

Special Terms and Conditions Large Corporates & Institutions

SEPA Direct Debit Collection Service

Effective from 28 February 2023

Danske Bank

Irish Branch

These Special Terms and Conditions supersede any previous terms and conditions applying to the SEPA Direct Debit Collection Service operated by the Bank

The General Terms and Conditions – Large Corporates & Institutions (the “**General Terms and Conditions**”) and this set of special terms and conditions (the “**Special Terms and Conditions**”) apply to our Collection Service (as defined below). Unless otherwise stated below, where the Special Terms and Conditions are not consistent with the General Terms and Conditions then the Special Terms and Conditions will prevail to the extent of that inconsistency in relation to the Collection Service.

Separate rules, and a different type of District agreement, will apply to Collections that you wish to settle through accounts in countries outside Ireland.

We will only agree to provide the Collection Service to you where you have entered into an Access Agreement giving you access to District. This Access Agreement must incorporate the Collection Service Ireland – SEPA Direct Debit module and confirm that you are able to affect Collection Orders on your own Account with Danske Bank Group. In these Special Terms and Conditions we will refer to the Access Agreement and module that

enable you to effect Collection Orders as the “**Collection Order Agreement**”.

These Special Terms and Conditions apply irrespective of the Scheme you are registered for. The Rulebooks apply as a supplement to these Special Terms and Conditions, as does your Collection Order Agreement.

The Collection Service is available to Corporate Customers only and in order to be registered for the Collection Service with us, you must have:

- a euro account with us
- a Collection Order Agreement
- a SEPA Creditor ID
- a Facility

When we perform an initial credit assessment of your total exposure, we will decide whether to offer you a Facility. Where we choose to offer you a Facility, we will perform ongoing credit assessments of your total exposure and reserve the right to lower or remove your Facility following such assessment.

1. Definitions

Any defined terms used in these Special Terms and Conditions will have the same meaning given to them in the General Terms and Conditions unless otherwise defined herein.

Collection

A SEPA Direct Debit collection from a debtor account on foot of a Collection Order.

Collection Order

A Collection Order is an order from you to us under a Scheme to collect a once-off or recurring amount from the debtor's account. The Collection Order must comply with the format guidelines in our Implementation Guide. We do not, and we are not obliged to, check or verify the contents of a Collection Order.

Collection Service

The service through which a Customer instructs the Bank to collect funds from debtors' accounts on the basis of a Scheme.

Debtor

A person or entity from whose account a Collection is taken in accordance with a Mandate.

Debtor Account

The bank account designated by the Debtor as being the account from which Collections will be taken.

Debtor Bank

The financial institution in which the Debtor Account is held.

€STR

The Euro short-term interest rate, a reference rate reflecting the wholesale euro unsecured overnight borrowing costs of banks located in the euro area.

EPC

The European Payments Council, which was established in June 2002 to support and promote the creation of SEPA. Information about the EPC's work and mandate can be found at www.europeanpaymentscouncil.eu.

Facility

A SEPA Direct Debit settlement line facility provided by the Bank to you.

Implementation Guide

The Bank's SEPA Direct Debit Implementation Guide available at <https://danskeci.com/ci/transaction-banking/solutions/sepa-direct-debit>, as may be updated from time to time.

List of Collections

A screen available on District that lists the various Collections you have instructed us on along with the status of each Collection.

Mandate

An agreement between you and the Debtor that you may collect payments from the Debtor Account to your Account with us. The Mandate may have different forms and designations, but the basic Mandate contents must always comply with the requirements set out in the Rulebooks and any related requirements set out from time to time by or through the EPC (the "Requirements").

Payment Data

Payment Data is the information you provide to us which will form the basis of a Collection Order. You must ensure that the correct Payment Data is used in conjunction with a valid Mandate. Details of the required Payment Data are available in our Implementation Guide.

Payment Date

The date you specify as the "payment date" in the Collection Order, being the date on which the Debtor Account is to be debited. A Payment Date must always be a TARGET Day.

Payment Services Regulations

European Union (Payment Services) Regulations 2018 (as amended, modified, varied or replaced from time to time).

Rulebooks

The SEPA B2B Direct Debit Rulebook and the SEPA Core Direct Debit Rulebook.

Scheme

The SEPA B2B Direct Debit Scheme and/or the SEPA Core Direct Debit Scheme, as appropriate.

SEPA Creditor ID

ID numbers issued by banks participating in the Schemes. You need a SEPA Creditor ID to submit Collection Orders to us. We issue SEPA Creditor IDs in compliance with the rules applying to Ireland via the Banking and Payments Federation of Ireland (or any successor organisation).

Settlement Date

The date on which, in respect of a SEPA Core Direct Debit or a SEPA B2B Direct Debit, the obligations regarding funds transfer are discharged as between the Debtor Bank and the creditor bank.

TARGET Day

This means a day on which TARGET (being the Trans-European Automated Real-time Gross Settlement Express Transfer payment system) is open for the settlement of payments in euro.

Unauthorised Payment

A payment is unauthorised if the Debtor claims it is unauthorised and you, as creditor, are unable to present a valid Mandate.

2. Registration

The Collection Service is used to collect euro payments from Debtors who have agreed with their bank that an account may be designated to accept Collections.

Please note that the relevant Mandate must specify the account the Debtor wants to use for payment of the Collection.

It is your responsibility to ensure that Collection Orders are submitted only under the Scheme for which you have registered. Accordingly, you can submit both SEPA CORE Direct Debit and SEPA B2B Direct Debit 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 those Collection Orders.

2.1. Access

When you have entered into a Collection Order Agreement, we can receive Payment Data and submit your Collection Orders.

2.2. Agreeing Mandates

When a Mandate is agreed between you and the Debtor, the Debtor must consent to Collections being made from their account and transferred to your Account with us.

As a minimum, the Mandate must include the Payment Data and other information stipulated in the Rulebooks and any related Requirements.

You must, at all times, store the Mandate and any amendments to that Mandate and be able to present a valid Mandate to us to serve as the basis of the Collection Orders you submit to us. If we ask to see the Mandate, you must provide it within 7 Business Days. You must retain the Mandate for a minimum of 13 months after the last Collection is made under that Mandate, irrespective of whether the Mandate has been cancelled or not. You acknowledge that you are aware that if you do not present a Collection Order under a Mandate for 36 months, you must cancel the Mandate and may no longer present a Collection Order based upon that Mandate.

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 relevant Mandate.

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 by you to the Debtor at least 14 days prior to each Collection.

If you fail to give the required pre-notification to the Debtor before submitting the related Collection Order, you will be regarded as having breached the Mandate and these Special Terms and Conditions. If the Debtor requests a refund of a Collection because the Debtor claims that you failed to meet your pre-notification obligations, we will ask you to provide documentation to prove that you met your pre-notification obligations. If you fail to do so, the amount of the Collection will be refunded to the Debtor.

2.4. Submission of Payment Data

We must receive Payment Data for Collection Orders from you in accordance with the cut-off times specified in our Implementation Guide.

If we do not receive Payment Data in accordance with those cut-off times, we will reject the Collection Order.

Please note that different cut-off times may apply to SEPA B2B Direct Debits and SEPA Core Direct Debits. Cut-off times may also differ depending on whether the Collection Orders are one-off or recurring Collections.

Every time that you submit Payment Data to us, you warrant that it is correct. By your acceptance of these Special Terms and Conditions you agree that you will pay all costs, expenses and other losses that the Bank may incur as a result of you providing incorrect Payment Data to the Bank and you indemnify us fully against any losses we may incur if that Payment Data was incorrect and we acted upon it.

2.5. Issuing SEPA Creditor IDs

You need a SEPA Creditor ID to submit Collection Orders. The SEPA Creditor ID may be issued in Ireland or by another bank elsewhere in SEPA.

In Ireland, SEPA Creditor IDs are issued by the relevant payments industry body in accordance with an agreement entered into between banks operating in Ireland. You should contact us to be issued with a SEPA Creditor ID.

You can request a SEPA Creditor ID even if you already have an existing SEPA Creditor ID. This applies irrespective of whether your existing SEPA Creditor ID was issued in Ireland or by another bank elsewhere in SEPA.

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 relevant Rulebook.

3. 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 Bank. Upon receipt of the Collection Order, we do not (and are not obliged to) check whether the contents of the Collection 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 is always correct and that the related Mandate has been accepted by the Debtor.

When the payment has been effected, it will appear on your List of Collections.

However, the Collection Order may have been refused, rejected or returned in the meantime (see Clause 4), or have been refunded (see Clause 5).

4. Refusal/Rejection/Return of a Collection Order

4.1. The Debtor's refusal of a Collection Order

A Debtor may refuse a Collection, without needing to provide justification, by instructing their bank not to pay the Collection. You will be notified of the refusal via District or by file.

4.2. The Debtor Bank's rejection of a Collection Order

The Debtor Bank may reject a Collection Order until payment has been effected. This may be for any one of several reasons, including technical reasons, the Debtor Account being closed, the Debtor being deceased, the Debtor Account not being designated to accept Collections, the application of Regulation 116 of the Payment Services Regulations or the Debtor instructing their bank to reject the Collection Order. You will be notified of the rejection via District or by file.

4.3. The Debtor Bank's return of a Collection Order after payment has been effected

SEPA CORE Direct Debits

In the case of SEPA CORE Direct Debits, the Debtor Bank may also seek the return of a Collection for up to five TARGET Days after the Settlement Date for that collection.

This returned Collection will be Value Dated on the date of the original payment.

SEPA B2B Direct Debits

In the case of SEPA B2B Direct Debits, the Debtor Bank may seek the return of a Collection for up to two TARGET Days after the Settlement Date. This returned Collection will be Value Dated on the date of the original payment. The return request may be due a number of reasons, including technical reasons, the Debtor Account being closed, the Debtor being deceased, the Debtor Account not being designated to accept Collections, the application of Regulation 116 of the Payment Services Regulations or the Debtor instructing the Debtor Bank to reject the Collection Order. If the Debtor Bank has specified a reason for the return, this reason will be set out in District or in the status files received.

We may charge a fee for processing returns. The fee charged will be in accordance with our Large Corporates & Institutions - Fees and Charges brochure.

5. Refund of payments

5.1. The Debtor's request for a refund

The Debtor Bank may, on behalf of the Debtor, request a refund of a Collection.

Accordingly, your account will be debited with the original transaction amount, Value Dated on the date of the original payment.

Such a refund may trigger interest rate compensation based on €STR to the Debtor Bank.

Authorised payments

SEPA Core Direct Debits

The Debtor may request their 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 Collections. We are entitled to debit your Account in this manner even if it would result in your Account becoming overdrawn. If, in the intervening period, you have closed your Account or the Collection Service has otherwise terminated, you agree that you will remain liable to us for the amount of such a refund and that we may institute debt recovery proceedings against you.

SEPA B2B Direct Debits

Authorised payments collected via SEPA B2B Direct Debit cannot be the subject of a refund claim.

Unauthorised Payments

SEPA CORE Direct Debits

If the Debtor believes that a payment is unauthorised, they may request – via their own bank – that we refund the SEPA Core Direct Debit payment for up to 13 months after the Payment Date. Such a refund will be Value Dated on the date of the original payment and may trigger interest rate compensation based on €STR to the Debtor Bank.

SEPA B2B Direct Debits

If the Debtor believes that a payment is unauthorised, they may request that we refund the SEPA B2B Direct Debit payment for up to 13 months after the Payment Date, depending on their agreement with their bank. Such a refund will be Value Dated on the date of the original payment.

We will charge a fee for processing such requests. The fee charged will be in accordance with our Large Corporates & Institutions – Fees and Charges brochure.

5.2. Your responsibility in connection with the refund of a payment

When we receive a request from the Debtor for a refund of an Unauthorised Payment, we will ask you to present a valid Mandate within seven Business Days. If you are unable to do so, we will debit the amount from your Account.

When we receive a request for a refund of an Unauthorised Payment under the SEPA B2B Direct Debit 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.

If we debit an amount from your Account as part of a refund in respect of an Unauthorised Payment, that debit will appear on your List of Collections. We are entitled to debit your Account in this manner even if it would result in your Account becoming overdrawn. If, in the intervening period, you have closed your Account or the Collection Service has otherwise terminated, you agree that you will remain liable to us for the amount of such a refund and that we may institute debt recovery proceedings against you.

6. Termination of the Collection Order Agreement

6.1. Termination of the Collection Order Agreement by You

You may terminate your Collection Order Agreement in writing at any time. If you terminate the Collection Order Agreement, we will delete all future Collection Orders placed but not yet submitted to the Debtor Bank. Collection Orders that 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 with us.

6.2. Termination of the Collection Order Agreement by us

We can terminate your Collection Order Agreement by giving two months' notice in writing. However, if you commit a material breach of the Collection Order Agreement, we can terminate the Agreement without prior notice (see Clause 7.2 below).

If you are a Corporate Customer, then Clause 6.2 will apply save that the period of notice can be less than two months.

7. Grounds for termination

7.1. Conditions

Regardless of the notice of termination agreed upon, your Collection Order Agreement will terminate immediately if you no longer meet the following conditions:

- holding a euro account with us in Ireland
- being registered for District
- having a Collection Order Agreement

- having a SEPA Creditor ID
- having an approved Facility
- using SEPA Direct Debit for commercial purposes

and/or

- if you become a “consumer” or a “micro-enterprise” within the meaning of the Payment Services Regulations.

In the above cases, all incoming payments will be returned to the Debtor Bank.

7.2. Breach

In addition to above grounds for termination, we may terminate the Agreement without prior notice if you breach the Collection Service Agreement, Clause 19.3 of Part 2 of the General Terms and Conditions, or these Special Terms and Conditions. You will be considered in breach of the Collection Service Agreement if, inter alia, you create unauthorised Collection Orders, omit to pre-notify the Debtor or use an invalid SEPA Creditor ID.

8. Technical Requirements

As creditor, it is your responsibility to ensure that your systems allow for the input of IBANs that are reachable within SEPA. The Bank bears no responsibility in this regard.

9. Fees

Information about fees for the Collection Service is available in the Large Corporates & Institutions – Fees & Charges brochure. Alternatively, please contact us for information about fees.

10. Changes to these Special Terms and Conditions

We may change these Special Terms and Conditions in accordance with Clause 26 of the General Terms and Conditions.

Danske Bank A/S (trading as Danske Bank),
is authorised by The Danish FSA in Denmark and is regulated
by the Central Bank of Ireland for conduct of business rules.
www.danskeci.com/ie