

Special Provisions for the Paperless Cheque Collection Procedure (BSE-procedure) with Cheque Storage by the Customer

1. Authorised cheques

Only bearer and order cheques drawn on domestic credit institutions and issued for amounts below EUR 6,000.00 may be processed under the paperless cheque collection procedure.

2. Entry of cheque data

The Customer must capture the cheque data (cheque number, account number, amount, bank identification code and text key) on electronic data processing media completely and without alteration. The Customer is obliged to verify the formal correctness of the cheques in accordance with articles 1 and 2 of the Cheque Act. The customer may submit improperly filled out cheques to the bank for collection by means of a cheque submission form.

3. Layout of the BSE data record

The layout of the data records (A, C, E) must comply with the Conditions for the Customer's Participation in Automated Payment Transactions by the Paperless Exchange of Data Carriers by means of Magnetic Tapes or Disks.

Enter the constant "LK" in data record A, field 3. In deviation from the Conditions, the following fields in data record C must be completed in a BSE-specific manner as set forth below:

Field 3:	„Zeros“
Field 4:	Bank identification code of drawee bank from field 2 of the coding line of the cheques
Field 5:	Account number of cheque drawer from field 4 of the coding line of the cheque (right-justified)
Field 6a:*	Reference number: 1st digit =3, 2nd –12th digit = internal customer number or "zeros"
Field 7a:	Text key from field 1 of the coding line of the cheque (permitted text keys: 01, 02, 11)
Field 7b:	„Zeros“
Field 10:	Bank identification code of first collecting agent according to data record A, field 4
Field 14:*	Text constant: ""Cheque drawer"" left-justified
Field 15:	Text constant "Cheque no.", blank, 13 digits for cheque no. from field 5 of coding line of the cheque. Note: if less than 13 digits are filled in field 5 of the coding line, the cheque no. shall be filled with zeros up to 13 digits, left-justified
Field 16:	Blank, left-justified
Field 18:	„Zeros“

Disk format: Field 6, field 14a

4. Cheque storage by the Customer

The bank continues to be the cheque storage office according to the Cheque Agreement. The Customer will store the cheques for the Bank. The Customer is obliged to generate data records only for the cheques held by him. The Bank is authorised to verify whether a cheque exists for each data record.

If an error is detected during the verification or due to a complaint, the Bank is authorised to cancel the relevant amounts. If the Bank incurs any damages because the Customer has culpably generated BSE data records in the absence of corresponding cheques, the Customer shall reimburse the Bank for these damages. BSE data records may only be generated from cheques once.

In accordance with trade and tax regulations, the Customer is obliged to store original cheques or copies of the front and back that allow for a graphical reproduction of the cheques. In any case, the original cheques shall be stored for a period of two months.

A returned BSE data record may not be resubmitted for collection.

The Bank may at any time request that the Customer surrender the original cheques or, after expiration of two months, the cheque copies. The Customer shall ensure that the individual cheques or cheque copies are surrendered on the business day following the request at the latest. Upon request, the Customer is also obliged to send the cheque or a copy of the cheque directly to a different bank. An original cheque must be marked by attaching the stamp "BSE" in the right-hand corner of the coding line prior to delivery in order to avoid that it is mistakenly resubmitted for collection.

Cheques marked in this manner may not be resubmitted for collection.

5. Submission of the file

The Customer shall submit the file in accordance with the concluded COTRANSFER-Agreement on the acceptance of data carriers or for remote data transmission.

6. Collection order

The Bank is instructed to collect the amounts contained in the cheque collection file from the drawee bank for the benefit of the Customer.

7. Rights from a cheque

As a result of the paperless collection of the cheque proceeds and the storage of the cheque by the Customer, the original of the cheque will not be submitted to the drawee bank. If the cheque is not honoured, the cheque holder may as a result lose his/her rights. Cheque proceedings against the drawer of a cheque can only be conducted if the cheque is submitted to the drawee Bank within the time period allowed for submission. This is usually not possible under the paperless cheque collection procedure.

The Customer will therefore be obliged to enforce its rights under the contract underlying the cheque issuance by ordinary court proceedings. If, in exceptional cases, the Customer incurs damages as a result of this, the Customer shall bear these damages itself as it has instructed the Bank to collect the cheque on a paperless basis.

In accordance with clause 15 of its General Business Conditions, the Bank under this procedure

shall nevertheless acquire ownership by way of security in the cheques; the underlying claims shall vest in the Bank in accordance with clause 15 of the General Business Conditions.

8. Order cheques

The Customer is obliged to verify whether the holder is authorised by a proper chain of endorsement. In addition, the holder/endorser shall endorse the order cheque for the benefit of the Customer. Thereafter, the Customer shall endorse order cheque for the of the Bank.

9. Account credit

All proceeds will be credited to the account subject to final payment.

10. Presentation note on a cheque

If the Customer requests that the Bank as the first collecting agent applies a notice that a cheque has been presented but remains unpaid, the Customer shall submit the original cheque together with the Bank's notice of non-payment.

11. Liability

If the Customer culpably breaches the obligations imposed on it pursuant to these Conditions, the Customer shall be liable for the resulting damages incurred by the Bank. The Bank shall be liable for damages to the extent of its contributory negligence. Any damages incurred because the original cheque was not presented to the drawee Bank at all or was presented late shall be borne by the Customer alone.

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