

# GENERAL TERMS AND CONDITIONS FOR CORPORATE PAYMENT ACCOUNT AND PAYMENT SERVICES

## I. Introduction - General provisions

Sparkasse Bank AD Skopje, Head office: Vasil Iljoski Str. No 14, 1000 Skopje, URN: 4558669 (registered in the Central Register of Republic of North Macedonia, TIN: 4030993261735, Account number: 250000000000111, SWIFT: INSBMK22, Website: [www.sparkasse.mk](http://www.sparkasse.mk), Email: [contact@sparkasse.mk](mailto:contact@sparkasse.mk), Contact phone: 02/ 15 050 (hereinafter referred to as the Bank or Payment Service Provider) Competent authority for supervision of the Bank is the **National Bank of the Republic of North Macedonia**,

Payment systems in which the Bank participates – KIBS, MIPS, Visa, MasterCard

The General Terms and Conditions define the method of operation with payment accounts and terms and conditions for executing payment transactions as well as the rights and obligations of the Bank and the rights and obligations of the payment account holder / Payment Service User. Depending of the context of the provisions, a corporate shall be defined as the payment account holder / Payment Service User or the client.

The General Terms and Conditions and previous information on provision and use payment services for a user in the Bank (hereinafter referred to as the General Terms and Conditions), shall apply to

- opening, maintaining and closing of payment accounts,
- the requirements and the method of executing payment services,
- term and records of payment transactions,
- forming and disposal of funds,
- notifying the User on a change and balance of the payment account,
- calculation of interest, calculation and collection of fees and commissions for the Bank's services,
- exchange rates that are applied during the currency conversion service
- liability and safeguards in relation to execution of transactions,
- issuing and using payment instruments,
- the volume of information delivered to the user,
- the method and means of communication,
- the manner of realising the protection of the User's rights and interests, and
- the conditions for amendments, or termination of the contractual relationship as well as other issues related to the execution of payment services.

### ❖ Definitions

**"Authentication"** shall mean a procedure that enables the Bank to confirm the identity of the payment service user or the valid use of a certain payment instrument, including the use of its user security features;

**"Allowed overdraft"** shall mean a concluded loan agreement under which the payment service provider makes available to the payment service user an amount of funds exceeding the balance of funds on the payment account;

**"Frozen payment account"** shall mean a payment account of a user of payment services with registered unrealized payment order for enforced collection or has the same taxpayer identification number, or the citizen's personal identification number with an account for with registered unrealized payment order for enforced collection;

**"Currency Date"** shall mean the reference time used by the payment service provider for calculation of the interest on the debited or credited funds of the payment account;

**"Direct debit"** shall mean a payment service that debits the payment account of the payer, whereby the payment transaction is initiated by the payee on the basis of expressed consent by the payer;

**"Unique identifier"** shall mean a combination of letters, numbers or symbols that the payment service provider assigns to a payment service user, which must be mandatory indicated when executing a

payment transaction for the purpose of unambiguous identification of the payment account by another user of payment services;

**"Taxpayer identification number"** shall have the same meaning given in the Law on Tax Procedure;

**"Single Register of Accounts"** shall mean a national, centralised and electronic system of information and data on MKD and FX payment, deposit and other accounts, including payment instruments link thereto, on issued safe deposit boxes as well as on the identity of holders of accounts and safe deposit boxes, beneficial owners, legal representatives and / or persons authorised to operate therewith;

**"Electronic payment transaction"** shall mean a payment transaction initiated and made online, other than payment transactions in paper form or instructions provided by mail or phone;

**"Payment service user"** shall mean a natural or legal person that uses a payment service in a capacity of a payer or payee or both;

**"Credit transfer"** shall mean a payment service with which the payer gives instructions to the payment service provider that maintains the payer's payment account to execute a payment transaction or a series of payment transactions that credits the payee's payment account;

**"Specimen signature card of persons authorised to dispose of the user's funds (hereinafter referred to as the SSC)"** shall mean a form of the Bank or other documents signed by the legal representative or authorised person of the User, providing authorization to some persons to dispose of the funds of the User's payment account. SSC shall be stamped. Signatures of these persons shall be deposited with the payment service provider in the presence of an official authorised by the payment service provider, or shall be notarized;

**"Fees and commissions"** shall mean all charges and fines, if any, paid by the user or to be paid to the payment service provider, for or in connection with the services related to the payment account;

**"Maintenance of a payment account"** shall mean a service of the Bank for maintaining a payment account that does not have the status of an inactive payment account, as it could be used by the user of payment services for making payment transactions;

**"Cash remittance / Money transfer"** shall mean a payment service in which funds are received from a payer, for the purpose of transferring an appropriate amount of funds to the payee or to another provider of payment services acting on and in behalf of the payee and/or the funds are received in and on behalf of the payee and are placed at the payee's disposal, without opening a payment account in the name of the payer or payee;

**"Funds"** shall mean cash (paper money and coins), electronic money or other cash claims from the Bank (funds on accounts);

**"Passive interest rate"** shall mean the rate at which interest is calculated and paid on the funds that the user of payment services keeps on their payment account;

**"Payment card"** shall mean a type of payment instrument allowing the payer to initiate a transaction with a debit or credit card, which may be used by the holder to pay for goods and services and / or for withdrawing and / or depositing cash;

**"Payment account"** shall mean the account maintained by a payment service provider on behalf of one or more payment service users and which is used to make payment transactions;

**"Monthly income payment account"** shall mean a payment account to which funds are transferred, and which, in accordance with the Law on Personal Income Tax, taxation and payment of personal income tax is regulated and for which the Public Revenue Office of the Republic of North Macedonia or the Pension and Disability Insurance Fund of the Republic of North Macedonia have information in their systems;

**"Payment transaction"** shall mean the depositing, withdrawing or transferring funds initiated by the payer or on behalf of the payer or the payee, regardless of the obligations arising from the relationship between the payer and the payee;

**"Payer"** shall mean a natural or legal person that has a payment account and agrees for execution of a payment order from such account or in case where there is not a payment account, a natural or legal person that gives a payment order;

**"Cross border payment transaction or cross border payment service"** shall mean a payment transaction or a payment service execution or provision of which only one of the payment service providers is incorporated and operates in the Republic of North Macedonia, whether the payer or the payee;

**"Tacit debit balance"** shall mean tacitly accepted overdraft on the current balance of the user's payment account, whereas the payment service provider makes available to the payment service user funds in an amount that exceeds the current balance of own funds on the payment account or the balance of an

allowed overdraft agreed;

"**Payee**" shall mean a natural or legal person for which the funds subject to a payment transaction are intended;

"**Business Day**" shall mean a day on which the payer's payment service provider or the payee's payment service provider involved in the execution of a payment transaction is open for work in order to allow the execution of the payment transaction, or the period determined by the rules of the payment system operation and securities settlement system that covers all events during the working cycle of these systems, regardless of the period of the day and night in which settlements occur;

"**Reference exchange rate**" shall mean an exchange rate used as a basis for calculation when buying or selling foreign means of payment and which is made available by the Bank or which originates from a publicly available source;

"**Reference interest rate**" shall mean an interest rate used as a basis for any interest calculation and originates from a publicly available source and which may be verified by both parties to the payment services agreement;

"**Permanent medium**" shall mean any instrument allowing the payment service user to store the information addressed to the user in a way that allows to be available to the user in a certain period of time appropriate to the purposes of its use and which allows unchanged reproduction of the stored information;

"**Standing order**" shall mean an instruction given by the payer to the Bank that maintains the payment account, to perform credit transfers at regular time intervals or predetermined dates;

"**Time Schedule for execution of payment transactions**" shall mean the valid Time Schedule of Sparkasse Bank AD Skopje for execution of payment operations abroad and the valid Time Schedule of Sparkasse Bank AD Skopje for execution of payment transactions in the country.

## II. Payment services

### ❖ Type of a payment account

The Bank shall open for the User a MKD payment account and / or an FX payment account under the terms and conditions provided for in the Framework Agreement and this General Terms and Conditions, for maintaining (recording) MKD and FX funds, for the following activities: payments from/to non-residents and residents; transfer of funds from/to FX / MKD deposit, from/to other payment accounts; collections and payments in effective exchange rate, in accordance with the Law on Foreign Exchange Operations, the Law on Payment Services and Payment Systems and other applicable laws and regulations; and other legally permitted and prescribed payment transactions.

### ❖ Preopening procedure of a payment account

The Bank shall provide the User sufficient time before the User commits to an offer or the Framework Agreement, prior information on the terms and conditions for using the Bank's payment services and the fees and commissions charged by the Bank thereof, on paper or on another permanent medium, in accordance with the Law on Payment Services and Payment Systems. It shall be deemed that the Bank has fulfilled such obligation to inform the User by handing over a copy of the Draft Framework Agreement containing such information.

The documentation included in the Framework Agreement shall be signed and confirmed in a manner determined by the Bank, and in any case it may be signed with a handwritten signature.

The documentation included in the Framework Agreement according to the possibilities of the Bank in the procedure before the conclusion of the Framework Agreement, shall be provided to the User either in paper form at the Bank's business premises, at an e-mail address specified by the User or on another permanent medium.

The User acknowledges that is familiar with the communication risks via the Internet with unencrypted email and accepts them. The User shall be responsible for accessibility at the registered email address. At the User's request, the Bank may issue a copy of the contract documentation in paper or electronic form.

The User shall have the right, for the validity period of the contractual relationship with the Bank, to request from the Bank the contractual conditions under the Framework Agreement in a paper form or on permanent medium as well as prior information on the use of payment services in accordance with the Law on Payment Services and Payment Systems.

#### ❖ **Opening a payment account**

The Bank shall open for the User a payment account on the basis of an Application Form, concluded Framework Agreement for use of payment services and additional documentation upon the request of the Bank (in the further text of the agreement).

A payment account shall be used to perform payment transactions in domestic and foreign currencies by issuing payment orders in paper and electronic form or by using payment instruments, as well as for other purposes in connection with the services that the Bank provides to the user on the basis of a special agreement.

The User may open more than one payment accounts in the Bank.

Any payment account shall have a number used as unique identifier in the process of issuing payment orders for the purpose of unambiguous identification of the User or the payment account. The payment account number shall be determined in a specimen signature card. The Bank shall open the following types of payment accounts:

- MKD payment account to a resident legal entity used for making transaction in domestic currency,
- FX payment account to a resident legal entity for maintaining foreign currency funds used for making international payment transactions, and
- MKD and FX payment account to a non-resident legal entity used for making MKD and FX payment transactions.

The Bank shall open for the User a payment account if the User satisfies the following requirements:

- to submit Application Form for payment account and payment services ;
- to submit the necessary documentation that allows identification of the User, the User's legal representatives and persons authorised to operate a payment account, in accordance with the applicable laws and regulations; and
- at the request of the Bank to submit all necessary data and additional documentation in accordance with the internal acts of the Bank, including for the purposes of the provisions of the Law on Prevention of Money Laundering and Terrorism Financing and for the purposes of determining FATCA status.

The documentation required for opening an account shall be presented in original or a notarized, and the Bank shall obligatory to retain a copy of the attached documentation. The User shall be responsible for the veracity and completeness of all submitted data and documents, on the basis of which the Bank shall open and maintain a payment account. The User shall undertake, in case of a change in the data, to notify the Bank thereof and to submit appropriate proof, at the latest within the period determined by the Agreement and these General Terms and Conditions, by filling in a relevant form of the Bank.

#### ❖ **Opening of MKD and FX payment account to a resident legal entity**

To open MKD and FX payment account for a resident legal entity, the User shall submit the following documents:

- Application Form for payment account and payment services;
- the necessary documentation that allows identification of the resident legal entity, the legal representatives and persons authorised to operate a payment account; and
- other documentation in accordance with the Bank's internal acts, applicable laws and regulations as well as contact data of the resident legal entity.

Prior to opening an account, the Bank shall obligatory establish the identity of the resident legal entity, legal representatives and persons authorised to operate a payment account based on the valid documentation for their personal identification.

The Bank shall establish the identity of the resident legal entity on the basis of the following:

- a decision on registration or current status from the Trade Register and the Register of other Legal Entities with the Central Register of the Republic of North Macedonia, or from another competent register in the Republic of North Macedonia, in paper or electronic form, duly issued in accordance with law,
- an act by a competent incorporation authority, if the legal entity does not have an obligation to register,
- an extract from law, if the legal entity is incorporated by law, and
- a decision by a competent court on opening a bankruptcy proceedings against the legal entity or a notification from the Central Register of the Republic of North Macedonia to the banks for opening a bankruptcy proceedings against the legal entity.

#### ❖ **Opening of an FX payment account to a non-resident legal entity**

The Bank shall open an account for a non-resident legal entity based on the following documentation:

- Application Form for payment account and payment service, on a relevant internal application form of the Bank;
- The required documentation allowing identification of the non-resident legal entity, legal representative and persons authorised to operate a payment account; and
- Other documentation in accordance with the Bank's internal acts, applicable laws and regulations as well as contact data of the non-resident legal entity.

Prior to opening an account, the Bank shall obligatory establish the identity of the non-resident resident legal entity, legal representatives and persons authorised to operate a payment account based on the valid documentation for their personal identification.

The Bank shall establish the identity of the non-resident legal entity on the basis of the following:

- an extract from a trade register or other register where records are kept for legal entities in the country in which the entity is registered no older than three months, for determining the date of incorporation, name, address, head office, legal representative and business activity. Extracts shall be submitted in written form, or in electronic form if issued in a legally valid manner, in accordance with the applicable laws and regulations; and
- a document issued by the Ministry of Foreign Affairs of the Republic of North Macedonia for a non-resident which is a diplomatic mission of a foreign country or a mission of an international organization and their legal representative or decision for registration or current status from the Trade Register and the Register of other Legal Entities with the Central Registry of the Republic of North Macedonia.

The Bank shall establish the identity of the legal representative of the non-resident legal entity based on the documentation above or other valid documentation as evidence of the capacity of the legal representative as well as based on a valid personal identification document (ID card, passport).

The persons authorised to operate the payment account of the non-resident legal entity shall be identified on the basis of the following:

- application of the person authorised to operate the payment account of the non-resident legal entity, with his / her signature, who shall verify the payment instruments, or payment orders;
- notarised written authorization for the person authorised to operate the payment account signed by the legal representative of the non-resident legal entity and a valid personal identification document of the person authorised to operate the payment account.

#### ❖ **Persons authorised to operate the payment account**

The User shall have to expressly authorise in writing persons to dispose of the funds on the account as Authorised Persons to operate the payment account.

The authorisation for disposal of the funds on the payment account may be jointly or individually. The authorisation for disposal of the funds on the payment account may not be transferred to other persons and may not refer to closing the User's payment account.

The User's Authorised Persons to operate the payment account and legal representatives shall have to deposit their signature in the Bank on a relevant form.

The User may revoke the authorisation for disposal of the funds on the account exclusively by submitting a written notification to the Bank.

In case of change of the Authorised Persons to operate the User's account who are legal representatives, a new extract (current status) shall have to be submitted issued by the Trade Register and the Register of other Legal Entities with the Central Register of the Republic of North Macedonia or another competent register. Extracts shall be submitted in written form, or in electronic form if issued in a legally valid manner, in accordance with the applicable laws and regulations.

The signatures and the authorisation of the Authorised Persons to operate the User's payment account shall be valid until the time of their written revocation by the User or the receipt of an official notice of the User's cessation of existence, regardless of the possible registration of the change in the authorisation for disposal of the funds on the payment account or entry of the change of the Authorised Persons to operate the User's payment account who are legal representatives by law in the Trade Register and the Register of other Legal Entities with the Central Register of the Republic of North Macedonia or another competent register, or publication in the Official Gazette of the Republic of North Macedonia.

The Bank shall not be held responsible for possible damages that may be caused to the User due to untimely execution of the change of Authorised Persons to operate the User's payment account.

#### ❖ **Maintaining a payment account**

The Bank shall maintain a MKD and FX payment accounts. More than one foreign currency may be maintained on one FX payment account, and the maintenance of a payment account in individual foreign currencies shall be carried out in accordance with the provisions of the Agreement. An overview of foreign currencies is available in the Bank's branches and website.

The Bank shall undertake to perform payment services through the User's payment account up to the amount of available funds on the payment account, or up to the amount of the allowed overdraft on the MKD payment account, if agreed with the User.

The Bank shall collect monthly fees and commissions for maintaining the payment accounts by debiting the account on the last day in the month, and in accordance with the Tariff of Fees and Commissions.

#### ❖ **Allowed overdraft**

The account of the User – resident may turn into debit balance up to an amount determined under the Agreement for Approval of Allowed Overdraft on a Payment Account concluded between the User - resident and the Bank. The account of the User – resident may also turn into tacit debit balance exceeding the current balance on the payment account of the User – resident, whereby the Bank shall make available to the User - resident funds in an amount that exceeds the current balance of own funds on the payment account or if the agreed allowed overdraft exceeds the amount of the allowed limit.

Payments may be made within the limits of the allowed overdraft on the MKD payment account in accordance with the Agreement of Allowed Overdraft concluded between the User and the Bank.

The Bank shall charge the calculated outstanding interest on the used allowed overdraft funds (limits) from the funds on the payment account of the User – resident in the Bank (positive balance, inflow, deposit). The Bank shall calculate default interest on the funds used by the User over the determined amount of the allowed overdraft (limit) on the payment account and credit card, in accordance with the applicable laws and regulations.

## **IV. Payment orders**

#### ❖ **Actions upon payment orders**

The Bank shall, through the User's account, receive payments and make disbursements in line with the payment orders and payment instruments submitted by the User.

The Bank shall receive and execute payment orders according to the instructions received from the User, from the FX account within the funds on the account, and from the MKD account up to the coverage amount. Account coverage shall mean the account balance on the previous day, increased by the inflow of funds during the day and the funds approved in accordance with the Agreement for the Approval of Allowed Overdraft on a Payment Account concluded with the User, reduced by the payments during the day to the time of determining the coverage.

The Bank shall undertake to notify the User on incorrectly or incompletely filled in payment orders that shall not be executed.

The User the Authorised Person shall undertake to keep the payment instruments and payment orders. Possible material consequences that may arise due to their loss shall be borne by the User.

#### ❖ **Form and content of payment orders**

A payment order, including a standing order, shall have the content prescribed by the regulations in the field of domestic and international payment operations, as well as the content provided for in the Bank's internal forms.

A payment order may be submitted in paper form at the counters in the Bank's branches, in electronic form through the Bank's electronic banking channels, via SWIFT or on another permanent medium in accordance with the applicable regulations within the Time Schedules for execution of payment transactions.

The User shall undertake to submit the payment orders (payment instruments) timely, duly, legibly and correctly completed in accordance with the applicable laws and regulations within the legally defined terms, and in accordance with the Time Schedules for execution of payment transactions. Otherwise, the responsibility falls on the User, while the Bank shall not assume any responsibility for the possible damage caused to the User.

The Bank shall undertake to notify the User on untimely submitted, incorrectly or incompletely filled in payment orders (payment instruments) that shall not be executed.

The Bank shall accept a payment order if the following requirements are fulfilled:

- if the payment order is correctly filled in, contains all the information and data requested and required according to the applicable laws and regulations and if it is signed by the User or the User's authorised persons;
- if the payment order is accompanied by all required documents prescribed and determined by the applicable laws and regulations and internal acts of the Bank;
- if coverage is provided on the User's account with the Bank for execution of the payment order and payment of the fees and commissions of the Bank; and
- if the payment order and execution is in accordance with the applicable domestic and international laws and regulations.

If the Bank maintains the User's accounts in domestic and foreign currencies, and in the event that there are not sufficient funds on the account to execute an order in the currency written in the order, upon receiving an order from the User, the Bank shall make a conversion from other available accounts of the User (using the Bank's exchange rate valid on the date of the transaction). The Bank shall make such conversion without the User's consent in cases of executing enforced collection orders.

A transaction date shall mean the date explicitly stated by the User as a date for execution of the relevant transaction. It might be the same or greater than the date of submission if the Bank has accepted to receive orders with future dates or if the nature of the transaction is such that it cannot be performed in one day. The User shall give instructions, or a conversion order.

Incorrect book debit or credit of the account, without the User's approval, which is a consequence of an error by the Bank or its external associates, may be eliminated by the Bank's reverse entry, so that the account balance remains unchanged.

The Bank shall notify the User thereof via the available communication channels.

The User shall be responsible for the accuracy and completeness of the data in the payment order. The Bank shall not be held responsible for possible damage that could be caused to the User due to execution of incorrectly, incompletely filled in, forged or altered payment orders. The Bank shall reject

payment orders that do not meet the conditions for receipt and execution and shall return them to the User on the next working day at the latest and shall inform the account holder thereof in writing, electronically or via another communication channel.

The Bank shall not be held responsible in the event of interruption of services related to the execution of payment transactions and for the consequences of the interruption, which is beyond the Bank's control, or which is the result of force majeure and circumstances that could not have been foreseen, prevented, removed in advance or avoided.

The Bank shall not be held responsible for damage, costs or loss, any reduction in value or liability of any kind resulting from the Bank's actions, or failure to act in accordance with or related to the interruption in the payment systems.

#### ❖ **Receipt of a payment order**

The receipt and processing of payment orders shall be performed in accordance with the Bank's Time Schedule for Execution of Payment Transactions. Any payment order received after the terms indicated in the Bank's Time Schedule for Execution of Payment Transactions shall be deemed received the following working day.

The User, initiating a payment order, and the Bank may agree that the execution of the payment order begin on a precisely specified date or at the end of a certain period or on the day on which the User as a payer makes available to the Bank the necessary funds for the execution of the payment order, whereas, the time of receipt of the payment order shall be deemed to be the agreed date for execution of the payment order. If the agreed date is non-working day for the Bank, it shall be considered that the payment order was received on the next working day. The payment instrument may have the currency executed on the same date or the currency of a future working day (up to 7 days). The payment instrument, which has the currency executed on the date it is delivered, shall be executed on the same date it is delivered in accordance with the Bank's Time Schedule, and if it is delivered after the end of the Time Schedule envisaged for receiving orders, it shall be executed on the next working day, if there are sufficient funds on the transaction account and no decision for execution of enforced collection has been received. Otherwise, the Bank shall return the payment instrument to the User on the relevant form next day explaining the reason.

The User and the Bank may agree to define priorities for execution of payment instruments (payment orders); otherwise, the Bank shall execute them in accordance with the receipt date and time, observing the legal priorities.

The User may make payments in favour of account holders at other commercial banks (payments that according to applicable regulations are not considered large payments, i.e. payments up to 1,000,000 denars) through the settlement system of the Clearing Interbank System (KIBS), where payments are considered final after the settlement of payments between the banks and through the Macedonian Interbank Payment System (MIPS) (for payments which, according to the applicable regulations, are considered large payments, i.e. payments of and exceeding 1,000,000 denars and payments that are urgent) and they shall be executed immediately, i.e. the payee can immediately dispose of the funds. The option of payment execution shall be made by the User by indicating it in the payment instrument (payment order).

If the User does not indicate the method of execution of the payment instrument (payment order), the Bank, choosing the best method, shall execute the payment.

#### ❖ **Term, currency date and availability of funds**

The Bank shall execute payment transactions within the terms envisaged in the Time Schedules for Execution of Payment Transactions and in accordance with the Law on Payment Services and Payment Systems and the Law on Foreign Exchange Operations.

If, according to the applicable laws and regulations, certain additional documents or data are required in addition to the duly completed payment order for its execution, the Bank shall execute the payment order if such documents and data have been submitted, or presented in the prescribed form, and in those cases the Bank shall be exempted from responsibility for extending the deadline for execution of payment orders.



The currency credited date on the payee's payment account may not be later than the business day on which the amount of the payment transaction is approved on the account of the payee's payment service provider.

The Bank, as Payment Service Provider of the User as a payee, shall be obliged to make the amount of the payment transaction available to the payee immediately after the amount has been approved on the account of the payee's payment service provider, in cases where the Bank, as the payment service provider of the payee:

- does not make currency conversion, or
- performs currency conversion of an amount in euro or in other currencies of countries from the European Economic Area, in the corresponding MKD counter value.

The provision referred to in the above paragraph of this General Terms and Conditions shall also apply in cases of payment transactions executed by the same payment service provider.

The currency debited date on the payer's payment account may not be before the date when the payer's payment account is debited for the amount of the payment transaction.

#### ❖ **Rejection for execution of a payment order**

The Bank shall reject to execute a payment order unless all the requirements for its execution are fulfilled or in the following cases:

- If there is not coverage on the payment account for execution of the received payment order on the date of execution or on the date agreed upon within the dynamics for multiple transactions;
- If written consent has not been provided by the User;
- If the signature on the payment order is not credible (does not correspond) to the signature deposited by the user with the Bank;
- If the order is not completed and issued in accordance with the regulations or contains corrections or the data on the order is not correct, legible and complete;
- In case of legal obstacles to the execution of the payment order (e.g. court order, etc.); and
- If the documentation required for execution of the order has not been submitted.

Without the User's consent, the Bank shall not allow the execution of a payment order in cases determined by laws and regulations and internal acts governing the prevention of money laundering and terrorism financing, due to acting upon the sanctions lists of persons, countries and activities, in accordance with the local and /or international laws and regulation, if the user acts in opposition to laws and regulations and internal acts and if the user, at the request of the Bank, fails to submit the required data and documentation in accordance with the FATCA regulation.

In case of rejection of the order due to the above reasons, it shall be deemed that the order has not been received.

By way of derogation from the above, if there are not sufficient funds on the User's account, on the date determined for the execution of a standing order for the collection of due and payable credit exposures, loans approved by the Bank to the User, the order shall be executed until its realisation.

A payment order shall not be considered rejected, if it was not executed due to a procedure for the implementation of a court order or enforcement decision.

The Bank shall notify the User on the rejection to execute the payment order and, if possible, on the reasons for rejection and the correction procedure of the errors cause for the rejection, other than in cases where the notification is prohibited under laws and regulations.

For the rejection of a payment order in paper form, the Bank shall notify the User without delay, verbally, and at the latest within the term set for the execution of a payment order and in accordance with the Time Schedule. At the User's request, the Bank shall deliver a notification on the reasons for rejection of the order in written form.

The rejection and notification of the User's order issued electronically shall depend on the type of payment instrument governed under the agreement of issue and use of payment instruments.

#### ❖ **Authorisation for the Bank**

- By concluding an Agreement, the Payment Service User authorises the Bank in and on the User's behalf to issue payment instruments at the expense of the funds on the User's accounts with the Payment Service Provider on any basis, as well as at the expense of the User's future inflows, and for the purpose of transferring them to the account of the Payment Service Provider, in order to collect the due and payable liabilities to the Payment Service Provider on any grounds.
- Any payment service user who has delivered to the Bank a neat Request to activate SWIFT Electronic Service, expresses consent and authorizes the Bank on its behalf to fill and sign any payment instruments and payment forms for payments in the country and abroad, according to previously received instructions through SWIFT obtained by the Foreign Bank/and by which the Bank has concluded a Co-operation Agreement, and in accordance with applicable legal and bylaws in the field of foreign exchange operations and payments in the country and after the submission of the prescribed documentation in the applicable legal and bylaws by the Payment Service User in relation to payment orders abroad. If the payment service user does not provide adequate documentation regarding abroad payment orders, the Bank will not proceed and will not be liable for any damages. The user can withdraw the payment service consent and authorization at any time by requesting closure –SWIFT for electronic services.

## **V. Fees and commissions, interest rates and exchange rates**

### **❖ Calculation of fees and commissions and interest rates**

For the services that the Bank provides to the User in accordance with these General Terms and Conditions and the Framework Agreement, the Bank shall calculate and collect fees and commissions and interest rates and approve interest in the amount, terms and manner in accordance with the Decision on the Tariff for the services provided by Sparkasse Bank AD Skopje and Decision on Interest Rates of the Bank.

The fees and commissions charged by the Bank shall include, without limitation: fees and commissions for maintaining a payment account, cash payments and disbursements, non-cash transactions in payment operations, SMS notifications, standing orders, using mobile / electronic banking services, approval of allowed overdraft on a payment account, nostro and loro remittances, swift, charges, for interventions, documentary work (letters of credit, guarantee and collections), payment and disbursement in effective exchange rate, checks, letters of credit and other securities, preparation of credit reports for concluded credit activities, execution of decisions on enforced collection and promissory notes, freezing and unfreezing an account, partial execution of decisions on enforced collection, notices for due and payable claims, membership, verification, payments, disbursements and additional requests for operation with debit and credit cards as well as fees and commissions for others services in the field of domestic and international payment operations, treasury and card operations, as provided for in the Decision on the Tariff of Fees and Commissions for the services provided by Sparkasse Bank AD Skopje.

In addition to the fees and commissions and charges referred to in the previous paragraph, the Bank shall calculate a fee for charges of foreign banks incurred for execution of international payment operations ordered from / in favour of the User.

The User hereby authorises the Bank and agrees that the Bank directly debits the account for the fees and commissions for provision of banking services, charges related to payment operations in the country and abroad, debit card and electronic or mobile banking and all claims that may arise in connection with the operation of the payment account and shall collect them in accordance with the provisions for giving a consent under these General Terms and Conditions.

The Bank's Tariff shall be subject to changes by the Bank and the User shall be notified thereof by publishing a new Bank's Tariff in a visible place in the Bank's premises and on official website.

If the User does not agree with the change of fees and commissions and other charges related to the operation of the account, the User shall be obliged to submit a 2-month notice to the Bank for termination

of the Framework Agreement and request closure of the account; otherwise it shall be deemed that the User agrees with the proposed changes.

#### ❖ **Exchange rates**

When executing FX payments from the User's payment account, the Bank shall apply the valid Exchange Rate List of the Bank and inform the User on a specific rate in advance or shall arrange a special rate for individual cooperation.

If the User - debtor does not have available MKD funds for full execution of the payment transaction for enforced collection, the Bank shall make a currency conversion in MKD of the User's available funds for enforced collection in another currency by applying the middle exchange rate of the National Bank of the Republic of North Macedonia valid on the date of the transaction up to the amount required for the full execution of the payment transaction based on the payment order for enforced collection and shall transfer them to the MKD payment account of the User-debtor.

For calculation of the amount of fees and commissions and charges for conversion, the Bank shall apply the middle exchange rate of the National Bank of the Republic of North Macedonia valid on the date of calculation. In case where the Bank uses foreign currency for payment of the fees and commissions and charges, the foreign currency shall be purchased under the buying rate in the Exchange Rate List of the Bank on the date of settlement of the liabilities.

The User authorises the Bank to complete and sign the contract note for purchase and sale of foreign currencies.

The Bank shall establish and publish an exchange rate list on daily basis on the grounds of the supply and demand on the FX market. The basic trading pair is EUR/MKD for which the buying and selling rate is defined according to the current state of the FX market. The exchange rate of the other currencies is formed as a "cross", according to the euro as a basis and coefficient of the other currency on the international currency market expressed in MKD.

#### ❖ **Change in fees, interest rate and exchange rate**

A change of the FX rate shall be based on the changes in the reference rate, which is the middle rate of the NBRNM, and may apply immediately and without prior notification to the User thereof.

The Bank shall ensure equal treatment of the payment service users in the part of the calculation and application of the change in the interest rate, fees and commissions and FX rate.

The complete exchange rate list, the Decision on interest rates and the Decision on fees, which is constantly updated and published on the Bank's website and in the Bank's branches.

## **VI. Notification of the Payment Service User, method and means of communication**

The Bank shall notify the User on the changes and balance of the payment account through a statement of the balance and changes of the payment account opened in the Bank (hereinafter referred to as the statement) delivered to the User after the end of the working day (closing of the internal payment operations), and no later than the next working day in an agreed manner, which allows the User to save and reproduce the statement in an unchanged form. The User shall be obliged to carefully overview the statement of balance and changes on their payment accounts without delay to notify the bank of any identified discrepancies.

The Bank shall be entitled to use any available types of communication, in accordance with the data submitted by the User to the Bank, for the purpose of communication and notification.

The means of communication, as well as the technical conditions that the equipment and/or software of

the Payment Service User must meet for transmission of information and notifications in accordance with the Law on Payment Services and Payment Systems shall be subject to an agreement with the Client. The User, during the validity of the contractual relationship, shall be entitled to request a copy of the Framework Agreement.

Depending on the case, the Bank may communicate the User in one of the following ways:

- electronically to the latest known email address provided by the User, or
- by messages or announcements via the Electronic Banking Services used by the User for a payment account in the Bank, or
- by telephone to the latest known telephone number provided by the User, or
- via text messages (SMS/Viber) to the latest known mobile phone number provided by the User, or
- public announcements in the media, or
- through documents/announcements available in the Bank's branches and website, or
- by regular or registered mail to the latest known address provided by the User, or
- through another permanent medium defined according to laws and regulations.

## **VII. Protective and corrective measures**

### **❖ Protective measures**

The User authorised to use the payment instrument shall be obliged to:

- as soon as they receives the payment instrument, to take all reasonable measures to protect the user security features of the payment instrument;
- use the payment instrument in accordance with the contractual conditions for issuing and using the payment instrument; and
- notify the Bank or the person designated by the Bank, immediately after becoming aware of the loss, theft, abuse or unauthorised use of the payment instrument.

The User shall be obliged to monitor and control the third persons' access to the payment instrument used for payment account services.

In case where the User detects unauthorised access by a third party to the payment instrument used for the payment account services, the User shall be obliged to report it to the Bank immediately, by calling the Contact Centre on 02/15 050, whereas the Bank, in order to prevent possible abuse of the system, shall temporarily block the execution of individual or all services used by the User and shall notify the User thereof through one of the channels for communication with the User.

### **❖ Liability**

The User may be liable for compensation of losses caused by unauthorised transactions executed due to a lost or stolen or abused payment instrument up to a maximum amount of MKD 1,200 or the corresponding equivalent in other currencies.

The previous paragraph shall not apply if the loss, theft or abuse of the payment instrument could not possibly have been detected by the Bank before the payment, unless the User acted with the intention of fraud.

The Bank's liability shall not be excluded in cases where the Bank acted illegally with intention or gross negligence.

In case where the payment order is initiated directly by the payer, the Bank shall be liable to the payer for the correct execution of the payment transaction in accordance with the liability provisions of a payment

service provider for non-execution, incorrect or delayed execution of payment transactions initiated by the payer as provided for in the Law on Payment Services and Payment Systems.

## **VIII Validity period, amendments and termination of the Framework Agreement**

### **❖ Validity period of the Framework Agreement**

The Framework Agreement shall be concluded for an indefinite period. The Framework Agreement shall enter into force as on the date of its signing by both Parties.

### **❖ Amendments to the Framework Agreement**

The Bank shall propose to the User any amendments to the Framework Agreement and these General Terms and Conditions, including changes in the information for use of payment transactions no later than two months prior to the date of application thereof.

The Bank shall prepare the proposed amendments in a simple and comprehensive form, using understandable words, and deliver them to the User in writing to the User's latest address, or in electronic form through the User's profile on the Bank's electronic / mobile banking platform or in another contractually determined way of communication or notification.

The User shall have the right to accept or reject the proposed amendments before the date of their application and notify the Bank thereof. If before the date of application of the proposed amendments, the User fails to notify the Bank for the rejection, it shall be considered that the User accepts the proposed amendments to the Framework Agreement. The User that does not agree with the draft amendments to the Framework Agreement shall have the right to terminate the Framework Agreement without any compensation. The User shall be obliged to notify the Bank on the termination no later than on the date of application of the proposed amendments, having obligation to settle the obligations to the Bank up to the date of closing the payment account. The User shall be obliged to notify the Bank in writing immediately on any change that could have impact on the validity of the Agreement. Otherwise, the Bank may unilaterally terminate the Agreement without a notice period. Any financial or other consequences occurred or may occur due to untimely notification on the changes shall be borne by the User.

### **❖ Closing a payment account**

The Bank may close the account if non executed orders and bases for collection are recorded. The Bank shall reserve the right to reject the User's request to close the account, if, at the time of submitting the request, the User has obligations to the Bank on any grounds.

The Bank shall also close the User's account without the User written request provided that:

- The User is an inactive entity whose deletion in accordance with law has been published on the website of the Central Register of the Republic of North Macedonia, based on a notification from the Central Register of the Republic of North Macedonia for deleted entities;
- The User ceases to exist as a legal entity based on law, court decision or competent authority order;

- The account has had no balance or changes in the last two years and it is not frozen, for which the Bank shall be obliged to inform the User within two working days as of the date of closing the account.

The Bank shall reserve the right to collect a fee for closing the User's account, in accordance with the Bank's Tariff, if the Bank requests the termination of the Framework Agreement before the expiration of 6 months as of the date of conclusion, in the amount of actual costs incurred. The Bank shall transfer the funds from the account that is in the process of closing, in accordance with the instructions provided by the User. The Bank may terminate the Framework Agreement if the User operates in opposition to the laws and regulations governing the Law on Prevention of Money Laundering and Terrorism Financing without a notice period. The User shall be obliged to notify the Bank in writing immediately on any change that could have impact on the validity of the Agreement. Otherwise, the Bank may unilaterally terminate the Agreement without a notice period. Any financial or other consequences occurred or may occur due to untimely notification on the changes shall be borne by the User.

#### ❖ **Consequences due to termination of the Framework Agreement**

The User shall not pay any fees and commissions for termination of the Framework Agreement and closing of the payment account, unless the Framework Agreement is in effect less than six months. If the Framework Agreement is in effect for a period of less than six months, the fees for its termination and for closing the payment account shall total to the amount of the actual charges incurred by the Bank. In case of termination of the Framework Agreement and closing of the payment account according to which the fees for payment services to the User are calculated or collected on a regular basis, the Bank shall collect fees and commissions to the amount proportional to the termination period.

If the User has paid the fees and commissions for payment services in advance, the Bank shall refund the User for the portion paid proportional to the period from the termination date of the Agreement to the last day of the period for which the fee has been paid.

The transfer of the funds to an evidence account for special purpose shall not cancel the right of ownership of the User, including sub-forms of the right of ownership and other rights arising thereof.

#### ❖ **Rights of the Bank**

The Bank may terminate the Framework Agreement concluded for an unidentified period by delivering at least a 2-month notice. The Bank shall be obliged to, immediately after the expiry of the term, terminate the Agreement and close the payment account, and in case of positive balance on the account, to transfer the funds to an evidence account for special purpose, and may not calculate and collect any fees and commissions for maintenance of the evidence account.

The Bank shall be entitled, at any time, to terminate the Framework Agreement without a notice period, notifying the User in writing, if the User violates any provisions of the Framework Agreement and fails to comply with the applicable laws and regulations.

In both above cases, the User shall be obliged to settle their obligations under the Framework Agreement incurred to the date of its termination.

The Framework Agreement shall cease to produce legal effect on the date the account is closed.