

FBE GUIDELINES ON LIQUIDITY MANAGEMENT

Scope of these guidelines

The following guidelines are intended to cover all euro payments made through TARGET and any other euro payment system. They are not intended to supersede guidelines or rules agreed in domestic systems, nor any bilateral agreement. Monitoring observance of the FBE Guidelines will be left to market forces. Accordingly, these Guidelines do not give rise to any legally enforceable rights or obligations.

1st Guideline

a) Euro payments related to interbank transactions such as the payment leg of money market, foreign exchange and derivative transactions which are traded before the value date (i.e. on date X-1 or prior) should be sent on value date (i.e. Day X) with sufficient liquidity coverage as early as possible in the day and no later than 12.00 CET-time.

b) Commercial payments received from the ordering party before the value date (i.e. on date X-1 or prior) should be sent on value date (i.e. Day X) with sufficient liquidity coverage as early as possible in the day and no later than 12.00 CET-time.

2nd Guideline

a) Euro payments related to interbank transactions such as the payment leg of money market, foreign exchange and derivative transactions which are traded on the value date **before 10.00 CET-time**, should be sent on the value date, with sufficient liquidity coverage as fast as possible and, at the latest, before 12.00 CET-time. Any of those euro payments related to interbank transactions traded on the value date **after 10.00 CETtime**, should be sent on the value date, with sufficient

liquidity coverage as fast as possible and, at the latest, two hours after the transaction has been agreed, or before 17.00 CET-time, whichever is earlier.

b) Commercial payments received from the ordering party on the value date should be sent on the value date with sufficient liquidity coverage as fast as possible and, at the latest, two hours after the payment is received, or before 17.00 CET-time, whichever is earlier.

c) Euro payments related to interbank liquidity position squaring transactions (for ESCB accounts) which are traded on the value date at 15.00 CET-time or later should be sent on the value date with sufficient liquidity coverage as fast as possible and, at the latest, two hours after the transaction has been agreed, or before the cut-off time of 18.00 CET-time, whichever is earlier.

3rd Guideline

A receiving Clearing Bank is not obliged to give same day value for a Late Payment (payment with a Debit/Execution time stamp of 17.00 CET-time or later) of a non Own Account Receipt with two exceptions:

a) The Sending Clearing Bank pre-agrees with the receiving Clearing Bank that same day value will apply (pre-agreed Late Payment). If pre-agreed Late Payment arrives on the agreed day, no compensation is due. However, if pre-agreed Late Payment does not arrive on the agreed day, the Sending Clearing Bank will pay special compensation, based on a minimum of the ECB Lending Rate plus an administrative fee.

b) If the Receiving Clearing Bank, at its own discretion, chooses to give same day value for a non preagreed Late Payment, or is obliged to do so according to local law/guidelines. In these instances, the Sending Clearing Bank will pay special compensation to the Receiving Clearing Bank based on the ECB Lending Rate less the ECB Deposit Rate, plus an administrative fee.