LATVIJAS BANKA

EIROSISTĒMA

THE COUNCIL OF LATVIJAS BANKA

9 September 2010 Procedure No 183/3
Riga

Participation Procedure in Latvijas Banka's Electronic Clearing System

Note.
As amended by Latvijas Banka's Council Procedure No 193/6 of 12 May 2011 (in effect from 1 June 2011), Procedure No 196/3 of 15 September 2011 (in effect from 21 November 2011), Procedure No 200/2 of 3 February 2012 (in effect from 20 February 2012), Procedure No 203/3 of 25 May 2012 (in effect from 29 May 2012), Procedure No 211/11 of 16 May 2013 (in effect from 1 June 2013.), Procedure No 213/7 of 16 September 2013 (in effect from 30 September 2013), Procedure No 213/8/8 of 16 September 2013 (in effect from 1 January 2014.), Procedure No 226/2 of 15 September 2014 (in effect from 6 October 2014), Procedure No 227/2 of 13 November 2014 (in effect from 1 January 2015), Procedure No 231/2 of 12 March 2015 (in effect from 5 May 2015), Procedure No 241/3 of 19 January 2016 (in effect from 1 April 2016), Procedure No 256/2 of 31 May 2017 (in effect from 14 July 2017), Procedure No 261/2 of 27 October 2017 (in effect from 21 November 2017), Procedure No 279/2 of 20 September 2018 (in effect from 18 November 2018), Procedure No 287/5 of 28 March 2019 (in effect from 15 April 2019), Procedure No 295/2 of 26 September 2019 (in effect from 18 November 2019), Procedure No 311/2 of 26 May 2020 (in effect from 1 July 2020), Procedure No 327/6 of 26 April 2021 (in effect from 1 June 2021), Procedure No 347/2 of 25 October 2021 (in effect from 21 November 2021), Procedure No 360/2 of 14 February 2022 (in effect from 1 March 2022), Procedure No 365/2 of 14 March 2022 (in effect from 28 March 2022), Procedure No 381/16 of 25 July 2022 (in effect from 15 August 2022), Procedure No 386/3 of 19 September 2022 (in effect from 19 September 2022), Procedure No 389/8 of 10 October 2022 (in effect from 25 October 2022), Procedure No 393/1 of 8 November 2022 (in effect from 21 November 2022), Procedure No 398/6 of 12 December 2022 (in effect from 13 December 2022), Procedure No 410/8 of 6 March 2023 (in effect from 20 March 2023), Procedure No 464/3 of 13 May 2024 (in effect from 17 June 2024), Procedure No 485/4 of 14 October 2024 (in effect from 17 October 2024 and 1 December 2024), Procedure No 502/2 of 17 March 2025 (in effect from 1 April 2025), Procedure No 522/2 of 15 September 2025 (in effect from 5 October 2025) and Procedure No 555/2 of 25 May 2026 (in effect from 15 June and 8 September 2026).

Issued pursuant to
Clause 2 of Paragraph one of Section 72
of the State Administration Structure Law

1. Hereby the "System Rules for Participation in the EKS" (Appendix 1), the sample agreement "On Participation in the EKS" (Appendix 2) and the sample agreement "On Ensuring Execution of Credit Transfers in the Event of a Threat to National Security" (Appendix 4) have been adopted and approved.

1.[1] If the other party is established in another country, the agreement may be concluded in English.

2. [Deleted]

2.[1] [Deleted]

3. [Deleted]

3.[1] [Deleted]

4. Procedure No 172/10 "Participation Procedure in the Electronic Clearing System of Latvijas Banka" of the Council of Latvijas Banka of 5 November 2009 shall be deemed invalid.

5. The Procedure shall take effect on 9 November 2010.

Governor of Latvijas Banka

Appendix 1
to Procedure No 183/3 of the Council of Latvijas Banka
of 9 September 2010

System Rules for Participation in the EKS

1. General issues

1. The Rules shall stipulate the provisions for the participation in Latvijas Banka's electronic clearing system (EKS; hereinafter, the EKS), and the mutual rights and obligations of a participant and Latvijas Banka.

2. Terms used in the Rules:
2.1 addressable BIC holder – an entity which:
2.1.1 is entitled to provide payment services in its jurisdiction of establishment and, if applicable, in the jurisdiction where it carries on business related to the provision of payment services;
2.1.2 holds a Business Identifier Code (BIC);
2.1.3 is a correspondent, customer or a branch of a participant, and may submit payment orders to and receive payments from the EKS via the above participant;
2.2 current instant payment liquidity position (hereinafter, the current IP liquidity position) – the available amount of instant payment liquidity;
2.3 central banks – central banks within the meaning of Latvijas Banka's rules for participation in TARGET-Latvija system;
2.4 participant – an entity that has entered into an agreement "On Participation in the EKS" and uses the services of at least one EKS service;
2.5 business day – any day on which the clearing service is available, as set out in Paragraph 63 herein;
2.6 clearing settlement – settlement effected on the basis of the calculated multilateral net positions;
2.7 clearing cover account – a participant's account opened separately in the EKS for each registered BIC for the pre-fund;
2.8 Functional Specification of the Clearing Service – the technical documentation published on Latvijas Banka's website that details a participant's interaction with the clearing service;
2.9 clearing service – a component of the EKS which, in accordance with Paragraph 63 herein and the schedule of clearing processing laid down in Paragraph 64 herein, ensures the interbank clearing of credit transfer orders and payment return orders, including the transmission of the related messages, the pre-fund payments to and liquidity transfers from clearing cover accounts as well as the clearing settlement in the clearing cover accounts;
2.10 clearing – a process of transmitting, processing and reconciling payment documents that takes place prior to the clearing settlement and the calculation of the multilateral net positions underlying the clearing settlement;
2.11 credit transfer order – an order compliant with the SEPA Credit Transfer Scheme Rulebook approved by the European Payments Council (hereinafter, the Credit Transfer Scheme Rulebook) placed by a participant or another entity to transfer a certain amount to the beneficiary and generated on the basis of a payment by a participant or another entity or on a customer payment accepted by a participant or another entity;
2.12 liquidity transfer order – a cash transfer order to increase or decrease the current IP liquidity position by transferring a specified amount of funds to the TARGET instant payment dedicated cash account (hereinafter, TIPS DCA) corresponding to the registered

BIC, or to the account specified in the participant's application form for the static data registration, if the participant is not a participant in TARGET, or from these accounts;
2.13 resolution of investigation (negative response to the cancellation request) – a SEPA Credit Transfer Scheme Rulebook compliant notification of refusal to refund a credit transfer according to the payment cancellation request;
2.14 payment cancellation request – a SEPA Credit Transfer Scheme Rulebook compliant request to refund a previously settled credit transfer;
2.15 claim of non-receipt – a SEPA Credit Transfer Scheme Rulebook compliant request to confirm if and when a credit transfer has been credited to the account of the beneficiary;
2.16 payment order – a credit transfer order, a payment return order, an instant payment order or an instant payment return order;
2.16.[1] payment to increase the pre-fund – a credit transfer, an instant payment or a customer payment in TARGET by a participant that is not a participant in TARGET; after its processing the balance of the participant's clearing cover account is increased;
2.16.[2] payment to increase the IP liquidity position – a credit transfer, an instant payment or a customer payment in TARGET by a participant that is not a participant in TARGET; after its processing the balance of the participant's instant payments cover account is increased;
2.17 payment routing – the addressing of payments and transmitting them to entities reachable by way of using the EKS services directly or via other SEPA compliant payment systems offering similar services (hereinafter, other SEPA payment systems);
2.18 claim for value date correction – a SEPA Credit Transfer Scheme Rulebook compliant request to modify the value date of a previously settled credit transfer;
2.19 insolvency proceedings – insolvency proceedings within the meaning of the Law "On Settlement Finality in Payment and Financial Instrument Settlement Systems";
2.20 maximum instant payment liquidity position (hereinafter, the maximum IP liquidity position) – the current IP liquidity position set by the participant that is a participant in TARGET, above which the instant payment service triggers an automatic decrease in instant payment liquidity up to the level of the initial IP liquidity position;
2.21 minimum instant payment liquidity position (hereinafter, the minimum IP liquidity position) – the current IP liquidity position set by the participant that is a participant in TARGET, below which the instant payment service triggers an automatic increase in instant payment liquidity up to the level of the initial IP liquidity position;
2.22 payment return order – a SEPA Credit Transfer Scheme Rulebook compliant order to refund a previously settled credit transfer where a participant cannot accept it or a payment cancellation request has been received;
2.22.[1] non-bank payment service provider – the entities referred to in Paragraphs 11.4 and 11.5 herein;
2.23 ancillary system transfer order – a liquidity transfer order submitted by the clearing service in accordance with real-time gross settlement ancillary system settlement procedure D within the meaning of Latvijas Banka's rules for participation in TARGET-Latvija system (hereinafter, RTGS AS Settlement Procedure D);
2.24 resolution of investigation (response to the investigation request) – a SEPA Credit Transfer Scheme Rulebook compliant notification containing response to a claim of non-receipt or a claim for value date correction;
2.25 pre-fund – funds provided in the clearing cover account for the execution of credit transfer orders and the payment return orders in the clearing service;
2.25[1] pre-fund decrease order – the participant's order submitted to the clearing service to decrease the current position of the clearing cover account and to submit to TARGET the ancillary system transfer order to increase the balance of the real time gross settlement dedicated cash account in the TARGET system (hereinafter, RTGS DCA) specified in the participant's application form for the static data registration or to credit the account

specified in the participant's application form for the static data registration, if the participant is not a participant in TARGET;
2.26 event of default – any impending or existing event, the occurrence of which may threaten the performance by a participant of its obligations under these Rules or any other provisions applicable to the relationship between this participant and the participant's central bank or other central bank, including where:
2.26.1 the participant no longer meets the access criteria stated in Subsection 2.1 herein or the criteria stated in Paragraph 24 or 24.[1] herein;
2.26.2 insolvency proceedings in relation to the participant have been opened:
2.26.3 an application has been submitted in relation to insolvency proceedings;
2.26.4 the participant has issued a written declaration of its inability to pay all or any part of its debts or to meet its obligations arising in relation to intraday credit;
2.26.5 the participant has entered into a voluntary general agreement or arrangement with its creditors;
2.26.6 the participant is, or is deemed by Latvijas Banka to be, insolvent or unable to pay its debts;
2.26.7 the participant's credit balance in any of its accounts in TARGET, EKS or all or a substantial part of the participant's assets are subject to a freezing order, attachment, seizure or other procedure intended to protect the public interest or the rights of the participant's creditors;
2.26.8 any material representation made by the participant or which is implied to have been made by the participant under the applicable law is incorrect or untrue;
2.26.9 all or a substantial part of the participant's assets have been assigned;
2.27 initial instant payment liquidity position (hereinafter, the initial IP liquidity position) – the amount of the instant payment liquidity set by the participant that is a participant in TARGET and balanced every TARGET business day according to the timetable of the instant payment service or upon reaching the minimum IP liquidity position or the maximum IP liquidity position;
2.28 SEPA – the Single Euro Payments Area;
2.29 status request – an investigation request regarding the status of a payment cancellation request, a claim of non-receipt or a claim for value date correction that has not been answered in due time;
2.30 TARGET business day – a business day within the meaning of Latvijas Banka's rules for participation in TARGET-Latvija system;
2.31 TARGET-Latvija – TARGET-Latvija within the meaning of Latvijas Banka's rules for participation in TARGET-Latvija system;
2.32 TARGET – TARGET within the meaning of Latvijas Banka's rules for participation in TARGET-Latvija system;
2.33 capacity opinion – a participant-specific opinion that contains an assessment of a participant's legal capacity to enter into and carry out its obligations herein;
2.34 Business Identifier Code (BIC) – a code as defined by the international standard ISO 9362;
2.35 country opinion – a participant-specific opinion that contains an assessment of whether the participant's participation in the EKS is not contrary to the national laws;
2.36 public sector body – a public sector institution within the meaning of Article 3 of Council Regulation (EC) No 3603/93[1] of 13 December 1993 specifying definitions for the application of the prohibitions referred to in Articles 104 and 104b (1) of the Treaty;
2.37 instant payment return order – an order compliant with the SEPA Instant Credit Transfer Scheme Rulebook approved by the European Payments Council (hereinafter,

[1] OJ L 332, 31.12.1993, p. 1

SEPA Instant Credit Transfer Scheme Rulebook) placed to refund a previously settled instant payment where an instant payment cancellation request has been received;
2.38 instant payment resolution of investigation – a SEPA Instant Credit Transfer Scheme Rulebook compliant notification of refusal to refund an instant payment according to the instant payment cancellation request;
2.39 instant payment cancellation request – a request to refund a previously settled instant payment as defined in the SEPA Instant Credit Transfer Scheme Rulebook;
2.40 instant payment order – a SEPA Instant Credit Transfer Scheme Rulebook compliant order by a participant or another entity to transfer a certain amount to the beneficiary upon receipt of the order, generated on the basis of a payment by a participant or another entity or on a customer payment accepted by a participant or another entity;
2.41 instant payments cover account (hereinafter, the IP cover account) – a participant's account opened separately in the EKS for each registered BIC for the instant payment liquidity position;
2.42 instant payment liquidity position – current IP liquidity position and the funds set aside for the execution of instant payment orders and instant payment return orders;
2.43 Functional Specification of the Instant Payment Service – the technical documentation published on Latvijas Banka's website that details a participant's interaction with the instant payment service;
2.44 instant payment service – a component of the EKS which ensures continuous (24/7/365) processing of instant payment orders and instant payment return orders, including the sending of a confirmation of the payment execution to the originator, the transmission of instant payment cancellation requests and the related messages, as well as the transmission of liquidity transfer orders;
2.45 instant payment status request – an instant payment investigation request where the originator bank has not received a response to the submitted instant payment order, or a request regarding the status of an instant payment cancellation request that has not been answered in due time;
2.45[1] Instant Verification Service the Instant Verification Service within the meaning of Latvijas Banka's Procedure for the Use of the Instant Verification Service;
2.46 Proxy Registry "Instant Links" – the Registry within the meaning of Latvijas Banka's Rules for the Use of the Proxy Registry "Instant Links".

3. Latvijas Banka offers the following EKS services:
3.1 the clearing service for processing credit transfer orders and payment return orders in compliance with the provisions of Section 5 herein;
3.2 the instant payment service for processing instant payment orders and instant payment return orders in compliance with the provisions of Section 6 herein.

4. The link established by the clearing service to the RPS SEPA-Clearer (a clearing system managed by the Deutsche Bundesbank) ensures the reachability of the EKS participants using the services of the clearing service and addressable BIC holders throughout the SEPA area. Participants and addressable BIC holders are included in the routing table of the RPS SEPA-Clearer as entities reachable via Latvijas Banka. The Deutsche Bundesbank registers participants and addressable BIC holders in the routing table of STEP2 (a clearing system managed by ABE Clearing S.A.S. à capital variable (hereinafter, EBA CLEARING)) as entities reachable via the Deutsche Bundesbank. Credit transfer order and payment return order data submitted by the participants are used for the identification of fraud and the detection of payment anomalies in accordance with the EBA CLEARING procedures.

4.[1] The participant shall be deemed to have authorised Latvijas Banka to sign and submit

on its behalf the registration forms required by the Deutsche Bundesbank to ensure reachability in the RPS SEPA-Clearer system managed by the Deutsche Bundesbank.

5. The link established by Latvijas Banka's access to the TARGET instant payment settlement ensures the reachability of the EKS participants using the services of the instant payment service and addressable BIC holders throughout the SEPA area. Participants and addressable BIC holders are included in the TIPS directory as the reachable entities of the EKS.

6. Latvijas Banka defines the technical configuration of the EKS as well as operates as both the EKS operator, including the pre-fund management options of the clearing cover account and the IP cover account for participants that are not participants in TARGET, and a participant in the EKS.

7. The EKS is designated as a system within the meaning of the Law "On Settlement Finality in Payment and Financial Instrument Settlement Systems".

8. The EKS, as an ancillary system, participates in TARGET-Latvija in accordance with Latvijas Banka's rules on participation in TARGET-Latvija system.

9. The following Appendices form an integral part of the present Rules:
9.1 Appendix 1.1: Terms of reference for capacity and country opinions;
9.2 Appendix 1.1.[1]: Terms of reference for the statement of compliance;
9.3 Appendix 1.2: Fee schedule and invoicing;
9.4 Appendix 1.3: Application form for the static data registration for the clearing service for the participant that is a participant in TARGET;
9.5 Appendix 1.3.[1]: Application form for the static data registration for the clearing service for the participant that is not a participant in TARGET;
9.6 Appendix 1.4: Application form for the registration of an addressable BIC holder for the clearing service;
9.7 Appendix 1.5: Application form for the static data registration for the instant payment service for the participant that is a participant in TARGET;
9.8 Appendix 1.5.[1]: Application form for the static data registration for the instant payment service for the participant that is not a participant in TARGET;
9.9 Appendix 1.6: Application form for the registration of an addressable BIC holder for the instant payment service;
9.10 Appendix 1.7: Notification form for the total peak value of outgoing cash transfer orders by the non-bank payment service provider;
9.11 Appendix 1.8: Contact Persons Form.

10. In the event of any conflict or inconsistency between the content of any appendix and the content of any other provision in the Rules, the Rules shall prevail.

2. Participation

2.1 Access criteria

11. The following types of entities are eligible for participation in the EKS:
11.1 a credit institution established in the European Economic Area, including where it operates through a branch established in the European Economic Area;
11.2 a credit institution established outside the European Economic Area, provided that it acts through a branch established in the European Economic Area;

11.3 the national central bank of a European Union Member State;
11.4 a payment institution licensed in the European Economic Area country that has introduced the requirements of Articles 3 and 4 of Regulation (EU) 2024/886[2] of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) No 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euro (hereinafter, Regulation 2024/886), including if it operates through a branch established in the European Economic Area;
11.5 an electronic money institution licensed in the European Economic Area country that has introduced the requirements of Articles 3 and 4 of Regulation (EU) 2024/886, including if it operates through a branch established in the European Economic Area;
11.6 a savings and loan association established in Latvia;
11.7 entities referred to in Paragraphs 11.1, 11.2, 11.4. and 11.5 herein are eligible for participation provided they are not subject to restrictive measures adopted by the Council of the European Union or any Member State pursuant to Article 65(1)(b), Article 75 or Article 215 of the Treaty that have the effect of suspending or imposing limitations on transfers or payments to or from such an entity similar to suspensions or limitations in insolvency.

12. Latvijas Banka may, at its discretion, also admit the following entities as participants:
12.1 a treasury department of a central or regional government of a European Union Member State active on the money markets;
12.2 a public sector[3] body of a European Union Member State, authorised to hold accounts for customers;
12.3 a credit institution or any of the entities listed under Paragraph 12.1 or 12.2 herein, established in a country with which the European Union has entered into a monetary agreement allowing access by such entity to payment systems in the European Union, subject to the conditions set out in the monetary agreement and provided that the relevant legal regime applied in the country is equivalent to the relevant European Union legislation.

13. [Deleted]

14. [Deleted]

15. The participant may choose the EKS service it will use. A participant may choose to use the services of one or both EKS services as well as request the registration of several BICs (hereinafter, registered BIC). Participants that are participants in TARGET indicate the respective RTGS DCA for each of registered BIC in the clearing service and different TIPS DCAs for each of registered BIC in the instant payment service.

16. A participant which meets the requirements of Paragraph 11 herein may request the registration of entities as addressable BIC holders in the particular EKS service in accordance with the provisions of Subsection 2.4 and the requirements of Subsection 2.2 herein.

[2] OJ L 886, 19.03.2024, p. 1
[3] The definition of the term "public sector" is provided in Article 3 of Council Regulation (EC) No 3603/93 of 13 December 1993 specifying definitions for the application of the prohibitions referred to in Articles 104 and 104b (1) of the Treaty (OJ L 332, 31.12.1993, p. 1).

2.2 The participant's responsibility related to the payments made by an addressable BIC holder

17. The participant shall submit the payment orders of its addressable BIC holder to the selected EKS service and receive from the EKS the payments addressed to an addressable BIC holder. The participant shall be responsible for the execution and transmission of the orders, related messages and payments stipulated herein.

18. The participant shall submit the payment orders of its addressable BIC holder to the EKS as well as forward the payments which have been received from the EKS and are to be delivered to an addressable BIC holder in a manner ensuring that the addressable BIC holder may comply with the requirements of the "Law on Payment Services and Electronic Money" and the present Rules.

19. The participant using the services of the clearing service shall ensure that its addressable BIC holders:
19.1 have adhered to the SEPA Credit Transfer Scheme approved by the European Payments Council;
19.2. are informed of their registration in the RPS SEPA-Clearer system managed by the Deutsche Bundesbank and have authorised a participant with the right to further authorise Latvijas Banka to sign on their behalf and submit to the Deutsche Bundesbank the registration forms required to ensure their reachability in the RPS SEPA-Clearer system.

19.[1] The participant is deemed to have authorised Latvijas Banka to sign on behalf of its addressable BIC holders and submit the registration forms required by the Deutsche Bundesbank to ensure reachability in the RPS SEPA-Clearer system managed by the Deutsche Bundesbank.

20. The participant using the services of the instant payment service shall ensure that its addressable BIC holders have adhered to the SEPA Instant Credit Transfer Scheme approved by the European Payments Council.

21. The participant, when submitting documents referred to in Paragraph 33 or Paragraph 34 herein and each time when submitting payment orders of its addressable BIC holder for processing in the EKS or when receiving payment orders addressed to its addressable BIC holder from the EKS, shall confirm that the respective addressable BIC holder meets the requirements of Paragraph 2.1 herein as well as:
21.1 meets the requirements of Paragraph 19.1 herein where an addressable BIC holder is using services of the clearing service;
21.2 meets the requirements of Paragraph 20 herein where an addressable BIC holder is using services of the instant payment service.

22. Upon request by Latvijas Banka, the participant shall provide any information in relation to its addressable BIC holder deemed necessary by Latvijas Banka to ensure the stability and security of the EKS, performance of Latvijas Banka's tasks as defined in the Law on Latvijas Banka as well as the compliance with the present Rules.

23. Latvijas Banka shall resolve the issues related to the payments made by an addressable BIC holder solely with the participant.

2.3 Participant's application procedure

24. To become a participant of the EKS or to start using the services of a chosen EKS service or to request the registration of a new registered BIC, an applicant participant that is a participant in TARGET and complies with the EKS access criteria or a participant that is a participant in TARGET:
24.1 shall fulfil the following technical requirements:
24.1.1 for using the services of the clearing service, ensure that it has opened a RTGS DCA for each of its registered BIC;
24.1.2 for using the services of the instant payment service, ensure that it has opened a TIPS DCA for each of its registered BIC;
24.1.3 install, manage, operate and monitor as well as ensure the security of the IT infrastructure necessary for the participation in the selected EKS service. To perform the above, an applicant participant may involve third parties while retaining sole liability pursuant to the present Rules;
24.1.4 pass the tests required by Latvijas Banka;
24.1.5 with the purpose to ensure the access of the instant payment service to the TIPS DCA referred to in Paragraph 24.1.2 herein, configure its reference data in accordance with the procedure laid down in Latvijas Banka's rules for participation in TARGET-Latvija system;
24.1.6 authorise Latvijas Banka to perform the actions specified in Paragraphs 162, 165.3, 169 and 170 herein by performing the TIPS DCA reference data set-up following the instructions set out in the Functional Specification of the Instant Payment Service;
24.1.7 indicate Latvijas Banka as the Instructing Party within the meaning of Latvijas Banka's rules for participation in TARGET-Latvija system. In this case, Latvijas Banka, following the instructions set out in the Functional Specification of the Instant Payment Service, shall provide the sending and the receiving of the messages related to the participant's TIPS DCA in the name of the respective participant or its addressable BIC holder.
24.2 shall fulfil the following legal requirements:
24.2.1 submit a capacity opinion in the form specified in Appendix 1.1 hereto, unless the information and representations to be provided in such capacity opinion have already been obtained by Latvijas Banka in another context;
24.2.2 as regards the credit institution referred to in Paragraph 11.2 herein, submit a country opinion in the form specified in Appendix 1.1 hereto, unless the information and representations to be provided in such country opinion have already been obtained by Latvijas Banka in another context;
24.2.3 for the purpose of static data registration, submit to the central bank corresponding to the RTGS DCA specified in the application form a debit authorisation enabling Latvijas Banka to debit the fees or penalty, pursuant to the Rules, from the participant's RTGS DCA;
24.2.4 for using the services of the clearing service, adhere to the SEPA Credit Transfer Scheme approved by the European Payments Council;
24.2.5 for using the services of the instant payment service, adhere to the SEPA Instant Credit Transfer Scheme approved by the European Payments Council;
24.2.6 the non-bank payment service provider licensed in Latvia shall submit a duly signed statement approved by the competent management body of the non-bank payment service provider confirming its compliance with the conditions for requesting participation in the EKS as laid down in the requirements of Section 56.^{3} of the Law on Payment Services and Electronic Money and with the procedure laid down in Section 56.^{4} of the Law on Payment Services and Electronic Money, in the form specified in Appendix 1.1.^{1} herein.

24.2.7 the non-bank payment service provider licensed in another European Economic Area country shall submit a statement issued by the relevant national competent authority or a duly signed statement approved by the competent management body of the non-bank payment service provider, in the form specified in Appendix 1.1.[1] herein, in any of cases confirming its compliance with the conditions for requesting participation in designated payment systems, as set out in the relevant national laws implementing Article 35a(1) of Directive (EU) 2015/2366[4] of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC, 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (hereinafter, Directive 2015/2366), and the compliance with the procedure set out in the relevant national laws implementing Article 35a(2) of Directive 2015/2366;
24.2.8 the non-bank payment service provider shall submit the information required by Latvijas Banka for the calculation of the maximum holding amount, in the form specified in Appendix 1.7. herein;
24.2.9 submits the Contact Persons Form as specified in Appendix 1.8 hereto.

24.[1] To become a participant of the EKS or to start using the services of a chosen EKS service or to request the registration of a new registered BIC, an applicant participant that is not a participant in TARGET and complies with the EKS access criteria or a participant that is not a participant in TARGET:
24.[1]1 shall fulfil the following technical requirements:
24.[1]1.1 install, manage, operate and monitor as well as ensure the security of the IT infrastructure necessary for the participation in the selected EKS service. To perform the above, an applicant participant may involve third parties while retaining sole liability pursuant to the present Rules;
24.[1]1.2 pass the tests required by Latvijas Banka;
24.[1]2 shall fulfil the following legal requirements:
24.[1]2.1 submit a capacity opinion in the form specified in Appendix 1.1 hereto, unless the information and representations to be provided in such capacity opinion have already been obtained by Latvijas Banka in another context;
24.[1]2.2 for using the services of the clearing service, adhere to the SEPA Credit Transfer Scheme approved by the European Payments Council;
24.[1]2.3 for using the services of the instant payment service, adhere to the SEPA Instant Credit Transfer Scheme approved by the European Payments Council;
24.[1]2.4 the non-bank payment service provider licensed in Latvia shall submit a duly signed statement approved by the competent management body of the non-bank payment service provider, confirming its compliance with the conditions for requesting participation in the EKS in compliance with the requirements of Section 56.[3] of the Law on Payment Services and Electronic Money and according to the procedure stipulated in Section 56.[4] of the Law on Payment Services and Electronic Money, in the form specified in Appendix 1.1.[1] herein;
24.[1]2.5 the non-bank payment service provider licensed in another European Economic Area country shall submit a statement issued by the relevant national competent authority or a duly signed statement approved by the competent management body of the non-bank payment service provider, in the form specified in Appendix 1.1.[1] herein, in any of cases confirming its compliance with the conditions for requesting participation in designated payment systems, as set out in the relevant national laws implementing Article 35a(1) of Directive 2015/2366, and with the procedure set out in the relevant national laws implementing Article 35a(2) of Directive 2015/2366;

[4] OJ L 337, 23.12.2015., 35. p.

24.[1]2.6 the non-bank payment service provider shall submit the information required by Latvijas Banka for the calculation of the maximum holding amount, in the form specified in Appendix 1.7. herein
24.[1]2.7 submits the Contact Persons Form as specified in Appendix 1.8 hereto.

25. For using the services of the clearing service or requesting the registration of a new registered BIC, an applicant participant or a participant that is a participant in TARGET shall submit the following documents:
25.1 an application form for the static data registration to Latvijas Banka, as specified in Appendix 1.3 hereto;
25.2 an application to the central bank corresponding to the registered BIC of the participant for the inclusion of the relevant RTGS DCA in the settlement bank account group of the EKS – an ancillary system to TARGET.

25.[1] For using the services of the clearing service or requesting the registration of a new registered BIC, an applicant participant or a participant that is not a participant in TARGET shall submit to Latvijas Banka an application form for the static data registration, as specified in Appendix 1.3[1] hereto.

26. For using the instant payment service or requesting the registration of a new registered BIC, an applicant participant or a participant that is a participant in TARGET shall submit to Latvijas Banka an application form for the static data registration, as specified in Appendix 1.5 hereto.

26.[1] For using the services of the instant payment service or requesting the registration of a new registered BIC, an applicant participant or a participant that is not a participant in TARGET shall submit to Latvijas Banka an application form for the static data registration, as specified in Appendix 1.5[1] hereto.

27. Latvijas Banka may request any additional information it deems necessary to decide on an application for participation.

28. Latvijas Banka shall reject an application for participation in the EKS, the use of the services of the chosen EKS service or the registration of a registered BIC where:
28.1 any of the access criteria or participation requirements specified herein have not been met;
28.2 in Latvijas Banka's assessment, such participation would endanger the stability and security of the EKS, jeopardise performance of Latvijas Banka's tasks as defined in the Law on Latvijas Banka or pose other material risks.

29. Latvijas Banka shall communicate its decision on the application for participation in the EKS to an applicant participant or on the application for the use of the services of the chosen EKS service or the registration of a registered BIC to the participant within one month of the date Latvijas Banka has received all the requested documents, if the applicant participant or participant has passed the tests pursuant to the requirements of Paragraph 24.1.4 or Paragraph 24.[1]1.2 herein. Where Latvijas Banka requests additional information pursuant to the provisions of Paragraph 27 herein, the decision shall be communicated within one month of the date Latvijas Banka has received the above information from the applicant participant or the participant. In the event of refusal Latvijas Banka shall state the reason thereof.

30. Latvijas Banka shall communicate to the applicant participant or the participant the date on which the participation in the EKS will commence, the services of the chosen EKS service will become available or the registration of a registered BIC will be carried out. Latvijas Banka shall send a notification regarding the registration of a registered BIC to the e-mail address indicated in the participant's list of contact persons.

30.[1] Latvijas Banka shall communicate the payments details for the pre-fund and the current IP liquidity position increase to the participant that is not a participant in TARGET by sending the statement to the e-mail address indicated in the participant's list of contact persons.

31. A Participant has the right to become a user of the Instant Verification Service in accordance with Latvijas Banka's Procedure for the Use of the Instant Verification Service, and a user of Proxy Registry "Instant Links" in accordance with Latvijas Banka's Procedure for the Use of the Proxy Registry "Instant Links". From the moment a participant applies for the use of the Instant Verification Service, Latvijas Banka's Procedure for the Use of the Instant Verification Service shall become binding on the participant. From the moment a participant applies for the use of the Proxy Registry "Instant Links", Latvijas Banka's Rules for the Use of the Proxy Registry "Instant Links" shall become binding on the participant.

32. The participant that is a participant in TARGET and intends to use the automatic current IP liquidity position management functionality in accordance with Paragraphs 166 and 167 herein, shall, by no later than 8.15 Latvian time on the date of joining the instant payment service, set the initial IP liquidity position and the parameters for an automatic management of the instant payment liquidity via the instant payment service workstation.

2.4 Addressable BIC holder's application procedure and termination of registration procedure

33. To include an addressable BIC holder in the routing tables of the clearing service, the participant shall submit to Latvijas Banka application form for the registration of the addressable BIC holder in accordance with Appendix 1.4 hereto.

34. To include an addressable BIC holder in the routing tables of the instant payment service, the participant shall submit to Latvijas Banka an application form for the registration of the addressable BIC holder in accordance with Appendix 1.6 hereto.

35. Latvijas Banka shall notify the participant of the date from which the addressable BIC holder is to be included in the respective routing tables by sending a notification to the e-mail address indicated in the participant's list of contact persons.

36. To terminate the registration of an addressable BIC holder in an EKS service, a participant shall submit the following documents to Latvijas Banka:
36.1 an application form for the registration of the addressable BIC holder pursuant to Appendix 1.4 hereto where registration in the clearing service is being terminated;
36.2 an application form for the registration of the addressable BIC holder pursuant to Appendix 1.6 hereto where participation in the instant payment service is being terminated.

37. Latvijas Banka shall notify the participant of the date from which the registration of the addressable BIC holder in the respective EKS service will be terminated by sending a notification to the e-mail address indicated in the participant's list of contact persons.

38. Latvijas Banka may immediately terminate registration of an addressable BIC holder in the EKS without notice where:
38.1 the addressable BIC holder no longer meets the requirements of Paragraph 2.1 herein;
38.2 any other addressable BIC holder-related event occurs which, in Latvijas Banka's assessment, would threaten the overall stability and safety of the EKS or jeopardise Latvijas Banka's performance of its tasks as defined in the Law on Latvijas Banka or pose other material risks.

39. Where registration of the addressable BIC holder in the EKS is terminated pursuant to Paragraph 38 herein, Latvijas Banka shall notify the participant of the termination of its addressable BIC holder's registration in a timely manner.

2.5 List of EKS service users

40. Latvijas Banka shall be entitled to maintain a list of participants and addressable BIC holders for each EKS service and publish it on Latvijas Banka's website.

41. The list of service users of each EKS service shall contain the user's name, participation status (participant or addressable BIC holder), BIC; regarding an addressable BIC holder, the respective registered BIC of the participant whose services they use shall also be specified.

42. The lists specified in Paragraph 41 herein shall also provide such user's consent to the processing of payment orders containing letters of the Latin alphabet with Latvian diacritical marks, applying the choice of the participant to addressable BIC holders.

43. The participant agrees that Latvijas Banka may publish the names and BICs of the participant and addressable BIC holder as well as other central banks may publish the name and the BIC of the participant using the instant payment service and the names and the BICs of addressable BIC holders. The participant shall ensure that an explicit consent to the publication of such data has been obtained from the addressable BIC holder.

44. Latvijas Banka shall be entitled to furnish another SEPA payment system with information on the reachability of the EKS participants and addressable BIC holders, if necessary.

45. Latvijas Banka shall establish and maintain a routing table for each EKS service. The table shall contain information on the entities a user of the respective EKS service may address payment orders and related messages to, i.e. it shall include information on the EKS participants, addressable BIC holders and participants of other relevant SEPA payment systems. Latvijas Banka shall generate the routing table and provide information to participants following the instructions set out in the Functional Specification of the respective EKS service.

46. A routing table for the clearing service shall be updated at least once a month. The regular updates shall take effect on the Tuesday of each month following the first Saturday of the month. The updated tables shall be provided to the participants by Latvijas

Banka in file format via the information exchange channel specified in the application form for the static data registration no later than on the last Friday before the changes take effect.

47. [Deleted].

48. A routing table for the instant payment service shall be updated every TARGET business day. The updated tables shall be transmitted to the participants by Latvijas Banka in file format via the information exchange channel specified in the application form for the static data registration.

49. The participant may provide a routing table for the clearing service and a routing table for the instant payment service to its reachable parties.

3. Obligations of Latvijas Banka and the participants

50. Unless otherwise provided for by the Rules or other laws and regulations, Latvijas Banka shall use all reasonable means within its power to perform its obligations under the Rules, without guaranteeing a result.

51. The participant shall pay to Latvijas Banka the fees stipulated in Appendix 1.2 hereto. The provisions of this Paragraph shall not apply to the Treasury.

52. The participant represents and warrants to Latvijas Banka that the performance of its obligations under the Rules does not breach any laws and regulations or by-laws applicable to it or any agreement binding on it.

53. The participant shall undertake to participate in the tests organised by Latvijas Banka and address other issues related to the use of the EKS.

54. The participant shall promptly notify Latvijas Banka of modifications in the participant's payment and information systems or infrastructure that might affect the participant's participation in the EKS, and upon Latvijas Banka's request, shall perform recurrent tests of the modified systems.

55. Latvijas Banka shall inform the participant about the introduction of a new technical configuration of the EKS by sending a notification to the e-mail address indicated in the participant's list of contact persons in a timely manner, but no later than three (3) months in advance.

55.^{1} The non-bank payment service provider shall ensure that the combined amount of the pre-fund and the current IP liquidity positions at the end of the business day does not exceed the maximum holding amount calculated in accordance with Paragraph 55.^{3} herein.

55.^{2} To increase the pre-fund and the current IP liquidity positions participants that are not participants in TARGET shall send a payment from the account specified in the participant's application form for the static data registration and opened with a credit institution established in a European Economic Area country or in its own books.

55.^{3} The maximum holding amount specified in Paragraph 55.^{1} herein is calculated as follows:

55.[3]1 where the non-bank payment service provider has been operational for a period of 12 months prior to the submission of the participant's application form for the static data registration, the maximum holding amount shall be twice the total peak value of its outgoing credit transfer orders, instant payment orders, payment return orders and instant payment return orders on any business day during the previous 12-calendar-month period;
55.[3]2 where the non-bank payment service provider has not been operational for a period of 12 months prior to the submission of the participant's application form for the static data registration, the maximum holding amount shall be twice the expected total peak value of outgoing credit transfer orders, instant payment orders, payment return orders and instant payment return orders;
55.[3]3 during the 12-month period following the commencement of the non-bank payment service provider's participation in the EKS, Latvijas Banka shall recalculate the maximum holding amount for each non-bank payment service provider each month during the first quarter, and thereafter on a quarterly basis. The recalculated maximum holding amount shall take effect on the next business day following the notification of the recalculation to each non-bank payment service provider by Latvijas Banka and shall remain in effect until the next recalculation;
55.[3]4 after the first 12-month period following the commencement of the non-bank payment service provider's participation in the EKS, Latvijas Banka shall recalculate the maximum holding amount once a year. The recalculation shall be based on the non-bank payment service provider's actual total peak value of all outgoing credit transfer orders, instant payment orders, payment return orders and instant payment return orders during the previous 12-month period;
55.[3]5 in exceptional circumstances, Latvijas Banka may, at its discretion, recalculate the maximum holding amount on an ad hoc basis in the event of a significant and imminent change, or one that has already occurred, in the settlement values of the non-bank payment service provider, which could result in non-compliance with the relevant maximum holding amount. Any such recalculation shall be made in accordance with the non-bank payment service provider's submitted expected total peak value of outgoing credit transfer orders, instant payment orders, payment return orders and instant payment return orders in the form specified in Appendix 1.7 herein.

55.[4] Latvijas Banka shall define the applicable maximum holding amount for the non-bank payment service provider and notify it by sending a notification to the e-mail address indicated in the participant's list of contact persons.

55.[5] Where the non-bank payment service provider's total pre-fund and current IP liquidity positions exceed the applicable maximum holding amount, the non-bank payment service provider shall take immediate steps to reduce the total funds held to an amount equal to or below the maximum holding amount. Where such a reduction is impossible due to an incoming payment shortly before the end of the business day, the reduction shall be made on the next business day no later than 9.30 Latvian time.

55.[6] Where the non-bank payment service provider fails to comply with the requirements of Paragraphs 55.[1], 55.[3] and 55.[5] herein, Latvijas Banka shall impose a penalty of 0.03% on the total amount exceeding the maximum holding amount at the end of the business day, along with the additional daily penalty of 1 000 euro for each day of continued non-compliance with the requirements of Paragraphs 55.[1], 55.[3] and 55.[5] herein. The payment of the penalty shall not exempt the participant from the proper fulfilment of the obligations arising from the requirements of Paragraphs 55.[1], 55.[3] and 55.[5] herein.
55.[7] Latvijas Banka shall inform the participant about the penalty imposed according to Paragraph 55.[6] herein by sending a notification to the e-mail address indicated in the

participant's list of contact persons. The payment of the penalty is made according to the following procedure:
55.[7]1 Latvijas Banka shall debit the RTGS DCA specified in the application form for the static data registration of the participant that is a participant in TARGET;
55.[7]2 the participant that is not a participant in TARGET, shall make the relevant payment in accordance with the payment details specified by Latvijas Banka.

4. Cooperation and information exchange

56. In performing their obligations and exercising their rights under the Rules, Latvijas Banka and participants shall cooperate to ensure the stability and security of the EKS. They shall exchange any information and documents relevant for the performance of their respective obligations and the exercise of their respective rights under the Rules, without prejudice to any banking secrecy obligations.

57. Latvijas Banka shall establish and maintain the EKS support desk to assist the participant encountering difficulties related to the EKS operation.

58. [Deleted]

59. To ensure smooth exchange of information regarding the EKS-related queries, including in the case of abnormal external events and in the event of any operational failures related to the EKS or a participant, the participant and Latvijas Banka shall submit to each other a list of contact persons, indicating their telephone numbers and e-mail addresses. The participant shall provide information on its contact persons by submitting the Contact Persons Form as specified in Appendix 1.8 hereto. The participant and Latvijas Banka shall immediately notify each other of any changes to the submitted contact persons list by sending a notification to the e-mail address specified in the relevant contact persons list. The participant's contact person specified in the contact persons list shall be entitled to update the information in the submitted contact persons list as well as to provide and receive files in exceptional circumstances or to provide information to Latvijas Banka on another person entitled to provide and receive files.

60. The participant shall ensure a timely update of the information to be specified in the application forms for the static data registration, notification form for the total peak value of outgoing cash transfer orders by the non-bank payment service provider, as well as the information on the registration of an addressable BIC holder by submitting the respective form to Latvijas Banka. Latvijas Banka shall notify the participant of the date from which the changes take effect in the EKS by sending a notification to the e-mail address indicated in the participant's list of contact persons.

61. The participant shall immediately inform Latvijas Banka about any changes in its legal capacity and relevant legislative changes affecting associated issues covered by the country opinion, as well as if there have been any changes regarding its compliance with the requirements of Article 35a of Directive 2015/2366.

61.[1] The non-bank payment service provider shall submit a duly signed statement approved by the competent management body of the non-bank payment service provider to Latvijas Banka once a year in the form specified in Appendix 1.1.[1] herein. Latvijas Banka has the right to verify the information provided in the statement and request any supporting documents that it reasonably deems necessary.

62. The participant shall promptly notify Latvijas Banka if an event of default occurs in relation to it or if it is subject to crisis prevention or management measures within the meaning of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012[5] (hereinafter, Directive 2014/59/EU) or within the meaning of any other equivalent applicable law.

5. Clearing service

5.1 Operation conditions of the clearing service

63. The clearing service ensures clearing every day, except on Saturdays, Sundays, New Year's Day, Good Friday, Easter Monday, 1 May, Christmas Day and 26 December.

64. The clearing service processing shall take place on the days referred to in Paragraph 63 herein from 7.30 to 19.15 Latvian time according to the schedule below:
64.1 acceptance of payment message and information message files submitted by the participant for sending to EKS participants – from 7.30 to 18.29 Latvian time, with subsequent clearing at least once per hour;
64.2 acceptance of payment message and information message files submitted by the participant for sending to other SEPA participants – from 7.30 to 15.29 Latvian time with subsequent clearing at least once per hour;
64.3 return of unused pre-fund to the participants that are participants in TARGET at the end of the day according to the indication in the application form for the static data registration – after the last clearing settlement;
64.4 automatic return of pre-fund to the participants that are not participants in TARGET according to the indication in the notification form for the total peak value of outgoing cash transfer orders by the non-bank payment service provider – at 17.30 Latvian time;
64.5 automatic return of pre-fund to the participants that are participants in TARGET according to the indication in the notification form for the total peak value of outgoing cash transfer orders by the non-bank payment service provider – at 17.30 Latvian time;
64.6 sending the statements of clearing cover accounts – from 19.00 to 19.15 Latvian time;
64.7 processing of pre-fund decrease orders and pre-fund payments of participants that are participants in TARGET – from 7.30 to 18.59 Latvian time;
64.8 processing of pre-fund decrease orders of participants that are not participants in TARGET – from 8.00 to 17.30 Latvian time;
64.9 processing of payments to increase the pre-fund of participants that are not participants in TARGET – from 8.00 to 18.00 Latvian time.

65. The clearing service shall process the following:
65.1 the credit transfer orders and payment return orders submitted by a participant;
65.2 the credit transfer orders and payment return orders submitted by a participant of another SEPA payment system and addressed to the participant and addressable BIC holder (hereinafter, addressed to the participant);
65.3 the payment cancellation requests, resolutions of investigation (negative responses to the cancellation requests), claims of non-receipt, claims for value date correction, status requests and resolutions of investigation (responses to the investigation requests);

[5] OJ L 173, 12.06.2014, p. 190.

65.4 the pre-fund decrease orders submitted by a participant;
65.5 information about pre-fund payments received from TARGET;
65.6 the payments to increase the pre-fund of the participant that is not a participant in TARGET.

66. The clearing service shall provide the following:
66.1 the clearing of credit transfer orders and payment return orders, including the exchange of related messages, in the file processing mode;
66.2 calculation of the multilateral net positions and the corresponding clearing settlement in the clearing cover accounts;
66.3 the transmission of the clearing results and settled payments to the participants on the day of accepting the payment message files;
66.4 the exchange of credit transfer orders and payment return orders, including related messages, with another SEPA payment system;
66.5 the maintenance of clearing cover account and the provision of the statement of clearing cover accounts;
66.6 the calculation of the pre-fund and the increase and decrease of the pre-fund position.

67. Latvijas Banka shall open a clearing cover account for each registered BIC of the participant where the participant ensures pre-fund.

68. The clearing cover account shall be remunerated by Latvijas Banka at the interest rate set by point (c) of Article 2(3) of Decision (EU) 2024/1209 of the European Central Bank of 16 April 2024 on the remuneration of non-monetary policy deposits held with national central banks and the European Central Bank (ECB/2024/11)[6] according to the balance of funds on the clearing cover account recorded in the end-of-day processing of clearing service.

68.[1] The clearing cover account shall be remunerated to or the interest payment shall be paid by a participant in proportion to the balance of funds on the clearing cover account for each registered BIC code recorded every business day in the end-of-day processing of the clearing service.

68.[2] Latvijas Banka shall calculate the remuneration of the clearing cover account on the second TARGET business day of each month. The calculated remuneration is applied as follows:
68.[2] 1 Latvijas Banka shall debit the respective payment from the participant's RTGS DCA specified in the application form for the static data registration of the participant that is a participant in TARGET where a negative interest rate is applied, or shall credit it to the participant's RTGS DCA specified in the application form for the static data registration of the participant that is a participant in TARGET where a positive interest rate is applied;
68.[2] 2 a participant that is not a participant in TARGET, makes the relevant payment in accordance with the payment details specified by Latvijas Banka where a negative interest rate is applied, or Latvijas Banka transfers it to the account specified in the participant's application form for the static data registration where a positive interest rate is applied.

68.[3] If a participant has several BICs registered, Latvijas Banka shall calculate the interest payment specified in Paragraph 68.[2] herein for each BIC separately.

[6] OV L 2024/1209, 03.05.2024.

69. When submitting a payment cancellation request, a claim of non-receipt, a claim for value date correction, a resolution of investigation (negative response to the cancellation request), a status request and a resolution of investigation (response to the investigation request) to the clearing service, the participant shall comply with the submission deadlines specified in the SEPA Credit Transfer Scheme Rulebook. The clearing service shall not check whether the submission deadline is met.

70. Latvijas Banka, to the extent possible, shall support participants using the clearing service in identifying the reasons that led to the initiation of the claim for value date correction, claim of non-receipt or status request.

71. Credit transfer orders, payment return orders and the related information, as well as pre-fund management related information shall be exchanged with the participants in the clearing service in the form of payment message and information message files by means of the file exchange service or online communication according to the indication in the application form for the static data registration in accordance with Latvijas Banka's regulation stipulating the procedure for electronic information exchange with Latvijas Banka by using an advanced security system where:
71.1 the information exchange is an exchange of information within the payment systems, including the clearing service, pursuant to the Rules;
71.2 Latvijas Banka shall grant the following licences to each participant, upon its request, in relation to each registered BIC;
71.2.1 two licences of the advanced security system for information exchange with Latvijas Banka within the payment systems;
71.2.2 two licences of the advanced security system for the online communication connection within the clearing service;
71.2.3 two licences of the advanced security system for the file exchange within the clearing service.

72. For the purpose of signing and encrypting the files exchanged within the file exchange service, the keys of the advanced security system issued by Latvijas Banka shall be used for information exchange with Latvijas Banka within the payment systems are granted in accordance with Latvijas Banka's regulation stipulating the procedure for electronic information exchange with Latvijas Banka by using an advanced security system.

72.[1] For the purpose of signing the files exchanged through online communication, the participant shall use the keys of the advanced security system issued by Latvijas Banka or utilise the means of electronic identification at the disposal of the participant in accordance with Latvijas Banka's regulation stipulating the procedure for electronic information exchange with Latvijas Banka by using the advanced security system.

73. Where no valid user keys of the advanced security system for information exchange within the payment systems are available to a participant that exchanges files with the clearing service within the file exchange service, the clearing service shall:
73.1 generate and send the participant a warning file;
73.2 reject all files received from the participant and generate file validation result files;
73.3 following the completion of net settlement, generate the clearing result files and payment message and information message files addressed to each registered BIC of the participant. As of that moment, the EKS has fulfilled its obligations regarding the execution of credit transfer orders and payment return orders addressed to the participant;
73.4 all the files referred to in Paragraphs 73.2 and 73.3 herein and generated by the clearing service shall be stored at Latvijas Banka and transferred, using the respective

registered BIC, to the participant immediately after it has restored the validity of at least one of its user keys for information exchange within the payment systems.

73.[1] Where no valid user keys of the advanced security system for file exchange are available to the participant that exchanges files with the clearing service within online communication, the clearing service shall reject all files received from the participant.

73.[2] Where no valid user keys of the advanced security system for online communication are available to the participant that exchanges files with the clearing service within online communication, the files prepared and sent by the clearing service shall become available immediately after the participant has restored the validity of its user key.

5.2 Submitting and processing files in the clearing service

74. A participant may submit payment files to the clearing service according to the file exchange channel specified in the participant's application form for the static data registration on a 24/7/365 basis. The clearing service shall accept files submitted by the Participant in accordance with the clearing service schedule. Any files submitted after the respective business day's relevant time period shall be accepted by the clearing service on the next business day.

75. The starting time of the submitted file processing shall be automatically recorded at the moment when the processing of the file is started in the clearing service.

76. The clearing service shall process those files where the date indicated in the respective file name coincides with the value date of the current business day. The clearing service shall reject any files submitted within the file exchange service where the date specified in the file name has already passed within the relevant calendar year. The clearing service shall reject any file submitted within the online communication connection where its submission date differs from the value date of the current business day.

76.[1] The clearing service shall reject a pre-fund decrease order file if during the receipt of the file the submission value date does not coincide with the current business day.

77. The participant shall include in the files credit transfer orders, payment return orders, payment cancellation requests, resolutions of investigation (negative responses to the cancellation requests), claims of non-receipt, claims for value date correction, status requests, resolutions of investigation (responses to the investigation requests) and pre-fund decrease orders that are generated in the form of the respective message types in accordance with the SEPA Credit Transfer Scheme Rulebook, the SEPA Credit Transfer Scheme Inter-PSP Implementation Guidelines and the ISO 20022 XML international standard, as well as following the instructions set out in the Functional Specification of the Clearing Service.

78. The instruction for preparing the files and the structure of messages to be included in the files are set out in the Functional Specification of the Clearing Service. Participants may agree among each other on the specific rules regarding the message field contents. However, the clearing service shall perform no specific check-ups as to whether the participants comply with any such rules.

79. The clearing service shall perform double-entry checks for all files and messages, rejecting the files or messages submitted more than once by mistake. The double-entry

check is performed following the instructions set out in the Functional Specification of the Clearing Service.

80. Where the clearing service rejects a file or a message, the participant shall receive a status message or a pre-fund decrease order status message indicating the reason for the rejection, using the rejection reason codes specified in the Functional Specification of the Clearing Service. If the clearing service rejects one or several payment messages or information messages included in a single message file, the notifications of erroneous message rejection shall be included in a single file of the respective type, confirming the inclusion of the received file in the calculation of the clearing cycle, excluding the erroneous messages listed.

81. Where the clearing service in the situations laid down in the present rules moves a message submitted by a participant to the next clearing cycle, the participant shall receive a moved payment notification message.

82. Where a payment message or information message submitted by a participant and previously accepted by the clearing service is rejected as a result of a clearing cycle recalculation or due to the exclusion of a participant or an entity reachable via the RPS SEPA-Clearer from the clearing, the participant shall receive the excluded payment rejection message.

83. Where a payment cancellation request, a resolution of investigation (negative response to the cancellation request), a status request, a claim of non-receipt, a claim for value date correction or a resolution of investigation (response to the investigation request) submitted by a participant, addressed to the participant of another SEPA payment system and accepted by the clearing service cannot be delivered to the addressee because the RPS SEPA-Clearer or another SEPA payment system has rejected the message, the participant shall receive an information message.

84. All validation files generated by the clearing service in response to the files submitted by a participant according to the file exchange channel specified in the participant's application form for the static data registration shall be immediately sent to the participant using the same registered BIC used by the participant for the submission of the respective file.

85. The clearing service shall generate messages, to be included in the files and sent to the participant, in accordance with the SEPA Credit Transfer Scheme Rulebook, the SEPA Credit Transfer Scheme Inter-PSP Implementation Guidelines and the ISO 20022 XML international standard, as well as following the instructions set out in the Functional Specification of the Clearing Service.

5.3 Acceptance and rejection of credit transfer orders and payment return orders

86. Following the receipt of a payment message file from another SEPA payment system, the clearing service shall commence the processing of credit transfer orders and payment return orders included in the file.

87. A credit transfer order or a payment return order submitted by a participant or received from another SEPA payment system shall be deemed accepted by Latvijas Banka where:
87.1 the payment message submitted by a participant complies with the formatting terms and conditions specified in the present Rules and instructions set out in the Functional

Specification of the Clearing Service or the payment order received from another SEPA payment system complies with the formatting rules specified in the agreement concluded with the operator of the respective other SEPA payment system;
87.2 the registration of any registered BIC of a participant involved in the execution of the order has not been terminated;
87.3 the clearing service operation schedule stipulated in Paragraph 64 herein has been complied with;
87.4 the provisions stipulated in Paragraphs 68 and 76 herein have been complied with.

88. The clearing service shall promptly reject a credit transfer order and payment return order which fail to meet the terms and conditions stated in Paragraph 87 herein, and shall notify the participant of the rejection of a file, credit transfer order or payment return order pursuant to the present Rules, whereas another SEPA payment system shall be notified subject to the terms and conditions of the agreement between Latvijas Banka and the operator of the respective other SEPA payment system.

5.4 [Deleted]

89. [Deleted]

90. [Deleted]

91. [Deleted]

92. [Deleted]

5.5 Clearing on a TARGET business day

5.5.1 Clearing cycles

93. The clearing service shall include all credit transfer orders and payment return orders of the relevant clearing cycle accepted during the receipt of payment message files in the calculation of the above clearing cycle.

94. The clearing service shall calculate the multilateral net position corresponding to each registered BIC of each participant on the basis of the credit transfer orders and payment return orders submitted by the participants and received from another SEPA payment system and included in the respective clearing cycle.

95. If the pre-fund of the participant is sufficient for the net settlement of the relevant clearing cycle, the clearing service initiates settlement by debiting the corresponding participants clearing cover account registered to the particular BIC for debit position and by crediting the corresponding participants clearing cover account registered to the particular BIC for credit position. After completion of the settlement, the relevant clearing cycle is completed and the corresponding credit transfer orders and payment return orders are executed.

96. If the pre-fund is not sufficient to execute the net settlement, the clearing service recalculates the net positions to allow clearing settlement based on available pre-fund amount on the participants' clearing cover account registered to the particular BIC.

97. [Deleted]

98. [Deleted]

99. When recalculating the net positions, the credit transfer orders and payment return orders shall be excluded from the clearing cycle in the sequence opposite to that of their submission (taking into account the sequence of submitting the payment message files and the sequence of payment messages in the file) in the following order until the amount of pre-fund of the participant covers the particular debit position:
99.1 orders addressed to participants whose registered BICs have credit positions. Where, as a result of exclusion, the position of the receiving participant changes from the credit position to the debit position, this payment shall be excluded only if it is not possible to exclude other payments that do not change the credit position to the debit position;
99.2 orders addressed to participants whose registered BICs have sufficient pre-fund for the settlement of the debit position after their exclusion. If, as a result of the exclusion, the debit position exceeds the available pre-fund amount in the clearing cover account, this payment is not excluded;
99.3 orders which are to be sent to another SEPA payment system.

100. [Deleted]

101. If such exclusion results in an uncovered debit position for the registered BIC of the participant where a credit transfer order or payment return order has been addressed to, the orders of the above participant shall be excluded according to the algorithm described in Paragraph 99 herein, and the initial exclusion of credit transfer orders and payment return orders shall only continue thereafter.

102. The credit transfer orders and payment return orders addressed to the participants and excluded from clearing shall be moved to the next clearing cycle or rejected where it is the last clearing cycle during which the clearing service processes the credit transfer orders and payment return orders with the value date of the current business day. The credit transfer orders or payment return orders addressed to the participants in other SEPA payment systems and excluded from clearing shall be moved to the next clearing cycle or rejected where it is the last clearing cycle during which the payments are transmitted to other SEPA payment systems with the value date of the current business day.

5.5.2 Transmission of credit transfer orders and payment return orders

103. Following the completion of the settlement of each clearing cycle, the clearing service shall generate for transmission to each participant credit transfer orders and payment return orders included in the clearing and addressed to it. Information indicated in the orders shall be forwarded without any changes whatsoever. Credit transfer orders and payment return orders shall be arranged in one or more payment message files for each registered BIC of the participant separately.

104. For each registered BIC which the participant uses to participate in the clearing, the clearing service shall generate the clearing result file providing information on the payment message files submitted by the participant and included in the clearing, those addressed to the respective participant, as well as the balance of the clearing cover account before and after the clearing settlement.

105. The clearing service shall transmit the clearing result file to the participant along with the payment message files addressed to the registered BIC of the participant promptly after the completion of each clearing cycle.

106. Following the completion of the clearing cycle during which the messages are transmitted to other SEPA payment systems, the clearing service shall generate for transmission credit transfer orders and payment return orders included in the clearing and addressed to the participants of another SEPA payment system by arranging them in one or several payment message files, and shall transmit them in accordance with the agreements concluded between Latvijas Banka and the respective system's operator.

107. Where another SEPA payment system rejects the credit transfer order or payment return order transferred to it, the clearing service shall generate a payment return order for transmission to the participant using the same registered BIC which the participant has used to submit to the clearing service the credit transfer order or payment return order rejected by another SEPA payment system, and shall include it in the next clearing cycle.

108. Information messages (payment cancellation requests, resolutions of investigation (negative responses to a payment cancellation requests), claims of non-receipt, claims for value date correction, status requests and resolutions of investigation (responses to the investigation requests)) shall not be included in the calculation of the net positions but, shall be included in the files in accordance with the instructions set out in the Functional Specification of the Clearing Service and, following the completion of each clearing cycle, shall be transmitted to the respective recipients.

5.6 [Deleted]

109. [Deleted]

110. [Deleted]

111. [Deleted]

112. [Deleted]

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115. [Deleted]

116. [Deleted]

117. [Deleted]

118. [Deleted]

119. [Deleted]

120. [Deleted]

5.6[1] Management of the clearing cover account

120.[1] The participant shall ensure a sufficient balance in its clearing cover account for the execution of submitted credit transfer orders and payment return orders.

120.[2] The clearing service prepares a statement for each registered BIC separately and sends it to the particular participant according to the clearing service schedule and the instructions set out in the Functional Specification of the Clearing Service.

120.[3] The participant shall reconcile the balance on the clearing coverage account using the statement provided by clearing service and result files.

120.[4] The participant that is a participant in TARGET shall ensure the pre-fund payment in accordance with the procedure laid down in Latvijas Banka's rules for participation in TARGET-Latvija system, and in accordance with the clearing service schedule specified in Paragraph 64 herein and the instructions set out in the Functional Specification of the Clearing Service.

120.[5] The participant that is not a participant in TARGET shall ensure the payment to increase the pre-fund in accordance with the payment details specified by Latvijas Banka, the requirements of Paragraph 55.[2] herein and the instructions set out in the Functional Specification of the Clearing Service.

120.[6] If the payment to increase the pre-fund made as an instant payment by the participant that is not a participant in TARGET fails to fulfil the requirements laid down in Paragraph 120.[5] herein, Latvijas Banka shall reject it.

120.[7] If the payment to increase the pre-fund made as a credit transfer or a customer payment in TARGET by the participant that is not a participant in TARGET fails to fulfil the requirements laid down in Paragraph 120.[5] herein, Latvijas Banka refunds it.

120.[8] If the payment to increase the pre-fund made by the participant that is not a participant in TARGET is received by Latvijas Banka outside the clearing service schedule specified in Paragraph 64 herein, Latvijas Banka shall process it on the next business day

120.[9] The participant, in accordance with the clearing service schedule specified in Paragraph 64 herein, can initiate a pre-fund decrease order by:

120.[9]1 sending a pre-fund decrease order in accordance with the instructions set out in the Functional Specification of the Clearing Service;

120.[9]2 indicating in the participant's application form for the static data registration the order for the clearing service to execute the unused pre-fund payout at the end of each business day or indicating in the participant's notification form for the total peak value of outgoing cash transfer orders by the non-bank payment service provider the order for the clearing service to execute the automatic pre-fund decrease to the RTGS DCA corresponding to the participant's registered BIC if the participant is a TARGET participant; or

120.[9]3 indicating in the participant's notification form for the total peak value of outgoing cash transfer orders by the non-bank payment service provider the order for the clearing

service to execute the automatic pre-fund decrease if the participant is not a participant in TARGET.

120.[10] Upon receiving information from TARGET about the participant's pre-fund payment or upon receiving a payment for the pre-fund increase, the clearing service credits it to the clearing cover account corresponding to the relevant participant's registered BIC and informs the participant about the crediting the cover account by sending an information message about the pre-fund payment, in accordance with the instructions set out in the Functional Specification of the Clearing Service.

120.[11] The clearing service upon accepting the order referred to in Paragraph 120.[9]1. herein, reduces the balance of the clearing cover account, submits an ancillary system transfer order to TARGET in order to credit the RTGS DCA corresponding to the participant's registered BIC or makes the instant payment to the account specified in the application form for the static data registration and opened with a credit institution established in a European Economic Area country or in its own books. If the pre-fund is not sufficient for a pre-fund decrease, the clearing service rejects the pre-fund decrease order.

120.[12] The clearing service in accordance with the clearing service schedule specified in Paragraph 64 herein pursuant to the order referred to in Paragraph 120.[9]2 herein, reduces the balance of the clearing cover account and submits an ancillary system transfer order to TARGET to credit the RTGS DCA corresponding to the participant's registered BIC.

120.[13] The clearing service when executing the order referred to in Paragraph 120.[9]3 herein, reduces the balance of the clearing cover account and makes the instant payment to the account specified in the participant's application form for the static data registration and opened with a credit institution established in a European Economic Area country or in its own books.

120.[14] The clearing service informs the participant about the execution or rejection of the pre-fund decrease order referred to in Paragraph 120.[9]1 herein by sending a pre-fund decrease order status message in accordance with the instructions set out in the Functional Specification of the Clearing Service.

120.[15] The clearing service informs the participant about the execution of the pre-fund decrease order referred to in Paragraph 120.[9] herein by sending a pre-fund decrease information message in accordance with the instructions set out in the Functional Specification of the Clearing Service.

5.7 Entry of orders into the EKS and their irrevocability in the clearing service

121. For the purposes of the Law "On Settlement Finality in Payment and Financial Instrument Settlement Systems", a credit transfer order or a payment return order:
121.1 shall be deemed irrevocable in the EKS as of the moment the processing of the file submitted by the participant is started in the clearing service;
121.2 shall be deemed entered into the EKS at the moment when the clearing cover accounts are debited for all the participants with debit positions.

121.[1] The pre-fund decrease order is entered and irrevocable in the EKS system at the moment when the clearing service reserves the relevant funds in the clearing cover account corresponding to the participant’s registered BIC.

6. Instant payment service

6.1 Basic conditions for instant payment service operations

122. Timetable of the instant payment service:
122.1 the instant payment service accepts, processes and sends messages to the respective participant, using its registered BIC, in real time on a 24/7/365 basis;
122.2 generation and transmission of the IP liquidity position reports is performed every day from 00.05 to 00.35 Latvian time;
122.3 for the participants that are participants in TARGET:
122.3.1 balancing of the initial IP liquidity position is performed on TARGET business days from 8.30 to 9.00 Latvian time;
122.3.2 processing of requests for changes in the instant payment liquidity positions of the participants that are participants in TARGET and the automatic increase or decrease of the current IP liquidity position is performed in real time on a 24/7/365 basis;
122.4 for the participants that are not participants in TARGET processing of orders to decrease the current IP liquidity position is performed on TARGET business days from 8.00 to 17.30 Latvian time and processing of payments to increase the IP liquidity position is performed on TARGET business days from 8.00 to 18.00 Latvian time;
122.5 automatic decrease of the current IP liquidity position of the participants according to the indication provided in the notification form for the total peak value of outgoing cash transfer orders submitted by the non-bank payment service provider is performed on TARGET business days at 17.30 Latvian time;
122.6 [Deleted];
122.7 end-of-day processing (recording the balance of the IP cover account, generating and transmitting the statement of the IP cover account) is performed on TARGET business days from 19.01 to 19.35 Latvian time.

123. The instant payment service shall process the following orders:
123.1 instant payment orders submitted by a participant;
123.2 instant payment return orders submitted by a participant;
123.3 instant payment orders submitted by a participant of another SEPA instant payment system and addressed to a participant;
123.4 instant payment return orders submitted by a participant of another SEPA payment system and addressed to a participant;
123.5 instant payment cancellation requests, negative responses to the instant payment cancellation requests and instant payment status requests;
123.6 liquidity transfer orders of the participant that is a participant in TARGET to increase or decrease the current IP liquidity position;
123.7 liquidity transfer orders of the participant that is not a participant in TARGET to decrease the current IP liquidity position and payments to increase the IP liquidity position made by the participant that is not a participant in TARGET.

124. The instant payment service shall ensure the following:
124.1 processing of instant payment orders and instant payment return orders and the related messages;
124.2 calculation of the current IP liquidity position and the monitoring of its sufficiency, as well as the increase and decrease of the current IP liquidity position;
124.3 balancing of the initial IP liquidity position of the participant that is a participant in TARGET according to the parameters set by the participant and the provisions herein;

124.4 exchange of instant payment orders, instant payment return orders and related messages with another SEPA payment system;
124.5 Instructing Party service.

125. Immediately after the receipt of an instant payment order, a participant in the instant payment service shall:
125.1 send a positive confirmation message to the instant payment service where the funds stated in the instant payment order can be credited to the beneficiary's account;
125.2 send a negative confirmation message to the instant payment service where it is not possible to execute the instant payment order.

126. The instant payment service workstation, which is accessed by participants via Latvijas Banka's Information System for Monitoring Customer Accounts (hereinafter, eKKM), shall ensure the following possibilities for the participant in relation to each its registered BIC separately:
126.1 access to the information on the current IP liquidity position;
126.2 for the participant that is a participant in TARGET the possibility to set the amount of the initial IP liquidity position and to change it;
126.3 for the participant that is a participant in TARGET, the possibility to set and to change the parameters for an automatic management of the instant payment liquidity;
126.4 access to the information on the confirmed and rejected instant payment orders and instant payment return orders, the received payments and related messages during the TARGET business day;
126.5 possibility to notify Latvijas Banka of the technical maintenance planned by a participant;
126.6 for the participant that is a participant in TARGET submission of the liquidity transfer order to increase the current IP liquidity position and information of its status;
126.7 submission of the liquidity transfer order to decrease the current IP liquidity position and information of its status.

127. Latvijas Banka shall open an IP cover account for a participant in relation to each its registered BIC. The instant payment service shall ensure the calculation of the current IP liquidity position based on the instant payment orders and instant payment return orders submitted and received by the participant with the respective registered BIC, as well as the changes in the instant payment liquidity position made by the participant.

128. The IP cover account shall be remunerated by Latvijas Banka at the interest rate set by point (c) of Article 2(3) of Decision (EU) 2024/1209 of the European Central Bank of 16 April 2024 on the remuneration of non-monetary policy deposits held with national central banks and the European Central Bank (ECB/2024/11) according to the balance of funds on the cover account recorded in the end-of-day processing of the instant payment service.

129. The IP cover account shall be remunerated to or the interest payment shall be paid by a participant according to the balance of funds on the account in proportion to the balance of the IP liquidity position for each registered BIC IP cover account separately. The amount of the current IP liquidity position shall be recorded every TARGET business day in the end-of-day processing of the instant payment service.

130. Latvijas Banka shall calculate the remuneration of the IP cover account for instant payments on the second TARGET business day of each month. The calculated payment is applied as follows:.

130.1 Latvijas Banka shall debit the respective payment from the participant's RTGS DCA specified in the application form for the static data registration of the participant that is a participant in TARGET where a negative interest rate is applied, or shall credit it to the participant's RTGS DCA specified in the application form for the static data registration of the participant that is a participant in TARGET where a positive interest rate is applied;
130.2 A participant, that is not a participant in TARGET, makes the relevant payment in accordance with the payment details specified by Latvijas Banka where a negative interest rate is applied, or Latvijas Banka transfers it to the account specified in the participant's application form for the static data registration where a positive interest rate is applied.

131. Where several registered BICs are registered for a participant, Latvijas Banka shall calculate the remuneration amount referred to in Paragraph 129 for each registered BIC separately.

132. A participant shall ensure a continuous (24/7/365) connection to the instant payment service.

133. Where a participant has to temporarily disconnect from the instant payment service due to modifications in the participant's payment and information systems or infrastructure not allowing to ensure the processing of instant payments, the participant shall notify Latvijas Banka of the planned technical maintenance of the respective registered BIC of the participant no earlier than 14 days in advance via the instant payment service workstation. Latvijas Banka shall notify other participants.

134. When submitting an instant payment cancellation request, an instant payment return order, an instant payment resolution of investigation or an instant payment status request to the instant payment service, the participant shall comply with the submission deadlines specified in the SEPA Instant Credit Transfer Scheme Rulebook. The instant payment service shall not check whether the submission deadline is met.

135. Information shall be exchanged with participants in the instant payment service in the form of online messages, including files, interactively within the eKKM system and in the form of files via the file exchange service in accordance with Latvijas Banka's regulation stipulating the procedure for electronic information exchange with Latvijas Banka by using the advanced security system.

136. In relation to each registered BIC of a participant, upon its request, Latvijas Banka shall grant:
136.1 two licences of the advanced security system for the online communication connection in the instant payment service for online message exchange;
136.2 two licences of the advanced security system for the online message exchange in the instant payment service:
136.3 two licences of the advanced security system for information exchange in Latvijas Banka's payment systems. If a participant already uses clearing service, no additional licenses shall be granted;
136.4 two licences of the advanced security system for ensuring the online communication connection for file exchange within the instant payment service.

137. For the purpose of signing messages, the keys of the advanced security system issued by Latvijas Banka or the means of electronic identification at the disposal of the participant shall be used in accordance with Latvijas Banka's regulation stipulating the

procedure for electronic information exchange with Latvijas Banka by using an advanced security system.

138. A participant shall electronically sign the following orders and requests generated in the form of the respective message types in accordance with the instructions set out in the Functional Specification of the Instant Payment Service:
138.1 instant payment order;
138.2 instant payment cancellation;
138.3 instant payment return order;
138.4 instant payment resolution of investigation.

139. Where no valid user keys of the advanced security system for information exchange within the instant payment service are available to a participant (to originator bank or beneficiary bank), the instant payment service shall:
139.1 reject the message submitted by the participant with the respective registered BIC and generate and send a rejection message to the participant (where no valid user keys for the online communication connection in the instant payment service or for the online message exchange in the instant payment service are available);
139.2 the file containing the statement of IP cover account, generated during the end-of-day procedure for the participant's respective registered BIC, shall be stored at Latvijas Banka and sent to the participant that has opted to receive files from the instant payment service within file exchange service using its respective registered BIC, immediately after it has restored the validity of at least one of its user keys for information exchange within the payment systems (where no valid user keys for information exchange within the payment systems are available);
139.3 where no valid user keys of the advanced security system for online communication are available to the participant that exchanges files with the instant payment service within online communication, the files prepared and sent by the instant payment service shall become available immediately after the restoration of the validity of its user key.

6.2 Submission of instant payment orders and instant payment return orders in the instant payment service

140. Each individual instant payment order and instant payment return order shall be submitted separately in the form of a payment message, while instant payment cancellation requests, negative responses to the instant payment cancellation requests and instant payment status requests shall be submitted in the form of an information message.

141. The instant payment service shall accept the submitted message for processing in the instant payment service immediately after it has been received and immediately forward to the respective participants those messages generated in the course of processing.

142. The time of submission of a payment message or information message by a participant shall be automatically recorded at the moment when the participant submits the message in the instant payment service.

143. Payment messages and information messages shall be generated in accordance with the SEPA Instant Credit Transfer Scheme Rulebook, the SEPA Instant Credit Transfer Scheme Inter-PSP Implementation Guidelines and the ISO 20022 XML international messaging standards, as well as following the instructions set out in the Functional Specification of the Instant Payment Service.

144. The instant payment service shall perform double-entry check, rejecting the messages submitted more than once by mistake. The double-entry check is performed following the instructions set out in the Functional Specification of the Instant Payment Service.

6.3 Acceptance and rejection of instant payment orders and instant payment return orders

145. Where the instant payment service or a participant receives an instant payment order and its processing time exceeds 7 seconds from the moment of its receipt from the originator, the instant payment service or the respective participant shall reject that order.

146. An instant payment order or instant payment return order submitted by a participant shall be deemed accepted by the instant payment service where:
146.1 the payment message generated on the basis of the above order and submitted by a participant complies with the formatting terms and conditions of the present Rules and the instructions set out in the Functional Specification of the Instant Payment Service;
146.2 the registration of the registered BIC involved in the execution of the instant payment order or instant payment return order has not been terminated;
146.3 Latvijas Banka has not been notified of the technical maintenance of the respective registered BIC of the participant which is the addressee of the instant payment order or instant payment return order;
146.4 the time-out deadline referred to in Paragraph 145 herein has been complied with during the processing.

147. The instant payment service shall accept an instant payment order or instant payment return order addressed to a participant and received from another SEPA instant payment system where:
147.1 the payment message generated on the basis of the instant payment order or instant payment return order is compliant with the formatting terms and conditions specified in the agreements concluded between Latvijas Banka and the operator of the respective system;
147.2 the registration of the registered BIC of the participant involved in the execution of the instant payment order or instant payment return order has not been terminated;
147.3 Latvijas Banka has not been notified of the technical maintenance of the respective registered BIC of the participant which is the addressee of the instant payment order or instant payment return order;
147.4 the time-out deadline referred to in Paragraph 145 herein has been complied with during the processing.

148. The instant payment service shall immediately reject any instant payment order or instant payment return order submitted by a participant where it fails to fulfil the conditions laid down in Paragraph 146 herein, and shall notify the participant of the rejection of the instant payment order or instant payment return order by sending a negative confirmation message indicating the reason for the rejection, using the rejection reason codes specified in the Functional Specification of the Instant Payment Service.

149. The instant payment service shall immediately reject any instant payment order or instant payment return order submitted by another SEPA payment system where it fails to fulfil the conditions laid down in Paragraph 147 herein, and shall notify the operator of the other SEPA payment system of the rejection of the instant payment order or instant

payment return order in compliance with the agreements concluded between Latvijas Banka and the operator of the respective system.

6.4 Processing of instant payment orders and instant payment return orders

150. An accepted instant payment order or instant payment return order submitted by a participant shall be processed as follows:
150.1 where the instant payment order or instant payment return order has been addressed to another participant using the services of the instant payment service:
150.1.1 the instant payment service shall verify whether the current IP liquidity for the registered BIC of the participant which has submitted the instant payment order or instant payment return order is sufficient for executing the instant payment order or instant payment return order; if it is sufficient:
150.1.1.1 the respective amount of instant payment liquidity shall be reserved for each instant payment order;
150.1.1.2 for each instant payment return order, the execution shall be performed by the instant payment service by debiting the IP cover account corresponding to the registered BIC of the participant to which the instant payment return order was submitted by the participant concerned and by crediting the IP cover account corresponding to the registered BIC of the participant to which the instant payment return order was received by the participant concerned and shall send the instant payment return order to the participant which is the addressee of the order;
150.1.2 where the current IP liquidity position is not sufficient, the instant payment service shall reject the received instant payment order or instant payment return order and immediately send a negative confirmation message to the participant which has submitted the order;
150.1.3 after reserving the instant payment liquidity, the instant payment service shall send the instant payment order to the participant which is the addressee of the order;
150.1.4 based on each instant payment order:
150.1.4.1 where it is possible to execute the instant payment order, the participant which is the addressee of the order shall send a positive confirmation message to the instant payment service;
150.1.4.2 where it is not possible to execute the instant payment order, the participant which is the addressee of the order shall send a negative confirmation message to the instant payment service;
150.1.4.3 upon receipt of a positive confirmation message, the instant payment service shall execute the payment by debiting the IP cover account corresponding to the registered BIC of the participant which the respective participant has used to submit the instant payment order and, accordingly, shall credit the IP cover account corresponding to the registered BIC of the participant receiving the instant payment order, and shall release the reserved instant payment liquidity position and send a positive confirmation message to the participants involved in the payment execution;
150.1.4.4 upon receipt of a negative confirmation message, the instant payment service shall release the amount of instant payment liquidity reserved for the registered BIC the respective participant has used to submit the instant payment order, and shall send a negative confirmation message to that participant;
150.2 where the instant payment order or instant payment return order has been addressed to a participant of another SEPA payment system:
150.2.1 the instant payment service shall verify whether the current IP liquidity position for the registered BIC of the participant which has submitted the instant payment order or instant payment return order is sufficient for executing the instant payment order or

instant payment return order; if it is sufficient, the respective amount of instant payment liquidity shall be reserved;
150.2.2 where the current IP liquidity position is not sufficient, the instant payment service shall reject the received instant payment order or instant payment return order and shall immediately send a negative confirmation message to the participant which had submitted the respective instant payment order or instant payment return order.
150.2.3 after reserving the amount of instant payment liquidity, the instant payment service shall send the instant payment order or instant payment return order to the other SEPA payment system;
150.2.4 based on each instant payment order:
150.2.4.1 upon receipt of a positive confirmation message from another SEPA payment system, the instant payment service shall execute the payment by debiting the IP cover account corresponding to the registered BIC of the participant the respective participant has used to submit the instant payment order, shall release the reserved instant payment liquidity position and shall send the positive confirmation message to that participant;
150.2.4.2 upon receipt of a negative confirmation message from another SEPA payment system, the instant payment service shall release the amount of instant payment liquidity reserved for the registered BIC the respective participant has used to submit the instant payment order, and shall send the negative confirmation message to that participant;
150.2.5 based on each instant payment return order, upon receipt of the confirmation of the execution of the instant payment return order from another SEPA payment system, the instant payment service shall execute the payment by debiting the IP cover account corresponding to the registered BIC of the participant the respective participant has used to submit the instant payment return order, and shall release the reserved instant payment liquidity position.

151. An accepted instant payment order or instant payment return order submitted by another SEPA payment system shall be processed as follows:
151.1 the instant payment service shall send the received instant payment order or instant payment return order to the participant which is the addressee of the order;
151.2 based on each instant payment order:
151.2.1 where it is possible to execute the instant payment order:
151.2.1.1 the participant which is the addressee of the instant payment order shall send a positive confirmation message to the instant payment service;
151.2.1.2 the instant payment service shall send a positive confirmation message to another SEPA payment system;
151.2.1.3 upon receipt of a positive confirmation message from another SEPA payment system, the instant payment service shall execute the payment by crediting the IP cover account corresponding to the registered BIC of the participant through which the respective participant has received the instant payment order, and shall send a positive confirmation message to that participant;
151.2.2 where it is not possible to execute the instant payment order:
151.2.2.1 the participant which is the addressee of the instant payment order shall send a negative confirmation message to the instant payment service;
151.2.2.2 the instant payment service shall send a negative confirmation message to another SEPA payment system;
151.3 based on each instant payment return order, the instant payment service shall execute the payment by crediting the IP cover account corresponding to the registered BIC of the participant through which the respective participant has received the instant payment return.

152. Where within 7 seconds from the moment of acceptance of the instant payment order from the originator the instant payment service has received neither a positive confirmation nor a negative confirmation message on the instant payment order received, processed and sent in the instant payment service to the respective participant, the instant payment service shall reject the above instant payment order and send a negative confirmation message to both participants involved in the execution of the instant payment order. Where the instant payment service, after sending the negative confirmation message, also receives a rejection from the participant to which the instant payment order was sent, the instant payment service shall forward it for information to the participant which submitted the above instant payment order.

153. Upon receipt of an information message (instant payment cancellation request, instant payment resolution of investigation and instant payment status request), the instant payment service shall forward it to the respective participant or another SEPA payment system.

6.5 Instant payment status investigation

154. Where a participant, upon submitting an instant payment order for processing, has received neither a positive confirmation nor negative confirmation message within 9 seconds from the moment it has been accepted from the originator, the participant may start a payment status investigation by submitting an instant payment status request in the instant payment service.

155. Upon receipt of an instant payment status request from a participant or another SEPA payment system, the instant payment service shall:
155.1 recurrently send the positive confirmation or negative confirmation message to the entity which started the investigation where the instant payment order had been processed in the instant payment service and a positive confirmation or negative confirmation message had been received, or the instant payment service had rejected it;
155.2 forward the instant payment status request to the entity which is the addressee of the instant payment order, where no positive confirmation or negative confirmation message had been received in the instant payment service.

156. Upon receipt of the instant payment status request, the participant which is the addressee of the instant payment order, shall immediately respond to the request by sending a positive confirmation or negative confirmation message.

6.6 Management of instant payment cover account

157. The participant can obtain information on the current IP liquidity position via the instant payment service workstation or by sending a current IP liquidity position request to the instant payment service. In response to the request, the instant payment service shall send the information on the current IP liquidity position to the participant. The current IP liquidity position request and the respective reply shall be prepared following the instructions set out in the Functional Specification of the Instant Payment Service.

158. The instant payment service shall, in accordance with the time schedule for the operation of the instant payment service and the instructions contained in the Functional Specification of the Instant Payment Service, prepare and send the balance of the IP cover account and statements of the IP cover account to the participants, for each registered BIC separately.

159. The participant shall use the tools provided by Latvijas Banka for the reconciliation of the IP cover accounts.

160. Participants shall immediately inform Latvijas Banka in the event of a discrepancy in respect of any of the participant's IP cover accounts.

161. The participant that is a participant in TARGET may increase or decrease the balance of the IP cover account:
161.1 by submitting the liquidity transfer order to increase or decrease the current IP liquidity position prepared following the instructions set out in the Functional Specification of the Instant Payment Service;
161.2 on the workstation of the instant payment service by entering a liquidity transfer order to decrease or increase the current IP liquidity position;
161.3 on the workstation of the instant payment service by entering the amount of initial IP liquidity and the parameters for an automatic management of the instant payment liquidity in accordance with Paragraphs 166 and 167 herein;
161.4 indicating in the notification form for the total peak value of outgoing cash transfer orders by the non-bank payment service provider the order for the instant payment service to execute the automatic decrease of the current IP liquidity position.

161.[1] The participant that is not a participant in TARGET ensures the payment to increase the IP liquidity position in accordance with the payment details specified by Latvijas Banka, the requirements of Paragraph 55.[2] herein and the instructions set out in the Functional Specification of the Instant Payment Service.

161.[2] If the payment to increase the IP liquidity position made as an instant payment by the participant that is not a participant in TARGET fails to fulfil the requirements laid down in Paragraph 161.[1] herein, Latvijas Banka rejects it.

161.[3] If the payment to increase the IP liquidity position made as a credit transfer or a customer payment in TARGET by the participant that is not a participant in TARGET fails to fulfil the requirements laid down in Paragraph 161.[1] herein, Latvijas Banka refunds it.

161.[4] If the payment to increase the IP liquidity position made by the participant that is not a participant in TARGET is received by Latvijas Banka outside the instant payment service schedule specified in Paragraph 122 herein, Latvijas Banka processes it on the next business day.

161.[5] The participant that is not a participant in TARGET may decrease the balance of the IP cover account according to the instant payment service schedule specified in Paragraph 122 herein by:
161.[5]1. submitting the liquidity transfer order to decrease the current IP liquidity position prepared following the instructions set out in the Functional Specification of the Instant Payment;
161.[5]2. entering a liquidity transfer order to decrease the current IP liquidity position in the workstation of the instant payment service;
161.[5]3. indicating in the notification form for the total peak value of outgoing cash transfer orders by the non-bank payment service provider the order for the instant payment service to execute the automatic decrease of IP liquidity position.

161.[6] The instant payment service when executing the order referred to in Paragraph 161.[5] herein, reduces the balance of IP cover account and makes the instant payment to the account specified in the participant's application form for the static data registration and opened with a credit institution established in a European Economic Area country or in its own books.

162. Upon receipt of the order referred to in Paragraph 161 of these Rules, the instant payment service shall generate and submit to TARGET a liquidity transfer order in the name of the EKS or by Latvijas Banka acting as the Instructing Party in the name of the participant.

163. If the balance of the TIPS DCA corresponding to the registered BIC of the participant is insufficient to increase the instant payment liquidity, the instant payment service rejects the liquidity transfer order to increase the current IP liquidity position.

164. If the current IP liquidity is insufficient to decrease the instant payment liquidity, the instant payment service shall reject the liquidity transfer order to decrease the current IP liquidity position.

165. Each TARGET business day, in accordance with the instant payment service's operating schedule, the instant payment service shall balance the initial IP liquidity for each registered BIC of the participant that is a participant in TARGET where the initial IP liquidity is pre-defined, according to the following procedure:
165.1 record the amount of instant payment liquidity position for each registered BIC of the participant;
165.2 calculate the necessary changes in instant payment liquidity to balance the amount of the instant payment liquidity position to the relevant initial IP liquidity position;
165.3 prepare and submit to TARGET a liquidity transfer order on behalf of the EKS or on behalf of the participant, with Latvijas Banka acting as the instructing user to balance the initial IP liquidity in the participants' IP cover accounts to the initial IP liquidity position selected by the participant;
165.4 reject the liquidity transfer order and do not restore the initial IP liquidity, where the balance of the TIPS DCA corresponding to the participant's registered BIC is insufficient;
165.5 restore the automatic increase parameters for instant payment liquidity set by the participant in accordance with Paragraph 167 of these Rules.

166. The amount of the initial IP liquidity position shall be set and changed by the participant that is a participant in TARGET at the workstation of the instant payment service. Where the participant changes the amount of the initial IP liquidity position after the initial IP liquidity balance time set out in the instant payment service operating schedule, the new amount of the initial IP liquidity position shall be applied to the registered BIC of the respective participant on the next TARGET business day.

167. To manage the IP cover account, a participant that is a participant in TARGET may use the option to automatically increase and decrease the instant payment liquidity by setting up the parameters for an automatic increase and decrease of instant payment liquidity, i.e. the minimum IP liquidity position and the maximum IP liquidity position in addition to the initial IP liquidity position, via the workstation of the instant payment service:
167.1 the minimum IP liquidity position for the registered BIC of the participant shall not be higher than 50% of the initial IP liquidity position;

167.2 the maximum IP liquidity position for the registered BIC of the participant shall not be lower than 150% of the initial IP liquidity position.

168. The parameters for an automatic increase or decrease of instant payment liquidity shall take effect as of the moment the balancing of the initial IP liquidity position is completed.

169. Where, following the execution of an instant payment order or instant payment return order, the participant's that is a participant in TARGET current IP liquidity for the registered BIC becomes smaller than the minimum IP liquidity position pre-defined by the participant or higher than the maximum IP liquidity position pre-defined by the participant, the instant payment service shall automatically generate and submit to TARGET a payment order in the name of the EKS or by Latvijas Banka acting as the Instructing Party in the name of the participant to increase the current IP liquidity position up to the level of the initial IP liquidity position.

169.[1] For additional control over the sufficiency of instant payment liquidity, the participant may specify an amount in the workstation of the instant payment service, upon reaching which the instant payment service sends a warning regarding a low remaining current IP liquidity position. The instant payment service shall perform a repeated check 15 (fifteen) minutes after sending a warning about a low remaining instant payment liquidity position.

170. If the balance of the TIPS DCA corresponding to the registered BIC of the participant is insufficient to increase the instant payment liquidity, the payment order shall be rejected. After 15 (fifteen) minutes the instant payment service shall check the balance on the IP cover account and if the current IP liquidity of the participant is lower than the minimum IP liquidity position set by the participant, the instant payment service shall prepare and submit the payment order to TARGET in the name of the EKS or by Latvijas Banka acting as the Instructing Party in the name of the participant to increase the current IP liquidity position. Information about the insufficient balance on the TIPS DCA preventing an automatic increase of instant payment liquidity shall be communicated to the participant by Latvijas Banka using the list of the participants' contact persons.

6.7 Entry of instant payment orders and instant payment return orders in the EKS and their irrevocability in the instant payment service

171. For the purposes of the Law on Settlement Finality in Payment and Financial Instrument Settlement Systems, an instant payment order, an instant payment return order or a liquidity transfer order shall be deemed entered and irrevocable in the EKS as of the moment when the relevant funds are reserved in the IP cover account corresponding to the registered BIC of the participant.

7. Contingency and Business Continuity Issues and Security Requirements

7.1. Basic principles of the Contingency and Business Continuity handling measures

172. In the event of an abnormal external event or failure of an EKS service or such unavailability of an EKS service that affects the normal operation of the respective EKS

service, Latvijas Banka shall be entitled to adopt contingency and business continuity measures.

173. In relation to contingency and business continuity measures, Latvijas Banka shall have full discretion regarding the measures to be adopted to settle credit transfer orders, payment return orders, instant payment orders, instant payment return orders, liquidity transfer orders, pre-fund decrease orders and the instruction to decrease the instant payment liquidity position.

174. Latvijas Banka may change the schedule of clearing service, the timetable of the instant payment service or the conditions for the clearing cover account or the instant payment cover account management where necessary.

175. Information about the failure of an EKS service operation or an abnormal external event shall be communicated by Latvijas Banka to participants using the list of the participants' contact persons.

176. Latvijas Banka may notify participants of any other existing or anticipated events which are likely to affect the normal operation of the EKS.

177. A participant shall participate, upon Latvijas Banka's request, in regular or ad hoc testing of contingency and business continuity measures, training or any other preventive arrangements organised by Latvijas Banka and deemed necessary by Latvijas Banka. Any costs incurred by the participant as a result of such testing or other arrangements shall be borne solely by the participant.

7.2 Contingency and business continuity measures to ensure the processing in the clearing service

7.2.1 Use of alternative information exchange channels for the clearing service

178. Where a participant is unable to process the file received from the clearing service due to a temporary disruption of the file exchange service or online communication, the participant may request that the same file be repeatedly transferred.

179. Where any problems arise in the operation of the file exchange service or online communication, Latvijas Banka may request the participant to repeatedly submit the payment message, information message or pre-fund decrease order files.

180. Where any problems arise in the operation of the file exchange service, a participant may transfer and receive payment files as well as other files using the e-mail address indicated in the participant's list of contact persons or agree with Latvijas Banka on another file exchange channel.

180.[1] Where any problems arise in the operation of online communication, a participant may transfer and receive payment files as well as other files using the e-mail address indicated in the participant's list of contact persons or agree with Latvijas Banka on another file exchange channel.

181. In the cases referred to in Paragraph 180 herein, the files shall be encrypted and signed electronically in accordance with Latvijas Banka's regulation stipulating the procedure for electronic exchange of information with Latvijas Banka by using the keys

of the advanced security system users where such keys have been assigned for information exchange within the payment systems in accordance with the procedure provided for in Paragraph 72 herein.

181.[1] In the cases referred to in Paragraph 180.[1] herein, the files shall be signed electronically in accordance with Latvijas Banka's regulation stipulating the procedure for electronic exchange of information with Latvijas Banka using the keys of the advanced security system users in accordance with the procedure provided for in Paragraph 72.[1] herein and following Latvijas Banka's instructions.

7.2.2 [Deleted]

182. [Deleted]

183. [Deleted]

184. [Deleted]

7.2.3 Moving of payment orders submitted to the clearing service

185. [Deleted]

186. [Deleted]

187. Where another SEPA payment system rejects a payment message file submitted by the clearing service due to technical reasons and it is not possible to forward the above file with the value date of the current TARGET business day, the payment message file shall be resent to another SEPA payment system in the 1st cycle of the clearing service of the next TARGET business day with the value date of the next TARGET business day.

188. Where the EKS cannot send payment orders to other SEPA payment systems by the end of the current TARGET business day, the payment orders shall be included in the 1st cycle of the clearing service of the next TARGET business day with the value date of the next TARGET business day.

7.2.4 Clearing in the event of a threat to national security

189. In the events specified in the Latvijas Banka's regulations stipulating the management of critical financial services, when STEP2 system is unavailable, Latvijas Banka shall ensure clearing to the EKS participants as well as to entities having entered into an agreement "On Ensuring Execution of Credit Transfers in the Event of a Threat to National Security" (hereinafter the "critical service provider"), processing only those credit transfer orders and payment return orders that have been submitted by the participants and critical service providers and addressed to the participants, critical service providers and addressable BIC holders.

189.[1] The critical services provider shall submit to Latvijas Banka:
189.[1]1. application form for the static data registration as specified in Appendix 1.3 herein;
189.[1]2. application for the inclusion of the critical service provider's RTGS DCA in the settlement bank account group of the EKS as an ancillary system to TARGET;

189.[2] The inclusion in the settlement bank account group of the EKS as an ancillary system to TARGET set out in Paragraph 189.[1]2. herein shall be used for the clearing cover account management only in the event of a threat to national security.

190. [Deleted]

191. [Deleted]

192. [Deleted]

193. [Deleted]

194. Clearing in the event of a threat to national security is performed as indicated in Section 5 herein, to the extent it is not inconsistent with the provisions of this Subsection and is related to the execution of credit transfers in the event of a threat to national security.

195. In addition to the provisions of this Subsection, when performing the processing of credit transfers in the event of a threat to national security, the critical service providers and Latvijas Banka shall comply with the requirements of Section 3, Subsections 7.1 and 7.2.1, Sections 8, 11–13 and 15 herein to the extent it is not inconsistent with the provisions of this Subsection and is related to the execution of credit transfers in the event of a threat to national security.

196. Latvijas Banka shall notify the contact persons of the participants and the critical service providers of the start of application of the procedure specified in this Subsection, providing information on the clearing cycles schedule, the sending cut-off time, time of settlement and way of file submission. Latvijas Banka shall inform the contact persons of participants and critical service providers when the application of the procedure specified in this Subsection is terminated.

197. Latvijas Banka shall generate a routing table, containing information on the entities payment orders may be addressed to, and send it to the participants and the critical service providers following the instructions set out in the Functional Specification of the Clearing Service.

7.2.4.1 [Deleted]

198. [Deleted]

7.2.4.2. [Deleted]

199. [Deleted]

200. [Deleted]

201. [Deleted]

202. [Deleted]

203. [Deleted]

204. [Deleted]

205. [Deleted]

206. [Deleted]

207. [Deleted]

7.3 Contingency and business continuity measures to ensure the processing in the instant payment service

208. Where a participant is unable to process the file received from the instant payment service due to a temporary disruption of the file exchange service or online communication, the participant may request that the same file be repeatedly transferred.

209. Where, as a result of technical problems, the status of an instant payment is not known, the instant payment service shall send to a participant a positive confirmation message or a negative confirmation message with respect to the instant payment as soon as Latvijas Banka can unambiguously determine the status of the respective instant payment.

7.3.[1] Emergency measures for the decrease of pre-funding and current IP liquidity positions

209.[1] If the execution of the instant payment referred to in Paragraphs 120.[11], 120.[13] and 161.[6] herein intended to decrease pre-funding and current IP liquidity positions is not possible, the transfer of funds shall be executed by alternative means no later than the next TARGET business day.

7.4 Participant-related failures

210. Where a participant encounters problems that may prevent it from submitting credit transfer orders, payment return orders, instant payment orders or instant payment return orders to an EKS service, it shall be solely responsible for solving such problems.

211. The participant shall promptly notify Latvijas Banka's contact persons about any problems related to the generation or submission of credit transfer orders, payment return orders, instant payment orders or instant payment return orders to an EKS service and the expected time period for solving them.

7.5 Security requirements

212. A participant shall implement adequate security controls to protect its systems from unauthorised access and use, including cyber resilience and information security. A participant shall be exclusively responsible for the adequate protection of the confidentiality, integrity and availability of its systems.

213. A participant shall inform Latvijas Banka of any substantial security-related incident in its systems or technical infrastructure and, where appropriate, any security-related incident that may occur in the systems or technical infrastructure of the third parties providing services where the clearing service or instant payment service operation is affected or may be affected. Latvijas Banka may request further information about the

incident and, if necessary, request that appropriate measures be taken by the participant to prevent a recurrence of such an event.

214. Latvijas Banka may impose additional security requirements on all participants or the participants considered critical by Latvijas Banka.

8. Liability regime

8.1 Liability regulation

215. In performing their obligations pursuant to the Rules, Latvijas Banka and the participants shall be bound by a general duty of reasonable care in relation to each other.

216. Latvijas Banka shall be liable with respect to the participants for any loss arising out of the operation of the EKS and caused by Latvijas Banka as a result of fraud (including but not limited to wilful misconduct) or gross negligence. In cases of ordinary negligence, Latvijas Banka's liability shall be limited to the participant's direct loss, i.e. the amount of the transaction in question, excluding any consequential loss.

217. Latvijas Banka shall not be liable for any loss that results from any malfunction or failure in the systems or technical infrastructure (including but not limited to Latvijas Banka's information system infrastructure, programmes, data and networks), if such malfunction or failure arises in spite of Latvijas Banka having adopted measures that are reasonably necessary to protect such infrastructure against malfunction or failure and to resolve the consequences of such malfunction or failure (the latter including but not limited to initiating and implementing the contingency and business continuity measures referred to in Section 7 herein).

218. Latvijas Banka shall not be liable for:
218.1 any loss caused by a participant; or
218.2 any loss where it arises out of external events beyond Latvijas Banka's reasonable control.

219. Latvijas Banka and the participant shall take all reasonable and practicable steps to prevent any damage or mitigate loss.

220. In performing its obligations under the Rules, Latvijas Banka may commission third parties on its own behalf (for example, telecommunications network providers), where necessary, to meet Latvijas Banka's obligations as well as in the cases where the above is a standard market practice. Latvijas Banka's obligation shall be limited to the due selection and commissioning of any such third party and Latvijas Banka's liability shall be limited accordingly.

8.2 Evidence

221. Electronic or paper-based records of the messages retained by Latvijas Banka shall be accepted as a means of evidence of the payments processed through Latvijas Banka.

222. Latvijas Banka shall keep complete records of the credit transfer orders, payment return orders, instant payment orders and instant payment return orders submitted and the payments received by a participant as well as the related messages for a period of five years from the time such orders are submitted and payments received.

223. Latvijas Banka's own books and records (whether kept as paper-based documents, by electronic or magnetic recording or in any other mechanically reproducible form) shall be accepted as a means of evidence of any obligations of the participant and of any facts and events that the parties rely on.

224. Latvijas Banka shall keep the information referred to in Paragraph 223 herein for a period of five years from the time such information has been created.

9. Termination of participation

9.1 Duration, ordinary termination of participation and termination of the use of an EKS service

225. Without prejudice to Subsection 9.2 herein, participation in the EKS shall be for an indefinite period of time.

226. A participant may terminate its participation in the EKS, discontinue to use one of the EKS services or terminate the registration of its registered BIC at any time giving at least 14 business days' notice thereof, unless it agrees on a shorter notice period with Latvijas Banka. To discontinue to use one of the EKS services or terminate the registration of a participant's registered BIC, the participant shall submit an application form for the static data registration in compliance with the provisions of Appendix 1.3, Appendix 1.3^{1}, Appendix 1.5 or Appendix 1.5^{1} hereto.

227. Latvijas Banka may terminate a participant's participation in the EKS or discontinue the provision of an EKS service where:
227.1 Latvijas Banka suspends or terminates the operation of the EKS or one of its services, giving three months' notice thereof, unless it agrees on a different notice period with the participant;
227.2 in Latvijas Banka's assessment, there are no longer any grounds for admitting that an entity is a participant pursuant to Paragraph 12 herein. The respective participant shall be given a one month notice thereof.

$227.^{1}$ [Deleted]

$227.^{2}$ [Deleted]

$227.^{3}$ [Deleted]

$227.^{4}$[Deleted]

228. Upon termination of participation in the EKS, the confidentiality duties referred to in Section 11 herein shall remain in force for a period of five years as of the date of the termination.

229. Upon termination of a participant's participation in the EKS, the use of the EKS services and the registration of all participant's registered BICs shall also be terminated simultaneously.

$229.^{1}$ Upon termination of the instant payment service provision to a participant, the outstanding amount of instant payment liquidity shall be credited to the RTGS DCA

corresponding to the participant's registered BIC or to another settlement account of the participant.

229.[2] Upon termination of the registration of a participant's registered BIC in the instant payment service, the outstanding amount of instant payment liquidity shall be credited to the RTGS DCA corresponding to the participant's registered BIC or to another settlement account of the participant.

229.[3] Upon termination of the clearing service provision to a participant, the outstanding amount on the clearing cover account shall be credited to the RTGS DCA corresponding to the participant's registered BIC or to another settlement account specified by the participant.

229.[4] Upon termination of the registration of a participant's registered BIC in the clearing service, the outstanding amount on the clearing cover account shall be credited to the RTGS DCA corresponding to the participant's registered BIC or to another settlement account specified by the participant.

9.2 Extraordinary termination of participation

230. Latvijas Banka shall immediately and without prior notice terminate a participant's participation in the EKS if one of the following events of default occurs:
230.1 the opening of the participant's insolvency proceedings, unless it is subject to the crisis prevention measures or crisis management measures within the meaning of Directive 2014/59/EU;
230.2 the participant no longer meets the access criteria stated in Subsection 2.1 herein and the participation requirements stated in Paragraph 24 or Paragraph 24.[1] herein.

231. Latvijas Banka may immediately and without prior notice terminate a participant's participation in the EKS where:
231.1 one or more events of default (other than those referred to in Paragraph 230 herein) occur;
231.2 the participant is in recurrent material breach of the Rules;
231.3 the participant fails to fulfil any material obligation to Latvijas Banka repeatedly;
231.4 any other participant-related event occurs which, in Latvijas Banka's assessment, would threaten the overall stability and safety of the EKS or jeopardise Latvijas Banka's performance of its tasks as defined in the Law on Latvijas Banka or pose other material risks.

232. Where any of the technical requirements referred to in Paragraph 24.1 or Paragraph 24.[1].1 herein is not met, Latvijas Banka may immediately and without prior notice terminate the registration of a participant's registered BIC.

233. In exercising the rights under Paragraphs 231.1, 231.2, 231.3 or 232 herein, Latvijas Banka shall take into account the seriousness of the events referred to therein.

234. Where Latvijas Banka terminates a participant's participation in the EKS under Paragraphs 230 or 231 herein or the registration of a participant's registered BIC under Paragraph 232 herein, Latvijas Banka shall:
234.1 record the time of terminating the participant's participation in the EKS or terminating the registration of a participant's registered BIC;

234.2 promptly notify other participants and other SEPA payment systems of the termination of the participant's participation or the termination of the registration of a participant's registered BIC;
234.3 promptly notify the participant whose participation or registered BIC registration has been terminated of the termination of its participation or registered BIC registration by sending a notification to the e-mail address indicated in the participant's list of contact persons, indicating the time of the termination.
235. Once the notification referred to in Paragraph 234.2 or 234.3 herein has been sent by Latvijas Banka, its recipients shall be deemed notified of the termination of a participant's participation in the EKS or the termination of the registration of a participant's registered BIC. The participants shall bear any losses arising from the submission of payment orders to a participant whose participation or registered BIC registration has been terminated, if such payment order has been submitted to the EKS after the above termination.

235.[1] Where the non-bank payment service provider has not rectified a significant degree of non-compliance with the requirements of Paragraphs 55.[1], 55.[3] and 55.[5] herein, Latvijas Banka may terminate the non-bank payment service provider's participation in the EKS under Paragraphs 231.2 and/or 231.3 herein. By way of derogation from the requirements of Paragraph 231 of this Regulation, Latvijas Banka may terminate the non-bank payment service provider's participation in the EKS giving one month's notice thereof. Latvijas Banka shall impose a penalty of 1000 euro on the non-bank payment service provider for each closed account.

235.[2] The case of a significant degree of non-compliance referred to in Paragraph 235.[1] herein is, among other factors, to be:
235.[2]1. systematic or repeated breach of the relevant maximum holding amount limit, including, but not limited to, a breach involving a substantial excess over the relevant maximum holding amount limit;
235.[2]2. failure to reduce the amount held on the clearing cover account and the IP cover account to the maximum holding amount or below by the close of the business day following the business day on which the funds are received.

235.[3] Latvijas Banka shall inform the participant about the penalty imposed according to Paragraph 235.[1] herein by sending a notification to the e-mail address indicated in the participant's list of contact persons. The penalty payment shall be made according to the following procedure:
235.[3]1 Latvijas Banka shall debit the RTGS DCA specified in the application form for the static data registration of the participant that is a participant in TARGET;
235.[3]2 the participant that is not a participant in TARGET shall make the relevant payment in accordance with the payment details specified by Latvijas Banka.

235.[4] Where the non-bank payment service provider fails to comply with the requirements of Paragraph 61.[1] herein, Latvijas Banka may terminate the non-bank payment service provider's participation in the EKS under Paragraphs 231.2 and/or 231.3 herein. By way of derogation from the requirements of Paragraph 231 of this Regulation, Latvijas Banka may terminate the non-bank payment service provider's participation in the EKS giving one month's notice thereof.

236. Where the participant's participation in the EKS has been terminated, the EKS shall not accept any new payment orders, liquidity transfer orders and pre-fund decrease orders submitted by that participant. The clearing service shall reject the payment orders

accepted by the clearing service and new payment orders submitted by or addressed to that participant. The instant payment service shall reject any new payment orders and liquidity transfer orders.

237. Once the registration of a participant's registered BIC has been terminated, the EKS shall not accept any new payment orders, liquidity transfer orders and pre-fund decrease orders submitted by that participant in the EKS with the respective registered BIC of that participant. The clearing service shall reject the payment orders accepted by the clearing service and new payment orders submitted by or addressed to that participant and submitted in or received from the clearing service with the respective registered BIC of that participant. The instant payment service shall reject any new payment orders and liquidity transfer orders.

238. Upon termination of the instant payment service provision to a participant, the outstanding amount of instant payment liquidity shall be credited to the RTGS DCA corresponding to the participant's registered BIC or to another settlement account of the participant.

239. Upon termination of the registration of a participant's registered BIC in the instant payment service, the outstanding amount of instant payment liquidity shall be credited to the RTGS DCA corresponding to the registered BIC of the participant or to another settlement account of the participant.

240. Upon termination of the clearing service provision to a participant, the outstanding amount on the clearing cover account shall be credited to the RTGS DCA corresponding to the registered BIC of a participant or to another settlement account specified by the participant.

241. Upon termination of the registration of a participant's registered BIC in the clearing service, the outstanding amount on the clearing cover account shall be credited to the RTGS DCA corresponding to the registered BIC of a participant or to another settlement account specified by the participant.

242. Upon termination of a participant's participation in the EKS, termination of the registration of a participant's registered BIC in one of the EKS services, or termination of the provision of one of the EKS services to a participant in compliance with the provisions of Section 9 herein, the registration of the addressable BIC holder shall be deleted at the same time. Following the termination of a participant's participation, the above participant shall promptly notify its registered addressable BIC holder to that effect.

10. Latvijas Banka's rights of pledge and netting

243. Where a participant has no account in TARGET-Latvija, Latvijas Banka shall have a pledge over the existing and future balances of the clearing cover account and the IP cover account, thereby collateralising any current and future claims arising from the legal relationship between the parties.

244. Latvijas Banka shall have the rights specified in Paragraph 243 herein even if its claims are contingent or not yet due.

245. In the event of default referred to in Paragraph 230 herein or another event of default or in the event referred to in Paragraph 231 herein resulting in termination or suspension

of a participant's participation in the EKS, notwithstanding the commencement of any insolvency proceedings with respect to the participant and notwithstanding any assignment, judicial or other attachment, or other disposition of or with respect to the participant's rights, all obligations of the participant from the moment, when Latvijas Banka terminates a participant's participation in the EKS shall be automatically and immediately accelerated, without any prior notice and the need for any approval by any authority, so as to be immediately due. In addition, all mutual obligations of the participant and Latvijas Banka shall be automatically netted, and the party owing the higher amount shall pay the other party the difference.

246. Latvijas Banka shall promptly give the participant notice of any netting in accordance with the requirements of Paragraph 245 herein after such netting has taken place.

247. Latvijas Banka may, without prior notice, withhold, prior to transferring any remaining balance of the participant's clearing cover account and IP cover account, any amounts which the participant shall pay to Latvijas Banka resulting from the legal relationship between the participant and Latvijas Banka.

11. Confidentiality

248. Latvijas Banka shall ensure the confidentiality of all sensitive or secret information, including information relating to the participant, participant's customer, addressable BIC holder and its customer's payment, technical and organisational information unless the participant or participant's customer, addressable BIC holder or its customer have given their written consent to disclose it or such disclosure is permitted or required under the laws and regulations of the Republic of Latvia.

249. By derogation from the requirements of Paragraph 248 herein, the participant agrees that information relating to any action taken pursuant to Subsection 9.2 of this Regulation shall not be treated as confidential.

250. By derogation from the requirements of Paragraph 248 herein, the participant agrees that Latvijas Banka may disclose payment, technical or organisational information obtained in the course of the operation of the EKS regarding a participant, participant's customer, addressable BIC holder or its customer to the extent that this is necessary for the performance of the tasks of the supervisory, resolution and oversight authorities, and provided that the disclosure is not in conflict with the applicable laws and regulations. Latvijas Banka shall not be liable for the financial and commercial consequences of such disclosure.

250^{1}. By way of derogation from the requirements of Paragraph 248 of this Regulation, the participant agrees that Latvijas Banka may disclose information obtained during the operation of the EKS regarding the participant, including the information on the participant's account balance, to the European Central Bank and the central banks of the Member States of the European Union where such information is necessary for carrying out the tasks of the European System of Central Banks.

251. By derogation from the requirements of Paragraph 248 herein and provided this does not make it possible, whether directly or indirectly, to identify the participant, participant's customer, addressable BIC holder or its customer, Latvijas Banka may use, disclose or publish payment information regarding a participant, participant's customer, addressable BIC holder or its customer for statistical, historical, scientific or other

purposes in the exercise of its functions. The above information may be disclosed to another body governed by public law only where it is necessary to exercise its functions.

252. The information related to the operation of the EKS available to a participant may only be used by the above participant for the purposes stated in the Rules. A participant shall keep such information confidential, unless Latvijas Banka has explicitly given its written consent to disclose it. The participant shall ensure that any third party to which it outsources, delegates or subcontracts tasks which may have an impact on the performance of the participant's obligations under the Rules is bound by the confidentiality requirements stated in this Paragraph.

12. Data protection, prevention of money laundering, administrative or restrictive measures and related issues

253. A participant shall be deemed to be aware of all the obligations under the laws and regulations on data protection, shall comply with them and shall be able to demonstrate that compliance to the relevant competent authorities. The participant shall be deemed to be aware of and shall comply with all obligations under laws on the prevention of money laundering and financing of terrorism and proliferation as well as prevention of financing nuclear activities contributing to the risk of nuclear proliferation or the development of nuclear weapon delivery systems as well as compliance with the international sanctions and national sanctions of the Republic of Latvia, in particular in terms of implementing appropriate measures regarding any payments debited from or credited to the participant's settlement account.

254. A participant shall be deemed to have authorised Latvijas Banka to obtain any information related to it from any financial or supervisory authority or trade body, whether Latvian or foreign, if such information is necessary for the participant's participation in the EKS.

255. A participant acting as a payment service provider of a payer or a payee shall comply with any requirements applicable to it arising from administrative or restrictive measures imposed pursuant to Article 75 or 215 of the Treaty on the Functioning of the European Union, including requirements relating to notification and/or obtaining the consent of the competent authority for the processing of transactions.

255.[1] Latvijas Banka is the controller of the data of credit transfer orders and payment return orders submitted by participants, which may contain personal data in accordance with European Parliament and Council Regulation (EC) No 2016/679 of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC [7] (General Data Protection Regulation), for use in the identification of cases of fraud and the detection of payment anomalies in accordance with the EBA CLEARING procedures. The participant shall inform its customers and its addressable BICs holders that personal data contained in credit transfer orders and payment return orders will be processed by Latvijas Banka, the Deutsche Bundesbank, EBA CLEARING and Nexi Payments S.p.A.

[7] OVL 119, 04.05.2016., 1p.

13. Notices

256. Unless otherwise provided in these Rules, all notices required or permitted by these Rules shall be sent by registered post or electronically, where bilaterally agreed, or by other written means. Notices to Latvijas Banka shall be submitted to the Head of the Payment Systems Department of Latvijas Banka (address: K. Valdemāra iela 2A, Riga, LV-1050, Latvia) or sent to the BIC address of Latvijas Banka LACBLV2X or to the official electronic address (hereinafter, e-address) of Latvijas Banka or to the e-mail address info@bank.lv. Notices to the participant shall be sent to the address, e-address or e-mail address notified by the participant to Latvijas Banka from time to time.

257. To prove that a notice has been sent, it shall be sufficient to prove that the notice in the form of a paper document was delivered to the respective address or that the envelope containing such notice was properly addressed and posted, or such notice in the form of a digital document was sent to the e-address or e-mail address.

258. All notices shall be given in Latvian. A participant established outside the Republic of Latvia may submit such notices to Latvijas Banka in English.

259. A participant shall be bound by all documents which it has submitted to Latvijas Banka in compliance with Paragraphs 256 and 257 herein and which Latvijas Banka reasonably believes to have received from the participant, its employees or agents.

14. Third Party Rights

260. Any rights, interests, obligations, responsibilities and claims arising from the Rules shall not be transferred, pledged or assigned by a participant to any third party without Latvijas Banka's written consent.

261. The present Rules do not create any rights in favour of or obligations in relation to any entity other than Latvijas Banka and a participant.

15. Governing laws and regulations, jurisdiction and place of court proceedings

262. The bilateral relationship between Latvijas Banka and a participant shall be governed by the laws and regulations of the Republic of Latvia.

263. Without prejudice to the jurisdiction of the Court of Justice of the European Union, any dispute arising in connection with the relationship referred to in Paragraph 262 herein shall be subject to the exclusive jurisdiction of the competent courts of the Republic of Latvia.

264. The place of court proceedings regarding the legal relationship between Latvijas Banka and a participant shall be Riga, Latvia.

16. Final provisions

265. Latvijas Banka shall have the right, at any time, to unilaterally amend the agreement "On Participation in the EKS" concluded between Latvijas Banka and a participant, the present Rules and its Appendices, Latvijas Banka "Rules for the Use of the Instant Verification Service" and Latvijas Banka "Rules for the Use of the Proxy Registry "Instant Links"". The notifications of any amendments shall be furnished in writing.

Amendments shall be deemed to have been accepted within one month of the notice of amendments to Latvijas Banka "Rules for the Use of the Instant Verification Service", or Latvijas Banka "Rules for the Use of the Proxy Registry "Instant Links"" or 14 days of the notice of other amendments stated in this Paragraph unless a participant expressly objects to an amendment or agrees on a shorter notice period with Latvijas Banka. Where a participant objects to an amendment, Latvijas Banka shall be entitled to terminate that participant's participation in the EKS immediately.

266. Latvijas Banka shall inform a participant in a timely manner before making any amendments to the Functional Specification of the Clearing Service and the Functional Specification of the Instant Payment Service published on the website of Latvijas Banka.

267. Where any provision in the present Rules becomes invalid, this shall not prejudice the applicability of other provisions hereof.

268. By participating in the EKS, a participant shall automatically agree to comply with the provisions of the present Rules regarding the relationship among the participants and Latvijas Banka.

269. Termination of a participant's participation in the EKS shall not release that participant from full execution of the obligations arising from its participation in the EKS. After the termination of a participant's participation in the EKS, Latvijas Banka shall retain its rights, as stipulated in the present Rules and the rules for participation in TARGET-Latvija system, to debit that participant's RTGS DCA or another participant's account opened with Latvijas Banka, or withhold any amounts which the participant shall pay to Latvijas Banka, and Latvijas Banka may exercise these rights immediately prior to the due dates stated herein.

270. Paragraphs 190-193 herein shall cease to be in effect on 1 January 2024.

271. [deleted]

272. [deleted]

273. It is considered that the participant that has joined the EKS by 1 April 2025 uses the file exchange service for file exchange until it submits an updated application form for the static data registration.

274. For the participant that has joined the EKS by 5 October 2025, the obligation set out in Paragraph 59 herein to submit the Contact Persons Form in accordance with Appendix 1.8 hereto shall apply from the moment it is necessary to make changes to the participant's existing contact persons list. Until the submission of the Contact Persons Form in accordance with Paragraph 59 herein, the participant's previously submitted contact persons list shall be considered as actual contact persons list.

275. The participant that has joined the EKS by 14 June 2026 shall ensure that the obligation set out in Paragraph 19.2 herein to inform its addressable BIC holders of their registration in the RPS SEPA-Clearer system managed by the Deutsche Bundesbank and to ensure that the authorisation required for registration and reachability in the RPS SEPA-Clearer system is executed by 15 July 2026.

276. For the participant that has joined the EKS by 14 June 2026, the obligation set out in Paragraph 19.[1] herein shall apply from 15 July 2026.

277. For the participant that has signed the agreement "On Participation in the EKS" by 14 June 2026, Paragraph 1.3 of Appendix 1.2 to these Rules shall not apply.

278. The new wording of Paragraph 4 herein, the amendment deleting Paragraph 47 herein, the amendments to Paragraphs 64.1, 64.2, 82, 83, and 255.[1], as well as the amendment to Section 3 of Appendix 1.2 to these Rules related to the connection of the clearing service to the RPS SEPA-Clearer system managed by the Deutsche Bundesbank, shall take effect as of 8 September 2026.

Appendix 1.1

TERMS OF REFERENCE FOR CAPACITY AND COUNTRY OPINIONS

TERMS OF REFERENCE FOR CAPACITY OPINIONS FOR PARTICIPANTS

THE TIMESTAMP OF THE ELECTRONIC SIGNATURE BEARS THE DATE OF SIGNING THE DOCUMENT

Latvijas Banka
info@bank.lv

Participation in the EKS

Dear Mr/Ms [surname],

We have been asked to provide this Opinion as [in-house or external] legal advisers to [specify name of Participant or branch of Participant] in respect of issues arising under the laws of [jurisdiction in which the Participant is established; hereinafter, the "jurisdiction"] in connection with the participation of [specify name of Participant] (hereinafter, the "Participant") in the EKS (hereinafter, the "System").

This Opinion is confined to the laws of [jurisdiction] as they exist as on the date of this Opinion. We have made no investigation of the laws of any other jurisdiction as a basis for this Opinion, and do not express or imply any opinion in this regard. Each of the statements and opinions presented below applies with equal accuracy and validity under the laws of [jurisdiction], whether or not the Participant acts through its head office or one or more branches established inside or outside of [jurisdiction] in submitting payment orders, liquidity transfers and receiving payments.

1. DOCUMENTS EXAMINED

For the purposes of this Opinion, we have examined:

1.1. a certified copy of the [specify relevant constitutional document(s)] of the Participant such as is/are in effect on the date hereof;

1.2. [if applicable] an extract from the [specify relevant company register] and [if applicable] [register of credit institutions or analogous register];

1.3. [to the extent applicable] a copy of the Participant's licence or other proof of authorisation to provide banking, investment, funds transfer or other financial services in [jurisdiction] in accordance with the conditions for access to participate in the EKS;

1.4. [if applicable] a copy of a resolution adopted by the board of directors or the relevant governing body of the Participant on [insert date], [insert year], evidencing the Participant's agreement to adhere to the System Documents, as defined below;

1.5. [specify all powers of attorney and other documents constituting or evidencing the requisite power of the person or persons signing the relevant System Documents (as defined below) on behalf of the Participant] and all other documents relating to the

Participant's constitution, powers, and authorisations necessary or appropriate for the provision of this Opinion;

1.5.[1] [if applicable] the Participant's statement of compliance or a notification of the competent authority or any other statements evidencing the compliance of the Participant with the requirements of Article 35a of Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (hereinafter, Directive 2015/2366) in accordance with the laws of [jurisdiction] implementing Article 35a of Directive 2015/2366 (hereinafter, the "Participant Documents").

For the purposes of this Opinion, we have also examined:

1.6. the "System Rules for Participation in the EKS" approved by the Council of Latvijas Banka on [insert date] (hereinafter the "System Rules");

1.7. the agreement "On Participation in the EKS" (hereinafter the "Agreement on participation in the EKS") concluded between Latvijas Banka and the Participant on [insert date].

[..]

The System Rules and the Agreement on participation in the EKS shall be referred to hereinafter as the "System Documents" (and collectively with the Participant Documents as the "Documents").

2. ASSUMPTIONS

For the purposes of this Opinion, we have assumed in relation to the Documents that:

2.1. the System Documents with which we have been provided are originals or true copies;

2.2. the terms of the System Documents and the rights and obligations created by them are valid and legally binding under the laws of the Republic of Latvia by which they are expressed to be governed, and the choice of the laws of the Republic of Latvia to govern the System Documents is recognised by the laws of the Republic of Latvia;

2.3. the Participant Documents are within the capacity and power of and have been validly authorised, adopted or executed and, where necessary, delivered by the relevant parties;

2.4. the Participant Documents are binding on the parties to which they are addressed, and there has been no breach of any of their terms.

3. OPINIONS REGARDING THE PARTICIPANT

3.1. The Participant is a corporation duly established and registered or otherwise duly incorporated or organised under the laws of [jurisdiction].

3.2. The Participant has all the requisite corporate powers to execute and perform the rights and obligations under the System Documents to which it is a party.

3.3. The adoption or execution and the performance by the Participant of the rights and obligations under the System Documents to which the Participant is a party will not in any way breach any provision of the laws or regulations of [jurisdiction] applicable to the Participant or the Participant Documents, including the right of Latvijas Banka to have a pledge over the existing and future balances of the clearing cover account or the IP cover account, thereby collateralising any current and future claims of Latvijas Banka arising from any legal relationship between the parties.

3.4. No additional authorisations, approvals, consents, filings, registrations, notarisations or other certifications of or with any competent court or governmental or judicial authority or other body governed by public law in [jurisdiction] are required by the Participant in connection with the adoption, validity or enforceability of any of the System Documents or the execution or performance of the rights and obligations thereunder.

3.5. The Participant has taken all necessary corporate action and other steps necessary under the laws of [jurisdiction] to ensure that its obligations under the System Documents are legal, valid and binding.

3.6. [if applicable] The Participant's submitted document evidencing the compliance of the Participant with the requirements of Article 35a of Directive 2015/2366 is prepared in accordance with the procedure established by the laws of [jurisdiction] implementing Article 35a of Directive 2015/2366.

This Opinion is stated as of its date and is addressed solely to Latvijas Banka and the [Participant]. No other persons may rely on this Opinion, and the contents of this Opinion may not be disclosed to persons other than its intended recipients and their legal counsel without our prior written consent, with the exception of the European Central Bank and the national central banks of the European System of Central Banks [and [the national central bank/relevant regulatory authorities] of [jurisdiction]].

Yours faithfully,

THE DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND COMPRISES A TIMESTAMP.

_____
(first name, surname and position)

TERMS OF REFERENCE FOR COUNTRY OPINIONS FOR NON-EEA PARTICIPANTS

THE TIMESTAMP OF THE ELECTRONIC SIGNATURE BEARS THE DATE OF SIGNING THE DOCUMENT

Latvijas Banka
info@bank.lv

Participation in the EKS

Dear Mr/Ms [surname],

We have been asked to provide this Opinion as [external] legal advisers to [specify name of Participant or branch of Participant] (hereinafter, the "Participant") in respect of issues arising under the laws of [jurisdiction in which the Participant is established; hereinafter, the "jurisdiction"] under the laws of [jurisdiction] in connection with the participation of the Participant in the EKS (hereinafter, the "System"). References herein to the laws of [jurisdiction] include all applicable regulations of [jurisdiction]. We express an opinion herein under the laws of [jurisdiction], with particular regard to the Participant established outside the Republic of Latvia in relation to the rights and obligations arising from participation in the System, as presented in the System Documents defined below.

This Opinion is confined to the laws of [jurisdiction] as they exist as on the date of this Opinion. We have made no investigation of the laws of any other jurisdiction as a basis for this Opinion, and do not express or imply any opinion in this regard. We have assumed that there is nothing in the laws of another jurisdiction which affects this Opinion.

1. DOCUMENTS EXAMINED

For the purposes of this Opinion, we have examined the documents listed below and such other documents as we have deemed necessary or appropriate:

1.1. the "System Rules for Participation in the EKS" approved by the Council of Latvijas Banka on [insert date] (hereinafter the "System Rules");

1.2. any other document governing the System and/or the relationship between the Participant and other participants in the System, and between the participants in the System and Latvijas Banka.

The System Rules and the [..] shall be referred to hereinafter as the "System Documents".

2. ASSUMPTIONS

For the purposes of this Opinion we have assumed in relation to the System Documents that:

2.1 the System Documents are within the capacity and power of and have been validly authorised, adopted or executed and, where necessary, delivered by the relevant parties;

2.2. the terms of the System Documents and the rights and obligations created by them are valid and legally binding under the laws of the Republic of Latvia by which they are

expressed to be governed, and the choice of the laws of the Republic of Latvia to govern the System Documents is recognised by the laws of the Republic of Latvia;

2.3. the participants in the System through which any payment orders are sent or payments are received, or through which any rights or obligations under the System Documents are executed or performed, are licensed to provide funds transfer services, in all relevant jurisdictions;

2.4. the documents submitted to us in copy or as specimens conform to the originals.

3. OPINION

Based on and subject to the provisions below, and subject in each case to the Paragraphs set out below, we are of the following opinion.

3.1. Country-specific legal aspects [to the extent applicable]

The following characteristics of the laws of [jurisdiction] are consistent with and in no way set aside the obligations of the Participant arising out of the System Documents: [list of country-specific legal aspects].

3.2. General insolvency issues

3.2.1. Types of insolvency proceedings
The only types of insolvency proceedings (including composition or rehabilitation) – which, for the purpose of this Opinion, shall include all proceedings in respect of the Participant's assets or any branch it may have in [jurisdiction] – to which the Participant may become subject in [jurisdiction], are the following: [list proceedings in original language and Latvian and English translation] (together collectively referred to as "Insolvency Proceedings").

In addition to Insolvency Proceedings, the Participant, any of its assets, or any branch it may have in [jurisdiction] may become subject in [jurisdiction] to [list any applicable moratorium, receivership, or any other proceedings as a result of which payments to the Participant or payment orders and liquidity transfers of the Participant may be suspended, or limitations can be imposed in relation to such payments, or similar proceedings, in original language and Latvian and English translation] (hereinafter collectively referred to as "Proceedings").

3.2.2. Insolvency treaties
[Jurisdiction] or certain political subdivisions within [jurisdiction], as specified, is/are party to the following insolvency treaties: [specify, if applicable which have or may have an impact on this Opinion].

3.3. Enforceability of System Documents

Subject to the Paragraphs set out below, all provisions of the System Documents will be binding and enforceable in accordance with their terms under the laws of [jurisdiction], in particular in the event of the opening of any Insolvency Proceedings or Proceedings with respect to the Participant.

3.3.1. Processing of payment orders and liquidity transfer orders

The provisions on processing of payment orders and liquidity transfer orders [Subsections 5.1 and 6.1] of the System Rules are valid and enforceable. In particular, all payment orders and liquidity transfer orders processed pursuant to such Section will be valid, binding and will be enforceable under the laws of [jurisdiction]. The provision of the System Rules specifying the precise point in time at which payment orders and liquidity transfer orders submitted by the Participant to the System become enforceable and irrevocable (Subsections 5.7 and 6.7) is valid, binding and enforceable under the laws of [jurisdiction].

3.3.2. Authority of Latvijas Banka to perform its functions
The opening of Insolvency Proceedings or Proceedings in respect of the Participant will not affect the authority and powers of Latvijas Banka arising out of the System Documents. [Specify [to the extent applicable] that: the same opinion is also applicable in respect of any other entity which provides the Participants with services directly and necessarily required for participating in the System (e.g. network service provider).]

3.3.3. Remedies in the event of default
[Where applicable to the Participant, the provisions contained in the System Rules regarding the termination of participation, accelerated performance of claims which have not yet matured, claims for using the funds of the Participant, netting, claims for default interest, and termination of agreements and transactions [Sections 9 and 10] are valid and enforceable under the laws of [jurisdiction].]

3.3.4. Termination
[Where applicable to the Participant, the provisions contained in the System Rules [Subsection 9.2] (in respect of termination of the Participant's participation in the System on the opening of Insolvency Proceedings or Proceedings or other events of default, as defined in the System Rules, or if the Participant represents any kind of systemic risk or has serious operational problems) are valid and enforceable under the laws of [jurisdiction].]

3.3.5. Assignment of rights and obligations
The rights and obligations of the Participant cannot be assigned, altered or otherwise transferred by the Participant to third parties without the prior written consent of Latvijas Banka.

3.3.6. Choice of governing law and jurisdiction
The provisions contained in [Section 15] of the System Rules, and in particular in respect of the governing law, the resolution of a dispute, competent courts, and service of process are valid and enforceable under the laws of [jurisdiction].

3.4. Voidable preferences

We are of the opinion that no obligation arising out of the System Documents, the performance thereof, or compliance therewith prior to the opening of any Insolvency Proceedings or Proceedings in respect of the Participant may be set aside in any such proceedings as a preference, voidable transaction or otherwise under the laws of [jurisdiction].

In particular, and without limitation to the foregoing, we express this opinion in respect of any payment orders and liquidity transfer orders submitted by any Participant in the System. We are of the opinion that the provisions of [Subsections 5.7 and 6.7] of the

System Rules establishing the enforceability and irrevocability of payment orders and liquidity transfer orders will be valid and enforceable and that a payment order or liquidity transfer order submitted by any Participant and processed pursuant to [Subsections 5.1–5.6.[1] and 6.1–6.6] of the System Rules may not be set aside in any Insolvency Proceedings or Proceedings as a preference, voidable transaction or otherwise under the laws of [jurisdiction].

3.5. Branches [to the extent applicable]

3.5.1. Opinion applies to action through branches
Each of the statements and opinions presented above with regard to the Participant applies with equal accuracy and validity under the laws of [jurisdiction] in situations where the Participant acts through one or more of its branches established outside [jurisdiction].

3.5.2. Conformity with law
Neither the execution and performance of the rights and obligations under the System Documents nor the submission or receipt of payment orders by a branch of the Participant will in any respect breach the laws of [jurisdiction].

3.5.3. Required authorisations
Neither the execution and performance of the rights and obligations under the System Documents nor the submission or receipt of payment orders by a branch of the Participant will require any additional authorisations, approvals, consents, filings, registrations, notarisations or other certifications from or with any competent court or governmental or judicial authority, or any other body governed by public law that are competent in [jurisdiction].

This Opinion is stated as of its date and is addressed solely to Latvijas Banka and the [Participant]. No other persons may rely on this Opinion, and the contents of this Opinion may not be disclosed to persons other than its intended recipients and their legal counsel without our prior written consent, with the exception of the European Central Bank and the national central banks of the European System of Central Banks [and [the national central bank/relevant regulatory authorities] of [jurisdiction]].

Yours faithfully,

THE DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND COMPRISES A TIMESTAMP.

_____
(first name, surname and position)

Appendix 1.1.[1]

TERMS OF REFERENCE FOR STATEMENT OF COMPLIANCE

EXAMPLE OF PARTICIPANT'S STATEMENT OF COMPLIANCE

THE TIMESTAMP OF THE ELECTRONIC SIGNATURE BEARS THE DATE OF SIGNING THE DOCUMENT

Latvijas Banka
info@bank.lv

Statement of compliance for participation in the EKS

Dear Mr/Ms [surname],

Hereby [specify Participant's name] (hereinafter – the Participant) provides a Statement of its compliance with the requirements of [Section 56.[3] of the Law on Payment Services and Electronic Money or the relevant national law of another Member State [refer to the name and respective provision of the relevant national law] implementing Article 35a of Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (hereinafter, Directive 2015/2366)] to become a participant in the EKS system.

This Statement of compliance is confined to the laws of [jurisdiction] implementing the requirements of Articles 3 and 4 of Regulation (EU) 2024/886 of the European Parliament and of the Council of 13 March 2024 amending Regulations (EU) No 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366 as regards instant credit transfers in euro (hereinafter, Regulation 2024/886) as they exist as on the date of this Statement of compliance. Each of the statements and confirmations presented below applies with equal accuracy and validity under the laws of [jurisdiction], and exists as on the date of this Statement of compliance.

1. Statement of compliance with the requirements for safeguarding payment service users' funds

1.1. The Participant confirms that it has developed a description of the measures taken for safeguarding payment service users' funds.

1.2 [if applicable] The Participant safeguards payment service users' funds [by depositing funds in a separate account with a credit institution or by investing those funds in secure, liquid and low-risk assets]. The Participant confirms that for this purpose according to the laws of [jurisdiction]:
1.2.1 [if applicable] The Participant ensures that such investments are made in selected assets that are secure, liquid and low-risk;
1.2.2 The Participant has determined the number of persons who have access to the safeguarding account and their functions;
1.2.3 The Participant ensures that payment service users' funds are insulated in the interest of payment service users against the claims of other creditors of the payment institution or electronic money institution, in particular in the event of insolvency;

1.2.4 The Participant has entered into a contract on servicing an account with a credit institution;
1.2.5 The Participant ensures the compliance with the requirements set out in [Paragraph one of Section 38 of the Law on Payment Services and Electronic Money or the relevant national law of another Member State [refer to the name and respective provision of the relevant national law] implementing Article 10 of Directive 2015/2366].

1.3 [if applicable] The Participant safeguards the payment service users' funds with [an insurance policy or some other comparable guarantee from an insurance company or a credit institution]. The Participant confirms that for this purpose according to the laws of [jurisdiction]:
1.3.1 The Participant ensures that the selected insurance company or credit institution does not belong to the same group of firms as the Participant;
1.3.2 The Participant ensures that the insurance policy or other comparable guarantee is sufficient to meet the Participant's safeguarding obligations at all times;
1.3.3 The Participant has entered into an insurance agreement or other comparable guarantee with an appropriate duration and terms of renewal of the coverage.

2. Statement of compliance with the requirements for the governance arrangements and internal control mechanisms

2.1 The Participant confirms that it has developed a description of the governance arrangements and internal control mechanisms for the [payment or electronic money] services it intends to provide, including administrative, risk management and accounting procedures, and those governance arrangements and internal control mechanisms include:
2.1.1 a mapping of the identified risks, including the types of risks and the procedures the Participant has in place or will put in place to assess and prevent such risks;
2.1.2 the procedures to carry out periodic and permanent controls, including the frequency and the human resources allocated;
2.1.3 the accounting procedures by which the Participant records and reports its financial information;
2.1.4 the identity of the person or persons responsible for the internal control functions, including for periodic, permanent and compliance control;
2.1.5 information on the auditor who is responsible for the internal audit function and who is not [a sworn auditor within the meaning of the Law on Audit Services or a statutory auditor within the meaning of the respective national law of [jurisdiction] [refer to the name of the respective national law] implementing Article 2(2) of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC];
2.1.6 the composition of the management body and, if applicable, of any other oversight body or committee;
2.1.7 a description of the way outsourced functions are monitored and controlled so as to avoid impairment of the quality of the internal controls;
2.1.8 a description of the way any agents and branches are monitored and controlled within the framework of the Participant’s internal controls;
2.1.9 [applicable, if the Participant is a subsidiary of a regulated entity in another Member State] a description of the group governance.

2.2 The Participant confirms that the governance arrangements and internal control mechanisms as referred to above are proportionate, appropriate, sound and adequate.

3. Statement of compliance with the requirements for the IT security measures

3.1 The Participant confirms that it has developed a description of the procedure for using information and communication technology services in accordance with the requirements of Articles 6 and 7 of Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011, and confirms that the arrangements for the use of information and communication technology services are proportionate, appropriate, sound and adequate.

3.2 The Participant confirms that it implements adequate security controls to protect its systems from unauthorised access and use, including in relation to cyber resilience and information security.

4. Statement of compliance with the requirements for a winding-up plan

4.1 The Participant confirms that it has developed a winding-up plan that includes a description of the mitigation measures to be adopted by the Participant in the event of the termination of its payment services, which would ensure the execution of pending payment transactions and the termination of existing contracts. The Participant confirms that the winding-up plan mentioned above is adapted to the Participant's envisaged size and business model.

The Participant confirms that it has taken all necessary steps to be taken according to the laws of [jurisdiction] to ensure that the descriptions and other documents produced and referred to in this Statement of compliance are up to date and in accordance with the applicable laws of [jurisdiction].

[Applicable when applying for participation in the EKS] The Participant confirms that this Statement of compliance complies with [the procedure stipulated in Section 56.[4] of the Law on Payment Services and Electronic Money or the procedure set out in the relevant national law on the entity's country of residence [refer to the name and respective provision of the relevant national law] implementing Article 35a(2) of Directive 2015/2366] and is approved by the competent management body of the Participant.

Yours faithfully,

THE DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND COMPRISES A TIMESTAMP.

_____
(first name, surname and position)

Appendix 1.2

Fee schedule and invoicing

1. Fees for participants

1.1. The monthly fee for a participant that is a participant in TARGET shall consist of a fixed monthly fee of 1000 euro, a fee of 0.006 euro for each credit transfer order, instant payment order, payment return order, instant payment return order, payment cancellation request, instant payment cancellation request, payment resolution of investigation (negative responses to a cancellation request), negative response to an instant payment cancellation request, status request, instant payment status request, claim of non-receipt, claim for value date correction and resolutions of investigation (responses to an investigation request) submitted by the Participant in the EKS, based on the volume of transactions (the number of processed items) and 1.6 euro for each participant's pre-fund payment and pre-fund decrease order, based on the number of processed payments and decrease orders per month.

1.2. The monthly fee for a participant that is not a participant in TARGET shall consist of a fixed monthly fee of 1500 euro, a fee of 0.006 euro for each credit transfer order, instant payment order, payment return order, instant payment return order, payment cancellation request, instant payment cancellation request, payment resolution of investigation (negative responses to a cancellation request), negative response to an instant payment cancellation request, status request, instant payment status request, claim of non-receipt, claim for value date correction and resolutions of investigation (responses to an investigation request) submitted by the Participant in the EKS, based on the volume of transactions (the number of processed items) per month and 1.6 euro for each participant's payment to increase the pre-fund and pre-fund decrease order, based on the number of processed payments and decrease orders per month.

1.3. The fixed monthly fees referred to in Paragraphs 1.1 and 1.2 of this Appendix shall apply starting from the fourth month of participation in the EKS system.

2. Invoicing

2.1. No later than on the ninth business day of the following month, Latvijas Banka shall send a participant an invoice for the previous month specifying the fees to be paid.

2.2. No later than on the fourteenth business day of the respective month, Latvijas Banka shall debit the invoice amount from the RTGS DCA specified in the application form for the static data registration of the participant that is a participant in TARGET.

2.3. A participant that is not a participant in TARGET shall credit the invoice amount no later than 30 days from the date of issuance of the invoice in accordance with the payment details specified by Latvijas Banka. In the event of late or incomplete payment, the participant shall pay Latvijas Banka a penalty of 0.5 per cent of the unpaid amount for each day of delay, but not exceeding a total of 10 per cent of the unpaid amount. Payment of the penalty does not release the participant from the obligation to pay the overdue invoice in full..

3. Fees for reachability in other SEPA payment systems

3.1. The fee for reachability in the RPS SEPA-Clearer system shall be determined in accordance with the tariffs set by the Deutsche Bundesbank, while the fee for reachability in STEP2 shall be set according to the effective EBA CLEARING tariffs.

3.2. Latvijas Banka shall collect from a participant the fees paid by Latvijas Banka to the Deutsche Bundesbank for all registered BICs of the participant, and for the reachability of this participant and an addressable BIC holder in the RPS SEPA-Clearer and STEP2 systems, in the following order:
3.2.1. after receiving an invoice from the Deutsche Bundesbank, Latvijas Banka shall send the respective Latvijas Banka's invoice to the participant specifying the fees for the participant;
3.2.2. on the next business day after sending the above invoice to the participant, Latvijas Banka shall debit the invoice amount from the RTGS DCA specified in the application form for the static data registration of the participant that is a participant in TARGET.
3.2.3. A participant that is not a participant in TARGET shall credit the invoice amount no later than 30 days from the date of issuance of the invoice in accordance with the payment details specified by Latvijas Banka.

Appendix 1.3

Application form for the static data registration for the clearing service for the participant that is a participant in TARGET

THE TIMESTAMP OF THE ELECTRONIC SIGNATURE BEARS THE DATE OF SIGNING THE DOCUMENT

New	☐	Modify	☐	Delete	☐		
					Test environment	☐	Production environment ☐
Preferred activation date							

Registered name of the participant*	
VAT Payer Register, No	
Registration number	
Registered BIC of the participant for settlement of invoices and penalty payments	
E-mail address and/or e-address for receiving invoices	

Registered BIC in the clearing service	
BIC	
Name*	
Registered BIC of the participant for the interest payment for the balance of funds on the clearing cover account	
RTGS DCA corresponding to the registered BIC for pre-fund management	
Order to transfer the outstanding amount of the clearing cover account corresponding to the registered BIC to the specified account at the end of each business day	☐
1. Credit transfer orders and payment return orders containing the letters of the Latin alphabet with Latvian diacritical marks	
1.1 are accepted	☐
1.2 are not accepted	☐
2. File exchange will be conducted through the following means:	
2.1 file exchange service (FAS)	☐
2.2 online communication (Rabbit MQ)	☐

THE DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND COMPRISES A TIME STAMP.

_____

(first name, surname and position of the person having the right to represent the participant)

*When entered in the system, the name may be represented in Latin characters without Latvian diacritical marks.

Appendix 1.3.[1]

Application form for the static data registration for the clearing service for the participant that is not a participant in TARGET

THE TIMESTAMP OF THE ELECTRONIC SIGNATURE BEARS THE DATE OF SIGNING THE DOCUMENT

New	☐	Modify	☐	Delete	☐		
					Test environment	☐	Production environment ☐
Preferred activation date							

Registered name of the participant*	
VAT Payer Register, No	
Registration number	
IBAN of the participant for the interest payment for the balance of funds on the clearing cover account and the relevant BIC	
E-mail address and/or e-address for receiving invoices	

Registered BIC in the clearing service	
BIC	
Name*	

IBAN** of the participant account from which the pre-fund increase payment will be made and the relevant BIC (multiple IBANs possible)	
IBAN** of the participant account to which the pre-fund decrease payment will be made and the relevant BIC (single IBAN possible)	
1. Credit transfer orders and payment return orders containing the letters of the Latin alphabet with Latvian diacritical marks	
1.1 are accepted	☐
1.2 are not accepted	☐
2. File exchange will be conducted through the following means:	
2.1 file exchange service (FAS)	☐
2.2 online communication (Rabbit MQ)	☐

THE DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND COMPRISES A TIME STAMP.

_____

(first name, surname and position of the person having the right to represent the participant)

*When entered in the system, the name may be represented in Latin characters without Latvian diacritical marks.

**Participant account opened with a credit institution established in a European Economic Area country or in its own books.

Appendix 1.4

Application form for the registration of addressable BIC holder for the clearing service

(shall be filled in and signed by the participant)

THE TIMESTAMP OF THE ELECTRONIC SIGNATURE BEARS THE DATE OF SIGNING THE DOCUMENT

New	☐	Modify	☐	Delete	☐		
					Test environment	☐	Production environment ☐
Preferred activation date							

Registered name of the participant*	
VAT Payer Register, No	
Registration number	
BIC	

Registered name of the addressable BIC holder*	
Registration number	
Address	
BIC	

THE DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND COMPRISES A TIMESTAMP.

_____

(first name, surname and position of the person having the right to represent the participant)

*When entered in the system, the name may be represented in Latin characters without Latvian diacritical marks.

Appendix 1.5

Application form for the static data registration for the instant payment service for the participant that is a participant in TARGET

THE TIMESTAMP OF THE ELECTRONIC SIGNATURE BEARS THE DATE OF SIGNING THE DOCUMENT

New	☐	Modify	☐	Delete	☐		
						Test environment ☐	Production environment ☐
Preferred activation date							

Registered name of the participant*	
VAT Payer Register, No	
Registration number	
Registered BIC of the participant for settlement of invoices and penalty payments	
E-mail address and/or e-address for receiving invoices	

Registered BIC in the instant service	
BIC	
Registered BIC of the participant for payment of interest on the IP cover account balance	
TIPS DCA number	
Name*	
1. Instant payment orders and instant payment return orders containing letters of the Latin alphabet with Latvian diacritical marks	
1.1 are accepted	☐
1.2 are not accepted	☐
2. File exchange will be conducted through the following means:	
2.1 file exchange service (FAS)	☐
2.2 online communication (Rabbit MQ)	☐

THE DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND COMPRISES A TIMESTAMP.

_____

(first name, surname and position of the person having the right to represent the participant)

*When entered in the system, the name may be represented in Latin characters without Latvian diacritical marks.

Appendix 1.5.[1]

Application form for the static data registration for the instant payment service for the participant that is not a participant in TARGET

THE TIMESTAMP OF THE ELECTRONIC SIGNATURE BEARS THE DATE OF SIGNING THE DOCUMENT

New	☐	Modify	☐	Delete	☐	
				Test environment	☐	Production environment ☐
Preferred activation date						

Registered name of the participant*	
VAT Payer Register, No	
Registration number	
IBAN of the participant for the interest payment for the balance of funds on the IP cover account and the relevant BIC	
E-mail address and/or e-address for receiving invoices	

Registered BIC in the instant payment service		
BIC		
IBAN** of the participant account from which the increase of the current IP liquidity position payment will be made and the relevant BIC (multiple IBANs possible)		
IBAN** of the participant account to which the decrease of the current IP liquidity position payment will be made and the relevant BIC (one IBAN possible)		
Name to be included in TIPS Directory *		
1. Instant payment orders and instant payment return orders containing letters of the Latin alphabet with Latvian diacritical marks		
1.1 are accepted		☐
1.2 are not accepted		☐
2. File exchange will be conducted through the following means:		
2.1 file exchange service (FAS)		☐
2.2 online communication (Rabbit MQ)		☐

THE DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND COMPRISES A TIMESTAMP.

_____

(first name, surname and position of the person having the right to represent the participant)

*When entered in the system, the name may be represented in Latin characters without Latvian diacritical marks.

**Participant account opened with a credit institution established in a European Economic Area country or in its own books.

Appendix 1.6

Application form for the registration of an addressable BIC holder for the instant payment service
(shall be filled in and signed by the participant)

THE TIMESTAMP OF THE ELECTRONIC SIGNATURE BEARS THE DATE OF SIGNING THE DOCUMENT

New	☐	Modify	☐	Delete	☐		
					Test environment	☐	Production environment ☐
Preferred activation date							

Registered name of the participant*	
VAT Payer Register, No	
Registration number	
BIC	

Registered name of the addressable BIC holder*	
Registration number	
Address	
BIC	

THE DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND COMPRISES A TIMESTAMP.

_____
(first name, surname and position of the person having the right to represent the participant)

*When entered in the system, the name may be represented in Latin characters without Latvian diacritical marks.

Appendix 1.7

Notification form for the total peak value of outgoing cash transfer orders by the non-bank payment service provider

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Registered name of the participant*	
VAT Payer Register, No	
Registration number	
BIC of the participant	

Actual for the previous 12 months	☐	Forecast	☐

	Value in *euro*
Total peak value of daily outgoing credit transfer orders, instant payment orders, payment return orders and instant payment return orders	
of which outgoing credit transfer orders and payment return orders	
of which instant payment orders and instant payment return orders	

Order to set the pre-fund position to the specified amount during the automatic pre-fund decrease	
Order to set the IP liquidity position to the specified amount during the automatic decrease of the IP liquidity position	

Additional information about the actual values for the previous 12 months or the forecast, indicating a breakdown by payment type and month

THE DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND COMPRISES A TIME STAMP.

_____

(first name, surname and position of the person having the right to represent the participant)

*When entered in the system, the name may be represented in Latin characters without Latvian diacritical marks.

Appendix 1.8

Contact Persons Form

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Date	

Registered name of the participant	
Registered BIC	

List of contact persons for communication related to the EKS system

First name and surname* or function of the contact person	Telephone number	E-mail address	Available 24 hours a day, 7 days a week (24/7)
			☐
			☐
			☐
			☐

THE DOCUMENT HAS BEEN SIGNED ELECTRONICALLY WITH A SECURE ELECTRONIC SIGNATURE AND COMPRISES A TIMESTAMP.

_____

(first name, surname and position of the person having the right to represent the participant)

* In accordance with Paragraph 59 of the "System Rules for Participation in the EKS" approved by the Council of Latvijas Banka, the participant's contact person specified in the list of contact persons is entitled to update the information in the submitted list of contact persons as well as to provide and receive files in exceptional circumstances or to provide information to Latvijas Banka on another person entitled to provide and receive files.

Appendix 2
to Procedure No 183/3 of the Council of Latvijas Banka
of 9 September 2010

SAMPLE

THE TIMESTAMP OF THE ELECTRONIC SIGNATURE BEARS THE DATE OF SIGNING THE DOCUMENT

AGREEMENT No

On participation in the EKS

Latvijas Banka represented by _____
_____
(first name, surname and position of the representative)
acting under _____,
(basis for the powers of representation)
on the one side, and
_____
(name of the entity)
(hereinafter, the Participant), represented by _____
_____,
(first name, surname and position of the representative)
acting under _____,
(basis for the powers of representation)
on the other side (hereinafter jointly referred to as the "Parties"), enter into the following agreement (hereinafter referred to as the "Agreement").

1. The Participant shall undertake to apply for participation in Latvijas Banka's electronic clearing system (hereinafter, the EKS) in accordance with the "System Rules for Participation in the EKS" approved by the Council of Latvijas Banka (hereinafter, the System Rules).

2. The Participant shall undertake to pay the Agreement conclusion fee of 4500 euro no later than 30 days from the date of issuance of the invoice, applying the applicable value added tax rate.

3. If the Participant has not applied for participation in the EKS within 12 months from the date of conclusion of the Agreement, or has failed to pay the Agreement conclusion fee within the payment period specified in the invoice, the Agreement shall cease to be valid. If the Participant has paid the Agreement conclusion fee but has not applied for participation in the EKS within 12 months from the date of conclusion of the Agreement, the Agreement conclusion fee paid shall not be refunded.

4. Where Latvijas Banka accepts the application for participation, the Participant shall agree to act in accordance with the System Rules.

5. Where Latvijas Banka rejects the Participant's application for participation in the EKS or the participation is terminated pursuant to the System Rules, the Agreement shall also become invalid at the same time.

6. The Agreement shall take effect at the moment of its signing.

7. The Agreement has been drawn up as an electronic document on __ (_____) pages.

8. Details of the Parties

8.1. Latvijas Banka: K. Valdemāra iela 2A, Riga, LV-1050, Latvia; e-mail: info@bank.lv; registered with the Register of VAT payers of the State Revenue Service of the Republic of Latvia with No LV90000158236. Settlement account with Latvijas Banka: No LV35 LACB 0EUR 1750 5010 0, BIC LACBLV2X.
8.2. The Participant: _____
_____

Latvijas Banka

The Participant

THE TIMESTAMP OF THE ELECTRONIC SIGNATURE WITH A SECURE ELECTRONIC SIGNATURE BEARS THE DATE OF SIGNING THE DOCUMENT

_____
(first name, surname)

_____
(first name, surname)

Appendix 3
[Deleted]

Appendix 4
to Procedure No 183/3 of the Council of Latvijas Banka
of 9 September 2010

SAMPLE

THE TIMESTAMP OF THE ELECTRONIC SIGNATURE BEARS THE DATE OF SIGNING THE DOCUMENT

AGREEMENT No

On Ensuring Execution of Credit Transfers in the Event of a Threat to National Security

Latvijas Banka represented by _____
_____
(first name, surname and position of the representative)
acting under _____,
(basis for the powers of representation)
on the one side, and
_____
(name of the entity)
(hereinafter, the Critical service provider), represented by _____
_____,
(first name, surname and position of the representative)
acting under _____,
(basis for the powers of representation)
on the other side (hereinafter jointly referred to as the "Parties"), enter into the following agreement (hereinafter referred to as the Agreement).

1. The Critical service provider shall agree to execute credit transfers in the event of a threat to national security in accordance with the Subsection 7.2.4 of the "System Rules for Participation in the EKS" approved by the Council of Latvijas Banka (hereinafter, the System Rules) as well as the provisions of the System Rules referred to in that Subsection.

2. Applying Paragraph 1.1 of Appendix 1.2 of the System Rules, the fee shall only be calculated for the number of processed items.

3. The Critical service provider authorises Latvijas Banka to execute transfer orders from the Critical service provider's RTGS DCA for the settlement of the clearing service.

4. To ensure the rapid exchange of information regarding the issues related to the execution of credit transfer orders in the event of a threat to national security, the Critical service provider and Latvijas Banka shall exchange lists of contact persons, indicating their telephone numbers and e-mail addresses. The Critical service provider and Latvijas Banka shall immediately notify each other of any changes in the list of contact persons.

5. The Agreement shall take effect at the moment of its signing.

6. Latvijas Banka shall have the right, at any time, to unilaterally amend the agreement "On Ensuring Execution of Credit Transfers in the Event of a Threat to National Security", System Rules and its Appendices. The notifications of any amendments shall be furnished in writing. Amendments shall be deemed to have been accepted if the Critical

service provider does not expressly objects to an amendment within 14 days of the notice unless the Parties agreed on a shorter notice period. Where the Critical service provider objects to an amendment, Latvijas Banka shall be entitled to terminate the Agreement immediately.

7. The Agreement shall terminate if the Critical service provider is no longer a service provider within the meaning of Latvijas Banka's regulations stipulating the management of critical services in the financial sector.

8. The Critical service provider and Latvijas Banka may unilaterally terminate the Agreement at any time giving 14 business days' notice thereof, unless the Parties agree on a shorter notice period.

9. The Agreement has been drawn up as an electronic document on __ (_____) pages.

10. Details of the Parties

10.1. Latvijas Banka: K. Valdemāra iela 2A, Riga, LV-1050, Latvia; e-mail: info@bank.lv; registered with the Register of VAT payers of the State Revenue Service of the Republic of Latvia with No LV90000158236. Settlement account with Latvijas Banka: No LV35 LACB 0EUR 1750 5010 0, BIC LACBLV2X.

10.2. The Critical service provider:

Latvijas Banka | The Critical service provider

THE TIMESTAMP OF THE ELECTRONIC SIGNATURE WITH A SECURE ELECTRONIC SIGNATURE BEARS THE DATE OF SIGNING THE DOCUMENT

_____ (first name, surname)

_____ (first name, surname)