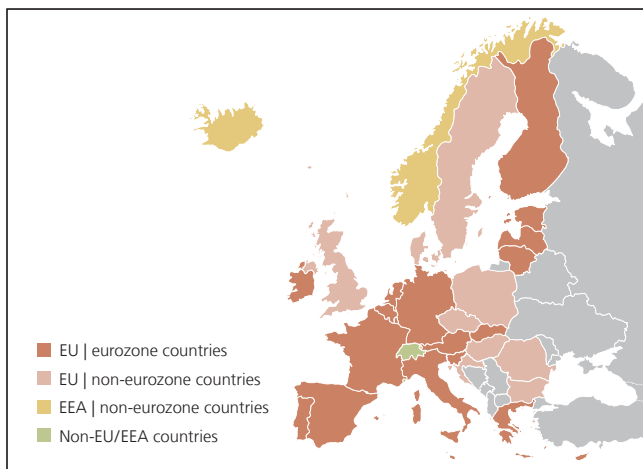


Euro incoming payments? On time

Collect euro receivables from your clients automatically with a **SEPA Core Direct Debit**

What is the SEPA Core Direct Debit scheme?

With the SEPA Core Direct Debit scheme, the creditor initiates collection of the amount owed from the debtor on the basis of a mandate (collection and debit authorization) signed by the debtor. In order for the owed amount to be collected via the SEPA Core Direct Debit scheme, the debtor's financial institution must participate in this scheme.



SEPA comprises more than 40 participants, in particular, all member states of the European Union (EU) and the European Economic Area (EEA), plus Switzerland, Monaco and San Marino.

What are the benefits of the SEPA Core Direct Debit scheme?

- A simple way to pay for goods or services within SEPA in euros.
- Europe-wide collection from one account in Switzerland.
- The direct debit procedure is the same throughout SEPA.
- High data quality thanks to identification of accounts using IBAN (International Bank Account Number) and of banks using BIC (Business Identifier Code).

- Suitable for recurring or one-off payments.
- Uniform formats (ISO 20022). The XML messages are not specific to a particular platform or programming language and enable messages to be checked for technical validity.

How it works

By signing the SEPA Core Direct Debit mandate, the debtor authorizes the creditor to collect the amount that is owed and due via the debtor's financial institution. At the same time, the debtor's financial institution is authorized to debit the amounts due.

The creditor provides the debtor with the mandate, which the latter must sign and return. The debtor must notify the creditor of any changes to the mandate data. It is the responsibility of the creditor to archive the mandate. If, with regard to recurring collections, no collection is made over a 36-month period, the creditor is required to obtain a new mandate.

The content of the mandate is standardized, but its layout may be individually designed by the creditor.

The mandate data in the SEPA Core Direct Debit mandate includes:

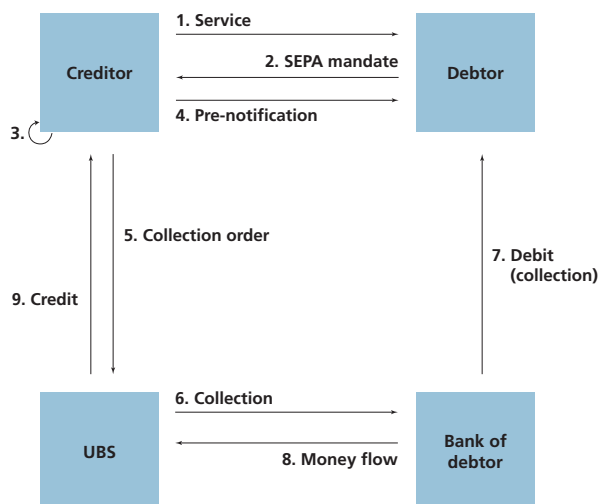
- Mandate reference
- Name and address of debtor
- IBAN of debtor
- BIC of debtor's financial institution
- Name and address of creditor
- Identification number of creditor
- Collection type: recurring or one-off
- Collection reference
- Signature date of mandate and placeholder for signature

The mandate data must be quoted for every collection. Changes to mandate data are transferred electronically by the creditor with the next collection order.



Best Cash
Manager
Switzerland

Process overview



Requirements

- A UBS euro account.
- The creditor must sign the UBS “Declaration of Consent to the SEPA Core Direct Debit Scheme for Creditors”, which sets out the rights and obligations of creditors. This declaration is available at ubs.com/sdd.
- Risk control process conducted by UBS.
- Valid SEPA Core Direct Debit mandates from all clients the creditor wishes to collect receivables from.
- The creditor is obliged to store the SEPA Core Direct Debit mandate and to present it to UBS upon request.

- The creditor informs the debtor of the collection in advance, e.g. in the form of an invoice (no later than 14 calendar days prior to collection in the absence of any other agreement).
- The debtor has a general right of objection within 56 calendar days (8 weeks) of the debit without being required to give a reason for the objection.
- In the event of unauthorized collections, e.g. if there is no SEPA Core Direct Debit mandate or it is invalid, the debtor has the right to have the amount reimbursed by UBS within 13 months of the debit, subject to the claim being asserted immediately after the debtor becomes aware of the debit transaction.
- Debtors require an account with a financial institution that participates in the SEPA Core Direct Debit scheme.
- The creditor transmits the collection order using software compatible with the SEPA Direct Debit scheme in the uniform SEPA data format in XML (ISO 20022) via UBS Key-Direct, UBS KeyPort or via SWIFT for Corporates – FileAct to UBS.
- The exact format specifications (Swiss recommendations) are published by SIX Payment Services at www.iso-payments.ch.

Advice and information

If you have any questions or require support, please contact us. Our client advisors will be happy to help you optimize your euro payments.

For more information on the SEPA Core Direct Debit scheme visit ubs.com/sdd.

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