



TERMS AND CONDITIONS

for SEPA Direct Debit
for Corporate Clients



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The following terms and conditions apply to the receipt of payments made to the Client through direct debit:

I. General Information

1.1 Definitions

A SEPA direct debit („direct debit“) transaction is a payment transaction executed at the request of the Client (payee), to the debit of the payer's account by the payer's payment services provider, where the amount of the applicable direct debit payment is specified by the Client.

1.2 Cut-off Time for Submission of Direct Debit Orders

The Client must submit direct debit orders to the Bank before the cut-off times specified in Annex A. The Bank may reject a direct debit order if it is submitted after the applicable cut-off time.

1.3 Deduction of Fees from Credited Direct Debit Payment

The Bank may deduct fees to which it is entitled from received direct debit payments.

1.4 Information Provided to the Client

The Bank informs the Client at least once a month of the execution or rejection of direct debit orders and of refunded direct debit payments using the method agreed for providing information on the account balance.

As regards the summary credit of multiple direct debit payments, an account statement shows only the total amount as opposed to individual payment transactions. A different arrangement may be agreed.

1.5 Client's Entitlement to Refund and Compensation for Damage

1.5.1 Client's Information Duty

The Client must inform the Bank of incorrectly executed direct debit transactions immediately after ascertaining the same.

1.5.2 Entitlement in case of Non-Executed or Incorrectly Executed Direct Debit Order by the Bank and in case of Delayed Receipt of a Direct Debit Payment

(1) In the event of a non-executed or incorrectly executed direct debit order by the Bank, the Client may request the Bank to execute the direct debit order immediately or to resend the direct debit order to the payer's payment services provider.

(2) In addition to the entitlement as per Paragraph 1, the Client may demand the Bank to refund fees and interest charged by the Bank in connection with a non-executed or incorrectly executed direct debit order or debited by the Bank from the Client's account.

(3) In the event that a direct debit payment is received by the Bank late, the Client may request the Bank to credit the direct debit payment to the Client's account as if the payment transaction were properly executed.

1.5.3 Compensation for Damage Incurred as a result of Violation of Duties

In the event of a non-executed, incorrectly executed, or delayed direct debit order, the Client may claim compensation for damage in accordance with the following provisions:

- The Bank bears liability if the Bank is at fault. If the Client's actions contribute to the incurrance of damage, the extent to which the Bank and the Client bear liability for the damage is determined based on the degree to which the Bank and the Client are at fault.
- The Bank is not liable for fault on the part of institutions engaged by the Bank in the execution of a direct debit order. In this regard, the Bank's liability is limited to assiduously selecting and instructing the first institution taking part in the execution of the order (delegated order).
- The amount of the Client's entitlement to compensation for damage is limited to EUR 1 million per direct debit order. Where applicable, any claim for subsequent losses is limited to the maximum of EUR 12,500 per direct debit order. This restriction of liability does not apply in the event of deliberate action or gross negligence on the part of the Bank and to risks assumed by the Bank separately.

1.5.4 Limitation of Liability and Protests

The Client's entitlements as per Paragraphs 1.5.2 and 1.5.3 and the Client's protests to the Bank relating to non-executed or incorrectly executed direct debit orders are excluded if the Client fails to inform the Bank no later than

13 months after an incorrectly executed direct debit payment is debited.

The limitation period only begins if the Bank informs the Client of a transaction using the method agree for the delivery of information on account balance no later than one month after the sum is debited from the account; otherwise, the limitation period begins on the day on which information is provided.

1.6 Submission of Copies of Direct Debit Mandates

Upon request, the Client must provide to the Bank within seven business days copies of direct debit authorizations, a SEPA direct debit mandate, or a SEPA business-to-business direct debit mandate, and, if applicable, additional information pertaining to submitted direct debit orders.

If the Client does not have a copy, the Client must demonstrate in another way that a direct debit order is presented based on a valid direct debit authorization or a valid mandate.

II. SEPA Core Direct Debit

2.1 Main Characteristics of SEPA Core Direct Debit

Procedures relating to SEPA direct debit are subject to the „SEPA Core Direct Debit Scheme Rulebook“ issued by the European Payments Council. SEPA core direct debit allows the payer to make payments denominated in euros to the payee through the payer’s payment services provider within the Single Euro Payments Area (SEPA).

To execute payments by means of SEPA core direct debit, the payer must grant the payee a SEPA direct debit mandate prior to the execution of a payment transaction. The Client (payee) initiates the execution of the applicable payment transaction by submitting a direct debit order through the Client’s Bank to the payer’s payment services provider. If an authorized payment is made based on SEPA core direct debit, the payer may make a discretionary request to the payer’s payment services provider to refund the debited amount; such a request must be made within eight weeks after the payment is debited from the payer’s account. A request to the foregoing effect cancels the direct debit payment credited to the account of the Client (payee).

2.2 Client Identification Data

In the execution of direct debit payments, the Client must use:

- as the Client’s identification data, the IBAN assigned by the Bank, and in the case of cross-border direct debit payment to countries outside the European Economic Area (such as Switzerland) also the Bank’s BIC,
- the IBAN provided by the payer, and in the case of cross-border direct debit payments to countries outside the European Economic Area (such as Switzerland) also the BIC of the payer’s payment services provider.

The Bank may execute direct debit transaction solely based on identification data provided by the Client.

2.3 Delivery of Direct Debit Data

In the case of payments executed by means of SEPA core direct debit, direct debit data may be submitted via a remote data transmission system to the Belgium-based – Society for Worldwide Interbank Financial Telecommunication (SWIFT) and via computer centers in the European Union, Switzerland, and the U.S.A.

2.4 SEPA Direct Debit Mandate

2.4.1 Grant of SEPA Direct Debit Mandate

Prior to submitting a SEPA core direct debit order, the Client must request a SEPA direct debit mandate from the payer. In a mandate for SEPA direct debit, the payer must include the following:

- the Client’s authorization granted by the payer for the execution of direct debit payments from the payer’s account by means of SEPA core direct debit,
- the payer’s instruction to the payment services provider to execute direct debit payments from payer’s account based on SEPA core direct debit orders given by the Client.

In complying with the foregoing, the Client must use the text provided under Annex B.1 or a text having the same content written in the official language of the countries and areas listed in Annex D in accordance with the regulation of the European Payments Council (see www.europeanpaymentscouncil.eu).

In addition, a mandate must specify the following:

- specification whether the mandate is granted for a one-time transaction or for recurring transactions,
- the payer's name or designation as per Annex C,
- Paragraph 2,
- payer's identification data (see Paragraph 2.2),
- the payer's signature,
- the date of the payer's signature,

A specific mandate reference assigned by the Client:

- clearly designates the applicable mandate together with the creditor identification number,
- must consist of no more than 35 alphanumeric symbols,
- may be contained in the mandate or must be specified to the payer at a later time.

Apart from the foregoing data, a SEPA direct debit mandate may include additional information.

2.4.2 Authorization for Direct Debit as a Mandate for SEPA Direct Debit

(1) The Client may use a direct debit authorization granted prior to 1 February 2014 in lieu of a SEPA direct debit mandate.

In doing so, the following conditions must be met:

- the payer grants the Client (payee) a written direct debit authorization under which the payee is authorized to debit payments from the payer's account by means of direct debit,

- the payer and the payer's payment services provider agree that:
 - based on the direct debit authorization, the payer charges the payer's payment services provider to execute direct debit payments from the payer's account in favor of the payee, where
 - such a direct debit authorization may be used in lieu of a SEPA direct debit mandate.

(2) A direct debit authorization must include the following authorization data:

- designation of the payee,
- designation of the payer,
- the Client's identification data as per Paragraph 2.2 or the payer's account number and bank code.

Apart from authorization data, a direct debit authorization may include additional information.

(3) Before the execution of the first SEPA core direct debit transaction, the Client must inform the payer in writing that the direct debit scheme based on a direct debit authorization has been changed to the SEPA core direct debit scheme, stating the creditor identification number and a mandate reference. At the Bank's request, the Client must demonstrate the fact that the payer has been informed in a suitable manner in accordance with the first sentence.

(4) The first SEPA core direct debit executed after a direct debit authorization is changed to direct debit mandate is referred to as the first direct debit transaction.

In the data sequence of the submitted direct debit order, the payer signature date will contain the payer's notice as per Paragraph 3.

2.4.3 Safekeeping of Data

The Client must keep, using the method required by law, the original of a SEPA direct debit mandate granted by the payer, including amendments to the mandate.

After the expiration of a mandate, the Client must keep the original of the mandate for no less than 14 months after the date of the submission of the last executed direct debit transaction.

2.4.4 Revocation of SEPA Direct Debit Mandate by the Payer

If a SEPA direct debit mandate is revoked by the payer, the Client may debit no further payments by means of direct debit based on such a mandate.

A SEPA core direct debit order returned to the Client where the reason is “no valid mandate” means that the payer’s payment services provider informs the Client that the payer has cancelled the SEPA direct debit mandate granted to the Client. The Client may receive no further direct debit payments based on such a mandate.

2.5 Notice of Execution of SEPA Core Direct Debit

No later than 14 calendar days before the due date of the first SEPA core direct debit payment, the Client must inform the payer of a forthcoming direct debit payment (for example by issuing an invoice); the Client and the payer may agree to a different deadline.

In the event of recurring direct debit payments for the same sum, a one-time notice stating due dates to the payer served before the execution of the first direct debit payment is sufficient.

2.6 Submission of SEPA Core Direct Debit

(1) A SEPA direct debit mandate granted by the payer is retained by the Client (payee).

For the purpose of executing SEPA core direct debit, the Client includes authorization data, as well as other data if applicable, in the data sequence.

The Client must specify the amount and due date of the direct debit payment.

In the case of a direct debit payment executed from the payer’s account by means of SEPA core direct debit to a country outside the European Economic Area, the data sequence must also include the payer’s address.

(2) The Client must send the data sequence to the Bank by electronic means for the purpose of executing the SEPA direct debit transaction. In doing so, the Client must comply with the agreed cut-off times for the submission of direct debit orders.

Direct debit must be designated in accordance with Annex C. The payer’s payment services provider (point of payment) must process direct debit in accordance with the said designation.

(3) If the due date specified by the Client in the data sequence does not fall on a business day TARGET2, the Bank may state the following business day TARGET2 in the data sequence as the due date.

(4) If the Client fails to submit a SEPA core direct debit order under a SEPA core direct debit mandate within 36 months starting on the due date of the last submitted SEPA direct debit order, the Client must refrain from collecting payments based on such a mandate, and if the Client intends to use SEPA core direct debit to collect payments from the payer, the Client must request a new SEPA direct debit mandate.

The Bank is under no obligation to verify compliance with the requirements referred to in the first sentence.

(5) The Bank sends the payer's payment services provider a SEPA core direct debit order, submitted in a proper and timely manner, so as to allow the order to be cleared before the due date stated in the data sequence.

2.7 Execution of Payment Transaction and Cancellation of Direct Debit Order

(1) The payer's payment services provider sends to the Bank a direct debit payment debited from the payer's account based on a SEPA core direct debit order.

(2) If the payer's payment services provider does not execute a direct debit payment or if a direct debit payment is refunded based on the payer's request for a refund, the Bank cancels the credit note with reservation. The same applies if the Bank does not receive a direct debit payment or if a SEPA direct debit mandate is not granted, regardless of whether a closure of accounts has been carried out in the interim.

III. SEPA Business-to-Business Direct Debit

3.1 Main Characteristics of SEPA Business-to-Business Direct Debit

Procedures relating to SEPA business-to-business direct debit are subject to the "SEPA Business-to-Business Direct Debit Scheme Rulebook" issued by the European Payments Council.

SEPA business-to-business direct debit may only be used by a payer who is not a consumer.

SEPA business-to-business direct debit allows a payer to make payments denominated in euros to a payee through the payer's payment services provider within the Single Euro Payments Area (SEPA).

For the execution of payments using SEPA business-to-business direct debit:

- the payee and the payee's payment services provider must use SEPA business-to-business direct debit,
- prior to the execution of a payment transaction, the payer must grant to the payee a SEPA business-to-business direct debit mandate, and
- the payer must confirm to the payer's payment services provider the grant of a SEPA business-to-business direct debit mandate.

The Client (payee) initiates the execution of the applicable payment transaction by submitting through its Bank direct debit order to the payer's payment services provider. In the case of an authorized payment executed by means of SEPA business-to-business direct debit, the payer does not have the right to demand from the payment services provider a refund for a direct debit payment debited from the payer's account.

3.2 Client Identification Data

In the execution of direct debit payments, the Client must use:

- as the Client's identification data, the IBAN assigned by the Bank, and in the case of cross-border direct debit payment to countries outside the European Economic Area (such as Switzerland) also the Bank's BIC,
- as the Client's identification data the IBAN provided by the payer and in the case of cross-border direct debit payment to countries outside the European Economic Area (such as Switzerland) also the Bank's BIC.

The Bank may execute direct debit transaction solely based on identification data provided by the Client.

3.3 Delivery of Direct Debit Data

In the case of payments executed by means of SEPA business-to-business direct debit, direct debit data may be submitted via a remote data transmission system to the Belgium-based Society for Worldwide Interbank Financial Telecommunication (SWIFT) and via computer centers in the European Union, Switzerland, and the U.S.A.

3.4 SEPA Business-to-Business Direct Debit Mandate

3.4.1 Grant of SEPA Business-to-Business Direct Debit Mandate

Prior to submitting a SEPA direct debit order, the Client must request from the payer a SEPA business-to-business direct debit mandate.

In a SEPA direct debit mandate, the payer must include the following:

- the Client's authorization to execute direct debit payments from the payer's account by

means of SEPA core direct debit,

- the payer's instruction to the payment services provider to execute payments from payer's account based on orders given by the Client.

For this purpose, the Client must use the text provided under Annex B.2 or a text having the same content written in the official language of the countries and areas listed in Annex D in accordance with the regulation of the European Payments Council (see www.europeanpaymentscouncil.eu).

In addition, a mandate must specify the following:

- the Client's name, address, CID creditor identification number (the number is assigned by the Czech National Bank if the Client is based in the Czech Republic),
- specification whether the mandate is granted for a one-time transaction or for recurring transactions,
- the payer's name
- the payer's identification data (see Paragraph 3.2)
- the payer's signature,
- the date of the payer's signature.

A specific mandate reference assigned by the Client:

- must clearly designate the applicable mandate together with the creditor identification number,
- must consist of no more than 35 alphanumeric symbols,
- may be contained in the mandate or must be specified to the payer at a later time.

Apart from the foregoing data, a SEPA direct debit mandate may include additional information.

3.4.2 Safekeeping of Data

The Client must keep the original of a SEPA direct debit mandate granted by the payer, including amendments to the mandate.

After the expiration of a mandate, the Client must keep the original of the mandate for no less than 14 months after the date of the submission of the last executed direct debit transaction.

3.5 Notice of Execution of SEPA Business-to-Business Direct Debit

No later than 14 calendar days before the due date of the first SEPA business-to-business direct debit payment, the Client must inform the payer of the forthcoming direct debit payment (for example by issuing an invoice); the Client and the payer may agree to a different deadline.

In the event of recurring direct debit payments for the same sum, a one-time notice stating due dates to the payer served before the execution of the first direct debit payment is sufficient.

3.6 Submission of SEPA Business-to-Business Direct Debit

(1) A SEPA business-to-business direct debit mandate granted by the payer is retained by the Client.

For the purpose of executing SEPA business-to-business direct debit, the Client includes authorization data, as well as other data if applicable, in the data sequence.

The Client must specify the amount and due date of the direct debit payment.

In the case of a direct debit payment executed from the payer's account by means of SEPA business-to-business direct debit to a country outside the European Economic Area, the data sequence must also include the payer's address.

(2) The Client must send the data sequence to the Bank by electronic means for the purpose of executing the SEPA direct debit transaction. In doing so, the Client must comply with the agreed cut-off times for the submission of direct debit orders.

Direct debit must be designated in accordance with Annex C. The payer's payment services provider (point of payment) must process direct debit in accordance with the said designation.

(3) If the due date specified by the Client in the data sequence does not fall on a business day TARGET2, the Bank may state the following business day TARGET2 in the data sequence as the due date.

(4) If the Client fails to present a SEPA business-to-business direct debit mandate within 36 months (starting on the due date of the last submitted SEPA direct debit order), the Client must refrain from collecting payments based on such a mandate.

In the event the Client intends to use SEPA business-to-business direct debit to collect payments from the payer, the Client must request a new SEPA business-to-business direct debit mandate.

The Bank is under no obligation to verify compliance with the requirements referred to in the first sentence.

(5) The Bank sends the payer's payment services provider a SEPA business-to-business direct debit order, submitted in a proper and timely manner, so as to allow the order to be cleared before the due date stated in the data sequence.

3.7 Execution of Payment Transaction and Cancellation of Direct Debit Order

(1) The payer's payment services provider sends to the Bank a direct debit payment debited from the payer's account based on a SEPA business-to-business direct debit order.

(2) If the payer's payment services provider does not execute a direct debit payment, the Bank cancels the credit note with reservation. The same applies if the Bank does not receive a direct debit payment or if a SEPA direct debit mandate is not granted, regardless of whether a closure of accounts has been carried out in the interim.

Annex A – Submission Cut-off Times

SEPA Core Direct Debit

No earlier than 15 calendar days (or as per a special arrangement) before the due date of a direct debit payment and no later than two business days by 5:00 p.m. prior to the due date of the direct debit payment.

SEPA Business-to-Business Direct Debit

No earlier than 15 calendar days (or as per a special arrangement) before the due date of a direct debit payment and no later than two business days by 5:00 p.m. prior to the due date of the direct debit payment.

Business days are specified in Section A.III.1. of the Terms and Conditions for Payment Services for Corporate Clients.

Annex B.1 – Text of a Payer SEPA Core Direct Debit Mandate

SEPA Core Direct Debit Mandate

I (we) hereby grant an authorization to [name of payee] for collecting payments from my (our) account by means of direct debit.

Furthermore, I (we) authorize my (our) payment services provider to debit funds from my (our) account based on direct debit orders submitted by [name of payee].

Note: I (we) have the right to request a refund of funds. A request must be made within eight weeks after the date on which funds are debited from the account.

Terms and conditions agreed with the payment services provider apply.

Annex B.2 – Text of a Payer SEPA Business-to-Business Direct Debit Mandate

SEPA Business-to-Business Direct Debit Mandate

I (we) hereby grant an authorization to [name of payee] for collecting payments from my (our) account by means of direct debit.

Furthermore, I (we) authorize my (our) payment services provider to debit funds from my (our) account based on direct debit orders submitted by [name of payee].

Note: This mandate serves exclusively for the execution of direct debit payments from accounts of corporate clients.

I am (we are) not authorized to request a refund of funds after they are debited from the account.

I am (we are) authorized to instruct our payment services provider not to execute a direct debit payment provided that an instruction to that effect is given before the due date of the direct debit payment.

Annex C

1. Designation of Relevant Direct Debit Procedures in Data Sequence

Scheme	Data sequence designation
SEPA Core Direct Debit	"CORE" in the "Code" element in the "Local Instrument" group
SEPA Business-to-Business Direct Debit	"B2B" in the "Code" element in the "Local Instrument" group

2. Payer's Name as per Paragraph 2.4.1, Subsection 3, Subparagraph 3

If a SEPA core direct debit mandate („Local Instrument“ contains „CORE“) is generated on a POS (point of sale/card terminal) based on data stated on a payment card and if the payer's name is not available, the payer can be identified, instead of the name, by data stated on the card using the following procedure:

constant/CDGM (Card Data Generated Mandate), followed by /card number, /followed by card number and /card expiry date (four-digit number in the YYMM format). If the card number is not available, use the PAN.

To ensure that the length of the card number/PAN field is uniform, zeros must be added on the left before the card number to ensure that the resulting number contains 19 digits.

Annex D – SEPA Countries and Areas

Other countries and areas may be from time to time added to the list, where the Bank is under no obligation to expressly inform the Client.

Member States of the European Economic Area

European Union Member States:

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

Other countries:

Iceland, Liechtenstein, Norway

Other Countries and Areas:

Åland, Gibraltar, Guernsey, Isle of Man, Jersey, Monaco, San Marino, Switzerland, Saint Barthélemy, Saint Martin (French section), Saint-Pierre and Miquelon

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