Terms and Conditions Applicable To SEPA Core Direct Debits

Welcome to USB BANK PLC and thank you for banking with us.

Please read these Terms and Conditions carefully and retain them for future reference.

SECTION 1. DEFINITIONS

The term "**Bank**" where it is mentioned means USB BANK PLC and it includes its successors and its assignees and any other person acting on its or their behalf.

"**Customer**" and "**Debtor**" or "**Account Owner**" means any person or legal entity who maintains a payment account with the Bank and/or uses the products or the services of the Bank and/or to whom credit facilities have been granted by the Bank.

"**Debtor Bank**" is a Financial Institution where the debtor's payment's account to be debited is held.

"**Creditor**" means the local, domestic and foreign payees towards which the Debtor has financial obligations for which he would like to settle by a SEPA Direct Debit.

"**Direct Debit**" is any payment instrument with which the Customer authorises the Bank to collect an amount from his/her payment account for the benefit of the creditor.

"**SEPA**" means the **Single European Payments Area** which encompasses the EU member states together with Iceland, Liechtenstein, Norway, Switzerland and Monaco.

"**SEPA Core Direct Debit Rulebook (SCDDR) or Rulebook**" is the Rulebook which contains the rules and standards for the SEPA Core Direct Debits Scheme.

"**SEPA Core Direct Debit Scheme**" means the payments scheme for making direct debits across SEPA as setup in the SCDDR and amended from time to time.

"**Transactions**" means the financial and/or banking and/or other transactions, Online or Offline, leading to the purchase of goods and/or services or the obtaining of cash or foreign currency or the provision of services and generally all the facilities and/or services which the Bank provides and/or will provide in the future, either through its staff or via the Automatic Teller Machines (ATM) or merchant terminals or other terminals either through computers, computerised or electronic systems, or the Internet and through ibank, as specified by the Bank from time to time.

"**Mandate**" means the written instruction and authorization, given by the Debtor to the Creditor, in order to allow the Creditor to initiate the process of collections, for debiting the Debtor's payment account and to give the authority to the Debtor Bank to comply with this instruction as set in the Rulebook.

"**Working Day**" means any day, from Monday to Friday, except public holidays in Cyprus.

"**Business day**" is a day on which the relevant payment service provider of the payer or the payment service provider of the payee involved in the execution of a payment transaction is open for business as required for the execution of a payment transaction.

"**Settlement Date**" is the date after which all obligations between the Bank and the Creditor's Bank have been discharged.

"**Payment account**" is an account held in the name of one or more payment service users which is used for the execution of payment transactions.

"**Payment Transaction**" is an act, initiated by the payer or by the payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and the payee**.**

INTRODUCTION

The present Agreement is governed by the following Terms and Conditions in accordance with the Provisions of the Payment Service Law of 2009 regarding the use of the Payment Services.

This Agreement can be at the disposal of the Bank's customers, without any charges, at all Branches and Services of the Bank, and the Bank's website www.usbbank.com.cy

USB Bank PLC shall not be liable for any failure, hindrance or delay in performing in whole or in part of its obligations under the present terms and conditions or the terms in the Rulebook if such failure, hindrance or delay arises out of circumstances beyond its control. Such circumstances may include, but are not limited to, acts of God, fire, flood, criminal action, and unavailability of energy or electricity supplies either concerning itself or any party involved in any way in the processing of the transfer.

WHAT IS A SEPA CORE DIRECT DEBIT?

The SEPA Core Direct Debit Scheme provides a method for paying bills and making other payments, and is ideally suited for regular but variable payments such as subscriptions or utility bills and cross-border payments within the Single Euro Payments Area (SEPA). The Scheme applies to payments in euro even where your account is not denominated in euro within the SEPA.

The SEPA Core Direct Debit Scheme is primarily intended for consumers.

SEPA DIRECT DEBIT MANDATE

The customer shall give a SEPA direct debit mandate to the Creditor (not the Bank). With it, the customer authorises the Bank to pay SEPA core direct debits drawn by the Creditor.
The mandate must be given in writing. No further steps are needed to be taken – the Creditor will arrange for the payments to be collected by the Bank.
The SEPA core direct debit mandate must contain the following statements by the customer:
– a statement authorising the Creditor to collect payments from the customer's account by SEPA core direct debit and
– a statement instructing the Bank to pay SEPA core direct debits drawn by the Creditor on the customer's account.

The SEPA core direct debit mandate must contain the following authorization data and be properly signed:

– Identification of the Creditor
– The BIC of the Creditor's Bank
– Name of the customer plus identification data
– Name of the customer's bank and
– The customer's account IBAN number
– Indication of whether the mandate is for a one-off or recurrent payment

The direct debit mandate may contain additional details supplementing the authorisation data.

CHARACTERISTICS OF A SEPA CORE DIRECT DEBIT

- The payment is made by the Bank to the person or company to whom the payment is due (called "the Creditor"). The customer authorises the Creditor to collect the payment from the Bank by properly completing thoroughly a Mandate Form supplied by the Creditor.
- The Creditor will inform you of the amount and due date of each payment to be made. If the payments are a series of fixed amounts, you may be informed once only, when the arrangement is established. In other cases, you will be informed at least 14 days before the payment is collected (unless otherwise agreed between you and the Creditor).

DEBITING THE DIRECT DEBIT AMOUNT TO THE CUSTOMER'S ACCOUNT

(1) On receipt of SEPA core direct debits drawn by the payee, the amount specified by the Creditor shall be debited to the customer's account on the due date indicated in the direct debit data set. If the due date is not a banking business day, the account shall be debited on the next banking business day.

(2) The customer's account shall not be debited or a debit entry shall be cancelled after it was made if
- The Bank has received notice of revocation of the SEPA direct debit mandate
- The customer does not have a sufficient credit balance on the account or sufficient credit for payment of the direct debit (lack of funds); the Bank shall not pay partial amounts
- The payer's IBAN indicated in the direct debit data set cannot be assigned to any account held by the customer with the Bank
- The direct debit cannot be processed by the Bank because the direct debit data set
  - Does not contain correctly the creditor identification data
  - Does not contain a mandate reference
  - Does not indicate the date on which the mandate was given or
  - Does not indicate the due date.
- There are other technical reasons
- There are changes in the Laws, unusual or unforeseen events such as acts of god.

(3) In order to proceed with debiting the debtor's account, the Bank must receive the collection request at least five (5) days prior to the Due date in the case of the first collection request in the Mandate and at least two (2) days prior to the Due Date in the case of subsequent requests. The Bank may reject the collection request if these time frames are not adhered to.
(4) In addition, the customer's account shall not be debited or a debit entry shall be cancelled after it was made if this SEPA core direct debit is countermanded by a separate instruction from the customer.

CANCELLING AND AMENDING MANDATES

You may inform the Creditor at any time that a Mandate is cancelled. Once the Creditor has been informed, it may no longer collect payments on the basis of the cancelled Mandate.

You may instruct us to refuse any future direct debit demands which a Creditor has pre-notified you of.

You may amend a Mandate by informing the Creditor of the changes you wish to make.

REFUSALS

The customer may request for any reason the Bank to refuse a Direct Debit payment and stop making any future payments (a Refusal). However,

- Requests for Refusal must be received by the Bank the latest by 13:30 on the Business Day preceding the Direct Debit Due Date.
- When the Bank accepts such a request it shall inform the Creditor Bank of the details for the Refusal
- When the Refusal request is after the settlement date, the customer's refusal will be handled as refund claim.

REFUNDS UNDER THE SEPA CORE DIRECT DEBIT SCHEME

You may request us to refund a direct debit payment under the Core Scheme in the circumstances summarised below:

1.   If you consider that the amount of the payment is wrong, or you wish to have a refund for any other reason, you must inform us no later than eight weeks after the payment was debited to your payment account. We are obliged to give you a refund if you make a valid refund request within this eight week period.

2.   You may request a refund more than eight weeks after the payment was debited to your payment account provided:
        (a) you did not authorise the payment and
        (b) you make your claim within 13 months of the debit date. If you wish to have a refund for this reason, you must inform us as soon as you become aware of the circumstances.

3.   We may require you to provide evidence supporting your claim. You should also be aware that we may not be legally obliged to give you a refund if there is a long delay between the payment being debited to your payment account and your request for a refund.

4.   If you request a refund, any obligations you may have to pay the Creditor will not be satisfied. You will remain responsible for paying any amount which the Creditor is owed.

TRANSMISSION OF DIRECT DEBIT DATA

When SEPA core direct debits are used, the direct debit data may be forwarded to the Bank by the Creditor's payment service provider through the message transmission system of the Society for Worldwide Interbank Financial Telecommunications (SWIFT), which is based in Belgium and has operating centres in the European Union, Switzerland and the United States.

GOVERNING LAW

These Terms and Conditions are governed and shall be interpreted in accordance with the laws of Cyprus and both you and the Bank submit to the non-exclusive jurisdiction of the courts of Cyprus.