the Creditor's Bank to enable it to reconcile the Recall or Revocation message with the original direct debit transaction(s) in the MT 104 message.

If applicable, Recall or Revocation fee information must also be included in field 79 of the MT 195 or 199 Recall or Revocation advice message sent to the Creditor's Bank. Creditor's Banks shall decide whether Recall or Revocation fees are to be borne by the Creditor.

In the case of Reversal an MT 102 or 103 credit transfer message with the code word "DDRV" as the first element in line 1 of field 72 together with the reason code and additional return reference information as specified in the "Payments Reject/Return Guidelines" section of the SWIFTStandards volumes, shall be sent by the Creditor's Bank to the Collecting Bank.

A Reversal must be in the same currency as the original MT 104 message to which it relates. The Creditor's Bank is responsible for providing information as specified in the SWIFTStandards volumes to the Collecting Bank to enable it to reconcile the Reversal message with the original direct debit transaction(s) in the MT 104 message.

All Recall, Revocation or Reversal messages exchanged by Participating Banks under this Service Level shall be subject to the relevant provisions of the Annex to these Rules & Regulations.

16. Role of Concentrating Banks

All provisions of these Rules & Regulations apply to Concentrating Banks as if they were a Creditor's Bank.

17. Law Governing Disputes

Notwithstanding any other provision of the SLMA, any disputes between Creditor's Banks and Collecting Banks regarding DDTRs sent under this Service Level Schedule shall be governed by the law applicable in the country where the Debtor's account is located.

18. Notice of Termination

A Participating Bank may at any time with one month's written notice, notify another Participating Bank of its decision to cease exchanging DDTRs with it under these Rules & Regulations. In case of fraud, or attempted fraud, such notice will take effect immediately.

A Participating Bank may also at any time with one month's written notice, notify another Participating Bank of its decision to cease exchanging DDTRs with it for one or more individual customers under these Rules & Regulations. In case of fraud, or attempted fraud, such notice will take effect immediately.

19. Redress Procedure

- (a) Without prejudice to the application of mandatory provisions of law and of Articles 6 and 7 of the SLMA, if a Creditor lodges a claim with a Creditor's Bank for compensation for lost interest and Transaction Charges for any DDTR instructed by it under this Service Level which has not been Executed in accordance with the undertakings defined in Article 4 herein, interest shall be calculated on the principal amounts only of a DDTR.
- (b) If as a result of failure by the Collecting Bank to honour its obligations defined in Article 7 herein one or more DDTRs is/are not Executed in accordance with the undertakings defined in Article 4 herein, then the Collecting Bank shall indemnify and hold harmless the Creditor's Bank in respect of the latter's indemnification obligations towards the Creditor.
- (c) The redress so owed (whether of interest or a refund of Transaction Charges) shall be credited to the Creditor within 15 Business Days from his request, provided, that redress claims must be presented within 40 Business Days from Acceptance, failing which they shall not be accepted.
- (d) If the non-Execution of a DDTR under this Service Level was caused by defective instructions given by the Creditor to his bank, Participating Banks shall not be obliged to compensate for lost interest.
- (e) Unauthorised additions of Transaction Charges shall be refunded by the Creditor's Bank (subject to recourse against other Participating Banks) to the Creditor except for unauthorised additions by the Debtor's Bank for which the Creditor's Bank and/or the Collecting Bank shall not be responsible.
- (f) Participating Banks shall contractually exclude to the maximum amount lawfully possible consequential damages in their agreements as regards DDTRs under this Service Level (except if they waive recourse against other Participating Banks in respect of supplementary guarantees or assurances given to their customers).
- (g) Participating Banks shall not present each other with inter bank claims under Article 7 of the Service Level Master Agreement for amounts of (the equivalent of) USD 20 (twenty United States dollars) or less and shall assume the risk thereof.

20. Compliance and Quality Control

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- (a) SWIFT shall review compliance by a Participating Bank with the terms and conditions of this Service Level Schedule and performance of such Participating Banks hereunder, if within a period of three months, three or more Participating Banks make together five or more formal, motivated complaints against a Participating Bank (the “Bank under Review”) alleging material violations of these terms and conditions. SWIFT shall commission an independent audit firm (the “Auditor”) to handle compliance reviews. The DDTR SLWP (as defined in the SLMA) shall be informed of the terms of the mandate of the Auditor, including, in particular, of confidentiality undertakings required from the Auditor.
- (b) Participating Banks, including without limitation Banks under Review, shall cooperate with audits and make available all records and data reasonably required by the Auditor or by SWIFT, subject to applicable regulatory requirements.
- (c) If the Auditor makes a finding that the Bank under Review is generally not in compliance with the DDTR Service Level standards and that the complaints referred to above have merit, then SWIFT shall make available to the Bank under Review key elements of the audit findings and give the Bank under Review the opportunity to comment and, within SWIFT’s reasonable discretion, to be heard regarding the audit findings.
- (d) If SWIFT management responsible for the DDTR Service Level, following the procedures set out in paragraphs (a) through (c) concludes in favour of termination or suspension of a Bank under Review as regards the present Service Level, then a recommendation shall be submitted to the first following meeting of the Board of Directors of SWIFT, together with the audit findings and written comments presented by the Bank under Review pursuant to paragraph (c). If the Board of Directors resolves to exclude a Bank under Review from this Service Level, then the Bank under Review shall promptly reimburse SWIFT for the cost and expense (including the Auditor’s fee) of the investigation and audit.
- (e) SWIFT may conduct a “Quality Awareness Programme” to ascertain that DDTR Service Level standards are met and that Participating Banks are satisfied with performance of the DDTR Service Level. Such survey shall primarily address the performance standards set out in Article 4. Participating Banks will be asked to co-operate with the survey and to provide all records and data reasonably required by SWIFT or its designee in that regard.

Annex to DDTR Rules & Regulations

Until such time as the specifications for the "Request for Customer Direct Debit" message standard (MT107) are incorporated in the SWIFTStandards volumes, either of the following interpretations may optionally be made by Participating Banks in connection with the MT 104 messages exchanged under the DDTR Service Level:

1. Interpretation and Use of field 50a (Creditor) and field 53a (Sender's Correspondent)

If Participating Banks wish to support the provision of an additional Creditor's account (typically one that is serviced by the Collecting Bank) it is proposed that either field 50a or 53a is used as specified in the SWIFTStandards volumes and as further clarified in the following tables:

1a) Field 50a (Creditor)

Field 50a (Creditor) in the MT 104 may optionally be used to indicate the details of the Creditor's account serviced by the Collecting Bank. In this case the Creditor's Bank shall indicate in the first line of field 50a the details of the account serviced for the Creditor by the Collecting Bank and which account is to be credited with the proceeds of collection. This conditional field 50a is therefore used as follows:

Field 50a contents Interpretation

/34 characters and up to 4 lines of 35 characters (option K) or /34 characters and BIC/BEI (option A): Proceeds of collection to be credited to the Creditor as indicated by the account number on the first line of field 50a (preceded by a "/") and by the name of the Creditor as indicated either in the subsequent 4 lines of field 50K or by the BIC/BEI in option A.

OR

1b) Field 53a (Sender's Correspondent)

Field 53a (Sender's Correspondent) in the MT 104 may optionally be used to indicate the details of the Creditor's account serviced by the Collecting Bank. In this case the Creditor's Bank shall indicate in the optional account number sub field under Option B of field 53a the account number of the Creditor's account serviced by the Collecting Bank and which account is to be credited with the proceeds of collection. This optional field 53B is therefore used as follows:

Field 53B contents Interpretation

/34 characters Proceeds of collection to be credited to the Creditor as (Note: The /C or /D prefix is indicated by the account number on the first line of field 53B not to be used in this case) (preceded by a

"/") and by the name of the Creditor in field 50a.

2. Exchange of Rejection, Return, Recall, Revocation and Reversal Messages

Participating Banks shall support the exchange of these messages in accordance with their handling and processing capabilities as notified and in accordance with the "Payments Reject/Return Guidelines" section of the SWIFTStandards volumes and as further clarified in the following table:

Usage of Rejection and other messages in relation to an original DDTR (MT104) message sent by a Creditor's Bank to a Collecting Bank:

MESSAGE ->	REJECTION	RETURN	RECALL	REVOCAION	REVERSAL
Sent By	Collecting Bank	Collecting Bank	Collecting Bank	Collecting Bank	Creditor's Bank
Sent To	Creditor's Bank	Creditor's Bank	Creditor's Bank	Creditor's Bank	Collecting Bank
Message Type	104	195,99	195,99	195,99	102,103
At Batch (B) or Transaction (T) Level ?	Always B	Always T	Always T	Always T	Both B and T
Sent before or after Inter bank Settlement	Before	After	After	After	After
Sent after advice from Debtor ?	No	Yes, Sometimes	Yes, Sometimes	Yes, Always	Yes, Sometimes
Is Debtor's a/c already debited ?	No	No	Yes, Sometimes	Yes, Always	Yes, Sometimes
Is Debtor's a/c credited ?	No	No	Yes, Sometimes	Yes, Always	Yes, Sometimes
Sent for technical reasons ?	Yes, Always	Yes, Always	No	No	No
Sent due to lack of funds (Debtor's) ?	No	No	Yes, Sometimes	No	No
Sent due to Debtor's a/c blocked/frozen ?	No	Yes, Sometimes	Yes, Sometimes	No	No
Field 23E contents	"RTND"	N/a	N/a	N/a	N/a
Field 72/79 contents Sequence (A/B)	72: "/REJT/" (A)	72: "/RETN/" (B)	72: "/RETN/" (B)	72: "/RETN/" (B)	72: "/DDRV/" (A) in 102, or (B)

Original MT 104 copied ?	Yes	No	No	No	No
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