

THE COUNCIL OF LATVIJAS BANKA

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Riga, 20 September 2018

Procedure (internal regulation)
No. 279/3

**Latvijas Banka's Procedure for the Use of the Proxy
Registry "Instant Links"**

Note.

As amended by Latvijas Banka's Council Procedure No. xxx of
28 March 2018 (in effect as of 9 April 2019)

Issued pursuant to Clause 2
of Paragraph 1 of Section 72
of the State Administration
Structure Law

1. Hereby the "The Rules for the Use of the Proxy Registry "Instant Links"" (Appendix 1) and the sample agreement "On the Use of the Proxy Registry "Instant Links"" (Appendix 2) have been adopted and approved.
2. The agreement with a credit institution referred to in Paragraph 1 herein shall be signed by the Chairman of the Board of Latvijas Banka. Where the Chairman of Latvijas Banka's Board either finds himself in a conflict of interest regarding the other party to the agreement or is absent, the Deputy Chairperson of the Board shall sign the agreement. Where the Chairman and Deputy Chairperson of Latvijas Banka's Board either find themselves in a conflict of interest regarding the other party to the agreement or are absent, a member of the Board shall sign the agreement.
3. The Board of Latvijas Banka shall establish a procedure for ensuring the operation of the Proxy Registry "Instant Links".
4. The Board of Latvijas Banka shall provide for the "Functional Specifications of the Proxy Registry "Instant Links"".
5. The Procedure shall take effect on 18 November 2018.

Deputy Governor of Latvijas Banka

Z. Razmusa

Rules for the Use of the Proxy Registry "Instant Links"

I. General provisions

1. The Rules for the Use of the Proxy Registry "Instant Links" (hereinafter, the Rules) shall establish the procedure for the use of the Proxy Registry "Instant Links", the contents of the information to be entered in the Proxy Registry "Instant Links" and the mutual rights and obligations of a user of the Proxy Registry "Instant Links" and Latvijas Banka.

2. Terms used in the Rules:

2.1. group – the group comprises credit institutions incorporated in the European Economic Area within the meaning of the "System Rules for Participation in TARGET2-Latvija", approved by the Council of Latvijas Banka, and registered in the TARGET2 Static Data (Management) Module within the same Group of Accounts (Banking group monitoring) as the user of the Proxy Registry "Instant Links";

2.2. Proxy Registry "Instant Links" (hereinafter, the Registry) – the registry which contains information on the links between the IBANs (International Bank Account Numbers) and mobile phone numbers or other identifiers (hereinafter, the identifiers) of Registry users' customers;

2.3. a Registry user – a participant of the EKS, the electronic clearing system of Latvijas Banka (hereinafter, the EKS), an entity referred to in Paragraph 13 herein which has applied for using the Registry and has received consent of Latvijas Banka in compliance with the procedure established in Chapter III herein, and Latvijas Banka;

2.4. a Registry user's customer – a customer of a Registry user or a credit institution of the same group as the Registry user, as well as a customer of an entity reachable via a Registry user or a credit institution of the same group as the Registry user by way of using the services of the EKS or any other SEPA compliant payment system providing similar services.

3. Latvijas Banka shall establish and maintain the Registry to ensure the storage of information entered in the Registry by a Registry user and the provision of information to Registry users upon their request, for the purpose of ensuring more efficient execution of instant payments and other Single Euro Payments Area (hereinafter, SEPA) payments.

4. A Registry user may access the Registry with one or several BICs registered for the Registry user within the meaning of the "System Rules for Participation in the EKS" approved by the Council of Latvijas Banka (hereinafter, the registered BIC).

II. Key requirements for the use of the Registry

5. A Registry user shall use information entered in the Registry for generating an instant payment order or any other SEPA payment order, based on the information on the identifier of the payee provided by the customer of the Registry user. The Registry user shall ensure that the information entered in the Registry is requested and used solely for the purpose established in this Paragraph.

6. A Registry user shall submit information on the customers of the Registry user for entering in the Registry, as well as request to modify, delete and provide the information entered in the Registry. Latvijas Banka shall provide information from the Registry via the web service in accordance with the regulation of Latvijas Banka establishing the procedure for electronic information exchange with Latvijas Banka by using an advanced security system, where:

6.1. the type of information exchange is the provision of the online communication connection, the online exchange of messages and information exchange within the payment systems in compliance with the present Rules;

6.2. Latvijas Banka shall grant each Registry user, in relation to each BIC registered for it, the following licences:

6.2.1. two licences of the advanced security system for the online communication connection;

6.2.2. two licences of the advanced security system for the online message exchange;

6.2.3. two licences of the advanced security system for information exchange with Latvijas Banka within the payment systems.

7. Technical specifications and requirements for information submission to the Registry, its modification and deletion from the Registry, as well as information receipt from the Registry are established in the "Functional Specifications of the Proxy Registry "Instant Links"" approved by the Board of Latvijas Banka.

8. The Registry shall be available to Registry users online on a continuous basis (24/7/365).

9. Latvijas Banka shall ensure that the new or modified information submitted by the Registry user to the Registry is available in the Registry within two hours following its submission or modification, as well as ensure that information is no longer available immediately after its deletion.

10. A Registry user, who is not a participant of the EKS, shall represent and warrant to Latvijas Banka that the performance of its obligations under the Rules does not breach any laws and regulations or by-law applicable to it or any agreement binding on it.

11. A Registry user shall not accumulate information about customers of other Registry users obtained during the use of the Registry.

12. A Registry user shall undertake to participate in the tests organised by Latvijas Banka and address other issues related to the use of the Registry.

III. Procedure of application for the use of the Registry and consent by Latvijas Banka

13. The following entity which is not a participant of the EKS, but ensures its reachability in the EKS via another payment system, may become a Registry user:

13.1. a credit institution incorporated in the European Economic Area, inter alia where it acts through a branch incorporated in the European Economic Area;

13.2. a credit institution incorporated outside the European Economic Area, provided that it acts through a branch incorporated in the European Economic Area;

13.3. a national central bank of a European Union Member State.

14. Prior to starting to use the Registry, an EKS participant shall pass the tests required by Latvijas Banka.

15. To become a Registry user, the entity referred to in Paragraph 13 herein shall comply with the following requirements:

15.1. it shall enter into an agreement "On the Use of the Proxy Registry "Instant Links"" with Latvijas Banka;

15.2. it shall fill in and submit an Application Form for the Use of the Registry to Latvijas Banka in compliance with Appendix 1.1 hereto;

15.3. it shall install, manage, operate and monitor as well as ensure the security of the IT infrastructure necessary for using the Registry;

15.4. it shall pass the tests required by Latvijas Banka.

16. Latvijas Banka may also request any other information it deems necessary to decide on the consent to the use of the Registry.

17. Latvijas Banka shall communicate its decision on the consent to the use of the Registry within one month of the day when Latvijas Banka has received all the documents referred to in Paragraph 15 herein and all requirements listed in Paragraph 15 herein have been complied with. Where Latvijas Banka requests further information pursuant to Paragraph 16 herein, it shall communicate its decision on the consent to the use of the Registry within one month of the day when Latvijas Banka has received the above information. In the event of refusal Latvijas Banka shall state the reason thereof.

18. An EKS participant may start to use the Registry with one or several registered BICs on the next day after the completion of the tests referred to in Paragraph 14 herein.

IV. Information to be entered in the Registry

19. The Registry shall contain the following information:

19.1. IBAN of the Registry user's customer;

19.2. identifier of the Registry user's customer;

19.3. name and surname (of a natural person) or name (of a legal person) of the Registry user's customer;

19.4. BIC matching the IBAN of the Registry user's customer.

20. In the Registry:

20.1. one identifier shall be linked to only one IBAN of the Registry user's customer;

20.2. one IBAN of the Registry user's customer may be linked to several identifiers.

21. A Registry user may enter in the Registry information on customers of a credit institution of the same group as the Registry user, as well as an entity reachable via the Registry user or a credit institution of the same group by way of using the services of the EKS or any other SEPA com payment system, provided that the above entity has authorised in writing the Registry user to enter the information on its customers referred to in Paragraph 19 herein in the Registry.

22. The Registry user shall ensure that the Registry user's customer:

22.1. has validated in a technologically secure manner that the relevant identifier belongs to him;

22.2. on whom information will be entered in the Registry has received full information on the Registry, the use and accessibility of the information entered therein, as well as

has confirmed in writing its consent to enter the respective information in the Registry.

V. Termination of access to the Registry

23. A Registry user, who is not an EKS participant, may discontinue to use the Registry or to enter the information on customers of an entity referred to in Paragraph 21 herein in the Registry at any time by filling in and submitting an Application Form for the Use of the Registry to Latvijas Banka in accordance with Appendix 1.1 hereto. Latvijas Banka shall terminate the Registry user's access to the Registry with the relevant registered BIC on the date indicated in the Application Form for the Use of the Registry.

24. Latvijas Banka shall terminate access to the Registry for a Registry user, who is not an EKS participant, where the Registry user:

24.1. no longer meets the access requirements established in Paragraph 13 herein;

24.2. is in material breach of the Rules, inter alia fails to participate in the tests held by Latvijas Banka or has not paid the fee referred to in Paragraph 29 herein.

25. Where Latvijas Banka terminates a Registry user's access to the Registry pursuant to Paragraph 24 herein, Latvijas Banka shall immediately notify the Registry user to that effect.

26. Where a Registry user, whose participation in the EKS has been terminated, is willing to continue using the Registry, it shall enter into an agreement "On the Use of the Proxy Registry "Instant Links"" with Latvijas Banka and fill in and submit an Application Form for the Use of the Registry to Latvijas Banka in accordance with Appendix 1.1 hereto. Latvijas Banka shall make a decision on the consent to the use of the Registry pursuant to the procedure provided for in Paragraph 17 herein and shall verify the compliance with the requirements of Paragraph 13 herein.

27. In the event that Latvijas Banka discontinues maintenance of the Registry, it shall be obliged to inform Registry users thereof three months in advance, unless an agreement on a different notice period has been reached with Registry users.

28. All relevant information submitted by a Registry user to the Registry shall be deleted simultaneously with the termination of the Registry user's access to the Registry. Where the Registry user's access to the Registry has been terminated for a certain registered BIC, all information submitted to the Registry with the above registered BIC shall be deleted. Where entering of the information on customers of an entity referred to in Paragraph 21 herein in the Registry is discontinued, all entered information matching the BIC of the above entity shall be deleted from the Registry.

VI. Fee for the use of the Registry and its application

29. A Registry user, who is not an EKS participant, shall pay a monthly fee of EUR 96.80 for the use of the Registry to Latvijas Banka: EUR 80.00 is the fee for the use of the Registry and EUR 16.80 is the value added tax of 21%.

30. Latvijas Banka shall send a Registry user the invoice for the previous month, specifying the fees to be paid, no later than on the ninth business day of the following month.

31. A Registry user shall make the payment to the settlement account specified by Latvijas Banka no later than on the 14th (fourteenth) business day of the respective month.

VII. Liability regulation

32. Latvijas Banka shall not be liable for any loss resulting from incorrect or false information submitted by a Registry user for entering in the Registry, or where the Registry user has not received its customer's consent to enter information on the respective customer of the Registry user in the Registry.

33. Latvijas Banka shall not be liable for any loss resulting from any malfunction or failure in the technical infrastructure (including but not limited to Latvijas Banka's information system infrastructure, programmes, data and networks), if such malfunction or failure arises in spite of Latvijas Banka having adopted those measures that are reasonably necessary to protect such infrastructure against malfunction or failure, and to resolve the consequences of such malfunction or failure.

34. Latvijas Banka shall not be liable:

34.1. for any loss caused by the Registry user;

34.2. for any loss arising out of external events beyond Latvijas Banka's reasonable control.

VIII. Confidentiality

35. Latvijas Banka and any Registry user shall keep the Registry information confidential, unless such disclosure is permitted or required under the laws and regulations of the Republic of Latvia.

36. By derogation from Paragraph 35 herein, a Registry user agrees that Latvijas Banka may disclose information obtained in the course of the operation of the Registry regarding the Registry user or customers of the Registry user to the extent that this is necessary for the performance of the tasks of the supervisory and oversight authorities, and provided that the disclosure is not in conflict with the applicable laws and regulations. Latvijas Banka shall not be liable for the financial and commercial consequences of such disclosure.

37. A Registry user may use the available information related to the Registry operation only for the purposes stated herein. A Registry user shall keep such information confidential, unless Latvijas Banka has explicitly given its written consent to disclose.

IX. Notices

38. Except where otherwise provided for by the Rules, all notices required or permitted pursuant to the Rules shall be sent by way of a signed paper document, a electronic document signed with a secure electronic signature and accompanied by a timestamp (hereinafter, an electronic document), or by an authenticated SWIFT message. Notices to Latvijas Banka shall be addressed to the Head of the Payments Systems Department of Latvijas Banka and delivered by post to the postal address or submitted at K. Valdemāra iela 2A, Rīga, LV-1050, Latvia, or via SWIFT addressed to BIC LACBLV2X, or emailed to the official electronic address of Latvijas Banka (hereinafter, e-address), or to the e-mail address info@bank.lv. Latvijas Banka shall send notices to a Registry user to the Registry user's address, e-address or e-mail address indicated to Latvijas Banka by the Registry user and updated on a regular basis, or via SWIFT addressed to BIC of the participant.

39. To prove that a notice has been sent, it shall be sufficient to prove that the notice in the form of a paper document was delivered to the respective address or that the envelope containing such notice was properly addressed and posted, or such notice in the form of an electronic document was sent to the e-address or e-mail address.

40. All notices shall be given in Latvian. A Registry user incorporated outside the Republic of Latvia may submit such notices to Latvijas Banka in English.

41. A Registry user shall be bound by all documents which it has submitted to Latvijas Banka in compliance with Paragraphs 38 and 39 herein and which Latvijas Banka reasonably believes to have been received from the Registry user, its employees or agents.

X. Third Party Rights

42. Any rights, interests, obligations, responsibilities and claims arising from the Rules shall not be transferred, pledged or assigned by a Registry user to any third party without Latvijas Banka's written consent.

43. The present Rules do not create any rights in favour of or obligations in relation to any entity other than Latvijas Banka and a Registry user.

XI. Governing Law, Jurisdiction and Court

44. The bilateral relationship between Latvijas Banka and a Registry user shall be governed by the laws and regulations of the Republic of Latvia.

45. The place of court regarding the legal relationship between Latvijas Banka and a Registry user shall be Riga, Latvia.

XII. Final provisions

46. Latvijas Banka shall have the right, at any time, to unilaterally amend the agreement "On the use of the Proxy Registry "Instant Links"", concluded between Latvijas Banka and a Registry user, the Rules, appendices hereto, and the "Functional Specifications of the Proxy Registry "Instant Links"" approved by the Board of Latvijas Banka (hereinafter, the "amendments"). Notifications of any amendments shall be furnished in writing. Amendments shall be deemed accepted by a Registry user who is not an EKS participant unless it expressly objects within 14 days of being informed of such amendments. Where a Registry user who is not an EKS participant objects to the amendments, Latvijas Banka shall be entitled to terminate the Registry user's access to the Registry immediately.

47. Where any provision in the Regulation becomes invalid, this shall not prejudice the applicability of other provisions hereof.

48. By using the Registry, a Registry user automatically agrees to the Rules regarding the relationship between the Registry user and Latvijas Banka.

49. Termination of access to the Registry shall not release a Registry user from complete execution of its obligations under the Rules.

50. It is assumed that on 15 April 2019 the Registry users have one registered BIC in the Registry.

Governor of Latvijas Banka

I. Rimšēvičs

Application Form for the Use of the Proxy Registry "Instant Links" (the Registry)

Application date	
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New	<input type="checkbox"/>	Modify	<input type="checkbox"/>	Delete	<input type="checkbox"/>
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Preferred activation date	
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Registered name of the Registry user¹	
VAT payer Register, No	
Registration number	

Registered BIC for the Registry user (insert and fill in a separate section for each registered BIC)											
BIC											
Test BIC											
Name ¹											
Application for the receipt of non-mandatory messages/list (mark the required options)											
Notification messages on entering new information in the Registry and notification messages on information deletion from the Registry.											<input type="checkbox"/>
The list of all phone numbers registered in the Registry, in file format	Via the file exchange service										<input type="checkbox"/>
	Via the web service										<input type="checkbox"/>

BIC of a credit institution of the same group as the Registry user, or an entity reachable via the Registry user or a credit institution of the same group (insert and fill in a separate section for each entity)											
BIC											
Test BIC											
Name ¹											

(name, surname and position of the person having the right to represent the Registry user)

(signature)

Governor of Latvijas Banka

I. Rimšēvičs

¹ When entered in the system, the name may be represented in Latin characters without the Latvian diacritical marks.

Riga, _____ 20__

SAMPLE

AGREEMENT No.

On the Use of the Proxy Registry "Instant Links" (the Registry)

Latvijas Banka (hereinafter, the BANK) represented by

(position, name and surname of the representative)

acting under _____,
(basis for the powers of representation)

on the one side, and _____
(name)

(hereinafter, the USER) represented by _____
(position, name and surname of the representative)

_____ acting under _____,
(basis for the powers of representation)

on the other side (hereinafter both collectively referred to as the PARTIES; hereinafter each individually also referred to as the PARTY), enter into the following agreement (hereinafter, the AGREEMENT).

1. The USER shall agree to apply for using the Registry in accordance with the "Rules for the Use of the Proxy Registry "Instant Links"" approved by the Council of Latvijas Banka (hereinafter, the Registry Rules).
2. Where the BANK accepts the application for the use of the Registry, the USER shall agree to act in accordance with the Registry Rules.
3. Where the BANK rejects the USER'S application for the use of the Registry or where the Registry user's access to the Registry is terminated pursuant to the Registry Rules, the AGREEMENT shall also become invalid at the same time.
4. The AGREEMENT shall take effect at the moment of its signing.
5. The AGREEMENT has been drawn up on 2 (two) pages in 2 (two) copies, with one copy for each PARTY.
6. Registered addresses and banking details of the PARTIES
 - 6.1. The BANK: K. Valdemāra iela 2A, Riga, LV-1050, Latvia; phone: +371 67022300, fax: +371 67022420, e-mail: info@bank.lv, registered with the Register of VAT payers of the State Revenue Service of the Republic of Latvia with No. LV90000158236. The settlement account with Latvijas Banka: No. LV35 LACB 0EUR 1750 5010 0, BIC LACBLV2X.

6.2. The USER: _____

BANK

THE USER

(signature)

(signature)

(date)

(date)

Governor of Latvijas Banka

I. Rimšēvičs