

Functional specifications for Nordea Direct Debit (NDD)

Corporate eGateway

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Version change history

Version	Date	Description of the changes
Version 1.0C	2003-12-02	<ul style="list-style-type: none"> A description of the Direct Debit service for Poland is included
Version 1.1	2004-03-21	<ul style="list-style-type: none"> See the document <i>Changes in documents – 2004-03-21</i>
Version 1.2	2004-07-27	<ul style="list-style-type: none"> The Description of the Direct Debit service for Poland has been revised and updated.
Version 1.3	2006-06-01	<ul style="list-style-type: none"> Name change to Corporate eGateway Chapter 2 – Some general definitions removed and placed in the document <i>Glossary for Corporate eGateway</i> Chapter 8.4.2 – Reference check digit calculation – added for Finland
Version 1.4	2007-03-16	<ul style="list-style-type: none"> Changes due to updated version of the Corporate eGateway agreement
Version 1.5	2010-02-02	<ul style="list-style-type: none"> Chapter 2 - <i>Definitions</i> removed. Reference to Glossary included instead. (Following chapters are renumbered) Chapter 3 - Changes due to change of service name in Nets. BetalingsService Basis and BetalingsService Total are now both called BetalingsService with the possibility to add the service FIK payments. Chapter 3 – New authorisation possibilities added for Denmark. Chapter 3 and 4 – Added information on rejected payments. Chapter 6 – Added information about Nets list on e-mail Chapter 8 – Changed information for Poland: payments on a non-business day will be rejected.

Version 1.6	2012-08-24	<ul style="list-style-type: none"> • Chapter 2.1 & 2.2 updated • Chapter 2.3.1, 2.3.3, 2.4.2 & 2.5 updated with new information for Sweden • Chapter 3.5.1 - Changes made to the rejected payments example for 'Betalingsservice' • Chapter 4.4.1 - Changes made to the rejected payments example for 'LeverandørService' • Chapter 5 updated with the new Autogiro service for Sweden • Appendix A updated with new validation for Sweden
Version 1.7	2013-05-13	<ul style="list-style-type: none"> • Chapter 2.4.3 updated with validation rule for "Interchange date not older than 5 days". • Chapter 3.0 updated with new information for Denmark, under 'Betalingsservice functions not offered by NDD'.

1 Introduction

This document is a functional description of Nordea's Direct Debit solution offered via Corporate eGateway and is referred to in this document as NDD. The aim is to provide detailed understanding of how Corporate eGateway will process instructions and Messages, including local variations, towards the local Account Clearing Houses (ACH) regarding Direct Debit services throughout Nordea Bank.

For further information on the business functionality of the Direct Debit service in each country, requirements and how to get started, please contact your local cash management adviser at your department or branch of the bank.

This document is primarily for financial staff, but it is also useful for those who will implement messages and install the Corporate eGateway service Direct Debit at the Creditor.

1.1 NDD documents

Sets of documents are developed for the NDD service in order to guide the Creditor in using the services. Below you will find a list of these documents:

Document name	Description	Reader
Cut-off times list	A manual describing the cut-off times in Corporate eGateway for each service provided	Project manager, functional manager, technical manager, Programmers
Functional Specification	A specification of local services and how these function in the NDD solution. Issues related to reconciliation, updating of customer ledgers, time limits, etc. are also covered.	Management and accounting staff, project manager, functional manager.
Implementation Guide for Corporate eGateway	An implementation guide to Corporate eGateway, including project organisation, activity plans and other relevant information to support an effective implementation process.	Project manager, functional manager
MIGs	A MIG (Message Implementation Guidelines) document has been developed for each EDIFACT Message to be implemented as a part of the NDD solution.	Project manager, functional manager, technical manager, programmers
Security and Communication description	A specification of the technical requirements of the solution such as communication, security, syntax and Message flow.	Project manager, functional manager, technical manager, Programmers

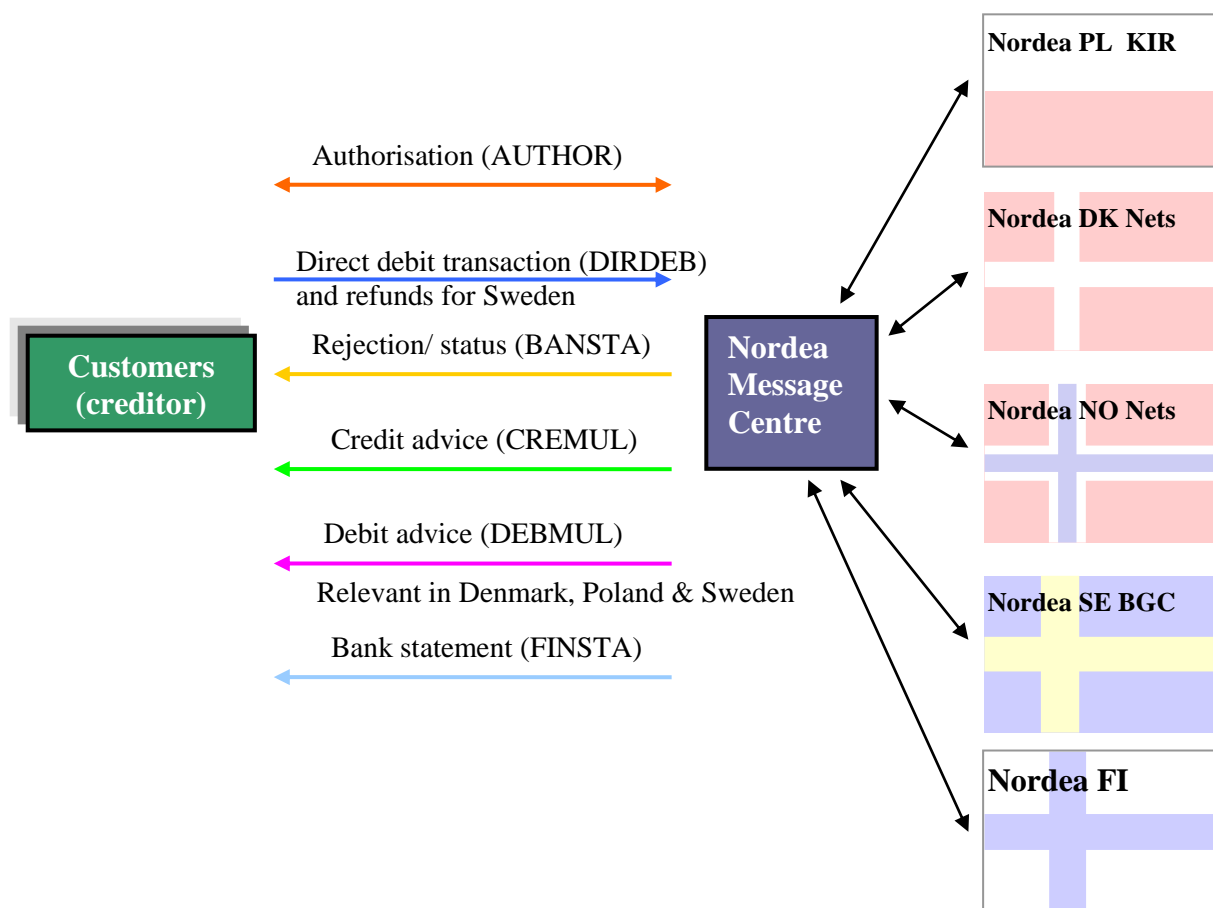
The terms and definitions used here are defined in a separate document, *Glossary for Corporate eGateway*, which is available on Nordea's website: www.nordea.com/eGateway.

2 Basic description of the NDD service

The NDD solution covers Direct Debit solutions in Denmark, Sweden, Norway, Finland and Poland. The functions covered include authorisations, direct debit transactions and report of credit advice.

2.1 Basic architecture

Corporate eGateway is physically located in Stockholm in Nordea Bank Sweden and handles all NDD transactions.



Explanation to the diagram:

- Communication in Sweden, Denmark, Norway and Poland is routed through Nordea to the local Service Provider.
- In Finland Nordea Bank in Finland acts as the Service Provider.
- The FINSTA Message is a standard functionality in Corporate eGateway and is not part of this description.

2.2 Overview of services implemented

The following services are implemented in the NDD solution:

Country	Service	Service Provider	Business segment
Denmark	Betalingservice (BS)	Nets	BS is a collection service mainly used in the consumer market (B2C). It consists of two (2) different types of services, which is optional to use by Creditor.
Denmark	LeverandørService (LS)	Nets	LS are a collection service only for use in the corporate market (B2B).
Sweden	Autogiro (AG)	BGC	AGP is a service for collection both in the consumer market and in the corporate market including PlusGiro accounts (B2C and B2B).
Sweden	Nordea Autogiro	Nordea	Only to be used internally in Nordea. Not part of this description.
Norway	AvtaleGiro	Nets	AvtaleGiro is a service for collection both in the consumer market and in the corporate market (B2C and B2B).
Finland	Direct debiting	Nordea Bank in Finland	Direct debiting is a service for collection both in the consumer market and in the corporate market (B2C and B2B).
Poland	Direct Debit	KIR S.A	Direct Debit is a service for collection both in the consumer market and in the corporate market (B2C and B2B)

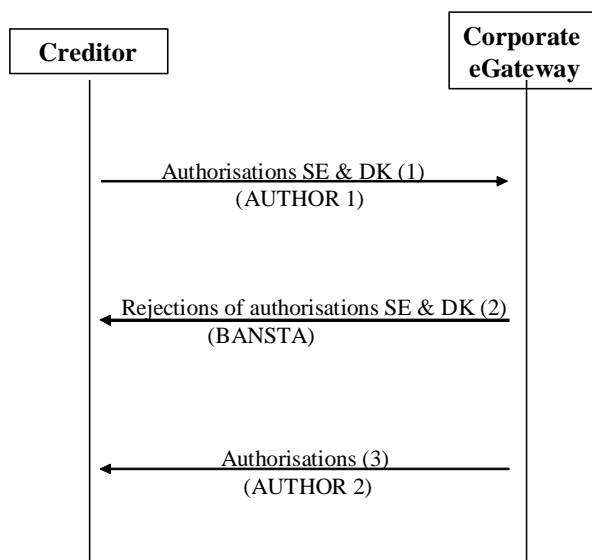
Please note that Nordea is not responsible for any services from Service Providers outside of Nordea. The customer must enter into separate agreements with the service providers on the services provided by them and such services are governed by separate agreements.

2.3 NDD standard Message flow

In this chapter the general Message flow for the NDD service is described. Please note possible differences for each country.

A Message flow is included in the chapters for each service describing local deviations to the standard Message flow presented here.

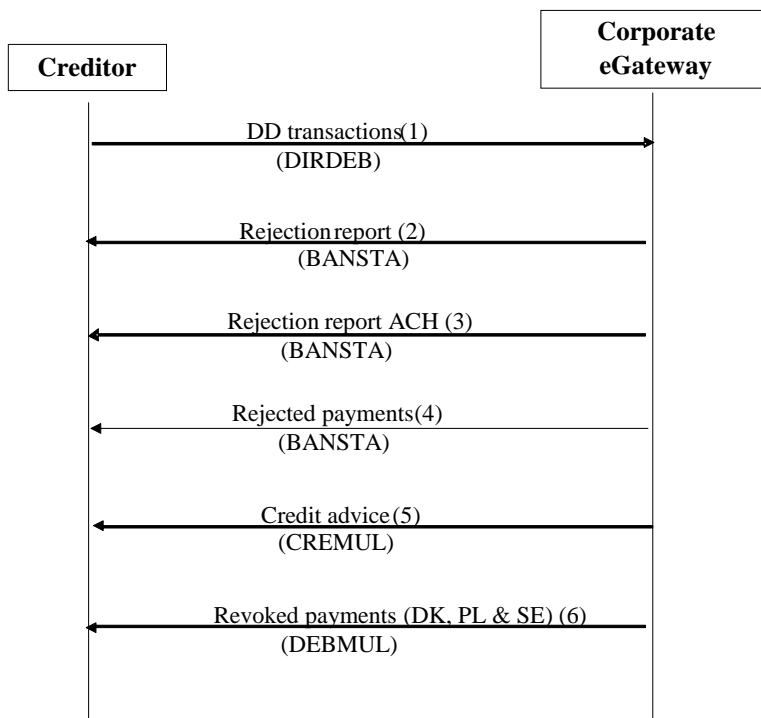
Authorisations



- (1) New and cancelled authorisations for Denmark and Sweden. In Norway, Finland and Poland no authorisations can be sent from the Creditor.
- (2) Rejections of authorisations sent by the Creditor (or by the Debtor, depending on service).
- (3) New, changed and cancelled authorisations sent by the Service Provider.

2.3.1 Direct Debit transactions

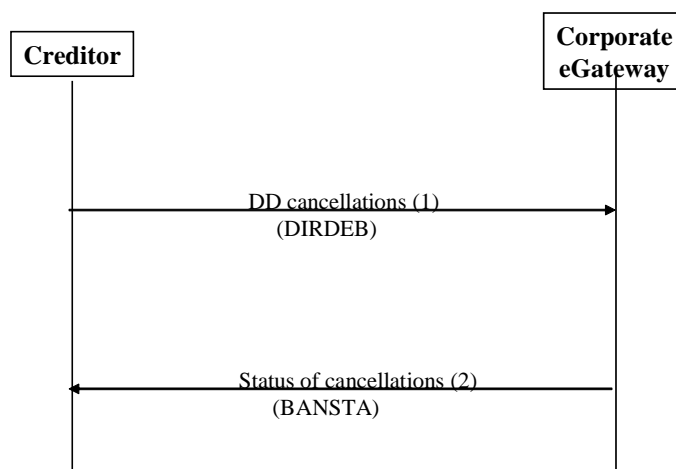
Direct Debit transactions



- (1) New Direct Debit transactions.
- (2) Report of all rejected transactions in the validation made by Corporate eGateway.
- (3) Report of all rejected transactions in the validation made by the Service Provider. This report cannot be given in BANSTA for AvtaleGiro in Norway, but instead a validation report is sent in paper form directly to the customer from Nets.
- (4) Rejected payments due to rejection by the debtor or the debtor's bank, due to insufficient funds etc. (note: Transactions rejected before payment is executed. Rejected payments are not relevant for Norway).
- (5) All collections credited to the Creditor's account.
- (6) Revoked - i.e. all withdrawn (returned) payments due to rejection by the Debtor or the Debtor's bank. Note: Only relevant for Denmark, Poland and Sweden.

2.3.2 Cancellations

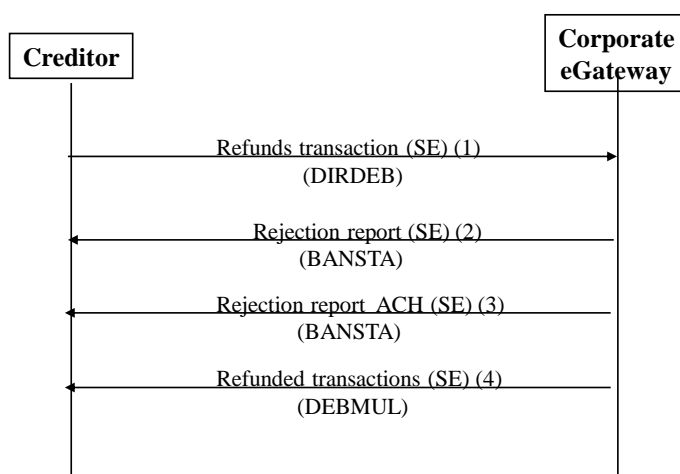
Direct Debit transactions - cancellations



- (1) Cancellations of previously sent Direct Debit transactions from the Creditor.
- (2) Status of the cancellation rejected or processed transaction. This status cannot be given in BANSTA for AvtaleGiro in Norway, but instead a validation report is sent on paper directly to the Creditor from the Service Provider Nets.

2.3.3 Refunds (only valid for Sweden)

Direct Debit transactions – re-funds



- (1) New payment instruction for refunding Debtor (only valid for Sweden).
- (2) Report of all rejected refunded transactions in the validation made by Corporate eGateway.
- (3) Report of all rejected refunded transactions in the validation made by the Service Provider.
- (4) Executed refunded transactions by ACH – reported to Creditor in a debit advice Message

2.4 Corporate eGateway

The Creditor will exchange payment information in the EDIFACT format with Corporate eGateway. Corporate eGateway will convert data between EDIFACT and the local format provided by the different Service Providers.

2.4.1 Cut-off

The cut-off time for Corporate eGateway is generally one hour before the cut-off of the local Service Provider. If transactions are received by Corporate eGateway later than one hour before local cut-off, they will be rejected by Corporate eGateway in a BANSTA Message.

Cut-off times for Corporate eGateway are described in a separate document.

2.4.2 Use of references

Identification references in a BANSTA Message

In order for the Creditor to be able to identify any rejections (BANSTA), on total credit amount levels in a NDD transaction Message, both the message identification reference (*) and the total credit amount reference (**) must be unique.

Note: Corporate eGateway does not check the uniqueness of these references.

Customer reference number in a NDD transaction Message

The Customer reference number (***) (Creditor reference) is used by Corporate eGateway to uniquely identify all rejected transactions (BANSTA) or revoked payments from Denmark, Poland and Sweden (DEBMUL).

If a payment reference is used, see below, Nordea strongly recommends use of the payment reference as Creditor reference as well.

Note: Corporate eGateway does not check the uniqueness of these references.

Payment reference in a NDD transaction Message

The payment reference (****) (Debtor reference) must be present for all countries, except Denmark, for each NDD transaction. Corporate eGateway will perform a duplicate control of the payment reference in relation to the Creditor number used for each service.

If a duplicate is detected for a payment reference by Corporate eGateway, the transaction will be rejected and reported to Creditor in a BANSTA Message.

References will be stored in the Corporate eGateway systems for 90 days for duplicate control. After 90 days, or if a rejection has occurred, the transaction references can be used for new transactions.

*	= EDIFACT. BGM reference at A level
**	= EDIFACT. RFF reference at B level
***	= EDIFACT. RFF "CR" reference at C level
****	= EDIFACT. RFF "AFO" reference at C level

2.4.3 Validation

In principle the local Service Provider executes all validations on the content data. However, Corporate eGateway will execute basic validations for NDD transactions to ensure the best quality service to the Creditor. If errors of content are detected in Corporate eGateway, these are reported to the Creditor in a Banking Status Message (BANSTA).

Transactions rejected by Corporate eGateway are not processed further, i.e. they are not sent to the ACH.

Note that Corporate eGateway makes no validations for authorisations.

Note that Interchange date cannot be older than five (5) days.

If errors are detected in Corporate eGateway, a BANSTA Message is (normally) returned within 30 minutes. If errors are detected locally, the time of response will depend on the local Service Provider.

In addition to content validation, a syntax check is performed. See *Security and Communication description* for details.

The following is a description of the different validations performed by Corporate eGateway.

Duplicate control

Each NDD transaction received is stored in Corporate eGateway. If two transactions are received with the same creditor number and the same OCR reference (or for Denmark, the same creditor number, debtor number and date – and for BetalingsService also debtor group number), the most recently received transaction will be rejected if detected in Corporate eGateway.

Transactions will be stored for duplicate control in Corporate eGateway for 90 days.

Payment date validation

Creditors using the NDD services in Corporate eGateway are able to choose whether to state the payment execution date for collection from the Debtor's account on either:

1. The Creditor detail information in the DIRDEB Message (B level). This means that the payment date stated at creditor level will apply to all direct debit instructions.
2. On each direct debit instruction in the DIRDEB Message (C level).

Corporate eGateway must be informed of the option chosen before entering the NDD service and the option will be validated for each NDD file.

Content validation:

Corporate eGateway will perform a content validation for all services implemented in NDD. If for example data elements required by the service provider are missing in the transactions from the Creditor, or if certain elements that require numeric values contain non-numeric characters, the relevant transaction will be rejected if these errors are detected in Corporate eGateway.

See also: 'Appendix A – Validations NDD – incoming DIRDEB'

Validation and time limits:

The most frequent error for all services implemented concerns the Creditor's ability to meet the specified time limits of the service provider for when transactions must be received. If time limits and cut-off times are exceeded, the transactions will be rejected.

For more details, see the second chapter in the description of each local service (5.2, 6.2 etc.).

2.4.4 Payment hotel

There is no functionality for storing direct debit transactions in Corporate eGateway (payment hotel). All transactions are forwarded as soon as possible after accepted validation in Corporate eGateway.

The payment hotel function is available in all solutions, but is covered by the Service Provider. The payment hotel function will be limited to 60 days for all services when using Corporate eGateway. This limit is set so that Corporate eGateway can facilitate correct handling of references to all services.

2.4.5 Change and cancellations

It is not possible to change previously sent NDD transactions or authorisations. If a change is required the transaction/authorisation must be cancelled and then sent as a new transaction/authorisation.

Corporate eGateway will forward cancelled NDD transactions and authorisations and successful execution depends on the processing at the local Service Provider.

For more details, see the description for each service.

2.4.6 Payments

Some of the services offer functionality to credit the customer's (Debtor's) account. This functionality is implemented for Sweden. For other countries this is not implemented in the NDD service. A separate service in Corporate eGateway offers payment functionality (PAYMUL).

2.4.7 Questions between the Creditor and the local Service Provider

In general, all questions should be directed to Nordea's Service Support.

If for some reason the local Service Provider needs to contact the Creditor, the Service Provider will contact Corporate eGateway. Corporate eGateway will evaluate the question and give an answer if possible. If required, Nordea's Service Support may contact the Creditor in order to solve the problem.

If the Creditor has any questions related to a specific service, these questions should be directed to Nordea's Service Support.

2.5 Use of EDIFACT

The following EDIFACT Messages are used:

Message name	EDIFACT term	Description
Authorisations	AUTHOR	Message for the Creditor to both send and receive new and cancelled authorisations. There are two types of AUTHOR Messages. AUTHOR (1) from the Creditor to the service provider and AUTHOR (2) from the service provider to the Creditor.
CONTRL message	CONTRL	Message used to confirm receipt of any of the other messages listed in this table. The CONTRL Message is also used to report any syntax errors in the received Message to the sender. See also <i>Security and Communication description</i> for more

Message name	EDIFACT term	Description
		details regarding use.
Direct Debit transactions	DIRDEB	Message for the Creditor to send new direct debit transactions and cancellations of previously sent transactions.
Banking status Message	BANSTA	Message sent to the Creditor containing rejected transactions - or status for cancellation of NDD transactions sent in DIRDEB or in AUTHOR (1)
Credit advice	CREMUL	Message sent to the creditor containing the credit information resulting from the direct debit sent in a DIRDEB. Other types of incoming payments may also be reported in a CREMUL. If the creditor wants to separate the NDD transactions from the other types of transactions reported in CREMUL, a separate account could be opened for NDD transactions only.
Debit advice	DEBMUL	Message sent to the Creditor containing A) revoked direct debit transactions. Only implemented for the services in Denmark, Poland and Sweden. B) Refunded direct debit transactions to debtor. Only implemented for the service in Sweden
Account statement	FINSTA	Account information on booked items to the account. The booked amount, as a result of a DIRDEB, will correspond to total amounts stated in CREMUL and DEBMUL.

3 Denmark - Betalingsservice (BS)

Betalingsservice (BS) is a service that automatically executes payments from the Debtor's account to the Creditor's account on the basis of a payment agreement between the Debtor and the Creditor. A Debtor who has not entered into a payment agreement with the Creditor may not be debited through this service. The Creditor has to print and send Invoices/Bank transfer forms to these Debtors himself.

Betalingsservice functions offered in NDD are:

- Authorisations
- Direct Debit transactions (debit of the Debtor's account)
- Credit advice

Betalingsservice functions not offered by NDD

- Returned payments (payment returned to the Debtor's account from the Creditor)
- Function for liquidity management (Likviditetsstyring).
- Function for possible change of ownership (formodet ejerskifte).
- Additional information enclosure ('Medsend bilag')
- Possibility to have more than one debtor group per creditor number

3.1 Additional services – transfer forms (FIK)

Nets offers a service for collection of debtors who have not entered a payment agreement with the Creditor. Nets can either print and distribute Invoices/Bank transfer forms (FIK) or send e-invoices to debtor's Netbank.

The first time Nets sends a transfer form to your debtors, they will include all the information necessary for registration with Betalingsservice. The second time, they will include a registration coupon and urge recipients to authorise direct debit via Betalingsservice.

When connected to this service it is also possible to collect outside the normal billing cycle for example in case of new debtors or dun. When Betalingsservice prints and sends a transfer form (FIK) it will automatically be sent in electronic form to debtor's Netbank if the customer has approved of this.

3.2 Time limits and cut-off times

Authorisations to Nets	The Creditor may send new, changed and cancelled authorisations any time of the month. Nets must receive new authorisations no later than on the same day as Nets receives the direct debit transactions.
Authorisations – Cancellations	Cancellations will be valid from the date stated. In order to stop a payment, Nets must receive the cancellation no later than on the morning of the day before the payment date.
Authorisations from Nets	Authorisations from Nets are only sent if new information exists in Nets (that is new or cancelled authorisations).

NDD transactions – notification to the Debtor	Same as specified for "NDD transactions – delivery".
NDD transactions – delivery	All NDD transactions to be credited to the Creditor's account in the next month must be delivered within eight business days prior to the first day of the coming month. A list of valid delivery dates is available at: http://www.betalingservice.dk/en/businesses/worthknowing/deadlines/
NDD transactions – late delivery	If the transactions are received between six (BS Basis) / eight (BS Total) and three business days prior to the first day of the coming month, the transactions are processed, but to other conditions (price and delivery) than normal. Later deliveries are rejected.
Cut-off – NDD transactions and cancellations	The cut-off in Corporate eGateway is one hour before cut-off in the local Service Provider. For further information, see <i>Cut-off times list</i> for Corporate eGateway.
Non-banking days	Direct debit transactions received on non-banking days (weekends or other banking holidays) will be rejected by Corporate eGateway.
Cancellations	Cancellations of previously sent NDD transactions may be executed if received by Nets on the day before the payment day. For further information see <i>Cut-off times list</i> for Corporate eGateway.
Credit date	The total amount will be credited to the Creditor's account on the payment date.
Credit advice	The Credit advice, including the total credited amount and details for each transaction, is sent to the Creditor on the payment date.
Rejection and repayment	The Debtor may reject transactions until the seventh day of each month, or by the debtor's bank up to two days after the payment day. For more information, see section 3.5.5 Debtor action. Notification of rejected and reversed transactions will be sent at the time of rejection or when the amounts are returned.

3.3 Validations

Nets validates all transactions on receipt. Response is returned in a BANSTA or an AUTHOR 2 Message.

The most frequent error concerns cut-off and time limits for delivery of NDD transactions to Nets. It is therefore important to send transactions in due time to Corporate eGateway to minimise the number of errors.

All transactions that are not received within the time limits specified in the previous chapter are rejected. Transactions may also be rejected if Nets detects errors upon receipt.

It is possible for Nets to run a modulus check on the Creditor's Customer number on the Debtor. A separate agreement has to be entered into between the Creditor and Nets.

3.4 Authorisations

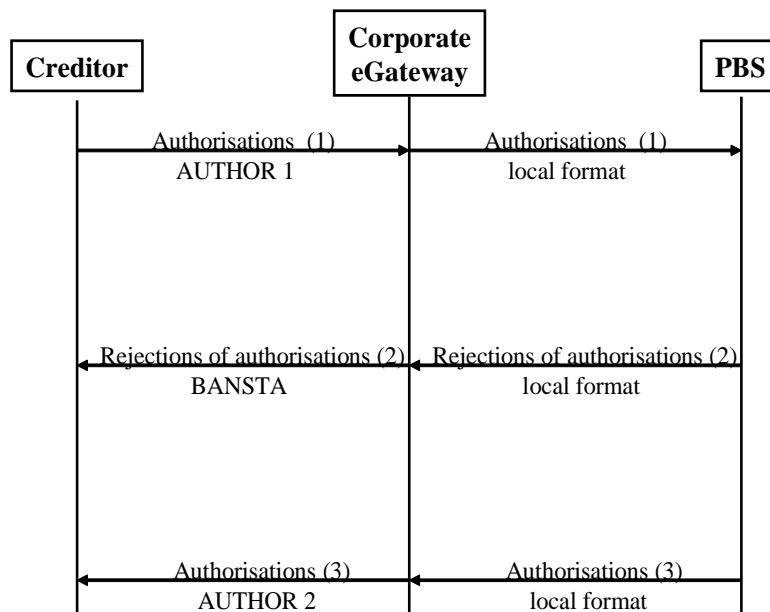
To use this service the Debtor must sign a payment agreement (authorisation for the Creditor to debit the Debtor's account) with the Creditor, allowing the creditor to collect amounts from the Debtor's account. The authorisation can be given in one of the following ways:

- **Directly to the Creditor:** The Debtor sends signed authorisation directly to the Creditor. The Creditor may need to document the authorisation on the request of Nets.
- **Coupon:** The Debtor uses a "BetalingService-coupon" that is sent by the Creditor to the Debtor together with a transfer form (FIK). The Debtor sends the coupon to either the Creditor or to Nets.
- **Through the bank:** The Debtor requests his bank to establish the authorisation on behalf of the Creditor.
- **Via Netbank.** Debtors who use Netbank can easily register their bills for direct debit.
- **Via the internet.** Nets can provide a standard Betalingsservice module free of charge that allows your customers to register their bills for direct debit via a pop-up window on your website. For a charge, the module can also be fully integrated with your website in any design you wish.

Please contact your cash management adviser in Nordea Bank in Denmark for more information on how to enter an authorisation for BS with the Debtor.

In order for the Debtor to enable automatic collections from his account by use of BS, the Debtor has to enter into an agreement for the use of BS with his bank. If this agreement is not in place when Nets processes the authorisation, a request is sent to the Debtor's bank in order to register the Debtor as a BS user. The Debtor's bank performs a validation.

Authorisations Betalingsservice



- (1) New and cancelled authorisations from the Creditor.
- (2) Rejections of authorisations sent by the Creditor if authorisations are rejected by the Debtor's bank or directly by Nets.
- (3) New and cancelled authorisations from Nets. These can be both confirmations of authorisations sent by the creditor, and authorisations added or deleted by the Debtor. Note: authorisations will not be sent when using Transfer Form (FIK) as an additional service.

3.4.1 Authorisations from Nets

For new authorisations, Nets will check if the Debtor has a payment agreement with his bank. If the Debtor is new, the Debtor's bank will evaluate the Debtor as a new BS user.

For authorisations not sent by the Creditor, the Creditor must store the information stated in the authorisations. This information must be stated in the direct debit transactions.

The information that must be stored is:

- The Service and creditor number to which the new authorisation belongs
- The Debtor's identification with the creditor
- Debtor group number
- Agreement number

A file can be ordered with all active authorisations from Nets. This is available as an AUTHOR 2 Message. Please contact Nordea's Service Support to order such information.

Creditors using BetalingsService with both direct debit service and transfer forms will normally not send in new authorisations. However, because of a lower price per transaction some creditors prefer automatic withdrawal. Creditors using BetalingsService with both direct debit and transfer forms are therefore allowed to send in new authorisations in the NDD service.

When using the transfer form service in addition to BetalingsService Nets will not distribute authorisations to the Creditor. However, authorisation data may be ordered separately for all registered debtors.

Contact your local cash management adviser in Nordea Bank in Denmark for more information.

3.4.2 Cancellation and change of an authorisation

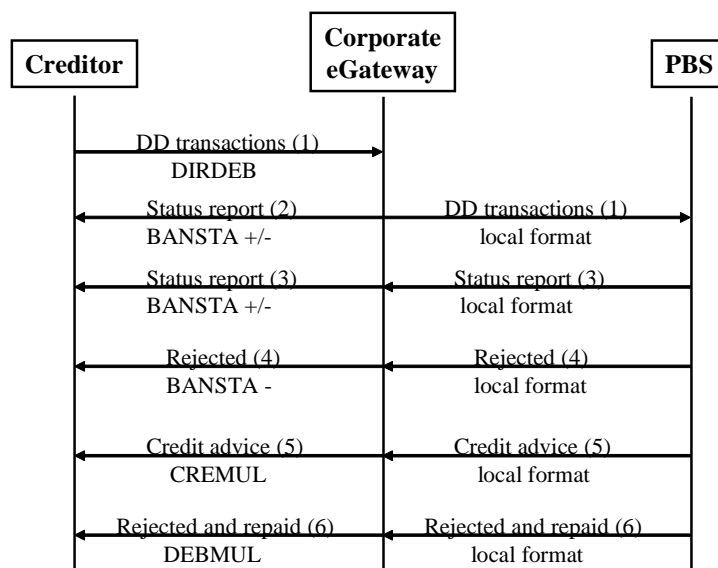
If the Debtor is no longer a customer of the Creditor, the Creditor should cancel the authorisation in Nets. If there have been no collections for a period of 15 months, Nets will cancel the authorisation.

Note: Functions for changing authorisations are not part of the NDD solution. Instead of a change, cancel the authorisation and send a new one.

3.5 Direct Debit transactions

The Direct Debit transactions are stated in a separate delivery to Nets:

Direct Debit transactions Betalingservice



- (1) New and cancelled Direct Debit transactions from the Creditor.
- (2) Error report for invalid transactions sent by Corporate eGateway.
- (3) Changed and rejected transactions:
 1. Transactions that have been changed automatically by Nets.
 2. Transactions rejected by Nets (i.e. non-existing customer reference etc.).
 3. Transactions that are changed, rejected and cancelled will be stated separately with details for each transaction.
- (4) NDD transactions rejected by the Debtor or authorisation cancelled, before the payment day.
- (5) Credit advice, containing details of the incoming collections.
- (6) NDD transactions rejected by the Debtor or the Debtor's bank or authorisation cancelled after the payment day.

3.5.1 Rejected payments

Incoming Direct Debit transactions will be booked on creditor's account in a lump sum. If Debtor has rejected a Direct Debit transaction before payment day the amount will be reduced in the incoming amount.

Example:

Direct debit transactions sent to Nordea	DKK 450,000.00 (DIRDEB)
Transactions rejected on receipt	DKK 20,000.00 (BANSTA)
Transactions rejected afterwards but still before due date:	DKK 25,000.00 (BANSTA)
Amount reported in a credit advice on due date:	DKK 405,000.00 (CREMUL)
Transactions rejected for a different due date	DKK 25,000.00 (DEBMUL)
Amount booked to the Creditor's account on due date	DKK 380,000.00 (FINSTA)

3.5.2 Creditor number

The Creditor number for Denmark must always be stated to Corporate eGateway and consists of the account number used for each service in Nordea in Denmark together with the Creditor's unique Nets Creditor agreement number.

3.5.3 Payment day

The payment day (due date) may be any business day of the month. The earliest payment day may be the first business day of the following month, after Nets has received the direct debit transactions.

A Creditor can only execute one payment per day per Debtor. If two separate transactions to the same Debtor have the same payment date, then the last arrived transaction will be rejected if detected in Corporate eGateway. This is validated in the duplicate control validation in Corporate eGateway and will result in a BANSTA Message from Corporate eGateway.

If the payment date is a bank holiday or a weekend, the transactions will be rejected by Corporate eGateway. The principles for payment dates are defined in the agreement between the Creditor and Nets and, when using Corporate eGateway, **must** always be stated as described above.

3.5.4 Information to the Debtor

Before the beginning of every month, the Debtor will receive a summary of all transactions from all Creditors, due in the coming month. The summary is produced by Nets and may be used as an invoice to the Debtor.

The Creditor may also send an invoice/notice directly to the Debtor.

3.5.5 Debtor action

After the NDD transactions have been received and validated by Nets, there are two situations that may influence the final amount credited to creditor's account:

1. The transactions may be rejected.
The Debtor may reject the payments on or before the seventh day of each month. If this is not a business day, the first succeeding business day is the limit. Rejection may be executed before, on or after the payment date.
2. The payment may be withdrawn (reversed payment).
The Debtor's bank may withdraw (reverse) the payment two days after the payment date (if, for instance, the account is overdrawn).

3.5.6 Cancellations

Cancellations of NDD transactions may be executed if received by Nets on the day before the payment date.

A Cancellation Message can be sent to Corporate eGateway for cancellation of previously sent NDD transactions. Corporate eGateway will transfer the cancellation request to Nets for further processing. Reference to the original transaction must be stated. Changes are not possible in the NDD service. If changes are required on NDD transactions already sent to Corporate eGateway, the transactions should first be cancelled and then sent as new transactions.

3.6 Transfer form (FIK) transactions

When connected to the additional service transfer form through BetalingsService debtors without a payment agreement will get a bank transfer form (FIK) by mail or as an e-invoice from Nets. To use this service, the creditor must have a FIK creditor number. The FIK creditor number can be achieved by entering into a separate agreement with Nordea.

For these transactions the Debtor's name, address and a valid postal code must be stated. Otherwise, Nets will reject the total interchange.

3.6.1 Credit advice for transfer form (FIK) payments

Credit advice for bank transfer form payments are reported in the same way as NDD collections. See the figure in chapter 3.5 - Direct Debit transactions.

4 Denmark - LeverandørService (LS)

LeverandørService is automatic collection of recurring payments in the business-to-business segment.

LeverandørService is based on the Debtor authorising the Creditor to charge his account. Payment is then transferred to the Creditor's account automatically.

LS functions offered in NDD are:

- Authorisations
- Direct debit transactions (debit of the Debtor's account)
- Credit advice

LS functions not offered in NDD

- Re-payments (payment returned back to the Debtor's account by the Creditor)

4.1 Time limits and cut-off times

Authorisations to Nets	The Creditor may send new authorisations at any time of the month. The data must reach Nets no later than seven business days prior to the first date of payment.
Authorisations – Cancellations	The Creditor may send cancelled authorisations any time of the month.
Authorisations from Nets	Authorisations from Nets are only sent if new information exists in Nets (i.e. new or cancelled authorisations.)
NDD transactions – notification to the Debtor	Notification to the Debtor of collections must have reached the Debtor no later than three business days before the date of payment.
NDD transactions – delivery	The data must reach Nets on the business day prior to the date of payment.
NDD transactions – late delivery	Transactions are rejected.
Cut-off – NDD transactions and cancellations	The cut-off in Corporate eGateway is one hour before cut-off in the local Service Provider. For further information see <i>Cut-off times list</i> for Corporate eGateway.
Non-banking days	Direct debit transactions received on non-banking days (weekends or other banking holidays) will be rejected by Corporate eGateway
Cancellations	Cancellations will be executed if received by Nets on the day before the payment date.
Credit date	The total amount will be credited to the Creditor's account on the payment date.
Credit advice	The total credited amount and details of each transaction are sent on the payment date to the Creditor.
Rejection and repayment	NDD transactions may be rejected before the payment date, or withdrawn (reversed payment) up to two days after the payment date. Notification of rejected and reversed transactions will be sent at the time of rejection or when funds are returned.

4.2 Validations

Nets validates each transaction. In case of several or severe errors, Nets may contact Corporate eGateway by phone to solve the problems.

The most frequent error concerns cut-off and time limits for delivery of NDD transactions to Nets. It is therefore important to send transactions in good time to Corporate eGateway to minimise the number of errors.

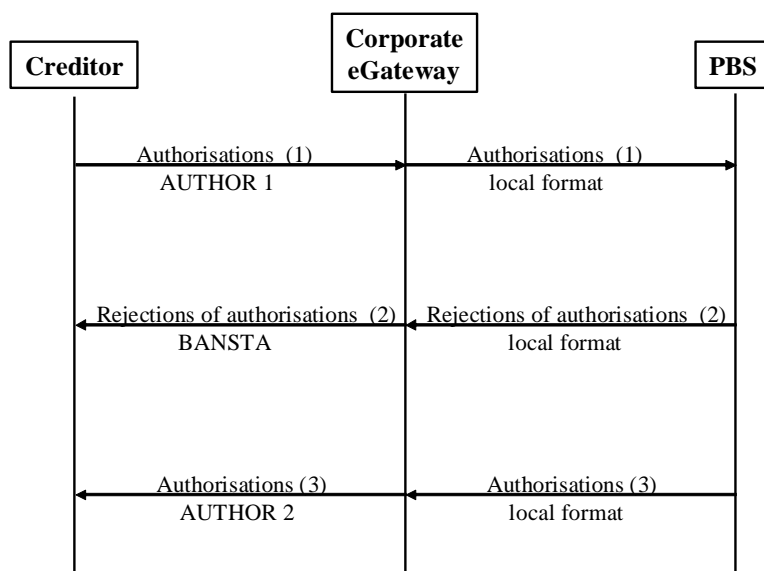
4.3 Authorisations

To use this service the Debtor must sign a payment agreement (authorisation to the creditor to debit the debtor's account) with the Creditor, allowing the creditor to collect amounts from the Debtor's account. The Debtor must be a registered company, for which reason the Debtor's business registration number is required. There are two possibilities for the Debtor to enter into an authorisation with the Creditor:

1. The Debtor contacts his bank and fills out and signs the form LS11
2. The Creditor sends an instruction directly to the Debtor using the form LS101 (contact Nordea Bank in Denmark to order the form). The Debtor must send the form either to his bank or directly to the Creditor that is responsible for registration in Nets.

Debtors who have not entered into a payment agreement with the Creditor must be invoiced directly by the Creditor.

Authorisations Leverandørservice



- (1) New and cancelled authorisations from the Creditor.
- (2) Rejections of authorisations sent by the creditor.
- (3) New and cancelled authorisations from Nets. These can be both confirmations of authorisations sent by creditor, and authorisations added or deleted by the Debtor.

4.3.1 Authorisations from Nets

For authorisations not sent by the Creditor, the Creditor must store the information stated in the authorisations. This information must be stated in the direct debit transactions.

For LS the information that must be stored is:

- The Service and Creditor number to which the new authorisation belongs
- The Debtor's identification with the creditor

A file can be ordered with all active authorisations from Nets. This is available as an AUTHOR 2 Message. Please contact Nordea's Service Support for ordering such information.

4.3.2 Cancellation and change of authorisation

If the Debtor is no longer a customer of the Creditor, the Creditor should cancel the authorisation in Nets.

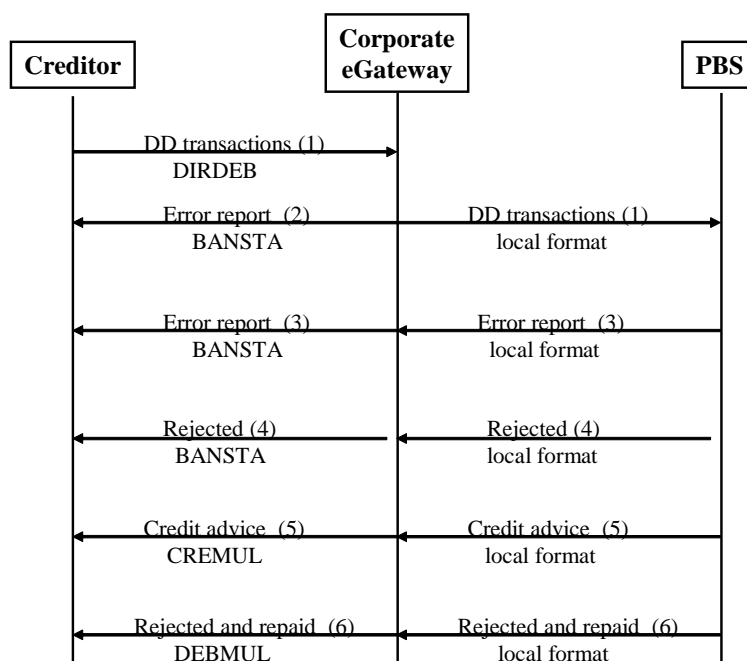
If there have been no collections for a period of 12 months, Nets will automatically cancel the authorisation.

Note: Functions for changing of authorisations are not part of the NDD solution. Instead of a change, cancel the authorisation and then send a new one.

4.4 Direct Debit transactions

Exchange of data related to the Direct Debit transaction:

Direct Debit transactions LeverandørService



- (1) New and cancelled Direct debit transactions from the Creditor
- (2) Error report for invalid transactions sent by Corporate eGateway.
- (3) Error reports on each transaction rejected at receipt of the file.
- (4) NDD transactions rejected by the Debtor or authorisation cancelled, before the payment date.
- (5) Credit advice containing details of the incoming payments.
- (6) NDD transactions withdrawn by the Debtor or the Debtor's bank after the payment date.

4.4.1 Rejected payments

Incoming Direct Debit transactions will be booked on creditor's account in a lump sum. If Debtor has rejected a Direct Debit transaction before payment day the funds will be reduced in the incoming amount.

Example:

Direct debit transactions sent to Nordea	DKK 450,000.00 (DIRDEB)
Transactions rejected on receipt	DKK 20,000.00 (BANSTA)
Transactions rejected afterwards but still before due date:	DKK 25,000.00 (BANSTA)
Amount reported in a credit advice on due date:	DKK 405,000.00 (CREMUL)
Transactions rejected for a different due date	DKK 25,000.00 (DEBMUL)
Amount booked to the Creditor's account on due date	DKK 380,000.00 (FINSTA)

4.4.2 Creditor number

The Creditor number for Denmark must always be stated to Corporate eGateway and consists of the account number used for each service in Nordea in Denmark together with the Creditor's unique Nets Creditor agreement number.

4.4.3 Payment date

The payment date (due date) may be any business day of the month. If the payment date is a banking holiday or a weekend, the transactions will be rejected by Corporate eGateway. The Debtor and the Creditor must agree on which day of the month the Creditor is entitled to draw funds from the Debtor's account.

Note: It is only possible to execute one payment per day per Debtor. This is validated in the duplicate control in Corporate eGateway and the second transaction for the same day will result in a rejection in Corporate eGateway and will be reported in a BANSTA Message.

Note that if a non-business day is specified, the payment is automatically moved to the first succeeding business day. If that business day already has a transaction for the same Debtor, the new transaction will be rejected by Corporate eGateway.

4.4.4 Information to the Debtor

Notification directly from the Creditor to the Debtor of payments that will be drawn from his account, must have reached the Debtor no later than three business days before the date of payment.

In order to provide the Debtor with the possibility of revoking/returning a payment, the notification must, as a minimum, contain the following information: Debtor (customer) number, date of payment, Creditor number, registration number, account number and the amount which is drawn via LS.

If the Debtor has not received a notification of the payment, the Debtor may revoke the payment.

It is not possible to send remittance information or reference number (e.g. invoice number) together with the NDD transaction. The consequence is that Debtor will not receive any of this information from Nets or on the bank statement.

4.4.5 Debtor action

After the NDD transactions have been received and validated by Nets, there are two situations that may influence the final amount credited to the Creditor's account:

1. The transactions may be rejected.
The Debtor may reject the payments before or two days after the payment date. If this is not a business day, the first succeeding business day is the limit. Rejection may be executed before or after the payment date.
2. The payment may be reversed.
The Debtor's bank may reverse the payment two days after the payment date (e.g. if the account is overdrawn).

These rules are in accordance with "General Regulations for Collection and Repayments via LeverandørService".

Rejected or reversed transactions are debited to the Creditor's account (repaid).

4.4.6 Cancellations

Cancellations may be executed if received by Nets on the day before the payment date. A Cancellation Message can be sent to Corporate eGateway for cancellation of previously sent NDD transactions. Corporate eGateway will transfer the cancellation request to Nets for further processing. Reference to the original transaction must be stated. Changes are not possible in the NDD service. If changes are required on NDD transactions that have already been sent to Corporate eGateway, the transactions must first be cancelled and then sent as new transactions.

If a NDD transaction is only cancelled and a new transaction on the same day with a new amount is **not** sent, the transaction will be shown on the Debtor's bank statement indicated by 0 – zero amounts.

5 Sweden - Autogiro via Bankgirot (BGC)

All banks operating in Sweden can participate in the bankgirot system. Bankgirot processes payments, direct debit transactions and information about incoming and outgoing payments for all parties.

5.1 Bankgiro number

A *bankgiro number* is an address that points to a bank account. A bankgiro number can be associated with the bank and bank account number of your choice.

When you want to receive a payment, you simply quote your bankgiro number – you never need to provide your account details. The actual account is always hidden from the debtor. If you change banks, you can keep your bankgiro number and your bankgiro payments will continue to arrive just as before.

5.2 General information about Autogiro via Bankgirot (BGC)

Autogiro is a direct debit system for automatically transferring payments to a creditor on the due date – neither too early nor too late. Autogiro can via Corporate eGateway be used as a fully electronic service.

Consumers and companies alike can pay via Autogiro, and the Creditor's invoices can include a bank account number and a bankgiro number. It is also possible for the Creditor to transfer funds to the Debtor's bank account via Autogiro. As a Creditor you can receive payments from all Debtors in Sweden.

One prerequisite for Autogiro is that the debtor signs a payment (Mandate) agreement allowing money to be automatically transferred to the Creditor from the Debtor's account.

Autogiro/eGateway will then automatically execute payments from the Debtor's account to the Creditor's account on basis of this payment agreement (Mandate) between the Debtor and the Creditor.
:

- Autogiro (XAB)
The service is used in for both corporate and consumer market.

It is possible to debit all types of accounts (both bank and PlusGiro bank accounts) or a bankgiro number through the Autogiro services in BGC. AutoGiro from PlusGiro is therefore not implemented.

Autogiro functions offered in NDD are:

- Authorisations incl. cancellations
- Direct Debit transactions (debit of the Debtor's account) incl. cancellations
- Re-funded transactions (payments returned by Creditor to the Debtor's account)
- Credit advice

Autogiro functions not offered in NDD

- Automatically renewed collections (Självförnyande uppdrag). A function for collecting the same amount for several months, quarterly, half-yearly or yearly.

5.3 Time limits and cut-off times

Authorisations to BGC	New authorisations must reach BGC no later than six business days prior to the date of payment. For further information see <i>Cut-off times list</i> for Corporate eGateway.
Authorisations – cancellations	Cancellations must reach BGC no later than on the business day prior to the date when the cancellation should be effective.
Authorisations from BGC	As soon as new authorisations are accepted by the Debtor's bank, a confirmation is sent to the Creditor (normally within one day). The Date for when the authorisation will be active is stated.
NDD transactions – notification to the Debtor	For Autogiro the customers should be invoiced no later than eight days before the payment date so that collections can be made from the account.
NDD refunded transactions – to the Debtor	For re-funded transactions – the transaction will be credited Debtors account day after reception of file
NDD transactions – delivery	The business day before the payment date.
NDD transactions – late delivery	If the NDD transactions arrive at BGC up to five days after the payment date, the transactions are automatically moved to the next succeeding business day. If more than five days have passed, the transactions are rejected.
Cut-off – NDD transactions and cancellations	The cut-off in Corporate eGateway is normally one hour before cut-off in the local Service Provider. For further information, see <i>Cut-off times list</i> for Corporate eGateway.
Cancellations	Cancellations will be executed if received by BGC on the day before the payment date.
Credit date	The total amount will be debited to the Debtor's account on the payment date and credited to the Creditor's account on the same day.
Credit advice	All statements are generated in the afternoon of the payment date, which means that the creditor will usually receive feedback on the following business day.
Autogiro Online	Autogiro Online is web-based tool which can be used by the Creditor to view payments and Debtors. This tool may also be used by the Creditor for administrating its Debtor information, i.e. to register new, change or cancel. It can also be used to approve or reject authorisations sent by the Debtor via its Internet Bank service. Note 1: All information from BGC will always be sent electronically via eGateway, even if the information is also available via Autogiro Online. Note 2: Autogiro Online cannot be used for creating new direct debit transactions. It must not either be used for making changes or cancellations of previously sent direct debit transactions. For this eGateway's file based services must be used, i.e. via the DIRDEB Message.

5.4 Validations

All transactions will be validated by BGC on receipt. Response is returned in a BANSTA or an AUTHOR 2 Message

The most frequent error concerns cut-off and time limits for delivery of NDD transactions to BGC. It is therefore important to send transactions in good time to Corporate eGateway to minimise the number of errors.

5.5 Authorisations (mandates)

A pre-requisite for using the Autogiro service is based on the Debtor giving the Creditor authorisation (mandate) to collect funds from Debtor's account or bankgiro number. In order to establish this agreement, the Creditor must distribute a form to be signed by the Debtor.

The authorisation is returned to the Creditor who must enter the information into his system. The Creditor must store the authorisation form in a safe place and according to Swedish accounting law. In order to be able to collect money on the Debtor's account, the Creditor must send in the authorisation electronically (AUTHOR1 Message) to Corporate eGateway/BGC.

In addition the Debtor may via its Internet Bank service (mostly used by private households) – if the Creditor has allowed to have this possibility available via the Swedish banks – to apply for being a direct debit customer to the Creditor. The Creditor must then:

1. Reply to the electronic request as sent by eGateway/BGC in an AUTHOR 2 Message
 - a. The reply (AUTHOR 1) must contain either an acceptance or a rejection
2. If the request is accepted – than Creditor must store the authorisation request in a safe place according to Swedish accounting law
3. eGateway/BGC will remind Creditor – in an AUTHOR2 Message - until till an acceptance or rejection has been received by eGateway/BGC. If no response from Creditor – the request will be cancelled after 18 banking days.

The Creditor can offer the Debtor several ways to sign an authorisation (mandate). The table below shows the alternatives available, what can be specified in a mandate and which functions are standard and optional.

Note: Authorisations (mandates) signed by other than the options in the table are not approved.

<u>Authorisation (Mandate)</u>	<u>Signed</u>	<u>Standard or optional</u>
On paper	One of the following <ul style="list-style-type: none"> • Bank account number <i>or</i> • Bankgiro number 	Standard function
Via the Internet bank	Bank account number	Optional

5.5.1 Authorisation (mandate) requirements

Authorisation (mandate) on paper means that the Debtor provides consent by filling in and signing a printed authorisation/mandate form.

Authorisation (mandate) on paper allows the Creditor and Debtor to sign an authorisation/mandate without the need for the Internet or an Internet bank.

An authorisation/mandate on paper can be signed for either a bank account number or a bankgiro number. The bank account number or bankgiro number provided by the Debtor determines from where associated payments are debited.

The authorisation/mandate text must always be included in the form for paper mandates and the text describing the terms and rules for Autogiro, and which the Debtor accepts by signing an authorisation/mandate. The authorisation/mandate text differs depending on whether the mandate is for a bank account number or a bankgiro number.

The mandate text is reproduced on the mandate forms bank (BG 600 P for bank account and BG600F for bankgiro number) which you can order from Nordea by contacting your cash management advisor, or download from Bankgirot's website, www.bgc.se. You can also design your own authorisation/mandate forms. These must be approved by Nordea before you can start using them.

Note: If your company decides to design its own forms, the current authorisation/mandate text must be included *verbatim*.

It is important that all information in the authorisation/mandate file is correct when you are to register, approve or reject new mandates.

The table shows which Debtor details must be included in the authorisation/mandate file you send to Bankgirot *or* that are required to register a new authorisation/mandate via *Autogiro Online*.

Authorisation/mandate signed with	Debtor details
Bank account number	<ul style="list-style-type: none"> Bank account number CVR registration number / corporate identity number Payor number
Bankgiro number Note: Only authorisation/mandate on paper.	Payor number. Note: For authorisation/mandates with a bankgiro number, the payor number is always the bankgiro number.

5.5.2 Authorisation/mandate via Debtor's Internet bank

One prerequisite for authorisation/mandate via the Internet bank is that your company has an agreement with the bank for this service.

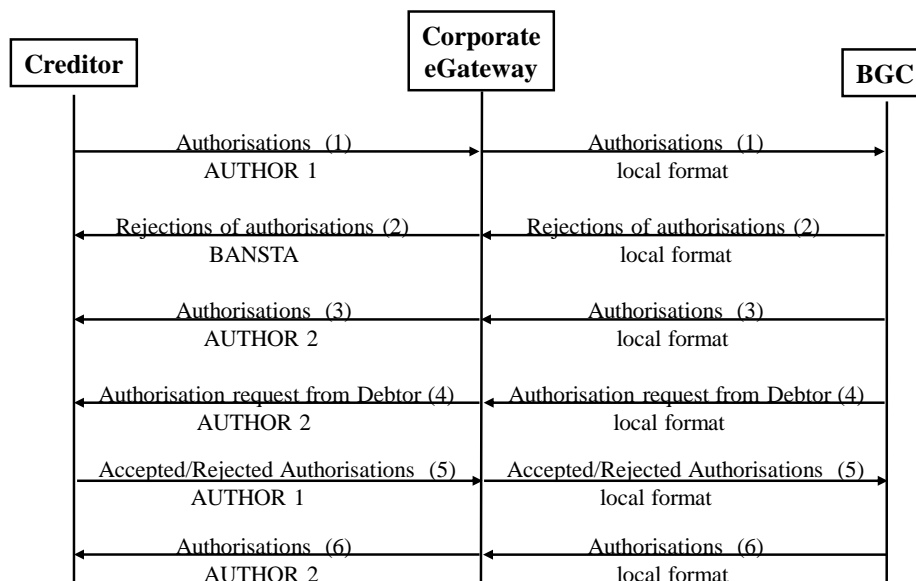
Authorisation/mandate via the Internet bank enables a Debtor to sign an authorisation/mandate via an Internet bank. Authorisation/mandate via the Internet bank can almost completely automate the authorisation/mandate process. The Creditor can automatically receive information about new authorisations/mandates, which can be read directly in business suites and accounting systems and automatically update customer directories. The Creditor can also obtain information about new

authorisations/mandates via *Autogiro Online*. (**Note:** All available information will always be sent electronically via eGateway)

Each authorisation/mandate signed via an Internet bank and which eGateway/BGC reports to the Creditor is associated with the correct bank account number. If the Debtor has specified an incorrect payer number the Creditor can easily correct it. Authorisation/mandates via the Internet bank can only be signed with a bank account number. The bank account number provided by the Debtor determines from where associated payments are debited.

Authorisation/mandates via the Internet bank, **must** be archived by the Debtors bank, because it is only the bank that has the possibility to archive the electronic signature. When the authorisation/mandate is hand over via the Internet bank the Creditor gets information about the authorisation/mandate via eGateway (AUTHOR 2). This information is the sole responsibility of the Creditor to save and store in their own system or elsewhere according to the Swedish Bookkeeping Act.

Authorisations AutoGiro



- (1) New and cancelled authorisations
- (2) Rejections of authorisations sent by the creditor
- (3) New and cancelled authorisations. These can be both confirmations of authorisations sent by the creditor and authorisations added or deleted by the Debtor
- (4) New authorisation request from Debtor via its Internet bank service, requesting to utilize Creditors direct debit service
- (5) Response from Creditor, acceptance or rejection, to Debtors request.
- (6) Confirmation of approved/rejected authorisations requested by Debtor via Internet bank

5.5.3 Cancellation of authorisation/mandates

Authorisations may be cancelled either by the Creditor, Debtor or by the Debtor's bank. You can cancel an authorisation/mandate by either:

- Creating an authorisation/mandate file (AURHOR 1) with a cancellation in your business suite or accounting system and sending the authorisation/mandate file to eGateway; *or*
- Cancelling it via Autogiro Online.

Note: When you cancel an authorisation/mandate any coming payments associated with the authorisation/mandate and being monitored are also cancelled.

The table below shows which terms apply to your company and the Debtor when cancelling an authorisation/mandate.

Party	Terms
The company (the Creditor)	<p>Your company can cancel a Debtor's authorisation/mandate, but you must inform the Debtor of the cancellation at least 30 days before cancellation. Exceptions: Your company has the right to cancel a Debtor's authorisation/mandate with immediate effect:</p> <ul style="list-style-type: none"> • If the Debtor repeatedly fails to maintain sufficient funds in their bank account on due dates; or • If the bank account to which the authorisation/mandate is connected is closed.
The Debtor	<p>The Debtor has the right via the bank or the Internet bank to:</p> <ul style="list-style-type: none"> • Amend and cancel active authorisations/mandates; • Change the bank account number of active authorisation/mandates to an bank account number at the same or another bank; and • Cancel coming payments monitored by Bankgirot. • The Debtor can also cancel an authorisation/mandate by contacting your company. Note: The authorisation/mandate must always be terminated within five weekdays of the cancellation being received by your company.

5.5.4 Changes of authorisation/mandates

Changes of authorisation/mandates cannot be performed via electronic file through eGateway. For this purpose the previous authorisation/mandate must be cancelled and then a new authorisation/mandate may be sent in to eGateway/BGC, or it has to be performed via *AutoGiro Online*.

Note: Change payer number is only allowed for authorisation/mandates with bank account number.

5.5.5 Authorisations from BGC

For authorisations not sent by the Creditor, i.e. request from Debtor, the Creditor must store the information stated in the authorisations request. This information must be used in the direct debit transactions.

For Autogiro the information that must be stored is:

- The Service and Creditor (Bankgiro) number to which the new authorisation belongs
- The Debtor's identification (betalarnummer) *See special note.*
- The Debtor's account number (not used in NDD transactions)
- The Debtor's personal identity or organisation number (not used in NDD transactions)

A file can be ordered with all active authorisations from BGC. This is available as an AUTHOR 2 Message. Please contact Nordea's Service Support for ordering such information.

Special note for Autogiro

Whenever the Creditor enters into an agreement with BGC for Autogiro, a specific Debtor identification method must be used, which must be applied for all debtors under the same agreement with BGC. For this purpose the Creditor has the following options for identifying its Debtor:

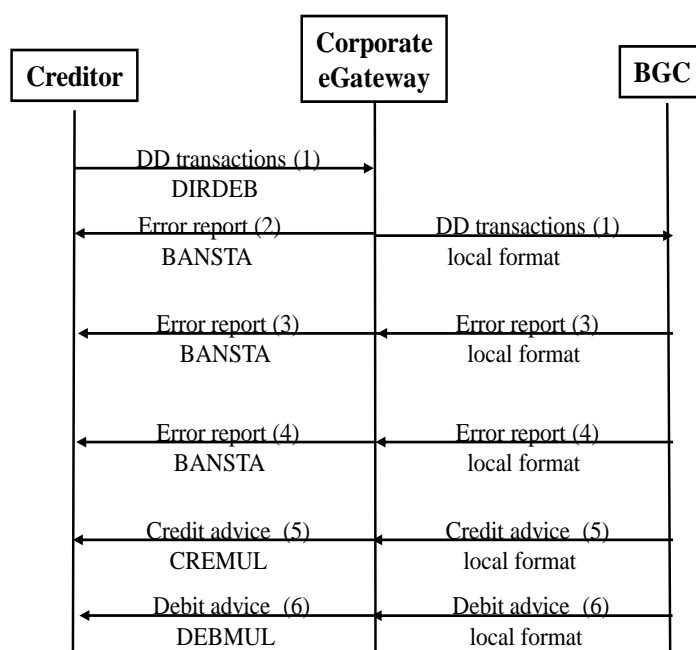
- 1) **Debtor's account number**
 - This method is **not** recommended by BGC since the Debtor might change banks and account numbers, and there will then be a mismatch between the debtor's identification number and Debtor's account.
- 2) **Debtors bankgiro number**
 - If Debtor uses a bankgiro number (8 digits) than the bankgiro number **must** be used as Debtor's identification.
- 3) **Debtor's personal identification number (CVR-nr.)**
 - BGC performs a modulus check on the identification number.
- 4) **A modulus 10 or modulus 11 identification number**
 - BGC performs a modulus check depending on the modulus chosen by the Creditor.
- 5) **Own created specific identification number (any)**
 - No check or control is made by BGC.

5.6 Direct Debit transactions

The direct debit transactions are stated in a separate delivery to Corporate eGateway and BGC:

Direct Debit transactions

AutoGiro



- (1) New, cancelled and refunded Direct Debit transactions from the Creditor.
- (2) Error report sent from Corporate eGateway for invalid transactions.
- (3) Error reports from BGC for each transaction rejected at receipt of file.
- (4) Error reports from BGC for transaction rejected on payment date. This also includes information about re-tries (if service chosen) in case of insufficient funds on Debtors account.
- (5) Credit advice, containing details of the incoming collections.
- (6) Debit advice, containing details of refunded or revoked Direct Debit transactions.

5.6.1 Creditor number

The Creditor number for Sweden must always be stated to Corporate eGateway and consists of the unique Bankgiro number at BGC.

Note: A Creditor can use many Bankgiro numbers connected to the Creditor's account at Nordea Sweden, but only one account number can be connected to each Bankgiro number.

5.6.2 Payment date

The payment date (due date) may be any business day of the month.

On the payment date the following validation is performed:

- (1) Is there a valid authorisation between the Debtor and the Creditor?
- (2) Sufficient funds. The balance check is carried out on the morning of the payment date. The bank concerned is responsible for determining how the balance check is carried out.

Insufficient funds:

A separate service in BGC allows a retry for collecting the specified amount if insufficient funds are available on the account. A maximum of three representations (retries) are made. The re-representations are made on consecutive business days, following the due date, and are reported in the error report (BANSTA), as a “warning” message, generated in relation to the payment date. This service must be agreed separately between the Creditor and Nordea Bank Sweden. The funds are credited to Creditor’s account on the payment date. If insufficient funds still occur on Debtor’s account after three retries, the collection cannot be made, and the payment are cancelled by BGC.

5.6.3 Information to the Debtor

Invoicing procedures need not be altered when changing to Autogiro. Use the same invoices that are currently sent to the Debtors. It is important that you notify the debtor in good time before the due date, so that the Debtor can ensure that there are sufficient funds in the account on the due date.

If a bank account number has been specified in the authorisation/mandate your company must notify the Debtor *no later than eight days before the due date.*

However, it must be clearly stated that the payment is to be made by Autogiro. Examples of the text are:

- ”This amount will be debited by Autogiro.”
- ”Do not use this advice to make your payment.
- “The amount will be debited automatically via Autogiro.”

Apart from the text about Autogiro, the invoice should contain the usual details regarding the amount and payment date. One invoice can cover more than one payment.

If when notifying the Debtor you also send the associated payment instruction to eGateway/BGC, your Debtor can see the coming payment in their Internet bank depending on if your Debtors Internet bank supports that function and the Debtor can ensure that there is sufficient funds in the account.

Exceptions: If the Debtor has approved a payment by direct debit (Autogiro) in conjunction with a purchase or order, you need not notify the Debtor with a separate invoice.

5.6.4 Debtor’s responsibility

In order for a payment to be made, the Debtor must have sufficient funds in their bank account on the due date. A balance check inquiry is made early in the morning of the due date. As such, the Debtor must have sufficient funds in their bank account already at 00:01.

If there are insufficient funds in the Debtor's account, the payment is not approved and the stopped payment is reported in a status Message (BANSTA), either as a “warning” – if service chosen (i.e. re-tries) or as a rejected payments.

5.6.5 Debtor action – stopped payments or authorisation/mandate

The Debtor, or Debtor's bank, can stop a future direct debit payment. A Debtor can approach you, as a Creditor in order to stop a future payment or to lodge a complaint concerning an incorrectly executed payment.

Since the law on payment services was introduced on 1 August 2010, the Debtor is also provided the opportunity, via the Debtor's bank, to stop a future payment and, within a set timeframe, request that a payment be refunded (see chapter 5.6.7).

A Creditor may need to invoice a stopped payment in another manner. If the Debtor stops a payment, the concerned payment is stopped on a single occasion.

The Debtor, or the Debtor's bank, can also stop any given authorisation/mandate without pre-notification to the Creditor. Stopped authorisations/mandates are reported to the Creditor through a BANSTA Message. During the stop no NDD transactions can be effected. When the Debtor, or Debtor's bank, activates the authorisation/mandate again, the Creditor will be notified by a new AUTHOR 2 Message, and any open NDD transactions which have been set on hold during this period or await debiting to be performed as usual.

If the stopped authorisation/mandate is not re-activated within two (2) months the whole authorisation/mandate agreement, including any open NDD transactions will be cancelled. The Creditor will be informed about the cancellation through a BANSTA and AUTHOR 2 Message.

Only two actions can cause the above situation for stopped authorisations/mandate:

- The Debtor or the Debtor's bank cancels a previously given authorisation/mandate.
- The Debtor changes banks and/or bank accounts, but the authorisation/mandate can be re-activated for the new bank and/or bank account if the Debtor accepts the present authorisation/mandate towards the Creditor within 45 days.

5.6.6 Revoked direct debit transactions

A revocation request means that a Debtor has a legal right, under certain circumstances and within a certain timeframe, to via the Debtor's bank request and receive a revocation of a previously executed direct debit payment.

There are two types of revocation request:

- Revocation of unauthorised payments – a payment is unauthorised when a direct debit authorisation/mandate has never been signed or if the authorisation/mandate is terminated before the payment is made. For consumers, a revocation request in cases such as this must be made within thirteen (13) months of the concerned payment. For non-consumers, a shorter timeframe applies, as agreed between the Debtor's bank and the Debtor.
- Revoked authorised payments – a payment is authorised if there was a valid authorisation/mandate when the direct debit payment was made, but the amount was not specified when the authorisation/mandate was signed and the amount exceeds what the Debtor could reasonably have expected. For consumers, a revocation request in cases such as this must be made within eight (8) weeks of the concerned payment. Non-consumers do not have the right to a revocation of an authorised payment.

When a Debtor requests a revocation the bank shall investigate whether the claim for a revocation is substantiated. In such cases contact is made with the Creditor. This is to provide the Creditor with the opportunity to submit documentation showing that the payment was correct and authorised. The Creditor will receive the following information from BGC, which conducts the revocation investigation on behalf of the bank: case number, Debtor's name, payer number, or else the Debtor's bankgiro number (if corporate), payment reference, requested revocation amount, payment date, reason for revocation request, information that the Creditor shall contact BGC if the Creditor and Debtor settle the matter between themselves.

BGC makes repeated attempts to contact the Creditor over two days.

If BGC is unable to contact the Creditor within two days, BGC informs the Creditor's bank of this fact. The Creditor provides BGC with any documentation, such as a valid authorisation/mandate or agreement, within five (5) bank days.

The Creditor also contacts BGC if the matter has been resolved with the Debtor directly.

The Debtor's bank informs the Creditor as to whether the Debtor was entitled to a revocation. If the investigation shows that the claim for a revocation is substantiated, the Creditor's bank has the right to Debit the account which, via a bankgiro number, is connected to the direct debit service.

Debtor may remain in debt. Even if the Debtor's bank issues a revocation, the Debtor may remain in debt, depending on the reason for the revocation request. The Creditor ought to check this. In cases where the Debtor remains in debt, the Creditor can inform the Debtor of this fact and, if necessary, send a reminder.

5.6.7 Cancellations

A Cancellation Request can be sent to Corporate eGateway for cancellation of previously sent NDD transactions. Corporate eGateway will transfer the cancellation request to BGC for further processing. Reference to the original transaction must be stated. Changes are not possible in the Autogiro service via eGateway. If changes are required on NDD transactions that have already been sent to Corporate eGateway, the transactions should first be cancelled and then sent as new transactions.

5.7 Refunded transactions to Debtor – optional service

Outgoing payments i.e. refunds, enables the Creditor to make payments to a Debtor via Autogiro. This means that the Creditor does not need to know the Debtor's bank account number to make a payment, but instead can specify the payer number as the recipient of the payment. The payment is included in the payment file sent to eGateway/BGC.

Note: Bear in mind that your company should notify the recipient concerning payment method and date of credit transfer, since neither Bankgirot nor the customer's bank will notify the Debtor.

5.8 Reports of direct debit transactions – credit advice & account statement

Incoming Direct Debit transactions will be booked on Creditor's account in a lump sum. If Debtor has rejected a Direct Debit transaction before payment day the funds will be reduced in the incoming amount.

Depending on set-up at BGC by the Creditor – bankgirot will perform retries up till 3 times after due date, and each of these retries might result in funds received to the Creditor’s account. For each retry, and if insufficient funds still occur, a “warning” status report (BANSTA) will be sent to Creditor.

See also examples of how the booking may occur on Creditor’s account.

Example 1 (no retry set-up at BGC):

Direct debit transactions sent to Nordea/BGC	SEK 50,000.00 (DIRDEB)
Transactions rejected on receipt by eGateway	SEK 2,000.00 (BANSTA)
Transactions rejected on receipt by BGC	SEK 1,000.00 (BANSTA)
Transactions rejected due to insufficient funds on Debtor’s account, being rejected by BGC:	SEK 2,000.00 (BANSTA)
Amount reported in a credit advice on due date:	SEK 45,000.00 (CREMUL)
Amount booked to the Creditor’s account on due date	SEK 45,000.00 (FINSTA)

Example 2 (with retry set-up by BGC):

Due date:

Direct debit transactions sent to Nordea/BGC	SEK 100,000.00 (DIRDEB)
Transactions rejected on receipt day by eGateway	SEK 5,000.00 (BANSTA)
Transactions rejected on receipt day by BGC	SEK 10,000.00 (BANSTA)
Transactions rejected due to insufficient funds on Debtor’s account:	SEK 25,000.00 (BANSTA)
Amount reported in a credit advice:	SEK 60,000.00 (CREMUL)
Amount booked to the Creditor’s account:	SEK 60,000.00 (FINSTA)

Day one after due date (+1):

Transactions rejected due to insufficient funds on Debtor’s account:	SEK 15,000.00 (BANSTA)
Previous rejected transactions, due to insufficient funds on Debtor’s account, now accepted by Debtor’s bank:	SEK 5,000.00 (CREMUL)
Amount booked to the Creditor’s account:	SEK 5,000.00 (FINSTA)

Day two after due date (+2):

Transactions rejected due to insufficient funds on Debtor’s account:	SEK 10,000.00 (BANSTA)
Previous rejected transactions, due to insufficient funds on Debtor’s account, now accepted by Debtor’s bank:	SEK 10,000.00 (CREMUL)
Amount booked to the Creditor’s account:	SEK 10,000.00 (FINSTA)

Day three after due date (+3):

Previous rejected transactions, due to insufficient funds on Debtor’s account, still not accepted by Debtor’s bank and are now finally rejected by BGC:	SEK 10,000.00 (BANSTA)
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6 Norway - AvtaleGiro

In Norway two different services for Direct Debit are available, Autogiro and AvtaleGiro. AutoGiro is not part of NDD – only AvtaleGiro can be used.

AvtaleGiro is an automatic collection of recurring payments.

AvtaleGiro is based on the Debtor giving the Creditor permission to charge his account. The Payment is then transferred to the Creditor's account automatically.

Functions offered in NDD are:

- Authorisations
- Direct Debit transactions (debit of the Debtor's account)
- Credit advice

Functions (services) not offered in NDD are:

- Autogiro

6.1 Time limits and cut-off times

Authorisations to Nets	It is not possible to send authorisations to Nets.
Authorisations – Cancellations	It is not possible to send authorisations to Nets.
Authorisations from Nets	Authorisations (new, changed and cancelled) from Nets are sent on business days, when new information exists. For further information see <i>Cut-off times list</i> for Corporate eGateway.
NDD transactions – notification to the Debtor	Same as specified for "NDD transactions – delivery".
NDD transactions – delivery	<p>Option A: The Creditor sends the information (notice or invoice) through the Debtor's bank</p> <p>The Debtor's bank produces information to the Debtor for a monthly distribution. The NDD transaction must then be received by Nets on the last business day of the month. All NDD transactions with payment date from the 15th of the following month and up to and including the 14th of the following month must be sent within this time limit.</p> <p>This time limit is set to enable the Debtor's to distribute information of all coming NDD transactions to the Debtor in good time, for instance on the bank statement.</p> <p>Option B: The Creditor sends the information himself</p> <p>In this case the NDD transaction must be received by Nets within nine calendar days before the payment date.</p>
NDD transactions – late delivery	Transactions are rejected.

Cut-off – NDD transactions and cancellations	The cut-off in Corporate eGateway is one hour before cut-off in the local Service Provider. For further information see <i>Cut-off times list</i> for Corporate eGateway.
Cancellations	Cancellations will be executed if received by Nets on the day before the payment date.
Credit date	The total amount will be credited to the Creditor's account on the payment date.
Credit advice	All credit advice information is generated on the payment date. For further information see <i>Cut-off times list</i> for Corporate eGateway.

6.2 Validations

Validation of all transactions not rejected by Corporate eGateway is performed by Nets when received. All rejection reports from Nets are sent either by e-mail or by post to the Creditor. In order to ensure that all transactions are processed as expected the Creditor must follow up on the material from Nets. Rejected transactions by Nets will only be stated on these paper lists. If you have any questions to the received material, please contact Nordea's Service Support.

The most frequent error concerns cut-off and time limits for delivery of NDD transactions to Nets. It is therefore important to send transactions in good time to Corporate eGateway to minimise the number of errors.

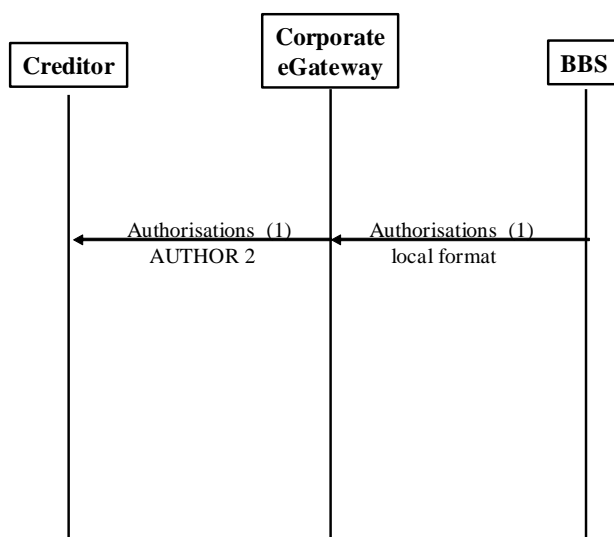
6.3 Authorisations

The authorisation is always entered by the Debtor through his bank. The Creditor is informed of the authorisations by Nets. It is not possible to send authorisations to Nets. The Creditor may have more than one authorisation with a Debtor.

The Debtor may only give authorisations to Creditors that offer AvtaleGiro. Information of creditors that offer AvtaleGiro is available from the Debtor's bank. The Creditor may also send the information directly to the Debtor.

For more information on how to enter an authorisation on AvtaleGiro with the Debtor, please contact Nordea Bank in Norway.

Authorisations AvtaleGiro



(1) New, changed and cancelled authorisations.

6.3.1 Authorisations from Nets

For authorisations not sent by the Creditor, the Creditor must store the information stated in the authorisations. This information must be stated in the direct debit transactions.

For AvtaleGiro the information that must be stored is:

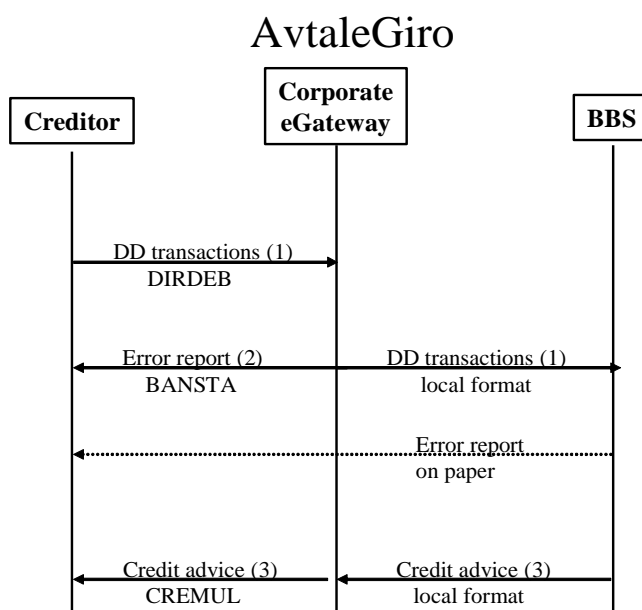
- The Service and Creditor (account) number to which the new authorisation belongs
- The Debtor's identification (KID)
- The Debtor's request for written information

A file can be ordered with all active authorisations from Nets. This is available as an AUTHOR 2 Message. Please contact Nordea's Service Support for ordering such information.

6.4 Direct Debit transactions

The direct debit transactions are stated in a separate delivery to Corporate eGateway and Nets:

Direct debit transactions



- (1) New and cancelled NDD transactions from the Creditor.
- (2) Error report for invalid transactions sent by Corporate eGateway.
- (3) Credit advice containing details of the incoming payments.

Response on rejected transactions in Nets is only produced on paper and is not shown in this figure.

6.4.1 Creditor number

The Creditor number for Norway must always be stated to Corporate eGateway and consists of the unique account number used within Nordea Norway.

6.4.2 Payment date

The payment date (due date) may be any business day of the month.

On the payment date the following validation is performed by Nets/the Debtor's bank:

- (1) Is there a valid authorisation between the Debtor and the Creditor?
- (2) Is the Debtor's account valid?
- (3) Has the Debtor rejected the transaction?
- (4) Is the amount within the amount limit stated by the Debtor in the authorisation?

- (5) Sufficient funds. If there are insufficient funds on the account, the bank will retry to collect the amount up to four days after the payment date.

If any of these validations mean that the transaction is not processed, the Debtor will receive the following information of the non-executed payments;

- For items 1-2 above: The Creditor will receive a paper list from Nets showing rejected transactions and the reason for the rejection.
- For items 3-5 above: The Debtor will receive information of the non-executed payments and alternative ways of carrying out the payment from the Debtor's bank.

6.4.3 Information to the debtor

The Debtor must be informed of all future payments by the Debtor's bank or by the Creditor himself. If the Debtor is not informed, the Debtor can, through his bank, demand that the Creditor should pay back the collected amount.

Information to the Debtor must at least contain the following:

- Name and address of the Creditor
- Amount
- Payment date
- Description of the reason for payment

The Creditor can choose either to send the information to the Debtor himself or to let the Debtor's bank send the information. This option is stated when entering the AvtaleGiro agreement with Nordea Bank in Norway and has to be informed to Corporate eGateway as well.

The Debtor can agree with his bank that notification of future payments is not necessary.

6.4.4 Debtor action

The Debtor may delete the NDD transaction.

Transactions that are rejected by the debtor are not informed separately and will consequently not appear in the credit advice

The Creditor will not receive any information on transactions that have not been processed. It is therefore recommended that the Creditor considers sending an invoice/giro by post directly to the Debtors five days after the payment date. Note that this will be in addition to actions taken by the Debtor's bank. It is advised to wait five days because of the function for automatic retry of the collection four days after the payment date.

6.4.5 Debtor identification and payment

For identification of the Debtor and payment it is a requirement that the OCR reference (KID) produced by the Creditor is used.

A specified part of the OCR reference (specified by the Creditor when he enters into the agreement to use the Norwegian direct debit service) is used in Nets to identify the Debtor.

The Debtor must therefore get the correct OCR reference from the Creditor in order to send in a valid authorisation.

The Creditor must state how the OCR reference (KID) is built in the agreement with Nets. The maximum length is 25 characters and it must as a minimum consist of a Customer ID. In addition, the Creditor may use type of payment (e.g. apartment rental and garage rental) and an invoice number.

The OCR reference will also be returned in the credit advice and should be used by the Creditor to link the direct debit transaction with the incoming payment.

Please note that since the same OCR reference structure is used for another payment service (KID) within Nets, it is not possible to identify or separate which service that are used when processing the credit transfer. If this is a prerequisite, Nordea Bank in Norway recommends that the Creditor opens a separate account for his NDD transactions.

For more information about the OCR reference, please contact Nordea Bank in Norway.

6.4.6 Cancellations

A cancellation Message can be send to Corporate eGateway for cancellation of previously sent NDD transactions. Corporate eGateway will transfer the cancellation request to Nets for further processing. Reference to the original transaction must be stated. Changes are not possible in the AvtaleGiro service. For corrections of NDD transactions that have already been sent to Corporate eGateway, the transactions should first be cancelled and then sent as new transactions.

A validation report is produced on paper and is sent to the Creditor. Processed cancellations and cancellations that are not possible to process are specified.

7 Finland – Direct Debit

Direct Debit is a service that automatically executes payments from the Debtor's account to the Creditor's account on the basis of a payment agreement between the Debtor and the Creditor.

Functions offered in NDD are:

- Authorisations
- Direct Debit transactions (debit of the Debtor's account)
- Credit advice

Functions not offered in NDD

- Direct debiting requiring acceptance (also called direct payment)

In Finland there is no central clearing institution (ACH) as in the other Nordic countries. Clearing is mainly handled bilaterally direct between the different banks with Nordea Bank in Finland as a main clearing unit.

Direct debit transactions are therefore exchanged directly between the Creditor's and the Debtor's bank. Nordea Bank in Finland will always be the receiver of the direct debit transactions from the Creditor and Corporate eGateway. After processing the transactions, they are sent to the Debtor's bank where they are stored in a payment hotel until the payment date. The Direct Debit service is based on a standard developed by the Finnish Bankers' Association.

7.1 Time limits and cut-off times

Authorisations to Nordea Bank in Finland	It is not possible to send authorisations to Nordea.
Authorisations – Cancellations	It is not possible to send authorisations to Nordea.
Authorisations from Nordea Bank in Finland	An authorisation or its amendment takes force when it has been registered by the Debtor's bank. Authorisations are sent from Nordea Bank in Finland on every business day. For further information see <i>Cut-off times list</i> for Corporate eGateway.
NDD transactions – notification to the Debtor	The Debtor should be invoiced no later than eight days before the payment date so that collections can be made from the account.
NDD transactions – delivery	The NDD transactions must at the latest be received two business days before the first payment date. It is recommended to send the NDD transactions simultaneously with the advance notice, preferably two weeks prior to the payment date.
NDD transactions – late delivery	Transactions are rejected.
Cut-off – NDD transactions and cancellations	The cut-off in Corporate eGateway is normally one hour before cut-off in Nordea Bank in Finland. For further information see <i>Cut-off times list</i> for Corporate eGateway.
Cancellations	Cancellations will be executed if received two business days before the payment date.

Credit date	The Creditor will be credited on the day following the payment date.
Credit advice	All credit information is generated on the night after the payment date, which means that the Creditor will usually receive the credit advice on the first business day after the payment date. For further information see <i>Cut-off times list</i> for Corporate eGateway.

7.2 Validations

Nordea Bank in Finland will validate all transactions on receipt. The response is returned in a BANSTA Message.

The most frequent error concerns cut-off and time limits for delivery of NDD transactions to Nordea Bank in Finland. It is therefore important to send transactions in good time to Corporate eGateway to minimise the number of errors.

7.3 Authorisations

The service is based on the Debtor giving the Creditor authorisation to collect money from his account. The debtor through his bank always enters the authorisation. New, changed and cancelled authorisations are sent from Nordea Bank in Finland. One authorisation is sent per service code, (creditor number in NDD).

It is not possible to send authorisations to Nordea Bank in Finland.

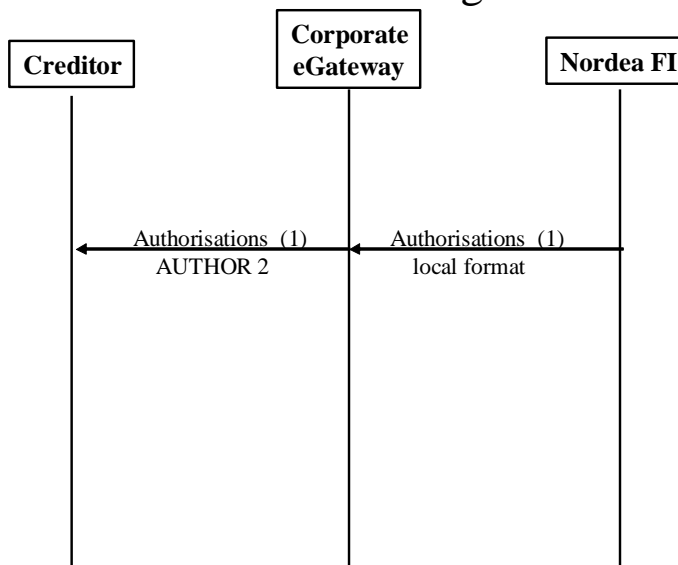
When a Creditor discontinues or suspends the use of direct debiting for a shorter or longer period the Creditor gives notice on the direct debit contracts made with the bank and notifies each relevant Debtor of the change in invoicing procedures. Alternatively, arrangements are made directly between the Creditor and the Debtor.

The Debtor's authorisation is in this case not terminated at the bank, unless the Debtor gives separate notice of termination. The Creditor must keep the authorisation data in his system to be able to reinstate the direct debiting when agreed between the Creditor and the Debtor. The bank may remove authorisations to which no payments have been applied for one and a half years.

If the Debtor changes banks, the Creditor may receive a new authorisation even while the previous one still remains in force. The Creditor must use the authorisation that is most recent according to the transaction date.

Authorisations

Direct debiting



(1) New, changed and cancelled authorisations.

7.3.1 Authorisations from Nordea Bank in Finland

The Creditor must store the information stated in the authorisations. This information must be stated in the Direct Debit transactions and for amendments to existing authorisations.

The information that must be stored is:

- The Creditor service code to which the new authorisation belongs
- The Debtor's account number
- The Debtor's name (invoice name)
- The Debtor's identification with the creditor (invoice identification data or reference)

The "Debtor identification data" is the data that the Creditor uses to identify a debtor, when the Creditor gets authorisations from Nordea Bank in Finland. The identification data is usually the Creditor's Customer ID or number given to the Debtor.

The Creditor should also inform the Debtor of the Creditor's "service code" (see below) to enable the Debtor's bank to connect the authorisation proxy to the right service within Nordea Bank in Finland. If a Debtor gives an authorisation proxy directly to his bank (which is the usual way) the Debtor's bank will ask the Debtor, according to agreement with the Creditor, for this information.

This identification data can be pre-printed in the authorisation proxy if the Debtor receives it directly from the Creditor. If the Debtor provides this authorisation proxy to the Creditor, the Creditor has to deliver it to Nordea Bank in Finland for registration and to make sure that the right information is in place.

New authorisations are linked to a Service Code (Creditor number in NDD) in the Creditor's invoicing system using the reference number of the Debtor's identification data and/or the Debtor's name and other individual data. This Service Code (i.e. Trade registry number or likewise) provided by the creditor is informed to Nordea Bank in Finland at the service agreement. The Creditor should also add the bank contact to the Debtor's data. These data must correspond to those in the invoicing system. Changed and cancelled authorisations are linked using the reference number, old banking information (the Debtor's old account number) or the debtor's identification data.

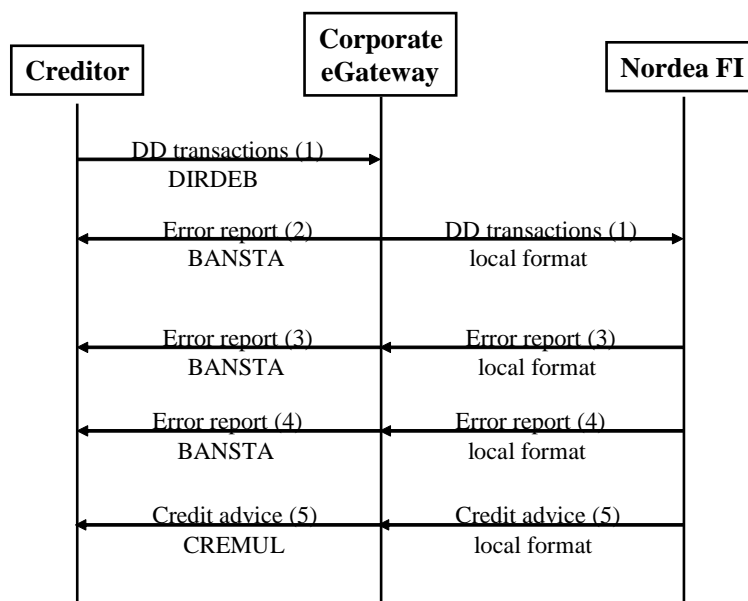
A file can be ordered with all active authorisations from Nordea Bank in Finland. This is available as an AUTHOR 2 Message. Please contact Nordea's Service Support for ordering such information.

7.4 Direct Debit transactions

The direct debit transactions are stated in a separate delivery:

Direct Debit transactions

Direct Debit



- (1) New and cancelled Direct Debit transactions from the Creditor.
- (2) Error reports on invalid transactions sent by Corporate eGateway.
- (3) Error reports on each transaction rejected at receipt of file.
- (4) Error reports on transaction rejected on the payment date.
- (5) Credit advice, containing details of the incoming collections.

7.4.1 Creditor number

The Creditor number for Finland must always be stated to Corporate eGateway and consists of the Creditor's account number with Nordea Bank in Finland together with a unique Service Code number (payer code).

Note: It is not possible to connect more than one service code number (payer code) to the used account number in Nordea Bank in Finland.

7.4.2 Reference check digit calculation

The reference number is mandatory in Direct Debit transactions in Finland. In order to avoid typing errors, a reference number should be as short as possible however, not shorter than 4 digits (3 digits + 1 check digit) in spite of the fact that the maximum allowed for the time being is 19 + 1 digits.

The purpose of the last digit or check digit is to prevent erroneous data from being recorded. There is always a check digit in a reference number. The check digit is calculated in the following manner: The digits in the basic reference data (e.g. Customer or invoice number) to be verified are to be multiplied by the weights 7, 3, 1, 7, 3, 1 ... **from the right to the left**.

The multiplied sums are added up and the sum is subtracted from the nearest figure ending in zero. The resulting difference is the check digit, which is entered as the last digit in the reference number. **If the difference is 10, the check digit is 0.**

Example for the calculation of the check digit

Basic reference data (e.g. Customer or invoice no):	123456
Weights from right to left:	137137
The sums arrived at are added up:	$1+6+21+4+15+42 = 89$
The following number ending in zero:	90
From which the added sum is subtracted:	<u>-89</u>
Difference = check digit:	1

In the example the reference number with its check digit is 1234561.

7.4.3 Payment date

Payment date (due date) may be any business day of the month. If a non-business day is specified, the payment is automatically moved to the next succeeding business day.

On the payment date the following validation is performed:

- (1) Sufficient funds
- (2) Does the account exists
- (3) Is the account a payment service account
- (4) Has the remitter or the bank cancelled the payment

Insufficient funds:

When debiting is not possible due to insufficient funds, the debiting bank may, if agreed with the Creditor, retry after two (2) business days, or for some other period after the payment date. The Creditor notifies the Debtor whether re-debiting has taken place.

This service must be agreed separately with Nordea Bank in Finland. Contact your cash management adviser in Nordea Bank in Finland for more information.

The funds are credited to Creditor's account the business day following the debit (payment) date. If there are insufficient funds in the account, the collection cannot be made.

7.4.4 Information to the Debtor

When the invoicing of a Debtor is changed to Direct Debit, the next advance notice must clearly state the change in invoicing method.

Debtors must be invoiced no later than eight days before the payment date so that collections can be made from the account. The advance notice must be easily identifiable from other invoice forms used by the Creditor. If the advance notice contains a giro form, it is recommended that the text "DIRECT DEBIT" is printed in the currency (EUR) field.

The Debtor and the Creditor may agree to replace the advance notice by, for instance, an annual notice.

An advance notice must contain at least the following information:

- the heading "ADVANCE NOTICE OF DIRECT DEBIT" - it is, however, recommended to state the information in Finnish "SUORAVELOITUKSEN ENNAKKOILMOITUS".
- Creditor's name
- total amount
- the banking information provided in the authorisation
- reference number and/or Message
- payment date
- Debtor's name
- reason for invoice

7.4.5 Debtor action

Before the payment date, the Debtor may alter the amount or cancel the NDD transaction. The Debtor may send these alterations directly to the Creditor or if the payment request is already at the bank, to its own bank.

Information of a cancelled payment is sent as soon as possible or on the due date according to the procedure employed by the bank concerned (the Debtor's bank). Change of the amount is not informed separately. A Changed amount will only be stated in the credit advice.

7.4.6 Cancellations

A cancellation request can be sent to Corporate eGateway for cancellation of previously sent NDD transactions. Corporate eGateway will transfer the cancellation request to Nordea Bank in Finland for further processing. Reference to the original transaction must be stated.

Changes are not possible in the Direct Debit service. If changes are required on NDD transactions that have already been sent to Corporate eGateway, the transactions should first be cancelled and then sent as new transactions.

If the new NDD transaction has a different payment date, the Creditor must inform the Debtor of the new payment date with a new advance notice.

8 Poland – Direct Debit

The Direct Debit service in Poland automatically executes payments from the Debtor's account to the Creditor's account on basis of a payment agreement between the Debtor and the Creditor.

The Direct Debit functions offered in NDD are:

- Direct debit transactions (debit of the Debtor's account)
- Credit advice

In Poland all Direct Debit transactions are executed from Debtor's bank. All amounts transferred via the Direct Debit solution are cleared in the ordinary interbank clearing sessions in the Polish Clearing House KIR S.A.

In Poland IBAN is mandatory for all domestic transactions so only account numbers that are stated according to the IBAN standard used in Poland will be accepted for direct debit transactions.

8.1 Time limits and cut-off times

Authorisations to Debtor's bank	It is not possible to send authorisations electronically to Debtor's bank.
Authorisations – Cancellations	It is not possible to send authorisations electronically to Debtor's bank.
Authorisations from Debtor's bank – new and cancelled	It is not possible to send authorisations electronically from Debtor's bank in Poland at this point of time.
NDD transactions – notification to the Debtor	There is no specific time limit for sending notification to the Debtor in the Polish Direct Debit solution.
NDD transactions – delivery	One business day before the payment date.
NDD transactions – late delivery	If the NDD transactions arrive in Nordea after the stated cut-off time for delivery, the direct debit transactions are rejected.
Cut-off – NDD transactions and cancellations	The cut-off in Corporate eGateway is normally one hour before cut-off in the local service provider, in Poland the local Nordea Bank. For further information, see <i>Cut-off times list</i> for Corporate eGateway.
Cancellations	Cancellations will be executed if received by Corporate eGateway/Nordea Poland on the day before the payment date.
Credit date	The total amount will be debited to the Debtor's account on the payment date and credited to the Creditor's account on the same day.
Credit advice	All statements are generated in the afternoon and/or the night after the payment date, which means that the Creditor will usually receive feedback during the evening on the day of execution or on the morning after the day of execution. For further information see <i>Cut-off times list</i> for Corporate eGateway.

Rejections and re-payment	Notification about reversed direct debit transactions (DEBMUL) will be generated in the afternoon on the booking date/date of reversal and sent to the Creditor on the same day. Reversed amount can be different from the original debited amount because interest compensation may be included in the reversed amount.
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8.2 Validations

Nordea in Poland will do some of the validations on receipt of the direct debit transactions and other validations will be done by the Debtor's bank on the payment date. Deviations discovered in the different validations will in most cases be returned to the Creditor in a BANSTA Message but can also in some rare occasions be manually advised to the Creditor from Corporate eGateway Help Desk.

The most frequent error concerns cut-off and time limits for delivery of NDD transactions to Corporate eGateway/Nordea in Poland. It is therefore important to send transactions in good time to Corporate eGateway to minimise the number of errors.

8.3 Authorisations

The service is based on the Debtor giving the Creditor authorisation to collect money from his account. In order to establish this agreement, the Creditor must distribute a form to be signed by the Debtor. The Debtor should sign at least two copies of the authorisation form before both forms are returned either to the Creditor, or one form to the Creditor and the other form to the Debtor's bank for registration. The Creditor must forward one copy to the Creditor's bank for registration because all new agreements have to be registered also in the Creditor's bank before the new Debtor can be invoiced via the Direct Debit service.

If both forms are received by the Creditor's bank, the Creditor's bank will forward one copy to the relevant Debtor's bank for approval and registration. The other copy will be registered and stored in the Creditor's bank. For more information on this manual authorisation process, please contact your cash management adviser in Nordea in Poland.

New, cancelled or changed authorisations are not advised electronically in Poland. The whole authorisation process is paper-based supported by manual operations.

8.3.1 Authorisations for NDD via Nordea in Poland

The Creditor must store the information stated in the authorisations that is sent both to the Debtor's and the Creditor's bank. This information must be stated in the direct debit transactions.

Information that must be stored in Creditor's systems is:

- The Agreement number of the new authorisation (IDP)
- The Debtor's bank account number
- The Debtor's name
- The effective date for the new authorisation

It is not possible at the current point of time to order a file with all active authorisations from Nordea in Poland.

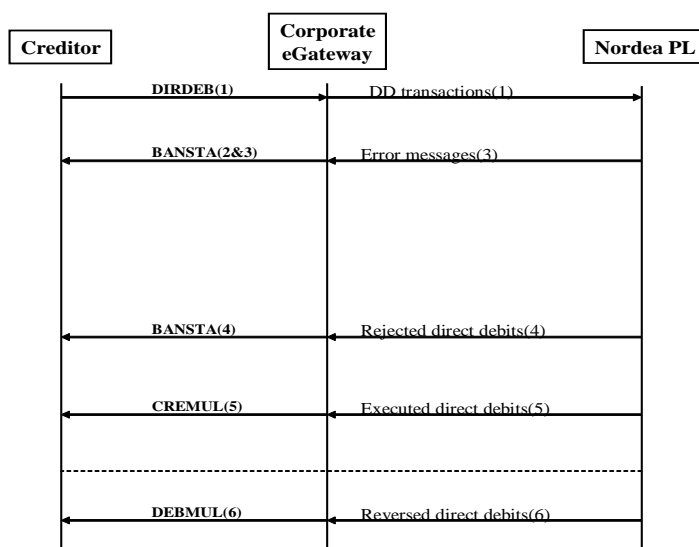
8.3.2 Cancellation and change of an authorisation

Authorisations can be cancelled either by the Creditor, by the Debtor or by the Debtor's bank. Cancellation of an authorisation must be sent on paper both to the Creditor's bank and the Debtor's bank. A debtor, or the debtor's bank, can cancel any given authorisation without pre-notification to the Creditor.

8.4 Direct Debit transactions

The direct debit transactions are stated in a separate delivery to Corporate eGateway and Nordea in Poland:

Direct Debit transactions - New



- (1) New and cancelled Direct Debit transactions from the Creditor.
- (2) Error report for invalid transactions sent by Corporate eGateway.
- (3) Error reports on each transaction rejected at receipt of the file.
- (4) Error reports on transactions rejected on the payment date.
- (5) Credit advice, containing details of the incoming collections.
- (6) Reversed Direct Debits.

The Polish Direct Debit service contains some limitations regarding the size of the amount that can be debited from Debtor's account in one single direct debit transaction. The amount limits are the equivalent of EUR 1,000 in local currency for personal Debtors and EUR 50,000 for Corporate Debtors.

8.4.1 Creditor number

The Creditor number for Poland must always be stated to Corporate eGateway and consists of the Creditor's account number in Nordea in Poland. It is also a requirement that the stated accountholder's name (Creditor's name) is exactly the same as the name registered as the accountholder's name in Nordea in Poland. The account holder's name must be 100% correct both on the credit and debit side

of the transaction if the Creditor wants to be sure that the transaction is not be rejected due to errors in the accountholder's name.

The account holder's name must be written in characters supported by the ASCII character set, and the characters used must also be a part of the UNOC character set used in the EDIFACT standard. The international character sets referred to above does not support some special Polish characters, so valid characters from the ASCII character set must replace such special Polish characters. A maximum of 35 characters can be used for the accountholder's name in the DIRDEB Message. If your Debtor's name exceeds 35 characters, please contact your cash management adviser in Nordea in Poland to get details about how the debtor's name should be stated for this specific debtor.

8.4.2 Payment date

The payment date (due date) may be any business day of the month. If a non-business day is specified, the payment will be rejected.

On the payment date the following validation is performed:

- (1) Sufficient funds.
- (2) Do the Creditor and Debtor accounts exist?
- (3) Is there a valid agreement between the Debtor and the Creditor about Direct Debits?

8.4.3 Information to the debtor

When the invoicing of a debtor is changed to direct debit, the next advance notice must clearly state the change in invoicing method.

The Debtor should be invoiced/notified before the payment date.

The advance notice should be easily identifiable from other invoice forms used by the Creditor. If the advance notice contains a giro form, it could be recommended that the text "DIRECT DEBIT" is printed in the currency field.

An advance notice should at least contain the following information:

- Creditor's name
- total amount
- Reference number and/or Message
- Payment date
- Debtor's name
- reason for invoice

8.4.4 Debtor action

After the NDD transactions have been executed in the Debtor's bank and the transaction amounts have been credited to the Creditor's account, a situation may occur that may influence the amount credited to the Creditor's account.

In Poland the Debtor is, according to Polish legislation, allowed to reverse an executed direct debit after the transaction has been executed. If the Debtor is a private individual, he will have the possibility to reverse an executed direct debit for 30 calendar days after the payment date. For all other Debtors the time limit is five working days/business days after execution of the direct debit transaction.

If a Debtor cancels a direct debit transaction after the payment date, the Debtor has the right to be compensated for loss of interest in the days between the payment date and date of reversal. The Debtor will get this lost interest amount from his bank, and the Debtor's bank will get the amount (NDD amount + interest) from the Creditor's bank and the Creditor. The amount of the reversed transaction will consequently be the original NDD amount plus interest, and not always the same amount as in the original NDD transaction.

8.4.5 Cancellations

A cancellation request can be sent to Corporate eGateway for cancellation of previously sent NDD transactions. Corporate eGateway will transfer the cancellation request to Nordea in Poland for further processing. Reference to the original transaction must be stated. Changes of a previously sent Direct Debit transaction are not possible in the Polish Direct Debit service. If changes are required on a NDD transaction that has already been sent to Corporate eGateway, the transaction should first be cancelled and then sent as a new transaction.

9 Appendix A- Validations NDD – incoming DIRDEB Messages

This appendix explains all the validations performed by Corporate eGateway before the transactions are forwarded to the local service provider. Included in this appendix is also what type of error codes and text messages that may be sent to the Creditor in a BANSTA Message that is generated based on the validations performed in Corporate eGateway.

Note: All validations for cancellations are specified in chapter 9.6. All previous chapters refer to new DIRDEB only.

Under remarks the EDIFACT segment and qualifiers are provided when needed.

Please note that local codes and text messages are provided by each local ACH in addition to this appendix. Those codes and text messages are also sent to the Creditor from Corporate eGateway in a BANSTA Message. Local codes and text messages are not part of this appendix.

9.1 Cut-off time

All specific cut-off times are specified in document *Cut-off times list*. No cut-off times will therefore be specified in the below validation table.

9.2 Execution date validation

Corporate eGateway will validate if the creditor will use execution date at B or at C level. Depending on this, validations are performed at either B or C level.

9.3 General validation on Creditor information, field lengths and types

Error code Corporate eGateway	Country	Service	Reason	Remark	Error text Corporate eGateway
EC001	General	All	Check service for creditor	Service used by the Creditor and valid Creditor number is checked by Corporate eGateway.	Invalid creditor number for selected service.
EC002	General	All	Check may be performed by Corporate eGateway to ensure that no duplicate exists in DIRDEB database.	Unique key Finland, Norway, Sweden, Poland: Creditor number, Reference (RFF AFO) Denmark: Creditor number, Debtor group, Debtor number, Execution date	Duplicate transaction.
EC003	General	All	Execution date must be present.	DTM (B level or C level)	Execution date is missing.
EC004	General	All	1. Execution date must contain correct date format 2. Execution date must be valid date.		Execution date has invalid format.
EC005	General	All	Execution date may not be more than 60 calendar days ahead.	NOTE: This may not be implemented in test for Denmark.	Execution date more than 60 days ahead.
EC006	General	All	File with new transactions on the last allowed cut-off date may not be received after cut-off time.	See <i>Cut-off times list</i>	Cut-off time exceeded.
EC007	Denmark	LS	Check that the execution date is a business day in Denmark.		Execution date not a business day.

9.4 Mandatory Creditor information, field lengths and types (B level)

Error code Corporate eGateway	Country	Service	Reason	Remarks	Error text Corporate eGateway
EC008	General	All	1. Amount is mandatory. 2. Amount must have a valid format. 3. Amount at B level must be equal to the total amount of all C levels within the B level.	MOA (B level)	Invalid amount
EC008	Denmark	BS	Amount may not be longer than 15 digits, including 2 decimals		Invalid amount
EC008	Denmark	LS	Amount may not be longer than 13 digits, including 2 decimals		Invalid amount
EC008	Finland	All	Amount may not be longer than 12 digits, including 2 decimals.		Invalid amount
EC008	Norway Sweden	All	Amount may not be longer than 17 digits, including 2 decimals.		Invalid amount
EC009	General	All	If the currency is stated, a valid currency code must be stated for each local service.	MOA (B level)	Invalid currency code
EC010	Denmark	All	1. Account number (including clearing code) must be 14 digits. 2. Account number (including clearing code) must be numeric.	FII (B level)	Invalid clearing code and/or account number.
EC010	Finland	All	1. Account number is mandatory. 2. Account number may not be longer than 14 digits. 3. Account number may not be shorter than 8 digits.	FII (B level)	Invalid clearing code and/or account number.
EC023	Poland	All	Creditor name is mandatory.	NAD "HS" (B level)	Creditor's name is missing.

9.5 Mandatory Debtor information, field lengths and types (C level)

Error code Corporate eGateway	Country	Service	Reason	Remarks	Error text Corporate eGateway
EC008	General	All	1. Amount is mandatory. 2. Amount must have a valid format.	MOA (C level)	Invalid amount
EC008	Denmark	BS	Amount may not be longer than 13 digits, including 2 decimals.		Invalid amount
EC008	Denmark Finland	LS All	Amount may not be longer than 11 digits, including 2 decimals.		Invalid amount
EC008	Norway	All	Amount may not be longer than 17 digits, including 2 decimals.		Invalid amount
EC008	Sweden	All	Amount may not be longer than 12 digits, including 2 decimals.		Invalid amount
EC008	Poland	All	Amount may not be longer than 15 digits, including 2 decimals.		Invalid amount
EC010	Finland	All	1. Account number must be numeric. 2. Account number may not be longer than 14 digits. 3. Account number may not be shorter than 8 digits.	FII (C level)	Invalid clearing code and/or account number.
EC010	Poland	All	1. Account number may not be longer than 34 characters. 2. Account number may not be shorter than 6 characters.	FII (C level)	Invalid clearing code and/or account number.
EC012	General	All	Creditor unique reference is mandatory for all countries.	RFF "CR" (C level)	Customer reference (RFF CR) is missing.
EC013	Finland Norway Sweden Poland	All	Debtor unique reference is mandatory.	RFF "AFO" (C level)	Invalid reference number (RFF AFO).
EC013	Denmark	BS DIRDEB	Debtor unique reference may not be longer than 30 characters.	RFF "AFO" (C level)	Invalid reference number (RFF AFO).
EC013	Denmark	BS FIK	Debtor unique reference may not be longer than 9 characters.	RFF "AFO" (C level)	Invalid reference number (RFF AFO).

Error code Corporate eGateway	Country	Service	Reason	Remarks	Error text Corporate eGateway
EC013	Finland Poland	All	1. Debtor unique reference must be numeric. 2. Debtor unique reference may not be longer than 20 digits.	RFF "AFO" (C level)	Invalid reference number (RFF AFO).
EC013	Norway	All	1. Debtor unique reference may not be longer than 25 characters. 2. Debtor unique reference must consist of numeric characters, hyphens and blanks.	RFF "AFO" (C level)	Invalid reference number (RFF AFO).
EC013	Sweden	All	Debtor unique reference may not be longer than 16 characters.	RFF "AFO" (C level)	Invalid reference number (RFF AFO).
EC014	Sweden	AG	Payer code may not be longer than 16 characters.	NAD (C level)	Invalid payer/debtor number.
EC014	Denmark		Debtor number may not be longer than 15 characters.	NAD (C level)	Invalid payer/debtor number.
EC015	Denmark	BS	1. Debtor agreement number is mandatory. 2. Debtor agreement number must be numeric. 3. Debtor agreement number may not be longer than 9 digits.	RFF "AJS" (C level)	Invalid agreement number.
EC015	Poland	All	1. Debtor agreement number is mandatory. 2. Debtor agreement number may not be longer than 20 characters.	RFF "AJS" (C level)	Invalid agreement number.
EC016	Denmark	BS	1. Debtor group number is mandatory. 2. Debtor group number must be numeric. 3. Debtor group number may not be longer than 5 digits.	NAD (C level)	Invalid debtor group number.

Error code Corporate eGateway	Country	Service	Reason	Remarks	Error text Corporate eGateway
EC017	Denmark	All	1. Postal code must be numeric. 2. Postal code may not be longer than 4 digits.	NAD (C level)	Invalid postcode.
EC022	Denmark	All	Debtor number is mandatory.	NAD (C level)	Payer/debtor identification is missing.
EC022	Finland	All	Account number is mandatory.	FII (C level)	Payer/debtor identification is missing.
EC022	Sweden	AG	Debtor's identification must be present.	NAD (C level)	Payer/debtor identification is missing.
EC022	Poland	All	Debtor's account number is mandatory.	FII (C level)	Payer/debtor identification is missing.
EC024	Poland	All	Debtor's name is mandatory.	NAD "HX" (C level)	Debtor's name is missing.

9.6 Mandatory cancellation information, field lengths and types

Error code Corporate eGateway	Country	Service	Reason	Remarks	Error text Corporate eGateway
EC001	General	All	Identify Creditor with service and creditor number.	Service used by Creditor and valid Creditor number is checked by Corporate eGateway.	Invalid creditor number for selected service.
EC006	General	All	File on last allowed cut-off date may not be received after cut-off time.	See <i>Cut-off times list</i> .	Cut-off time exceeded.
EC006	Denmark Norway Sweden Poland	All	Cancellation must be received no later than the day before original execution date		Cut-off time exceeded.
EC006	Finland	All	Cancellation must be received no later than two (2) days before the original execution date.		Cut-off time exceeded.
EC015	Denmark	BS	1. Debtor agreement number is mandatory for cancellations. 2. Debtor agreement number must be numeric. 3. Debtor agreement number may not be longer than 9 pos.	RFF "AJS" (C level)	Invalid agreement number.
EC018	General	All	NDD transaction must not yet be rejected.		Record already rejected, cancellation could not be executed.
EC019	General	All	NDD transaction must not yet be cancelled.		Record already cancelled, cancellation could not be executed.
EC020	General	All	NDD transaction must be found.		Original record to be cancelled could not be found.
EC021	General	All	Cancellation must not have been requested previously for NDD transaction.		Cancellation has already been requested for this transaction.