

TOPIC

General Rules, Leverandørservice Creditors

APPLICABLE FROM 1ST OF AUGUST 2020



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1. About Leverandørservice

Leverandørservice is a direct debit service that businesses can use to initiate payments in DKK between accounts in banks authorized to use Leverandørservice.

Leverandørservice is a business product intended for recurring payments from debtors, but creditor can also initiate single payments. Leverandørservice may also be used for credit transfers as described in section 6.3.3.

2. Definitions

2.1 Notification

A notification is a specification from creditor to debtor informing debtor of a payment from or into debtor's account through Leverandørservice.

2.2 Refusal

If debtor refuses a payment, the system will not execute the transaction. Debtor can refuse a future payment before the actual payment date according to the conditions in section 11.1

2.3 Banking days

Banking days are all days except Saturdays, Sundays, Danish public holidays, the Friday after Ascension Day, 5 June, 24 December and 31 December.

2.4 Payment date

The payment date is the day on which the amount is debited from or paid into debtor's account. Payments are processed on banking days only.

2.5 Payment data

Payment data is the data that forms the basis of the payments. Creditor transmits payment data to Mastercard Payment Services. A specification of payment data format is provided in the guidelines.

2.6 Leverandørservice mandate

Leverandørservice mandate is an agreement between debtor and creditor, in which debtor authorizes creditor to use Leverandørservice to collect payments from or pay amounts into debtor's account according to section 6.2.

2.7 Debtor conditions

Debtor conditions refer to the "General conditions for Leverandørservice debtors".



2.8 Mastercard Payment Services

Mastercard Payment Services Denmark A/S, CVR no. 40 69 58 69, is the company that operates Leverandørservice, and enters into an agreement with the creditor for the use of Leverandørservice. As a payment service provider, Mastercard Payment Services is subject to supervision by the Danish FSA. See contact information for Mastercard Payment Services on the website:

<https://www.mastercardpaymentservices.com/denmark>

2.9 Refund

When a payment is refunded, the amount will be debited from creditor's account and credited to debtor's account. Debtor or debtor's bank may request a refund of an executed payment in accordance with the provisions set out in section 11.

2.10 Mandate updating

Mandate updating is a periodic summary of newly registered and cancelled Leverandørservice mandates.

2.11 Guidelines

Guidelines refers to the current version of guidelines for creditors in Leverandørservice.

3. Creditor's agreement on Leverandørservice

3.1 Agreement with Mastercard Payment Services

A creditor who wishes to use Leverandørservice must enter into a creditor agreement with Mastercard Payment Services.

To enter into a Leverandørservice creditor agreement with Mastercard Payment Services, the creditor must have an active Danish CVR-number or tax registration number.

3.2 The banks approval and entry into force

Creditor's bank must authorize creditor's use of Leverandørservice, and the associated account specified by the creditor. The agreement enters into force when Mastercard Payment Services has assigned a creditor number.

Creditor's bank is not obliged to provide an account for creditor's use of Leverandørservice.

3.3 Transaction limit

Creditor's bank determines a limited amount per transaction and an aggregated limit per creditor per day.



4. Creditor's obligations

4.1 Rules and guidelines

Creditor is obligated to comply with the applicable rules and guidelines for Leverandørservice. These general rules and other appendices to the agreement shall take precedence over the guidelines.

4.2 Debtor must be familiar with the debtor rules

When creditor obtains a LS mandate from debtor, creditor must ensure that debtor is familiar with the General rules for Leverandørservice debtors.

4.3 Debtor must not be a consumer

Leverandørservice may only be used for payments between businesses. Creditor must ensure that the services paid for by debtors using Leverandørservice are intended for commercial use.

When debtors register the Leverandørservice mandates themselves, creditor must ensure that debtor is a business.

4.4 Setting the payment date

Creditor must agree directly with debtor when payments may be executed from debtor's account.

4.5 Validity of payment data

Creditor is responsible for payment data submitted to Mastercard Payment Services, and that it is correct and valid.

4.6 Validity of Leverandørservice mandates

When initiating a payment using Leverandørservice, creditor is responsible for ensuring that a valid LS mandate exists and has been registered correctly.

4.7 Leverandørservice as terms of contract

If it is creditor's condition that debtor pays for goods and services using Leverandørservice, the agreement between creditor and debtor should clearly state this.

4.8 Updating of the creditor's information

The creditor is responsible for updating all the relevant information that Mastercard Payment Services has received in connection with entering into the agreement to use Leverandørservice.



5. Debtor's registration for Leverandørservice

When debtor's bank accepts that debtor gives a LS mandate, the bank allows debtor to use one or more specified accounts for Leverandørservice. Debtor's bank is not obliged to provide an account for debtor's use of Leverandørservice.

Debtor's bank is entitled to cancel registered Leverandørservice mandates in accordance with section 13.2 and to return payments made from debtor's account at any time, as described in section 11.3.

6. Leverandørservice mandates

6.1 Content of a LS mandate

A LS mandate authorizes a creditor to initiate payments from debtor to creditor using Leverandørservice, and that debtor has accepted the "General rules for Leverandørservice debtors".

If creditor has obtained a LS mandate that will not take effect for the next payment, creditor must collect the payment in another way.

6.2 Giving Leverandørservice mandates

A LS mandate can be given to the creditor in the following ways:

- Debtor can create a LS mandate through a solution provided by a creditor, a bank or Mastercard Payment Services.
- Digital creation of a LS mandate through Mastercard Payment Services requires that the debtor must be identified through two-factor Strong Customer Authentication (SCA), and that the debtor authorizes the creditor to initiate payments in accordance with the LS mandate
- Creditors may also set up their own solution for debtors to create Leverandørservice mandates

If creditor enables the debtor to create a LS mandate without the involvement of Mastercard Payment Services or a bank, the creditor is obliged to send the LS mandate to Mastercard Payment Services, according to the procedures set out in the guidelines.

The creditor must be able to provide documentation that the debtor has requested the creditor to create the LS mandate. The agreement cannot be enforced according to its content, if the documentation of the creation cannot be provided.

Debtor's bank can reject to authorize debtor to use an account for Leverandørservice.

6.3 Use of Leverandørservice mandates

Creditor is only allowed to collect payments using Leverandørservice when the payment obligation is covered by a valid LS mandate.



6.3.1 Content of the agreement

When creating the mandate, it must be specified clearly what commercial agreement and which services are covered by the mandate. Mandates that cover all kinds of unspecified future services are not allowed.

6.3.2 Change of a LS mandate

When applying changes to an existing commercial agreement, that results in a change in the debtor's payment obligation, the LS mandate must be changed accordingly after the same principles as apply when a LS mandate is created, see section 6.1.

6.3.3 Credit transfers

The LS mandate can be used for payouts to the debtor.

It can e.g. be in case of surplus on-account payments, reduction in price because of defects, return of goods, termination of a subscription, prize payouts or similar.

6.3.4 Reuse of LS mandate

A LS mandate cannot be reused by another debtor. If an existing customer number is to be reused, the LS mandate needs to be deregistered and created again.

6.4 Collection of payments on behalf of others

Collection of payments on behalf of another creditor requires a power of attorney with clear information about who is the final receiver of the amount.

If a creditor initiates payment on behalf of one or more other creditors, this requires a corresponding number of Leverandørservice mandates.

6.5 Transferring a LS mandate

Leverandørservice mandates cannot be transferred to a new creditor, if the previous creditor has transferred the business area, from where services are supplied to the debtor, to a new creditor. New Leverandørservice mandates must be created between debtor and the new creditor.

6.6 Use of debtor's information

Information that creditor receives from debtor when obtaining a LS mandate must solely be used to initiate payments in accordance with the LS mandate. If the business relationship with debtor ends, creditor must delete any such information.

6.7 Summary of mandates

The mandate summary provides creditor with an overview of registered and cancelled mandates. The conditions for submitting registration and cancellation of mandates is described in the guidelines.



7. Notification of debtor

7.1 Creditor must notify debtor

Creditor must notify debtor about payments. The notification must reach debtor no later than three banking days before the payment date. For payments submitted by debtor via the Internet, please refer to section 8.

7.2 Contents

The notification must specify the amount, the payment date, creditor's name and payment details enabling debtor to clearly identify each payment.

7.3 Changing payment date

If creditor wishes to change an agreed payment date, creditor must notify debtor in accordance with the notification rules within the deadlines agreed with debtor.

8. Payment information submitted via the Internet

8.1 Debtor's own submission of payment information

If debtor submits payment information through the Internet, the provisions set out below will take effect instead of section 7.

8.2 Debtor's approval

For each payment, debtor must approve that creditor is entitled to initiate the payment from debtor's account, the amount to be collected and the payment date. Creditor must be able to provide documentation of debtor's approvals at all times.

8.3 Receipt

Creditor must ensure that debtor gets a receipt for the before mentioned approval via the Internet. The receipt must reach debtor no later than one banking day before the payment date. Creditor bears the risk of the receipt not reaching the debtor within the deadline.

9. Payment data

9.1 Requirements

Payments are executed on the basis of payment data transmitted to Mastercard Payment Services by creditor. Creditor must enter into a separate data supplier agreement with Mastercard Payment Services, unless creditor has subcontracted this task cf. section 9.4.



Payment data may only relate to correct and valid Leverandørservice mandates and must comply with the specifications in the guidelines.

9.2 Transmission receipt

Collection data is considered received by Mastercard Payment Services when Mastercard Payment Services issues a receipt stating that the transmission of data is completed. The transmission receipt does not entail that Mastercard Payment Services has validated the data.

9.3 Validation

Mastercard Payment Services validates payment data when the transmission of data is completed. A delivery receipt is issued based on the result of the validation. It specifies whether the payment data can be processed or if it is invalid.

9.4 Use of third-party supplier

If the creditor uses a third-party data supplier, the creditor is subject to risk and liability according to the same rules and with the same legal effect as would apply, if the creditor had been the direct supplier of the payment data to Mastercard Payment Services.

The third-party supplier must enter into a data supplier agreement with Mastercard Payment Services.

9.5 Processing of payment data

Mastercard Payment Services may need to subcontract certain tasks when operating Leverandørservice.

When entering into the agreement with Mastercard Payment Services, the creditor authorises Mastercard Payment Services to subcontract the processing of payment data to subcontractors operating inside the EU.

Mastercard Payment Services is responsible for such subcontractors.

9.6 Processing of personal data

Mastercard Payment Services collects and processes personal data in accordance with the privacy notice for Leverandørservice. It can be found in the GDPR section on the Leverandørservice website at <https://www.mastercardpaymentservices.com/denmark>

Personal data within the scope of Leverandørservice can e.g. be contact information or information related to one-man businesses.



9.7 Data controller

Mastercard Payment Services, the bank and the creditor are all independently responsible for their own processing of personal data.

9.7.1 Collaboration in the event of breaches of personal data security

In the event of data breaches in Leverandørservice, related to personal data, Mastercard Payment Services, the bank and the creditor shall, to the extent possible according to applicable law, be obliged to inform each other, cooperate and exchange necessary information, in order to evaluate notification of the DPA (in Danish; Datatilsynet) and the data subjects.

10. Payment execution

10.1 Payment execution date

The specified amount will be debited from debtor's bank account and credited to creditor's bank account on the payment date specified in the payment data.

The agreement between creditor and creditor's bank determines from when interest is calculated on executed payments.

10.2 Payment and receipt

Payments through Leverandørservice will discharge debtor from any payment obligation to creditor. An account statement specifying the payment is considered documentation of the executed payment.

However, this does not apply if the payment is subsequently refunded or returned.

10.3 Maximum execution time

The maximum total execution time is one banking day.

10.4 Stopping payments

Creditor can stop a payment until the banking day before the payment date. Procedures and deadlines are described in the guidelines.

11. Refusals and refunds

11.1 Refusal

Debtor can refuse a payment by sending a request in writing for non-execution of the payment to debtor's bank.



Debtor can only refuse the full amount.

Debtor's refusal applies only to the payment(s) specifically mentioned in debtor's request.

The refusal does not apply to other or future payments covered by the LS mandate.

11.2 Refund

Debtor can request a refund of an executed payment by requesting the bank in writing to refund the payment.

Debtor can only request a refund for the full amount.

Debtor's request for a refund must reach Mastercard Payment Services no later than the third banking day following the payment date. The debited amount will then be refunded from creditor's account to debtor's account.

Debtor's request for a refund applies only to the payment(s) specifically mentioned in debtor's request. The refund does not apply to other or future payments covered by the LS mandate.

11.3 The debtor bank's return of payments

Debtor's bank can return an executed payment in the following situations:

- Debtor's account does not hold sufficient funds on the payment date
- The LS mandate used has been cancelled by debtor or debtor's bank
- Debtor's bank does not accept the LS mandate
- The LS mandate has expired because debtor no longer holds an account with the bank prior to the payment date
- Payment data or processing is defective.

Even after expiry of the three-day deadline (see 11.2), creditor should be aware that he may still be met by requests for a return by debtor's bank.

11.4 Deadline

If the deadline for submitting a claim for a refund or a return is a non-banking day, the deadline is the next banking day.

12. The debtor's objections

12.1 Objections concerning unauthorized and incorrectly executed payments

Debtor can through the bank dispute a payment if:

- debtor has not given a LS mandate to creditor for the payment in question
- the payment in question is incorrectly executed.

A payment is unauthorized if no documentation of a valid LS mandate can be provided.



A payment is incorrectly executed if it is not registered and logged correctly, or if it is affected by technical failure or similar failure caused by Mastercard Payment Services or the bank.

Debtor must submit the objection to debtor's bank as soon as possible and no later than 13 months after the payment date.

If the payment is unauthorized or incorrectly executed, the payment will be returned through debtor's bank.

12.2 Creditor's obligations in the event of a debtor dispute

On request, the creditor must provide Mastercard Payment Services with documentation of the LS mandate as soon as possible. If creditor is unable to provide documentation of a LS mandate's existence on the payment date, the payment is likely to be returned.

If debtor has created the LS mandate through debtor's bank, the bank must provide documentation of the existence of the LS mandate.

If a payment is returned due to defective payment data, the creditor must, on request from Mastercard Payment Services, inform the debtor there of.

When returns are caused by circumstances that are attributable to the creditor, the creditor must cover the debtor's loss of interest.

12.3 Deadline

If the deadline for submitting a claim is a non-banking day, the deadline is the next banking day.

13. Termination of Leverandørservice mandates

13.1 Cancellation of a LS mandate by debtor

At any time, debtor can notify creditor or debtor's bank in writing that debtor wishes to cancel the LS mandate.

If creditor receives a cancellation from debtor, creditor must forward such cancellation to Mastercard Payment Services immediately, as described in the guidelines.

If creditor's business relationship with debtor ends, creditor must cancel the LS mandate.

13.2 Cancellation by debtor's bank

Debtor's bank may cancel debtor's LS mandate at any time.



13.3 Expiry due to closing of bank account

If debtor's engagement with the debtor bank ceases, including if debtor's account is closed or blocked, the LS mandate is no longer valid. Debtor's bank will then cancel the LS mandate.

13.4 Expiry due to inactivity

Unless otherwise arranged with Mastercard Payment Services, Mastercard Payment Services can let a LS mandate expire, if the mandate has been inactive for a period of 18 months. When a LS mandate expires due to inactivity, it will be cancelled automatically.

13.5 Effect of cancellation and expiry

When a LS mandate has been cancelled or expires, creditor can no longer initiate payments according to the mandate. Any pending payments will not be executed.

Creditor is not allowed to restore a cancelled LS mandate. If creditor is aware that a LS mandate has expired, creditor may no longer initiate new payments based on the mandate, even if the mandate has not yet been cancelled. In such cases, debtor's bank shall be entitled to return the payment (see 11.3).

13.6 Effective date

Debtor's cancellation of a LS mandate will take effect as of the banking day following Mastercard Payment Services' registration of the cancellation.

13.7 Notification of cancellation of Leverandørservice mandates

Creditor shall receive notification of all cancellations from Mastercard Payment Services, as all cancellations are contained in mandate summary.

14. The debtor bank's failure to meet obligations

If a payment cannot be executed via Leverandørservice, because debtor's bank suspends its payments or goes bankrupt, creditor is compelled to collect the debtor's payment in another way.

In such circumstances, creditor cannot claim usual remedies for breach of contract towards debtor due to the non-execution of the payment.

15. Mastercard Payment Services' liability

Mastercard Payment Services shall be liable for late or defective performance of its contractual obligations resulting from error or negligence.

Even in areas of increased liability, Mastercard Payment Services shall not be liable for losses arising from:



- Breakdown of/lack of access to IT systems or damage to data in these systems due to any of the factors listed below, regardless of whether Mastercard Payment Services or a third-party supplier is responsible for the operation of these systems
- Power failure or a breakdown of Mastercard Payment Services' telecommunications, legislative or administrative intervention, natural disasters, war, revolution, civil unrest, sabotage, terrorism or vandalism (including computer virus attacks or hacking)
- Strikes, lockouts, boycotts or picketing, regardless of whether Mastercard Payment Services or its organization is itself a party to or has started such conflict and regardless of its cause. This also applies when the conflict affects only a part of Mastercard Payment Services
- Other circumstances beyond Mastercard Payment Services' control.

Mastercard Payment Services shall not be liable for losses arising from postal delays, when a letter to debtor is sent via ordinary physical postal service.

If requested by Mastercard Payment Services, creditor shall contribute to remedying any negative consequences of the events mentioned above such as re-transmitting collection data.

Mastercard Payment Services shall not be exempted from liability, if Mastercard Payment Services should have foreseen the cause of the loss when the agreement was concluded, or ought to have avoided or overcome the cause of the loss. Mastercard Payment Services is in any circumstances liable for the cause of the loss pursuant to Danish law.

16. Prices and payment

16.1 Prices

All prices are available in a separate document on <https://www.mastercardpaymentservices.com/denmark>

Prices must be agreed separately, if Mastercard Payment Services is to provide services that are not listed in the price list.

16.2 Payment

Payment for Mastercard Payment Services' services are due in net cash. Mastercard Payment Services debits the account designated by the creditor and sends a specification of the amount to the creditor.

17. Credit assessment

When entering into the customer agreement and during the ongoing business relationship, Mastercard Payment Services reserves the right to assess creditor's financial situation, including assessing whether creditor's business is well-reputed.

This entails that Mastercard Payment Services is entitled to collect solidity information from creditor's bank, information from credit rating agencies and to request other information from creditor, e.g. financial statements.



Based on the credit assessment, Mastercard Payment Services can demand collateral. If the required collateral cannot be provided, Mastercard Payment Services can refuse to register creditor for Leverandørservice or terminate an existing customer agreement.

18. Termination of the creditor agreement

18.1 Termination for convenience

The creditor agreement between creditor and Mastercard Payment Services can be terminated by either party with two months' written notice.

If creditor's bank informs Mastercard Payment Services that the bank no longer wishes to provide one or more accounts for creditor's use of Leverandørservice, Mastercard Payment Services will terminate the creditor agreement, unless a new bank account is provided by another bank.

18.2 Termination for cause

Mastercard Payment Services may terminate the Leverandørservice creditor agreement without notice if:

- creditor's CVR-number is inactive
- the creditor agreement has not been used for 24 months
- creditor materially breaches the agreement and the conditions, e.g. by repeatedly failing to comply with them
- a credit assessment reveals a significant risk to Mastercard Payment Services.

19. Changes to agreement, general rules and appendices

19.1 Notification of changes

Changes to the agreement and its appendices, including these general rules, to creditor's disadvantage are subject to a two months' notice.

Other changes may be introduced without notice. The creditor will be notified of changes in the company's digital mailbox, e.g. e-Boks.

Creditor is obliged to inform Mastercard Payment Services of any changes to creditor's information. Creditor is responsible for the non-receipt of information, if creditor fails to update the information according to section 4.8.

19.2 Approval of changes

Creditor is assumed to have approved the notified changes, unless, before the changes become effective, creditor informs Mastercard Payment Services that creditor does not wish to be bound by the revised



conditions. In such case, the creditor agreement is considered to be terminated as from the date when the changes take effect.

20. Applicable law, jurisdiction and disputes

This agreement and its appendices are governed by Danish law.

Disputes between the creditor and Mastercard Payment Services may be brought before the ordinary courts in the jurisdiction of Mastercard Payment Services' domicile.

Disputes relating to Mastercard Payment Services' role as a payment service provider may be brought before the Danish FSA.

Mastercard Payment Services is authorized to operate as a payment institution under Danish FSA no. 22034.

21. Language

This is a translation of the Danish version of the General rules for Leverandørservice creditors. All communication with you will be in Danish.

In case of any discrepancies, the Danish version will take precedence over any other version of the General rules for Leverandørservice creditors.

