

## Terms and conditions for direct debits

The following terms and conditions shall apply to the collection of receivables of the Customer, as the payee, by direct debit.

### 1 General

#### 1.1 Definitions

A direct debit is a payment transaction initiated by the Customer, as the payee, that is deducted from the account of the payer held at the latter's payment service provider, for which the payment amount in question is specified by the Customer.

#### 1.2 Deadlines for presentation

Direct debits are to be presented by the Customer to the Bank within the deadlines as set out in the "List of Fees and Services", unless otherwise agreed.

#### 1.3 Fees and changes to fees

##### 1.3.1 Fee agreement

Direct debit collection fees are set out in the Direct Debit Collection Agreement, unless otherwise agreed.

##### 1.3.2 Changes to fees for consumers

An offer relating to changes to fees is made to Customers who are consumers in written or electronic form (Text-form) no later than two months prior to their entry into force. If an electronic communication method has been agreed between the Customer and the Bank in connection with the business relationship, such changes can also be communicated using this method.

The changes offered by the Bank shall become effective only if the Customer accepts them. Agreements with the Customer in relation to changes of fees that exceed the principal payment obligations of the Customer can only be agreed upon expressly.

Any amendments of fees in relation to the payment services framework agreement (current account agreement) are subject to section 12 (6) of the Bank's General Terms and Conditions of Business.

##### 1.3.3 Changes to fees for Customers who are not consumers

The provisions set out in section 12 (2) to (5) and (7) of the Bank's General Terms and Conditions of Business remain applicable in the event of changes to fees for Customers who are not consumers.

##### 1.3.4 Deduction of fees from the direct debit amount credited

The Bank is entitled to deduct the fees payable to it from the direct debit amount to be credited.

#### 1.4 Notification

The Bank shall notify the Customer at least once a month of the execution of direct debit collection orders and

returns of direct debits using the method agreed for providing account information. In cases involving Customers who are not consumers, a separate agreement can be reached on the notification method and frequency. In cases involving Customers who are not consumers, the Bank shall not show the individual payment transactions for global credits of direct debits, but only the total amount.

#### 1.5 Reimbursement and compensation claims of the Customer

##### 1.5.1 Notification obligation of the Customer

The Customer must immediately notify the Bank after identifying incorrectly executed direct debits.

##### 1.5.2 Claims in the event that a direct debit collection order is not executed, or is not executed correctly, by the Bank, and in the event of the delayed receipt of the direct debit amount

(1) In the event that a direct debit collection order is not executed, or is not executed correctly, by the Bank, the Customer is entitled to demand that the Bank transmit it (again, where appropriate) to the payment service provider of the payer without delay.

(2) Over and above the claim pursuant to subsection 1, the Customer can request a reimbursement from the Bank for those fees and interest invoiced to him/ her by the Bank in connection with the non-execution or incorrect execution of a direct debit collection order or which the Bank has charged to the Customer's account.

(3) If the direct debit amount was only received late by the Bank, then the Customer can demand, within the context of section 675y (4) of the German Civil Code (BGB), that the Bank credit the direct debit amount to the Customer's account as if the payment transaction had been executed in a due and proper manner.

##### 1.5.3 Compensation in the event of a breach of duty

(1) In the event of the non-execution, incorrect or delayed execution a direct debit collection order, the Customer can demand that the Bank compensate him/her for the damage incurred as a result. This does not apply if the Bank is not responsible for the breach of duty. If the Customer has contributed to a loss being incurred through negligent conduct, the extent to which the loss is to be borne by the Customer or the Bank shall be determined in accordance with the principles of contributory negligence.

(2) As far as the Customer is not a consumer, the liability on the part of the Bank for damages is limited to the amount of the direct debit amount. Insofar as the claim relates to consequential losses, liability is also limited to a maximum of EUR 12,500 per payment.

These liability limitations do not apply to wilful intent or gross negligence on the part of the Bank and to risks specifically taken on by the Bank.

#### 1.5.4 Exclusion of liability and objections

Any claims of the Customer in accordance with section 1.5.2 and objections raised by the Customer against the Bank on the basis of the non-execution or incorrect execution of collection orders are excluded if the Customer has not notified the Bank thereof no later than 13 months after the date of the entry relating to an incorrectly executed collection transaction. The period shall only begin if the Bank informed the Customer of the transaction using the method agreed for account information within one month of the entry being made at the latest; otherwise, the period shall start on the day on which such information is provided.

#### 1.6 Other special arrangements with Customers who are not consumers

(1) For Customers who are not consumers, section 675d (1), (3) to (5) (Information obligations) and section 675f (5) sentence 2 (Expenses and fees for the fulfilment of ancillary obligations) of the German Civil Code (BGB) shall not apply.

(2) The minimum period of notice of two months set out in section 19 (1) sentence 3 of the General Terms and Conditions of Business shall not apply to the collection agreement with Customers who are not consumers.

#### 1.7 Making available copies of direct debit mandates

Upon request, the Customer must make available to the Bank copies of the direct debit authorisation, the SEPA Direct Debit Mandate and/or SEPA Business-to-Business Direct Debit Mandate and, if necessary, additional information on the presented direct debits within seven business days.

#### 1.8 Out-of-court dispute resolution and other complaint procedures

The Customer can contact the dispute resolution or complaint bodies designated in the "List of Fees and Services" for the settlement of disputes with the Bank.

## 2 SEPA Core Direct Debit

### 2.1 Main features of the SEPA Core Direct Debit Scheme

The SEPA Core Direct Debit Scheme is based on the "SEPA Core Direct Debit Scheme Rulebook" of the European Payments Council.

Under the SEPA Core Direct Debit Scheme, a payer is able to make payments in euros via his/her payment service provider to a payee within the "Single Euro Payments Area" (SEPA)<sup>1)</sup>.

The payer must issue the SEPA Direct Debit Mandate (see section 2.4) to the payee prior to the payment transaction in order to execute payments by means of SEPA Core Direct Debits.

The Customer, as the payee, initiates the respective payment transaction by presenting the direct debits to the payment service provider of the payer via the Bank.

In the event of an authorised payment made on the basis of a SEPA Core Direct Debit, the payer can request that the direct debit amount charged be reimbursed by his/her

payment service provider within a period of eight weeks following the date of the debit entry against his/her account, without having to provide reasons. This shall result in the reversal of the credit entry in the account of the Customer as the payee.

### 2.2 Customer identifiers

- For the purposes of this process, the Customer must use
- the IBAN issued to him/her by the Bank – and, for cross-border direct debit collections in countries outside of the European Economic Area, also the Bank's BIC – as his/her customer identifier and
  - the IBAN provided to him/her by the payer – and, for crossborder direct debit collections in countries outside of the European Economic Area, also the BIC of the payer's payment service provider – as the customer identifier of the payer. The Bank shall be entitled to collect direct debits solely on the basis of the customer identifiers transmitted to it.

### 2.3 Transmission of direct debit data

In cases involving SEPA Core Direct Debits, the direct debit data can also be forwarded via the messaging system of the Society for Worldwide Interbank Financial Telecommunication (SWIFT), which has its registered office in Belgium and data centres in the European Union, Switzerland and the USA.

### 2.4 SEPA Direct Debit Mandate

#### 2.4.1 Issuance of the SEPA Direct Debit Mandate

Before SEPA Core Direct Debits can be presented, the Customer must obtain a SEPA Direct Debit Mandate from the payer. The SEPA Direct Debit Mandate must contain the following declarations made by the payer:

- authorisation of the Customer by the payer to collect payments from the account of the payer by means of a SEPA Core Direct Debit and
- instruction issued by the payer to his/her payment service provider to honour the SEPA Core Direct Debits drawn by the Customer on the account of the payer.

For this purpose, the Customer must use the wording attached as Appendix A.1 or similar wording in an official language of the countries and territories listed in Appendix C in accordance with the requirements of the European Payments Council (see [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu)).

The mandate must also contain the following information:

- Name of the Customer, his/her address and his/her creditor identification number (this is assigned by Deutsche Bundesbank for Customers resident in Germany, see <http://gläubiger-id.bundesbank.de>),
  - Declaration stating whether the mandate is being issued for recurring payments or a one-off payment,
  - Name or particulars of the payer in accordance with Appendix B section 2,
  - Customer identifier of the payer (see section 2.2),
  - Signature of the payer as well as
  - Date and place of the signature of the payer.
- The mandate reference individually assigned by the Customer
- used in conjunction with the creditor identification number, unambiguously designates the mandate in question,
  - is up to 35 alphanumeric characters in length and
  - may already be contained in the mandate or must be subsequently notified to the payer.

<sup>1)</sup> Please refer to Appendix C for a list of the countries and territories belonging to SEPA.

The SEPA Direct Debit Mandate may contain other information in addition to the data mentioned above.

#### 2.4.2 Direct debit authorisation as a SEPA Direct Debit Mandate

(1) The Customer may use a direct debit authorisation issued prior to 1 February 2014 as the SEPA Direct Debit Mandate. The following conditions must be met for this:

- The payer has issued written authorisation to the Customer, as the payee, to collect payments from his/her account by direct debit.
- The payer and his/her payment service provider have agreed that
  - with the direct debit authorisation, the payer instructs his/her payment service provider, at the same time, to honour the direct debits drawn on his/her account by the payee and that
  - this direct debit authorisation can be used as a SEPA Direct Debit Mandate.
- (2) The direct debit authorisation must contain the following authorisation data:
  - particulars of the payee,
  - particulars of the payer,
  - customer identifier in accordance with section 2.2 or account number and bank sort code of the payer.

The direct debit authorisation may contain other information in addition to the authorisation data.

(3) The Customer must inform the payer of the change from collection using the direct debit authorisation to collection under the SEPA Core Direct Debit Scheme stating the creditor identification number and mandate reference in written or electronic form prior to the initial collection of a SEPA Core Direct Debit. If requested by the Bank, the Customer must prove that the payer has been informed in an appropriate manner in accordance with sentence 1.

(4) The initial SEPA Core Direct Debit collected after the change from the direct debit authorisation shall be flagged as the initial direct debit. The date on which the payer was informed in accordance with subsection 3 is to be specified in the data record of the direct debits presented as the date of signature by the payer.

#### 2.4.3 Retention obligation

The Customer shall be obliged to retain the SEPA Direct Debit Mandate – including any changes – issued by the payer in the form required by law. Following its expiry, the mandate is to be retained for a period of at least 14 months, calculated from the presentation date of the last direct debit collected.

#### 2.4.4 Revocation of the SEPA Direct Debit Mandate by a payer

If a payer revokes a SEPA Direct Debit Mandate vis-à-vis the Customer, the Customer may no longer collect any further SEPA Core Direct Debts on the basis of this SEPA Direct Debit Mandate.

If the Customer receives a returned SEPA Core Direct Debit with the return reason “no mandate/unauthorised transaction”, this means that the payment service provider of the payer is informing the Customer that the payer has revoked the SEPA Direct Debit Mandate issued to the Customer.

The Customer may then no longer collect any further SEPA Core Direct Debts on the basis of this SEPA Direct Debit Mandate.

#### 2.5 Notification regarding the SEPA Core Direct Debit

#### collection

The Customer must notify the payer of the SEPA Core Direct Debit collection no later than 14 calendar days before the due date of the SEPA Core Direct Debit payment (e. g. by issuing an invoice); the Customer and the payer can also agree on a different time period. The one-time notification of the payer prior to the initial direct debit and specification of the due dates are sufficient for recurring direct debits of the same amount.

#### 2.6 Presentation of the SEPA Core Direct Debit

(1) The SEPA Direct Debit Mandate issued by the payer shall remain with the Customer as the payee. The latter adds the authorisation data and any additional data to the data record in order to collect SEPA Core Direct Debts. The respective direct debit amount and the due date of the direct debit payment shall be specified by the Customer. If the SEPA Core Direct Debit is collected from an account of the payer outside of the European Economic Area, the data record shall also specify the address of the payer.

(2) The Customer shall electronically transmit the data record for collecting the SEPA Core Direct Debit to the Bank in accordance with the agreed presentation deadlines. The direct debit is to be flagged in accordance with Appendix B. The payment service provider of the payer (paying agent) shall be entitled to process the direct debit according to the flag.

(3) If the due date specified by the Customer in the data record does not fall on a TARGET2 business day<sup>2)</sup>, then the Bank shall be entitled to specify the following TARGET2 business day as the due date in the direct debit data record.

(4) If the Customer does not present a SEPA Core Direct Debit under a SEPA Direct Debit Mandate within a period of 36 months (calculated from the due date of the last SEPA Core Direct Debit presented), he/she must refrain from collecting direct debits on the basis of this mandate and is obliged to obtain a new SEPA Direct Debit Mandate if he/she wishes to collect SEPA Core Direct Debts from the payer in the future. The Bank shall not be obliged to check compliance with the measures set out in sentence 1.

(5) The Bank shall transmit the SEPA Core Direct Debit presented in a timely and proper manner to the payment service provider of the payer, enabling it to be settled on the due date set out in the direct debit data record.

#### 2.7 Execution of the payment transaction and returned direct debits

(1) The payment service provider of the payer shall send the direct debit amount charged by it to the account of the payer to the Bank on the basis of the SEPA Core Direct Debit.

(2) The Bank shall reverse the (conditional) credit entry if a direct debit is not honoured by the payment service provider of the payer or is returned by the payment service provider of the payer due to the payer's request for a refund. This shall apply regardless of whether a statement of account has been issued in the meantime.

<sup>2)</sup> TARGET2 stands for Trans-European Automated Real-time Gross Settlement Express Transfer System. TARGET2 is open daily except on Saturdays, Sundays, New Year's Day, Good Friday and Easter Monday, on 1 May as well as 25 and 26 December.

## 3 SEPA Business-to-Business Direct Debit

### 3.1 Main features of the SEPA Business-to-Business Direct Debit Scheme

The SEPA Business-to-Business Direct Debit Scheme is based on the "SEPA Business to Business Direct Debit Scheme Rulebook" of the European Payments Council. The SEPA Business-to-Business Direct Debit Scheme may only be used by payers who are not consumers.

Under the SEPA Business-to-Business Direct Debit Scheme, a payer is able to make payments in euros via his/her payment service provider to a payee within the "Single Euro Payments Area" (SEPA)<sup>3)</sup>.

In order to execute payments using the SEPA Business-to-Business Direct Debit Scheme

- the payee and his/her payment service provider must use the SEPA Business-to-Business Direct Debit Scheme,
- the payer must issue the SEPA Business-to-Business Direct Debit Mandate to the payee prior to the payment transaction and
- the payer must provide his/her payment service provider with confirmation that the SEPA Business-to-Business Direct Debit Mandate has been issued.

The Customer, as the payee, initiates the respective payment transaction by presenting the direct debits to the payment service provider of the payer via the Bank.

In the event of an authorised payment on the basis of a SEPA Business-to-Business Direct Debit, the payer cannot request any reimbursement of the direct debit amount charged to his/her account from his/her payment service provider.

### 3.2 Customer identifiers

For the purposes of this process, the Customer must use

- the IBAN issued to him/her by the Bank – and, for crossborder direct debit collections in countries outside of the European Economic Area, also the BIC – as his/her customer identifier and
- the IBAN provided to him/her by the payer – and, for crossborder direct debit collections in countries outside of the European Economic Area, also the BIC – of the payer's payment service provider - as the customer identifier of the payer. The Bank shall be entitled to collect direct debits solely on the basis of the customer identifiers transmitted to it.

### 3.3 Transmission of direct debit data

In the case of SEPA Business-to-Business Direct Debits, the direct debit data can be forwarded by the Bank to the payment service provider of the payer via the messaging system of the Society for Worldwide Interbank Financial Telecommunication (SWIFT), which has its registered office in Belgium and data centres in the European Union, Switzerland and the USA.

### 3.4 SEPA Business-to-Business Direct Debit Mandate

#### 3.4.1 Issuance of the SEPA Business-to-Business Direct Debit Mandate

Before SEPA Business-to-Business Direct Debits can be presented, the Customer must obtain a SEPA Business-to-Business Direct Debit Mandate from the payer.

<sup>3)</sup> Please refer to Appendix C for a list of the countries and territories belonging to the SEPA.

The SEPA Business-to-Business Direct Debit Mandate must contain the following declarations made by the payer:

- authorisation of the Customer to collect payments from the account of the payer by means of a SEPA Business-to-Business Direct Debit and
  - instruction issued by the payer to his/her payment service provider to honour the SEPA Business-to-Business Direct Debits drawn by the Customer on the account of the payer. For this purpose, the Customer must use the wording attached as Appendix A.2 or similar wording in an official language of the countries and territories listed in Appendix C in accordance with the requirements of the European Payments Council (see [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu)).
- The mandate must also contain the following information:
- Name of the Customer, his/her address and his/her creditor identification number (this is assigned by Deutsche Bundesbank for Customers resident in Germany, see <http://gläubiger-id.bundesbank.de>),
  - Declaration stating whether the mandate is being issued for recurring payments or a one-off payment,
  - Name of the payer,
  - Customer identifier of the payer (see section 3.2),
  - Signature of the payer as well as
  - Date and place of the signature of the payer.
- The mandate reference individually assigned by the Customer
- used in conjunction with the creditor identification number, unambiguously designates the mandate in question,
  - is up to 35 alphanumeric characters in length and
  - may already be contained in the mandate or must be subsequently notified to the payer.

The SEPA Business-to-Business Direct Debit Mandate may contain other information in addition to the data mentioned above.

#### 3.4.2 Retention obligations

The Customer shall be obliged to retain the SEPA Business-to-Business Direct Debit Mandate – including any changes – issued by the payer in the form required by law. Following its expiry, the mandate is to be retained for a period of at least 14 months, calculated from the presentation date of the last direct debit collected.

### 3.5 Notification regarding the SEPA Business-to-Business Direct Debit collection

The Customer must notify the payer of the SEPA Business-to-Business Direct Debit collection no later than 14 calendar days before the due date of the SEPA Business-to-Business Direct Debit payment (e.g. by issuing an invoice); the Customer and the payer can also agree on a different time period. The one-time notification of the payer prior to the initial direct debit and specification of the due dates are sufficient for recurring direct debits of the same amount.

### 3.6 Presentation of the SEPA Business-to-Business Direct Debit

(1) The SEPA Business-to-Business Direct Debit Mandate issued by the payer shall remain with the Customer. The latter adds the authorisation data and any additional data to the data record in order to collect SEPA Business-to-Business Direct Debits. The respective direct debit amount and the due date of the direct debit payment shall be specified by the Customer. If the SEPA Business-to-Business Direct Debit is collected from an account of the payer outside of the European Economic Area, the data record shall also specify the address of the payer.

(2) The Customer shall electronically transmit the data record for collecting the SEPA Business-to-Business Direct Debit to the Bank in accordance with the agreed presentation deadlines. The direct debit is to be flagged in accordance with Appendix B. The payment service provider of the payer (paying agent) shall be entitled to process the direct debit according to the flag.

(3) If the due date specified by the Customer in the data record does not fall on a TARGET2 business day<sup>4)</sup>, then the Bank shall be entitled to specify the following TARGET2 business day as the due date in the direct debit data record.

(4) If the Customer does not present a SEPA Business-to-Business Direct Debit under a SEPA Business-to-Business Direct Debit Mandate within a period of 36 months (calculated from the due date of the last SEPA Business-to-Business Direct Debit presented), he/she must refrain from collecting direct debits on the basis of this mandate and is obliged to obtain a new SEPA Business-to-Business Direct Debit Mandate if he/she wishes to collect SEPA Business-to-Business Direct Debits from the payer in the future. The Bank shall not be obliged to check compliance with the measures set out in sentence 1.

(5) The Bank shall transmit the SEPA Business-to-Business Direct Debit presented in a timely and proper manner to the payment service provider of the payer, enabling it to be settled on the due date set out in the direct debit data record.

### **3.7 Execution of the payment transaction and returned direct debits**

(1) The payment service provider of the payer shall send the direct debit amount charged to the account of the payer to the Bank on the basis of the SEPA Business-to-Business Direct Debit.

(2) The Bank shall reverse the conditional credit entry relating to a direct debit not honoured by the payment service provider of the payer. This shall apply regardless of whether a statement of account has been issued in the meantime.

<sup>4)</sup> TARGET2 stands for Trans-European Automated Real-time Gross Settlement Express Transfer System. TARGET2 is open daily except on Saturdays, Sundays, New Year's Day, Good Friday and Easter Monday, on 1 May as well as 25 and 26 December.



## Appendix A

### 1 Wording for the SEPA Direct Debit Mandate issued to the payee

#### SEPA direct debit mandate

I/we authorise [name of the payee] to collect payments from my/our account by direct debit. At the same time, I/we instruct my/our payment service provider to honour the direct debits drawn by [name of the payee] on my/our account.

NB: I/we can request that the amount debited be refunded within eight weeks, commencing with the date of the debit entry. The terms and conditions agreed with my/our payment service provider shall apply in this regard.

### 2 Wording for the SEPA Business-to-Business Direct Debit Mandate issued to the payee

#### SEPA Business-to-Business Direct Debit Mandate

I/we authorise [name of the payee] to collect payments from my/our account by direct debit. At the same time, I/we instruct my/our payment service provider to honour the direct debits drawn by [name of the payee] on my/our account.

NB: This direct debit mandate only serves to collect direct debits from accounts of companies. I am/we are not entitled to request a refund of the amount debited after it has been honoured. I/we are entitled to instruct my/our payment service provider, up until the due date, not to honour direct debits.

## Appendix B

### 1 Flagging of the respective direct debit scheme in the data record

Procedure	Flagging of the data record
SEPA Core Direct Debit	"CORE" in the "Code" element of the element group "Local Instrument"
SEPA Business-to-Business Direct Debit	"B2B" in the "Code" element of the element group "Local Instrument"

### 2 Name of the payer pursuant to section 2.4.1 (3), third indent

If a direct debit mandate for a SEPA Core Direct Debit ("Local Instrument" contains "CORE") is generated using bank card data at the POS (point of sale/card terminal), meaning that the name of the payer is not available, card data as follows can be used to identify the payer instead of the name: Constant/ CDGM (card data generated mandate), followed by /card number, /card suffix and /expiry date of the card (four digits in the format YYMM). If the card number is not available, the PAN is to be used. In order to ensure that the card number/ PAN field is of the same length, the card number is to be aligned to the left, using zeros to make it up to 19 digits in total.

## Appendix C

### List of countries and territories belonging to SEPA

#### Countries of the European Economic Area (EEA)

**Member States of the European Union:** Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Germany, Estonia, Finland, France (including French Guyana, Guadeloupe, Martinique, Mayotte, Réunion), Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Sweden, Slovak Republic, Slovenia, Spain and the United Kingdom of Great Britain and Northern Ireland

**Other countries:** Iceland, Liechtenstein, Norway.

#### Other countries and territories

Guernsey, Isle of Man, Jersey, Monaco, Saint-Pierre and Miquelon, San Marino, Switzerland.