

# Terms and Conditions for Payments

## 1. Scope

These Terms and Conditions for Payments between UBS Switzerland AG (hereinafter "UBS") and the client<sup>1</sup> govern the execution and receipt of domestic and cross-border payment orders and incoming payments. They shall apply regardless of which payment product is to be used to process the payment and which banks, correspondent banks and payment service providers (together "financial institutions") are involved. Other product or service-specific contracts and other special regulations for payment transactions are reserved.

## 2. Payment orders and incoming payments

### 2.1 Requirements for the execution of a payment order

UBS executes a transfer (hereinafter "payment order") in the name of the client if the following requirements have been fully met and any additional information (e.g., details specific to currency and payment solutions) is provided (subject to the provisions of sections 2.4.3 and 2.9.1).

#### 2.1.1 Details in the payment order

The client shall provide UBS with at least the following details:

- the IBAN (International Bank Account Number) or at least the account number of the account to be debited.
- their first and last name or company name, respectively, and the respective address.
- the amount to be transferred and the currency.
- the IBAN or at least the account number or another reference of the payee agreed upon with UBS (e.g., mobile number). Provided that the account number is provided: additionally, the BIC (Business Identifier Code) and/or the national clearing number as well as the name of the payee's financial institution.
- the first and last names or the company of the payee, as well as the respective address (in a structured format accepted by UBS).

#### 2.1.2 Power of disposal

The client must be authorized to dispose of the account to be debited. In addition, there shall be no prohibitions or restrictions of disposal, in particular no statutory or regulatory provisions, no official orders and no agreements (e.g., pledging of credit balances), which exclude or restrict the power of disposal.

#### 2.1.3 Credit balance

At the time of execution of the payment order, the client must have freely available assets on the account to be debited (credit balance and/or credit limit) at least in the amount of the payment order to be executed.

If the client issues payment orders that exceed his or her freely available assets, UBS may, irrespective of the time of receipt of the respective payment order, determine at its own discretion the extent to which it executes payment orders. If a payment order is executed despite an insufficient credit balance, UBS will charge the client interest according to the rates in the agreement or the fee schedules / product fact sheets.

#### 2.1.4 Submission of payment orders

As a rule, payment orders must be submitted via the electronic UBS products or in writing as original copy with a legally valid signature (hereinafter "in writing").

## 2.2 Amendments, revocation and recall of payment orders

As a rule, amendments to payment orders that have already been issued as well as the revocation of payment orders must be effected via electronic UBS products or in writing.

If the payment order has already been executed, the client may request a recall.

Recalls and amendment requests for executed payment orders are forwarded to the financial institution of the payee by UBS. However, it is not UBS's responsibility whether the recall leads to repayment or whether the amendment request will be accepted.

## 2.3 Special types of payment orders

### 2.3.1 Collective orders

In cases involving several payment orders with the same execution date and for which the execution as a collective order is desired, the requirements for the execution must be fulfilled for each individual

payment order. Otherwise, UBS reserves the right not to execute the entire collective order or parts thereof.

### 2.3.2 Standing orders

New standing orders as well as amendments and cancellations of existing ones must be received by UBS at least five bank business days before the date of execution. If this is not the case, they can usually only be taken into account at the next date of execution / due date. UBS reserves the right to cancel standing orders in justified individual cases, thereby observing a notice period of 30 days before the date of execution, notifying the client accordingly.

## 2.4 Execution of payment orders

### 2.4.1 Date of execution

UBS will execute the payment order as at the desired date of execution, provided that the respective cut-off times (section 2.4.2) have been adhered to and all requirements (section 2.1) for the execution of a payment order have been fulfilled. The specified account will be debited with the desired date of execution. Depending on the market opening times for the specific currency and on the type of order, UBS is authorized to process a payment order before the desired date of execution. The client's account will be debited at the time of processing with the value date for the desired date of execution. If the requirements (section 2.1) for the execution of the payment order are only completely fulfilled after the date of execution, UBS is still entitled to execute the payment order. If no date of execution is indicated in the payment order, UBS will execute the order, taking into account the respective cut-off times (section 2.4.2), provided that all the requirements (section 2.1) for the execution of a payment order have been fulfilled. UBS has no influence on when the crediting to the account of the payee from another financial institution occurs.

### 2.4.2 Cut-off times

The cut-off times are specified in the list "Cut-off times" for payment orders and incoming payments, which will be communicated to the client in an appropriate manner. If the payment order is submitted by the client after the relevant cut-off time, the payment order will usually only be processed on the following bank business day.

### 2.4.3 Alterations and additions by UBS

UBS may make alterations or additions in form or content to all types of payment orders (e.g., unsupported characters, corrections of spelling mistakes, conversion of an account number into IBAN format, insertion or adjustment of BIC [Business Identifier Code] and/or the national clearing number) in order to facilitate a more efficient processing.

Moreover, UBS is authorized to execute the payment order, despite insufficient or missing details, if these details can without any doubt be corrected and/or completed by UBS.

Furthermore, the client agrees that UBS may complete details about the payee, insofar as these are known to UBS, and may communicate the completed details to the originator on any debit advice or similar individual or periodical statement.

In addition, UBS has the right to determine the routing, i.e. the parties involved in the transfer (e.g., intermediary financial institutions) and to change any possible client details respectively.

### 2.5 Credit of incoming payments

If the incoming payment arrives after expiry of the respective cut-off time, it will usually be credited on the following bank business day. In principle, the amount as per the incoming payment is credited to the account specified. If no complete IBAN / account number / reference is specified, UBS shall determine the account to which the amount shall be credited.

### 2.6 Currency conversion and exchange rate risk

Currency conversions are performed for each payment transaction at the current exchange rate at the time the payment transaction is processed by UBS.

Any possible exchange rate profits or losses (e.g., with a refund) will be credited to or debited from the client respectively.

### 2.7 Infringements of legal and bank-internal rules and regulations

UBS is not obliged to execute payment orders or to process incoming payments that infringe the applicable law, regulatory provisions or of-

ficial orders of responsible authorities, or that in some other way are not compatible with internal or external rules of conduct and measures of UBS (e.g., embargo or anti-money laundering rules). UBS shall not be liable for any delays that result from required investigations, unless it has thereby infringed the due standards of care and diligence customary in the business.

## 2.8 Particularities specific to country and currency

Particularities specific to country or currency (statutory or regulatory restrictions, political turmoil, natural catastrophes, etc.) may result in delays or the non-execution of payment orders or incoming payments. Accordingly, UBS reserves the right at any time to partially or completely suspend payments in certain countries or in certain currencies. The client will be informed about such restrictions or suspensions in an appropriate manner. Regulations and particularities for payments from and into the respective countries are to be observed by the client. UBS shall not be liable for delays or the non-execution of payment orders and incoming payments or for increased costs resulting from from particularities specific to country and currency.

## 2.9 Rejections and re-transfers

### 2.9.1 Rejection of payment orders

If one or more of the requirements for the execution of a payment order are not fulfilled and no rectification is carried out by UBS, then UBS will not execute the payment order. Moreover, the payment order may be rejected by another party involved in the transfer (e.g., the payee's financial institution).

In the case of rejection, UBS will inform the client in an appropriate manner. If UBS has already executed the payment order, it will re-credit the amount received to the account after recovery. Costs and fees are charged to the client, provided they were not caused by UBS by a failure to exercise the appropriate standard of care and diligence customary in the business. If UBS is itself in a position to rectify the reason for the rejection of the payment order, it is authorized to re-execute the payment order even without consultation with the client.

### 2.9.2 Re-transfer of incoming payments

UBS will re-transfer incoming payments to the financial institution of the originator if good reasons exist which prevent the amount being credited to the account (e.g., non-existent account, statutory or regulatory provisions, official orders, rules and standards).

In connection with such a re-transfer, UBS is entitled to disclose to all parties involved in the payment transaction (including the payment originator) the reason for not crediting the amount.

## 2.10 Data reconciliation

In principle, incoming payments require the IBAN / account number / reference and corresponding first and last name, or company name, and address. As payee, however, the client agrees that the transfer amount may be credited by UBS solely on the basis of the IBAN / account number / reference and without any reconciliation thereof with the first and last name, or company name, and address of the payee. However, UBS reserves the right to perform such reconciliation at its own discretion and to request the correct details from the financial institution of the originator or to return the incoming payment if these details do not match. As originator, the client acknowledges that the financial institution of the payee may effect the credit either solely on the basis of the IBAN / account number / reference without any reconciliation thereof with the first and last name, or company name, and address of the payee or may perform such reconciliation and, in case of discrepancies, contact UBS and make queries or reject the payment order. In the event of such queries, UBS is entitled to disclose the respective information.

## 2.11 Processing and transfer of data

The client agrees that in the context of payment transactions for all account types the data of the client, in particular his or her first and last name, or company name, address, IBAN / account number / reference and other details as per the payment order, will be disclosed to all parties involved, such as domestic and foreign financial institutions, payment service providers, payment systems operators and SWIFT. Depending on the specific payment transaction (e.g., foreign currency) and payment processing (e.g., via SWIFT), this applies for both domestic and cross-border payment transactions.

Moreover, the client agrees that all parties involved in the payment transaction may on their part transfer the data to assigned third parties in other countries, particularly for further processing or data backup.

Certain currencies are, partially or entirely, not processed via correspondent banks but via payment service providers.

The client further acknowledges that the data which is transferred abroad is no longer protected by Swiss law. Foreign laws and official orders may require or permit that this data be forwarded to authorities or other third parties.

## 2.12 Cover payments

UBS reserves the right to only credit incoming payments in foreign currencies that are connected to a cover payment (acquisition of the respective currency by another financial institution) after the definitive confirmation of the receipt of the cover from the correspondent bank. If, however, UBS immediately credits the incoming payments to the account, UBS reserves the right to re-debit the account at any time if the cover is not received within two bank business days from the correspondent banks. Other agreements are reserved.

## 2.13 Notification of incoming payments

The client can notify UBS about incoming payments in accordance with the list "Cut-off times" for payment orders and incoming payments. They shall be fully liable to UBS for incorrect notifications and shall be liable for any loss or damage, particularly in the case of an incorrect value date, if the credit advice is not received or is received by a bank other than that notified or if there is a discrepancy in the amount, except where UBS has failed to exercise the customary due diligence.

## 2.14 Additional special terms and conditions for SEPA payment transactions

Payment orders in accordance with the SEPA (Single Euro Payments Area) payments standards can only be executed if, in addition to the general requirements for the execution of payment orders, all of the following requirements are fulfilled:

- the payment order is denominated in euros.
- the payment order contains the IBAN of the payee.
- the payment order has been submitted via electronic UBS products.
- the payee's financial institution participates in SEPA.
- splitting of costs, i.e., payee and originator bear the costs incurred by their respective financial institution.
- no special instructions are issued.
- the maximum amount is not exceeded (see separate terms).

## 2.15 Additional special terms and conditions for instant payments

In the case of instant payments – in deviation from the provisions on cut-off times and bank business days – the payment order is usually executed immediately and credited to the payee.

Instant payments can only be executed if, in addition to the general requirements for the execution of payment orders, in particular the following requirements are fulfilled:

- UBS and the payee's financial institution support instant payments.
- the maximum amount is not exceeded (see separate terms).
- the account to be debited has a credit balance of at least the amount of the instant payment that is to be executed.
- the required validation checks were successfully carried out when the order was placed.

If an instant payment cannot be executed, UBS has the right to execute this as a non-instant payment.

## 2.16 Direct debit system

For direct debit systems, special conditions apply. If the respective contractual agreements with the client are not available, UBS has the right to reject all incoming direct debits without notifying the client.

## 2.17 Check

For checks special conditions apply.

## 3. Final provisions

### 3.1 Prices

UBS may levy fees for services rendered in connection with payment transactions (payment orders and incoming payments), which are based on fee schedules which may be altered and consulted at any time.

Changes are possible at any time in line with changes in market conditions or costs by adjusting the fee schedules / product fact sheets. They shall be communicated to the client in an appropriate manner.

Upon notification and in the event of objection the client shall be free to terminate the service affected by the change with immediate effect.

### **3.2 Bank business days**

If a credit or debit date falls on a Saturday, Sunday or public holiday, UBS is authorized to effect the credit or debit on the following bank business day. Other arrangements with the client are reserved.

Payment orders or debits as well as incoming payments or credits may also be delayed due to regional, foreign or specific regulations of the financial institutions concerning bank business days and public holidays.

### **3.3 Data correction**

Correct and complete data with standard formatting facilitates the efficient and economical processing of payment orders and incoming payments. UBS is entitled to correct client data without previous notice to the client (e.g., to correct incomplete or incorrect account numbers / IBAN / reference, first and last name, or company name and address, as well as to convert an account number into IBAN format). The client agrees that UBS may disclose the corrected client data to persons domiciled in Switzerland, who on request of the client issue payment orders in favor of the latter and who have received the corresponding details from the client for this purpose. This correction of data serves to ensure the smooth processing of future payments to the client.

### **3.4 Reverse posting**

In the case of erroneous or incorrect bookings by UBS, UBS has the right to reverse these bookings at any time without consulting the client (reverse posting).

### **3.5 Credit and debit advice**

Credit and debit advice shall be made available to the client in an appropriate manner or as agreed upon.

The client shall raise any complaint in respect of the incorrect execution or non-execution of orders, or in respect of credit or debit advices from UBS immediately upon receiving notice of the same, but no later than within 30 days of the date of the advice. The client may breach their obligation to minimize any loss or damage, in case they do not submit the complaint in time and are therefore liable for any resulting loss or damage.

### **3.6 Risk information**

UBS provides information about possible risks in the use of paper-based products in the respective product descriptions. Reference to possible risks in the use of electronic UBS products is indicated in the corresponding contractual conditions and conditions of use.

### **3.7 Liability**

UBS shall be liable to the client only for direct damages caused by UBS by a failure to exercise the appropriate standard of care and diligence customary in the business.

### **3.8 General Terms and Conditions and other provisions**

In addition to these Terms and Conditions for Payments, in particular the General Terms and Conditions, as well as provisions governing the account relationship and electronic UBS products, shall apply.

### **3.9 Modifications to the Terms and Conditions for Payments**

In justified cases, UBS is entitled to modify the General Terms and Conditions for Payments at any time.

UBS shall communicate such modifications in advance and in an appropriate manner. The amendments shall be deemed to have been accepted by the client unless an objection is raised in writing within one month of notification, but in any event when the service is first used. In the event of an objection, the client shall be free to terminate the business relationship with immediate effect. Special agreements remain reserved.

### **3.10 Applicable law and place of jurisdiction**

This agreement is governed by and construed in accordance with substantive Swiss law.

Exclusive place of jurisdiction for all legal proceedings is Zurich or the location of the branch holding the account.

This shall also be the place of performance and the place of debt collection for clients domiciled abroad.

Exclusive legal venues shall remain reserved.

[www.ubs.com](http://www.ubs.com)

<sup>1</sup>The singular form also includes the plural, and all masculine terms referring to persons refer to persons of both genders.