

“SWIFTPAY” SERVICE LEVEL RULES & REGULATIONS

1. Introduction

The present document constitutes the “SWIFTPay” Service Level Schedule under the Service Level Master Agreement for the realisation of credit transfers with a scheduled total execution time from Acceptance to Completion of generally no more than six Business Days.

This Service Level Schedule contains the rules and regulations governing, on a bilateral basis, "SWIFTPay"-level credit transfers involving pairs of Participating Banks having selected this Service Level Schedule as a Selected Service Level Schedule.

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

This Service Level Schedule is subject to the provisions of the Service Level Master Agreement and to the provisions of the SWIFTStandards volumes, provided, that the provisions of the Service Level Master Agreement 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:

“Acceptance” shall mean the acceptance by an Originator’s Bank to process and execute a credit transfer request submitted to it by an Originator according to the Originator’s instructions.

“Completion” shall mean the placing of a credit transfer at the disposal of the Beneficiary.

“Concentrating Bank” shall mean any Participating Bank which is to process incoming and/or outgoing credit transfers for Originators and Beneficiaries with accounts at other banks, (whether or not Participating Banks themselves) and which holds itself out as willing to act as a Concentrating Bank.

“Original amount” shall mean the principal amount of the credit transfer as specified by the Originator.

“Plausible” shall mean an account number the structure (format - check digit) of which is found valid (provided, that this does not imply that the account number exists, nor that it is the account number of the stated Beneficiary).

“Participating Bank” shall mean, for purposes of this Service Level Schedule only, a Participating Bank which has selected this Service Level Schedule and in respect of which this Service Level Schedule is in

full force and effect.

“Remittance Information” shall mean all information the Originator requests its bank to transmit to the Beneficiary about the reason for a credit transfer to facilitate reconciliation by the Beneficiary.

3. Scope of the Service Level

- (a) The following shall be considered “SWIFTPay” credit transfer requests capable of being processed under this Service Level Schedule: any credit transfer request which is flagged as such in accordance with Clause 9 hereof and which is:
- (i) in the Convertible Currency of either the Originator or the Beneficiary, or in EUR (or, subject to bilateral agreements among Participating Banks, in USD);
 - (ii) of an amount not exceeding USD 20,000 or equivalent; but of an amount up to EUR 50.000 or equivalent for credit transfer requests handled by Participating Banks in one or several Member states of the European Union.
 - (iii) with charging arrangements following the Originator’s instructions (available charging options being: (i) all Transaction Charges borne by the Originator, (ii) shared Transaction Charges, or (iii) all Transaction Charges borne by the Beneficiary).
- (b) Participating Banks shall decide independently the scope of the service level they offer to prospective Originators in their respective markets. However, they undertake to accept from other Participating Banks any Operation that falls within the scope of this Service Level Schedule (subject to the conditions hereof and of the Service Level Master Agreement, in particular as set out in Articles 2(c) and 3(b) thereof).

4. Guarantees Offered

As a consequence of the commitments they undertake *vis-à-vis* each other through the implementation of the present Rules & Regulations, Participating Banks shall guarantee to Customers that under the present Service Level Schedule:

- (a) the total execution time for credit transfers from Acceptance to Completion shall not exceed six Business Days, subject to such extensions as may result from mandatory provisions of applicable laws or regulations (in particular, reporting requirements);
- (b) in case the Originator’s charging option is that all Transaction Charges are to be borne by the Originator, the original amount as instructed by the Originator shall be credited to the Beneficiary;
- (c) in case the Originator’s charging option is that all Transaction Charges are to be split, or borne by the Beneficiary, the Beneficiary shall receive sufficient information at the time the credit is placed at his disposal to permit him to reconcile amounts (i.e., original amount minus Transaction Charges);

- (d) remittance information as submitted by the Originator and accepted by the Originator's Bank shall be transmitted to the Beneficiary subject to such maximum length as communicated by each Participating Bank involved, and subject always to an overall maximum possible length of 4*35 characters (but in no event less than the higher of 18 characters or the domestic clearing house capability as communicated);
- (e) a redress procedure is offered in case of non-Completion, or deficient Completion of the credit transfer.

5. Identification of Credit Transfer Requests

It is the Originator's Bank's responsibility to flag messages in connection with Operations for the requested Service Level in accordance with message standards specifications as indicated in Clause 9.

6. 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 communicated include at a minimum: (i) maximum amount accepted under the Service Level, which must be consistent with the domestic regulatory reporting threshold; (ii) Originator's Bank's control mechanisms as to Beneficiary's account plausibility; (iii) maximum remittance information supported; (iv) maximum Originator information supported; (v) Transaction Charges and Interbank Fees; (vi) transmission methods; (vii) local bank practices regarding conversion; (viii) Originator's and third currencies which a Participating Bank is willing to support when acting as Concentrating Bank.

7. Acceptance by the Originator's Bank

An Originator's Bank decides within its full discretion whether or not it accepts a credit transfer instruction. Except in case of express rejection by the Originator's Bank, a credit transfer instruction from an Originator is deemed accepted by the Originator's Bank for purposes of application of the performance guarantees under the present Service Level Schedule when and if:
the Originator has given an unconditional credit transfer instruction specifying:

- (i) the Beneficiary's name;
- (ii) the Beneficiary's account number (and Beneficiary's Bank and the relevant branch, if these cannot be identified through the sole account number);
- (iii) the currency and the amount to be credited;
- (iv) remittance information enabling the Beneficiary to immediately identify and allocate the payment (e.g., invoice number, pension ...);
- (v) Transaction Charges instructions (either all Transaction Charges borne by the Originator, or

shared Transaction Charges, or all Transaction Charges borne by the Beneficiary).

However, the responsibility of the Originator's Bank cannot extend further than the instructions received from the Originator, in particular when the Beneficiary's country practices or regulations establish that credits are allocated giving priority to the account number over the name.

For the MT 103+, it is recommended that Participating Banks support the IBAN (the "International Bank Account Number") in the account number line of the Beneficiary Customer.

For the intra-European MT 103+, the IBAN is mandatory in the account line of the Beneficiary Customer.

8. Processing by the Originator's Bank

The Originator's Bank is responsible for ensuring that the elements of a valid instruction as required under Clause 7 are present and, in particular, that the Beneficiary's Bank or its relevant branch can be easily identified. Control of plausibility of the Beneficiary's account number is at the discretion of each Originator's Bank.

However, Originator's Banks shall communicate upon request their capability to verify the plausibility of Beneficiary's account numbers for payments sent to countries with uniform account number structure .

The Originator's Bank shall process a transfer instruction no later than the Business Day first following Acceptance by it. "Process" means for purposes of this Service Level Schedule that the transfer instruction is forwarded in a valid format to the Beneficiary's Bank, or to the Concentrating Bank in the Beneficiary's or in the Originator's country, so that it reaches that bank at the latest the next day before its set cut-off time for credit transfers.

The Originator's Bank shall use the time available to it to effect (i) any currency conversion required and (ii) settlement or cover payment, to permit the credit transfer to be completed in due course.

9. 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 FileAct) to communicate in connection with this Service Level.

Each Participating Bank shall decide which of the defined transmission methods it will support, and shall inform its correspondents accordingly.

On both services the accepted message standard is the "MT 102". Participating Banks are responsible for proper registration with S.W.I.F.T. as required under the SWIFTStandards volumes.

When made available by SWIFT, the “single MT 102 standard” can be used for purposes of this Service Level Schedule.

The following specifications supersede or complement message standards specifications as notified in the SWIFTStandards volumes:

Flagging :

The MT 102 messages shall contain in field 23 the code word “SPAY”.

10. Batching Criteria for MT 102

The following batching criteria apply:

- (a) only instructions in the same currency;
- (b) only instructions for the same value date; and
- (c) only batches to be settled on the same account;
- (d) only instructions under this Service Level.

11. Transparency, Transaction Charges, Conversion Costs

Participating Banks shall provide their Customers with full particulars of Transaction Charges applicable in connection with credit transfers realised under this Service Level Schedule, subject always to further requirements under mandatory provisions of applicable laws or regulations. Originator’s Banks shall supply such particulars prior to receipt of instructions for a credit transfer and shall advise the Originator of the execution of such instructions, each time in accordance with their usual practices for communicating with customers.

In connection with credit transfers where all or part of the Transaction Charges are to be borne by the Beneficiary, the Originator’s Bank shall forward to the Beneficiary’s Bank or, as the case may be, the Concentrating Bank, for eventual forwarding to the Beneficiary, full particulars of all Transaction Charges deducted from the principal amount of the credit transfer, as well as foreign exchange conversion data. Beneficiary’s Banks shall provide Beneficiaries with full particulars of Transaction Charges thus charged, taxes levied, and foreign exchange data regarding credit transfers, forthwith following Completion.

Particulars of taxes levied and foreign exchange conversion information shall be supplied as required by applicable law.

12. Originator Information

Participating Banks undertake to pass on in an unaltered form up to the Beneficiary the information about Originator they have accepted from him, provided, that only information of such maximum length as communicated by the Participating Banks involved (the maximal possible length being 4*35

characters) shall be guaranteed.

It is the responsibility of the Originator's Bank to verify that the Originator's name (if provided in the transfer instruction) is present on the first line of the field identifying the Originator.

13. Remittance Information

In addition, Participating Banks undertake to pass on in an unaltered form up to the Beneficiary any remittance information they have accepted from the Originator.

Information of such maximum length as communicated by the Participating Banks involved (the maximal possible length being 4*35 characters) shall be guaranteed.

14. Regulatory Reporting

Participating Banks assume responsibility for compliance with their country's regulatory reporting obligations: the Originator's Banks for outgoing credit transfers, and the Beneficiary's Banks for incoming credit transfers.

Originator's Banks shall endeavour to request from Originators, and pass on to Beneficiary's Banks such information as will enable the Beneficiary's Bank to speed up the reporting, and hence, crediting process. This endeavour only represents a "best effort".

When the Beneficiary's Bank, because of applicable laws or regulations, cannot immediately credit the Beneficiary's account, it shall notify the Beneficiary forthwith that it holds a pending credit for its account. Such effective notification shall replace, from a time frame point of view, the credit to the Beneficiary's account and will be considered equivalent to Completion under the present Service Level.

15. Foreign Exchange

Participating Banks shall generally execute credit transfers in the currency instructed by the Originator, except as otherwise provided in the third paragraph of this Clause.

If the transfer is instructed in the Beneficiary's currency and conversion is required, the Originator's Bank shall do the conversion.

If the transfer is instructed in a currency other than the currency of the Beneficiary's country, Beneficiary's country or bank local practices will prevail. It is the Beneficiary's Bank's obligation to inform the Originator's Bank about these local bank practices and, if relevant, about the foreign exchange commissions applied. The Originator's Bank shall inform the Originator as early as possible (and, if possible, prior to receipt of a credit transfer instruction) as to the currency in which a credit transfer is expected to be completed including the applicable foreign exchange commissions notified by the Beneficiary's Bank (or, as the case may be, the relevant Concentrating Bank in the Beneficiary's

country).

When the amount transferred is credited in a currency different from the Originator's instruction, then the exchange rate must be notified to the Beneficiary.

16. Settlement

Originator's Banks are responsible for ensuring that sufficient funds or credit lines are available and for initiating an irrevocable settlement instruction in due time for the transfer request to be executed without delay.

It is also the responsibility of the Originator's Bank to ensure that the Beneficiary's Bank receives sufficient information to reconcile the credit transfer with the cover payment instructions.

17. Cancellations

Cancellations are not authorised under this Service Level.

All instructions by Originators will, once accepted, be considered and processed as if they were irrevocable instructions.

Cancellations, if requested by an Originator or if an Originator has a statutory right to withdraw instructions, must be processed as separate transactions outside the scope of the present Service Level (subject to agreement of the Participating Banks involved as to the feasibility and opportunity of reversing a credit transfer).

18. Controls and Rejects

It is the responsibility of the Beneficiary's Bank to have such controls in place that will enable it to identify within one Business Day from receipt of an instruction such credit transfer requests that need to be repaired and possibly could not be completed within the allocated time frame because of incomplete or missing information (e.g., Beneficiary's account number).

At that stage, the Beneficiary's Bank has two options:

- (a) either accept and repair the credit transfer instruction. In that case the Service Level shall be honoured and the Beneficiary's Bank, at its own discretion, may inform the Originator's Bank about possible repair charges; or
- (b) on the same day inform the Originator's Bank that a specific credit transfer request is rejected, hence the Service Level shall not be honoured. The reject information including the reason of the reject must reach the Originator within the time frame ordinarily available for Completion.

In case the rejected credit transfer instruction was part of a batch of instructions which had already been posted by the Beneficiary's Bank, the reject will result in a reverse credit. This credit will be in the same currency as the original credit transfer request. This information and/or the reverse credit shall reach the Originator in no more time than it would take for the credit transfer to reach the Beneficiary (i.e., no later than the sixth Business Day following Acceptance).

Reject fees, if relevant, will be charged to the Originator's Bank. Information about such fees, as well as the reason for the reject, must be included in the reject message. Originator's Banks shall decide whether reject fees are to be borne by the Originator.

19. Credit and Information to the Beneficiary

The Beneficiary's Bank is responsible for completing the transfer and crediting the Beneficiary's account within four Business Days following receipt of the credit transfer instruction (the first such Business Day being the Business Day on which the instruction reached the Beneficiary's Bank prior to its communicated cut-off time for credit transfers), subject to any applicable regulatory requirements and subject to the possibility of rejection in accordance with Clause 18, provided that the Beneficiary's Bank shall do whatever is required to assure realisation of Operations in compliance with the guarantee defined in Clause 4(a).

20. Role of Concentrating Banks

All provisions of the present Rules & Regulations (except for obligations regarding remittance of information, transmittal of which a Concentrating Bank shall guarantee only to the Beneficiary's Bank) apply to Concentrating Banks, as if they were the first or the last Participating Bank, as the case may be, in the payment chain. Without prejudice to the foregoing, Concentrating Banks operating in the country of the Beneficiary's Bank have the right to exclude responsibility in respect of Operations denominated in a currency other than the currency of their country on condition of making adequate communication of such exclusion.

21. Redress Procedure

- (a) Without prejudice to the application of mandatory provisions of law and of Articles 6 and 7 of the Service Level Master Agreement, the Originator shall be entitled to claim from its Originator's Bank:
 - (i) a refund of the principal amount, any Transfer Fees and foreign exchange commissions debited, for any credit transfer not credited to the Beneficiary within twenty (20) Business Days from Acceptance;
 - (ii) compensation for lost interest for any credit transfer which is not completed within six (6) Business Days from Acceptance as required under this Service Level.

The redress so owed (whether of principal, interest or a refund of Transaction Charges) shall be credited to the Originator within fifteen (15) Business Days from his request, provided, that redress claims must be presented within forty (40) Business Days from Acceptance, failure of which they shall not be accepted.

- (b) If the non-Completion of a credit transfer under this Service Level was caused by defective instructions given by the Originator to his bank, Participating Banks shall not be obliged to

compensate for lost interest.

- (c) Unauthorised deductions of Transfer Charges shall be refunded by the Originator's Bank (subject to recourse against other Participating Banks) to the Originator except for unauthorised deductions by the Beneficiary's Bank which shall be refunded by the latter to the Beneficiary. Refund claims shall be made by Originators (save as provided in the preceding sentence).
- (d) Participating Banks shall contractually exclude consequential damages in their Customer agreements as regards credit transfers under this Service Level (except if they waive recourse against other Participating Banks in respect of supplementary guarantees or assurances given to their Customers).
- (e) Participating Banks shall not present each other with interbank claims under Article 7 of the Service Level Master Agreement for amounts of (the equivalent of) USD 20 dollar or less and shall assume the risk thereof.

22. Compliance and Quality Control

- (a) SWIFT shall review compliance by a Participating Bank with the terms and conditions of this Service Level Schedule and performance of such Participating Bank hereunder, if within a period of three months, three or more Participating Banks make five or more formal, motivated complaints against that 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 SWIFTPay SLWP (as defined in the Service Level Master Agreement) 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.
- (c) If the Auditor makes a finding that the Bank under Review is generally not in compliance with SWIFTPay Service Level standards and that the complains referred to above have merit, 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 SWIFTPay, 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, 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, the Bank under Review shall promptly reimburse SWIFT for the cost and expense (including the Auditor's fee) of the investigation and audit.

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- (e) SWIFT may conduct a “Quality Awareness Programme” to ascertain that SWIFTPay Service Level standards are met and that SWIFTPay Participating Banks are satisfied with performance of the SWIFTPay Service Level. Such survey shall primarily address the performance standards set out in Clause 4. Participating Banks shall cooperate with the survey and provide all records and data reasonably required by SWIFT or its designee in that regard.