

EESTI PANK
GOVERNOR'S DECREE No. 3

Tallinn, 24 April 2012

Terms and conditions for holding accounts in Eesti Pank

The Decree is established under clauses 14 2) and 5) of the Eesti Pank Act.

§ 1. Scope of regulation of the terms and conditions

- (1) These terms and conditions for holding accounts in Eesti Pank (hereinafter the *terms and conditions*) regulate the relationships between Eesti Pank as the account manager and a person applying for opening an account in Eesti Pank (hereinafter the *applicant*) or a person holding an account in Eesti Pank (hereinafter the *client*) regarding the opening and usage of one or several accounts held in Eesti Pank on behalf of the client for the purpose of performing transactions (hereinafter the *account*).
- (2) The currency of the account shall be the euro.
- (3) Eesti Pank shall allow cash deposits to and cash withdrawals from and bank transfers to or from the client's account (hereinafter *payment transaction(s)*) and shall preserve on the account the funds belonging to the client or received for the client.
- (4) Upon performing of payment transactions and preserving of funds, Eesti Pank shall base its actions on the legislation in force, on these terms and conditions, on contracts and agreements in force between Eesti Pank and the client; and on the client's orders.
- (5) If any special terms adopted by Eesti Pank or agreed between Eesti Pank and the client regarding the holding of certain accounts or regarding transactions performed with the client's account are in conflict with these terms and conditions, then such special terms shall be applied.

§ 2. Eesti Pank's right to open accounts

Eesti Pank may open accounts for the following persons:

- 1) Estonian credit institutions;
- 2) Central banks of the State Parties of the EEA Agreement;
- 3) Credit institutions or their subsidiaries registered within the EEA;
- 4) Credit institutions being established in Estonia;
- 5) Other persons, institutions and organisations regarding which Eesti Pank has the opinion that the holding of their accounts aids the performance of the duties of Eesti Pank.

§ 3. Applying for opening of an account

- (1) The application for opening an account shall be submitted to Eesti Pank by utilising the relevant online form published at the website of Eesti Pank. The application must be accompanied by documents proving the legal status of the applicant and the authorisations of the applicant's representatives, according to the guidelines published at the website of Eesti Pank. In case of discovering any shortcomings in

the application or the documents accompanying it, Eesti Pank shall grant the applicant a reasonable time limit for eliminating the shortcomings.

- (2) Normally a client may have one account in Eesti Pank. If an applicant or a client wishes to open more accounts in Eesti Pank, then that person may submit a relevant justified application to Eesti Pank; such an application shall be proceeded according to the general procedure and time limits applicable for opening of accounts. Upon making the respective decision, Eesti Pank shall base its actions primarily on the need to avoid risks and to treat applicants or clients in equal manner. Eesti Pank may request that an applicant or a client submit additional data or documents necessary for clarifying the following circumstances:
 - 1) Trustworthiness of the information presented about the legal status of the applicant or the client;
 - 2) Validity and scope of the authorisations and rights of representation of the managers or representatives of the applicant or client;
 - 3) The structure of holdings and control of the applicant or client as a legal person;
 - 4) Purposes of the transactions to be performed with the account being opened or held in Eesti Pank, and the part which those transactions have in the activity of the applicant or client.

§ 4. Deciding and formalising the opening of an account

- (1) Eesti Pank shall adopt a decision about opening or refusing to open an account within 45 calendar days after the date of handing over to Eesti Pank an application for opening an account, conforming to all prescribed requirements and accompanied with all prescribed documents. If the applicant is a person stated in clause 2 5) of these terms and conditions or if Eesti Pank is of the opinion that additional actions are necessary for adopting the decision, then Eesti Pank may extend the time limit for adopting the decision by up to 14 calendar days, informing the applicant about it before the end of the initial time limit for adopting the decision.
- (2) The opening of the account shall be formalised as a decision of Eesti Pank or as a contract between the client and Eesti Pank. The decision or contract shall include at least the following data:
 - 1) The client's name and address;
 - 2) The account number;
 - 3) The interest rate and the period of accounting of interest (if the accounting of interest is agreed between Eesti Pank and the client);
 - 4) The method and frequency of issuing account statements to the client;
 - 5) Personal data, contact data and grounds for authorisations of the representatives of the client and Eesti Pank;
 - 6) Contact data used for forwarding notices and orders of the client and Eesti Pank;
 - 7) The date of opening the account.
- (3) If the account is opened on grounds of a decision of Eesti Pank, then Eesti Pank may at any time request and the client shall allow the formulation of the terms of holding of the account as a contract between the client and Eesti Pank.
- (4) If the client wishes to utilise the account for making payments via a payment system administrated by Eesti Pank and the client conforms to the requirements prescribed for participants of the relevant payment system, then the client may submit an application for joining the payment system according to the rules of the relevant payment system. The joining shall take place according to the contract for joining the payment system.

§ 5. Use of the account

- (1) The client may use the account for the following purposes:
 - 1) Depositing euros;
 - 2) Making payment transactions;
 - 3) Ensuring the performance of payment obligations.

- (2) The client's orders issued for use of the account and accepted by Eesti Pank shall be binding for Eesti Pank. The payment instructions contained in an order may be intended for single or multiple payment transactions.

- (3) The client may use the account solely via representative(s) properly authorised by the client or authorised on grounds of the legislation in force.

- (4) In order to ascertain the existence of the authorisations necessary for using the account, Eesti Pank may at any time request that the client's representative present a personal identity document, a letter of authorisation, a document proving the right of signatory, a sample of signature, or other similar documents. In case of changing the representatives authorised for use of the account or in case of changing the scope of their right of representation, the client shall be obliged to submit to Eesti Pank in due time all data necessary for ensuring the legal certainty of the transactions of Eesti Pank and the client.

§ 6. The client's orders

- (1) The client shall submit its orders to Eesti Pank electronically. If electronic submission of payment instructions is hindered or entails excessive risk, then orders may be submitted in any form allowing for trustworthy reproduction in writing and accepted by Eesti Pank.

- (2) Eesti Pank has the right to assume that the content of an order submitted by the client conforms fully to the client's intent.

- (3) Eesti Pank shall accept only such orders from the client which are in conformance with the agreement between the client and Eesti Pank, are properly formalised, lawfully and unambiguous, and clearly express the client's intent. The payment instructions must state or allow Eesti Pank to unambiguously determine at least the following data:
 - 1) The payer's name;
 - 2) The payer's account number;
 - 3) Data necessary for identifying the payer (registry number; registry code, personal ID code or address);
 - 4) The beneficiary's name;
 - 5) The beneficiary's account number;
 - 6) Data necessary for identifying the beneficiary (registry number; registry code, personal ID code or address);
 - 7) The name or registry code of the beneficiary's credit institution;
 - 8) The amount and currency of the payment;
 - 9) The date on which Eesti Pank is obliged to start performing the payment instructions (value date);
 - 10) A worded explanation of the payment's purpose or a reference number of the payment if necessary;
 - 11) Requisites of the payment intermediary used by the credit institution (a correspondent bank of the beneficiary's credit institution) if necessary.

§ 7. Time limits and terms of accepting the client's orders

- (1) Eesti Pank shall accept orders from the client on settlement days from 9:00 to 17:00. Settlement days shall be deemed all days except Saturdays, Sundays, Estonian national and state holidays, and the Easter Monday. Orders received after the end of work time on a settlement day shall be deemed received on the next settlement day.
- (2) Eesti Pank shall accept the client's order if the client has forwarded to Eesti Pank all data which Eesti Pank considers necessary for performing the order. Eesti Pank shall accept the payment instructions contained in an order if the balance of the client's account as of the moment stated for performance of the instructions is sufficient for performing those instructions and if the time limits for performing the payment instructions as stated by the client allow a timely performance of those payment instructions.
- (3) If the client's order does not conform to the requirements prescribed in subsection 6 (3) of these terms and conditions, then Eesti Pank shall have the right to request that the client clarify the order or that the client provide additional data no later than by the end of the settlement day. If the client does not clarify the order or does not provide the requested additional data within that time limit, then Eesti Pank shall have the right to refrain from performing the relevant payment instructions.
- (4) Eesti Pank shall have the right to record all the client's orders or other information related to the use of the account, and to use those recordings for proving the content, form or other circumstances related to the client's orders.

§ 8. Performing the client's orders

- (1) Eesti Pank shall perform the client's orders according to the agreement between Eesti Pank and the client. The client shall be informed about received payments in an electronic or written form.
- (2) If the account's balance is not sufficient for performing an order, then Eesti Pank shall perform the order only if this is previously agreed and if the client has provided Eesti Pank with a security or a deposit which is sufficient for compensating the amount necessary for performing the order.
- (3) Eesti Pank shall not be obliged to perform a conditional order submitted by the client.
- (4) Eesti Pank shall debit the transaction amount from the client's account on the value date stated by the client.

§ 9. Revoking an order

- (1) The client may revoke own order submitted to Eesti Pank, by submitting the relevant application to Eesti Pank in a form allowing for trustworthy reproduction in writing.
- (2) An order cannot be revoked if Eesti Pank has already performed the obligation resulting from the order, has become unable to independently dispose the funds being the object of the order; or the order cannot be revoked due to terms of the transaction.

§ 10. Erroneous transactions

- (1) If Eesti Pank has erroneously (incl. without legal grounds) credited the client's account, then immediately after discovering the erroneous transaction the client shall

be obliged to inform Eesti Pank about it and to return the erroneously credited amount.

- (2) Eesti Pank shall have the right to block any and all amounts erroneously credited to the client's account and not voluntarily returned by the client, or to debit the client's account for the same amount, without having to obtain the client's consent.
- (3) If Eesti Pank has erroneously debited the client's account, then immediately after discovering the erroneous transaction Eesti Pank shall be obliged to credit the client's account for the amount erroneously debited from it.

§ 11. Verifying the lawfulness of the client's activities

- (1) If Eesti Pank receives information that gives rise to suspicion about the client as a legal person conforming to the prescribed requirements or about the client's activities being lawful, then Eesti Pank may request that the client submit data and documents necessary for eliminating such doubt, or may apply one or several of the following measures:
 - 1) Verifying the client's legal status, the information submitted by the client, or the right of representation of the client's representative on the basis of additional documents or data originating from a trustworthy independent source;
 - 2) Performing actions to ascertain the authenticity of the documents submitted by the client and the correctness of the information contained therein, including verifying the lawfulness of the format of the documents, or making a request that the person having issued the document also conform the authenticity of the document;
 - 3) Contacting the client or other persons in order to obtain data about the client's legal status, business relationships or transactions.
- (2) Eesti Pank shall have the right to delay the performance of the client's orders or to suspend the client's payments until determining the client's legal status or until ascertaining the lawfulness of the client's activities on the basis of the data, documents or measures stated in subsection (1).

§ 12. Suspending of payments

- (1) Suspending of payments means that Eesti Pank refuses to perform the client's orders for disposing the funds on the client's account. Eesti Pank shall have the right to suspend the client's payments if Eesti Pank has a justified suspicion regarding the following circumstances:
 - 1) The identity of the client's representative;
 - 2) The validity of the authorisations of the client's representative;
 - 3) The lawful origin of the funds used for payment transactions;
 - 4) The lawfulness of the client's transactions or activities;
 - 5) The client's ability to perform the obligations undertaken by the client.
- (2) Eesti Pank shall not bear liability for any direct or indirect damages caused to the client as a result of suspending of payments.

§ 13. Closing the account

- (1) Eesti Pank shall have the right to unilaterally close the client's account in Eesti Pank at any time and to request that the client pay all its debts which are related to the use of the account or which are required to be debited pursuant to the legislation in force or according to a valid contract. Eesti Pank's right to close the account shall not be bound to any limiting preconditions e.g. the client's prior violation of these

terms and conditions or the legislation in force. If the client does not pay its debts within the time limit stated by Eesti Pank, then Eesti Pank shall have the right to utilise the security provided by the client to Eesti Pank, in order to eliminate the relevant debts, without having to inform the client about it beforehand, unless prescribed otherwise by the terms of the relevant security agreements.

- (2) The client shall have the right to close its own account, by forwarding to Eesti Pank a relevant order in writing or in a form allowing for trustworthy reproduction in writing. Before closing the account, the client shall be obliged to pay all its debts which are related to the use of the account or which are required to be debited pursuant to the legislation in force or according to a valid contract.
- (3) Closing of the account shall not have any influence on any prior monetary claims becoming enforceable or being satisfied.
- (4) Before closing the account, Eesti Pank shall credit the payable interests to the account and shall debit the client's debts and other amounts payable to Eesti Pank from the account. Eesti Pank shall pay out the monetary balance of the account to the client or to a third party assigned by the client or shall transfer it to the account stated by the client.
- (5) If the client has not submitted to Eesti Pank an order to pay out the monetary balance of the account or to transfer that monetary balance to another account, then Eesti Pank shall preserve the funds which were on the client's account, storing those funds on own account and paying them out at the first request of the client or depositing them at a notary on behalf of the client. Eesti Pank shall not pay any interest on funds remaining in possession by Eesti Pank after the closing of the account or ending up in possession by Eesti Pank according to this subsection.
- (6) Eesti Pank shall have the right to reject all payment instructions for crediting a closed account. If a payment addressed to a closed account has been received in Eesti Pank, then Eesti Pank shall return the received funds to the initiator of the payment. Payments addressed to a closed account may be forwarded by Eesti Pank to the client having held that account or to a legal successor of that client only if the initiator of the payment does not express a wish to have the payment returned and if Eesti Pank has trustworthy information about the identity of the client or its legal successor and about the data necessary for forwarding the payment to such person.
- (7) Upon closing the account, Eesti Pank shall have the right to withdraw from all contracts and agreements between Eesti Pank and the client signed for the purpose of holding that account or having a significant condition for validity stated as the existence of that account, unless prescribed otherwise by the legislation in force.
- (8) A closed account cannot be reopened. A new account in Eesti Pank can be opened for the client, respecting the procedure and criteria stated in these terms and conditions.

§ 14. Charges

- (1) Opening and using of the account shall be chargeable according to the charge rates stated in section 15 of these terms and conditions.
- (2) Eesti Pank and the client may agree for different charge rates than those stated in section 15 of these terms and conditions or for free-of-charge actions, if this is justified by the specific circumstances and does not bring about a significantly unequal treatment of other similar clients.

- (3) Eesti Pank shall have the right to debit the charges from the client's account in amounts conforming to the charge rates, unless this conflicts with the legislation in force or with a valid contract between Eesti Pank and the client. The charges shall be debited on the tenth settlement day of the month following the month of incurring the payment obligation, unless agreed otherwise between Eesti Pank and the client.
- (4) If Eesti Pank does not debit the enforceable charges from the client's account, then the client shall be obliged to transfer those amounts to the account of Eesti Pank on the basis of an invoice issued by Eesti Pank to the client. Such an invoice must state at least the grounds for the charge, the payable amount and the payment deadline of the charge.
- (5) If the client delays the payment of a charge, then Eesti Pank may request that the client pay a delay penalty on the due sum according to the delay penalty rate prescribed in subsection 113 (1) of the Law of Obligations Act, calculated from the date of the charge becoming enforceable until the date of actual performance of the payment obligation.

§ 15. Charge rates

- (1) The charge for opening an account in Eesti Pank shall be 0 euros.
- (2) The charge for performing each payment instruction shall be 5 euros.
- (3) The charge for each rejection of an order and for performance of each order of revoking an order shall be 5 euros.
- (4) The charge for each account statement shall be 0 euros.

§ 16. Interests

- (1) Eesti Pank shall pay to the client any interests on the funds of the client's account only if the obligation to pay such interests is prescribed in the legislation in force, if Eesti Pank has undertaken such an obligation for itself, or if the payment of such interests has been agreed between Eesti Pank and the client.
- (2) If Eesti Pank pays interest on the funds of the client's account, then the interest rate, the basis for calculating the interest and the procedure for paying the interests shall be established according to the legislation in force, other valid normative acts and agreements between Eesti Pank and the client. If there is no normative act or agreement stating otherwise, then Eesti Pank shall calculate the interest on the account's balance once per month or once per quarter according to the following formula for calculating the amount of simple interest:

$$I = \frac{\sum_{p=algus}^{lõpp} R_p}{s} * \frac{i * t}{100 * 360},$$

where:

I – interest amount;

algus – starting date of the accounting period;

lõpp – ending date of the accounting period;

s – number of calendar days in the accounting period;

R_p – account's balance on day *p*;

i – interest rate in force on the last calendar day of the accounting period (with two decimal places);

t – calculated number of days in the period (30 days in a month, 90 days in a quarter).

- (3) The interest amount shall be paid to the client's account within the first five settlement days of the month following the accounting period.

§ 17. Security instruments and deposits

- (1) The client shall be obliged to ensure that its account has sufficient funds for the performance of all payments to be made from the account on grounds of its orders or other obligations or agreements.
- (2) Eesti Pank shall have the right to debit from the client's account all monetary claims incurred on grounds of these terms and conditions or resulting from other contracts or agreements between Eesti Pank and the client.
- (3) Eesti Pank shall have the pledging right regarding all funds on the client's account, as a financial security of Eesti Pank's claims against the client. Such security shall be deemed to have been established already from the fact that the client's account has a positive balance.
- (4) The client shall have the right to secure the performance of its obligations with a deposit in Eesti Pank, whereas such deposit shall be used according to the legislation in force, the rules established by Eesti Pank, or an agreement between the client and Eesti Pank.

§ 18. Informing the client

- (1) Eesti Pank shall keep a journal of crediting and debiting of the client's account.
- (2) The client may request that Eesti Pank provide information about the balance of the client's account and about crediting and debiting of the account.
- (3) Eesti Pank shall issue an account statement to the client after 19:00 on a settlement day. If nothing else has been agreed, then Eesti Pank shall issue a balance statement for a calendar year free-of-charge no later than by 15 January of the following year.
- (4) Eesti Pank shall provide to the client at least the following data about the performed bank transfers, in a form allowing for trustworthy reproduction in writing:
 - 1) Data allowing for identifying the bank transfer;
 - 2) The amount and currency of the bank transfer;
 - 3) The amount of service charges and other expenses;
 - 4) The value date.
- (5) Eesti Pank shall preserve the information allowing for proving the payment transactions made with the account, for ten years after the performing of those payment transactions.

§ 19. Liability of Eesti Pank

- (1) Eesti Pank shall not bear liability for any damages resulting from errors of content, format or forwarding, vagueness, misuse or mistakes of orders forwarded by the client to Eesti Pank.
- (2) Eesti Pank shall not bear liability for any non-performance or mis-performance of an order, if the order has been performed according to the data submitted by the client to Eesti Pank on the basis of subsection 6 (3) of these terms and conditions. The client shall be responsible for the correctness of the data contained in an order.

- (3) If the client is unable to use the funds on its account due to a violation caused by the fault of Eesti Pank and conforming to the criteria described in subsection (4) of these terms and conditions, then upon the relevant request from the client Eesti Pank shall credit the client's account with the interest calculated on the amount blocked due to the violation and for the period of the duration of the violation. The interest rate shall be the latest interest rate applicable to the main refinancing operations of the European Central Bank before 1 January and 1 July of each year, unless stated otherwise in an agreement between Eesti Pank and the client.
- (4) As a prerequisite for satisfying a request described in the previous subsection, the client shall prove the lack of any circumstances precluding the liability of Eesti Pank as stated in subsections (1) and (2) and shall prove that Eesti Pank:
 - 1) Did not credit the account in due time with the amount received for the client's behalf;
 - 2) Incorrectly debited the client's account;
 - 3) Did not perform the client's order in due time.

§ 20. Confidentiality

- (1) Eesti Pank and the client shall be obliged to handle each other's information and data media as confidential, preventing it from ending up in possession by third parties and limiting the circle of persons having access to such information.
- (2) The obligation of preserving confidentiality shall not be in effect if its performance would be in conflict with the legislation in force. The obligation of preserving confidentiality may be restricted if such restriction is allowed by the legislation in force or is prescribed with an agreement between Eesti Pank and the client.
- (3) The provisions of this section shall not restrict Eesti Pank's right to forward information to the Financial Intelligence Unit if Eesti Pank has a suspicion that the account is being used for money laundering or terrorism financing. Such information shall be forwarded without notifying the client.
- (4) In case of violation of the obligation of preserving confidentiality, including wilful and non-wilful violations, the violating party shall be obliged to compensate the direct damages caused by the violation.

§ 21. Repealing a decree

The Decree No. 10 of the Governor of Eesti Pank from 13 May 2004 "Establishment of general terms and conditions and price list of account management" (RT I, 29.12.2010, 6) shall be repealed.

Andres Lipstok
Governor