

THE COUNCIL OF LATVIJAS BANKA

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Procedure (internal regulation) No. 279/3

Latvijas Banka's Procedure for the Use of the IBAN Register

Issued pursuant to Clause 2 of
Paragraph 1 of Section 72
of the State Administration
Structure Law

1. Hereby the "The Rules for the Use of the IBAN Register " (Appendix 1) and the sample agreement "On the Use of the IBAN Register" (Appendix 2) have been adopted and approved.
2. The agreement with a credit institution referred to in Paragraph 1 herein shall be signed by the Chairman of the Board of Latvijas Banka. Where the Chairman of Latvijas Banka's Board either finds himself in a conflict of interest regarding the other party to the agreement or is absent, the Deputy Chairperson of the Board shall sign the agreement. Where the Chairman and Deputy Chairperson of Latvijas Banka's Board either find themselves in a conflict of interest regarding the other party to the agreement or are absent, a member of the Board shall sign the agreement.
3. The Board of Latvijas Banka shall establish a procedure for ensuring the operation of the IBAN Register.
4. The Board of Latvijas Banka shall provide for the functional specification of the IBAN Register.
5. The Procedure shall take effect on 18 November 2018.

Deputy Governor of Latvijas Banka

Zoja Razmusa

Rules for the Use of the IBAN Register

I. General issues

1. The Rules for the Use of the IBAN Register (hereinafter, the Rules) shall establish the procedure for the use of the IBAN Register, the contents of the information to be entered in the IBAN Register and the mutual rights and obligations of a user of the IBAN Register and Latvijas Banka.

2. Terms used in the Rules:

2.1. instant payment service – a component of the EKS, Latvijas Banka's electronic clearing system (hereinafter, the EKS) ensuring continuous (24/7/365) real time clearing of Single Euro Payments Area (hereinafter, SEPA) instant credit transfer orders and SEPA instant payment return orders, including sending a confirmation on the payment execution to the payer, forwarding SEPA instant payment cancellation requests and the related messages, as well as preparation and submission of payment instructions in TARGET2 for effecting settlements in the settlement accounts of the direct participants in TARGET2;

2.2. IBAN Register – the register which contains information on the link between the IBAN (International Bank Account Number) and mobile phone numbers of the customers of IBAN Register users, their indirect participants or Addressable BIC Holders;

2.3. IBAN Register user – a direct participant of the EKS using the services of the instant payment service (hereinafter, a direct participant of the EKS), an entity referred to in Paragraph 11 herein which has applied for using the IBAN Register and has received consent of Latvijas Banka in compliance with the procedure established in Chapter III herein, and Latvijas Banka;

2.4. TARGET2 – TARGET2 within the meaning of the "System Rules for Participation in TARGET2-Latvija" approved by the Council of Latvijas Banka;

3. Latvijas Banka shall establish and maintain the IBAN Register to ensure the storage of information entered in the IBAN Register by the IBAN Register user and the provision of information to IBAN Register users upon their request, for the purpose of ensuring more efficient introduction and use of SEPA instant payments.

II. Key requirements for the use of the IBAN Register

4. The IBAN Register user shall use information entered in the IBAN Register for generating a SEPA instant credit transfer order or any other SEPA payment order, based on the information on the mobile phone number of the payee provided by the customer of the IBAN Register user.

5. The IBAN Register user shall submit information to the IBAN Register as well as request to modify, delete and provide the information entered in the IBAN Register. Latvijas Banka shall provide information from the IBAN Register in the form of messages via the web service in accordance with the regulation of Latvijas Banka establishing the

procedure for electronic information exchange with Latvijas Banka by using an advanced security system, where:

5.1. the type of information exchange is the provision of the online communication connection in the instant payment service, the online exchange of messages within the instant payment service and information exchange within the payment systems in compliance with the present Rules;

5.2. Latvijas Banka shall grant each IBAN Register user the following licences:

5.2.1. two licences of the advanced security system for the online communication connection in the instant payment service;

5.2.2. two licences of the advanced security system for the online message exchange in the instant payment service;

5.2.3. two licences of the advanced security system for information exchange with Latvijas Banka within the payment systems.

6. The IBAN Register shall be available to IBAN Register users online on a continuous basis (24/7/365).

7. Latvijas Banka shall ensure that the new or modified information submitted by the IBAN Register user to the IBAN Register is available in the Register within two hours following its submission or modification as well as ensure that information is no longer available immediately after its deletion.

8. An IBAN Register user, who is not a direct participant of the EKS, shall represent and warrant to Latvijas Banka that the performance of its obligations under the Rules does not breach any laws and regulations or by-law applicable to it or any agreement binding on it.

9. An IBAN Register user shall not accumulate information about customers of other IBAN Register users obtained during the use of the IBAN Register.

10. An IBAN Register user shall undertake to participate in the tests organised by Latvijas Banka and address other issues related to the use of the IBAN Register.

III. Procedure of application for the use of the IBAN Register and consent by Latvijas Banka

11. The following entity which is not a participant of the EKS, but ensures its reachability in the EKS instant payment service via another payment system, may become an IBAN Register user:

11.1. a credit institution incorporated in the European Economic Area, inter alia where it acts through a branch incorporated in the European Economic Area;

11.2. a credit institution incorporated outside the European Economic Area, provided that it acts through a branch incorporated in the European Economic Area;

11.3. a national central bank of a European Union Member State.

12. Prior to starting to use the IBAN Register, a direct participant of the EKS shall pass the tests required by Latvijas Banka.

13. To become an IBAN Register user, the entity referred to in Paragraph 11 herein shall comply with the following requirements:

- 13.1. it shall submit an application for the use of the IBAN Register to Latvijas Banka in compliance with Appendix 1 hereto;
- 13.2. it shall enter into an agreement "On the Use of the IBAN Register" with Latvijas Banka;
- 13.3. it shall install, manage, operate and monitor as well as ensure the security of the IT infrastructure necessary for using the IBAN Register;
- 13.4. it shall pass the tests required by Latvijas Banka.

14. Latvijas Banka may also request any other information it deems necessary to decide on the consent to the use of the IBAN Register.

15. Latvijas Banka shall communicate its decision on the consent to the use of the IBAN Register by the entity referred to in Paragraph 11 herein within one month of the day when Latvijas Banka has received all the documents referred to in Paragraph 13 herein and all requirements listed in Paragraph 13 herein have been complied with. Where Latvijas Banka requests further information pursuant to Paragraph 14 herein, it shall communicate its decision on the consent to the use of the IBAN Register within one month of the day when Latvijas Banka has received the above information. In the event of refusal Latvijas Banka shall state the reason thereof.

16. A direct participant of the EKS may start to use the IBAN Register on the next day after the completion of the tests referred to in Paragraph 12 herein.

IV. Information to be entered in the IBAN Register

17. The IBAN Register shall contain the following information:

- 17.1. IBAN of the IBAN Register user's customer;
- 17.2. mobile phone number of the IBAN Register user's customer;
- 17.3. name and surname (of a natural person) or name (of a legal person) of the IBAN Register user's customer;
- 17.4. chosen alias of the IBAN Register user's customer;
- 17.5. BIC of the IBAN Register user.

18. In the IBAN Register:

- 18.1. only one customer IBAN shall be linked to one mobile phone number;
- 18.2. one customer IBAN may be linked to several mobile phone numbers.

19. A direct participant of the EKS may also enter information of its indirect participant or addressable BIC holder in the IBAN Register.

20. The IBAN Register user shall:

- 20.1. verify in a technologically secure manner that the relevant mobile phone number belongs to the customer;
- 20.2. ensure that the customer (including the customer of its EKS indirect participant and the addressable BIC holder) on which information will be entered in the IBAN Register has received full information on the IBAN Register and the use of the information entered therein as well as has confirmed in writing its consent to enter the respective information in the IBAN Register;
- 20.3. ensure that the information referred to in Paragraph 17.3 herein as well as at least 50% of the information on the payee referred to in Paragraph 17.1 herein is not available to the customer prior to the approval of the payment order.

V. The entering of information in the IBAN Register and the provision of information entered in the IBAN Register

21. To enter information in the IBAN Register, an IBAN Register user shall submit a new information submission message to the IBAN Register. The IBAN Register shall confirm that the information has been entered by sending a confirmation message of information entry.

22. Where the mobile phone number indicated in the new information submission message has already been entered in the IBAN Register, the IBAN Register shall delete the previously submitted information on the link between the mobile phone number and the customer's IBAN and send information on the deletion of the respective information from the IBAN Register to the IBAN Register user which had previously submitted information on the relevant mobile phone number.

23. To delete the information from the IBAN Register, the IBAN Register user shall submit to the IBAN Register a request message on information deletion from the IBAN Register. The IBAN Register shall confirm the deletion of information by sending a confirmation message on information deletion from the IBAN Register.

24. To modify the information in the IBAN Register, the IBAN Register user shall submit a new information submission message.

25. To obtain the information from the IBAN Register, the IBAN Register user shall submit an information request message.

26. If the requested information has been entered in the IBAN Register, the IBAN Register shall send a reply message to the information request message.

27. If the requested information has not been entered in the IBAN Register, the IBAN Register shall send an information request rejection message.

28. The IBAN Register user may request all information submitted by it to the IBAN Register by making a request for a list of all information submitted by the IBAN Register user to the IBAN Register.

29. Every day a list of all mobile phone numbers entered in the IBAN Register shall be sent to the IBAN Register user.

30. The file exchange service shall be employed for receiving the requests and sending the list referred to in Paragraphs 28 and 29 herein.

31. Detailed technical specifications of messages and requirements for their generation are defined in the "Functional Specifications of the IBAN Register" approved by the Board of Latvijas Banka.

VI. Termination of access to the IBAN Register

32. An IBAN Register user, who is not a direct participant of the EKS, may discontinue to use the IBAN Register at any time by submitting an application to Latvijas Banka in accordance with Appendix 1.1 hereto. Latvijas Banka shall terminate the IBAN Register

user's access to the IBAN Register on the date indicated in the application.

33. Latvijas Banka shall terminate access to the IBAN Register for an IBAN Register user, who is not a direct participant of the EKS, where the IBAN Register user:

33.1. no longer meets the access requirements established in Paragraph 11 herein;

33.2. is in material breach of the Rules, inter alia fails to participate in the tests held by Latvijas Banka or has not paid the fee referred to in Paragraph 38 herein.

34. Where Latvijas Banka terminates an IBAN Register user's access to the IBAN Register pursuant to Paragraph 33 herein, Latvijas Banka shall immediately notify the IBAN Register user to that effect.

35. Where an IBAN Register user, discontinuing to use the EKS instant payment service, is willing to continue using the IBAN Register, it shall submit an application for the use of the IBAN Register to Latvijas Banka in accordance with Appendix 1.1 hereto and enter into an agreement "On the Use of the IBAN Register" with Latvijas Banka. Latvijas Banka shall make a decision on the consent to the use of the IBAN Register pursuant to the procedure provided for in Paragraph 15 herein and shall verify the compliance with the requirements of Paragraph 11 herein.

36. In the event that Latvijas Banka discontinues maintenance of the IBAN Register, it shall be obliged to inform IBAN Register users thereof three months in advance, unless an agreement on a different notice period has been reached with IBAN Register users.

37. All relevant information submitted by the IBAN Register user to the IBAN Register shall be deleted simultaneously with the termination of the IBAN Register user's access to the IBAN Register.

VII. Fee for the use of the IBAN Register and its application

38. An IBAN Register user, who is not a direct participant of the EKS, shall pay a monthly fee of EUR 96.80 for the use of the IBAN Register to Latvijas Banka: EUR 80.00 is the fee for the use of the IBAN Register and EUR 16.80 is the value added tax of 21%.

39. Latvijas Banka shall send an IBAN Register user the invoice for the previous month specifying the fees to be paid, no later than on the ninth business day of the following month.

40. The IBAN Register user shall make a payment to the account specified by Latvijas Banka no later than on the 14th (fourteenth) business day of the respective month.

VIII. Liability regulation

41. Latvijas Banka shall not be liable for any loss resulting from incorrect or false information submitted by the IBAN Register user for entering in the IBAN Register, or where the IBAN Register user has not received its customer's consent to enter information on the respective customer in the IBAN Register.

42. Latvijas Banka shall not be liable for any loss resulting from any malfunction or failure in the 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 those measures that are reasonably necessary to protect such infrastructure against malfunction or failure, and to resolve the consequences of such malfunction or failure.

IX. Confidentiality

43. Latvijas Banka and any IBAN Register user shall keep the IBAN Register information confidential, unless such disclosure is permitted or required under the laws and regulations of the Republic of Latvia.

44. By derogation from Paragraph 43 herein, an IBAN Register user agrees that Latvijas Banka may disclose information obtained in the course of the operation of the IBAN Register regarding the IBAN Register user or its customers to the extent that this is necessary for the performance of the tasks of the supervisory 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.

45. An IBAN Register user may use the available information related to the IBAN Register operation only for the purposes stated herein. An IBAN Register user shall keep such information confidential, unless Latvijas Banka has explicitly given its written consent to disclose.

X. Notices

46. Except where otherwise provided for by the Rules, all notices required or permitted pursuant to the Rules shall be sent by a registered letter or otherwise in writing. Notices to Latvijas Banka shall be submitted to the Head of the Payments Systems Department of Latvijas Banka at K. Valdemāra iela 2A, Rīga, LV-1050, Latvia, or address to BIC LACBLV2X. Notices to an IBAN Register user shall be sent to the address indicated to Latvijas Banka by the IBAN Register user and updated from time to time.

47. To prove that a notice has been sent, it shall be sufficient to prove that the notice was delivered to the respective address or that the envelope containing such notice was properly addressed and posted.

48. All notices shall be given in Latvian. An IBAN Register user incorporated outside the Republic of Latvia may submit such notices to Latvijas Banka in English.

49. An IBAN Register user shall be bound by all documents which it has submitted to Latvijas Banka in compliance with Paragraphs 46 and 47 herein and which Latvijas Banka reasonably believes to have been received from the IBAN Register user, its employees or agents.

XI. Third Party Rights

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

51. The present Rules do not create any rights in favour of or obligations in relation to any entity other than Latvijas Banka and the IBAN Register user.

XII. Governing Law, Jurisdiction and Court

52. The bilateral relationship between Latvijas Banka and an IBAN Register user shall be governed by the laws and regulations of the Republic of Latvia.

53. The place of court regarding the legal relationship between Latvijas Banka and an IBAN Register user shall be the Republic of Latvia.

XIII. Final provisions

54. Latvijas Banka shall have the right, at any time, to unilaterally amend the agreement on the use of the IBAN Register, concluded between Latvijas Banka and an IBAN Register user, the Rules, appendices hereto, and the "Functional Specifications of the IBAN Register" approved by the Board of Latvijas Banka (hereinafter, the "amendments"). Notifications of any amendments shall be furnished in writing. Amendments shall be deemed accepted by an IBAN Register user who is not a direct participant of the EKS unless it expressly objects within 14 days of being informed of such amendments. Where an IBAN Register user who is not a direct participant of the EKS objects to the amendments, Latvijas Banka shall be entitled to terminate the IBAN Register user's access to the IBAN Register immediately.

55. Where any provision in the Regulation becomes invalid, this shall not prejudice the applicability of other provisions hereof.

56. By using the IBAN Register, the IBAN Register user automatically agrees to the Rules regarding the relationship between the IBAN Register user and Latvijas Banka.

57. Termination of access to the IBAN Register shall not release the IBAN Register user from complete execution of its obligations under the Rules.

Application Form for the Use of the IBAN Register

Apply		Discontinue	
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Date of application									
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Preferred activation date									
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Registered name of the entity _____

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

VAT identification number	L	V																
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Registration number																		
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Test BIC									
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BIC									
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Signature of the person having the right to represent the IBAN Register user:

Signatory's name, surname and position: _____

To be filled in by an employee of Latvijas Banka:

Date									
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The code of the monetary financial institution of the Republic of Latvia			
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The number of the settlement account opened with Latvijas Banka													
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Date of joining									
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Deputy Governor of Latvijas Banka

Zoja Razmusa

Riga, _____ 20__

SAMPLE

AGREEMENT No.

On the Use of the IBAN Register

Latvijas Banka (hereinafter, the BANK) represented by

(position, name and surname of the representative)

acting under _____,
(basis for the powers of representation)

on the one side, and _____
(name)

(hereinafter, the USER) represented by _____
(position, name and surname of the representative)

acting under _____,
(basis for the powers of representation)

on the other side (hereinafter both collectively referred to as the PARTIES; hereinafter each individually also referred to as the PARTY), enter into the following agreement (hereinafter, the AGREEMENT).

1. The USER shall agree to apply for using the IBAN Register in accordance with the "Rules for the Use of the IBAN Register" approved by the Council of Latvijas Banka (hereinafter, the IBAN Register Rules).
2. Where the BANK accepts the application for the use of the IBAN Register, the USER shall agree to act in accordance with the IBAN Register Rules.
3. Where the BANK rejects the USER'S application for the use of the IBAN Register or where the IBAN Register user's access to the IBAN Register is terminated pursuant to the IBAN Register Rules, the AGREEMENT shall also become invalid at the same time.
4. The AGREEMENT shall take effect at the moment of its signing.
5. The AGREEMENT has been drawn up on 2 (two) pages in 2 (two) copies, with one copy for each PARTY.
6. Registered addresses and banking details of the PARTIES
 - 6.1. The BANK: K. Valdemāra iela 2A, Riga, LV-1050, Latvia; phone: +371 67022300, fax: +371 67022420, 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. The settlement account with Latvijas Banka: No. LV35 LACB 0EUR 1750 5010 0, BIC LACBLV2X.

6.2. The USER: _____

BANK

THE USER

(signature)

(signature)

(date)

(date)

Deputy Governor of Latvijas Banka

Zoja Razmusa