Nordea

Service description

Corporate Access Payables – **Appendix Sweden**

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1   Appendix – Sweden

This document is an appendix to the main document "*Service description Corporate Access Payables*". The purpose of this document is to provide an insight into the Swedish payment market and its infrastructure, as well as more detailed information about how Sweden is integrated into the service provided by Corporate Access Payables.

This appendix is primarily targeting both technical (alongside Corporate Access Payables MIGs) and financial or administrative personnel, but it is also aimed for those who will implement messages and install the Corporate Access Payables service at the Company.

For further information concerning the business functionalities of Corporate Access Payables service in each country, requirements and how to get started, please contact your local Cash Management Advisor.

This Appendix may be subject to changes.

2   General overview of the Swedish payment infrastructure

The Swedish payment market for paying invoices is typically divided into B2B and B2C. The total payment market is growing; both in terms of number of transactions and in transferred volumes. The mainstream of the payments goes through two payment hubs. Bankgirot is a hub that is jointly owned by the banks. PlusGirot is the other hub, and is a fully-owned subsidiary of Nordea.

Almost all companies have Bankgirot and/or PlusGirot accounts for receivables, and often the remitter chooses which type of payment to make. B2B payments are equally divided between PlusGirot and Bankgirot, whereas PlusGirot handles the majority of the B2C payments.
Payments can also be made directly to a beneficiary's bank account through PlusGirot and/or Bankgirot. This, however, is not recommended for commercial payments, unless agreed separately with the beneficiary. The reason being the very limited amount of information that can be transmitted to the beneficiary's bank statement, and that not all Swedish banks will display this payment information, but instead use standard text information.

The Swedish infrastructure mainly comprises two different aspects:

1. The bank account numbers (no matter which bank you are using) are often a well-hidden secret in Sweden, and Bankgirot has considered it an advantage that it is not transparent to the remitters.
2. The lack of a standardised account structure; i.e. SEB and Nordea have made account numbers according to the same standards whilst Svenska Handelsbanken and Swedbank have different types of account structures. For account structures in Europe see: http://www.ecbs.org/.
    (Publications/Cross-border payments/Documents/TR201 V3.9)

PlusGirot
PlusGirot is part of Nordea. Almost all Swedish companies and organisations, and most private individuals, have a business relationship with Nordea/PlusGirot. Nordea/PlusGirot is a leading hub on the Swedish transfer market. Nordea/PlusGirot handles more than every fourth cross-border payment to/from Sweden. For information about PlusGiro account structure, please see chapter 2.3

Bankgirot
All major Swedish banks are members of Bankgirot, one of the above-mentioned payment hubs. Nordea (including PlusGirot) is a member of Bankgirot.
The role of Bankgirot is to direct payments to/from the banks, either via the bank accounts or via a Bankgiro number.

Note: A Bankgiro number is not a bank account, but only a fixed pre-defined number for routing payments and/or other information towards the actual bank account. See further explanation below.
The Bankgiro number only directs money transfers to/from the account it is connected to, which can be in any of the participating banks. A Company can have many Bankgiro numbers connected to the same bank account – but it is not possible to have more than one bank account connected to a Bankgiro number. For information about Bankgiro number structure, please see chapter 2.3

The cross-border payment system
Cross-border payments are sent through the SWIFT system. SWIFT is short for Society for Worldwide Interbank Financial Telecommunication. It is a bank-owned international organisation, known for its secure communication capabilities and standard protocols. Most banks worldwide are members of the organisation.

SWIFT is the most widely used communication system for confirmed international messages, including foreign payments. The BIC / SWIFT address is an unambiguous verification of a bank or financial institution in the SWIFT network.

Payments to an account with an international bank are forwarded directly to the beneficiary's bank, if known. Should the beneficiary's bank be unknown, the payment will be sent to one of Nordea's correspondent banks in the country of the beneficiary.

2.1 Available payment types

The payment information in this chapter can be combined with pain.001.001.03 in order to get an overview on what codes and different payment types that are available via the service, hereafter followed by a brief description of usage and characteristics for each payment type. Please also see Appendix "*User guide & Message flow*", chapter 10.2 for technical information about usage of codes in payment order.

pain.001.001.03 <PmtTpInf> Domestic payment types – Sweden:	<PmtMtd>	<CtgyPurp> <Cd>	<SvcLvl> <Cd>	<LclInstrm> <Cd>
Giro payment to PlusGiro or Bankgiro (low value)	TRF	SUPP	NURG	
Credit transfer (low value)	TRF	SUPP	NURG	
Money order (payment advice) (low value) [1]	CHK or TRF	Not used or SUPP	NURG	
Pension payment (low value)	TRF	PENS	NURG	
Salary payment (low value)	TRF	SALA	NURG	
Intercompany payment [2] (domestic SWIFT) (high value)	TRF	INTC	SDVA	
Cross-border payment types - Sweden:				
Cross-border payment, incl. SEPA CT (low value)	TRF	SUPP	NURG	
Cross-border Express payment (high value)	TRF	SUPP	URGP	
Intercompany payment [2] (high value)	TRF	INTC	SDVA	
Cross-border cheque (low value)	CHK	Not used	NURG	

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[1] For domestic Money order either PaymentMethod <PmtMtd> CHK or TRF may be used.

[2] Nordea use Intercompany payment for transfer between accounts within a company or a company group. The Intra company payment functionality is part of Intercompany payment.

2.1.1 Giro payments

Giro payment to a PlusGiro account
Giro payments are one of the most commonly used payment types within the B2B market when the recipient holds a PlusGiro account. This payment is also known as a non-reference payment type. Companies in Sweden use electronic systems to pay their suppliers. When using this service the remitter very often pays several invoices to the creditor at the same time.

When making a payment to a PlusGiro account code BBAN must be used under Creditor Account. **Note:** If IBAN <u>and</u> structured remittance information used then it will be processed as an cross-border payment towards beneficiary.

It is possible to send a free text message of 350 characters to the beneficiary. Please note that the local structure is 10x35 characters, which is also possible to use in the XML structure towards Corporate Access Payables. If the full XML length (140 characters) is used, an invoice number may be split into several rows, i.e. not enabling the beneficiary to automatically reconcile the invoice reference. Please also see chapter 2.4.2 for further information about usage of free text information.

➢ **Use of structured invoices (CINV)**
Structured invoice information may be facilitated by using the structured remittance information. The credit entry specification may be used for both invoices and credit notes and a credit entry may contain a maximum of 300 credit/debit entries, whereof minimum of one Referred Document Information (CINV) per credit entry must be used. It is possible to combine invoices (CINV), structured references (SCOR) and credit notes (CREN). The information will be passed on in full to a beneficiary holding a PlusGiro account.

Note: If structured references (SCOR) are combined as described above, the beneficiary will receive the structured references (SCOR) as an invoice (CINV), which might interfere with the beneficiary's reconciliation processes.

➢ **Use of credit notes (code CREN)**
Credit notes enable you to send information in a structured and reconciliation friendly way to your suppliers, about usage of received credit notes from the supplier. If a credit note is used then minimum one Referred Document Information with invoice (CINV) must be present.

Please note: The total sum at credit entry may be zero.

Reference (OCR) payment
Supplier payments with a structured reference (SCOR), OCR (Optical Character Reading) are often used by the B2C market. The OCR reference is a maximum of 25 digits, including a control digit calculated by modulus 10. Free text is not allowed when the OCR-reference is given. When a strict OCR reference is used, i.e. only one reference used per transaction, then Remitted Amount under <Strd> is not required.

Note: Some corporates use strictly OCR accounts within PlusGirot for all their supplier payments, which mean that only one structured (SCOR) OCR reference may be present per transaction. In cases where structured reference is not used towards those companies using strict OCR (SCOR) set-up, the transaction will still be processed by Nordea but the Creditor will receive the payments as an ordinary invoice reference. Whereas a payment containing an invalid OCR reference it will be rejected by Nordea.

Please also note the possible combination of using structured invoices, references and credit notes as described above.

Giro payment to a Bankgiro number

Nordea also offers giro payments to a Bankgiro number.
When making a payment to a Bankgiro number, code BGNR must be used under Creditor Account.

It is possible to send a free text message containing 350 characters to the beneficiary. Please note that the local structure is 10x35 characters, which is also possible to use in the XML structure towards Corporate Access Payables. If a full length message with XML structure (140 characters) is used, an invoice number may be split into several rows, i.e. not enabling the beneficiary to automatically reconcile the invoice reference. Please also see chapter 2.4.2 for further information about usage of free text information.

> **Use of structured invoices (CINV)**

Structured invoice information may be facilitated by using the structured remittance information. The credit entry specification may be used for both invoices and credit notes and a credit entry may contain a maximum of 300 credit/debit entries where a minimum of one Referred Document Information (CINV) per credit entry must be used. It is possible to combine invoices (CINV), structured references (SCOR) and credit notes (CREN). For beneficiary with a bankgiro number the information, when exceeding 15 occurrences, will be provided via Nordea's website, see further description below.

Note: If structured references (SCOR) is combined as described above, the beneficiary will receive the structured references (SCOR) as an invoice (CINV), which might interfere with the beneficiary's reconciliation processes.

Important information: Please note that if more than <u>one</u> Referred Document Information (CINV) or structured OCR reference (SCOR) used towards your supplier via bankgirot, the recipient of such payment may, dependent on ERP system, not be able to automatically reconcile your payment into its ledger system.

> **Use of credit notes (code CREN)**

Credit notes enable you to send information in a structured and reconciliation friendly way to your suppliers about usage of received credit notes from the supplier. If a credit note is used, then minimum one Referred Document Information with invoice (CINV) must be present.

Please note: The total sum at credit entry may be zero.

> **Link for beneficiary to nordea.com – when more than 15 references used**

The link to the webpage at nordea.com is only sent when the structured invoices, references or credit note details contain more than fifteen references.

The link to nordea.com is sent in the free text message to the beneficiary together with the payment. The message also contains a reference and a password that should be used when logging in to Nordea's web pages. The beneficiary can find the message in the file based services with incoming payments and in the credit report via its netbank solution provided by the bank (BG140).

The link sent with the payment is: www.nordea.com/bgcpaymentreport.

Please see an example below (reference and password are removed).
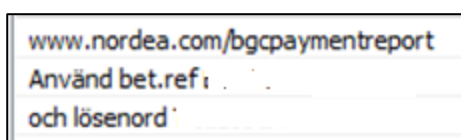
The payment amount is a net amount. When the beneficiary logs in to Nordea's webpage, they can see the details of each specified invoice/reference, including credit amounts that have been extracted before sending the net amount. Credit amounts are shown with a minus sign in front of the amount.

The information can be exported to an Excel sheet.

Details of the invoices/references are shown when the beneficiary clicks on the "Send" button.

Below is an example of how the information about Nordea's web page report is provided to the beneficiary through its netbank solution (BG140).

```
-LEVERANTÖRSBETALNING

 Datum        2015-01-05              Avsändare   Avsändarkunden
 Mottagare       Testkunden          Adress         Gatan 23
 Bankgironr                          Postadress  442 81  KUNGALV
 Belopp       64908,00
 Bet.referens  Redovisning kreditnotor


 www.nordea.com/bgcpaymentreport

 Använd bet.ref BGC0000000001754

 och lösenord    ANNNNNNA
```

Reference (OCR) payment

Supplier's payments with a structured reference, OCR can also be made to a Bankgiro number. The OCR reference is a maximum of 25 digits, including a control digit calculated by modulus 10. Free text is not allowed. When strict OCR references are used, i.e. only one reference used per transaction, then Remitted Amount under <Strd> is not required.

2.1.2   Credit transfer

Deposits to a bank account can be used within both the B2B and B2C market. This type of payment is not very commonly used for commercial payments, but rather in relation to the repayment of expenses, salaries or for similar types of compensation.

Deposits may be made into all banks accounts with use of code BBAN under Creditor Account. Only free text with a maximum of 12 characters can be used. Free text information may be provided either under Unstructured remittance information or under Purpose/Proprietary, i.e. Structured remittance information cannot be used. **Note:** Purpose/Proprietary will prevail information stated under Unstructured remittance information. The beneficiary will be notified of the payment via the bank statement, either electronically or on paper, depending on the service used by the beneficiary. Please also see chapter 2.4.2 for further information about usage of free text information.

Note: If IBAN <u>and</u> Structured remittance information used then it will be processed and reported as an cross-border payment towards payor/beneficiary.

For information about account structures in Sweden, please see chapter 2.3.

2.1.3   Money order

For this payment it may be instructed in the payment order Message as either a cheque (CHK) or as standard transfer (TRF) on Payment Information level. If standard transfer (TRF) is used, then a creditor account must be present with the information "NOTPROVIDED". Any other value will be rejected. This type of transfer is used when the remitter does not have the creditor's account number. A money order is sent to the creditor. The creditor can cash the money in any Swedish bank against a fee or have it credited to its account.

A free text of a maximum of 350 (10x35) characters can be used under Unstructured remittance information i.e. Structured remittance information cannot be used. The creditor's name and structured address must always be stated for this payment type. Please also see chapter 2.4.2 for further information about usage of free text information.

Note: If the creditor fails to cash in the Money order within 60 days, the instruction will be invalid and the amount re-paid to the remitter within 2 weeks. In those cases the Instruction Identification from payment order Message (pain.001) can, if provided, be used for reconciliation purposes.

2.1.4   Tax payment

Note: This is not a specific payment type – but applies to "*Giro payment to a bankgiro number*" (see above). All tax-paying companies in Sweden hold a tax account. Payments are sent to the tax authorities' bankgiro number. The bankgiro reference number consists of 2 digits followed by the company's official organisation number (10 digits) with 1 final check digit. At http://skatteverket.se/servicetjanster/ocr/main.html the Company can find information about its own unique reference (OCR) number.

Note: Tax payments can be delivered on due date [1] and will be credited and made available to the tax authorities' bankgiro number on the same day.

2.1.5   Salary and pension payment

Salary and pension payments can be made into all banks accounts, except to a PlusGiro number/account. This payment type must be instructed in the payment order Message under its own Payment Information level. The instruction must be provided and confirmed by the Company minimum one day before requested payment date. If not provided or confirmed in due time, the instruction will be rejected.

The payment date stated in the payment order Message is the date when payer's debit account will be posted and the salary amount will be credited to the employee's account one bank day later.

No message or other information can be stated to the employee. Instead a standard text will be displayed on the employee's bank account statement (e.g. "Salary" or "Pension"). The company must send the salary specification separately to the employee.

For information about account structures in Sweden, please see chapter 2.3.

2.1.6   Intercompany payment (domestic SWIFT)

See chapter 2.1.11

2.1.7   Cross-border payments in general

Cross-border payments are sent via the SWIFT network.

It is important that the paying Company provides the sending bank with sufficient information regarding the creditor, e.g. the creditor's full name and bank connection preferably the creditor's account number in IBAN format as well as the BIC/SWIFT [2] code of the creditor bank. Of course the payment order must carry the amount and the currency code in the ISO format among other vital information. In some countries a clearing code or branch code can be used instead of a BIC / SWIFT code (e.g. Fed Wire for the USA).

Note: If BIC and Member Identification are not valid or coherent, it may result in rejection by Nordea.

Information for the beneficiary can be stated in a free text field/tag of 140 characters (4x35). Please also see chapter 2.4.2 for further information about usage of free text information.

Note: IBAN will always be required for payments, incl. SCTs, to a country part of the SEPA area. This requirement applies irrespectively of which currency is used.

> ➢ **Use of standard (4 occurrences) structured invoices/references**
Structured invoice information may be facilitated by using the structured remittance information. The credit entry specification may be used for both invoices and credit notes and a credit entry may contain a maximum of 4 credit/debit entries whereof minimum of one Referred Document Information (CINV) per credit entry must be

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[1] For cut-off, please see chapter 2.9 for applied Cut-off times by Nordea
[2] For payments within EU/EES are (incl. SEPA) the BIC/SWIFT information will be ignored by Nordea

used. It is possible to combine invoices, credit notes (CINV/CREN) and/or Creditor references (SCOR). If a credit note amount (CREN) is used, than minimum one remitted amount (CINV/SCOR) must be present.

Please note: The total sum at credit entry **cannot** be zero.

> ➢ **"Payment Specification Report" for beneficiary – when more than 4 references used**
The link to the webpage "Payment Specificatoin Report" at nordea.com is only sent when the structured invoices, references or credit note details contain more than four and a maximum of 999 references.

Note: Possibility for up till 999 references/invoices **only** applies for ordinary cross-border (incl. SEPA) payments and total sum at credit entry **cannot** be zero.

The link to nordea.com is sent in the free text message to the beneficiary together with the payment. The message also contains a reference and a password that should be used when logging in to Nordea's web pages. The beneficiary can find the message in the file based services with incoming payments and in the credit report via its netbank solution provided by the bank.
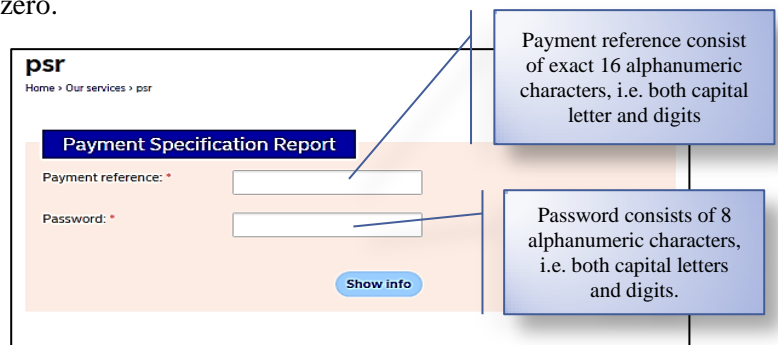
The link sent with the payment is: www.nordea.com/PSR.

Please see enclosed example of the "Payment Specification Report" web-page.

The payment amount is a net amount. When the beneficiary logs in to Nordea's webpage, they can see the details of each specified invoice/reference, including credit amounts that have been extracted before sending the net amount. Credit amounts are shown with a minus sign in front of the amount.

The specification can be downloaded in either CVS or Excel format and will be available for a minimum period of 90 calendar days.

For information about available on currencies for cross-border payments, please see chapter 2.9 *Cut-off time and available currencies.* All cross-border payments as a standard are booked individually on the account.

2.1.8   Cross-border payments incl. SEPA transfer

An ordinary payment is subject to a lower fee than express payments, but usually the float is longer. An ordinary payment is a cross-border payment in almost any foreign currency.

SEPA transfer
If the cross-border payment is in EUR currency and between banks located in member states of the European Union, it will be considered a SEPA transfer by Nordea. The full criteria for a SEPA transfer are described below:

- The transfer amount is in Euro
- Charges are shared between originator and the creditor

- Both the creditor's bank and the payer's bank are located within the SEPA region (the EU, the EEA countries and Switzerland)
- The creditor's account number is in IBAN format (International Bank Account Number)
- Beneficiary's bank is able to receive and process SEPA Transfers

ISO (International Standardisation Organisation) reserved for ISO 11649 international creditor's reference. Only used for cross-border/cross-currency payments.

For use of number of references/invoices, please see chapter 2.1.7

2.1.9 Cross-border Express payment

A cross-border express payment is sent through SWIFT. Normally with a shorter float compared to an ordinary payment. Express payments are also known as urgent payments.
An express payment is executed subject to the same rules as those applicable to ordinary payments. The only difference is the delivery time when received by the beneficiary bank and that **only** four (4) invoices/references can be used. Please note the difference in charges; an express payment applies a higher charge than an ordinary payment.

2.1.10 Cross-border Cheque payments

Cheque payments will be handled as a "SWIFT-to-cheque" payment, which is a payment order sent to a pre-agreed bank. It follows the rules of those applicable to an ordinary payment with the exception that **only** four (4) invoices/references can be used. The receiving bank will issue a local cheque/draft and send it to the beneficiary.
However, when a SWIFT-cheque is ordered, it is of utmost importance that the ordering Company provides Nordea with the name and complete address/location of the beneficiary. For this purpose either unstructured (Address Line) or structured Postal Address can be used. Please note that SWIFT cheques cannot be sent everywhere and only in major currencies.

Please always contact Nordea or your local cash management adviser before you start using cross-border cheque payments.

2.1.11 Cross-border Intercompany payments

An intercompany payment is a transfer between two entities of the same group. The funds are transferred to the creditor's bank with value the same day. Ordering Company's account and creditor's account can either be within the same bank (Nordea) or be held by different financial institutions. Nordea will provide same day value towards the beneficiary bank for Intracompany payments but the final settlement is between the beneficiary and the beneficiary's bank. **Note:** Only four (4) invoices/references can be used.

2.1.12 Intermediary bank

Intermediary bank <u>cannot</u> be used for any cross-border/cross-currency payment type. If present in the XML Message it will cause rejection by Nordea.

2.2   Governmental reporting for cross-border/cross-currency payments

For Sweden there are special regulations for centralised reporting to the Swedish National Tax Board, i.e. a "Payment Reporting Code" for cross-border payments exceeding SEK 150,000.00, or the equivalent in foreign currency. This applies to all payments that are debited to a domestic Swedish account. In Nordea all cross-border payments in the payment order Message must be stated with a relevant reporting code   (< RgltryRptg>), in order for Nordea to automatically report this information to the Swedish Tax Board. For available codes, <u>see Swedish Tax Agency publication</u> (page 53):

For further information, please contact Nordea or your local Cash Management advisor.

2.3 Nordea account structures

The purpose of this chapter is:
   a. To provide an overview of the possibilities for the Company to send and receive BBAN and IBAN account numbers
   b. To explain the various debit and credit accounts and structures within Nordea, when sending payment instructions or receiving debit advices from Nordea

2.3.1 Structure of Debtor's account number in various messages

Below is an overview of available IBAN and BBAN structures within Nordea. The overview shows the possible use of IBAN and BBAN account numbers for Debtors account, irrespectively of payment type used.

For XML: Debtor Account <DbtrAcct> in pain.001 or Account <Acct> in camt.054 Debit Notification Messages.

Transfer flow:	Payment order		Debit Notification	
XML message:	pain.001.001.03		camt.054.001.02	
Country	BBAN	IBAN	BBAN	IBAN
Sweden	x	x	X	x

2.3.2 Structure of Creditor's account number in various messages

The below overview describes how a creditor account may be structured. This overview describes **creditor** account structures for domestic and cross-border payments.

For XML: Creditor Account <CrdtAcct> in pain.001 or Creditor Account <CrdtAcct> in camt.054 Debit Notification.

Transfer flow:	Payment order		Debit Notification	
XML message:	pain.001.001.03		camt.054.001.02	
Country	BBAN	IBAN	BBAN	IBAN
Sweden [1]	x	X [2]	X	x

2.3.3 Structure for IBAN accounts

For information about structure of IBAN account numbers at Nordea, please see enclosed overview or follow enclosed link to Nordea common site.

List of the European IBAN countries		
Country	**Length**	**Examples**
Sweden	24 an	SE3550000000054910000003
For other countries, please use the following link: Nordea IBAN		

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[1] Bankgiro number cannot be structured as IBAN

[2] If IBAN _and_ Structured remittance information used for domestic payment type "Credit Transfer", it will be processed as an cross-border payment towards Debtor/Creditor

2.3.4   Structure of BBAN account numbers at debit level in payments

The below description shows how the BBAN is structured for Debtors account at Nordea. It also describes when clearing numbers should be used when sending payment instructions to Nordea.
Note: Bankgironumber is not to be used as a debtors account.

Note: Hypens ("-") or dots (".") cannot be used and will cause rejections by Nordea if present, i.e. only digits allowed for Debtor BBAN account structure.

For XML: Debtor Account <DbtrAcct> in pain.001 Messages.

XML Message: pain.001.001.03
Instruction usage of BBAN for Debit Account Holder - Sweden
PlusGiro account number minimum 2 and maximum 8 digits. Clearing code is not used. Account currency must be stated.

2.3.5   Structure for BBAN accounts on credit level in payments

The below description shows how the BBAN number is structured for beneficiaries account at Nordea. It also describes when clearing numbers should be used when sending payment instructions to Nordea.

Note: Hypens ("-") or dots (".") cannot be used and will cause rejections by Nordea if present, i.e. only digits allowed for Creditor BBAN account structure.

For XML: Credit Account <CrdtAcct> in pain.001 Messages

XML Message: pain.001.001.03
Instruction usage of BBAN for beneficiary Account Holder - Sweden
Bankgiro number minimum 7 and maximum 8 digits. Clearing code is not used. *Note:* A Bankgiro number is not a bank account, but only a fixed pre-defined number for routing of payments and/or other information towards the actual bank account. On invoices and payment slips the Bankgiro number is displayed as in the following examples: 123-4567 or 1234-5678   **Nordea PlusGiro number** minimum 2 and maximum 8 digits. Clearing code is not used. *Note:* A PlusGiro account (number) is a real account and not a substitute as is the case with Bankgiro numbers. On invoices and payment slips the PlusGirot account is displayed as in the following examples: 1-2, 12-3, 123-4, 1234-5, 1234567-8, etc.   **Bank account number** may only be used for domestic Salary, Pension and Credit transfer payment type. Must include a 4 digit clearing code. Minimum length 11 digits (including clearing code). Maximum length 14 digits. For Nordea Private ("Personkonto") accounts, the clearing code is always "3300". For Nordea PlusGiro accounts the clearing code is always "9960". *Note:* PlusGiro number or account structure <u>cannot</u> be used for Salary and pension payments. *Note:* Exception for payment to a **Swedbank account** when the clearing code starts with 8. The clearing code must be 5 digits and consequently the maximum length is 15 digits including the clearing code.

2.4 Use of Name, address and free text per payment type

Each payment type has its own rules and ability of informing the creditor about involved parties in a payment, i.e. name & address of Debtor, Ultimate Debtor, Creditor and Ultimate Creditor. The limitations are dependent on local, EBA or SWIFT clearing capability.

Below you will find an over-view of which parties that will provide which information towards the Creditor in a payment executed by Nordea. The name and address information provided in the payment order Message from the Company will be returned by Nordea in the Debit Notification Message.

Note 1: Ultimate Debtor address can only be used for specified domestic payments and only with a structured address.

Note 2: Care of (c/o) name under Creditor name (pos. 36-70) can be used where applicable (see table below), but not in combination with Ultimate Creditor Name for cross-border & Intercompany payments.

Note 3: Ultimate Creditor address not used for Sweden

Note 4: Ultimate Creditor not used for domestic payments processed via local clearing system, incl. cross-border cheques.

Domestic payments	**Debtor** [1]		**Ultimate Debtor**		**Creditor**		**Ultimate Creditor**	
	Name	**Address**	**Name** [2]	**Address**	**Name**	**Address**	**Name**	**Address**
Giro payment to PlusGiro	Yes	No	Yes	Yes	No [1]	No	No	No
Giro payment to Bankgiro	Yes	No	No	No	No [1]	No	No	No
Credit transfer	Yes	No	No	No	No	No	No	No
Money order (payment advice)	Yes	Yes	Yes	Yes	Yes	Yes	No	No
Salary & Pension payment	Yes	No	No	No	No	No	No	No
Intercompany payment (domestic SWIFT)	Yes	Yes	No	No	Yes	Yes [3]	Yes [4]	No
Cross-border payments								
Cross-border payment	Yes	Yes	No	No	Yes	Yes [3]	Yes [4]	No
SEPA Credit transfer	Yes	Yes	Yes [5]	No	Yes	Yes	Yes [5]	No
Cross-border Express payment	Yes	Yes	No	No	Yes	Yes [3]	Yes [4]	No
Intercompany payment	Yes	Yes	No	No	Yes	Yes [3]	Yes [4]	No
Cross-border cheque	Yes	Yes	No	No	Yes [2]	Yes	No	No

2.4.1 Use of addresses

In general, address information is not used for domestic payments, neither on Debtor nor Creditor side, as Swedish local clearing systems (i.e. Bankgirot & PlusGirot) holds the information about name and addresses within its internal systems. Below some rules are described in terms of usage of addresses in Sweden.

Domestic payments: A structured address should predominately be used. An exception is if "combined" structured and unstructured (i.e. <AddressLine>) is used. In those cases Street name can be omitted, for which Nordea then will use 1st line of AddessLine as StreetName.

If addresses are used, irrespectively if used for Debtor, Ultimate Debtor, Creditor or Ultimate Creditor, PostCode and TownName **must** be stated. If not present the payment instruction will be rejected by Nordea.

Note: Care of (c/o) name must be stated under Creditor Name pos. 36-70.

Cross-border payments: Structured, unstructured or "combined" addresses can be used. See table below for which rules applies for each structure.

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[1] Name and address will be retrieved from Nordea's internal records
[2] Max. 35 characters can be used.
[3] Will be forwarded to Creditor Agent when required
[4] If Ultimate Creditor name used then max. 35 characters can be used for both Creditor and Ultimate Creditor name
[5] For SEPA credit transfers full length (70 characters) of name for Ultimate Debtor and Creditor can be used

Ordinary payment	Rule
Unstructured address [1]	One line of <AdressLine> or two lines with max. 35 characters per line. **Note:** If full length of "Creditor Name" used (i.e. 70 characters) then max. 35 characters of 1st <AddressLine> can be used.
Structured address	StreetName (35 characters) + TownName (35 characters) can be used **Note:** If full length of "Creditor Name" used (i.e. 70 characters) then StreetName & TownName altogether cannot exceed 35 characters.
Combined address	Instead of StreetName, 1st line of AddressLine (35 characters) + PostCode + TownName can be used.
Cheque payment [2]	**Rule**
Unstructured address Cheque	One line of <AdressLine> or two lines with max. 35 characters per line.
Structured address Cheque	StreetName (35 characters) + TownName (35 characters) can be used.
Combined address Cheque	Instead of StreetName, 1st line of AddressLine (35 characters) + PostCode and TownName altogether 35 characters can be used.

2.4.2   Free text usage and applied process rules by Nordea

For free text information (<Ustrd) in Swedish and international (SWIFT) clearing systems applies a maximum of 35 characters per line with a maximum of 10 (Swedish infrastructure) or 4 (SWIFT infrastructe) lines, which differs compared to ISO20022 XML standard who applies 140 characters per line and with unlimited number of lines. Due to this Nordea will applie the below "rules" when free text is used in order to simplify and make it understandable how this information can be provided towards Nordea.

Each provided line of <Ustrd> in pain.001.001.03, which can consist of maximum 140 characters, are divided at all times into "blocs" of 35 characters, regardless if it is a domestic or cross-border/cross-currency payment type. Nordea will in its process check each and every such "bloc" for characters and in case such a "bloc" is empty (i.e. no characters exist) then Nordea will omit this "bloc" and search for the next "bloc" and repeat its search up till all accepted "blocs" (i.e. domestic payments = 10 "blocs" and cross-border payments = 4 "blocs") are processed. Additional or empty "blocs" will be disregarded by Nordea. **Note:** "Blanks" are in this context considered to be characters.

Accepted number of "blocs" per payment type is:
- Giro payments (PlusGiro & Bankgiro) and Money Order = 350 characters ➔ 10 "blocs"
- Credit Transfer = 12 characters ➔ 1 "blocs" (**Note:** Exceeding characters will be disregarded)
- Salalry/Pension payments = No characters allowed
- All cross-currency/cross-border payments = 140 characters ➔ 4 "blocs"

Example: Domestic Giro payment
  a. Example 1:
     i. When using full length of one <Ustrd> field in pain.001:
        <Ustrd> Full 140 characters used**</Ustrd>**
     ii. In this case 4 "blocs" of 35 characters used
     iii. Nordea forwards via local clearing in free text field to Creditor
        [35 characters]
        [35 characters]
        [35 characters]
        [35 characters]

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[1] Please also note table under chapter 2.4 above about use of both Creditor & Ultimate Creditor and possible Name length.
[2] Please also note table under chapter 2.4 above about Name length of Creditor. Note: Ultimate Creditor Name cannot be used.

    b. Example 2:
       i. When using parts of each <Ustrd> field in pain.001 but in several occurences:
          <Ustrd> 38 characters used**</Ustrd>**
          <Ustrd> 76 characters used**</Ustrd>**
          <Ustrd> 10 characters used**</Ustrd>**
          <Ustrd> 56 characters used**</Ustrd>**
          <Ustrd> 39 characters used**</Ustrd>**
      ii. In this case 10 "blocs" of 35 characters used
     iii. Nordea forwards via local clearing in free text field to Creditor
          [35 characters]
          [3 characters]
          [35 characters]
          [35 characters]
          [6 characters]
          [10 characters]
          [35 characters]
          [21 characters]
          [35 characters]
          [4 characters]
    c. **Note:** Any information in exceeding (10) "blocs" will be disregarded

2.5   **Booking principal**

For Sweden standard Nordea booking principals are as follows: Batch booking (lump-sum) for domestic payments and single booking for cross-border/cross-currency payments, incl. SEPA and Intercompany payments.

This standard booking principal applies when <u>no</u> specific booking request is used in the XML Message (i.e. <BatchBooking>), i.e. the value is omitted or left blank.

In addition Company have the option to choose batch booking (lump-sum) also for also cross-border/cross-currency payments (which then includes also SEPA and Intercompany payments), by setting the correct value ("true") in the XML Message (i.e. <BatchBooking>). **Note:** Since domestic and cross-border payments may be mixed within the XML Message and that Nordea always apply batch booking for domestic payments (i.e. value in Message will be ignored), allow Company to set value in XML Message till "false" (i.e. single booking), if single booking of cross-border payments are preferred, without interfering batch booking principal for domestic payments.

Domestic payments are reported as one or more batches per day on the account statement. The number of batches depends on when Nordea receives the payment order instructions, as Nordea applies several settlement runs during the day. Cross-border/cross-currency payments will be booked as one batch per day on the account statement.

Text displayed on account statement for payments processed through Corporate Access Payables is "Access Payables".

Please also see document "*User guide & Message flow*", chapter 7.2 for more information about Nordea's structure for Debit Notification reporting.

2.6   **Insufficient funds handling by Nordea**

In case insufficient funds occur on payment day, Nordea will process each individual payment up till the moment no more funds are possible to cover for the remaining payments. On the actual payment day Nordea will at approx. 20.00 CET send a status report Message (pain.002.001.03) to inform the Company about the lack of funds on the account. This status report Message will be sent repeatedly at the same hour for a maximum of 5 additional banking days. The information will also be available via Corporate Netbank.

Cover control for available funds will be performed by Nordea several times during the banking day(s) until the payment is executed or rejected by Nordea.

By the end of banking day 6 i.e. (day 0+5) the outstanding domestic payments will be rejected by Nordea and a status report Message will be sent to inform the Company about the rejected payments. The same information will be available via Corporate Netbank. For international payments same procedure will apply by end of banking day 4 (day 0+3).

Example: If requested execution day occur on a Monday and no sufficient funds available, the domestic payment instruction will be finally rejected on the following Monday by end of day.

Please also see document "*User guide & Message flow*", chapter 7.1 and 8.1

2.7 Charges applied by Nordea

For domestic payments each party always pays its own local charges. For cross-border payments there are two options for distributing payment charges. Either the remitter pays all costs related to the transaction or each party pays its own local charges. Charges applied by Nordea will not be reported in Debit Notification Message (camt.054.001.02). Please note that charge option "each party pays its own local charge", i.e. code "SHAR" or "SLEV" must be used in the XML Message for EUR payments, in order to be processed as a SEPA payment.

Note 1: For international cheque payments, option "each party pays its own local charges", i.e. code "SHAR" or "SLEV" in XML Message, must be used. Other charge/fee codes will be ignored.

Note 2: If charge information for cross-border payments is not present, Nordea will apply standard rule: "Each party pays its own local charges".

2.8 Currency base denomination

Nordea uses currency base denomination "1" for all major currencies, which will apply when reporting currency exchange rate information in Debit Notification (camt.054.001.02) whenever a currency exchange has occurred for cross-border/cross-currency incl. SEPA and Intercompany payments.

Exchange rate will be expressed with a maximum of 9 digits, including 4 decimals.

2.9 Cut-off times and available currencies

Below you will find information about cut-off times applied by Nordea for each payment type, including available currencies.
The below table will under the column "Debit account" describe when Nordea will book the payment instruction in relation to the requested Payment day.
The column "Available by Creditor" includes information concerning when the payment amount is made available to the beneficiary's bank.

The following explanations apply:
Day -1 = The Business Day prior to the Payment day
Day 0 = The Payment day
Day 1 = The Business Day after the Payment day

Note: If cut off time is passed, the payment date will roll to the next business day, except for salary and pension payments.
If the currency is closed due to bank holiday, the payment date will roll to the next business day.

Additional information about cross-border payments:

The table shows value dating rules and cut-off times for each payment type, currency and whether beneficiary's bank is Nordea or not.

Value dates for outgoing payments are expressed in number of Business Days after execution day. The indicated credit value date is for the Nordea correspondent bank (in case the beneficiary bank is not a Nordea bank). In case a bank holiday will occur for the country of the beneficiary, where the currency applies, the beneficiary will be credited the first following banking day.

Note: All hours are defined as Central European Time (CET).

Payment type Domestic payments	Currency	Cut-off time (CET) [1]	Debit account	Available by Creditor (2)
Giro payment to PlusGiro	SEK	Day 0 16.30	Day 0	Day 0
Giro payment to Bankgiro	SEK	Day 0 09.15	Day 0	Dag 0 Approx. 15.30
Credit Transfer within Nordea	SEK	Day 0 16.30	Day 0	Day 0
Credit Transfer outside Nordea	SEK	Day 0 12.15	Day 0	Day 0 Approx. 17.40
Salary & Pension	SEK	Day -1 23.30	Day 0	Day 1 (at 00.01)
Money Order	SEK	Day 0 12.30	Day 0	Sent via post
Intercompany (Domestic SWIFT)	-	See cross-border Intercompany	-	-
Cross-border payments				
Ordinary within EU/EES	EUR	Day 0 15.00	Day 0	Day 1
Ordinary	See below (3)	Day 0 15.00	Day 0	Day 2
	INR, KES, MAD, PHP, PKR, TND, TZS	Day 0 13.15	Day 0	Day 2
Express	See below (4)	Day 0 13.15	Day 0	Day 1
Cross-border cheque	See below (5)	Day 0 13.15	Day 0	Sent via post
Intercompany within Nordea	SGD	Day -1 13.15	Day 0	Day 0
	DKK, GBP, NOK, PLN & SEK	Day 0 13.15	Day 0	Day 0
	EUR & USD	Day 0 15.00	Day 0	Day 0
Intercompany outside Nordea	See below (6)	Day -1 13.15	Day 0	Day 1
	CZK, HUF, PLN & TRY	Day 0 06.30	Day 0	Day 1
	DKK	Day 0 11.00	Day 0	Day 1
	See below (7)	Day 0 13.15	Day 0	Day 1
	EUR & USD	Day 0 15.00	Day 0	Day 1

(2) Booking on Creditor account dependent on booking routines by Creditor bank

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[1] When payment order/transaction must be received by Nordea and confirmed by Customer

(3) AED, AUD, BGN, CAD, CHF, CNY, CNH, CZK, DKK, GBP, HKD, HRK, HUF, ILS, JPY, KWD, MXN, NOK, NZD, PLN, RON, RUB, SAR, SEK, SGD, THB, TRY, USD, ZAR

(4) AED, AUD, BGN, CAD, CHF, CNY, CNH, CZK, DKK, GBP, HKD, HRK, HUF, ILS, JPY, KWD, MXN, NOK, NZD, PLN, RON, RUB, SAR, SEK, SGD, TRY, USD, ZAR

(5) AUD, CAD, CHF, CZK, EUR, GBP, HKD, INR, JPY, MAD, NOK, NZD, PLN, SEK, USD, ZAR

(6) INR, KES, MAD, PHP, PKR, TND, TZS

(7) AED, AUD, BGN, CAD, CHF, CNY, CNH, GBP, HKD, HRK, ILS, JPY, KWD, MXN, NOK, NZD, RON, RUB, SEK, SGD, THB, ZAR

2.9.1   Debit Notification delivery

The debit advice/notification Message, i.e. camt.054.001.02, is sent to the Company whenever information is made available by Nordea. In addition Nordea will provide information about executed domestic payments during the requested execution day at approx. 08.30, 14.00 and 17.30 (all CET), which can be visible via Nordea's Corporate Netbank.

Delivery of Bank-to-Customer Debit Notification – camt.054.001.02		
Payment type	**Cut-off time (CET)** [1]	**Reflects Nordea's booking day on Debit account**
Domestic	Day 0 23.00	Day 0
International payments	Day 0 17.00	Day 0

2.10 Use of other CM services in Sweden

Other Cash Management services offered by Nordea can easily be combined or used in parallel with Corporate Access Payables. However some restrictions apply for some specific services, which are stated below.

Corporate File Payment

Service Corporate File Payment can be used in parallel with Corporate Access Payables, however <u>same</u> account (incl. currency) cannot be used at the same time with both services, i.e. if there is a need for using both services then separate accounts (incl. currency) must be opened, or used, in order to facilitate this.

If a Company wishes to close Corporate File Payment and start using Corporate Access Payables instead, then certain steps needs to take place in order to not interfere with the Company's payment processes, which is as follows:

1. Company must inform which day/date they wish to start using Corporate Access Payables. The date informed of must be the day before Company start utilising, i.e. sending file-based payment orders to Nordea
2. Corporate File Payment will perform the following steps the day before (Day -1):
    a. Create a debit advice file by end-of-day (as normal), i.e. DA1 file, if used by the Company
    b. All payments with future execution day should be cancelled by the customer and a status report messages will be created by end-of-day, i.e. POR file. The Company must hereafter send in these payments again but now to Corporate Access Payables.
       If payments with future execution day are not cancelled, the company will not receive any status reports (i.e. POR file, DA1 file) for the payments.
    c. The company may still sign in to Corporate File Payment's interface and search/view payment history details
    d. The company cannot utilise Corporate File Payment's "import" functionality hereafter, i.e. this service will be closed
3. By 00.01 CET on start day/date (Day 0) the Company may start sending file-based payment orders using Corporate Access Payables

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[1] Time of delivery is on best effort

Internetbanken Företag

Service Internetbanken Företag can be used in parallel with Corporate Access Payables, however <u>same</u> account (incl. currency) cannot be used at the same time with both services, i.e. if there is a need for using both services then separate accounts (incl. currency) must be opened, or used, in order to facilitate this.

Företagstjänster via Internet

Companies using this Nordea netbank solution will not be impacted in any way since Corporate Access Payables only allows PlusGiro accounts as debit accounts.

2.11 User support

For User support, see main document "*Service description Corporate Access Payables*", chapter 11.