

**APPROVED:**  
AS Expobank  
Management Board Meeting  
dated 18.01.2019  
(minutes No 2)

**EFFECTIVE AS OF: 01.04.2019**

## PAYMENT REGULATIONS

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### I. OBJECTIVE

To describe the Payment procedures of AS Expobank.

### II. TERMS

**Bank** – AS Expobank providing the payment services. Registered with the commercial register of the Enterprise Register of the Republic of Latvia; unified registration number: 40003043232; registered office: Kr. Valdemāra iela 19, Rīga, LV-1010; website address on the Internet: [www.expobank.eu](http://www.expobank.eu); electronic mail address: [info@expobank.eu](mailto:info@expobank.eu).

**Business Day** – a day within the framework of the working time of the Payment Service Provider involved in making the Payment during which the Payment Service Provider performs activities required in order to execute the Payment.

**EEA - European Economic Area** uniting the Member States of the European Union and three states of the European Free Trade Association (EFTA) – Iceland, Liechtenstein and Norway.

**IBAN** (International Bank Account Number) – an international bank account number assigned by the banks to the Accounts and conforming to the international standard ISO 13616-1:2007 “Financial Services. International Bank Account Number (IBAN). Part 1: Structure of the IBAN”.

**Internet Banking System** – remote account administration system for servicing of demand deposit account, payment card accounts and other accounts, provision of services, execution of banking

operations and exchange of information between the Customer and Bank on-line, using the global Internet network, with a possibility to use it in one work place.

**Execution Period** – execution period of a payment order that has been specified for the relevant type of Payments in the Tariffs or regarding which the Customer has agreed with the Bank.

**Customer** – a natural person or legal entity, or association of such persons which performs or has expressed a wish to perform a Payment and/or receive a Payment.

**Commission Fee** – remuneration for the Payment Service, the service related to the Account and remuneration related to making and execution of Payments as laid down in the Tariffs.

**Account** – the Customer’s account with the Bank which is used for execution of the Payment or receipt of the Payment.

**RL** – the Republic of Latvia.

**Payment** – transfer of money (credit transfer) initiated by the Payer with his/her Payment Service Provider by submitting a Payment Order with a purpose to deliver the Payment amount to the Beneficiary with the Beneficiary’s Payment Service Provider.

**Payment Order** – task given by the Payer to its Payment Service Provider to execute the Payment.

**Payment Service** – any payment service within the meaning of the Law on Payment Services and Electronic Money offered or provided by the Bank.

**Payment Service Provider** – any person entitled to provide and providing Payment Services, incl. the Bank.

**Payer** – a natural person or a legal entity which gives its Payment Service Provider permission to make the Payment from its Account or gives a Payment Order if it does not have an Account.

**Regulations** – these Payment Regulations of the Bank with all amendments and additions hereto.

**Beneficiary** – a natural person or a legal entity or association of such persons which has been indicated as the beneficiary of the money transfer in the Payment Order.

**Day of Receipt** – the Bank’s Business Day on which the Payment Order shall be deemed to be received at the Bank in accordance with Chapter 3 of these Regulations.

**Intermediary** – a Payment Service Provider which is neither the Payer’s Payment Service Provider, nor Beneficiary’s Payment Service Provider and which is involved in execution of the Payment.

**International Payment** – a Payment initiated by the Payer with the Payer’s Payment Service Provider located in one country with the purpose to transfer the Payment amount to a Beneficiary with the Payment Service Provider in another country.

**SWIFT** – a global interbank financial telecommunications company ensuring transmission of financial notifications between the Payment Service Providers by using a telecommunication network.

**Tariffs** – tariffs for the Bank’s operations and other financial services in force at the moment of execution of a Banking operation or Service provision indicating the amount of Commission Fees and rules for application thereof.

**Unique Identifier** – a combination of letters, numbers or symbols determined by the Payment Service Provider to the user of Payment Service and that must be indicated by the Payer in the Payment Order so that the Beneficiary’s Payment Service Provider could unmistakably identify the Beneficiary of the Payment or its account into which the Payment amount should be transferred, i.e., the Beneficiary’s account number in IBAN format.

**Value Date** — Payment settlement date.

**General Regulations for Provision of Services** — the Bank's General Regulations for Provision of Services with all amendments and additions thereto.

Terms used in the Regulations which have not been explained in the Regulations correspond to the terms used in the General Regulations for Provision of Services. Other terms correspond to their use in laws and regulations governing the operation of credit institutions and provision of payment services.

## **1. APPLICATION OF REGULATIONS**

- 1.1. The Regulations govern legal relations between the Bank and the Customer related to execution of Payments.
- 1.2. The Regulations are an integral part of the Agreement concluded between the Bank and the Customer regarding opening and servicing of a current account.
- 1.3. Legal relations between the Bank and the Customer related to provision of such Payment Services which cannot be deemed as Payments in the meaning of the Regulations are governed by relevant Service Regulations and agreements entered into between the Bank and the Customer.
- 1.4. If the Customer makes a Payment by using remote account management services offered by the Bank (for example, Internet Banking System) and/or by using payment cards (credit card, debit card and other similar cards) issued by the Bank, agreements entered into by the Bank and the Customer governing the use of Internet Banking System and/or payment cards shall also be applied to making the Payment.
- 1.5. All legal relations between the Bank and the Customer related to making of Payments and not determined in these Regulations shall be governed by the General Regulations for Provision of Services, Tariffs, other Service agreements and Service Regulations and best general banking practice, as well as principles of good faith, reason and good reputation.
- 1.6. The Bank shall be entitled to amend the Regulations on unilateral basis in accordance with the General Regulations for Provision of Services governing the amendments of the Bank's regulatory documents binding to the Customer.
- 1.7. All notifications between the Customer and the Bank laid down in the Regulations and related notifications shall be transferred and sent in accordance with the General Regulations for the Provision of Services as far as the Regulations do not provide otherwise.
- 1.8. Provisions of the Sections 58, 60, 61, 63, 64, 66, 67, 69-75, Paragraph one of Section 77, Sections 85, 87-89 and 99 of the Law on Payment Services and Electronic Money of the Republic of Latvia and the period for claiming the damages laid down in Section 84 shall not be applicable to the mutual legal relations between the Bank and a Customer which is not a consumer.
- 1.9. Regulations and General Regulations for Provision of Services shall be available upon the Customer's request in the premises of the Bank (Customer service halls) at open hours of the Bank and on the Bank's website: [www.expobank.eu](http://www.expobank.eu). The Customer shall be obliged to be acquainted with the Regulations, General Regulations for Provision of Services, to keep track of the amendments and to be acquainted with these. The Bank shall not be responsible for the Customer's losses or additional expenses if the Customer has not acquainted him/herself or has not acquainted him/herself in a timely manner with the mentioned regulations or amendments thereto (new editions).

## **2. PREPARATION OF THE CUSTOMER'S PAYMENT ORDER**

- 2.1. In order to initiate the Payment, the Customer submits a Payment Order to the Bank which is prepared clearly and unambiguously in accordance with the Regulations, General Regulations for the Provision of Services and instructions of the Bank in compliance with the provisions of the applicable laws and regulations. The information provided in the Payment Order shall be complete, accurate and unambiguous. The Customer shall be liable for correctness and truthfulness of the information provided in the Payment Order.
- 2.2. The Bank shall be entitled to determine requirements in relation to provision of particular information which must be ensured by the Payer in order for the Bank to be able to duly execute the Payment Order. The information regarding these requirements shall be available to the Customer in the form of the Payment Order and the Regulations, as well as the Service Agreement, Tariffs and separate notifications of the Bank to the Customer regarding provision of information necessary to the Bank.

The Customer shall be entitled to request the assistance from the Bank for completion of the Payment Order and for clarification of the necessary information. As much as possible, the Bank shall provide to the Customer the necessary assistance and information.

- 2.3. Information to be provided in the Payment Order:
  - 2.3.1. Number of the Payment Order;
  - 2.3.2. Date of the Payment Order;
  - 2.3.3. Type of Payment depending on degree of urgency – standard, urgent, express (see Tariffs <http://www.expobank.eu/eng/top/service-fees>). If the Payment Order does not provide any of the types of Payment mentioned in this Clause, the Bank shall execute the Payment Order in accordance with the Execution Period laid down in the Tariffs for the standard Payment.
  - 2.3.4. Payment amount in numbers, and in words if requested in the form of the Payment Order;
  - 2.3.5. Payment currency;
  - 2.3.6. Information regarding the Payer:
    - 2.3.6.1. for legal entities – name, address and registration number, country of registration of the Customer (Payer);
    - 2.3.6.2. for natural persons – the Customer's (Payer's) name, surname, address, or number of the identification document/identification code/date and place of birth, as well as country of residence;
  - 2.3.7. the Payer's Account number in IBAN format from which the Payment amount will be written off;
  - 2.3.8. Information regarding the Beneficiary:
    - 2.3.8.1. for legal entities – the Beneficiary's name, registration data and address of the Beneficiary;
    - 2.3.8.2. for natural persons – the Beneficiary's name and surname, identification code/date of birth and address of the Beneficiary;
  - 2.3.9. the Beneficiary's account number or account number in IBAN format;
  - 2.3.10. full, accurate name of the Beneficiary's Payment Service Provider without abbreviations, identification code, SWIFT, ABA ROUTING, BIC, Sort Code, etc., and other additional information regarding the Beneficiary's Payment Service Provider. The Bank's identification code does not have to be indicated if the Payment is made within the framework of the Bank;

- 2.3.11. The code of the external payment in the cases and procedures laid down in the “Classifier of the External Payments” of the Bank of Latvia;
- 2.3.12. a complete and accurate purpose of Payment (no more than 140 symbols) in Latvian, Russian or English, depending on the country of beneficiary bank and correspondent bank. The Bank shall not translate the text indicated in the purpose of Payment. The purpose of Payment must be complete, accurate, clear and unambiguous. Information indicated in the purpose of Payment should reflect the economic nature of the transaction as well as correspond to the economic activity of the Customer declared (indicated) at the Customer’s Bank. For the Payments of commercial nature the purpose should be specified as full name, number and date of the supporting document of the Payment (agreement, waybill, shipping document, etc.), as well as detailed description of what goods or services are paid for.
- 2.3.13. information regarding the type of payment of Commission Fees (OUR, SHA, BEN – see Tariffs <http://www.expobank.eu/eng/top/service-fees>);
- 2.3.14. other information necessary for execution of the International Payments if requested by the Beneficiary’s Payment Service Provider or the laws of the country of the Beneficiary’s Payment Service Provider.
- 2.4. For the Payments the Payment Service Providers of the Payer and Beneficiary of which are located in EEA countries, the Payer shall pay the Bank’s Commission Fee, and the Beneficiary shall cover the fee requested by his/her Payment Service Provider.
- 2.5. The Payments the Payment Service Providers involved in the execution of which are located in the EEA countries, shall be accepted by the Bank, and the type of Commission Fee payment shall be SHA. In cases when the Customer has indicated a different type of Commission Fee payment in the Payment Order submitted to the Bank, the Bank or Intermediary shall be entitled to change the type of Commission Fee payment to SHA without the Customer’s consent. In these cases the Customer shall pay commission to the Bank in accordance with the Tariffs, and only the Beneficiary’s Payment Service Provider shall be entitled to deduct its commission fee from the Payment amount prior to or after its entering into the Beneficiary’s account if it is provided by the agreement entered into by the Beneficiary and the Beneficiary’s Payment Service Provider. Provisions of this Clause shall not apply to those parts of the Payment that are made outside EEA.
- 2.6. When preparing a Payment Order for performance of the International Payment in a foreign currency (except Payments within the framework of the Bank), the Customer may specify the details of an Intermediary as well – its full and accurate name, SWIFT code or the bank's identification code applicable in the relevant country, and other additional information known to the Customer regarding the Intermediary’s correspondent account. The Bank shall be entitled to select an Intermediary at its own discretion without coordinating it with the Customer. The Bank shall be entitled to change the Intermediary specified in the Payment Order. The Customer shall not be entitled to determine the correspondent bank which the Bank should use for execution of the Payment.
- 2.7. The Payer shall submit to the Bank such Payment Orders that have been completed legibly, correctly and completely, without corrections and deletions, signed by means of writing the text written by which is retained for unlimited period of time and cannot be erased otherwise than by obvious damage to the material of the Payment Order. The Bank shall have the right, yet not an obligation to verify whether such means of writing have been used. The Payer shall be liable for losses arising due to non-compliance with the requirements laid down in this Clause. The Bank shall be entitled to refuse acceptance and/or execution of Payment Orders that have not been prepared in accordance with the requirements of this Clause.

- 2.8. If the Customer has not in its Payment Order specified all information and details believed necessary by the Bank and requested by the Bank, then the Bank shall be entitled to execute the Payment Order at its discretion on the basis of provided information and details, or to refuse to accept and/or execute the relevant Payment Order.
- 2.9. If the Payment Order is submitted in a paper format, it must be signed in accordance with the General Regulations for Provision of Services.
- 2.10. If the Payment Order has been submitted by using the remote account management services offered by the Bank (for example, Internet Banking System), it shall be signed or approved in accordance with the provisions of the Service Agreement governing the use of Internet Banking System.

### **3. SUBMISSION OF THE CUSTOMER'S PAYMENT ORDERS**

- 3.1. The Customer shall give his/her consent to the execution of the Payment (authorise the Payment) prior to execution of the Payment. If there is no such consent, the Payment shall be deemed unauthorised.
- 3.2. The Customer shall give his/her consent to execution of the Payment (authorise the Payment) by signing or approving the Payment Order in accordance with provisions of Clause 2.9 or 2.10 and by submitting it to the Bank. The Customer may submit a Payment Order to the Bank in the following ways:
  - 3.2.1. in a paper format at the premises of the Bank during the open hours, while the Customer (or its representative) and the employee servicing the Bank's customers being simultaneously present;
  - 3.2.2. in any form, by using the remote account management services offered by the Bank (for example, the Internet Banking System), regarding the use of which for submission of Payment Orders the Customer has agreed with the Bank or to the use of which for submission of Payment Orders in the relevant case the Bank has agreed.
- 3.3. The Payment Order shall be deemed as received unless Chapters 3 and 4 of these Regulations do not provide otherwise:
  - 3.3.1. in a paper format – at the moment when the Bank receives the Payment Order and certifies the receipt of the Payment Order by a stamp and signature;
  - 3.3.2. electronically, by using the Internet Banking System – at the moment when the Payment has been assigned the status of “sent” in the relevant system;
  - 3.3.3. electronically, by using the option offered by the Internet Banking System to submit a notification in free form (a letter) to the Bank – at the moment when the notification in the Internet Banking System has been assigned a status “sent”.
- 3.4. If the Bank finds that the Payment Order submitted to the Bank does not provide all information that is necessary in order to execute the Payment Order in accordance with the Regulations, or if the Payment Order contains errors or other faults, the Bank shall be entitled to request and the Customer shall be obliged to clarify and/or correct the information provided in the Payment Order within ten (10) calendar days. In this case, the Payment Order shall be deemed as received as soon as the Bank has received all information necessary for execution of the Payment Order. If the Customer has not clarified and/or corrected the information provided in the Payment Order within ten (10) days, or the Bank has not been able to find out the information necessary to execute the Payment Order, the Bank shall be entitled to execute the Payment Order at its own discretion in compliance with the best practice of provision of the banking services, or to reject the execution of the Payment Order.
- 3.5. The Customer shall be obliged to ensure that the amount of money necessary for execution of the Payment Order and payment of related Commission Fees would be freely accessible in the

Account from which in accordance with the instructions provided in the Payment Order the relevant Payment should be made and the relevant Commission Fee should be written off. If the Payment Order is submitted to the Bank by using the Internet Banking System, the Customer shall be obliged to ensure that the amount of money necessary for execution of the Payment Order and payment of related Commission Fees would be freely accessible in the relevant Account no later than within ten (10) calendar days after submission of the Payment Order. If the obligation mentioned in this Clause is not fulfilled, the Bank shall be entitled to refuse from receipt and/or execution of the Payment Order.

- 3.6. The Customer may submit to the Bank a Payment Order by specifying a future execution commencement date. In this case, the Payment Order shall be deemed as received on the date specified in the Payment Order as the commencement date of execution. If the specified date is not the Bank's Business Day, the Payment Order shall be deemed as received on the next Bank's Business Day.
- 3.7. In any case, when the Customer has submitted a Payment Order, but at the moment of processing the Payment Order the amount of money necessary for execution of the Payment Order and payment of related Commission Fees is not freely accessible in the Account, the Payment Order shall be deemed as received at the moment when such amount of money is freely accessible in the relevant Account.
- 3.8. The Bank shall be entitled to write-off the amount of money necessary for execution of the Payment Order and related Commission Fees from the relevant Account on the date of Receipt of the Payment Order or later when performing its processing in compliance with the time of the Bank's Business Day and Value Date.
- 3.9. Payment Orders that have been after the end of the Bank's Business Day or on the day that is not the Bank's Business Day in accordance with the Regulations shall be deemed as received on the next Bank's Business Day.
- 3.10. Information regarding the Bank's Business Day (open hours) is available on the Bank's website on the Internet.
- 3.11. Receipt of the Payment Order shall not guarantee its execution. For the Bank to be able to execute the Payment Order, it should correspond to the requirements laid down in these Regulations, General Regulations for Provision of Services and other legal acts governing the payment sector and contractual relations between the Customer and the Bank.

#### **4. EXECUTION OF THE OUTGOING PAYMENTS**

- 4.1. The Bank shall verify the completeness of the Payment Orders submitted by the Customer.
- 4.2. If the Bank has doubts regarding the authenticity of the submitted Payment Order, it shall be entitled to request the Customer to confirm the transaction and not to execute it until receipt of the confirmation. In this case, the Bank shall not be liable for losses incurred by the Customer due to delay in execution of the task specified in the document.
- 4.3. Prior to execution of the Payment Order, the Bank shall be entitled to request the Customer to submit information and/or documents certifying legitimacy of the origin of funds, as well as the economic nature of the transaction. The Bank shall be entitled to delay the execution of the Payment Order at its discretion if the Customer has not submitted the information requested by the Bank and the documents regarding the origin of funds, as well as legitimate purposes and economic nature of the transaction.
- 4.4. The Bank shall be entitled to refrain from execution of the Customer's order in case of justified suspicion that the transaction does not comply with the requirements of the laws of the RL, international agreements, international conventions on prevention of money laundering; if it is directly or indirectly related to a country, territory or person against which the sanctions of

international organisations, etc., have been imposed; or if the transaction has been performed contrary to these Regulations or other regulatory documents governing the legal relations between the Bank and the Customer.

- 4.5. The Bank shall execute the Payment if the Account contains sufficient funds for execution of the Payment Order and payment for the service in accordance with the Tariffs.
- 4.6. Application procedures of the Commission and other fees by the Bank shall be governed by the [General Regulations for Provision of Services](#), these Regulations, other internal regulatory documents and agreements binding to the Customer that have been entered into between the Customer and the Bank, as well as Tariffs.
- 4.7. If the Customer's Account does not have sufficient funds for deduction of the Commission fee for the Payment in the relevant currency, but funds in the Account are in a different currency, the Bank shall deduct the relevant amount of commission fee from the funds in any other currency by conducting conversion in accordance with the standard rate set by the Bank.
- 4.8. If the Customer has submitted a Payment Order in a particular currency, but the balance of the Account is in a different currency, the Customer shall submit a conversion application on the basis of which the Bank shall perform currency exchange of cashless funds.
- 4.9. The Customer's Payment Order shall be valid for ten (10) calendar days, including the date of its preparation submission/receipt. The Bank shall be entitled not to execute the Customer's Payment Order and to cancel it after ten (10) calendar days if the Customer's Account does not have sufficient funds to execute the Payment Order and/or to pay for the Bank's services, or if additional information has been requested from the Customer regarding the Payment, and the Customer has not submitted this information. In this case, the Bank shall not be liable for execution of the Payment Order given to the Bank.
- 4.10. Period for Payment execution shall depend on the receipt time of the Payment Order and Payment execution times laid down in Tariffs. (see Tariffs <http://www.expobank.eu/eng/top/service-fees>)
- 4.11. The Bank shall not be liable for losses incurred by the Customer due to the fact that he/she has not specified the execution period in the Payment Order.
- 4.12. The Bank may commence the execution of the Payment Order upon the Customer's initiative with a purpose to transfer the Payment amount to the Beneficiary with the Beneficiary's Payment Service Provider. The Payer and the Beneficiary may be the same person.
- 4.13. If the Beneficiary's Payment Service Provider and the Bank do not have a common correspondent bank, in addition to the correspondent banks of the Bank and the Beneficiary's Payment Service Provider other Intermediaries are involved which consecutively transfer the Payment Order to each other.
- 4.14. The Bank shall execute the Payment Order by ensuring the transfer of the Payment amount to the correspondent bank account of the Beneficiary's Payment Service Provider or the Bank no later than within the Payment execution times laid down in the Bank's Tariffs, starting from the date when the Bank has accepted the Payment for execution. The Bank shall not be liable for transfer of the Payment amount to the Beneficiary specified in the Payment Order within a particular period of time.
- 4.15. If the Payment is initiated by the Customer, and the Payment is performed in euro currency to another Payment Service Provider registered in a member state of EEA, the maximum time for transfer of the Payment amount into the account of the Beneficiary's Payment Service Provider shall be one Business Day after the day when the Payment Order was accepted by the Bank. The maximum execution period for orders submitted on paper shall be two Business Days.
- 4.16. If the Payment is initiated by the Customer, and the Payment is performed in any of EEA currencies (except euro) to another Payment Service Provider registered in a member state of



EEA, the maximum time for transfer of the Payment amount into the account of the Beneficiary's Payment Service Provider shall be four Bank's Business Days counting from the day when the Payment Order was accepted by the Bank.

- 4.17. If the Payer's account and Beneficiary's account specified in the Payment Order is at the Bank, such Payment Order shall be executed by the Bank by transferring the Payment amount to the Beneficiary's account at the Bank on the Receipt Date of the relevant Payment Order by the Bank.
- 4.18. If the Execution Period of the Payment Order is on such a day that is not the Business Day of the Beneficiary's Payment Service Provider or the Intermediary involved in execution of the relevant Payment, the Payment Order shall be executed on the next Business Day of the Beneficiary's Payment Service Provider or Intermediary.
- 4.19. The Bank shall have the right to change the execution period of the Payment Order without informing the Customer thereof, if:
- 4.19.1. The Payment Order has been submitted to the Bank later than the Payment execution times laid down in the Bank's Tariffs;
  - 4.19.2. The Account has insufficient funds for execution of the Payment;
  - 4.19.3. The Payment must be made in a currency issued by the country where the Payment Value Date is not the business day of the bank of this country, or the execution of the Payment by this deadline is not possible in accordance with the existing practice of banks.
- 4.20. In cases mentioned in Clause 4.19, the Bank shall not be liable for losses incurred by the Customer due to deferred execution of the Payment.
- 4.21. If the Customer has indicated all necessary details in the Payment Order, but the Payment has not reached the Beneficiary's Payment Service Provider, the Bank shall be liable only in cases and to the amount specified in the laws and regulations of the Republic of Latvia.
- 4.22. If the Customer has submitted several Payment Orders to the Bank for the total amount exceeding the available balance of funds in the Account for making Payments, and the Customer has not agreed with the Bank regarding sequence for the Payment execution, the Bank shall be entitled to execute the Payment in free order at its discretion independently determining the Payment Orders the execution of which shall be deferred.
- 4.23. When making the Payment in which the Beneficiary's account has been opened with another Payment Service Provider, the Bank has fulfilled its obligations arising from the received Payment Order as of the moment when in compliance with these Regulations the relevant Payment amount has been written off from the Bank's correspondent account. The Bank shall not be liable for disbursement of the relevant amount to the Beneficiary specified in the Payment Order.
- 4.24. The Bank undertakes to perform all necessary measures in order to ensure execution of the Customer's Payment Order duly and in as short a time as possible in accordance with agreements entered into between the Bank and the Customer, requirements of the laws and regulations and international practice; however, it shall not be liable for delay or non-performance of any Payments due to act or omission of other Payment Service Providers involved in performance of the Payment.
- 4.25. If the Customer's Payment is not executed due to the fault of another Payment Service Provider – Intermediary involved in execution of the Payments, the Bank undertakes to perform measures for investigation of the Payment and recovery of its amount, and to repay it to the Customer immediately after recovery of the funds.

- 4.26. When executing the Payment Order, the Bank shall be entitled to transfer to the Payment Service Providers involved in execution of the Payment (for example, Beneficiary's Payment Service Provider, correspondent bank) all information specified in the Payment Order, including all information regarding the Payer submitted by the Customer. The Customer is aware and understands that all information specified in the Payment Order may be completely transferred to the Beneficiary in order to execute the Payment Order.
- 4.27. The Bank shall ensure that the Customer has a possibility to receive information regarding the Bank's refusal to execute the Payment Order and the reasons thereof, as well as procedure for supplementation/correction of errors thereof that had been grounds for refusal as soon as possible, but no later than within the Execution Period of the relevant Payment Order, unless prohibition of such informing has not been determined by the laws and regulations of the Republic of Latvia. The Customer may receive the information specified in this Clause upon request.
- 4.28. In accordance with the agreement entered into with the Customer governing the use of the Internet Banking System and/or payment cards issued by the Bank, the Customer and/or the Bank may determine limits for making of Payments by using the relevant Internet Banking System and/or the payment card issued by the Bank.
- 4.29. The Bank shall be entitled to execute the Payment Order on the basis of the Unique Identifier indicated in the Payment Order. The Bank shall not be obliged to verify conformity of the Unique Identifier indicated in the Payment Order with the other information specified in the Payment Order submitted to the Bank.
- 4.30. Payment Order shall be deemed as correctly executed if it has been executed in accordance with the specified Unique Identifier. If an erroneous Unique Identifier has been specified in the Payment Order for the outgoing Payment or it does not conform to the other information specified in the Payment Order, the Bank as the Payer's Payment Service Provider shall not be liable for non-performance or erroneous performance of the Payment.

## **5. WITHDRAWAL AND CORRECTION OF THE PAYMENT ORDER**

- 5.1. If the Customer in the Payment Order has specified initiation of the Payment execution on a specific day, the Customer shall be entitled to withdraw such a Payment Order until the end of the Bank's Business Day after which follows the day for initiation of the Payment Order execution.
- 5.2. After the Bank has received the Payment Order, the Payment Order may be withdrawn only upon agreement between the Customer and the Bank, obtaining also consent of the Beneficiary, if necessary. The Customer shall prepare an authorised order regarding withdrawal in accordance with the provisions of Clause 2.7 or 2.8.
- 5.3. Upon acceptance of the Customer's order regarding withdrawal of the Payment, the Bank shall not guarantee and shall not be liable that the Payment will not be executed or that the Payment amount will be returned.
- 5.4. The Bank shall deduct the Commission Fee for the processing of the withdrawal of the Payment Order in accordance with the Tariffs regardless of whether the Payment amount is recovered or not. If the Payment amount is recovered, the Bank shall be entitled to deduct the Commission Fee for withdrawal of the Payment Order also from the recovered money amount prior to disbursement thereof to the Customer.
- 5.5. If withdrawal of the Payment Order has been received, and:
- 5.5.1. The Payment Order has not been executed yet, but its processing has been initiated, the Bank shall perform all necessary action in order to not execute such a Payment.
- 5.5.2. The Payment Order has already been executed, the Bank performs the necessary actions in order to recover the transferred funds, and as much as possible communicates with the

Beneficiary, Beneficiary's Payment Service Provider or Intermediary banks in order to recover the transferred funds.

- 5.6. The Bank shall transfer the funds of the withdrawn Payment Order to the Customer's Account only when the Bank has ensured that the Payment Order will not be executed by neither of the Payment Service Providers involved in the Payment execution, or also after the amount of the withdrawn Payment has been transferred to the Bank.
- 5.7. The Customer may correct the Payment Order by preparing the correction or addition to the Payment Order and submitting to the Bank an authorised order in accordance with the provisions of Clauses 2.7 or 2.8, but the Bank shall not guarantee that the Payment Order will be corrected.
- 5.8. The Bank shall deduct the commission fee for the performed correction or supplementation of the Payment Order or notification thereof to the Beneficiary's Payment Service Provider or Beneficiary in accordance with the Tariffs.
- 5.9. If correction or supplement of the Payment Order has been received, and:
  - 5.9.1. The Payment Order has not been executed yet, but its processing has been initiated, the Bank shall perform all necessary action in order to ensure correction of the Payment Order before its execution.
  - 5.9.2. The Payment Order has already been executed, as much as possible the Bank shall contact the Beneficiary, the Beneficiary's Payment Service Provider or Intermediary banks with a purpose to apply the correction of the Payment Order in accordance with the Customer's order.

## **6. INFORMING THE CUSTOMERS REGARDING PAYMENTS**

- 6.1. Upon the Customer's request, the Bank shall provide information regarding the maximum execution time of the Payment Order, Commission Fee and breakdown thereof prior to execution of Payment.
- 6.2. After the Payment amount has been written off the Customer's - Payer's account (outgoing Customer payment), the Bank shall make the following information available to the Customer - Payer:
  - 6.2.1. Payment reference permitting the Customer to identify the Payment and information regarding the Beneficiary, if possible;
  - 6.2.2. The Payment amount in the currency in which it was written off from the Customer's Account, or in the currency which was used in the Payment Order;
  - 6.2.3. The Commission Fee paid by the Customer, and breakdown of this Fee/type of Commission payment;
  - 6.2.4. Currency rate and Payment amount after conversion of currency, if currency exchange has been performed;
  - 6.2.5. The Value Date for writing off the Payment amount from the Customer's Account, or the receipt date of the payment order.
- 6.3. After the incoming Payment amount has been transferred to the Customer's - Beneficiary's Account (Customer's incoming payment), the Bank makes the following information available to the Customer - Beneficiary:
  - 6.3.1. Payment reference that allows the Customer to identify the Payment and the Beneficiary as well, if possible, and any information submitted together with the Payment;
  - 6.3.2. Payment amount in the currency in which it has been transferred into the Customer's account;
  - 6.3.3. The Commission Fee paid by the Customer, and breakdown of this Fee/type of Commission payment;

- 6.3.4. Currency rate and Payment amount before conversion of currency, if currency exchange has been performed;
- 6.3.5. The Value Date for transfer of the money into the account.
- 6.4. The information mentioned in Clauses 6.2 and 6.3 of the Regulations shall be provided by the Bank by using the account statement which is deemed as sufficient proof of executed Payment:
- 6.4.1. electronically in the Internet Banking System for the period up to 5 years – free of charge; above 5 years – in accordance with the Bank’s Tariffs;
- 6.4.2. as printouts in accordance with the Customer’s request – for the Commission Fee in accordance with the Bank’s Tariffs.
- 6.5. The Customer shall be obliged to be acquainted with the Account statement at least once per month, to verify the information included therein and to inform the Bank immediately as soon as the Customer has become aware of an unauthorised or erroneously executed Payment, but no later than within 60 days since writing off of such unauthorised or erroneously executed Payment amount from the Customer’s Account day. If the unauthorised or erroneously executed Payment was conducted in EEA currency to a Payment Service Provider registered in EEA, the Customer shall be obliged to inform the Bank immediately regarding such a Payment, but no later than within 13 months after the money was written off the account.
- 6.6. If the Customer has not informed the Bank regarding an unauthorised or erroneously executed Payment by the deadline and in accordance with the procedures laid down in these Regulations and General Regulations for Provision of Services, the Bank shall not be liable for such a Payment.
- 6.7. The Customer may apply to the Bank to provide additional information regarding the execution of a Payment Order (investigation of the Payment), submitting to the Bank an authorised order regarding it in accordance with the provisions of the Clause 2.7 or 2.8.
- 6.8. The Bank shall deduct the Commission Fee for the processing of the Payment search order in accordance with the Tariffs regardless of the results of the performed investigation.
- 6.9. The Bank shall perform all necessary actions in order to execute the Payment search order submitted by the Customer and shall inform the Customer regarding the results of the performed investigation.

## **7. ACCEPTANCE OF THE INCOMING PAYMENTS**

- 7.1. The Bank shall perform transfer of the funds into the Customer’s Account in accordance with the instructions given by the Payer’s Payment Service Provider, Intermediary (correspondent bank) or the Customer’s Payment Order.
- 7.2. The Payment Order mention in Clause 7.1 shall contain the following information:
- 7.2.1. Information regarding the Beneficiary:
- full Beneficiary’s Account number or IBAN (*International Bank Account Number*);
  - Name of Beneficiary;
- 7.2.2. Information regarding the Payer:
- If any of the Payment Service Providers involved in the Payment execution are located outside EEA: The Payer’s name, surname or company name, address and account number (address can be replaced with the Payer’s date and place of birth, customer identification number or identification number assigned by the state; if the Payer does not have an account number, the Payer’s Payment Service Provider shall replace it with a Unique Identifier that allows to trace the transfer of funds to the Payer);

- If all Payment Service Providers involved in the Payment execution are located in EEA: The Payer's account number or Unique Identifier allowing to trace the transfer of funds to the Payer;

7.2.3. Purpose of Payment corresponding to the economic activity declared by the Customer.

7.3. If the incoming Payment Order does not contain complete information in accordance with Clause 7.2, the Bank shall be entitled to request this information from the Payer or the Customer - Beneficiary prior to or after execution of the Payment.

7.4. The Bank shall be entitled to transfer the Payment amount into the Customer's account only on the basis of the account number (IBAN) specified in the Payment Order which shall be deemed as the Unique Identifier for execution of the Payment Order. The Bank shall be entitled, but not obliged to verify conformity of the Unique Identifier specified in the Payment with the rest of the information regarding the Beneficiary provided in the Payment Order; however, the Bank shall retain the right not to execute the incoming Payment Order if it detects non-conformity of the Beneficiary's account number with the Beneficiary's name. In this case, the Bank may request additional details at its discretion by sending a request to the Intermediary (correspondent bank), Payer's Payment Service Provider, Customer-Payer, or to repay (transfer) the funds back to the Payer.

7.5. The Customer - Beneficiary shall pay to the Bank a Commission Fee for the execution of the incoming Payment in accordance with the Bank's Tariffs. The Bank shall be entitled to deduct the Commission Fee from the amount of the incoming Payment prior to transfer of it to the Customer, or to write it off from any account of the Customer held with the Bank in accordance with the General Regulations for the Provision of Services.

7.6. Funds shall be transferred into the Customer's Account in accordance with the Payment Order immediately, but no later than by the end of the Bank's Business Day when the Bank has received the crediting confirmation of the Bank account, unless the Payment Order specifies a different Value Date. If the crediting confirmation of the Bank account has been received after the Bank's open hours, the Payment Order shall be deemed as received on the next Business Day.

7.7. The Bank shall be entitled not to accept or to defer acceptance of the incoming Payment into the Customer's account if:

7.7.1. Acceptance of the Payment has been prohibited by binding laws and regulations;

7.7.2. Acceptance of the Payment is contrary to the Bank's internal regulations, or the Bank suspects that the acceptance of the Payment might be contrary to the Bank's internal regulations;

7.7.3. The Payment is, or the Bank suspects the Payment to be directly or indirectly related to a country, territory or a person against which sanctions of national or international organisations, etc., have been imposed. The Bank shall not be liable for losses that may be incurred in case of deferred acceptance or non-acceptance of the Payment.

7.8. During the current Bank's Business Day, the Bank shall be entitled to offset against the Customer's account the funds that were transferred into the Customer's Account due to the error made by the Bank.

7.9. If funds have been transferred into the Customer's account due to error of the Payer or any of the Payment Service Providers involved in Payment execution, the Bank shall inform the Customer regarding the erroneously transferred funds, and the Customer shall be obliged to cooperate with the Bank in conducting investigation regarding this Payment and elimination of consequences.

## **8. RESPONSIBILITY**

- 8.1. If the Payment Order has been submitted by a Payer; the Payer's Payment Service Provider shall be responsible for correct execution of the Payment, unless it can prove to the Payer and the Beneficiary's Payment Service Provider, if necessary, that the Beneficiary's Payment Service Provider has received the amount of Payment. If the Payer's Payment Service Provider can prove that the Beneficiary's Payment Service Provider has received the Payment amount, the Beneficiary's Payment Service Provider shall be responsible for correct execution of the Payment.
- 8.2. If the Bank as the Payer's Payment Service Provider is responsible for execution of the Payment in accordance with Clause 8.1 of the Regulations, the Bank shall immediately repay to the Customer - Payer the amount of non-executed or erroneously executed Payment or shall renew the status of the Customer's - Payer's Account from which the relevant Payment amount has been written off to such status as it would have been if the erroneous Payment would not have been made.
- 8.3. If the Bank as the Beneficiary's Payment Service Provider is responsible for execution of the Payment in accordance with the Clause 8.1 of the Regulations, the Bank shall immediately transfer the Payment Amount to make it available to the Customer - Beneficiary or shall transfer the relevant amount into the Beneficiary's account.
- 8.4. If the Payment has not been executed or has been executed erroneously, and the Customer - Payer has submitted the Payment Order, regardless of the responsibility laid down in Clause 8.1 of the Regulations, the Bank shall immediately try to trace the Payment upon the Customer's request and shall inform the Customer - Payer regarding the result.
- 8.5. If the Bank is responsible for correct execution of the Payment in accordance with Clauses 8.1 or 8.2 of these Regulations, the Bank shall cover expenses incurred by the Customer due to non-executed or erroneously executed Payment.
- 8.6. Responsibility of the Bank laid down in Clauses 8.1 - 8.5 of the Regulations shall apply to the Customers and Payments performed in the currency of the member state of the EEA to a Payment Service Provider registered in EEA.
- 8.7. If the Payment is not made to the Payment Service Provider registered in a member state of EEA in any of EEA currencies, the Bank shall be responsible for an erroneously executed or non-executed Payment only if the Payment has not been executed at all or has been executed erroneously due to the fault of the Bank. The Bank shall not be responsible for errors in the execution of the Payment made by an Intermediary.
- 8.8. In cases, when the Bank is not responsible for non-execution or erroneous execution of the Payment, the Bank shall repay to the Customer the amount of the Payment only after its recovery; moreover, the Bank shall not be obliged to repay to the Customer fees paid by the Customer in relation to execution of such a Payment Order, and/or to repay to the Customer any interest. The Bank shall be entitled to deduct from the recovered amount expenses incurred by the Bank in relation to recovery of this amount.
- 8.9. If the Customer has not provided in the Payment Order all information that should be provided in the relevant Payment Order in accordance with the Regulations, or this information is inaccurate, incomplete or erroneous, the Bank shall not be responsible for correct and timely execution of the Payment Order.
- 8.10. If the Customer has submitted to the Bank a Payment Order with an indicated incorrect Unique Identifier, the Customer shall be responsible for all losses incurred in relation to non-execution or improper or erroneous execution of such a Payment Order.