

EESTI PANK
Governor's Decree No 29
20 December 2010

Amendment of Eesti Pank Governor's Decree No 1, 10 January 2002, "Approval of documentation of payment systems of Eesti Pank" and repeal of Eesti Pank Governor's Decree No 9, 7 November 2006, "Approval of documentation of the Real-Time Gross Settlement System of Eesti Pank"

This Decree is established on the basis of clause 2 (2) 4) and clause 14 (1) 5) of the Eesti Pank Act, and subsection 87 (2) of the Credit Institutions Act.

§ 1. The following amendments shall be made to Eesti Pank Governor's Decree No 1, 10 January 2002, "Approval of Documentation of Payment Systems of Eesti Pank" (RTL 2002, 10, 107; 2006, 79, 1465):

1) the preamble is replaced by the following:

"Based on clause 2 (2) 4) and clause 14 (1) 5) of the Eesti Pank Act, and subsection 87 (2) of the Credit Institutions Act, Eesti Pank ordains:";

2) Appendix 2 "General terms and conditions of the System of Ordinary Payments of Eesti Pank (ESTA)" and Appendix 4 "Price list of ESTA" are amended and established in the new wording (Appendixes 1 and 2 to this Decree).

§ 2. Eesti Pank Governor's Decree No 9, 7 November 2006, "Approval of documentation of the Real-Time Gross Settlement System of Eesti Pank" (RTL 2006, 79, 1465; 2008, 38, 547) is repealed.

§ 3. This Decree shall enter into force on 1 January 2011.

Andres Lipstok
Governor

**Appendix 1
to Eesti Pank Governor's Decree No
29, 20 December 2010, "Amendment of
Eesti Pank Governor's Decree No 1,
10 January 2002, "Approval of
documentation of payment systems of
Eesti Pank" and repeal of Eesti Pank
Governor's Decree No 9, 7 November
2006, "Approval of documentation of
the Real-Time Gross Settlement
System of Eesti Pank"'"**

Appendix 2
to Eesti Pank's Governor's Decree No 1,
10 January 2002, "Approval of documentation
of payment systems of Eesti Pank"'"

General terms and conditions of the System of Ordinary Payments of Eesti Pank
(ESTA)

For the purposes of the general terms and conditions of the System of Ordinary Payments of Eesti Pank, the following definitions shall apply:

settlement period – the time period on settlement day during which technical and financial validation of the payment orders transferred to Eesti Pank is carried out along with ultimate settlement of payment orders accepted upon validation. The number of settlement periods during a settlement day and the end of each settlement period shall be established by Eesti Pank according to the Technical Specifications;

settlement day – a calendar day, which is the TARGET2-Eesti working day and which is not a national or public holiday. A settlement day may contain one or more settlement periods;

System of Ordinary Payments of Eesti Pank (ESTA) – a multilateral payment system for settling ordinary payments operating by fixed time schedule;

active participant of ESTA – a participant of ESTA who has met the requirements necessary for settlement of payments in ESTA on the Settlement Day in due time as established by General Terms and Conditions;

participant of ESTA – an entity that has been given the right to make settlements in ESTA in accordance with the accession contract, General Terms and Conditions and Technical Specifications. Eesti Pank is a participant of ESTA with distinctions arising from the accession contract;

passive participant of ESTA – a participant of ESTA who has not met the requirements necessary for settlement of payments in ESTA on the Settlement Day in due time as established by General Terms and Conditions and Technical Specifications or whom Eesti Pank has excluded from active participants of ESTA. A passive participant of ESTA is not permitted to execute payments in ESTA.

financial validation – activities which Eesti Pank carries out in order to check whether the financial limit of an active participant of ESTA remains sufficient to settle payment orders included in the batch of payment orders sent by the participant;

financial limit – the biggest possible liability of an ESTA participant at any moment of time on a settlement day, which is adequately covered by monetary collateral according to an appraisal given by Eesti Pank in conformity with these General Terms and Conditions;

Price List – a price list established by Eesti Pank, where fees for accession or use of ESTA are fixed;

confirmation – a notification sent to an active participant of ESTA by Eesti Pank in conformity with the procedures of Technical Specifications saying that the batch of payment orders sent by the active participant of ESTA is either partially or fully accepted, or fully rejected by Eesti Pank;

credit order – a payment order whose original issuer is the payer;

accession contract – a contract based on which the entity joining ESTA acquires the rights and obligations of an ESTA participant. The accession contract stipulates the obligation of the ESTA participant to regard as binding and fulfil all obligations arising from the accession contract, these General Terms and Conditions and Technical Specifications, and pay accession and service fees according to the ESTA price list;

payment order – a payment order (order) in which the will of the payment originator is explicitly expressed;

batch of payment orders – payment orders that are sent by a participant of ESTA as a complete lot in conformity with the procedures established by the Technical Specifications;

minimum financial limit – the lowest rate of the possible financial limit of an ESTA participant determined by Eesti Pank;

cash collateral – an amount of money deposited by an ESTA participant according to the procedure provided in the General Terms and Conditions and Technical Specifications for guaranteeing fulfilment of its payment obligations;

TARGET2 – Trans-European Automated Real-time Gross Settlement Express Transfer System; the entirety resulting from all TARGET2 component systems of the central banks;

TARGET2-Eesti – the TARGET2 component system of Eesti Pank;

TARGET2 component system – the central bank's real-time gross settlement system that forms a part of TARGET2;

ordinary payment – any payment that a participant of ESTA sends to Eesti Pank for settlement through ESTA. Ordinary payments are sent within the batch of payment orders;

technical validation – procedures that Eesti Pank uses to check if a batch of payment orders sent by a participant of ESTA is authentic and compliant with the requirements set out in the Technical Specifications;

technical specifications – - the conditions established by Eesti Pank, defining technical parameters and procedures of the operations of ESTA;

list of authorised persons – a list of persons authorised by an ESTA participant who possess information (codes and passwords) enabling to exchange information and send and receive payment orders through ESTA;

General Terms and Conditions – these general terms and conditions of ESTA.

1. Participants of ESTA

- 1.1. Becoming a participant of ESTA and realization of the rights and obligations arising from the participation takes place according to the provisions of the accession contract, General Terms and Conditions and Technical Specifications.
- 1.2. Credit institutions established in Estonia and credit institutions established in the European Economic Area (EEA), if acting through a subsidiary or branch established in Estonia, have the right to accede to ESTA.
- 1.3. Eesti Pank may allow credit institutions, investment firms and payment system administrators established in the EEA to accede to ESTA, provided that the legal order of their host country is equivalent to the corresponding EU legal acts.
- 1.4. The right of the above entities to participate in the operation of ESTA shall end from the moment of expiry of their activity licence, and during the period of suspension of their activities due to a moratorium or legal measures of similar effect.
- 1.5. Eesti Pank shall decide on the accession permissibility and accession terms and conditions of the entities, which are not stated in clauses 1.2 and 1.3 of the General Terms and Conditions. The decision is made based on the rationality of the accession in respect of achieving the objectives of ESTA and avoiding systemic risk, organisational and economic credibility of the applicant applying for participation and Eesti Pank's assessment of technical readiness of the joining entity.
- 1.6. A participant of ESTA shall be able to appropriately deposit the cash collateral on the account designated by Eesti Pank for the entire period of participation. The participant of ESTA shall deposit the cash collateral personally or pursuant to an agreement concluded with a third party and approved by Eesti Pank.

2. Payments settled through ESTA

- 2.1. ESTA settles payments to be executed based on credit orders made by ESTA participants.
- 2.2. The currency of payments carried out through ESTA is the euro.

3. Access to ESTA

- 3.1. ESTA participants are linked to ESTA according to the procedure established in the Technical Specifications.
- 3.2. By the moment of the signing of the accession contract at the latest, the applicant for the participant status of ESTA shall submit a list of authorised persons to Eesti Pank. If a person knowing the codes or passwords that enable exchange of information with ESTA and through this transmission and receipt of payment orders leaves the entity or if such codes or passwords are made known to a new authorised person, the ESTA participant shall promptly make the respective changes in the list of authorised persons and forward the respective notice of the changes to Eesti Pank. Eesti Pank shall not be responsible for the loss arisen to an ESTA participant as a result of non-fulfilment of the notification obligation stated in this clause or delay of this notification. An ESTA participant is obligated to compensate Eesti Pank for the total loss sustained by the latter as a result of non-fulfilment by the ESTA participant of the notification obligation stated in this clause or delay of this notification.

4. Participation in the work of ESTA on Settlement Day

- 4.1. Eesti Pank grants access to participate in the work of ESTA during a settlement day as an active ESTA participant to those ESTA participants who have in due time transferred to Eesti Pank the cash collateral established in clause 5.3 of the General Terms and Conditions. The cash collateral must have been received by Eesti Pank before 12:00 of the same settlement day. The ESTA participant whose cash collateral has not been transferred or whose transfer is made after 12:00 shall be a passive ESTA participant on that settlement day. Eesti Pank shall notify all ESTA participants of its decision to regard one or several ESTA participants as passive ESTA participants on the settlement day by 12:30 at the latest on the same settlement day.
- 4.2. In order to start sending the payment order batches, each ESTA participant shall send on each settlement day a notice to Eesti Pank in the form established in the Technical Specifications.
- 4.3. Eesti Pank shall give a notice of the permission it has given to an ESTA participant to send payment order batches to ESTA on a settlement day in the form established in the Technical Specifications.
- 4.4. Eesti Pank maintains the right to exclude at any time and without prior notice a participant of ESTA from active participants of ESTA, if it receives reliable information about an existing or probable inability of the ESTA participant to perform proprietary or non-proprietary obligations related to participation in ESTA, if Eesti Pank has substantiated doubts about the authority of the representative of an ESTA participant or if the participation of an ESTA participant in the work of ESTA is technically significantly hindered. Eesti Pank shall be obligated to inform all other ESTA participants of the exclusion of an ESTA participant from active participants of ESTA in the fastest possible way.

5. Financial limits and cash collateral

5.1. Minimum financial limit

- 5.1.1. Considering the amount of financial liabilities an ESTA participant may have during the first settlement period of a settlement day, Eesti Pank shall determine the minimum financial limit for each ESTA participant.
- 5.1.2. The minimum financial limit shall be calculated for each ESTA participant once a month as on the 20th day of the month based on the average sum of gross

liabilities of the ESTA participant during the first settlement period on all settlement days beginning from the 21st day of the sixth month preceding the month the calculation is made up to the 20th day of the month of calculation. The minimum financial limit must exceed the gross liabilities of the ESTA participant of the first settlement periods of the settlement days during the period by minimum 80 per cent and it is rounded up to the nearest 1,000 euros. For the ESTA participants whose minimum financial limit is less than 1,000 euros, a minimum financial limit shall be calculated by rounding it up to 1,000 euros. The smallest minimum financial limit established to ESTA participants shall be 1,000 euros.

- 5.1.3. The new minimum financial limit shall be valid from the first settlement day of the month following the calculation month. A new minimum financial limit is not imposed if the difference from the valid minimum financial limit calculated according to clause 5.1.2 of the General Terms and Conditions is less than five per cent.
- 5.1.4. The first minimum financial limits of the entities joining ESTA shall be established by Eesti Pank considering the objectives and principles established in clauses 5.1.1 to 5.1.3 of the General Terms and Conditions as much as possible.
- 5.1.5. An ESTA participant shall be notified of its minimum financial limit every month at least two settlement days prior to the first settlement day of the next month.
- 5.1.6. In exceptional cases Eesti Pank has the right to change the minimum financial limit of an ESTA participant differently from what has been provided for in clauses 5.1.1 to 5.1.5 of the General Terms and Conditions. An exceptional case has to be such which excludes or significantly hinders the application of the above clauses of the General Terms and Conditions, e.g. in the case of credit institutions' merger or demerger, a new participant's access to ESTA or in other cases of similar kind.
- 5.1.7. Eesti Pank shall notify an ESTA participant in advance of an exceptional increase or decrease in the minimum financial limit in writing or in a form enabling written reproduction at least two settlement days prior to the first settlement day taking place on the basis of the new minimum financial limit.

5.2. Financial limit and changes thereof

- 5.2.1. When applying for the right to participate in the work of ESTA on a settlement day, an ESTA participant has to open a financial limit for the respective settlement day. Opening of the financial limit takes place by depositing a cash collateral into an account designated by Eesti Pank.
- 5.2.2. The financial limit has to equal the minimum financial limit or exceed it. If this requirement is disregarded, Eesti Pank shall reject the application of the ESTA participant to participate in the work of ESTA on the settlement day.
- 5.2.3. During a settlement day an active participant of ESTA has the right to change (increase or decrease) its financial limit on condition that the financial limit valid as a result of the change is:
 - (a) at least equal or bigger than the minimum financial limit established for the first settlement period as an active ESTA participant, or
 - (b) bigger than at the beginning of the second settlement period as an active ESTA participant or equal to zero.
- 5.2.4. In order to increase the financial limit, the additional cash collateral of an ESTA participant shall be transferred into an account designated by Eesti Pank. The increased financial limit shall be valid from the moment Eesti Pank receives a

notice that the relevant account has been credited with the additional cash collateral.

- 5.2.5. In order to decrease the financial limit a participant of ESTA shall submit an appropriate application to Eesti Pank according to the procedure laid down in the Technical Specifications. After that Eesti Pank shall check whether the decreased financial limit applied for by the participant of ESTA complies with the requirements set in clause 5.2.3 of the General Terms and Conditions.
- 5.2.6. If the decreased financial limit applied for by the participant of ESTA complies with the requirements set in clause 5.2.3 of the General Terms and Conditions, Eesti Pank shall establish a new financial limit for the participant of ESTA and shall repay from the cash collateral the sum which equals the amount by which the financial limit has been decreased, and shall transmit a notice on the establishment of the decreased financial limit to the participant of ESTA according to the procedure provided in the Technical Specifications.
- 5.2.7. If the decreased financial limit applied for by the participant of ESTA does not comply with the requirements provided in clause 5.2.3 of the General Terms and Conditions, Eesti Pank shall leave the financial limit of the participant of ESTA unchanged and shall notify the participant of ESTA of it according to the procedure provided in the Technical Specifications.

5.3. Cash collateral

- 5.3.1. In order to secure that its monetary obligations are met and in order to open a financial limit a participant of ESTA must deposit an appropriate cash collateral in the account designated by Eesti Pank before 12:00 on the settlement day. Eesti Pank has the right to manage the cash collateral in accordance with the accession contract and the General Terms and Conditions.
- 5.3.2. Cash collateral as financial collateral guarantees an ESTA participant's liabilities arising from ESTA participation or payments made in ESTA.
- 5.3.3. If cash collateral is not fully deposited before 12:00 on the respective settlement day, Eesti Pank shall not allow the ESTA participant to participate in the work of ESTA as an active participant of ESTA on that particular settlement day. Eesti Pank shall return the insufficient sum of money immediately upon a respective request or at the end of the settlement day, if there is no such request.
- 5.3.4. Eesti Pank maintains the right to use the cash collateral securing the obligations of an ESTA participant in order to meet the financial liabilities of the ESTA participant. Eesti Pank is not obligated to ask the ESTA participant permission for the use of the cash collateral, or to give a prior notice of it.
- 5.3.5. After having met all the financial liabilities of active participants of ESTA that have arisen as a result of settlement on a settlement day, Eesti Pank returns each cash collateral deposited by active participants of ESTA into the account of the active participant or ESTA or a person designated by the same. The balance of returned cash collateral may be bigger or smaller than the cash collateral paid in. The part of the cash collateral that Eesti Pank has used for meeting the liabilities of an ESTA participant who deposited the cash collateral arisen as a result of ESTA participation or from netting in ESTA shall not be returned.

6. Payment orders

6.1. Giving approval for settlement and execution of payments

Access to ESTA is considered as the approval of an ESTA participant to allow execution of settlement of its claims and liabilities between itself and other participants of ESTA up to established financial limits on each settlement day.

6.2. Sending of payment orders

- 6.2.1. Payment orders shall be sent to Eesti Pank in the form of batches of payment orders. One batch can include one or more payment orders. Active participants of ESTA shall send batches of payment orders to Eesti Pank according to the procedure established in the General Terms and Conditions.
- 6.2.2. Eesti Pank shall receive batches of payment orders on each settlement day from 08:30 to 18:00. Eesti Pank shall not accept batches of payment orders that have been sent later than 18:00. Unaccepted payment orders are regarded as unsent. If an ESTA participant wishes to have a payment order included in an unaccepted batch of payment orders to be accepted, it has to send it to Eesti Pank within a new batch of payment orders on another settlement day.
- 6.2.3. Eesti Pank shall perform technical and financial validation of the payment orders in the batch of payment orders and shall issue a confirmation to an active participant of ESTA that the batch of payment orders sent by it has been either partially or fully accepted or fully rejected. The confirmation is issued according to the procedure stipulated in the Technical Specifications.

6.3. Technical validation

- 6.3.1. Eesti Pank shall perform technical validation according to Technical Specifications and shall fully reject all sent batches of payment orders in which more technical errors or non-compliance with Technical Specifications have been detected than the established rate in the Technical Specifications.
- 6.3.2. If in the course of technical validation no more technical errors or non-compliance with Technical Specifications in the transmitted batches of payment orders are detected than the established rate in the Technical Specifications, the correct payment orders shall be regarded as accepted and erroneous or non-complying with the ESTA requirements shall be rejected.

6.4. Financial validation

- 6.4.1. After having performed technical validation, Eesti Pank shall perform financial validation of the payment orders included in the batch of payment orders that have passed technical validation, comparing the balance of claims and liabilities which may arise to the active participant of ESTA who has sent the batch of payment orders upon accepting the payment orders with the financial limit valid for that ESTA active participant at the moment financial validation is performed on the settlement day.
- 6.4.2. Financial validation of credit orders takes place immediately after technical validation.
- 6.4.3. If the financial limit of an active participant of ESTA is sufficient for covering the liabilities arising from accepting credit orders by the active participant of ESTA, the entire batch of payment orders shall be regarded as having passed the financial validation and Eesti Pank shall immediately send a confirmation to the active participant of ESTA regarding acceptance of the batch of payment orders according to the procedure established in Technical Specifications.

- 6.4.4. If the financial limit of an active participant of ESTA is not sufficient for covering the liabilities arising from accepting the credit orders by the active participant of ESTA, the entire batch of payment orders shall be rejected by Eesti Pank. Eesti Pank shall notify the active participant of ESTA who has sent the batch of payment orders of the rejection of the batch of payment orders, sending to the active participant a confirmation according to the procedure established in Technical Specifications.

6.5. Payment value date and notification of ESTA participants

- 6.5.1. The value date of a payment under a credit order that has been sent to Eesti Pank and passed technical validation and financial validation shall be the day on which the credit order has been sent. The value date stated on the credit order, which differs from the actual day the credit order has been sent to Eesti Pank, is not obligatory for Eesti Pank and Eesti Pank is not responsible for any direct or indirect loss or decrease in income arisen for an ESTA participant as a consequence of executing such a credit order.
- 6.5.2. On each settlement day Eesti Pank shall notify the participants of ESTA of the events that have taken place in ESTA, sending reports on payment orders to all participants of ESTA within maximum 15 minutes after the end of each settlement period and statistics reports at 19:00 the latest.
- 6.5.3. Throughout a settlement day an active participant of ESTA has the possibility to request information about its financial limit and minimum financial limit according to the procedure established in the Technical Specifications.

6.6. Irrevocability and finality of a payment order

- 6.6.1. A payment order becomes irrevocable from the moment an ESTA participant sends the batch of payment orders to Eesti Pank. A payment order is subject to execution as of the moment it has passed technical validation and financial validation.
- 6.6.2. A payment under a payment order becomes final as of the moment the payment has been settled.

7. Settlement of payments

- 7.1. Eesti Pank shall throughout the settlement day net payments of active participants of ESTA according to payment orders sent by the active participants of ESTA and accepted by Eesti Pank.
- 7.2. A payment according to a payment order shall be regarded as settled, if it has passed technical and financial validation and the financial limit of the ESTA participant that sent the payment order has been reduced and the financial limit of the beneficiary of the payment order has been increased by the sum indicated in the payment order.
- 7.3. Eesti Pank shall use the cash collateral deposited by an active participant of ESTA in order to secure its liabilities upon executing the payment orders submitted by the participant.
- 7.4. Eesti Pank shall have a consistent overview throughout the settlement day of the size of the financial limit of every active ESTA participant.

8. Reports

On a settlement day Eesti Pank shall send to participants of the system two types of reports: reports on payment orders and statistics reports.

8.1. Report on payment orders

- 8.1.1. A report on payment orders shall include a list of payment orders accepted by ESTA in the course of a settlement period.
- 8.1.2. A report on payment orders shall be compiled for each ESTA active participant individually, so that it includes a list of only these payment orders whose appointed receiver the respective active participant of ESTA is.
- 8.1.3. Reports on payment orders shall be compiled on a settlement day at the end of each settlement period from 8:30 to 18:00 on every full hour and these shall include lists of payment orders accepted by ESTA between full hours, except the first report of the settlement day, which shall include the list of payment orders accepted from 8:30 to 9:00.

8.2. Statistics reports

- 8.2.1. Eesti Pank shall send to all participants of ESTA two types of statistics reports, which comprise a list of all transactions made in ESTA in the course of a settlement day.
- 8.2.2. All statistics reports shall be compiled for each ESTA participant individually, so that they include lists of only these transactions in which the ESTA participant receiving the report is a counterparty.
- 8.2.3. The first statistics report includes a list of payment orders transmitted to Eesti Pank by the active participant of ESTA who is receiving the report.
- 8.2.4. The second statistics report includes a list of payment orders transmitted to Eesti Pank by other active participants of ESTA whose appointed receiver is the active participant of ESTA who is receiving the report.

9. Price List

- 9.1. Participants of ESTA shall pay the accession fee and the fee for processing payment orders according to the Price List established by Eesti Pank.
- 9.2. Participants of ESTA shall pay the sums subject to payment according to the Price List by the established date and time into the account of Eesti Pank. Eesti Pank shall have the right to debit the sums subject to payment according to the Price List from the account used for meeting the liabilities of an ESTA participant, held with Eesti Pank, if the ESTA participant has given an appropriate consent in the accession contract or other agreement concluded with Eesti Pank.

10. Operational failures of ESTA

- 10.1. The task of Eesti Pank is to ensure the operation of ESTA as stipulated in the General Terms and Conditions and eliminate all operational failures of ESTA. A participant of ESTA is obligated to eliminate these operational failures that have appeared in these parts of ESTA that are under the control of the ESTA participant or, if that is not possible with the facilities in the command of the ESTA participant, address Eesti Pank for the elimination of such failures. Operational failures of ESTA have to be eliminated in the shortest possible time necessary, on the condition that it will not incur unproportionally high costs compared to the prevented loss to the entity obliged to eliminate the operational failures.
- 10.2. Eesti Pank is obligated to compensate an ESTA participant for a direct loss occurred due to operational failures of ESTA, if the cause of the loss was a failure of Eesti Pank to meet its legal or contractual obligations. The responsibility of Eesti Pank shall arise only if direct causal interrelation can be established between operational failures of ESTA and the failure by Eesti Pank to meet its legal or contractual obligations.
- 10.3. A participant of ESTA is obligated to compensate Eesti Pank for a direct loss incurred from operational failures of ESTA, if the cause of the loss was the failure by the ESTA participant to meet its legal or contractual obligations. The liability of the ESTA participant shall arise only if direct causal interrelation can be established between operational failures of ESTA and the failure by the particular ESTA participant to meet its legal or contractual obligations.
- 10.4. ESTA participants and Eesti Pank are obligated to compensate each other for a direct loss occurred due to operational failures of ESTA in so far as the cause of the loss occurred has been detected to be the failure by one or several ESTA participants or by Eesti Pank to meet their legal or contractual obligations. The loss is not subject to compensation if it has been established that the cause of the loss has been a failure to meet legal or contractual obligations by the particular ESTA participant who has suffered the loss or by Eesti Pank itself.
- 10.5. Clause 10.4 of the General Terms and Conditions limits the right of neither a participant of ESTA nor Eesti Pank to submit claims for compensation of loss against third parties.

11. Elimination of errors occurred in settlement and compensation claims to Eesti Pank

11.1. Elimination of errors

- 11.1.1. If an ESTA participant detects an error when checking its payments, it is obligated to immediately notify Eesti Pank thereof.
- 11.1.2. If an error has occurred in the settlement process, Eesti Pank maintains the right to correct the error without prior consent of the relevant ESTA participant(s), if correction of the error is possible without violating the rights of ESTA participants or Eesti Pank.
- 11.1.3. Eesti Pank maintains the right to debit the account of an ESTA participant at once and without prior notice to the ESTA participant with any sum the account has been erroneously credited with.
- 11.1.4. ESTA participants have to submit all claims arisen due to errors related to settlement, processing or execution of claims to Eesti Pank within 30 settlement days at the latest subsequent to the day they were provided with information about respective transactions. Eesti Pank shall not review any claims submitted after the deadline.

- 11.1.5. In exceptional circumstances, Eesti Pank shall review the claims submitted later than stated in clause 11.1.4 of the General Terms and Conditions if an ESTA participant proves that it had no possibility to notify of the occurred error in time.
- 11.1.6. Eesti Pank shall not be responsible for the losses sustained by participants of ESTA due to their actions or inactivity, if the claims specified in clause 11.1.4 of the General Terms and Conditions are not submitted in time, and there are no grounds for review of the claims due to exceptional circumstances.

11.2. Compensation claims

- 11.2.1. Eesti Pank shall be held liable for any errors occurring in the processing of payment orders by fault of Eesti Pank.
- 11.2.2. If an ESTA participant submits a claim related to the errors made in settlement, processing or execution of claims, it also has to submit to Eesti Pank by the deadline stated in clause 11.1.4 of the General Terms and Conditions all the necessary evidence supporting the alleged violation.
- 11.2.3. If it is necessary for Eesti Pank to carry out an additional investigation into the circumstances of the alleged violation and if as a result of the investigation the ESTA participant that has requested the investigation turns out to be guilty of the violation, the ESTA participant is obligated to compensate Eesti Pank for the costs of the additional investigation. Eesti Pank maintains the right to refuse to carry out an additional investigation if it turns out that the cost of the additional investigation is unreasonably high compared to the price of the loss sustained. An ESTA participant has the right to dispute the refusal to carry out an additional investigation in the Court of Arbitration of the Council of Payment System Experts.

12. Confidentiality

- 12.1. The counterparties, sums and terms and conditions of the transactions made through ESTA are confidential, and in keeping and processing the respective information the requirements covering information subject to banking secrecy are observed. ESTA participants and Eesti Pank are obligated to ensure that confidentiality is maintained. Release of confidential information to third parties may take place only if the obligation to release such information is stipulated by the law.
- 12.2. Participants of ESTA are under obligation to establish procedure rules and provisions to ensure that access to ESTA is open only to those included in the list of authorised persons and to obligate all authorised persons to use ESTA only in the way that enables to guarantee confidentiality in the operation of ESTA.
- 12.3. In case:
- a) an employee or an authorised entity of an ESTA participant has disclosed the code and/or password enabling access to ESTA to an unauthorised person/entity or has used ESTA in a way not guaranteeing confidentiality. or
 - b) a third person has used the codes and/or passwords of an ESTA participant, the ESTA participant is obligated to fully compensate for the loss sustained by Eesti Pank or other ESTA participants due to or as a consequence of such a situation.

13. Forwarding of notices

An ESTA participant is obligated to notify Eesti Pank, and Eesti Pank is obligated to notify each ESTA participant in the fastest possible way of any circumstance that may influence the ability of an ESTA participant or Eesti Pank to meet the requirements laid down in the Technical Specifications or the accession contract or which may in some other way affect the functioning of ESTA. If the information is produced in a way that does not enable validation of its authenticity later, the notice has to be repeated on the first opportunity in writing or in the form enabling reliable written reproduction.

14. The Council of Payment System Experts and the Court of Arbitration of the Council of Payment System Experts

- 14.1. The Council of Payment System Experts is a standing working body comprising experts in the field of payments, which is entitled to give recommendations to Eesti Pank for improving the work of ESTA and which in the form of court of arbitration shall solve disputes which may arise from the use of ESTA.
- 14.2. The Court of Arbitration of the Council of Payment System Experts serves to solve disputes that have arisen between Eesti Pank and/or ESTA participant(s) in relation to the functioning of ESTA and which cannot be solved by mutual agreement.
- 14.3. In case of non-agreement with the decision of the Court of Arbitration of the Council of Payment System Experts, Eesti Pank or the relevant ESTA participant has the right to turn to the court for solving the dispute.

15. Amendment of General Terms and Conditions, Price List and Technical Specifications and application of law

15.1. Amendment of General Terms and Conditions, Price List and Technical Specifications

- 15.1.1. Eesti Pank is entitled to unilaterally make amendments into the General Terms and Conditions, Price List and/or Technical Specifications.
- 15.1.2. All amendments made by Eesti Pank in the General Terms and Conditions, price List and/or Technical Specifications shall become effective on the date determined by Eesti Pank.
- 15.1.3. Eesti Pank is obligated to inform each ESTA participant of the planned amendments in the General Terms and Conditions, Price List and/or Technical Specifications at least two months before the amendments become effective. Eesti Pank and ESTA participants may agree on a different notification period for individual cases, if necessary.

15.2. Application of law

- 15.2.1. Estonian laws are applied to legal relations and contracts regulating the operation of ESTA.
- 15.2.2. If due to the laws in effect or the laws to be effected in future it is not possible to apply some provisions of the General Terms and Conditions and the validity of this provision is not of determinative importance in respect of the operation of the entire ESTA or fair distribution of the rights and obligations of Eesti Pank and participants of ESTA, non-application of this provision shall not influence the applicability of the remainder of the provisions of the General Terms and Conditions.
- 15.2.3. If due to the laws in effect or the laws to be effected in future it is not possible to apply such a provision of the General Terms and Conditions which is of determinative importance in respect of the entire operation of ESTA or fair distribution of the rights and obligations of Eesti Pank and ESTA participants, Eesti Pank has the right to make amendments in the General Terms and

Conditions necessary for ensuring the ability of work of ESTA. Eesti Pank has the right to bring the above amendments into force prior to the due date stated in clause 15.1.3 of the General Terms and Conditions, provided that ESTA participants have been notified of the amendments at least five settlement days in advance.

Drafted by:

Meelis Mark

10.12.2010

**Appendix 2
to Eesti Pank Governor's Decree No
29, 20 December 2010, "Amendment of
Eesti Pank Governor's Decree No 1,
10 January 2002, "Approval of
documentation of payment systems of
Eesti Pank" and repeal of Eesti Pank
Governor's Decree No 9, 7 November
2006, "Approval of documentation of
the Real-Time Gross Settlement
System of Eesti Pank"'"**

Appendix 4
to Eesti Pank's Governor's Decree No 1,
10 January 2002, "Approval of
documentation of payment systems of
Eesti Pank"'"

Price list of ESTA

I General principles

The fees listed in the price list are subject to payment into the bank account stipulated by Eesti Pank, unless valid legislation or agreements concluded between Eesti Pank and a participant of ESTA stipulate otherwise.

II Fees

Fee for the access to ESTA	6,000 euro
Fee for settlement of payment	3 euro cents