

DETAILED TERMS AND CONDITIONS FOR VAT ACCOUNTS AND THE SPLIT PAYMENT MECHANISM FOR CORPORATE CLIENTS



Bank Polski

I. General provisions

1. Due to the provisions implemented by the Act of 15 December 2017 Amending the VAT Act and Certain Other Acts, detailed terms and conditions are hereby introduced for the VAT accounts opened for corporate clients in connection with current and auxiliary accounts ("accounts") with PKO Bank Polski SA.

II. VAT accounts

2. VAT accounts are opened on the basis of the Banking Law.
3. VAT accounts are used for executing payment transactions with the split payment mechanism referred to in the VAT Act.
4. The account holder may only use the funds in the VAT account for executing the transactions stipulated in the Banking Law Act, including but not limited to making and receiving split payments, making VAT transfers to the tax office and making transfers on the basis of information about the decision taken by the head of the tax office referred to in Section 21(2).
5. VAT accounts are maintained in the Polish currency.
6. The Bank will maintain only one VAT account regardless of the number of accounts operated for the Account Holder. At the request of the Account Holder, if they have more than one account in PLN, the Bank may maintain more than one VAT account for the same Account Holder.
7. VAT accounts are opened and maintained without the need to sign separate agreements.
8. VAT accounts are opened and maintained free of charge.
9. VAT accounts are non-interest bearing.
10. VAT accounts are not issued with any payment instruments within the meaning of the Payment Services Act.
11. VAT accounts are available in electronic banking only with passive access.
12. VAT account statements with information on account balance and balance movement are prepared and sent in the manner determined for the account linked to the VAT account.

III. Split payment mechanism

13. In the split payment mechanism:
 - 1) payments in respect of the whole or a part of the tax amount arising from the VAT invoice received are made to the VAT account;
 - 2) payments in respect of the whole or a part of the net sales amount arising from the VAT invoice received are made to the account for which the VAT account is maintained.
14. The split payment mechanism may only be used by the clients who hold accounts in the Polish currency.
15. Payment transactions using the split payment mechanism are made in Polish zlotys only.
16. Payment transactions using the split payment mechanism are only made using a transfer message which includes:
 - 1) gross amount,
 - 2) VAT amount included in the gross amount,
 - 3) number of the invoice concerned,

4) supplier's ID.

17. Payment transactions using the split payment mechanism may only be mandated through the Account Holder's current or auxiliary account, i.e. they cannot be executed directly from the VAT account.

IV. Terminating and closing the account connected with the VAT account

18. Termination of the agreement for the account which is linked to the VAT account causes the VAT account to be closed (subject to Section 19), unless the account is linked to another account.

19. A VAT account can only be closed if its balance is nil and it is not linked to any other account.

20. The Account Holder is required to take steps and make settlements to ensure that the balance in the VAT account is nil.

21. If the VAT account has a positive balance, the funds can be transferred to:

- 1) another VAT account that the Bank maintains for the Account Holder or
- 2) an account indicated in the notification of the decision of the head of the tax office with consent to transfer funds from the VAT account to the account indicated in the decision.

22. Regardless of the balance in the VAT account at the time notice is given of termination of the account agreement, the termination will be effective at the end of the notice period provided that the balance in the VAT account is nil. If at the end of the notice period, the balance in the VAT account is positive, the termination will be effective when the balance is nil.

23. By the time the Bank receives notification of the decision of the head of the tax office referred to in Section 21(2), the Bank will continue to provide services under the agreement with conditions unchanged, subject to Section 24.

24. If the Bank terminates the agreement, until the time the Bank receives notification on the decision of the head of the tax office referred to in Section 21(2), the Bank reserves the right to block any credits and debits to the account linked to the VAT account, and to the VAT account itself. Credit and debit transactions may be blocked between the date when the account agreement termination notice is effectively served and the date when the balance in the VAT account changes to nil.

V. Other provisions

25. These terms and conditions shall apply until they are implemented in the rules governing the agreement for the account for which the VAT account was opened.

26. The Bank will notify the Account Holder of any changes to the rules referred to in Section 25 in the manner envisaged for communicating changes to the agreement template referred to in the relevant rules.

27. Any matters not regulated by these terms and conditions shall be governed by the applicable laws, particularly by the VAT Act and the Banking Law Act.