

## Procedure of the Bulgarian American Credit Bank for the Provision of Service for Transfer of User's Payment Account ("Switching")

The present Procedure regulates the relations between the Bulgarian American Credit Bank AD /**the Bank**/ and the users in relation to the provision of service for transfer of user's payment account in accordance with the provisions of the Payment Services and Payment Systems Act.

1/ **The User** can request a transfer of its payment account from one payment service provider to another one payment service provider only if: a/ the payment accounts with the two providers are in the same currency and b/ the user submits at the counters of the receiving provider a Request for transfer of payment account. In case there are two or more holders of the account, the Transfer Request shall be signed by each of the account holders. In the event that the **Bank** acts in the capacity of the receiving provider, the Request for transfer of payment account shall be completed as per the Bank's template and the **Bank** shall provide the **User** with a copy of the accepted Request for transfer of payment account.

2/ By submitting the signed Request for transfer of payment account with the receiving provider, the **User** shall: a/ give consent for execution by the transferring provider of any of the actions set out in item 3/ below, as well as consent for execution by the receiving provider of any of the actions set out in item 6/ of this Article; b/ specify which specific incoming credit transfers, standing orders and direct debit authorizations should be transferred, as well as the date, at least 6/six/ business days after the date on which the receiving provider has received the documents from the transferring provider, and from that date standing orders and direct debits shall be executed from/to the opened or kept payment account of **the User** with the receiving provider.

3/ Within two business days after receiving the Request for transfer of payment account, the receiving provider shall require authorization by the transferring provider to perform the following activities, if included in the Request for transfer of payment account:

- a) to provide the receiving provider and **the User** (if the latter expressly requested so) a list of the existing standing orders and the available information on direct debit authorizations to be transferred;
- b) to send to the receiving provider and to **the User** (if the latter expressly requested so) the available information on incoming recurring credit transfers and direct debit authorizations that are stored by the recipient and are made from/to **the User's** payment account in the previous 13 months;
- c) to suspend acceptance of direct debits and incoming credit transfers as of the date specified in the Request for transfer of payment account, in the event that the transferring provider has no system for automatic redirection of incoming credit transfers and direct debits to the payment account of **the User** with the receiving provider;
- d) to suspend the execution of standing orders as of the date specified in the Request for transfer of payment account;
- e) to transfer the positive balance, if any, to the payment account opened or kept with the receiving provider, on the date specified by **the User**;
- f) to close the payment account kept with the transferring provider on the date specified by **the User**.

4/ Upon receipt of request under the preceding item, the transferring provider shall perform the following actions, if included in **the User's** Request for transfer of payment account:

- a) within 5 business days shall send to the receiving provider the information referred to in Art. 2, letters a) and b);
- b) if the transferring provider has no system for automatic redirection of incoming credit transfers and direct debits to the payment account held or opened **by the User** with the receiving provider, the former shall suspend acceptance of incoming credit transfers and direct debits from/to the payment account as of the date specified in the Request for transfer of payment account. The transferring provider shall inform the payer or the payee of the reasons for non-acceptance of the payment transaction;
- c) shall suspend the execution of standing debit orders as of the date specified in the Request for transfer of payment account;
- d) shall transfer the positive balance, if any, to the payment account opened or kept with the receiving provider, on the date specified in the Request for transfer of payment account;
- e) shall close the payment account on the date specified in the Request for transfer of payment account, if the applicable notice period has been complied with and **the User** has no outstanding liabilities on this account, and provided that the actions stipulated in items a), b) and d) of this paragraph are performed.

5/ The transferring provider shall immediately notify **the User** if its payment account cannot be closed because of outstanding liabilities, active liens and /or other bans/reasons.

6/ The transferring provider shall not be entitled to block payment instruments before the date specified in the Request for transfer of payment account as provided by **the User**, so that the provision of payment services to the **User** shall not be interrupted in the course of the provision of the switching service, except in cases related to the security of the payment instrument, on suspicion of unauthorized use of the payment instrument, use of the payment instrument with

fraudulent intent or significantly increased risk that **the User** will not be able to fulfill his/her payment obligation (in case of payment instruments with granted loan).

7/ Within 5 business days of receipt of the information requested by the transferring provider, the receiving provider shall perform the following actions, if they are provided for in the Request for transfer of payment account and as far as the information received by the transferring provider allows for this:

a) shall compile the standing orders requested by **the User** and shall execute them as of the date specified in the Request for transfer of payment account;

b) shall carry out the necessary preparations for acceptance of direct debits and shall accept them as of the date specified in the Request for transfer of payment account;

c) if necessary, shall notify **the User** of their rights under Art. 5, paragraph 3, letter "d" of Regulation (EU) No 260/2012;

d) shall notify the payers indicated in the Request for transfer of payment account, who are to carry out incoming recurring credit transfers to **the User's** payment account, of the details of **the User's** payment account kept therewith and shall send a copy of the submitted Request for transfer of payment account. In the event that the receiving provider does not have all the information needed for notifying the payers, the provider shall require either **the User** or the transferring provider to provide the missing information;

e) shall notify payees of funds under direct debits from a payment account of the **User**, as stated in the Request for transfer of payment account, of the details of **the User's** payment account kept therewith and of the date from which direct debits from this account should be executed, and shall send them a copy of the Request for transfer of a payment account. In the event that the receiving provider does not have all the information needed for notifying payees, the former shall require **the User** or the transferring provider to provide the missing information.

8/ In the event that **the User** chooses to provide personally the information specified in the preceding item 7/, letters d) and e) either to the payers or the payees of the funds, instead of giving explicit consent for the receiving provider to perform the notification within the specified period of 5 / five / business days, the receiving provider shall provide **the User** with the standard notification letters, which set out the details of the payment account and the specified starting date in the Request for transfer of payment account.

9/ **The Bank** shall not charge a fee to **Users** for the access to information concerning them on existing standing orders and direct debits stored by the transferring or the recipient provider.

10/ The transferring provider shall not charge a fee to **the User** or to the receiving provider for the performance of their obligations to send information on: the existing standing orders and information available on direct debits that were transferred, incoming recurring credit transfers and direct debit authorizations, stored by the payee and made from/to **the User's** payment account during the past 13 /thirteen/ months.

11/ Financial losses suffered by **the User**, including charges and interest, arising directly from the breach of obligations by a provider participating in a payment account transfer procedure (either transferring or receiving provider), shall be refunded immediately to **the User** by the provider in question. The provision of this item shall not apply in case that: a) the failure to comply is due to extraordinary and unforeseeable circumstances beyond the control of the relevant provider, and the consequences thereof would have been unavoidable despite all averting efforts or b) if the provider concerned has acted in compliance with a regulatory obligation under the European Union or the Bulgarian legislation.

This Procedure was adopted by decision of the Management Board dated 14.09.2017, effective from 21.09.2017.