

PRELIMINARY INFORMATION FOR USERS OF ONE-OFF PAYMENT TRANSACTIONS

*(pursuant to Article 54, Paragraph 1 of the
Payment Services and Payment Systems
Act)*

I. Information about Municipal Bank AD

1. This preliminary information is intended for users of one-off payment transactions which are not subject to a framework contract within the meaning of the Payment Services and Payment Systems Act (PSPSA), executed by Municipal Bank AD (hereinafter referred to as “the Bank”).

2. Municipal Bank AD is a commercial company registered in the Commercial Register and the Register of Non-Profit Legal Entities at the Registry Agency under Unified Identification Code (UIC) 121086224, with its seat and registered address at: Sofia, 6 Vrabcha Street; website: municipalbank.bg.

3. Municipal Bank AD is a payment service provider within the meaning of the Payment Services and Payment Systems Act (PSPSA) and operates in accordance with the applicable legal framework of the Republic of Bulgaria and under the supervision of the Bulgarian National Bank.

II. General Provisions

1. Municipal Bank AD executes the following one-off payment transactions:

- a) Depositing cash into a deposit account with the Bank;
- b) Withdrawing cash from a deposit account with the Bank, including upon closure of the deposit;
- c) Execution of a cash transfer at the counter, including transfers to another payment service provider.

2. The Bank identifies all clients who execute one-off payment transactions. The Bank performs one-

off payment transactions only after applying customer due diligence measures in the cases provided for in the Measures Against Money Laundering Act (MAMLA) and in accordance with the applicable internal rules and procedures for the prevention of money laundering and terrorist financing. These measures include: identification and verification of identification, collection of information regarding the purpose and nature of the business relationship, and clarification of the origin of the funds involved in the transaction. For identification purposes, clients are required to present a valid identity document and, where necessary, provide additional information.

3. In fulfilling its obligations under the Measures Against the Financing of Terrorism Act (MAFTA), MAMLA, their implementing acts, and relevant international acts in this area, the Bank is entitled to request the client, within one week of receiving the request, to provide additional information and/or documents:

- a) in view of the requirements for due diligence under Article 10, Items 1–4 of MAMLA;
- b) in relation to the transactions they carry out.

4. The Bank accepts and executes orders for one-off payment transactions submitted via payment documents in a format approved by the Bank, within the timeframes and with value dates in accordance with the PSPSA, Ordinance No. 3 of the Bulgarian National Bank (BNB), BNB guidelines, and the Bank’s current Tariff of Interest Rates, Fees and Commissions for Individuals/Corporate Clients (the Bank’s Tariff). The cut-off time for executing payment orders within a business day is determined by the Bank depending on the rules of the payment system used for executing the relevant payment transaction and is specified in the Bank’s Tariff, which is available to clients at clearly visible locations in the Bank’s branches and on the Bank’s website at www.municipalbank.bg.

5. Cash transfers via another payment service provider are executed within the timeframes and under the conditions of the respective provider. The Bank provides information about ordered cash transfers at its counters upon request by the user of the payment service.

6. When executing payment transactions in a currency other than the one in which the Client's account is held, as well as in other cases where currency conversion is necessary, the exchange is carried out at the applicable exchange rates published in the Bank's Exchange Rate Bulletin at the time the transaction is booked. The Exchange Rate Bulletin is available at clearly visible locations in the Bank's branches and on the Bank's website www.municipalbank.bg. The conversion is performed as follows:

- a) where the account/currency is in BGN and the transaction amount is in a foreign currency or vice versa – at the published “non-cash” or “cash” “buy” or “sell” rates;
- b) where the account is in a certain foreign currency and the transaction amount is in another foreign currency – at the published “cross rates”, “buy” or “sell”.

7. All relations between the User of payment services and the Provider related to the execution of payment transactions are governed by the PSPSA, Ordinance No. 3 of the BNB, the Currency Act, the Measures Against Money Laundering Act and its Implementing Rules, the Measures Against the Financing of Terrorism Act, and other applicable provisions of the Bulgarian legislation.

8. When providing payment services within the European Economic Area (EEA) in euro or in the currency of another EEA Member State, the Bank is liable to consumers for the execution of the payment transaction until the funds are received by the payment service provider of the payee, within the timeframes provided under the PSPSA.

9. All fees and commissions due by the User in relation to the execution of a one-off payment transaction are determined by type, amount, and under the conditions specified in the Bank's Tariff in force at the time of ordering and are communicated in advance to the client by the Bank employee receiving the payment order. For

withdrawals above a specified amount, advance notice is required, as stipulated in the Bank's Tariff.

10. The Bank executes one-off payment transactions unless restrictions under the applicable legislation and this Preliminary Information are in place.

11. The Bank is entitled to refuse the execution of transactions when the persons, legal entities, institutions/organizations or countries related to the transactions are subject to national or international sanctions/prohibitions/restrictions, as well as when the client fails to provide the documents referred to in point 3 within the prescribed timeframe.

12. The Bank shall notify the client if it refuses to execute a payment transaction, indicating the reasons for the refusal and the procedure for correcting any factual errors, if applicable — within the time limits for executing the transaction, unless the provision of such information is prohibited under the applicable legislation.

III. Execution of a Cash Transfer Order

1. To ensure the accurate execution of the payment order, the User shall, via a paper payment document in the Bank's prescribed format, provide the Bank Identifier Code (BIC) and the International Bank Account Number (IBAN) or other unique account identifier of the Payee, the Personal Identification Number (PIN), Foreigner's Identification Number (FIN), or Company Identification Code (UIC/BULSTAT), the name/designation of the User/Payee, as well as any additional data and information required for the execution of the specific payment transaction. The Bank accepts cash money transfers in foreign currency up to the equivalent of BGN 5,000 (five thousand Bulgarian leva) per day.

2. The Bank shall execute the payment order only after the Payer has ensured sufficient funds for the transfer amount and for all fees and commissions due for its execution.

3. The Bank shall not be held liable for non-execution or incorrect execution of a payment transaction where incorrect, inaccurate, or incomplete information is provided by the Payer regarding the IBAN, payment account number,

and/or PIN/FIN, UIC/BULSTAT when filling out the payment order.

4. In cases where it is not possible to execute a cash transfer order, or where an executed cash transfer is returned by the recipient's payment service provider, the Bank shall promptly notify the Payer thereof and, where possible, indicate the reasons and the procedure for correcting any factual errors, unless prohibited from doing so under the Bulgarian legislation or an act of the European Union.

5. Where a payment order has been executed in accordance with the unique identifier (IBAN) specified therein, the order shall be deemed to have been correctly executed with respect to the Payee indicated by that unique identifier.

6. The Payer in a cash money transfer bears full responsibility for the correct and accurate completion of the payment order, for providing accurate and complete information necessary for its execution, and for the consequences resulting from any errors in the preparation of the payment order.

7. After the Bank receives the cash transfer order but before the Payee's account is credited or the transfer is submitted to the relevant payment system, the Payer may cancel the order only with the Bank's consent, for which a fee is payable as per the Bank's Tariff in force at the time of cancellation.

8. The Bank provides the Payer with the following information by issuing a copy of the payment order for the execution of a one-off payment transaction:

- the registration number of the payment transaction and information regarding the Payee (where necessary);
- the amount of the payment transaction expressed in the currency in which the payment order was issued;
- the amount of all fees and commissions payable by the Payer in connection with the execution of the payment transaction;
- the exchange rate used for the execution of the payment transaction (where applicable);
- the date of receipt of the payment order.

IV. Other Provisions

1. Complaints related to one-off payment transactions are handled in accordance with the

PSPSA. Information regarding the submission and handling of complaints by clients is available on the Bank's website, under the "Feedback" section at <https://www.municipalbank.bg>.

2. If the Bank fails to respond within the time limits set out in the PSPSA or the User is not satisfied with the Bank's decision, the dispute may be referred to the Conciliation Commission for Payment Disputes at the Consumer Protection Commission, located at: Sofia 1000, 1 Vrabcha Street, floors 3, 4, and 5, phone: +359 2 9330 577, website: www.kzp.bg, e-mail: adr.payment@kzp.bg.

3. Communication between the parties shall be made in writing, in Bulgarian, at the addresses of the Bank and the User as specified in the submitted documents.

4. Any matters not covered by this Preliminary Information regarding the execution of one-off payment transactions shall be governed by the applicable legal acts in force.

5. This Preliminary Information, together with the Bank's Tariff, is made available to Users at the Bank's branches, on the Bank's website, or in another appropriate manner as determined by the Bank, and Users are expected to familiarise themselves with it in advance.

6. The Bank, in its capacity as a personal data controller, processes the personal data provided to it in fulfilment of its legal obligations and in accordance with the Privacy and Data Protection Policy, which is available at the Bank's branches and published on its website at www.municipalbank.bg.

This document was approved by resolution of the Management Board of Municipal Bank AD under Minutes No. 19 of 22 March 2022 and enters into force as of 1 January 2023; amended and supplemented by the Management Board on 23 May 2023, in force as of 10 August 2023; amended by the Management Board on 28 November 2023, in force as of 1 December 2023.