

Procedure for termination, restriction and suspension of participation in the IPS

Participation in the IPS can be:

- terminated by the Payment Organization on the initiative of the Direct Participant (according to the application submitted by it to the Payment Organization in the manner stipulated by the Agreement on Participation)

or

- terminated or suspended on the initiative of the Payment Organization as an operational and economic sanction provided by the Agreement on participation on the grounds set forth in paragraph 2 of the Rules.

2. The participation of a Direct Participant in the Payment System may be terminated / suspended / limited by the Payment Organization if its actions or status pose a risk to the International Payment System, including, but not limited to, in case of:

- justified inability to fulfill its obligations as a Direct Participant of the International Payment System;
- violation of the terms of the Rules, procedural documents of the IPS and agreements concluded with the Payment Organization, or the legislation of Ukraine, and / or the country of registration of the Direct Participant, and / or the country of location of its PPFS;
- provision of unreliable information and / or documents to other entities of the IPS;
- delay in fulfilling financial obligations for a period of more than 1 (one) working (banking under the legislation of the country of registration of the Direct Participant) day to other entities of the IPS;
- failure to register or failure to maintain in the necessary amount the instruments to ensure the fulfillment of obligations in the IPS, as provided by the concluded Agreement on participation;
- non-compliance with the technological requirements established for participation in the IPS by the Direct Participant and / or its individual PPFS;
- taking obvious actions aimed at terminating transactions in the IPS or liquidation / reorganization of its business;
- if the Payment Organization has reliable information that the Direct Participant:
 - without prior consent with the Payment Organization performs actions for assignment or other transfer of its rights and obligations under the Agreement on participation to third parties;
 - during transfers and other transactions in the IPS does not comply with the legislation of the country of registration of the Participant and / or location of its PPFS, in particular on currency control, combating money laundering and terrorist financing;
 - does not ensure the protection of banking secrecy, protection of personal data and information with limited access in accordance with the law;
 - does not comply with the requirements for the protection of information in the case of transfers and other transactions in the IPS, provided by law and these Rules;
 - performs actions that threaten the activities of other entities of the IPS;
- if any competent authority having jurisdiction over the Direct Participant:
 - adopts administrative and economic sanctions against it, in particular those aimed at suspending or terminating its activities, including those related to its participation in the IPS, or those that entail the termination of such activities both in full and in part of certain transactions in the IPS;
 - makes a decision to classify the Direct Participant as insolvent;
 - revokes the banking license / license issued by the National Bank of Ukraine for transfer of funds without opening accounts / a document on the basis of which the non-resident Participant has the right to carry out activities in the field of international money transfers in accordance with the legislation of the country of registration.
- if the liquidation or bankruptcy procedure of the Direct Participant has been initiated;
- in the absence of transactions of the Direct Participant in the International Payment System within 6 months.





3. The Payment Organization of the IPS has the right to send a written notification to the Direct Participant warning that its participation in the International Payment System may be terminated / suspended, or that its activities in the IPS may be restricted. The notification shall contain the nature of the violation and specify the period during which the violation must be eliminated. The specified term should not exceed 30 (thirty) calendar days.

4. The suspension of the Direct Participant's participation in the IPS for harmonization of its activities with the requirements of current legislation and the terms of the Rules, procedural documents of the IPS and agreements concluded with the IPS shall be carried out for a period not exceeding 90 (ninety) calendar days, depending on the circumstances.

5. The decision of the Payment Organization to restrict the activities of the Direct Participant in the IPS consists in limitation for a certain time or indefinitely of access to certain services, to the possibility of providing users with certain transfer services or reduction of limits, etc. and can be applied:

- to the Participant;
- partially:
 - to certain PPFS of the Participant,
 - to certain of its Indirect Participants,
 - to certain of its Agents,
 - to certain PPFS of its Indirect Participants and / or Agents.

6. Procedure for suspension / restriction and resumption of the Direct Participant's activity in the IPS:

6.1 In case of suspension / restriction of the Direct Participant's activity in the IPS in whole or in part, the Payment Organization of the IPS shall send a written notice stating the reason and date of suspension / restriction of the activity one working day before the date of such suspension / restriction.

If the actions of the Direct Participant pose a risk to the IPS, no prior notification shall be sent. Prior notice to the Direct Participant shall not be also sent in case of emergency suspension / restriction of its activity in whole or in part on its own initiative. In this case, the Payment Organization of the IPS shall send to the Direct Participant a confirmation of suspension / restriction immediately after its implementation.

In the notice on the suspension / restriction of the activity of the Direct Participant in the IPS performed on the initiative of the Payment Organization, the Payment Organization of the IPS identifies the violation and determines the period during which the violation must be eliminated. The specified term should not exceed 90 (ninety) calendar days. If the violation is not eliminated after the expiration of the period specified in the notice, the Payment Organization of the IPS has the right to terminate the activities of the Direct Participant in the IPS and terminate the Agreement on participation unilaterally out of court.

6.2 In case of suspension / restriction of the Direct Participant's activity in the IPS, the Payment Organization of the IPS has the right to block or limit its authority to carry out transactions in the IPS and instruct another Direct Participant to complete transfers to be completed by the suspended / restricted Participant.

In case of suspension / restriction of the Direct Participant's activity in the IPS, it and other entities of the IPS must perform all calculations related to the participation of such Direct Participant in the IPS, not later than 3 (three) working (banking under the law of the country of registration of the relevant entities of the IPS) days from the date of suspension / restriction of the Direct Participant's activity in the IPS. If there are obligations of the Sending Participant, whose activity is suspended / restricted, to other entities of the IPS, the Settlement bank by the decision of the Payment Organization has the right to use the instruments for the fulfillment of the obligations of the Sending Participant without its order on the basis of the relevant agreement in order to fulfill these obligations.

6.3 Resumption of participation in the IPS in case of its suspension or cancellation of restrictions on the activities of the Direct Participant occurs after the elimination of the risks that have arisen, notifying it within 10 calendar days after completion of verification of their elimination by the Payment Organization. In case of suspension / restriction of the activity of the Direct Participant of the IPS due to its fault, the resumption or cancellation of the restriction of activity is carried out by the Payment Organization after making by this Direct Participant of payment for these actions according to the Tariffs of the Payment Organization.

7. Participation in the International Payment System or involvement of an Indirect Participant and / or an Agent by a Direct Participant may be terminated by the Participant itself with a prior written notice sent to the Payment Organization. The notice must be submitted at least 15 calendar days before the termination of the Agreement on Participation, permit for activity of the Indirect Participant / Agent in the IPS, counting from the moment of receipt of the notice.





8. The Direct Participant shall be liable in accordance with the Rules and Agreements concluded with the PO of the IPS for all obligations not performed by it and / or Indirect Participants and / or Agents involved by it before the date of termination of the Agreement on Participation.

From the moment of receipt of the notice on termination of participation in the International Payment System, the Direct Participant is obliged to fulfill all unfulfilled obligations under the agreements and to take actions provided by these Rules, which are required in case of termination of participation in the IPS.

The Direct Participant continues to fulfill its obligations regarding confidentiality and to be responsible for their non-fulfillment.

9. On the day following the day of sending a written notice by the Payment Organization to the Direct Participant or receiving a written notice from it about the intention to terminate participation in the International Payment System (hereinafter - the «day of termination of the activity of the Direct Participant»), the MPC blocks the Identifier (s) of the Direct Participant and stops processing its transactions.

10. The termination of the Direct Participant's activity on making transfers in the IPS causes the following consequences:

- a) On the day of termination of the Participant's activity, the Payment Organization of the IPS takes measures with the help of the Settlement Bank and / or MPC to prevent the acceptance of transfers by the Direct Participant.
- b) The transfers accepted by the Participant before the day of termination of activity are subject to conducting.
- c) The Settlement Bank, at the instruction of the PO of the IPS, transfers to the Direct Participant all amounts due to it, with recovery of funds to be transferred to other entities of the IPS in connection with the fulfillment of its obligations to other entities and Users of the IPS.
- d) The agreement on participation is terminated on the day of termination of the activity of the Direct Participant. The Participant is obliged not later than on the day of termination of activity to remove all signs, signboards and other materials containing the name of the IPS and the designation of itself as a Participant of the International Payment System, including advertising, website, media, etc. Failure of the Direct Participant to sign the agreement on termination of the Agreement on Participation does not mean failure to terminate such agreement.
- e) The obligations of the Participant, which arose before the day of termination of its activity in the IPS in accordance with the current legislation, Rules, procedural documents of the IPS and agreements concluded with the Payment Organization for transfer services, remain valid and subject to fulfillment.
- f) Within 15 working days from the date of termination of the Agreement on participation / making decision by the Payment Organization on termination of the permission of the Indirect Participant to transfer funds in the IPS, the Payment Organization of the IPS shall notify the National Bank of it in the manner prescribed by the relevant regulation of the National Bank of Ukraine.