**GENERAL TERMS AND CONDITIONS FOR OPENING, MAINTENANCE AND TERMINATION**

**OF ACCOUNTS AND PROVISION OF PAYMENT SERVICES TO RETAIL CLIENTS**

**(Clean text)**

**I INTRODUCTORY PROVISIONS**

**Subject**

**Article 1**

The present General Terms and Conditions (hereinafter: the **General Terms**) shall govern mutual rights and obligations between HALKBANK a.d. Beograd\*, as the provider of payment services (hereinafter: the Bank) and clients from Retail segment, as Service Users regarding opening, maintenance, termination of dinar and foreign currency current accounts and carrying out payment transactions and provision of payment services relating to these accounts.

A client of the Retail segment shall be a natural person who is not engaged in a business activity and a natural person engaged in agricultural activities (hereinafter: the Payment service user).

The integral part of the General Terms is Tariff of Fees for Provision of Retail Services and Time Plan, as well as conditions for additional services accompanying the payment account.

The General Terms are integral part of a single agreement on opening, maintenance and termination of current account, as well as other accounts and other payment services, regardless of their name, and together with documents referred to in the previous paragraph they constitute the Framework Agreement.

Payment accounts are subject to the control of authorities with regard to tax liabilities pursuant to the law.

**Definition of terms**

**Article 2**

Some terms used in this General Terms will have the following meaning:

1. **The Bank** is the provider of payment services with the following data:

HALKBANK a.d. Beograd, Belgrade – New Belgrade, Milutina Milankovića 9e, Republic of Serbia\*

Tel: +381 11 2041 800

Fax: +381 11 2041 803

E-mail: office@halkbank.rs

Webpage: www.halkbank.rs

BIC/SWIFT: CABARS22

Registration no: 07601093

Tax Identification no: 100895809

The Bank has the operating license in accordance with the National Bank of Yugoslavia Decision O.no.328 of 26.12.1990.

The authority supervising the operations of the Bank: National Bank of Serbia, Belgrade, Kralja Petra 12 / Nemanjina 17.

1. **Payment service user** means a natural or legal person that makes or has made use of a payment service in the capacity of a payer and/or payee or has contacted the payment service provider to make use of such services;
2. **Consumer** means a natural person entering into payment service contract for purposes other than its business and other commercial activity;

*\*The Bank information is adjusted with the change of its name and head office address registered by Decisions of the Business Registers Agency no. BD 89155/2015 of 22.10.2015 and no. BD 82129/2016 of 19.10.2016, pursuant to the Resolution of the Shareholders’ Assembly no. 4587 of 15.10.2015 and no. 3719 of 31.08.2016 of the change of name and head office address.*

1. **Payment transaction** means paying in, transferring and withdrawing funds at the initiative of the payer or payee, which is carried out regardless of the legal relationship between the payer and payee;
2. **Payment order** means any instruction by a payer or payee to its payment service provider requesting the execution of a payment transaction. Within the meaning of the execution of instant credit transfers, payment order means instructions from the payer to its payment service provider, requesting the execution of instant credit transfer;
3. **Payment account** means an account used for execution of payment transactions, held by the payment service provider in the name of one or more payment service users;
4. **Payment instrument** means any personalised device and/or a set of procedures agreed between the payment service user and payment service provider, and used by the payment service user in order to issue a payment order;
5. **Low-value payment instrument** means payment operations / instrument which, in accordance with the payment services framework contract, solely concerns individual payment transactions not exceeding RSD 3,000 or which either have a spending limit up to a total of RSD 15,000 or the total value of funds stored on such payment instrument does not exceed RSD 15,000;
6. **Payer** means a natural or legal person that issues a payment order from its payment account or gives consent to execute a payment transaction based on the payment order issued by a payee, or, if there is not payment account, a natural or legal person that issues a payment order. Within the meaning of the execution of instant credit transfer, the payer means a natural or legal person who issues a payment order debiting its payment account, and if there is no payment account, a natural or legal person issuing a payment order.
7. **Payee** means a natural or legal person designated as the recipient of funds that are the subject of a payment transaction;
8. **Funds** means cash, money in the account and electronic money;
9. **Cash** means banknotes and coins;
10. **Cash machine** (ATM) means electromechanical device that enables card holders to pay and/or withdraw cash and/or other services (money transfer, balance enquiry etc.);
11. **POS terminal** means a device installed at a point of sale or counter of the service provider that enables usage of cards, whereby the information of payment cards are recorded electronically;
12. **Business day** is a day, and/or part of the day in which the relevant payment service provider of the payer or of the payee involved in the execution of a payment transaction is open for business as required for the execution of a payment transaction to its payment service user;
13. **Value date** means a reference date, and/or reference time used by a payment service provider for the calculation of interest on funds debited from or credited to a payment account;
14. **Reference exchange rate** means the exchange rate which is used as the basis to calculate any currency exchange, and which is made available by the payment service provider or comes from a publicly available source;
15. **Reference interest rate** means the rate which is used as the basis for calculating interest and which is publicly available, and is determined independently of the unilateral will of the payment service provider and user which have entered into a payment service contract;
16. **Unique identifier** means a combination of letters, numbers and/or symbols specified to the payment service user by the payment service provider to be used in a payment transaction to identify unambiguously the respective payment service user and/or its payment account;
17. **Means of distance communication** refers to any means which, without simultaneous presence of the payment service provider and the payment service user, may be used for the conclusion of a payment service contract;
18. **Durable medium** means any instrument which enables the payment service user to store data addressed personally to it, to access these data and reproduce them in an unchanged form for a period of time adequate for the purposes of storing;
19. **National payment transaction** means a payment transaction in which the payer's payment service provider and payee's payment service provider provide the service within the territory of the Republic of Serbia;
20. **International payment transaction** means a payment transaction in which one payment service provider provides this service in the territory of the Republic of Serbia, and the other payment service provider in the territory of a third country, as well as a payment transaction in which the same payment service provider provides the service in the territory of the Republic of Serbia for one payment service user, and in the territory of the third country for that same or other payment service user;
21. **Schedule of receipt and execution of payment transactions** means a special document of the Bank which defines deadlines, manners and conditions for execution of payment transactions;
22. **Current account** is an account held by the Bank and means any dinar and foreign currency current account, and it is used for execution of payment transactions and for other purposes relating to the services that the Bank provides to payment service users. Each opened account has its own unique identifier which is a combination of letters, numbers and/or symbols which is defined by the Bank to the payment services user and which is used;
23. **Payment account with basic services** is a payment account used for the execution of payment transactions in dinars and includes basic services for opening, maintenance and termination of that account payment and withdrawal of cash and execution of payment transactions;
24. **Legal stay** in the Republic of Serbia means stay of a natural person in the Republic of Serbia in accordance with regulations governing permanent and temporary residence of citizens, and/or temporary residence of foreigners in accordance with the law on foreigners, including foreigners staying in the Republic of Serbia pursuant to laws governing asylum and refugees or based on an international treaty;
25. **Change of payment account** is a service provided by the payment service provider to the user in accordance with the Law on Payment Services;
26. **Authorisation for change of payment account** is written consent provided by the Payment service user to the prior and new provider of payment services for taking over all or part of actions when changing payment account, to be taken by the payment service providers when changing payment account;
27. **Contract** means a contract concluded between the Bank and Payment service user which defines terms and manner of opening, maintenance and termination of a single current account and of providing additional services accompanying the current account;
28. **IPS Payment System –** the payment system with the National Bank of Serbia as operator, used for transfer of funds in dinars between participants of the system for the purpose of execution of instant credit transfers.
29. **Instant credit transfer –** domestic payment transaction in dinars executed by credit transfer that may be initiated by the payer at any time every day over the year and where transfer of funds to the payee’s account is executed in the manner and within the terms defined by the National Bank of Serbia Decision which regulates general rules for execution of instant credit transfers.

**II OPENING, MAINTENANCE AND CHANGE OF ACCOUNT**

**Account opening**

**Article 3**

The Bank opens an account on the basis of an agreement on opening and maintenance of particular type of account, in accordance with provisions of that agreement and hereof. The Bank is obliged to provide the Payment service user, within an appropriate deadline, before concluding the Framework Contract, the information of the Bank, conditions for using payment services, information and data of fees, interest rates and exchange rates, manner and tools of communication, protective and other measures regarding execution of payment transactions, conditions for amendments and supplements, as well as cancellation of the framework contract, information of protection of payment service consumer and other information identified as obligatory elements of that agreement in accordance with the Law on Payment Services, in the manner that will provide to the Payment service user to get acquainted with terms and conditions for a specific payment service, as well as to compare offers of different payment service providers and assess whether these conditions and services meet their needs.

The Bank is obliged to deliver to the Payment service user the information specified in paragraph 1 of this article in the manner that will not mislead him in any moment concerning the conditions relating to providing y specific payment service, in paper or any other durable medium. It will be considered that the Bank meets its obligation of providing information when a copy of draft framework contract is delivered, including the information specified in the previous paragraph.

For the purpose of account opening, the Payment service user will be obliged to deliver to the Bank a request for opening the account with defined data and other data that the Bank may request in accordance with good business practices, for the purpose of establishing a contractual relationship. Apart from the request, the Payment service user will submit a document identifying the Payment service user (ID card, passport or any other adequate identification document), as well as other documents pursuant to regulations.

The Bank will open, at the request of an attorney/guardian, an account for minor persons, persons with no work capacity and those who have guardians, which is subject to obligatory identification of the attorney/guardian and takeover of documents evidencing the minor status and guardianship (excerpt from the birth register, legally valid decision of the Centre for Social Work, court order, or a relevant document evidencing the minor status and guardianship).

The Bank will open an account for minor persons with work capacity, at the request of the minor person with work capacity, which is subject to obligatory identification and submission of documents evidencing the status of work capacity (e.g. court order of acquisition of work capacity, evidence of marriage, for those above 16 evidence of parenthood, for those above 15 the labour agreement.)

The attorney/guardian of a minor, and/or person with no work capacity cannot authorise any third person for disposal of funds in the account of that person.

**Article 4**

The Bank opens and maintains to the Payment service user – consumer, the following accounts, on the basis of a submitted request:

* current account,
* payment account with basic services or
* other payment account.

The Bank reserves the right to reject the request for opening current or other payment account without specifying any explanation.

In case that the request of the Payment service user – consumer for opening payment account with basic services is rejected, the Bank will notify the applicant in writing and with no fee of rejection and reasons thereof, providing the information of the right to complaint and grievance and possibility of extra-judicial settlement of the dispute.

**Account maintenance**

**Article 5**

The Bank will maintain dinar and foreign currency accounts, depending on the account type, in accordance with provisions of the agreement on opening and maintenance of the particular type of account. Funds in accounts are maintained as sight funds, and the Bank insures them at the Deposit Insurance Agency.

**Article 6**

The Bank provides services of cash pay-in and pay-out, transfers, services of execution of payment transactions, services of execution of payment orders and other payment services within the balance amount and available amount of funds in the account, in accordance with provisions of the agreement on opening and maintenance of the particular type of account, the present General Terms and/or Frame Contract.

The available amount of funds in the account means positive balance and agreed overdraft, to be disposed by the Payment service user and his authorised persons within maximum limits of authorisations.

Disposal of funds is unlimited within the available amount, except in cases of force majeure or when stipulated otherwise in regulations.

The Payment service user disposes of funds in the account within the available funds through disposal instruments. The disposal of funds in the account at ATMs, a receiving device, an/or in other way involving the use of a card, will be done by using a card and signature and/or by entering PIN code of the card holder, or in any other way the Bank provides to the Payment service user.

**Article 7**

The Payment service user may immediately when opening an account, or subsequently, authorise other persons for disposal of funds in his account – the proxies.

If the Payment service user provides a power of attorney/authorisation to a third person, the power of attorney must be written precisely and unambiguously. The Payment service user may give the power attorney in the Bank – at the counter, in the presence of the proxy and it must be signed and certified by the public notary and/or court, i.e. the body competent for certification of signatures in accordance with the law governing signature certification. The Bank must be provided with an original power of attorney.

In the event that the Payment service user cancels the power of attorney/authorisation or changes any element of it, he will be obliged to notify the Bank thereof on the day of execution of these actions. Cancellation and change in the power of attorney/authorisation have a legal effect on the Bank from the moment the Bank is informed thereof. The Bank has no legal or material liability for the damage suffered by the Payment service user or third persons due to the failure of the Payment service user to notify the Bank immediately of the changes relating to the power of attorney/authorisation.

The legal arrangements that the Bank concluded with the proxy whose power of attorney were cancelled or restricted, about which the Payment service user failed to inform the Bank on the day of the cancellation or restriction, will remain valid for the Bank, and the Payment service user will be bound with all legal arrangements that were concluded after he cancelled or restricted the power of attorney, before notifying the Bank.

If the Payment service user is abroad, the power of attorney must be certified by the public notary and must have the Apostille, and/or it must be issued in accordance with the regulations on legalisation of documents and translated into Serbian by a certified court translator.

If the power of attorney/authorisation is certified in a diplomatic/consular office of the Republic of Serbia or if there is a bilateral agreement on exemption from legalisation of public documents between the Republic of Serbia and the certifying country, Apostille will not be required.

The Payment service user will be responsible for any disposal of funds in the account for the payment executed by the proxy. This does not exclude the responsibility of the attorney. Restrictions that apply to the Payment service user will apply to the proxy. The attorney may not cancel the Agreement and close the account, if it is not explicitly stated in the power of attorney.

The power of attorney cannot be assigned and it will expire as on the date of receipt of the statement on a written cancellation by the Payment service user, by termination of account, submission of a confirmation or loss of work capacity, and/or confirmation on the death of the Payment service user or the proxy.

As on the date of expiry of the power of attorney, the proxy cannot dispose of funds in the account or take any other measures or obtain any information, and he will be obliged to return to the Bank immediately the card and other disposal tools, if available.

**Change of payment account**

**Article 7a**

The Bank shall provide to the Payment service user – consumer, with no fee, change of payment account in the same currency if it is opened or has been opened with the new payment service provider, based on the Authorisation for account change provided by the Payment service user in writing. Change of payment account can be done with or without termination of account with the prior payment service provider.

By delivering the Authorisation for account change, the Payment service user gives instructions and consent to the Bank to transfer to the new payment service provider:

1. information of all or particular standing orders, multiple direct debit and multiple credit transfers with the payment service user as the payee;
2. cash on the payment account (available positive balance) if the payment service user requested such transfer in the Authorisation for account change.

Transfer of payment services to the new account is possible provided that new payment service provider provides these services. The day of commencing the execution of payment services from the new payment account is noted by the Payment service user in the Authorisation for account change, but this deadline cannot be shorter than six business days from the day the new payment service provider receives the documentation from the prior payment service provider.

In case of submitting the Authorisation for account change and transfer of account from the Bank to the new payment service provider, the Bank will take the following steps:

* Deliver to the Payment service user an original or copy of the evidence of the Authorisation receipt;
* Immediately start taking actions regarding the payment account change, in accordance with the Authorisation provided;
* Take actions on the request submitted by the new payment service provider within five business days form the day of receipt of the request;
* Execute transfer of all cash to new payment account on the day determined in the Authorisation for account change, in accordance with the request of the new payment service provider.

In case of receipt of the Authorisation for account change and transfer of account from the prior payment service provider to the Bank as the new payment service provider, the Bank will take the following steps:

* Deliver to the Payment service user an original or copy of the evidence of the Authorisation receipt;
* Immediately start taking actions regarding the payment account change, in accordance with the Authorisation provided;
* Immediately notify the holder of the Authorisation for account change of the possibility of implementation of the services stated in that document;
* Deliver the request to the prior payment service provider in accordance with the Authorisation for account change, within two business days from the day of receipt of the Authorisation for account change.

The Bank will immediately compensate the damage to the Payment service user occurred during the process of payment account change, except in the case of force majeure arising during the process of payment account change, which prevented the Bank from executing the obligations referred to in the above paragraphs and law.

**III ADDITIONAL SERVICES CONNECTED TO THE ACCOUNT**

**Article 8**

The Payment service user – client may agree with the Bank about one or more additional services connected to his account, if he meets special conditions for each particular service, namely:

1. electronic services – electronic and mobile banking;
2. direct debit;
3. standing order;
4. payment cards;
5. overdraft;
6. other additional services that the Bank will introduce in the future that will be governed by amendments and/or supplements to the relevant general terms and conditions.

The Payment service user may agree the execution of a series of payment transactions:

1. at the Bank via standing order with defined conditions of execution (number of account to be debited, currency and amount, number of account of the payee, payment terms, number of series of payment transactions, for an indefinite time period or until it is revoked). All payment transactions that are part of a series of payment transactions under the agreed standing order will be considered authenticated;
2. direct debit – providing consent at the Bank/with the payee according to which payment transactions are initiated by the payee. Direct debit may be agreed in equal amounts or the amounts determined by the payee.

**IV EXECUTION OF PAYMENT TRANSACTIONS**

**Preconditions for execution of payment transactions**

**Article 9**

The Bank will execute a payment order requesting the execution of a payment transaction:

1. if it is submitted in paper form, verbally with the request for filling in the order or electronically – exceptionally on some other durable medium previously approved by the Bank;
2. only if it is filled in correctly – which means legible and fully entered data on a prescribed form (generally, the requested volume of data is determined by applicable regulations, while the Bank is authorised to increase the volume of data on the payment order, and/or to request additional data to be entered);
3. if the Payment service user obtained sufficient funds for the execution of the payment service in the payment account, including the amount of the bank's fees calculated and charged in accordance with the Bank's enactments and/or other costs when it is stipulated as obligation, relating to the execution of the order (tax, customs duties, other banks' fees etc.);
4. if the Payment service user provided a consent – unambiguous authorisation for the execution of the payment order;
5. if there are no legal obstacles for the execution – according to other regulations and/or individual enactments of the regulator.

When, according to some regulations, the execution of a payment order requires certain documents or special data, the Bank will execute such payment order provided that such documents or data have been submitted, and/or provided in the prescribed form.

**Payment orders**

**Article 10**

Payment orders for execution of payment transactions in dinars are the following

1. pay-in order – payment order used for payment of cash to the current account (payment of daily takings, payment of obligations in cash and other payments to the current account);
2. pay-out order – payment order used for payment of cash from the current account;
3. transfer order – payment order used for transfer of funds from one current account to another.

The payment order for execution of payment transactions in foreign currency through the current account, in accordance with the Law on Foreign Exchange Operations is:

* a foreign payment order.

The National Bank of Serbia prescribes the form and contents of payment orders.

Generally, when the National Bank of Serbia prescribes the form of a payment order, the Payment service user – payer is obliged to use it, regardless of provisions hereof, including the obligation to provide all the information requested by the National Bank of Serbia.

A payment order must be complete, orders/all data in the order must be visible and unambiguous as requested herein. Amendments to the order are not allowed, unless explicitly accepted by the Bank. The Payment service user will be severally liable for accuracy and completeness of data written in the payment order. The Bank will not be liable for damage, if the payment order could not be executed or was executed with delay, due to justifiable need (which may be requested by special regulations) for additional verification of accuracy of basic and additional data or unclear instructions.

The Bank will reject to execute the payment order which is not filled in and issued in accordance with regulations of the National Bank of Serbia.

**Consent (authorisation) of the Payment service user for execution of payment transaction**

**Article 11**

The Bank will carry out a payment transaction only if the Payment service user provides a consent (authorisation) for its execution.

The Payment service user will approve execution of payment transaction before its execution.

The Payment service user will provide consent for execution of a payment transaction or series of payment transactions depending on the payment instrument and channels for receiving orders. The consent for the execution of a payment transaction may be provided:

1. in the Bank's sub-branches – by signing the order, and if it is in cash by handing out the amount of cash necessary for the order execution together with the Bank's fees,
2. by issuing a verbal order to the Bank's authorised person,
3. at the order receiver's – by signing the order,
4. electronically, in the manner defined by the agreement/terms and conditions for these services,
5. by card – by handing out the card and signing, withdrawal of cash from the ATM and entering PIN,
6. by using at POS terminals and point of sales and by entering PIN.

**Receipt of payment order**

**Article 12**

The Bank receives the payment order when the order is submitted in the manner defined in the Framework Contract, regardless of possible prior participation of the Bank in the process of preparing and issuing payment orders.

The time of receipt of a payment order will be the moment when the Bank has received the payment order issued by the payer, payee or payer through payee. The deadline for receipt of a payment order through a particular channel of the Bank is defined by the Schedule which is integral part hereof.

If a payment order is not received during the Bank's/payment service provider’s business day, it will be considered that it is received on the following business day. The Bank will determine the exact moment at the end of the business day, so that all payment orders received after that moment will be considered to be received on the following business day.

If the Payment services user and the Bank determine that the execution of a payment order will commence on a specific day or on a day at the end of a specific period or on a day when the payer makes available funds to its payment service provider – it will be considered that the payment order is received on that determined day. If that day is not the Bank's business day, it will be considered that the payment order is received the following business day of the Bank. The Bank is not liable for actions of the Payment service provider with headquarters abroad.

**Payment order cancellation**

**Article 13**

The Payment service user may cancel a payment order any time before it becomes irrevocable. The Payment service user will cancel the payment order by withdrawing consent for execution of a payment transaction or a series of payment transactions.

The consent for execution of a series of payment transactions may be withdrawn so that any future payment transaction in a series will be considered as not approved.

The Payment service user will withdraw the consent specified in the previous paragraph in a written form in the same manner as the payment order delivery is agreed.

**Payment order irrevocability**

**Article 14**

The Payment service user cannot revoke a payment order after it is forwarded into interbank payment channels (DNS, RTGS) and/or SWIFT network or realised in the domestic payment system. The Payment service user cannot revoke a payment order after the payer's payment service provider receives it, except in cases stipulated by the Law.

When a payment transaction is initiated by a payee or payer through payee – the Payment service user cannot revoke a payment order after issuing the payment order or providing consent to the payee for the execution of the payment order.

Notwithstanding the previous paragraph, if the payment transaction is initiated by payee by direct debit, the Payment service user may revoke the payment order of the payee until the end of the business day that precedes the day determined for debit of payer's account.

Notwithstanding the previous paragraph, the Payment service user may revoke a payment order until the end of the business day preceding the day determined for commencement of the payment order execution.

Upon expiry of deadlines specified in previous paragraphs, and before the final realisation of payment order, the Payment service user may revoke the payment order only on the basis of an agreement with the Bank, upon a written request.

If a payment transaction is initiated by the payee or the Payment service user through the payee, the payment order may not be revoked upon expiry of deadlines specified in paragraphs above without consent of the payee.

The Bank will charge revocation fee to the Payment service user upon expiry of terms specified in the above paragraphs.

**Payment transaction currency**

**Article 15**

The Bank will execute payment orders in the currency stated on the payment order.

The execution of a payment order may require purchase and/or sale of domestic and foreign payment funds, and/or conversion of one currency into another. For these changes the Bank will apply sell and buy exchange rates from the daily exchange rate list of the Bank, except for payment transactions arising from the usage of payment cards where the exchange rate list of relevant card organisations will apply, as on the date of purchase/sale/currency conversion.

**Deadline for execution of payment transaction for the Bank**

**Article 16**

For domestic payment transactions in dinars the Bank is obliged to have the transaction amount approved in the account of the payee's payment service provider on the same Business day when the Bank receives the payment order.

For payment transactions not encompassed by the above paragraph, deadlines for execution of payment transactions specified by the law and/or regulations will apply.

The Bank will execute payment transactions within deadlines and in the manner defined by the Schedule of Receipt and Execution of Payment Transactions.

Transactions initiated as instant credit transfer shall be executed by the Bank as provider of payment services of the payee and/or payer within the deadlines specified in the regulations relating to the IPS payment system.

If the payment service user submitted a payment order to the Bank, thus initiating the transaction as instant credit transfer, and the Bank finds out that conditions for receipt and execution of such payment order are not fulfilled, the Bank shall reject execution of such payment order and immediately notify the Payment service user thereof, in the manner prescribed herein.

**Delivery of payment orders via payee's payment service provider**

**Article 17**

The payee's payment service provider is obliged to deliver to the payer's payment service provider – the Bank a payment order issued by the payee or the payer via the payee, within the deadline determined between the payee and the payee's payment service provider.

In the event of direct debit, the payee's payment service provider is obliged to deliver the payment order specified in the above paragraph within the deadline which will enable the Bank to, on the agreed maturity date, credit the account of the payee's payment service provider with the payment transaction amount.

**Execution of payment transaction to payee**

**Article 18**

The payee's payment service provider is obliged to immediately credit the account of the payee, or if the payee has no payment account with that payment service provider, to make these funds available to the payee:

1. if the account of the payee's payment service provider is credited with the payment transaction for the payee or if the payment service provider receives that amount in another way;
2. if the provider receives all the information necessary for crediting the payee's account or for making funds available to the payee.

The payee's payment service provider will be obliged to make available funds to the payee immediately after these funds are credited to the payee's account.

If the Payment service provider requests payment of cash from the account, the Bank will be obliged to make the payment immediately, with no fee, but if it is cash exceeding RSD 600,000 or foreign currency cash in the amount of the dinar equivalent of which on the official middle exchange rate exceeds RSD 600,000, the Bank can pay out the funds not later than on the following business day.

If funds in the account of the Bank, as the payee's payment service provider, are approved on a non-business day of the Bank, it will be considered that the Bank received funds for the payee on the following business day.

**Debit value date and credit value date**

**Article 19**

The Bank, as the payment service provider of the Payment service user, will be obliged to ensure that the debit value date of the account of the Payment service user in relation to the execution of a payment transaction is equal or later than the date when that account is debited for the amount of the payment transaction.

**Limitations of the use of payment instrument**

**Article 20**

The Payment service user and the Bank may agree on spending limits for an individual payment transactions or a series of payment transactions in a given time period, if these transactions are executed based on a payment instrument used for the purposes of giving consent for their execution.

The Payment service user and the Bank may agree in a Framework contract that the Bank may block a payment instrument referred to in the previous paragraph, when there are objective reasons relating to security of payment operations, unauthorised or fraudulent use of the payment instrument or an increased risk that the Payment service user may be unable to fulfil its obligation to pay in case of a payment instrument which is linked to the approval of the loan and/or overdraft to the Payment service user.

The Bank is obliged to inform the Payment service user of the intention to block the payment instrument and the reasons therefor. If the Bank is unable to inform the Payment service user before the payment instrument is blocked, the Bank shall do it immediately after the payment instrument has been blocked. The Bank shall notify the Payment service user of the intention to block the payment instrument in the manner agreed in the Framework Contract.

The Bank will not notify the Payment service user of the intention to block the payment instrument if giving such notification is forbidden by regulations or for justifiable security reasons.

The Bank will enable usage of the payment instrument or it will replace it with a new one – when reasons for its blocking cease to exist.

**Delivery of information of payment transactions**

**Article 21**

The Bank will furnish in advance the Payment service user, at his request, with the legally prescribed information of the intended (single) transaction before its execution. The information of the execution terms, amounts of fees and costs will be communicated to the Payment service user in the place of execution of payment transaction in his presence. These data will be delivered to the absent Payment service user via appropriate means of communication or they will be made available to him (when there is no request) in the manner determined by the Framework Contract.

The Bank will immediately deliver to the payer and/or payee, after execution of a single payment transaction, data in the manner and volume as specified by the Law, or in larger volume if agreed so.

The underlying data will be delivered or made available periodically, minimum on a monthly basis by a statement of account changes, unless frequency of delivery is specified otherwise by the Contract.

The Framework Contract may also specify provision of all types of additional data, acknowledging the Bank's possibility to process and deliver data. The data specified in this article are available to the Payment service user at his request in any sub-branch of the Bank any time during the Bank's business hours.

It will be considered that the statement of account turnover is appropriately delivered if it is sent:

* to the agreed address (either the address specified in the agreement on opening and terminating the account, or any subsequently delivered document and/or by electronic means),
* by electronic and mobile banking services;
* by an SMS message regarding takeover in the Bank's sub-branches,
* at the personal request of the Payment service user.

Any additional or more frequent notification than specified in this article and/or individual contract, at the request of the Payment service user, will be subject to payment of relevant fee, in accordance with the Tariff of Fees for Retail Services.

The Bank, as the provider of payment services which executes instant credit transfer, as the payer’s provider of payment services shall immediately notify the payer that the execution of the payer’s payment order has been rejected. Notification of the rejected transaction shall be delivered to the Payment service user to the place of transaction execution when the order for payment transaction execution is provided in paper form, and/or through e-services if orders are delivered by such services.

As the payee’s provider of payment services, the Bank shall immediately after approval of the payee’s payment account notify that funds under instant credit transfer are available. This notification will be delivered by the Bank to the payment service user by SMS notification or to e-mail address, depending on how the user wants to receive notifications.

**Liability for execution of payment transactions and refund of payment transactions**

**Article 22**

The Bank is liable for the execution of a payment transaction for which the Payment service user has not given consent as anticipated by the Framework Contract (hereinafter: unauthorised payment transaction).

If a payment order is executed in accordance with the payee's unique identifier stated in that order, the payment order will be deemed to have been executed correctly with regard to the section specifying the payee's unique identifier, regardless of other data provided to the Payment service provider.

If the unique identifier provided by the Payment service user to the Bank is incorrect, the Bank will not be liable for the non-execution or incorrect execution of the payment transaction. In this case, the Payment service user has the right to request from the Bank to take all reasonable measures i.e. to inform the Payment service user of the flow of funds involved in that payment transaction (e.g. Information on the payee's payment service provider and/or on the payee). In case of non-executed payment transactions due to incorrect unique identifier, the Bank will without undue delay refund the amount of the non-executed payment transaction to the Payment service user.

The Bank will have the following rights and obligations regarding single cases of incorrect execution of domestic payment transactions:

1. if the Bank transfers to the Payment service provider the amount of the payment transaction that exceeds the amount indicated in the payment order, or if by mistake it executes the same payment order several times – the payee's payment service provider, based on the evidence from the Bank that made the error, will return such funds without undue delay;
2. if the amount of the payment transaction transferred to the payee's payment service provider is lower than the amount indicated in the payment order, the Bank may, on the same day when it receives the payment order, and/or within time limits for the execution of a payment transaction pursuant to the Law on Payment Services, and/or other regulations and the Framework Contract, transfer to the payment service provider the difference even without a request provided by the Payment service user for correct execution of the payment transaction;
3. if funds are transferred to a payee other than the one indicated in the payment order, the Bank may on the same business day when it receives the payment order, and/or within time limits for the execution of the payment transaction in accordance with the Law on Payment Services and/or other regulations and the Framework Contract, execute the payment transaction correctly without the request sent by the Payment service user for correct execution of that transaction, while the payee's payment service provider to whom the funds are wrongly transferred shall, based on the evidence of the Bank that made the error, return such funds (as recovery) to the Bank as the Payment service user's payment service provider, without undue delay.

The return of funds specified in the previous paragraph, items 1) and 3) will take precedence over any other payment transaction from the current account to which the funds are transferred.

In case of a non-executed or incorrectly executed payment transaction, the Bank will, regardless of the liability for accurate execution of the payment transaction, at the request of its Payment service user, immediately take relevant measures for the purpose of determining the cash flow for the payment transaction and immediately provide the information to this beneficiary of the outcome of the measures taken.

**Article 23**

If the Bank is liable for non-execution or inaccurate execution of the payment transaction, it will return the amount of the non-executed or inaccurately executed payment transactions together with all accompanying fees.

The Bank will not be obliged to return the amount of the unauthorised, non-executed or incorrectly executed payment transaction and fees, if at the Bank's estimation, some of the below cases occur:

1) if the execution results from unforeseeable circumstances on which the Bank cannot have any impact, despite all efforts;

2) if the execution results from the Bank's liability which arises from other regulations obligatory for the Bank;

3) if the execution results from the fraud by the Payment service user or if the Payment service user accidentally or negligently fails to fulfil his obligations regarding payment instruments;

4) if the execution results from a forged payment order submitted to the Bank by the Payment service user;

5) if the execution results from sending of data or payment orders by the Payment service user in the form of unprotected record.

The Bank is not liable for possible damage when executing payment transactions against payment orders delivered in the manner specified in this article. The sender of data i.e. Payment service user will be responsible for safe and accurate transfer of data.

In the event of force majeure that prevented execution of the payment transactions in accordance with provisions of the Framework Contract or if regulated by other law, the Bank and the Payment service user are not liable for non-execution of the payment transaction.

**Rights of Payment service users in case of incorrectly executed payment transaction**

**Article 24**

In case of an unauthorised or incorrectly executed payment transaction, including delayed execution, the Payment service user has the right to request from the Bank to duly execute the payment transaction, and/or interest or return of the amount of the incorrectly executed payment transaction according to general rules of the contract law. The Payment service user will use the right if the Payment service user fails to notify the Bank without undue delay, but not later than within 13 months from the debit and/or credit date.

At the request of the Payment service user the Bank may through the IPS NBS system initiates return of funds realized as instant credit transfer from the payee’s payment service provider, within 10 days from the execution of instant credit transfer. Request for the return of instant credit transfer received by the payment service user after this deadline will be realized by the Bank in accordance with provisions of the Law on Payment Services.

If the Bank fails to make available to the Payment service user the information regarding that payment transaction in accordance with applicable regulations, the Bank will be obliged to ensure the return of funds after expiry of the 13 months' term to the Payment service user, provided that the Bank is immediately notified by the Payment service user of the unauthorised, non-executed or incorrectly executed transaction.

**V FEES, INTEREST RATES AND EXCHANGE RATES**

**Article 25**

The Bank will calculate and charge the Payment service user the fee and actual costs for the account maintenance and provision of payment services, in accordance with the applicable Tariff of Fees for Retail Operations, which is available in the branches and on the official webpage of the Bank.

Any change in fees will relate to the Framework Contract, from the date when new fees come into force until the expiry of the contractual relationship, without conclusion of the Amendment Agreement to the Framework Contract.

The calculation and collection of fees for domestic payment transactions will be done at the moment of the execution of transactions, while the calculation and collection of fees for international payment transactions will be done at the moment of the execution of each individual transaction.

The Bank will calculate interest on the positive balance of the Bank's account, on the interest rate in accordance with the Decision on Interest Rates.

Interest is calculated on a monthly basis and accrued to the account in accordance with the Framework Contract.

If the Payment service user uses funds from the overdraft in the account for the execution of payment transactions, the interest amount, the calculation method and interest payment will be defined by the Overdraft Agreement.

When executing foreign exchange payment orders the Bank will use the applicable exchange rate list of the Bank as on the execution date or the Bank will agree a particular exchange rate with the Payment service user.

The Bank shall, on an annual basis, deliver to the Payment service user, with priority via durable media, e-banking order or paper order, a report on all collected fees for services connected with the payment account. Exceptionally, at the request of the payment service user the Bank will deliver the report on collected fees in hard copy.

**VI AMENDMENTS TO THE FRAMEWORK CONTRACT**

**Article 26**

The Bank is obliged to notify the Payment service user of the proposal for amendments and supplements to the Framework Contract not later than two months before the proposed date of their entry into force, by submitting a written proposal for amendments and supplements to the Framework Contract, so that the Payment service user has time to pass the decision on accepting amendments and supplements to the Framework Contract.

After receiving the proposal specified in the previous paragraph, the Payment service user may agree that proposed amendments and supplements may produce legal effect before the proposed date of their entry into force.

It will be considered that the Payment service user agrees with the proposed amendments and supplements to the Framework Contract if the Payment service user fails to inform the Bank, before the date of their entry into force, that he does not agree with the proposal, which the Bank shall notify the Payment service user at the same time when submitting the proposal.

In the event specified in the previous paragraph of this article, the Bank will notify the Payment service user, at the same time when submitting the proposed amendments and supplements to the Framework Contract, of his right to terminate the Framework Contract before the date of commencement of implementation of the proposed measures, without obligation to pay any fees and other costs, if he fails to accept that proposal.

If amendments to the Framework Contract relate to a change in the interest rate or exchange rate arising from the reference interest rate or exchange rate, the Payment service user will agree that the Bank may implement immediately these amendments, without prior notification to the Payment service user.

Changes in the interest rate or exchange rate that are more favourable for the Payment service user may be applied by the Bank without prior notification to the Payment service user.

If the Payment service user does not agree with the proposed amendments, the Payment service user may cancel the contract without notice period and without payment of fees. The Payment service user shall deliver the cancellation notice to the Bank in a written form not later than one day before the date which is determined as effective date of amendments and/or supplements.

In the event that the Payment service user rejects the proposed amendments, the Bank may terminate the contract.

**VII CONTRACT DURATION AND CESSATION**

**Article 27**

The Framework Contract is concluded for an indefinite period of time, and expires by cancellation or termination.

The Payment service user and the Bank may at any moment terminate the contract by a mutual consent in a written form with immediate effect.

The Payment service user may at any moment submit a written request unilaterally to the address of any branch of the Bank, with one month notice period.

If the Payment service user terminates the Framework Contract, the Payment service user will be obliged to pay to the Bank the fee for the payment services provided until the termination date, and if the fee is paid in advance the Bank will return to the Payment service user the proportionate amount of the paid fees.

The Bank may not collect from the Payment service user the fee for termination of the Framework Contract.

The Payment service user may terminate the Framework Contract in other cases provided by the law governing contracts and torts and other laws.

The Payment service user may request to declare null and void the provisions of the Framework Contract that are contrary to the information provided to the Payment service user in the pre-agreement phase, and/or the provisions relating to significant elements of the Framework Contract, that have not been previously delivered to the Payment service user.

The Bank may terminate the contract concluded for an indefinite time period, with two-months' notice period. The Bank will send the notification of the contract termination to the Payment service user in a clear and comprehensible manner, to the address of the Payment service user recorded in the Bank. The notice period starts as on the date of sending the notification.

In the event of termination of the Framework Contract by the Bank, the Bank has right to collect all fees for conducted payment services to the Payment service user provided until the termination date. If the Payment service user has paid the payment service fee and/or account maintenance fee to the Bank in advance, the Bank will return to the Payment service user the proportionate amount of the paid fees.

The Bank may terminate the Framework Contract in other cases provided by the law governing contracts and torts and other laws.

The Bank may unilaterally terminate the Framework Contract on payment account with basic services if minimum one of the following conditions has been met:

1. Payment service user has intentionally used the payment account with basic services for illegal purposes;
2. There has been no payment transaction on the payment account with basic services for more than 24 months in a row;
3. Payment service user exercised the right to the payment account on the basis of incorrect information;
4. Payment service user opened another account with basic account subsequently, which enables him to use these services;
5. Payment service user no longer has legal residence in the Republic of Serbia.

If the bank terminates the Framework Contract on payment account with basic services because one or more conditions specified in the previous paragraph are fulfilled, the Bank will notify the Payment service user, with no fee, in writing, on paper or another durable media, of the reasons for termination, informing the Payment service user of the right to complaint or grievance and possibility of extrajudicial settlement of the dispute, not later than two months before the termination comes into force, except if such notification is legally forbidden. If the Bank terminates the Framework Contract on payment account with basic services because of fulfilment of one or both conditions stated in items 1) and 3) in the previous paragraph, such termination shall have legal effect at the moment of determining fulfilment of one of these conditions.

The Payment service user agrees that the Bank may terminate the Framework Contract and/or the agreement on opening and maintenance of a transaction account or additional services regarding the payment account and due to non-realisation of rights and inactive operations under agreement(s) by the Payment service user, if the period of non-realisation of rights is longer than 365 days.

The Payment service user agrees that the Bank may terminate the contract in the following cases:

1. if the Payment service user violates provisions of the agreement on opening and maintenance of an account, the agreement on a specific additional service or these General terms;
2. if the Payment service provides the Bank, when concluding the agreement on opening and maintenance of the account or the agreement on a specific additional service, with wrong or inaccurate personal information and other information significant for due and lawful provision of payment services;
3. if the Payment service user, when executing the contract with the Bank, violates regulations, ordinary practices or ethics, or damages the Bank reputation;
4. in other cases specified in the agreement on opening and maintenance of an account and the agreement on a specific additional service.

If the Payment service user has a number of agreements on opening and maintenance of accounts concluded with the Bank, cessation of one of the agreement on opening and maintenance will not lead to cessation of other agreements.

Cessation of conditions for using additional services under a payment account will not result in cessation of the agreement on opening and maintenance of a payment account.

Cessation of the agreement on opening and maintenance of a payment account will lead to cessation of all agreements on additional services connected to the account.

The payment service user agrees that the Bank will determine the procedure for closing the account after termination of the agreement. In the event of cessation of the agreement, the Payment service user will settle all obligations in full towards the Bank arising from the account, as well as from agreements on additional services provided before the Framework Agreement is ceased, and/or single agreements on opening and maintenance of an account, as well as return payment instruments. The funds in the account not used by the Payment service user after the agreement cessation, and/or during the notice period, will be available to the Payment service user after the agreement cessation.

**VIII CLOSING THE ACCOUNT**

**Article 28**

The Bank will close the account of the Payment service user on the basis of a written request for closing the account or on the basis of the Framework Contract that governs conditions for opening, maintenance and closing these accounts. The Bank will transfer funds of the Payment service user to the account stated in the request, and /or contract, and/or pay cash to the Payment service user in accordance with the request and/or contract and close the accounts. The Payment service user will submit to the Bank a written request for closing the account, paying no fee for closing the account. The Payment service user is obliged to settle all the obligations towards the Bank before submitting the request for closing the account.

After closing the account specified in paragraph 1 of this article, the Bank will issue to the Payment service user a verification, with no fee, that this account has been closed, together with the information that all obligations towards the Bank regarding opening, maintenance and closing of this account have been settled. The Bank will immediately deliver this verification to the Payment service user in the manner selected by the Payment service user: in writing on paper or by durable media (e-mail message).

The Bank will close the payment account to the Payment service user who submitted the Authorisation for account change with the specified request for closing the account, in case that all activities stated in the Authorisation for account change have been implemented regarding the information of all and some standing orders, multiple direct debit and multiple receiving credit transfers and if the Payment service user has no outstanding obligations on such account. In case that conditions for closing the account have not been fulfilled, the Bank will immediately notify the Payment service user of lack of conditions for closing the account.

The account will be closed according to the Bank's decision in the event that the Payment service user fails to adhere to contractual obligations and secondary legislation of payment services regulating in which cases the account will be closed without a request of the Payment service user.

In the event of death of the Payment service user, disposal of funds in the payment account will be blocked and funds will be made available according to a legally valid decision on inheritance.

**IX OTHER PROVISIONS**

**Information of protection of payment service users**

**Article 29**

If the Payment service user believes that the Bank does not obey provisions of the Framework Contract, provisions of the Law on Payment Services, other regulations or general operating terms governing payment services, the General Terms, good business relations and practices, the Payment service user will have right to lodge a written complaint to the Bank within 3 (three) years from the date of violation of his right or legal interest. The user in this paragraph will include the collateral provider.

The Bank is obliged to send to the complainant a clear and comprehensive reply, not later than within 15 (fifteen) days from the date of receipt of the complaint, and to instruct the complainant about his right to appeal to the National Bank of Serbia.

If the Bank is unable, not by its own will, to submit the reply within the deadline specified in paragraph 2 of this article, the deadline may be extended by maximum 15 days, of which the Bank will notify the complainant in a written form within 15 days from the receipt of the complaint. The Bank will clearly and comprehensibly state the reasons for which it could not send the reply within 15 days from the date of receipt of the complaint, as well as the deadline for providing a reply.

The Bank shall not charge any fee to the complainant, or any other costs for taking actions under the complaint.

The Bank shall provide the opportunity for filing complaints in all its business premises in which it offers services and on its official web page, and/or the opportunity that the Payment service user or collateral provider may be acquainted with the manner of filing the complaint and acting upon it.

If the Payment service user is not satisfied with the reply to the complaint or the reply is not delivered within the terms specified in this article, the Payment service user may, without initiating court proceedings, file a written appeal to the National Bank of Serbia. The appeal may be filed within six months from the date of receiving the reply to the complaint or upon expiry of the term for submitting a reply specified in this article. The National Bank of Serbia shall, upon receipt of the appeal by the Payment service user, take relevant measures for the purpose of settling the disputable relationship, whereby one possibility for settlement of the dispute is extra-judicial settlement and/or mediation. The Payment service user may deliver the written appeal to the address of the National Bank of Serbia, Centre for Protection and Education of Financial Service Consumers, PO Box 712 or on e-mail address: zastita.korisnika@nbs.rs.

**Secrecy and protection of payment service data**

**Article 30**

The corporate secret is considered to be the data obtained by the Bank in the course of its business, that relate to the Payment Service User, including the data of the Payment Service User's personality, as well as data of the payment transaction and balance and changes in the payment account of the Payment Service User.

The Bank, members of its bodies and persons that it employs or hires, as well as other persons that have access to the data specified in paragraph 1 of this article due to the nature of their job (hereinafter: corporate secret obligor) – may not disclose or deliver these data to any third person, or provide them the access to these data.

The obligation of keeping the corporate secret referred to in paragraph 1 of this article for the corporate secret obligors will not cease after the expiry of the status on the basis of which they approached the data that are subject of this secret.

Notwithstanding paragraph 2 of this article, the corporate secret obligor may disclose or deliver the data specified in paragraph 1 of this article, and/or enable approach to these data, to third persons only on conditions provided by the Law on Payment Services.

The persons that are made available the data specified in paragraph 1 of this article pursuant to paragraphs 4 and 5 of this article may use such data only for the purposes for which they are obtained, but they may not disclose or deliver them to third persons or enable such persons to access the data, except in cases provided by the law.

The provisions of paragraph 5 hereof shall apply also to the persons employed or hired, and/or who are employed or hired by the persons that are made available with the data specified in paragraph 1 of this article, in accordance with paragraphs 4 and 5 of this article, as well as other persons that are made available such data due to the nature of their jobs.

**Personal data protection relating to payment services**

**Article 31**

The Bank is obliged when collecting and processing personal data, to act in accordance with the regulations governing personal data protection.

The Bank may collect and process the data specified in paragraph 1 hereof for the purpose of prevention, investigation or detection of fraud or misuse relating to payment services.

**Applicable law and settlement of disputes**

**Article 32**

The law of the Republic of Serbia will apply to the disputable relationship between the Bank and the Payment service user.

The Bank and the Payment service user will try to settle any disputes by a mutual agreement. In the event of a court dispute, a relevant court in the place of the Bank's head office will have jurisdiction.

**X TRANSITIONAL AND CLOSING PROVISIONS**

**Article 33**

The General Terms are available to all Payment service users in all business premises of the Bank in which customer relationship operations are carried out and on the web page of the Bank www.halkbank.rs.

By signing the agreement on opening and maintenance of an account, the Payment service user confirms that he acknowledges these General Terms, that he is made available sufficient time to get familiar with their contents and that he fully agrees with them.

The Bank will ensure that the Payment service user will be made available minimum one copy of the Framework Contract.

The language of communication between the Bank and the Payment service user, regarding rights and obligations arising from the Contract and General Terms will be Serbian. This does not exclude usage of other languages, if it is in accordance with good business practices in banking operations.

The Payment service user has right, during the validity of the Framework Contract, to request a copy of the contract and General Terms relating to the particular contractual relationship, as well as the information of the obligatory elements of the contract submitted in the pre-contract phase in hard copy or on any other durable media.

These General Terms shall apply to already opened payment accounts and/or contracts held in the Bank, regardless of their name (e.g. contract on opening and maintenance of a current account, contract on opening a foreign-exchange account etc.) and time of conclusion. If the provisions of these contracts on current accounts are contrary to the provisions of the General Terms, the provisions of the General Terms that together with contracts on current accounts and other documents stated herein comprise the Framework Contract, will apply.

The provisions of the General Terms of the Bank will apply to everything else not agreed by these General Terms. If any provision of the General Terms of the Bank regulates differently an issue which is subject of these General Terms, provisions of these General Terms will apply.

This Clean test shall be in effect from 17.03.2019 and includes the following:

* Text of the General Terms and Conditions for Opening, Maintenance and Termination of Accounts and Provision of Payment Services to Retail Clients applied since 01.10.2015.
* Decision on Amendments and Supplements to the General Terms and Conditions for Opening, Maintenance and Termination of Accounts and Provision of Payment Services to Retail Clients of 27.09.2018

Number: 491

Date: 31.01.2019

HALKBANK a.d. Beograd

SUPERVISORY BOARD