

**TERMS AND CONDITIONS FOR DIRECT DEBIT COLLECTION**

Version 13 January 2018

The present translation is provided for the customer's convenience only. The original German text of the Terms and Conditions for Direct Debit Collection (Bedingungen für den Lastschrift-einzug) is binding in all respects. In the event of any divergence between the English and the German texts, constructions, meanings or interpretations, those of the German original shall govern exclusively.

The collection of claims by the customer, as the payee, by direct debit shall be subject to the following terms and conditions.

**1 General****1.1 Definition**

A direct debit is a payment transaction initiated by the customer, as the payee, and debited to the payer's account with his/her payment service provider where the amount of the payment is specified by the customer.

**1.2 Presentation periods**

Direct debit collection orders must be presented by the customer to the Bank within the periods specified in Annex A.

**1.3 Charges and changes therein****1.3.1 Agreement on charges**

Unless otherwise agreed, the charges for the collection of direct debits shall be set out in the Direct Debit Collection Agreement (Lastschriftinkassovereinbarung).

**1.3.2 Changes in charges for consumers**

Any changes in the charges shall be offered to a customer who is a consumer in text form no later than two months before their proposed date of entry into force. If the customer has agreed an electronic communication channel with the Bank within the framework of the business relationship, the changes may also be offered through this channel. The customer may indicate either approval or disapproval of the changes before their proposed date of entry into force. The changes shall be deemed to have been approved by the customer, unless the customer has indicated disapproval before their proposed date of entry into force. The Bank shall expressly draw the customer's attention to this consequent approval in its offer. If a customer who is a consumer is offered changes in the charges, the customer may also terminate the business relationship free of charge with immediate effect before the proposed date of entry into force of the changes. The Bank shall expressly draw the customer's attention to this right of termination in its offer.

**1.3.3 Changes in charges for customers who are not consumers**

Changes in the charges for customers who are not consumers shall continue to be governed by No. 12, paragraphs 2 – 6 of the banks' General Business Conditions (Allgemeine Geschäftsbedingungen) of the bank.

**1.3.4 Deduction of charges from the amount credited in the direct debit**

The Bank may deduct the charges to which it is entitled from the direct debit amount that is credited.

**1.4 Notification**

The Bank shall notify the customer at least once a month about the execution of direct debit collection orders and returned direct debit through the agreed account information channel. If customers are not consumers, the manner and frequency of such notification may be agreed separately with them. In their case, the notification for direct debit amounts which are credited collectively shall only show the total amount and not the individual payment transactions.

**1.5 Customer's entitlement to a refund and compensation****1.5.1 Customer's notification duty**

The customer shall notify the Bank without delay upon detecting any incorrectly executed direct debit collections.

**1.5.2 Entitlement in the case of non-execution or incorrect execution of a direct debit collection order by the Bank and in the case of delayed receipt of the direct debit amount**

(1) In the event of non-execution or incorrect execution of a direct debit collection order by the Bank, the customer may request the Bank to send it – again, if necessary – without delay to the payer's payment service provider.

(2) Over and above the entitlement under paragraph 1, the customer may request the Bank to refund any charges and interest it levied on him/her or debited to the customer's account in connection with the non-execution or incorrect execution of a direct debit collection order.

(3) If the direct debit amount merely reached the Bank with a delay, the customer may request the Bank under Section 675y, paragraph 4 of the German Civil Code (Bürgerliches Gesetzbuch (BGB)) to credit the direct debit amount to the customer's account as if the payment transaction had been duly executed.

**1.5.3 Compensation for neglect of duty**

(1) If a direct debit collection order is not executed or not executed correctly or executed with a delay, the customer may request the Bank to provide compensation for any loss or damage incurred as a result. This shall not apply if the Bank is not responsible for the neglect of duty. If the customer has contributed to the occurrence of any loss or damage through culpable conduct, the principles of contributory negligence shall determine the extent to which the Bank and the customer must bear the loss or damage.

(2) If the customer is not a consumer, the Bank's liability for any loss or damage shall be limited to the amount of the direct debit. Where consequential loss or damage is involved, liability shall, in addition, be limited to a maximum of EUR 12,500 per direct debit. These limitations on liability shall not apply to deliberate intent or gross negligence by the Bank or to risks which the Bank has assumed on an exceptional basis.

**1.5.4 Preclusion of liability and objection**

Any claims by the customer under Section 1.5.2 and any objections by the customer against the Bank as a result of non-execution or incorrect execution of collection orders shall be precluded if the customer fails to inform the Bank thereof within a period of 13 months at the latest after being debited for an incorrectly executed collection transaction. This period shall start to run only once the Bank has informed the customer about the transaction through the agreed account information channel no later than one month after the debit entry was made; otherwise the date on which the customer is informed shall determine when the period commences.

**1.6 Other special arrangements with customers who are not consumers**

(1) If customers are not consumers, Section 675d, paragraph 1, sentence 1, paragraphs 2 – 4 (duties to provide information) and Section 675f, paragraph 4, sentence 2 (fees and expenses for performing ancillary duties) of the German Civil Code (Bürgerliches Gesetzbuch – BGB) shall not apply.

(2) The minimum period of notice of two months specified in No. 19, paragraph 1, sentence 3 of the banks' General Business Conditions shall not apply to the Direct Debit Collection Agreement with customers who are not consumers.

**1.7 Making available copies of the direct debit mandates**

On request, the customer shall make available to the Bank within seven business days copies of the collection authorisation (Einzugsermächtigung), SEPA core direct debit mandate or SEPA business-to-business (B2B) direct debit mandate and, if necessary, further details of the direct debits presented.

## 2 SEPA Core Direct Debit (SEPA Basislastschrift)

### 2.1 Main characteristics of the SEPA core direct debit scheme

The SEPA core direct debit scheme is governed by the »SEPA Core Direct Debit Scheme Rulebook« issued by the European Payments Council.

The SEPA core direct debit scheme enables a payer to make payments in euros to the payee through his/her payment service provider within the Single Euro Payments Area (SEPA<sup>1</sup>).

For the execution of payments by SEPA core direct debit, the payer must give the SEPA direct debit mandate (see Section 4.4.) to the payee before the payment transaction.

The customer, as the payee, initiates the respective payment transaction by presenting the direct debits to the payer's payment service provider through the Bank.

For authorised SEPA core direct debit payments, the payer shall be entitled to claim a refund of the amount debited from his/her payment service provider. Such claim must be made within eight weeks starting from the date on which the payer's account was debited. This shall result in cancellation of the conditional credit entry in the account of the customer as the payee.

### 2.2 Unique identifiers

The customer must use

- the IBAN issued to him/her by the Bank plus for cross-border direct debit collections in countries outside the European Economic Area (EEA<sup>2</sup>) the BIC of the Bank as his/her unique identifier and
- the IBAN notified to them by the payer, plus for cross-border direct debit collections in countries outside the European Economic Area (EEA) the BIC of the payer's payment service provider, as the unique identifier of the payer.

The Bank is entitled to collect the direct debits solely on the basis of the unique identifiers provided to it.

### 2.3 Transmission of direct debit data

When SEPA core direct debits are used, the direct debit data may be forwarded by the Bank to the payer'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.

### 2.4 SEPA direct debit mandate

#### 2.4.1 Giving the SEPA direct debit mandate

The customer must obtain a SEPA direct debit mandate from the payer before presenting SEPA core direct debits. The SEPA direct debit mandate must contain the following statements by the payer:

- a statement authorising the customer to collect payments from the payer's account by SEPA core direct debit and
- a statement instructing the payer's payment service provider to pay the SEPA core direct debits drawn by the customer on the payer's account.

For this purpose, the customer must use the text attached as Annex B.3 or an identical text in an official language of the countries and territories listed mentioned below<sup>1</sup> in accordance with the rules laid down by the European Payments Council (see [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu)).

The mandate must, in addition, include the following details:

- name and address of the customer and the customer's creditor identifier (where customers are resident in Germany, this is assigned by the Deutsche Bundesbank; see <https://extranet.bundesbank.de/scp/l/>)
- indication of whether the mandate is for a one-off payment or recurrent payments
- name of the payer, or identification pursuant to Annex C.2
- unique identifier of the payer (see Section 4.2)
- signature by the payer and
- date of signature by the payer.

The mandate reference assigned individually by the customer shall, in conjunction with the creditor identifier,

- uniquely identify each mandate
- shall be up to 35 alphanumeric digits long and
- may form part of the mandate or must be subsequently notified to the payer.

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

#### 2.4.2 Einzugsermächtigung as a SEPA direct debit mandate

(1) The customer may use an Einzugsermächtigung issued before 1 February 2014 as a SEPA direct debit mandate. For this purpose, the following conditions must be fulfilled:

- the payer has given the customer, as the payee, an Einzugsermächtigung in writing, authorising the payee to collect payments from his/her account by direct debit.
- the payer and his/her payment service provider have agreed that
  - the payer, by giving an Einzugsermächtigung, instructs his/her payment service provider at the same time to pay the direct debits drawn by the payee on his/her account and
  - this Einzugsermächtigung may be used as a SEPA direct debit mandate.

(2) The Einzugsermächtigung must contain the following authorisation data:

- identification of the payee
- identification of the payer
- unique identifier under Section 4.2 or account number (»Kontonummer«) and bank code (»Bankleitzahl«) of the payer

The Einzugsermächtigung may contain additional details supplementing the authorisation data.

(3) Before the first SEPA core direct debit is collected, the customer must notify the payer of the changeover from collection by direct debit based on an Einzugsermächtigungslastschrift to collection by SEPA core direct debit, indicating the creditor identifier and the mandate reference in text form. Where requested by the Bank, the customer must duly demonstrate that it notified the payer as required in sentence 1.

(4) The first SEPA core direct debit that is issued after the changeover from the direct debit based on collection authorisation shall be tagged as a first direct debit. The date of signature by the payer indicated in the data set for the direct debits presented shall be the date of notification of the payer as specified in paragraph 3.

#### 2.4.3 Record-keeping requirement

The customer shall be obligated to retain the SEPA direct debit mandate given by the payer – including any changes – in the legally required form. Once the mandate expires, it must be retained for a period of not less than 14 months calculated from the date of presentation of the last direct debit collected.

#### 2.4.4 Revocation of the SEPA direct debit mandate by the payer

If a payer revokes a SEPA direct debit mandate vis-à-vis the customer, the customer may not collect any further SEPA core direct debits on the basis of this SEPA direct debit mandate. If a SEPA core direct debit is returned to the customer for the following reason: »No mandate/unauthorised transaction«, the payer's payment service provider thereby informs the customer that the payer has revoked the SEPA direct debit mandate given to the customer. The customer may then not collect any further SEPA core direct debits on the basis of this SEPA direct debit mandate.

## 2.5 Notification of SEPA core direct debit collection

The customer must notify the payer of 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 may also agree a different notification period. For recurrent direct debits for the same amounts, it shall be sufficient to notify the payer once before the first direct debit collection and to indicate the dates when payments are due.

## 2.6 Presentation of the SEPA core direct debit

(1) The SEPA direct debit mandate given by the payer shall remain with the customer as the payee. The customer shall take over the authorisation data and enter any additional details in the data set for collection of SEPA core direct debits. The respective direct debit amount and the date on which the direct debit payment is due shall be specified by the customer. If the direct debit is drawn on an account held by the payer outside the EEA, the payer's address should be additionally indicated in the data set.

(2) The customer shall send the data set for collection of the SEPA core direct debit to the Bank electronically in compliance with the agreed presentation periods. The direct debit must be tagged in accordance with Annex C. The payer's payment service provider (payer bank) shall be entitled to process the direct debit according to how it is tagged.

(3) If the due date specified by the customer in the data record is not a TARGET2 business day<sup>3</sup>, the Bank shall be entitled to specify the following TARGET2 business day as the due date in the direct debit data set.

(4) If the customer does not present any 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 cease collecting direct debits under this mandate and shall be obligated to obtain a new SEPA direct debit mandate if he/she wishes to collect SEPA core direct debits from the payer thereafter. The Bank shall not be obligated to verify compliance with the measures referred to in sentence 1.

(5) The Bank shall send the SEPA core direct debit, if presented punctually and properly, to the payer's payment service provider so that the payment can be debited on the due date contained in the direct debit data set.

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

(1) The payer's payment service provider remits the amount debited by it to the payer's account on the basis of the SEPA core direct debit to the Bank.

(2) If a direct debit is not paid by the payer's payment service provider or is returned because a refund is claimed by the payer, the Bank shall cancel the conditional credit entry or credit entry. It shall do so irrespective of whether a periodic balance statement has been issued in the meantime.

## 3 SEPA Business-to-Business (B2B) Direct Debit (SEPA-Firmenlastschriftverfahren)

### 3.1 Main characteristics of the SEPA<sup>4</sup> B2B direct debit scheme

The SEPA B2B direct debit scheme is governed by the »SEPA B2B Direct Debit Scheme Rulebook« issued by the European Payments Council.

The SEPA B2B direct debit scheme may only be used by payers who are not consumers.

The SEPA B2B direct debit scheme enables a payer to make payments in euros to the payee through his/her payment service provider within the Single Euro Payments Area (SEPA<sup>1</sup>). For the execution of payments by SEPA B2B direct debit

- the payee and the payee's payment service provider must use the SEPA B2B direct debit scheme and
- the payer must give the SEPA B2B direct debit mandate to the payee before the payment transaction and

- the payer must confirm to the payer's payment service provider that the SEPA B2B direct debit mandate has been given. The customer, as the payee, initiates the respective payment transaction by presenting the direct debits to the payer's payment service provider through the Bank.

For authorised SEPA B2B direct debit payments, the payer shall not be entitled to claim a refund of the amount debited to his/her account from his/her payment service provider.

### 3.2 Unique identifiers

The customer must use

- the IBAN issued to him/her by the Bank plus for cross-border direct debit collections in countries outside the European Economic Area (EEA<sup>5</sup>) the BIC of the Bank as his/her unique customer identifier and
- the IBAN notified to them by the payer, plus for cross-border direct debit collections in countries outside the European Economic Area (EEA) the BIC of the payer's payment service provider, as the unique identifier of the payer.

The Bank is entitled to collect the direct debits solely on the basis of the unique identifiers provided to it.

### 3.3 Transmission of direct debit data

When SEPA B2B direct debits are used, the direct debit data may also be forwarded by the Bank to the payer'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.

### 3.4 SEPA B2B direct debit mandate

#### 3.4.1 Giving the SEPA B2B direct debit mandate

The customer must obtain a SEPA B2B direct debit mandate from the payer before presenting SEPA B2B direct debits. The SEPA B2B direct debit mandate must contain the following statements by the payer:

- a statement authorising the customer to collect payments from the payer's account by SEPA B2B direct debit and
- a statement instructing the payer's payment service provider to pay SEPA B2B direct debits drawn by the customer on the payer's account.

For this purpose, the customer must use the text attached as Annex B.4 or an identical text in an official language of the countries and territories mentioned below<sup>1</sup> in accordance with the rules laid down by the European Payments Council (see [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu)).

The mandate must, in addition, include the following details:

- name and address and of the customer and the customer's creditor identifier (where customers are resident in Germany, this is assigned by the Deutsche Bundesbank; see <http://glaeubiger-id.bundesbank.de>)
- indication whether the mandate is for a one-off payment or recurrent payments
- name of the payer,
- unique identifier of the payer (see Section 5.2)
- signature by the payer and
- date of signature by the payer.

The mandate reference assigned individually by the customer

- shall, in conjunction with the payee identifier, clearly identify each mandate
- shall be up to 35 alphanumeric digits long and
- may form part of the mandate or must be subsequently notified to the payer.

The SEPA B2B direct debit mandate may contain additional details supplementing the aforementioned data.

### 3.4.2 Record-keeping requirement

The customer shall be obligated to retain the SEPA B2B direct debit mandate – including any changes – given by the payer in the legally required form. Once the mandate expires, it must be retained for a period of not less than 14 months calculated from the date of presentation of the last direct debit collected.

### 3.5 Notification of SEPA B2B direct debit collection

The customer must notify the payer of SEPA B2B direct debit collection no later than 14 calendar days before the due date of the first SEPA B2B direct debit payment (e.g. by issuing an invoice); the customer and the payer may also agree a different notification period. For recurrent direct debits for the same amounts, it shall be sufficient to notify the payer once before the first direct debit collection and to indicate the dates when payments are due.

### 3.6 Presentation of the SEPA B2B direct debit

(1) The SEPA B2B direct debit mandate given by the payer shall remain with the customer. The customer shall take over the authorisation data and enter any additional details in the data set for collection of SEPA B2B direct debits. The respective direct debit amount and the date on which the direct debit payment is due shall be specified by the customer. If the direct debit is drawn on an account held by the payer outside the EEA, the payer's address should be additionally indicated in the data set.

(2) The customer shall send the data set for collection of the SEPA B2B direct debit to the Bank electronically in compliance with the agreed presentation periods. The direct debit must be tagged in accordance with Annex C. The payer's payment service provider (payer bank) shall be entitled to process the direct debit according to how it is tagged.

(3) If the due date specified by the customer in the data set is not a TARGET2 business day<sup>3</sup>, the Bank shall be entitled to specify the following TARGET2 business day as the due date in the direct debit data set.

(4) If the customer does not present any SEPA B2B direct debit under a SEPA B2B direct debit mandate within a period of 36 months (calculated from the due date of the last SEPA B2B direct debit presented), the customer must cease collecting direct debits under this mandate and shall be obligated to obtain a new SEPA B2B direct debit mandate if he/she wishes to collect SEPA B2B direct debits from the payer thereafter. The Bank shall not be obligated to verify compliance with the measures referred to in sentence 1.

(5) The Bank shall send the SEPA B2B direct debit, if presented punctually and properly, to the payer's payment service provider so that the payment can be debited on the due date contained in the direct debit data record.

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

(1) The payer's payment service provider remits the amount debited by it to the payer's account on the basis of the SEPA B2B direct debit to the Bank.

(2) If a direct debit is not paid by the payer's payment service provider, the Bank shall cancel the conditional credit entry. It shall do so irrespective of whether a periodic balance statement has been issued in the meantime.

<sup>1</sup> List of SEPA countries and territories, see Annex D

<sup>2</sup> For a List of SEPA countries and territories, see Annex D

<sup>3</sup> TARGET2 stands for Trans-European Automated Real-time Gross Settlement Express Transfer System. TARGET2 is open every day except Saturday, Sunday, New Year, Good Friday, Easter Monday, 1 May and 25 and 26 December.

<sup>4</sup> For a List of SEPA countries and territories, see Annex D

<sup>5</sup> For the member countries, see Annex D

## ANNEX A

Presentation periods		
SEPA core direct debit	One-Off, First Recurrent	<ul style="list-style-type: none"> <li>– Not earlier than 15 business days* before direct debit due date and data transmission with/without Electronic Signature</li> <li>– Not later than 1 business days* before direct debit due date by 7:00 o'clock** (In case of data transmission with Electronic Signature)</li> <li>– Not later than 2 business days* before direct debit due date by 15:00 o'clock** (In case of data transmission without Electronic Signature)</li> </ul>
SEPA business-to-business (B2B) direct debit	One-Off, First, Recurrent	<ul style="list-style-type: none"> <li>– Not earlier than 15 business days* before direct debit due date and data transmission with/without Electronic Signature</li> <li>– Not later than 1 business days* before direct debit due date by 7:00 o'clock** (In case of data transmission with Electronic Signature)</li> <li>– Not later than 2 business days* before direct debit due date by 15:00 o'clock** (In case of data transmission without Electronic Signature)</li> </ul>

\* Banking business days are set out in »List of Prices and Services«.

\*\* In case of later presentation, the execution is not guaranteed. The execution is handled on »best effort« basis.

Please note: The following model texts for obtaining authorisations/mandates for national direct debit schemes (Einzugsermächtigungslastschrift scheme) have not been translated into English as it is assumed that they will usually be used in contractual relationships with German-speaking counterparties

(direct debit payers). The same goes for the combined mandates. The SEPA mandates are set out in German and English. They are based on the texts as specified in the SEPA Direct Debit Scheme Rulebook issued by the European Payments Council (EPC).

## **ANNEX B.1**

---

No longer be used.

## **ANNEX B.2**

Text of the SEPA direct debit mandate to the payee

---

### **SEPA-Lastschriftmandat**

Ich ermächtige/Wir ermächtigen [Name des Zahlungsempfängers], Zahlungen von meinem/unserem) Konto mittels Lastschrift einzuziehen. Zugleich weise ich mein/weisen wir unseren Zahlungsdienstleister an, die von [Name des Zahlungsempfängers] auf mein/unser Konto gezogenen Lastschriften einzulösen.

Hinweis: Ich kann/Wir können innerhalb von acht Wochen, beginnend mit dem Belastungsdatum, die Erstattung des belasteten Betrages verlangen. Es gelten dabei die mit meinem/unserem Zahlungsdienstleister vereinbarten Bedingungen.

---

## **ANNEX B.3**

Text of the SEPA business-to-business (B2B) direct debit mandate to the payee

---

### **SEPA-Firmenlastschriftmandat**

Ich ermächtige/Wir ermächtigen [Name des Zahlungsempfängers], Zahlungen von meinem/unserem Konto mittels Lastschrift einzuziehen. Zugleich weise ich mein/weisen wir unseren Zahlungsdienstleister an, die von [Name des Zahlungsempfängers] auf mein/unser Konto gezogenen Lastschriften einzulösen.

Hinweis: Dieses Lastschriftmandat dient nur dem Einzug von Lastschriften, die auf Konten von Unternehmen gezogen sind. Ich bin/Wir sind nicht berechtigt, nach der erfolgten Einlösung eine Erstattung des belasteten Betrages zu verlangen. Ich bin/Wir sind berechtigt, meinen/unseren Zahlungsdienstleister bis zum Fälligkeitstag anzuweisen, Lastschriften nicht einzulösen.



## ANNEX C

### 1. Tagging of the different direct debit schemes in the data set Scheme

Scheme	Data set tag
SEPA core direct debit SEPA business-to-business (B2B) direct debit	»CORE« in »Code« element of »Local instrument« element group »B2B« in »Code« element of »Local instrument« element

### 2. Name of the payer pursuant to Section 4.4.1 (3), third indent

If a direct debit mandate for a SEPA core direct debit (»Local instrument« contains »CORE«) is generated from bank card data at a point of sale (card terminal) and if the name of the payer is not available, the payer may be identified by indicating card data instead of the name as follows: constant/CDGM (card data

generated mandate), followed by card number, card sequence number and expiry date (four-digit in YYYY format). If the card number is not available, the PAN should be used. To obtain an identical card number/PAN field length, the card number should be padded with zeros from the left to make it 19 digits long.

## ANNEX D

### List of SEPA countries and territories Countries belonging to the European Economic Area (EEA)

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

Further countries: Iceland, Liechtenstein, Norway.

#### Other countries and territories

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