

**GENERAL TERMS AND CONDITIONS OF CIBANK JSC  
FOR PROVISION OF PAYMENT SERVICES TO INDIVIDUALS  
/users within the meaning of the Law on Payment Services and Payment Systems/**

**I. SCOPE**

1. These General Terms govern the conditions of CIBANK JSC (**hereinafter referred to as the "Bank"**), entered in the Commercial Register with the Registry Agency under UIC 831686320, with a seat and registered address at: city of 1612 Sofia, Krasno Selo Region, 1 Tsar Boris III Blvd. and email address [www.cibank.bg](http://www.cibank.bg), with the BNB in the capacity of the supervisory authority for the provision of payment services in local and foreign currency to individuals - users ("**Clients**") within the meaning of the Law on Payment Services and Payment Systems (**LPSPS**) and the relations arising between Clients and the Bank in connection to the payment services provided.

**II. PAYMENT SERVICES PROVIDED BY THE BANK**

**A. Description of the payment services provided by the Bank:**

1. Depositing cash to a payment account and related operations for servicing the payment account.
2. Withdrawing cash from a payment account and related operations for servicing the payment account.
3. 1. Execution of payment transactions, including transfers of funds to a payment account of the Client at the Bank or at another payment service provider:
  - 3.1.1. Execution of direct debits, including one-off direct debits;
  - 3.1.2. Execution of payment transactions through payment cards or other payment instruments;
  - 3.1.3. Execution of credit transfers, including orders for periodic transfers;
  - 3.1.4. Execution of cash transfers.
- 3.2. (new – Minutes No 12/22.03.2013, effective as from 27.05.2013) Upon execution of payment services through CIBANK ONLINE, the Bank may set limits on payments for certain operations.

**B. Type and characteristics of the information, which shall be provided by the payment service user, so as to ensure the correct execution of the payment order**

4. When the payee's payment service provider is a bank, the Client shall provide the international banking identification code of the bank (BIC) and the international bank account number (IBAN) or another unique identifier of the account (for non-EC countries) of the payee by filling them into the payment order.

**C. Form and procedure for granting and withdrawal of consent to execute payment transactions**

5. The Bank does not control the subject of the transaction as a result of which the transfer occurred, unless such control arises from the loan contract, through which the Bank has provided the sum to the client or another contract to which the Bank is a party.

6. Upon execution of transactions, the Bank shall not be responsible for the legality of transactions, unless a regulatory act provides otherwise. The Bank shall not be liable for normal banking intermediation in transactions of its clients, concluded in violation of regulatory acts.

7. The Bank processes personal data of Clients in compliance with the Law on Personal Data Protection; in cases of prevention, investigation and detection of fraud related to payment services, the processing can be performed without the consent of the Client, whose data is concerned.

8. Upon execution of transfers, the Bank observes the following conditions:

- 8.1. only by order or with the prior consent of the Client, signed by persons, authorized to operate the account of the payer or by duly drawn up electronic payment order;
- 8.2. availability of sufficient funds in the account of the payer to cover the transferred amount and the costs related to the transfer;
- 8.3. submission of documents, required by a regulatory act or other documents, required by the Bank to execute the respective transfer.

9. The Bank shall execute the payment order only to the amount of funds available in the Client's account or to the amount of the agreed loan, if any. If these conditions are not met, the Bank shall refuse to execute the payment order.

10. The Bank shall not execute partial transfers on individual payment orders or direct debit orders. Partial payments may be made only in cases of enforcement proceedings in accordance with the relevant statutory procedure, and in cases of official collection by the Bank.

11. To ensure the correct execution of payment transactions by the Bank, the Client shall submit payment orders on paper, as instructed by the BNB, in accordance with a sample form provided by CIBANK JSC and / or electronically through the Internet Banking service, in compliance with the requirements of the Law on the Electronic Document and the Electronic Signature.

12. The Bank shall accept payment orders that are not in accordance with its sample form if they contain all required details and are completed in accordance with the primary and the secondary legislation. Forms, on which the name of another bank has been pre-printed or written, shall not be accepted.

13. When a payment transaction in foreign currency is ordered, the Client shall provide the Bank with all necessary documents required under the Currency Act, Ordinance No 27 of the BNB on the Balance of Payments Statistics, Ordinance No 28 of the BNB on Information Collected by Banks about Cross-Border Transfers and Payments.

14. Payment documents shall be drawn up by the Client, who is responsible for the consequences of improper preparation.

15. The Bank shall assign a unique registration number to each payment document, submitted for execution, which shall be indicated on the payment document and shall serve to identify each payment.

16. The Bank shall debit the client's account without an order submitted by the client in the following cases:

16.1. Upon execution of enforcement proceedings, established by law;

16.2. Upon correction of errors attributable to the Bank;

16.3. Payment of fees and commissions for services provided by the Bank, payment of interest on the client's debt to the Bank, and in other cases agreed upon in writing between the Bank and the Client;

17. The Bank shall not be responsible for incorrectly filled in data and has the right to refuse to accept payment documents, if they are not duly drawn up and are not completed legibly, and if the Client has not submitted declarations and/or other documents required by the effective legislation of the Republic of Bulgaria or internal bank documents.

18. The Bank has the right to refuse to execute the payment transaction ordered by the client, in case of restrictions under the effective laws of the Republic of Bulgaria, the applicable rules for the execution of payment transactions and these General Terms.

19. (amended with Minutes No 24/28.06.2012, effective as from 01.10.2012) The Client may cancel payments and withdraw payments orders submitted to the Bank only if until the withdrawal, the payment order has not been executed, and shall pay the Bank a fee for the cancellation of the payment order in accordance with the its Tariff, applicable to individuals.

#### **D. Receipt of a payment order.**

20. The moment at which the Bank receives the payment order in accordance with the procedure and manner, set out in these General Terms shall be considered the moment of receipt of the payment order.

21. When the day of receipt is not a business day for the Bank, the payment order shall be considered received on the next business day.

22. When upon request by the Client, a payment order shall be executed on a specific day, the moment of receipt of the payment order shall be considered the agreed day, and if that day is not a business day for the Bank - the next business day.

23. The Bank shall set a deadline within the business day, after which each payment order shall be considered received on the next business day as follows:

- (amended with - Minutes No 22/09.06.2011) transfers through BISERA - after 1.00 pm;
- transfers through RINGS - after 2.30 pm for orders on paper and after 3.00 pm for electronic orders;
- cross-border transfers - after 3.00 pm.

#### **E. TERM FOR EXECUTION OF SUBMITTED PAYMENT SERVICES**

24. To execute local transfers, the Bank shall accept payment documents /payment orders/ on paper or electronically through the Internet Banking service, and execute them as follows, when the date of execution is not specified in the payment document:

24.1. (amended with - Minutes No 22/09.06.2011) through BISERA for amounts below BGN 100,000.00, with value date on the same day for the payer and the payee, if they have been submitted on paper by 1.00 pm, and electronically by 3.00 pm on the business day of the Bank;

24.2. through RINGS for amounts equal to or above BGN 100,000.00, with value date on the same day for the payer and the payee within one hour after their receipt, if they have been submitted on paper by 2.30 pm, and electronically by 3.00 pm on the business day of the Bank;

24.3. through RINGS for payments requested by the Client for amounts below BGN 100,000.00, with value date on the same business day for the payer and the payee, and within one hour after their receipt, if they have been submitted on paper by 2.30 pm, and electronically by 3.00 pm on the business day of the Bank;

24.4. (amended with - Minutes No 22/09.06.2011) cashless payments between client accounts in the Bank, which have been presented on paper until 5.00 pm, are executed with a value date on the same business day, and electronically until 6.00 pm during the business day of the Bank;

24.5. payment documents with a date of execution other than the date of submission of the document shall be executed on the value date indicated as the date of execution. The Bank shall accept payment orders with date of execution not more than 5 (five) business days from the date of submission of the payment order;

25. The Bank shall execute a received direct debit order from the bank of the payee after checking if:

25.1. there is prior consent of the payer for a direct debit;

25.2. there are sufficient available funds in the payer's account to execute a direct debit or an authorized credit;

25.3. the conditions for executing the direct debit order have been satisfied and the documents required for its execution have been received, if the submission of such documents has been agreed.

26. If within five (5) business days from the receipt of the order for direct debit, the conditions for its execution under item 25 are not met, the Bank shall refuse to execute the direct debit order and shall inform the payee's bank about that.

27. To execute transfers in foreign currency, the Bank shall accept payment documents on paper or submitted through Internet Banking and execute them through its correspondent banks and the S.W.I.F.T international payment system, as follows:

27.1. all orders for cross-border transfers, submitted to the Bank by 3.00 pm on the business day, shall be executed with a value date not later than two bank business days from the receipt of the payment order by the Bank;

27.2. (amended with - Minutes No 24/28.06.2012, effective as from 01.10.2012) upon request by the Client and based on availability, the Bank shall execute express cross-border transfers for a fee specified in the Bank's Tariff, applicable to individuals;

27.3. for transfers received in foreign currency, the Bank shall credit the Client's account with a value date not later than the business day on which the account of the Bank is credited with the amount of the payment transaction;

27.4. The Bank shall accept and execute cross-border transfers in EUR or in the currency of a Member State of the European Community, only with shared fees and commissions.

### **III. (new- Minutes No 24/28.06.2012, effective as from 01.10.2012) PAYMENTS ACCOUNTS KEPT BY THE BANK /BANK ACCOUNTS/. TYPES.**

1. (new - Minutes No 24/28.06.2012, effective as from 01.10.2012) Current accounts - accounts for depositing cash and executing payment operations. The Bank shall accept, process and execute payment orders initiated by current accounts in local and foreign currency within the territory of the country and abroad;
2. (new - Minutes No 24/28.06.2012, effective as from 01.10.2012) Saving accounts - accounts used for depositing cash, payable without any notice according to the terms announced by the Bank, specified in the Interest rate Bulletin and the Bank's Tariff, applicable to individuals. The Bank shall not execute payment orders in local and foreign currency from savings accounts, except for interbank payment orders between accounts of one and the same holder;
3. (new - Minutes No 24/28.06.2012, effective as from 01.10.2012) Other types of accounts for depositing cash, stipulated in the regulations and specified in the framework contract. –.

### **IV. FEES, COMMISSIONS, INTEREST RATES AND EXCHANGE RATES IN CONNECTION WITH THE PROVISION OF PAYMENT SERVICES**

1. (amended with - Minutes No 24/28.06.2012, effective as from 01.10.2012) The Bank shall accrue interest on the funds in payment accounts opened with it in an amount, determined by its Management Board and specified in the Tariff, applicable to individuals and the Interest Rates Bulletin of CIBANK JSC.

2. When the interest rates on payment accounts in BGN are determined, the level of the base interest rate determined by BNB, the levels of supply and demand of free cash and the efficiency criteria in the Bank's interest policy, shall be taken into consideration. When the interest rates on payment accounts in foreign currency are determined, the conditions in international markets, as well as the supply and demand of foreign currency on the local market, shall be taken into consideration.

3. Current accounts in BGN of individuals shall bear interest on an annual basis at the end of the respective calendar year, while the interest shall be accrued on the available balance in the account for each day interest is payable, and shall be deposited on the day of remuneration to the current account.

4. Savings accounts in BGN and foreign currency shall bear interest on an annual basis, while the interest shall be accrued on the available balance in the account for each day interest is payable, and shall be deposited on the day of remuneration to the savings account.

5. Current accounts in foreign currency of individuals shall bear interest on an annual basis at the end of the respective calendar year, while the interest shall be accrued on the available balance in the account for each day interest is payable, and shall be deposited on the day of remuneration to the current account.

6. Interest shall be calculated on the basis of the actual number of days, while the year shall be considered to have 360 days and the month to have 30 days.

7. Upon closing of an account, interest shall be accrued and paid as of the day of closing.

8. The Bank shall automatically calculate and collect tax on interest income on a payment account of the Client, if he or she is a foreign person and this tax is payable under Bulgarian tax legislation.

9. (amended with - Minutes No 24/28.06.2012, effective as from 01.10.2012) Upon opening and servicing payment accounts and conducting operations on them, the Client shall owe fees and commissions in accordance with the effective Bank's Tariff, applicable to individuals. These due amounts shall be collected automatically from the Client's account, for which he/she shall give his/her explicit and unconditional consent by signing a framework agreement for payment services.

10. Upon receipt/order of a transfer in foreign currency different from that in which the Client account has been opened, the Bank automatically converts the received/ordered amount by applying the exchange rate of the day, declared by the Bank.

11. The exchange rates for the purchase/sale of currencies, offered by the Bank, shall be declared daily at the designated areas in the bank offices.

12. All fees and commissions due for the execution of local and cross-border payment transactions shall be automatically collected by the Bank. In case of lack of funds, the amounts shall remain outstanding until the payment account has been activated, whereas the sequence of receivables shall be determined by the order of their occurrence.

#### **V. PROCEDURES FOR COMMUNICATION BETWEEN THE BANK AND THE CLIENT**

1. (amended with - Minutes No 1/05.01.2012) In order to present and control the funds held by the Bank, a statement of account(s) shall be drawn up and submitted to the Client or to his/her authorized representative in a manner as agreed in the framework contract. For a period in which there is no movement on the account, an account statement shall not be issued.

2. (amended with - Minutes No 1/05.01.2012) Account statements shall be drawn up in Bulgarian.

3. Upon request in writing, the Client shall be entitled to receive information about any change in the availability on a payment account.

4. The information on the payment account shall include: initial balance, data for each individual transaction and ending balance on a payment account as of the end of each business day, information about each non-cash transfer – information identifying the payment, the amount of the transfer, the amount of all costs, charges and commissions payable by the Client, the value date of the executed payment, the exchange rate used by the Bank when exchanging currency, information about the payer.

5. The framework contract shall be provided to the Client on paper, in Bulgarian, in two identical copies, one for each party.

6. During the validity of the framework contract, the communication between the Bank and the Client shall be in Bulgarian.

7. The Client shall be obliged to inform the Bank of any changes in the information provided to the Bank by him/her. The Bank shall not be liable, if the Client has not fulfilled this obligation in due time.

#### **VI. PROTECTIVE MEASURES**

1. The Bank shall be responsible for the proper execution of the payment order in accordance with the Client's order.

2. The Bank shall not be liable for incorrect information, submitted for executing a payment, as well as for an incorrect unique identifier (IBAN) submitted to it.

3. The Client shall notify the Bank of any unauthorized or incorrectly executed payment transaction, immediately after receiving information about it without undue delay, but not later than 13 (thirteen) months from debiting of the account.

4. The Bank shall be responsible to the payer (Client) for the correct execution of the payment transaction and in case an error is found, it shall take appropriate actions to trace the payment transaction, to notify the Client, and to take appropriate measures to refund the amount, where applicable.

5. The term under item 3 shall not be applied, if the Client has not fulfilled his/her obligations to provide the necessary and correct information and details for the execution of the payment transaction.

6. The Bank shall not be responsible for not executing or delaying cash transfers, ordered by the Client, in the event of extraordinary, unforeseen and unavoidable circumstances after the conclusion of a framework contract, as well as in case of actions taken by the Bank in order to comply with or avoid violation of regulatory requirements to prevent money laundering and terrorist financing.

7. The amounts in the accounts of the Client, accepted by CIBANK JSC, regardless of their number and currency, are guaranteed by the BANK's participation in the Bulgarian Deposit Insurance Fund, up to an amount in accordance with the Law on Bank Deposit Guarantee. The payment of amounts from the Fund shall start not later than 20 (twenty) business days from the date of the decision of BNB for cancellation of the banking license of the respective commercial bank. The Fund pays the guaranteed amounts of deposits through a commercial bank, determined by the Management Board.

8. The Fund shall not pay the guaranteed amounts on deposits in the Bank to:

8.1 persons, who have been granted preferential interest rates, as an exception from the conditions announced by the Bank, which it shall apply to its depositors;

8.2 persons holding shares, which entitle them to more than five percent of the votes in the Bank's general meeting of shareholders;

8.3 members of the Management and Supervisory Board, respectively, of the procurators / attorneys-in-fact and members of the bodies for internal audit;

8.4 individuals, who are specialized audit companies, elected or appointed in accordance with the relevant procedure in the law to certify the annual financial statement of the BANK;

8.5 spouses and lineal and collateral relatives up to the second degree, including the persons referred to in items 8.2, 8.3 and 8.4;

8.6 no guarantee shall be provided with respect to deposits, arising out of or related to transactions and actions, representing money laundering within the meaning of Art. 2 of the Law on Measures against Money Laundering, if the offender has been convicted by a final judgment.

#### **VII. CHANGES IN THE FRAMEWORK CONTRACT**

9. (amended with - Minutes No 24/28.06.2012, effective as from 01.10.2012) The Bank has the right to unilaterally change these General Terms, the Tariff, applicable to individuals and the Interest Rates Bulletin, of which it shall notify the

Client through its website and through putting information in visible places in its banking halls at least two months before the changes take effect.

10. It is considered that the Client has accepted the changes, unless he/she has notified the Bank that he/she does not accept these changes before their entry into force.

11. The notification under item 2 shall be submitted by the Client in writing in a Bank office of his/her choice.

12. In the event that he/she does not accept the changes, the Client has the right to terminate the framework contract up to the date on which the changes take effect, without compensation for termination of the contract.

## VIII. TERMINATION OF THE FRAMEWORK CONTRACT AND CLOSING OF A PAYMENT ACCOUNT

1. The framework contract shall be terminated:

1.1. At the request of the Client at any time without due notice to the Bank;

1.2. At the request of the Bank with a 2-month written notice;

1.3. Ex officio by the Bank, in case the Client does not pay the monthly service fee for the account within a three-month period.

2. The Client shall not owe any fees or penalties for terminating the contract after the expiration of 12 (twelve) months from the date of its conclusion.

3. (amended with - Minutes No 24/28.06.2012, effective as from 01.10.2012) Upon termination of the contract before the expiry of the term under item 2, the Client shall owe a fee in accordance with the Bank's Tariff, applicable to individuals.

4. In case of non-fulfillment of the contract by either party, the non-defaulting party may terminate it without notice.

## IX. PROCEDURE FOR LEGAL PROTECTION

1. For issues not settled in the framework contract and these General Terms, the applicable regulations of the effective Bulgarian legislation shall apply.

2. If case of an inaccurate or erroneous execution of the payment transaction by the Bank, the Client may submit a written objection.

3. The Bank shall decide and notify the Client in writing of its decision on any objection received within 7 (seven) days from its submission.

4. If the Bank does not act within the time limit under item 3, and if the decision does not satisfy the Client, the dispute may be referred to the Conciliation Commission for Payment Disputes, established at the Commission for Consumer Protection.

## X. ADDITIONAL PROVISIONS

### (1) Descriptions and definitions

1. **Value date** - a reference date used by the Bank to calculate interest on the funds debited from or credited to the payment account or the date on which the Bank is required to credit or debit the payment account, when remuneration has not been agreed.

2. **Direct debit** - a payment service for debiting the payment account of the payer, when the payment transaction is initiated by the payee on the basis of consent given by the payer to the payee, the Bank of the payee or the Bank of the payer.

3. **Credit transfer** - a payment transaction ordered by the payer through his or her payment service provider in order to make the funds available to the payee by his or her payment service provider. The payer and the payee may be the same person.

4. **Cash transfer** – a payment service where funds are provided by the payer without any payment accounts in the name of the payer or the payee, for the sole purpose of transferring the respective amount to the payee or to another payment service provider, acting on behalf of the payee and/or when such funds are received on behalf of the payee and are at his/her disposal.

5. **Transfer order** - any order by a participant in a payment system to make available to the payee a sum of money by recording it in the accounts in a bank, a central bank or a settlement agent or any other order, leading to assumption or execution of a payment obligation under the rules of the system.

6. **Payment transaction** - any action taken by the payer or the payee, related to depositing, transferring or withdrawing cash, regardless of the main relationship between the payer and the payee.

7. **Payment account** - an account held by one or more holders, used for the execution of payment transactions.

8. **Payment order** - any order by a payer or payee to a bank, ordering the execution of a payment transaction.

9. **Payer** - an individual or a legal entity that is a holder of a payment account and orders the execution of a payment order from that account, and when there is no payment account – an individual or a legal entity that gives a payment order.

10. **User of payment services** – an individual or a legal entity that uses a payment service as a payer or a payee, or as both.

11. **Recipient** - an individual or a legal entity, designated as the final payee of funds, which are the subject of a payment transaction.

12. **User** - an individual, user of a payment service, who, under agreements for the provision of payment services, performs an activity different from his/her business or professional activity.

13. **Business Day** - the day on which the bank of the payer or the payee, involved in the execution of the payment transaction, performs an activity necessary for the execution of the payment transaction.

(2) Changes in the legislation regarding the conditions for servicing a payment account shall be binding upon the parties under these General Terms from the moment these changes enter into force.

(3) All communications to clients by mail shall be sent to the latest address declared by them at the Bank.

#### **XI. FINAL PROVISIONS**

1. These General Terms are binding on Clients and represent an integral part of the framework contract concluded between the Bank and a client (an individual) for the provision of payment services.

2. These General Terms have been adopted by the Management Board of CIBANK JSC by Minutes No 39/08.10.2009 and have come into force on 01.11.2009. They replace the General Terms for Opening and Servicing of Current Accounts of Individuals adopted by Minutes No 30/30.07.2009 effective as from 03.08.2009.

These General Terms have been supplemented and amended by Minutes No 17/22.04.2010 effective as from 03.05.2010, Minutes No 14/14.04.2011 effective as from 02.05.2011, Minutes No 22/09.06.2011 effective as from 13.06.2011, Minutes No 1/05.01.2012 effective as from 11.01.2012; Minutes No 24/28.06.2012 effective as from 01.10.2012, Minutes No 12/22.03.2013.