

Terms and Conditions for Payment Services of Zürcher Kantonalbank (2013 edition)

A General provisions

1 Scope of application

- 1.1 The following Terms and Conditions apply to the execution and receipt of domestic and cross-border cashless payment transactions (hereinafter referred to as „payment orders“ or „incoming payments“) in all currencies.
- 1.2 They apply to all payment transactions processed by Zürcher Kantonalbank (hereinafter referred to as „the Bank“), irrespective of the payment service product used to process the transaction.
- 1.3 However, these Terms and Conditions do not apply to transactions that are processed with credit cards, debit cards or client cards, or as direct debits.

2 Order of precedence

If, in the scope of application of these Terms and Conditions, there are any inconsistencies between these Terms and Conditions and other applicable terms and conditions of the Bank, the following order of precedence shall apply: (1) specific agreements regarding payment services, (2) the terms and conditions for the service in question, (3) the Terms and Conditions for Payment Services, (4) the General Conditions and lastly, (5) the terms and conditions published on the Bank's websites.

B Payment order

3 Information required in the payment order

- 3.1 The ordering client or his/her authorised representative/s must provide the Bank with the following information for a payment order to be executed:
 - Ordering client's first and last name or company name, and home or company address;
 - IBAN (International Bank Account Number)¹ or account number of the ordering client's account to be debited;
 - Beneficiary's first and last name or company name, and home or company address;
 - IBAN or account number of the beneficiary's account to be credited;
 - Clearing number/national bank code or BIC (Business Identifier Code)², and/or name of the beneficiary's financial institution;
 - Payment amount and currency;
 - Desired execution date of the payment order;
 - Date and signature for written payment orders. For electronic payment orders, the terms and conditions for the respective electronic service apply.
- 3.2 In addition to the specifications in clause 3.1, the ordering client or his/her authorised representative/s must provide the following information for cross-border payment orders (in all currencies) and for foreign currency payment orders within Switzerland:
 - Provisions on charges (shared or debited to the ordering client or debited to the beneficiary);
 - If necessary: Any other country-specific information.

¹ IBAN stands for „International Bank Account Number“ and is aimed at the standardisation of account numbers for payments in Switzerland and throughout Europe. Further information is available at www.zkb.ch/iban.

² The BIC (Business Identifier Code) is a standard international 8- or 11-digit code that unambiguously identifies a financial institution. The BIC code is also known as SWIFT address.

3.3 In addition to the specifications in clauses 3.1 and 3.2, special mandatory criteria apply for payment orders to be processed according to the SEPA (SEPA = Single Euro Payments Area)³ payment standard, specifically:

- The currency of the transfer amount must be euro;
- The beneficiary's IBAN must be given;
- The BIC of the beneficiary's financial institution (which must be a SEPA-participant) must be given;
- For charges, the „shared charges“ option must be selected (i.e. ordering client and beneficiary pay the prices charged by their own financial institution).

Further mandatory requirements for payment orders to be processed according to the SEPA-payment standard are published on the Bank's website and can be obtained on request from the Bank at any time³.

4 Execution of a payment order

- 4.1 The Bank will execute a payment order on behalf of the client, provided the required information is available, complete, accurate and consistent in accordance with the requirements set forth in clause 3, and the following requirements (clauses 4.2–4.4) are met.
- 4.2 When the payment order is executed, the client must have freely available funds on his/her account or a freely available credit limit at his/her disposal, sufficient to cover the amount of the payment order including any other charges due.
- 4.3 Execution of the payment order must not be prevented by any ban or restriction, specifically any legal or regulatory provisions, orders by public authorities, national or international sanctions or agreements (such as pledges of credit balances) that the Bank is bound to observe.
- 4.4 Furthermore, there must be no doubt as to the power of disposal of the ordering client and his/her authorised representative/s.

4.5 The Bank shall be entitled, but not obliged, to execute the payment order in the interest of the client despite insufficient or missing information, provided the insufficient or missing information can be unequivocally corrected and/or amended by the Bank.

- 4.6 The Bank may execute a payment order in the interest of the client despite an insufficient credit balance.
- 4.7 Where the requirements specified in clauses 4.1–4.4 are not met until after the desired execution date, the Bank may, in the absence of instructions to the contrary from the client, execute a payment order after the desired execution date rather than reject it.
- 4.8 Once the payment order has been executed, the designated account will be debited on the execution date. Once the amount has been debited to the account, the payment order can no longer be revoked.

5 Collective order

In the case of a collective order, each individual payment order must meet all the requirements of these Terms and Conditions. If this is not the case, the Bank will reject the entire collective order without processing it. The Bank may nevertheless execute individual payment orders of the collective order that meet the requirements of these Terms and Conditions in the interest of the client.

6 Execution date and cut-off times

- 6.1 The Bank will execute a payment order on the desired execution date provided that the payment order has reached the Bank's processing center by that date. If no execution date is indicated in the payment order, execution shall take place within 3 bank working days after receipt by the Bank. This shall be subject to clauses 6.2 (cut-off times) and 13 (debit and credit date) or any delays caused by clarifications the Bank requires prior to execution of the order (e.g. clarifications within the scope of clause 4 above). The Bank is not liable to the client for any such delay.

³ SEPA = Single Euro Payments Area. SEPA has introduced new procedures and standards for processing cross-border and domestic payments in euro. The criteria and further information can be found at www.zkb.ch/sepa.

6.2 If the payment order is received by the Bank after the cut-off time or if the execution date has already passed, the payment can normally only be executed on the next bank working day after receipt. Information on the cut-off times for payment orders are available to clients from the Bank upon request. They are also published on the Bank's websites⁴.

7 Waiver of data comparison

The ordering client acknowledges and accepts that the beneficiary's financial institution will credit the incoming payment solely on the basis of the IBAN or account number provided in the payment transaction, **without any comparison being made with the name and address of the beneficiary**. The beneficiary's financial institution may also reserve the right to make such a comparison at its own discretion and to reject the payment order if there is any inconsistency.

8 Rejection of a payment order

8.1 The Bank will inform the client within a reasonable period of time and in a suitable manner, e.g. with the account statement, if either a payment order cannot be executed by the Bank because at least one of the conditions has not been met, or if, following the account debit, the execution is rejected by another party involved in the processing of the payment transaction (e.g. a correspondent bank or the beneficiary's financial institution). If known and permissible, the Bank will also state the reason for the rejection. If the transfer amount has already been debited, the Bank will re-credit the amount to the account debited with the value date of the day on which it received the funds back. Clause 15 shall apply as regards currency conversion/exchange rate risk.

8.2 If the Bank is able to resolve the reason for the rejection of the payment order, it shall be entitled, but not obliged, to execute the payment order again in the interest of the client without consulting the client.

9 Third-party, transfer and credit risk

The Bank shall exercise customary care when selecting and instructing the parties involved (e.g. correspondent banks) in processing payment orders. The Bank shall

not be liable to the client for any failure in the performance of duties by a party not selected by the Bank (e.g. the beneficiary's financial institution) or that had to be used by the Bank due to an absence of choice.

Payment transactions may be delayed or prevented by circumstances beyond the control of the Bank, specifically due to (inter)national or foreign regulations and measures (e.g. legal or regulatory restrictions such as sanctions, bans on transfers or restrictions in currency or payment systems) or due to the insolvency of a participating correspondent bank or receiving bank. The Bank shall not be liable to the client for any such delay, blocking or non-execution of a transaction.

C Incoming payments

10 Credit of an incoming payment based solely on IBAN/account number

10.1 The Bank credits incoming payments to the designated account solely on the basis of the IBAN or account number provided in the payment transaction, without any comparison of the further data transmitted with the name (company name) and address of the account holder.

10.2 However, the Bank reserves the right to make such a comparison at its own discretion and act in accordance with clause 11 where there is a discrepancy (subject to clause 10.3).

10.3 Where the comparison reveals that non-material information is incomplete or incorrect, the Bank shall be entitled but not obliged to credit the incoming payment if the details can be indisputably completed by the Bank.

11 Return or blocking of an incoming payment

11.1 Incoming payments that contain incomplete, incorrect or ambiguous information (e.g. no or incorrect IBAN/account number, deficient data relating to the remitter) or for which a comparison under clause 10.2 reveals inconsistencies will be returned by the Bank. The Bank will proceed in the same way should there be other reasons that prevent an incoming payment from being credited (account closed, legal or regulatory provisions

⁴ www.zkb.ch.

such as money-laundering provisions, orders by public authorities, national or international sanctions the Bank is bound to observe, etc.), provided that the Bank is not under an obligation to block the incoming payment.

- 11.2 In the cases mentioned in clause 11.1, the Bank may carry out investigations to assess the background of an incoming payment and seek corrected or supplemental payment instructions from the remitter's financial institution in respect of a possible credit in order to decide whether to credit, return or block an incoming payment. The Bank shall not be liable to the client for any delays caused thereby.
- 11.3 If an incoming payment is returned or blocked, the Bank shall be entitled to disclose the reason for the failed credit to all of the parties involved in the transaction (including the remitter). It cannot be ruled out that this may allow third parties to draw conclusions about the client's banking relationship.

12 Bank's right to reverse a credit

- 12.1 The Bank is entitled to reverse an amount credited to the client's account (plus interest since credited) or reclaim it in any other way at any time if it turns out that the Bank's credit entry was wrongful, in particular erroneous, incorrect or illegal.
- 12.2 For incoming payments in foreign currency involving a cover payment (i.e. another financial institution provides the relevant currency) the Bank reserves the right to delay the credit until its correspondent bank has confirmed the receipt of cover payment. If the Bank makes the credit entry prior to such confirmation, this shall be on condition that the Bank may reverse the amount credited (including interest since credited) from the client's account or reclaim it in any other way at any time if it fails to receive the cover payment from its correspondent bank within 3 bank working days after the credit.
- 12.3 The Bank will inform the client promptly about the occurrence of any such reversal.

D Common provisions

13 Debit and credit date

- 13.1 If the debit or credit date is a Saturday, Sunday or a bank or public holiday, the Bank shall be entitled to execute the debit or credit on the preceding or subsequent bank working day.
- 13.2 The client acknowledges and accepts that credits to the beneficiary may also be delayed as a result of foreign regulations regarding bank working days and bank or public holidays or other credit regulations of the beneficiary's financial institution.

14 Notification of debits and credits

Debit and credit advices shall generally be made available to the client within one month, unless otherwise agreed with the client.

15 Currency conversion/Exchange rate risk

- 15.1 Irrespective of the currency, the debit or credit is normally made to the account indicated in the payment transaction. If the debit or credit necessitates conversion to or from the currency of the account, the Bank will use the current bid/ask exchange rate on the day the payment transaction is processed.
- 15.2 Any exchange rate risks (currency gains or losses, e.g. in the event of a return) shall be borne by the client.

16 Prices

- 16.1 The Bank is entitled to charge the client a fee for the processing of payment orders and the processing of incoming payments, for any associated additional services (e.g. for searches, reclaims, reproducing data or manual processing as a result of special client instructions) as well as for currency conversions. This fee may also include costs charged to the Bank by financial institutions involved in processing a payment transaction.

16.2 Prices are determined by the separate price lists valid at any given time, which are also published on the internet⁴ and are available upon request at any time. The Bank may amend the prices at any time, specifically when the market situation changes or for other objective reasons. Any changes will be made in good faith and appropriately notified to the client in advance.

16.3 The Bank shall have the right to debit such fees directly to an account of the client.

16.4 The Bank shall be entitled to deduct any fees for incoming payments before crediting the amount to the account.

17 Data processing/Data transmission

17.1 **The ordering client acknowledges and accepts that, in the course of processing transactions in any currency, his/her data, in particular last name and first name or company name, address and IBAN or account number, may be disclosed to the financial institutions involved (in particular foreign and domestic correspondent banks and the beneficiary's financial institution), system operators (e.g. SIX Interbank Clearing) or SWIFT (Society for Worldwide Interbank Financial Telecommunication) and beneficiaries in Switzerland and abroad. In particular, data from domestic transactions may also be transmitted abroad. In addition, the data may be transmitted by all participants to appointed third parties in other countries for processing or storage.**

17.2 The client as beneficiary acknowledges and accepts that the information disclosed to the remitter by him/her may likewise be processed by or transmitted to involved parties or the systems indicated in clause 17.1.

17.3 **Furthermore, the client acknowledges and accepts that data transmitted abroad is no longer protected by Swiss law but is instead subject to the laws of the respective foreign jurisdiction and that foreign laws and orders of public authorities may require that these data be passed on to public authorities or other third parties.**

17.4 **In addition, the client agrees that if respective regulatory, judicial or legal or statutory requirements so require, his/her data shall also be disclosed to Swiss public authorities or authorised third parties in Switzerland or abroad.**

18 Prevention of misuse

The Bank verifies payment orders received with customary care. The client is obliged to store payment services documentation (receipts, payment orders, means of identification and authorisation, etc.) carefully to avoid access by unauthorised persons. The client must take all reasonable precautionary measures to prevent misuse or fraud.

19 Amendments to these Terms and Conditions

The Bank reserves the right to amend these Terms and Conditions at any time. Any such amendments will be communicated to the client in an appropriate manner and be deemed to have been accepted unless an objection is received within 30 days of notification.

⁴ www.zkb.ch.