

# TERMS AND CONDITIONS FOR COLLECTION SERVICE - SEPA DIRECT DEBIT

This brochure sets out the terms and conditions for the creation of all of your SEPA Direct Debit collections in euros made through Danske Bank. These Terms and Conditions apply to collections that you wish to settle through a Danske Bank account in Denmark. Separate rules apply to collections that are to be received in countries outside Denmark.

If you want to effect SEPA collections to Danske Bank accounts in countries outside Denmark, you need to enter into a new Business Online Agreement.

These Terms and Conditions apply whether you are registered as a creditor for SEPA Core or SEPA B2B Direct Debit. Any deviations will be specified individually for each scheme.

The EPC Rulebook (available at [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu)) applies as a supplement to these Terms and Conditions.

SEPA Direct Debit is for corporate customers only and in order to be registered for SEPA Direct Debit, you must have:

- a euro account
- a Business Online Agreement
- a creditor ID
- a settlement line.

When we perform the ongoing credit assessment of your total exposure, we will decide whether to offer you SEPA Direct Debit.

## 1 Definitions

### Authorised collections

A collection is authorised if you are able to present a duly signed, valid mandate agreed between you and the debtor.

### Business day

Business days are all days when Danish banks are open for business other than Saturdays, Sundays and national holidays, Christmas Eve (24 December), New Year's Eve (31

December), Constitution Day (5 June) and the Friday after Ascension Day.

### Business Online

Business Online is Danske Bank's online office banking system, providing access to account information, payments and other banking transactions requested by you.

### Cancellation

You may cancel a collection order already submitted to Danske Bank, provided we receive your request for cancellation within the specified deadlines. Check cancellation deadlines at [www.danskebank.com](http://www.danskebank.com).

### Collection order

A collection order is the request you create in SEPA Direct Debit in accordance with the mandate for the transfer of an amount from the debtor's account. The collection order must be in compliance with the format guidelines available at [www.danskebank.com](http://www.danskebank.com). We do not check the collection contents.

### Flawed payments

For both schemes, payments are considered to be flawed e.g. if they contain errors in payment data, resulting in a change in the intended contents, or if the same payment data is used more than once, or in case of other similar errors.

### Mandate

An agreement between you and the debtor to the effect that you may initiate payments from the debtor's account to be credited to your account. The mandate may have different forms and designations, but the basic mandate contents must always comply with the guidelines issued by the EPC (European Payments Council).

### Payment date

The date you specify as the payment date in the collection order. The payment date must be a SEPA payment date.

### Payment data

Payment data is information you provide to Danske Bank to form the basis of the

collection. You must ensure that the correct payment data is used. You must also ensure that SEPA Direct Debit is used only with duly signed, valid mandates and you must pay all costs, expenses and other losses that Danske Bank may incur as a result of incorrect payment data. A specification of payment data is available in format guidelines at [www.danskebank.com](http://www.danskebank.com).

### Refund

If a payment is refunded, the amount credited will be debited back from your account. The debtor or the debtor's bank may request a refund of a payment (see item 6).

### Refusal

If a payment is refused, the collection order is returned because the payment cannot be effected.

### SEPA

SEPA (Single Euro Payments Area) is a geographical area in Europe for euro payments. SEPA currently comprises the EU and EEA countries.

### SEPA creditor IDs

SEPA creditor IDs are issued by the banks participating in the SEPA Direct Debit schemes. You need a SEPA creditor ID to be able to submit collection orders to your debtors. We assign SEPA creditor IDs in accordance with the rules applicable in Denmark. Please contact us if you need further information about the composition of the creditor ID and the special use of the ZZZ business codes.

### SEPA Direct Debit

SEPA Direct Debit is a payment service used within SEPA. With SEPA Direct Debit, you can collect euro payments from your debtors and the bank accounts registered by your debtors for SEPA Direct Debit. Payments are effected by agreement between you and your debtor.

### SEPA payment date (TARGET)

SEPA payment dates are dates defined by the European Central Bank on which transactions may be processed. SEPA payment dates may be national holidays or other non-business

days in Denmark (not including Saturdays or Sundays).

**The EONIA interest rate**

The Eonia interest rate (Euro Overnight Index Average) is a reference rate for unsecured interbank lending in the Overnight segment of the euro area money market.

**The EPC**

The EPC was established in June 2002 to support and promote the creation of the Single Euro Payments Area (SEPA). Information about the EPC's work and mandate can be found at [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu)

**Unauthorised payment**

A payment is unauthorised if the creditor is unable to present a duly signed, valid mandate (see item 2.2 for information about mandates and item 6.1 for information about unauthorised payments).

**2 Registration for SEPA Direct Debit Collection Service**

SEPA Direct Debit is used to collect euro payments from debtors registered for the scheme through their own bank.

Some banks require debtors to enter into a separate agreement with their banks to receive collection orders through SEPA Direct Debit. In order for the transaction to be effected, your debtors must be registered for SEPA Direct Debit and for the scheme under which the collection order is submitted.

Please note that the mandate agreed between you and the debtor must specify which account the debtor wants to use for payment of the collection order. If the account specified by the debtor is not registered for SEPA Direct Debit, your collection order will be rejected (see item 5).

It is your responsibility to ensure that collection orders are submitted only under the scheme you have registered for SEPA Direct

Debit. Accordingly, you can submit both CORE and B2B collection orders only if you are registered for both schemes.

If we receive collection orders for a scheme that you are not registered for, we will reject these orders.

**2.1 Access**

When you have entered into a Business Online Agreement for Collection Service - SEPA Direct Debit, we can receive payment data and submit your collection orders.

Contact Danske Bank to enter into a Business Online Agreement for Collection Service - SEPA Direct Debit.

**2.2 Agreeing mandates**

When a mandate is agreed between you and the debtor, the debtor gives us his consent to make transfers to your account.

As a minimum, the mandate must include the payment data and information stipulated in the EPC guidelines. The mandate is your

documentation that the debtor consents to the transfer of funds from his account to you.

You must be able, at all times, to present a duly signed, valid mandate to serve as the basis of the collection orders you submit to the debtor via Danske Bank. We automatically assume that a valid mandate exists; therefore, it is your responsibility to check the collection orders you submit.

It is also your responsibility to ensure that you submit only collection orders that you are authorised to submit under the mandate agreed between you and the debtors in question.

### 2.3 Pre-Notifications

You must advise the debtor in advance of each collection. Unless otherwise agreed between you and the debtor, this pre-notification must, be given at least 14 calendar days prior to each collection.

If you fail to advise the debtor before submitting the collection order, you will be

deemed to be in breach of the mandate, as advice is a prerequisite for submitting collection orders through SEPA Direct Debit. If the debtor requests a refund of a payment because you failed to advise him in advance, we will ask you to provide documentation to confirm that he was advised correctly.

### 2.4 Submission of payment data

We need to receive payment data for collection orders from you in accordance with the deadlines specified on [www.danskebank.com](http://www.danskebank.com). If we do not receive payment data from you in due time, we will reject the collection order.

Please note that different deadlines apply to B2B and Core. Deadlines may also differ depending on whether one-off or recurrent collections are involved.

You guarantee that the payment data submitted is correct and must cover any losses we may incur in the event of unauthorised use of SEPA Direct Debit.

You are also required to submit collection orders to us using our specified formats for SEPA Direct Debit collection orders.

### 3 SEPA creditor IDs

You need a SEPA creditor ID to be able to submit collection orders through SEPA Direct Debit.

Each country within SEPA has established its own rules applicable to the SEPA creditor IDs that it issues. You should therefore be aware that the composition of a SEPA creditor ID may vary according to the issuing country.

We issue SEPA creditor IDs in accordance with the rules applicable in Denmark. Please contact us if you need a SEPA creditor ID.

If you already have a SEPA creditor ID issued by another Danish bank or issued by another country within SEPA, this SEPA creditor ID is also valid at Danske Bank.

### 3.1 Issuance of a SEPA creditor ID

You must conclude a Business Online Agreement for Collection Service – SEPA Direct Debit with Danske Bank to obtain a SEPA creditor ID.

When you conclude the Business Online Agreement, you must present the country-specific information required to create a SEPA creditor ID. In Denmark, you must be registered with a CVR number.

When you get a SEPA creditor ID, you also acknowledge that any use of the SEPA creditor ID(s) is always for your own account and at your own risk.

It is your responsibility always to ensure authorised use of the SEPA creditor ID and in accordance with the current EPC Rulebook. Further information is available at [www.europeanpaymentscouncil.eu](http://www.europeanpaymentscouncil.eu).

You will receive a certificate from us to be presented as documentation when using the SEPA creditor ID at other banks.

A SEPA creditor ID includes a business code (ZZZ) that you may use to identify various business units and services. For further information about the ZZZ business codes, please consult our “SEPA Direct Debit implementation guide”.

You can always order more SEPA creditor IDs from Danske Bank, if necessary.

### 3.2 Deregistration of SEPA creditor IDs at Danske Bank

You may always request Danske Bank to deregister a SEPA creditor ID that you have used at Danske Bank. If you do so, please note that you can still use the creditor ID at other banks. You can always re-register a creditor ID for use at Danske Bank.

When deregistering a SEPA creditor ID, transactions already effected may still be refunded for up to 13 months.

## 4 Receiving a payment

We receive your payment data based on the mandate agreed between you and the debtor and submit a collection order to the debtor’s bank. Upon receipt of the collection order, we do not check whether the contents of the order are in accordance with the mandate agreed between you and the debtor.

It is your responsibility to ensure that the payment data you submit to us are always correct and have been accepted by the debtor. You must be able, at all times, to present a duly signed, valid mandate agreed between you and the debtor, setting out the specific payment data included in the mandate.

When the payment has been effected, it will appear on your list of entries. However, the collection order may have been refused, rejected or returned in the meantime (see item 5), or have been refunded (see item 6).

## 5 Refusal/Rejection/Return of a collection order

### 5.1 The debtor's refusal of a collection order

The debtor may refuse a collection order - without justification - until payment has been effected. You will be notified of the refusal via Business Online or by file.

### 5.2 The debtor bank's rejection of a collection order

The debtor's bank may reject a collection order until payment has been effected. You will be notified of the rejection via Business Online or by file.

### 5.3 The debtor bank's return of a collection order after payment has been effected

#### CORE

In the case of CORE transactions, the debtor's bank may also return a collection order for up to five SEPA payment days after the payment date.

#### B2B

In the case of B2B transactions, the debtor's bank may return a collection order for up to two SEPA payment days after the payment date. The return of the collection order may be due e.g. to insufficient funds in the debtor's account or the blocking of the account. If the debtor's bank has specified a reason for the return, this reason will be set out in Business Online or in the status files received.

We may charge a fee for processing returns. The fee is charged in accordance with the list of charges in force at any time.

## 6 Refund of payments

### 6.1 The debtor's request for a refund

The debtor may request that we refund payments already effected - this applies both to authorised and unauthorised payments.

Refund of payments may trigger interest rate compensation based on the EONIA interest rate to the debtor bank. Accordingly, your account will be debited with the original

transaction amount plus any accrued interest (in a total amount).

### Authorised payments

#### CORE

The debtor may request his bank to refund an authorised SEPA Core Direct Debit payment within eight weeks of the payment date.

Authorised payments can no longer be refunded eight weeks or more after the payment date.

If we receive a request for refund of an authorised payment within eight weeks of the payment date, the amount will be debited from your account and returned to the debtor - the transaction will appear on your list of entries. We may charge a fee for processing such requests. The fee is charged in accordance with the list of charges in force at any time.

#### B2B

Authorised payments collected via B2B cannot be refunded.

**Unauthorised or flawed payments**

**CORE**

If the debtor believes that a payment is unauthorised or flawed, he may request - via his own bank - that we refund the SEPA Core Direct Debit payment for up to 13 months after the payment date.

**B2B**

If the debtor believes that a payment is unauthorised or flawed, he may request that we refund the SEPA B2B Direct Debit payment for up to 13 months after the payment date, depending on his agreement with his bank.

**6.2 Your responsibility in connection with the refund of a payment**

When we receive a request from the debtor for a refund of an unauthorised or flawed payment, we will ask you to present a duly signed, valid mandate within seven business days. If you are unable to do so, we will debit the amount from your account.

It is your responsibility to ensure that a duly signed, valid mandate exists at all times.

Should you be unable to present a duly signed, valid mandate, you will be deemed to be in breach of the agreement (see item 8.1).

When we receive a request for a refund of an unauthorised collection under the B2B scheme, we are entitled to debit the amount directly from your account. Based on a specific, individual assessment, we will determine whether the request is justified.

Should the debtor's request turn out to be justified, we reserve the right to collect any fees related to the processing of the request and return of the payment, forwarding of vouchers, etc., in accordance with our current charges and fees.

**7 Termination of Access Agreement**

**7.1 Your termination**

You may terminate your Collection Service - SEPA Direct Debit Agreement in writing at any time. If you terminate the Agreement, we will

delete all future collection orders placed but not yet submitted to the debtor's bank. Collection orders that you have asked us to effect for up to 20 calendar days into the future and which have been submitted to the debtor bank, will remain active.

The termination will take effect as soon as practicable after our receipt. Please note therefore that we will return payments received to the respective debtors if your payment accounts no longer exist at Danske Bank.

**7.2 Termination of Agreement by Danske Bank**

We can terminate your Collection Service - SEPA Direct Debit Agreement by giving at least one month's notice in writing. However, if you commit a material breach of the Agreement, we can terminate the Agreement without prior notice (see item 8.1).

## 8 Grounds for termination

Regardless of the notice of termination agreed upon, the Collection Service - SEPA Direct Debit Agreement will lapse immediately if you no longer meet the pre-conditions, which include:

- holding a euro account with Danske Bank in Denmark, registered for Business Online
- having a Business Online Agreement
- having a SEPA creditor ID
- having a settlement line
- using SEPA Direct Debit for commercial purposes

In these cases, all incoming payments will be returned to the debtor bank.

### 8.1 Breach

In addition to these grounds for termination, we may terminate the Agreement without prior notice if you breach the Agreement or these Terms and Conditions. You are in breach if you create unauthorised collection orders, omit to pre-notify the debtor in advance, use an invalid

SEPA creditor ID, are the subject of bankruptcy or other insolvency proceedings, start negotiations for a composition with creditors or are the subject of an execution or attachment order.

## 9 Fees

Information about fees for SEPA Direct Debit is available at [www.danskebank.com](http://www.danskebank.com). Alternatively, please contact us for information about fees.

## 10 Changes to these Terms and Conditions

We may change these Terms and Conditions and the applications of the scheme without notice if such changes are to your advantage. If the changes are not to your advantage, we may effect the changes with one month's notice.

If we change the Terms and Conditions to your disadvantage, and you do not accept the new Terms and Conditions, you must notify us accordingly before the changes take effect. If

you do not notify us of your non-acceptance, we will assume that you accept the changes.

You will be notified of changes by letter or electronically, e.g. by email, *e-Boks* or electronic communication, via your online system.

If you lose these Terms and Conditions or otherwise need a new copy, they can be downloaded at [www.danskebank.com](http://www.danskebank.com). Alternatively, please contact us for a new copy. Please note, however, that we charge a fee for providing a printed copy of the Terms and Conditions.

## 11 Governing law and the right to complain

These Terms and Conditions are governed by Danish law and the legal venue is Denmark. For information about the right to complain, please see our General Conditions.