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## Conditions for acceptance of payment orders

Passed 11.05.2010 No. 4

The Decree is established on the basis of subsection 2 (1), clause 14 3) and subsection 15 (3) of the Eesti Pank Act, and subsection 709 (17) of the Law of Obligations Act.

### § 1. Scope of Decree

The Decree establishes specific requirements for the content of payment orders accepted by, and the conditions for acceptance of payment orders by credit institutions or financial institutions licensed or authorised to operate in the Republic of Estonia (hereinafter *credit institution*).

### § 2. Definitions

- (1) "Payment" is the settlement of a financial obligation between the payer and the payee.
- (2) "Payment order" is an order from the originator given to a credit institution, ordering the credit institution to make the payment amount available to the payee and containing all data required for unambiguous identification of the will of the originator.
- (3) "Originator" is the person who issues the payment order.
- (4) "Acceptance of a payment order" is the consent given by the credit institution to execute the payment according to the payment order. By accepting the payment order, the credit institution accepts the responsibility for the processing of the payment order.
- (5) "Payment amount" is the total amount to be paid to the payee under the payment order.
- (6) "Payer" is the person whose account is to be debited for the amount designated in the payment order.
- (7) "Payment intermediary" is a credit institution or payment system administrator, who participates in the execution of the payment by agreement of the payer's credit institution or the beneficiary's credit institution, and who is not the payer or the payee.
- (8) "Payee" is the person whose account is to be credited under the payment order.

### § 3. Types of payment orders

A payment order may be:

- 1) a credit order, where the originator is the payer;
- 2) a debit order, where the originator is the payee or a third party authorised by law or by agreement to originate the payment.

### § 4. Content of the payment order

(1) As a precondition for acceptance of the payment order, the credit institution is entitled to demand the presentation of at least the following information in the payment order:

- 1) name of the payer;
- 2) payer's account number;
- 3) name of the payee;
- 4) name or code of the beneficiary's credit institution, if necessary;
- 5) payee's account number;
- 6) registration number, registry code or personal identification code of the originator residing in the Republic of Estonia;
- 7) payment amount and currency;
- 8) the date when the originator's credit institution is obliged to begin processing of the payment order;
- 9) purpose of the payment, expressed in words or a reference number, if necessary;

10) contact data on the payment intermediary used by the credit institution (correspondent bank of the beneficiary's credit institution), if necessary.

(2) In case of failure to appropriately submit the data required in subsection 1 of this section, or in case of significant discrepancies in the interpretation of the data, the will of the originator shall not be deemed as clearly expressed, with the credit institution not being obliged to accept the payment order.

#### **§ 5. Notification of ambiguous payment orders**

If the payment order does not clearly express the will of the originator, and the originator has not designated otherwise, the credit institution who received the payment order shall notify, on the next settlement day at the latest,

- 1) the originator, if the credit institution who received the payment order is the originator's credit institution;
- 2) the originator's credit institution or payment intermediary, if the credit institution who received the payment order is not the originator's credit institution.

#### **§ 6. Preconditions for acceptance of a payment order**

(1) A credit institution shall be obliged to accept the payment order, if all of the following preconditions are met:

- 1) a payment order is submitted to the credit institution according to the conditions agreed upon;
- 2) the money necessary for executing the payment has been transferred or handed over to the credit institution;
- 3) the credit institution has agreed with the originator on the payment of the fees accompanying the execution of a payment;
- 4) the execution date stated in the payment order allows the credit institution accepting the payment order to observe the execution date of the payment order;
- 5) the execution of the payment does not violate any provision of laws or regulations applicable to the credit institution.

(2) In case of non-acceptance of the payment order, the money transferred or handed over shall be immediately returned to the payer within a reasonable period of time required for the repayment.

#### **§ 7. Forwarding of the information specified in the payment order**

(1) When transmitting a credit order in the course of executing a payment

- 1) from the payer's credit institution to the beneficiary's credit institution, or
  - 2) from the payer's credit institution to a payment intermediary, or
  - 3) from a payment intermediary to a payment intermediary or the beneficiary's credit institution
- the payment order has to be transmitted in such a way as to forward any data required for the execution of the payment order to the credit institution or payment intermediary without omissions or distortions, and to allow the beneficiary's credit institution to inform the payee of the originator and the purpose of the payment received.

(2) When transmitting a debit order in the course of executing a payment

- 1) from the beneficiary's credit institution to the payer's credit institution, or
  - 2) from the beneficiary's credit institution to a payment intermediary, or
  - 3) from a payment intermediary to a payment intermediary or the payee's credit institution
- the payment order has to be transmitted in such a way as to forward any data required for the execution of the payment order to the credit institution or payment intermediary without omissions or distortions, and to allow the payer's credit institution to inform the payer of the originator and the purpose of the claim.

#### **§ 8. Repeal of Decree**

Eesti Pank Governor's Decree No. 2, 14.05.2001, "Confirmation of instructions for settlement of payments" (RTL 2001, 62, 861; 2002, 75, 1164) is repealed.

Andres Lipstok  
Governor