

**BILATERAL COOPERATION AGREEMENT BETWEEN DEPOSIT  
GUARANTEE SCHEMES OF ESTONIA AND LATVIA**

*Tagatisfond (Guarantee Fund of Estonia; hereinafter **Tagatisfond**) and Financial and Capital Market Commission (Guarantee Fund of Latvia) (hereinafter **Financial and Capital Market Commission**) (each a **Party** or together, the **Parties**),*

*Recognising the responsibility of deposit guarantee schemes (DGS) to protect depositors, and their additional role in contributing to market confidence and financial stability,*

*Recognising the importance of cooperation between DGSs within the European Union, in particular, when deposit-taking business is carried out on a cross-border basis,*

*Have agreed as follows*

## **PART I GENERAL PROVISIONS**

### **Article 1**

#### **Objective of this Agreement**

1. The objective of this Bilateral Cooperation Agreement (hereinafter **the Agreement**) is, in accordance with Article 14(5) of Directive 2014/49/EU, subsection 96 (3) of the Estonian Guarantee Fund Act and Article 34(1) of the Latvian Deposit Guarantee Law, to facilitate an effective cooperation between Tagatisfond and Financial and Capital Market Commission.
2. In particular, it specifies ex ante various aspects for repayment of depositors at branches, transfers of Tagatisfond and Financial and Capital Market Commission contributions, which otherwise would have to be agreed upon very quickly at a time of stress which would divert Tagatisfond and Financial and Capital Market Commission attention and resources away from other difficult decisions.
3. Each Party agrees that it shall perform its duties and obligations in accordance with the principles established in the Directive 2014/49/EU and acknowledges that by means of this Agreement they also aim to ensure full compliance with the EBA Guidelines on cooperation agreements between deposit guarantee schemes under Directive 2014/49/EU (EBA-GL-2016-02).
4. Notwithstanding any obligation on the Host DGS under this Agreement, the Host DGS is not required to do anything that it reasonably considers would or would likely make it liable under any applicable law. For the avoidance of doubt, compensation claims of the depositors will be dealt with under the national legislation of the Home DGS.

### **Article 2**

#### **Terms and definitions**

For the purposes of this Agreement, the terms and definitions contained in Directive 2014/49/EU shall apply. In addition, the following definitions shall apply:

1. **Communication Messages** means all information that circulates between the Host DGS and the Host media and depositors for the purpose of the payout event and all along the payout process.
2. **Communication Tools** means tools developed to make available and to circulate the Communication Messages between the Host DGS and the Host media and depositors in respect of a payout process. These tools include correspondence, telephone contact, information published on web sites, via media, at branches or at the agent bank. A tool is described by its function, content, template and instructions.
3. **Date on which deposits become unavailable** means the date on which deposits become unavailable according to the law of the Home DGS.
4. **Deposit guarantee scheme** means a DGS introduced and officially recognised in a Member State of the European Union.
5. **Home DGS** means Tagatisfond or Financial and Capital Market Commission, i.e. the DGS established in the Member State in which a Member Institution has been authorised pursuant to Article 8 of Directive 2013/36/EU. Depending on the context, it may mean Transferring DGS or the Receiving DGS.
6. **Host DGS** means Tagatisfond or Financial and Capital Market Commission, i.e. the DGS established in the Member State in which territory a Member Institution, authorised in another Member State pursuant to Article 8 of Directive 2013/36/EU, has established a branch. Depending on the context, it may mean Transferring DGS or the Receiving DGS.
7. **Member Institution** means a credit institution affiliated to a DGS.
8. **Single customer view (SCV)** means the file containing the individual depositor information necessary to prepare for a repayment of depositors, including the aggregate amount of eligible deposits of every depositor.

## **PART II**

### **REPAYMENT OF DEPOSITORS AT BRANCHES**

#### **Article 3**

##### **Applicability of Part II**

Part II shall apply bilaterally between a Home DGS and a Host DGS provided that a branch of a Home DGS's Member Institution has been established in the territory of the Member State of the Host DGS.

## Article 4

### Notification of unavailability of deposits

1. Upon the Home DGS becoming aware that a relevant administrative authority has made a determination as referred to in point (8)(a) of Article 2(1) of Directive 2014/49/EU or a judicial authority has made a ruling as referred to in point (8)(b) of Article 2(1) of that Directive in respect of a DGS's Member Institution having branches in another Member State, the Home DGS shall immediately notify the Host DGS that the unavailability of deposits has been determined and the identity of the affected Member Institution.
2. The notification shall include:
  - 2.1 general information about the Member Institution in relation to which the determination of unavailability of depositors or the ruling referred to in paragraph 1 has been made,
  - 2.2 the currency of repayment,
  - 2.3 an estimate of the magnitude of the amount of the expected payout, including the number of covered deposits and the number of eligible depositors in the branch,
  - 2.4 any other general information the Home DGS considers useful for the Host DGS in preparation for the payout.
3. Notification shall be sent via e-mail to the following contact persons:
  - 3.1 Tagatisfond
    - Riin Heinaste
    - [tf@tf.ee](mailto:tf@tf.ee)
    - +372 6110 730
  - 3.2 Financial and Capital Market Commission
    - Jelena Lebedeva
    - [Jelena.Lebedeva@fktk.lv](mailto:Jelena.Lebedeva@fktk.lv)
    - +371 6777 4832
4. As soon as the notification is received, the Host DGS shall start preparing for a payout, ahead of receiving all the necessary information and funds.
5. Promptly after receiving the notification of unavailability of deposits, the Host DGS shall provide the Home DGS with all the necessary information about the accounts to be used for the transfer of funds from the Home DGS to the Host DGS.
6. Such accounts and the transfer method used shall ensure the utmost security of the funds from the Home DGS to the Host DGS.
7. The Parties agree to cooperate in carrying out regular tests of their systems and processes as related to a payout event.
8. In that context and for the purpose of complying with the Guidelines on stress tests of deposit guarantee schemes under Directive 2014/49/EU issued by EBA, the Parties agree in particular to:

- 8.1 test payment instructions files concerning payout process using encrypting software GNU Privacy Guard at least once every 3 year; and
  - 8.2 carry out crisis management exercises on test payout events on an occasional basis.
9. The timing, frequency and extent of the above tests shall take into account the characteristics and features of the Member Institution.

## **Article 5**

### **Instructions for repayment of depositors**

1. The Home DGS shall make every reasonable effort to provide the Host DGS with all necessary information on deposits and depositors in order to make a repayment to depositors on behalf of the Home DGS in accordance with the Home DGS's national legislation transposing Directive 2014/49/EU.

However, the Home DGS may defer the transfer of information where, in spite of all reasonable efforts, the Home DGS is not able to comply with the deadline, due to the need to obtain additional information on deposits and depositors to calculate the repayment amount or the entitlement to the sum held in an account, or because its internal processes make it impossible to obtain the information within the deadline or to process the host depositors' information within the deadline without significantly delaying the process for domestic payout. In such instances, the Home DGS shall inform the Host DGS of the delay as soon as possible and bilaterally agree on a new estimated deadline.

2. For these purposes, the Home DGS shall obtain the SCV in line with domestic deadlines for receiving this information from its Member Institutions.
3. The Home DGS shall then process the SCV in order to provide the Host DGS with the relevant instructions for payment.
4. The SCV shall be provided to the Host DGS in the file encrypted via GNU Privacy Guard.
  - 4.1 The SCV sent by the Tagatisfond to the Financial and Capital Market Commission is Annex 1. The SCV is in xlsx file format.
  - 4.2 The SCV sent by the Financial and Capital Market Commission to the Tagatisfond is Annex 2. The SCV is in xml file format.
5. The SCV is exchanged between the Home DGS and the Host DGS through secure channels, primary via secure e-mail. In case the file size exceeds e-mail transfer limits, Parties will agree to use an appropriate, publicly provided file exchange service, preserving data confidentiality mitigation according to Article 4.
6. The Home DGS shall provide the Host DGS with instructions for payment no later than on the 6<sup>th</sup> day as of the date on which deposits become unavailable.

7. The Host DGS shall provide the Home DGS with the reports of payout status at least every day as of the first payout for the payouts, which were carried out on the previous day by the Host DGS.
8. Where the Home DGS does not have all the information needed depending on the method of payout of the Host DGS, the Home DGS shall request the Host DGS to collect the necessary additional information and, if needed, assist the Host DGS by transmitting any necessary information.
9. With respect to the abovementioned, the Home DGS's duties are the following:
  - 9.1 to notify the identity of the relevant branch to the Host DGS following the payout event;
  - 9.2 inform the Host DGS of the characteristics of the payout event;
  - 9.3 identify and assign appropriate and necessary resources including a contact person for the payout process;
  - 9.4 send payment instructions (SCV) with accurate data, which is encrypted using GNU Privacy Guard;
  - 9.5 validate and transmit to the Host DGS the content, tools and instructions for communication with Host depositors and the media;
  - 9.6 send the payout amount to the Host DGS;
  - 9.7 take all decisions in relation to the compensation claims from the depositors;
  - 9.8 take all decisions related to temporary high balances and provide the relevant information to the Host DGS for the completion of the repayment;
  - 9.9 reimburse all reasonable costs incurred by the Host DGS.
10. With respect to the abovementioned, the Host DGS's duties are the following:
  - 10.1 start preparing for the payout as soon as the notification is received, ahead of receiving all the necessary information and funds;
  - 10.2 determine credit institution(s), through which payouts to the depositors will be made;
  - 10.3 provide a reasonable assessment of the payout costs;
  - 10.4 carry out the repayment of eligible depositors at the relevant branch as quickly as possible in the circumstances, following the Home DGS's payment instructions;
  - 10.5 strictly follow payment instructions and other instructions given by the Home DGS;
  - 10.6 not pay compensation in respect of the payout event to any eligible depositor not included in a payment instructions files (SCV) provided by the Home DGS;
  - 10.7 coordinate with Home DGS answers/solutions on issues that are within the competence of the Home DGS;
  - 10.8 provide assistance for receiving and answering general queries by Host depositors; provide assistance between Host depositors and the Home DGS for specific queries;
  - 10.9 interpret and translate all Communication Messages and Communication Tools from the working language version into the Host language. The Host DGS may comment to the media in the Host DGS country in relation to Communication Messages, i.e general information. The Host DGS shall consult the Home DGS in relation with to any media enquiry that cannot be addressed through the Communication Tools transmitted by the Home DGS;
  - 10.10 translate claims received from depositors into the working language and shall re-translate the Home DGS's response before transmission to the depositors.

- 10.11 regularly communicate to the Home DGS in a documented manner about progress in relation to further repayments made after the expiration of the deadline;
  - 10.12 immediately inform the Home DGS of any event likely to prevent the Host DGS from executing the payout process or likely to result in a delay or in significant extra-costs;
  - 10.13 after the payout, document the results of the payout, including the distribution and making of payments to depositors, communicate them to the Home DGS, report on any issues encountered with the payouts and provide the Home DGS with an assessment of areas of the process and of the Agreement or its supplemental terms to be improved for the future;
  - 10.14 provide analysis of temporary high balances claims and other claims;
  - 10.15 provide media buying;
  - 10.16 provide reasonable access to its premises or other places of work to Home DGS's representatives during the payout process.
- 11. The Home and the Host DGS shall inform one another promptly of any updates to the data.
  - 12. The Home and the Host DGS cooperate in case of litigation and other legal challenges and provide each other with all necessary information.
  - 13. The Parties agree that the Home DGS is responsible for ensuring the security of the transfer of the payment instructions files to the Host DGS and the Home DGS may place whatever reasonable obligations and/or restrictions on the Host DGS as it sees fit in order to ensure the security of the transfer and/or to fulfil domestic legal obligations with regard to data protection. In such case the Home DGS shall pay the Host DGS for any costs incurred by the Host DGS to meet the Home DGS's requirements in this respect.
  - 14. Data and instructions between the Home DGS and the Host DGS are exchanged through secure channels using GNU Privacy Guard for encryption the data and instructions.

## **Article 6**

### **Repayment of depositors**

- 1. The Host DGS shall strive to ensure that the repayable amount is available to depositors as soon as possible, according to the national legislation of the Home DGS and after receiving all the necessary information, instructions for payment and funding from the Home DGS prior to payout.
- 2. As soon as reasonably practicable and following the Home DGS's instructions, the Host DGS shall determine a credit institution(s), through which payouts will be made to the depositors and shall open an account(s) in such institution(s) for the payout and provide all the necessary information about such account(s) to the Home DGS promptly – IBAN, BIC etc. This account(s) shall be and remain segregated from other Host DGS's accounts.

3. Following the initial payout, the Host DGS shall communicate to the Home DGS via secure channels the results of the payout, including the distribution and making of payments to depositors, a report on any issues encountered with the payouts and an assessment of areas of the process and of the Agreement or its supplemental terms to be improved for the future.
4. The Host DGS shall regularly communicate to the Home DGS about progress in relation to further repayments made after the expiration of the deadline set out in paragraph 1 using for encryption of the SCV files GNU Privacy Guard. Such communication shall be exercised every day as of the first payout made by the Host DGS after the expiration of the deadline set out in paragraph 1 and for the previous day payouts.

## **Article 7**

### **Advance of funds**

1. The Home DGS shall provide the Host DGS with the necessary funding prior to the payout no later than the day before the day when the repayable amount should be made available to domestic depositors after the determination of the unavailability of deposits in the Member Institution in accordance with the Home DGS's national legislation. The Host DGS is under no obligation to make any payment to Host depositors (or to continue making payments) unless the Home DGS has provided the Host DGS with cleared funds at least equal to the total amount of repayment due to Host depositors according to all payment instructions received from the Home DGS by the Host DGS.
2. Upon receipt of an acknowledgement from the Host DGS stating that it is ready to perform the depositors' repayment, the Home DGS shall transfer the full estimated amount of the repayment. Additional transfers shall be made in case the amount has been underestimated.
3. The funds shall be provided in the currency of repayment pursuant to paragraph 1 of Article 9.
4. Any funds advanced in excess to the Host DGS shall be refunded by the Host DGS to the Home DGS no later than in three working days after the finalisation of the payout.

## **Article 8**

### **Treatment of temporary high balances**

1. The Host DGS shall assist the Home DGS with the handling of claims related to temporary high balances in its jurisdiction in the manner prescribed in this article.
2. Claims related to temporary high balances may be submitted either to the Host or to the Home DGS. Where the claim is submitted to the Host DGS, this DGS shall forward it to the Home DGS.



3. The Home DGS shall verify the claim. Upon request by the Home DGS, the Host DGS shall lend the necessary assistance, such as in dealing with the language or legal issues as per the law applicable in the Host DGS's jurisdiction.
4. Upon verifying the claim, the Home DGS shall send the necessary instructions for repayment of depositors and funds, either as a package with other claims if done in a reasonable timeframe, or individually. For these purposes, Articles 5 and 7 shall apply accordingly.
5. Upon receiving the instructions for payment and the funds, the Host DGS shall repay the depositors. For this purpose, Article 6 shall apply accordingly.
6. For the purposes of this article, the Home DGS shall communicate to the Host DGS, at the time of the notification referred to in Article 4, any information on deadlines for accepting repayment claims, repayment period and coverage limit, regarding temporary high balances set out in the Home DGS's national legislation. The Host DGS shall communicate this information to the depositors.

## **Article 9**

### **Currency of repayment**

1. The repayments shall be made by the Host DGS in euro.
2. Where there is a need for a currency exchange, the rate to be applied shall be the spot rate published by the central bank of the Home DGS's Member State on the day of the determination of unavailability of deposits in a given Member Institution.

## **Article 10**

### **Handling of correspondence and language used**

1. In accordance with Article 14(2) of Directive 2014/49/EU, the Host DGS shall handle communication with depositors of branches in the Host DGS's Member State, including informing depositors about the determination of the unavailability of deposits and the payout by the Host DGS on behalf of the Home DGS.
2. The language to be used in communicating with the depositors at the branch in the context of a repayment shall be the official language or languages of the Host DGS's Member State.
3. The language to be used in all communication between the Home and the Host DGS shall be English.
4. The communication channels established to communicate with the depositors of branches, and between the Home and the Host DGS shall guarantee a sufficient level of confidentiality and security.

## **Article 11**

### **Reimbursement of costs**

1. In accordance with Article 14(2) of Directive 2014/49/EU, the Home DGS shall compensate the costs incurred by the Host DGS attributable to the assistance provided to the Home DGS in accordance with Part II of this Agreement.
2. The types of costs referred to above shall include the necessary costs incurred in performing the following tasks:
  - 2.1 communication with depositors, including setting up the necessary infrastructure, hiring staff and media publications;
  - 2.2 communication with the Home DGS, including providing feedback information about claims paid;
  - 2.3 collection of additional information needed for the payout, including setting up the necessary infrastructure and hiring staff;
  - 2.4 translation of documents;
  - 2.5 acquisition of information;
  - 2.6 relevant legal costs.
3. Eligible costs incurred by the Host DGS shall meet the following criteria:
  - 3.1 be necessary for carrying out the payout;
  - 3.2 be actual costs, reasonable, justified and comply with the principle of sound financial management;
  - 3.3 be identifiable, in particular be recorded in the accounting records of the Host DGS and backed by effective supporting evidence.
4. The Home DGS and the Host DGS shall agree that the Host DGS shall be reimbursed for costs incurred following the payout.
5. Where the Host DGS is reimbursed following the payout, reimbursement details, such as time to reimburse the costs or the applicable interest rate, shall be agreed between the Home and the Host DGS by no later than 2 months of the Member State of the Host DGS after the initial payout.
6. With respect to the abovementioned, the Host DGS shall:
  - 6.1 use and engage resources in an effective, efficient and financially prudent manner and extent, subject to its other statutory responsibilities, in order to meet its duties and obligations under the Agreement;
  - 6.2 use its best efforts, when incurring external costs, to obtain the most favourable commercial rates in the circumstances;
  - 6.3 use its best efforts to keep the costs within the estimates provided to the Home DGS and inform promptly the Home DGS if actual costs exceed estimated costs significantly;
  - 6.4 provide all necessary evidence in order for the Home DGS to verify costs, the billing process and also perform its own accounting duties.
7. The Home DGS shall provide all funding for costs in the legal currency of the Home DGS.

8. For services not previously agreed in the Agreement but which the Parties consider needed in the course of a specific payout event, the Host DGS shall get from the Home DGS a formal approval regarding the associated costs before committing to any of such services or costs. The Host DGS shall therefore provide the Home DGS with a detailed estimate of the costs for this purpose.
9. The Host DGS shall provide at the end of the payout process a detailed report of the costs.

## **Article 12**

### **Right to audit**

1. The Home and the Host DGS shall have the right of audit of the other DGS's activities related to the payout according to the terms agreed to by both DGSs.
2. Such an audit may take the form of, for example, oversight, post-payout review, audit of costs and seconding staff during payout, and may be performed either on-site or remotely. In particular, the Home DGS may request the Host DGS to conduct an audit of the Host DGS's activities related to the payout.

## **Article 13**

### **Treatment of delays**

1. Any costs arising from delays in the Home DGS providing the Host DGS with the instructions for payment, the necessary information and the funds, shall be borne by the Home DGS, including where the delays impose operational costs on the Host DGS.
2. Where the delay is attributable to the Host DGS's actions, the Host DGS shall bear the costs arising from this delay.

## **Article 14**

### **Confidentiality and data protection**

1. In accordance with Article 14(4) in connection with Article 4(9) of Directive 2014/49/EU, the Home and the Host DGS shall ensure the confidentiality and the protection of the data pertaining to depositors' accounts. The processing of such data shall be carried out in accordance with the laws of their countries in relation to Regulation (EU) 2016/679 or any other regulation or directive replacing Regulation (EU) 2016/679 in the future.
2. The Parties acknowledge their respective roles as the controller and/or processor of personal data of depositors in respect of which each will comply with its data protection obligations. This Agreement does not override or require any Party to act in breach of applicable confidentiality or data protection laws.
3. The Host DGS shall ensure the confidentiality and the protection of any data provided to it by the Home DGS and/or by depositors in relation to the payout event.

4. The Parties also acknowledge that they will comply with all security measures required to provide the appropriate integrity of data concerning depositors who are covered by the highest level of confidentiality and protection which means any legal requirement that limits, restricts, prohibits or places under conditions on the disclosure or transfer to or use of customer banking information.
5. The Host DGS agrees that it shall protect the depositors' information against unauthorized use or disclosure using at least all those measures that it takes to protect the information it receives for a domestic payout. The Host DGS shall not use depositors' information for any purpose except in connection with its performance of the Agreement.
6. During the term of the Agreement the Host DGS agrees to maintain records for financial or tax purposes as required under any applicable laws in connection with any repayment and to keep such records for ten years following the end of a payout or such longer period as is necessary for the Host DGS to comply with the applicable laws.
7. On the reasonable request of the Home DGS, the Host DGS shall maintain at the costs of the Home DGS the records and documents or other information connected to the Agreement for a longer period.

## **Article 15**

### **Liability**

1. In accordance with Article 14(2) of Directive 2014/49/EU, the Host DGS shall not bear any liability with regard to acts undertaken in accordance with the instructions given by the Home DGS.
2. The abovementioned shall not preclude the Host DGS from being liable in respect of wilful misconduct including that of the third-parties it may use regarding payout process, and from indemnifying the Home DGS for all financial losses incurred by the Home DGS as a result of the wilful misconduct of the Host DGS or the third-parties.
3. No Party shall be in default or otherwise liable for any delay in, or failure of its performance under the Agreement directly or indirectly by reason of any act of God, or any government or government body, war, insurrection, the elements, the fire, flood, national strikes, official labour disputes or other similar or dissimilar cause beyond the control and without the negligence of such Party. These Force Majeure events are also applicable to third-parties engaged by a Party as contractors or subcontractors to perform certain duties and obligations described in the Agreement.

## **Article 16**

### **Review of the arrangements to operationalise payouts**

The Home and the Host DGS will review a case-by-case basis and no earlier than three months from the notification of unavailability of deposits, the functioning and scope of the practical arrangements and infrastructure needed for proportionate, continued

operationalisation of payouts by the Host DGS in accordance with Part II of this Agreement, making the necessary adjustments to it.

### **PART III**

#### **TRANSFER OF DEPOSIT GUARANTEE SCHEMES' CONTRIBUTIONS**

##### **Article 17**

##### **Applicability of Part III**

Part III shall apply in relation to the transfer of DGS contributions between Tagatisfond and Financial and Capital Market Commission, including cross-border and domestic transfers, where a Member Institution affiliated to one DGS ceases to be a member of such DGS (the Transferring DGS) in order to join another DGS (the Receiving DGS).

##### **Article 18**

##### **Exchange of information**

1. Within one month of becoming aware of the intention of a Member Institution to cease to be a member of the Transferring DGS, the Transferring DGS shall notify such circumstance to the Receiving DGS.
2. Similarly, where a Member Institution communicates to the Receiving DGS its intention to become a Member Institution of the Receiving DGS, the Receiving DGS shall notify such circumstance to the Transferring DGS within one month of the Member Institution's aforementioned communication.
3. The exchange of information referred to in paragraphs 1 and 2 shall take place in any event before the termination of participation of the Member Institution in the Transferring DGS takes effect and that Member Institution joins the Receiving DGS.
4. The information to be communicated referred to in paragraphs 1 and 2 shall include any information that the Transferring DGS and the Receiving DGS jointly consider as relevant, including, where available:
  - 4.1 aggregate information on all the regular contributions (and related deposits) being transferred from the Transferring DGS to the Receiving DGS, including where relevant, aggregate information on deposit flows in the Member Institution for a period of 12 months preceding the end of the membership of the Member Institution in the Transferring DGS,
  - 4.2 any audits, assessments and tests previously done on the capability of the institution to produce SCV files and other information previously requested by the Transferring DGS, particularly on the quality of data provided by the Member Institution,
  - 4.3 any other relevant information, including information on near misses related to that Member Institution.

5. The Transferring DGS shall not be required to obtain new information for the purpose of transferring it to the Receiving DGS.
6. The Transferring DGS shall have the right to refuse to share information which, due to its sensitive nature, may not be shared under national or EU law.

## **Article 19**

### **Execution of the transfer of contributions**

1. In accordance with Article 14(3) of Directive 2014/49/EU, the Transferring DGS undertakes to collect the contributions of the Member Institution which are subject to be paid to the Transferring DGS, within the 12 months preceding the end of the membership of a Member Institution in the Transferring DGS. The Transferring DGS transfers all the contributions that must be collected for the abovementioned 12-month period to the Receiving DGS, despite of the frequency of the collection of the contributions by the Transferring DGS and whether those are paid by the Member Institution before or after the end of its membership in the Transferring DGS.
2. Where the Transferring DGS needs to collect additional funds, for example following a recent payout, to be transferred to the Receiving DGS, any costs of raising such funds shall be borne by the Transferring DGS.
3. The Receiving DGS shall provide the Transferring DGS with the account details and any other relevant information to allow the transfer of the funds. The chosen accounts, and funds transfer method, shall ensure utmost security of the funds and timeliness of the transfer.
4. The Transferring DGS shall transfer the funds in the currency in which the contributions had originally been provided to the Transferring DGS. The Receiving DGS shall bear the costs of any operations related to currency exchange operations.

## **Article 20**

### **Timeline for transferring the contributions**

1. The transfer of contributions (funds) from the Transferring DGS to the Receiving DGS shall take place no longer than 6 months from the day the Member Institution joins the Receiving DGS.
2. The Receiving DGS shall submit to the Transferring DGS the bank account details to which the Transferring DGS shall transfer the contributions referred to in Article 19(1) of the Agreement prior to the day the Member Institution joins the Receiving DGS.

## **Article 21**

### **Language used by Transferring and Receiving DGSs**

The Transferring and the Receiving DGS shall communicate in English.

## **Article 22**

### **Costs associated with the transfer of contributions**

1. Any costs associated with transferring the contributions from the Transferring DGS, and any other costs associated with the transfer, including translations of requested information, shall be borne by the Receiving DGS. However, where necessary, the costs of raising funds in the Transferring DGS shall be borne by the Transferring DGS.
2. Without prejudice to paragraph 1, any costs arising from delays in the provision of information or transfer of contributions in accordance with Part III of this Agreement shall be borne by the DGS which had to provide such information or funds.

## **PART IV**

### **FINAL PROVISIONS**

## **Article 23**

### **Relevant contact details**

1. The Tagatisfond and Financial and Capital Market Commission shall nominate contact details of persons who represent them in the activities covered by this Agreement, including email addresses and phone numbers, and communicate these to the EBA. A list with the details of the contact persons will be kept by the EBA.
2. Contact details are the following:
  - 2.1 Tagatisfond
    - Riin Heinaste
    - Roosikrantsi tn 2, 10119 Tallinn, Estonia
    - [tf@tf.ee](mailto:tf@tf.ee)
    - +372 6110 730
  - 2.2 Financial and Capital Market Commission
    - Jelena Lebedeva
    - Kungu Street 1, LV-1050, Riga, Latvia
    - [Jelena.Lebedeva@fktk.lv](mailto:Jelena.Lebedeva@fktk.lv)
    - +371 6777 4832

## **Article 24**

### **Supplemental terms**

1. The provisions of this Agreement shall not preclude the Parties from entering into multilateral (or bilateral) agreements relating to similar subject matter as addressed in this Agreement.
2. In the event of any contradiction or inconsistency between the terms of those supplemental terms and the terms of this Agreement, the provisions of this Agreement shall prevail.

## **Article 25**

### **Amendment procedure**

1. Any Party may propose an amendment to this Agreement.
2. An amendment shall enter into force from the moment all Parties will sign it.
3. Parties shall notify the EBA of this Agreement and of amendments to this Agreement.
4. This Agreement shall be subject to a joint examination by all the Parties to this Agreement following changes in the EU regulatory framework, including guidelines issued by the EBA in accordance with Article 16 of Regulation (EU) 1093/2010.

## **Article 26**

### **Settlement of disputes**

1. In accordance with Article 14(5) of Directive 2014/49/EU, any Party may refer any dispute about the interpretation of this Agreement to the EBA in accordance with Article 19 of Regulation (EU) No 1093/2010.
2. Notwithstanding paragraph 1, and prior to referring the dispute to the EBA, without prejudice to the right granted to the Parties by Article 14(5) of the Directive 2014/49/EU to refer this dispute to the EBA:
  - 2.1 In the event of any dispute between the Parties hereto arising from or relating to this Agreement, then upon a written request from either Party, each of the Parties shall enter into negotiations in order to seek an amicable solution to the dispute;
  - 2.2 If the Parties are not able to resolve the dispute within a reasonable period (in any case not exceeding thirty (30) calendar days from the date of receipt of the written request for amicable solution, then the dispute may be referred by either Party (or both) to the EBA according to paragraph 1;
  - 2.3 This period is reduced to two (2) days if the dispute arises in the course of a payout process between the Parties and risks delaying the payout process.



## **Article 27**

### **Entry into force**

1. This Agreement shall enter into force as soon as it has been signed by both Parties.
2. The Agreement constitutes the entire agreement of the Parties relating to the subject matter addressed in this Agreement. This Agreement supersedes all prior contracts, or agreements between the Parties with respect to the subject matter addressed in this Agreement, whether oral or written.
3. If any of the provisions of this Agreement is or becomes invalid or unenforceable in whole or in part, the validity of the other provisions hereof shall not be affected. In that case the invalid or unenforceable provision is deemed to be replaced by such valid or enforceable provision or arrangement, which corresponds as closely as possible to the invalid, unenforceable or impractical provision and to the Parties' economic aims pursued by and reflected in this Agreement.

## **Article 28**

### **Confidentiality**

1. Without prejudice to the information to be provided to the relevant Member Institution for the purposes of this Agreement, the Parties to this Agreement shall maintain the confidentiality of all information exchanged in connection with this Agreement and shall not disclose it to third parties without obtaining the prior consent of the Party that provided the information. This article shall not prevent the Parties to this Agreement from sharing such information where permitted by applicable legislation or required by competent, designated or resolution authorities, the EBA and other relevant administrative authorities having jurisdiction over them.
2. Notably, the Host DGS's Management Board, their directors, officers, employees and any other person engaged by or acting on behalf of the Host DGS shall not reveal any information provided under the above specified provisions except to the extent required by Host DGS's government and regulatory authorities, professional advisers or as may otherwise be required by law.

## **Article 29**

### **Working language**

The working language of this Agreement shall be English. Where necessary, each Party is responsible for translation into its own language.

## **Signatures**

### **Tagatisfond**

Riin Heinaste

Director of the Tagatisfond

### **Financial and Capital Market Commission**

Pēters Putniņš

Chairman

Date: \_\_\_\_\_

Date: \_\_\_\_\_