

**REGULATIONS**  
**of the Euro Elixir System**

Document history

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## TABLE OF CONTENTS

<b>CHAPTER I.....</b>	<b>6</b>
<b>GENERAL PROVISIONS .....</b>	<b>6</b>
<b>CHAPTER II.....</b>	<b>9</b>
<b>PARTICIPATION IN THE EURO ELIXIR SYSTEM.....</b>	<b>9</b>
<b>CHAPTER III.....</b>	<b>11</b>
<b>SUBJECT OF CLEARINGS .....</b>	<b>11</b>
<b>CHAPTER IV. ....</b>	<b>12</b>
<b>RULES FOR TRANSFERRING MESSAGES TO THE EURO ELIXIR SYSTEM</b>	<b>12</b>
<b>CHAPTER V. ....</b>	<b>13</b>
<b>CLEARING AND SETTLEMENT.....</b>	<b>13</b>
<b>CHAPTER VI. ....</b>	<b>15</b>
<b>SETTLEMENT GUARANTEE .....</b>	<b>15</b>
<b>CHAPTER VII. ....</b>	<b>16</b>
<b>OTHER PROVISIONS ON CLEARINGS AND SETTLEMENT .....</b>	<b>16</b>
<b>CHAPTER VIII. ....</b>	<b>16</b>
<b>SUSPENSION OF ACTIVITIES, BANKRUPTCY AND EXCLUSION OF THE PARTICIPANT FROM CLEARINGS .....</b>	<b>16</b>
<b>CHAPTER IX. ....</b>	<b>19</b>
<b>ENCRYPTION OF COLLECTIONS AND DIGITAL SIGNATURE.....</b>	<b>19</b>
<b>CHAPTER X. ....</b>	<b>19</b>
<b>MAKING THE EURO ELIXIR-OR SUBSYSTEM AVAILABLE .....</b>	<b>19</b>
<b>CHAPTER XI. ....</b>	<b>19</b>
<b>DATA ARCHIVING AND REPORTING .....</b>	<b>19</b>

<b>CHAPTER XII. ....</b>	<b>20</b>
<b>PRINCIPLES OF PERSONAL DATA PROCESSING .....</b>	<b>20</b>

**CHAPTER I.**  
**GENERAL PROVISIONS**

**§ 1.**

1. These Regulations set the principles of operation of the Euro Elixir system, particularly:
  - 1) mode of exchange of interbank and interbranch payment orders;
  - 2) clearing procedure in the Euro Elixir System;
  - 3) deadline and rules for the payment of net liabilities;
  - 4) mode of settlement of payment orders cleared in the Euro Elixir System completed in the TARGET-NBP system.
2. The procedure referred to in section 1 point 2 encompasses: mode of exchange of payment orders and registration of mutual liabilities and receivables of the Participants by Krajowa Izba Rozliczeniowa S.A., and principles of conduct in the conversion of mutual liabilities and receivables of the Participants into one net liability or net receivable for every Participant arising from the clearing of intrasystem payment orders and intersystem payment orders.
3. The Euro Elixir System works in the TARGET-NBP system as a TARGET ancillary system supervised by NBP for which the rules of settlement and connection to the TARGET-NBP system are set forth in the functional specification of the TARGET system and in the bilateral agreement between NBP and KIR.

**§ 2.**

The expressions used in the Regulations and other contractual models binding to the Participants with regard to the Euro Elixir system and issued by Krajowa Izba Rozliczeniowa S.A. shall have the following meaning:

- |                                 |   |  |
|---------------------------------|---|--|
| 1) settlement bank              | - | direct participant in the TARGET system that has a RTGS account in this system;  |
| 2) block of messages            | - | block of data including one or more messages; the rules for creating a block of messages are set forth in "Technical Specification No. 3";   |
| 3) KIR gate                     | - | system for the teletransmission exchange of data between the Euro Elixir system and the Participant's units;   |
| 4) certificate                  | - | digital signature certificate issued by KIR;   |
| 5) settlement cycle             | - | phase of the settlement completed after the liquidity adjustment phase in which the sub-accounts of the Participants are debited and the technical account of KIR is credited, and the technical account of KIR is debited and the sub-accounts of the Participants and RTGS accounts of ancillary clearing systems are credited in the TARGET system; |
| 6) liquidity adjustment         | - | phase of the settlement in which the funds in the amount required for settlement due to clearing of payment orders of the Participants in the Euro Elixir system are transferred from the RTGS account to the sub-accounts of the Participants;  |
| 7) ECB                          | - | European Central Bank;   |
| 8) guarantee fund               | - | funds of the Participants managed by KIR and gathered on the additional account in the TARGET-NBP system in order to cover shortages for the Participant, that is the amount missing to cover the liability of the Participant during the settlement session due to the clearing of the received intersystem debit payment orders;                     |
| 9) BIC                          | - | ISO-9362-compliant, international unique code identifying banks and other institutions that is to be applied in automated processing in banking and similar financial environments;  |
| 10) payment instrument          | - | instrument that allows its holder or user to transfer monetary funds, e.g. payment card, cheque, transfer order or direct debit;   |
| 11) directly participating unit | - | unit of the Participant that independently sends and receives messages to/from the Euro Elixir system;   |

12) KIR's unit	-	KIR's field unit listed in the base collections;
13) indirectly participating unit	-	unit of the Participant or organisational unit of indirect Participant that sends and receives messages by the agency of the directly participating unit;
14) Participant's unit	-	branch of the Participant, as well as any other organisational unit of the Participant that takes part in the exchange of messages in the Euro Elixir system, and, in the case of Participants being association banks within the meaning of Article 2 point 2 of the Act of 7 December 2000 on the Operation of Cooperative Banks, their Association and Association Banks, also associated cooperative bank;
15) KIR	-	Krajowa Izba Rozliczeniowa S.A. (joint-stock company);
16) private key	-	data used to place digital signature;
17) public key	-	data used to verify digital signature;
18) message	-	electronic payment order or other information prepared in the form of electronic document (message) in accordance with the requirements of the Euro Elixir system set forth in "Technical Specification No. 2";
19) NBP	-	National Bank of Poland;
20) Ognivo	-	service which enables the exchange of information, particularly with regard to interbank clearings, by the agency of KIR's dedicated online platform;
21) network operator	-	external company providing ICT services;
22) digital signature	-	digital signature verified on the basis of the certificate;
23) Euro Elixir-OK subsystem	-	part of the Euro Elixir system used by the Participants' units to send and receive messages to/from the Euro Elixir system and verify their correctness;
24) settlement procedure C	-	model in which the payment orders cleared in the Euro Elixir system are settled in the TARGET-NBP system, with the use of the interface variant that involves the transfer of dedicated liquidity for such settlement into sub-accounts;
25) clearing flow	-	cycle of processing of messages exchanged in the Euro Elixir system;
26) RTGS account	-	account opened on behalf of the settlement bank or on behalf of the TARGET ancillary system in the accounting books of national central banks;
27) KIR's technical account	-	KIR's account opened in the TARGET-NBP system which intermediates in the transfer of funds between the Participants' sub-accounts;
28) reports	-	information about the sent and received messages received from the Euro Elixir system by directly participating units after every clearing flow;
29) Regulations	-	Regulations of the Euro Elixir system;
30) GDPR	-	Regulation of the European Parliament and of the Council (EU) of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC;
31) interbank clearings	-	actions performed by KIR as part of the Euro Elixir system that include the exchange of payment orders, statement of mutual liabilities and receivables of the Participants, and their compensation;
32) interbranch clearings	-	sending, by the agency of KIR, of payment orders that are not subject of settlement between the units of the same Participant;
33) settlement	-	operation of execution of liabilities and receivables of the Participants arising from the balances that follows settlement procedure C in the TARGET-NBP system and is performed by KIR;

- 34) SCT - trans-European transfer order in the SEPA standard;
- 35) SDD<sup>1</sup> - trans-European direct debit in the SEPA standard;
- 36) balance - result of compensation of sums of liabilities and receivables of the Participant, cleared in a given clearing session, towards other Participants with regard to the exchange of payment orders in the Euro Elixir system;
- 37) clearing session - processing of payment orders in the Euro Elixir system that consists in the determination of mutual liabilities and receivables of Participants at a given moment;
- 38) settlement session - process of settlement taking place in the TARGET-NBP system and performed by KIR;
- 39) SEPA standards - standards for trans-European payment instruments developed and maintained by the European Payment Council (EPC) for the purposes of clearings in the Single Euro Payment Area (SEPA);
- 40) sub-account - additional account in the TARGET system of the settlement bank or TARGET ancillary system associated with its RTGS account, dedicated for the settlement of payment orders cleared in the Euro Elixir system; the settlement bank may have a sub-account dedicated to the settlement of own payment orders and sub-accounts for other Participants;
- 41) Euro Elixir system - system of retail payments in EUR run by KIR;
- 42) STEP2-T system - ancillary clearing system run by ABE Clearing S.A.S. à capital variable (hereinafter “EBA Clearing”);
- 43) TARGET system - Trans-European Automated Real-Time Gross Settlement Express Transfer System for payments in Euro; the settlement conducted in the TARGET system is irrevocable and final;
- 44) TARGET-NBP system - system being the Polish component of the TARGET system run by NBP;
- 45) TARGET ancillary system - a category of participant of the TARGET system supervised by a competent central bank that may conduct the settlement directly in that system;
- 46) Participant - entity being a payment service provider within the meaning of Article 4 of the Act on Payment Services that may be a payment system participant, within the meaning of Article 1 point 5 letters a – k of the Act on Settlement Finality, concluded a participation agreement with KIR and met the conditions for joining the Euro Elixir system;
- 47) Indirect Participant - entity being a payment service provider within the meaning of Article 4 of the Act on Payment Services that may be a payment system participant, within the meaning of Article 1 point 5 letters a – k of the Act on Settlement Finality, is bound by the agreement with the participant on intermediation in the transfer of payment orders from/to the Euro Elixir system, and its organisational unit is an indirectly participating unit;
- 48) participation agreement - agreement for participation in the Euro Elixir system;
- 49) AML Act - Act of 1 March 2018 on Combating Money Laundering and Financing Terrorism;
- 50) Act on Settlement Finality - Act of 24 August 2001 on Settlement Finality in Payment Systems and Settlement Systems for Securities and Principles of Supervision over these systems;
- 51) Act on Payment Services - Act of 19 August 2011 on Payment Services;
- 52) Act on Banking Law - Act of 29 August 1997 on the Banking Law;

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<sup>1</sup> The Participants shall be notified about the date of operational launch of SDD clearings in the Euro Elixir system at least 3 months in advance.



- 53) exchange of payment orders - sending payment orders between the Participants conducted by the agency of the Euro Elixir system;
- 54) base collections - set of data collections containing identification data of the Participants, directly participating units, indirectly participating units, with consideration given to the mutual relations between these entities, data of KIR's units, and other auxiliary data for the Euro Elixir system and record data used by other applications;
- 55) result collections - collections with clearing results, separately for (intrasystem and intersystem) credit and debit payment orders, which contain information about liabilities and receivables in the relation between the Participants;
- 56) balance collections - collections transferred to settlement banks that are Participants or opened a sub-account for the Participant which contain information about balances of the Participants having liabilities in a given settlement cycle after the clearing of intrasystem and intersystem payment orders;
- 57) message collection - collection of blocks of messages with digital signature (BIF); rules for the creation of message collection are set forth in "Technical Specification No. 3";
- 58) ancillary clearing system - clearing system in which intersystem orders are cleared, that is the STEP2-T system, clearing system operating as part of EACHA, run by an institution providing clearing and settlement services and operating in a country belonging to the European Economic Area with which KIR concluded an agreement on mutual clearing of intersystem orders in the SEPA standard;
- 59) payment orders - electronic credit and debit documents drawn up in the form proper for the Euro Elixir system, presented for clearing by the Participant or by KIR on behalf of the Participant; settlement orders within the meaning of Article 1 point 12 letter a of the Act on Settlement Finality;
- 60) intersystem payment orders - payment orders sent to or received from ancillary clearing systems;
- 61) debit payment orders - payment orders in which monetary funds are transferred in the direction opposite to the orders themselves;
- 62) original payment orders - payment orders received by directly participating unit as part of interbank clearings;
- 63) credit payment orders - payment orders in which monetary funds are transferred in the same direction as the orders themselves;
- 64) intrasystem payment orders - payment orders transferred in the Euro Elixir system between any Participants;
- 65) secondary payment orders - payment orders received by a directly participating unit due to the launch of the settlement guarantee mechanism, withdrawing payment orders received in a given flow from interbank clearings;
- 66) standing orders - orders for regular transfers of specific amount from a RTGS account to a sub-account conducted by the settlement bank.

## **CHAPTER II.**

### **PARTICIPATION IN THE EURO ELIXIR SYSTEM**

#### **§ 3.**

1. The Participant's units are included in the clearings in the Euro Elixir system, with settlement in the TARGET-NBP system, from the date set by KIR, after concluding the participation agreement, paying the fee for joining the Euro Elixir system by the Participant, meeting the criteria for accessing the Euro Elixir system, and completing the Euro Elixir compatibility test with a positive result.
2. KIR informs the Participant about the date of inclusion of its units and its indirectly participating units in the clearing process in the Euro Elixir system.

#### **§ 4.**

The Participant is obliged to:

- 1) make available to KIR, for inspection, the technical devices and their software that condition the proper performance of clearing procedures in the Euro Elixir system;
- 2) conduct tests at the dates and within the scope specified by KIR;
- 3) accept messages and complete payment orders received via the Euro Elixir system;
- 4) not copy and use the Euro Elixir-OK subsystem and base collections for purposes other than cooperation with KIR and NBP;
- 5) use the devices and software in a way consistent with manuals for these devices and the current software version;
- 6) update data about the Participants' units and indirectly participating units in its systems on the basis of base collections provided by KIR;
- 7) assign all BICs of the Participant to units included in the Euro Elixir system, where every directly participating unit should have at least once BIC assigned to it;
- 8) assign BICs to indirectly participating units handling messages compliant with the SEPA standards;
- 9) not decompile software and databases made available by KIR in order to learn the algorithms of their operation.

#### **§ 5.**

1. The Participant shall inform KIR about its intention to include in the SCT and/or SDD clearings in the Euro Elixir system a Participant's unit or an indirectly participating unit handled by it at least one month before the planned date of inclusion.
2. In the case of intention to include an indirectly participating unit being an organisational unit of an indirect Participant, the information referred to in section 1 shall also include basic data about the contractual relation between the Participant and indirect Participant with regard to intermediation in transferring the messages.
3. Before starting the mandatory tests, KIR shall provide the Participant with the list of KIR-recommended cryptographic devices and present its offer of software compatible with the Euro Elixir system.
4. The information referred to in sections 1 and 2 and its updates are sent by the Participant in the forms whose models are presented in "Technical Specification No. 1."

#### **§ 6.**

1. Every directly participating unit may handle indirectly participating units provided that it follows the principle that a given clearing number of the indirectly participating unit indicated in the base collections is assigned to the clearing number of only one directly participating unit.
2. KIR conducts clearings for indirectly participating units only by the agency of directly participating units.

#### **§ 7.**

1. In order to settle payment orders cleared in the Euro Elixir system, the Participants are obliged to have a dedicated sub-account opened as part of the RTGS account in the settlement bank in the TARGET system.
2. Every Participant that is not a settlement bank must indicate a settlement bank that shall intermediate in the settlement of its payment orders, where the settlement bank opening the sub-account for the Participant does not have to be a Participant in the Euro Elixir system. Detailed rules of intermediation are regulated by the bilateral agreement between the settlement bank and the Participant.
3. The rules of participation in the TARGET system arise from separate regulations, particularly the Guidelines of the European Central Bank of 26 April 2007 on a Trans-European Automated Real-time Gross settlement Express Transfer system (TARGET) (EBC/2007/2) (Official Journal of the EU L 2007 No. 237, page 1, as amended) and the provisions of central banks on national components of the TARGET system. The submission for participation in the TARGET system is made by the central bank competent for the payment area where the RTGS account is to be kept or the sub-account is to be opened.
4. The Participants who also are direct participants in the TARGET system send the registration forms required for the registration of settlement banks in the TARGET system to NBP. The form and registration guide are available at the website of NBP, [www.nbp.pl](http://www.nbp.pl), in the TARGET Payment System tab, in the section that requires authorisation.
5. The information about sub-account numbers and their updates are provided to KIR by the central bank supervising the payment area proper for a given settlement bank.

### **§ 8.**

1. Based on the information and data referred to in § 5 section 4 provided to KIR, the base collections are updated in accordance with the following rules:
  - 1) deadlines for updating the base collections are set by KIR;
  - 2) the Participant reports changes of data of the Participant's units and indirectly participating units of indirect Participant handled by the Participant to KIR at least one month in advance of such changes;
  - 3) the proposed date of updating data should be consistent with the change schedule set forth by KIR;
  - 4) the date of updating data given by the Participant that is not consistent with the change schedule set forth by KIR shall be moved accordingly; KIR shall inform the interested Participant about the date being moved;
  - 5) the current base collections are stored at KIR and made available to every directly participating unit via the KIR gate.
2. Within the scope of SCT and SDD clearings, KIR shall provide the Participants with tables containing information about direct and indirect participants of ancillary clearing systems separately for participants in SCT clearings and participants in SDD clearings. The tables are provided to the Participants in base collections after they are made available by operators of these systems.

### **§ 9.**

1. KIR shall include a directly participating unit submitted by the Participant in the mode set forth in § 5 in its implementation plan by setting the dates for making software and/or training available (if such need is reported by the Participant), conducting tests and including the directly participating unit in the clearing process in the Euro Elixir system, and shall inform the interested Participant about this fact.
2. After completing the Euro Elixir-compatibility test with a positive result, KIR shall enter the submitted directly participating unit to the base collections with the indication of the date from which a given unit shall participate in the exchange of messages. The criteria for the tests of directly participating units are set forth in "Technical Specification No. 10."
3. In the case of negative result of the test, KIR shall refuse to admit the directly participating unit to participation in the clearing process in the Euro Elixir system until the Participant removes obstacles in admission and retakes the Euro Elixir-compatibility test with a positive result.

## **CHAPTER III.**

### **SUBJECT OF CLEARINGS**

#### **§ 10.**

1. The subject of clearings in the Euro Elixir system are payment orders submitted in the form of SCT or SDD electronic message.
2. The types of payment orders submitted in the Euro Elixir system are as follows:
  - 1) intrasystem payment orders;
  - 2) intersystem payment orders.
3. The formats of messages and message collections are set forth in: "Technical Specification No. 2" and "Technical Specification No. 3."

#### **§ 11.**

1. Payment orders may be exchanged between:
  - 1) units of various Participants;
  - 2) units of the same Participant.
2. The directly participating units may receive control and steering information from the Euro Elixir system set forth in "Technical Specification No. 2."
3. The rules for creation and structures (formats) of individual messages in the Euro Elixir system are set forth in "Technical Specification No. 2"; the messages that do not meet the requirements specified therein are rejected.
4. The intersystem payment orders sent to BICs not handled by the ancillary clearing systems are rejected.

5. The messages exchanged in the Euro Elixir system are merged into blocks, and the blocks into message collections.
6. KIR reserves the possibility to choose an ancillary clearing system for the clearing of intersystem payment orders.
7. The intersystem payment orders are cleared in the STEP2-T system in cooperation with NBP that, being a direct participant in the STEP2-T system, acts as an intermediary in the clearings of intersystem payment orders sent to or received from the STEP2-T system by the Participants. Only an NBP's unit indicated by NBP may be the sender of intersystem payment orders sent to the STEP2-T system and the recipient of intersystem payment orders received from the STEP2-T system.

#### **CHAPTER IV.**

#### **RULES FOR TRANSFERRING MESSAGES TO THE EURO ELIXIR SYSTEM**

##### **§ 12.**

The messages sent by the Participants are registered constantly for a given clearing flow in accordance with the schedule set forth in "Technical Specification No. 8."

##### **§ 13.**

The orders may be delivered in the form of electronic messages registered in the collection transferred via teletransmission with the use of the KIR gate.

##### **§ 14.**

The messages may be delivered to the Euro Elixir system only by directly participating units.

##### **§ 15.**

1. The message collections should be marked and registered in a way agreed for the given directly participating unit between KIR and the Participant.
2. In the case of failure to meet the requirements set forth in section 1, the message collections sent shall not be processed but shall be returned to the unit that sent them with the completed information about the type of error.

##### **§ 16.**

1. If the message collections are sent via teletransmission, the technical conditions of teletransmission shall be agreed by the Participant and the network operator. The message collection shall be considered as delivered to KIR after registration in the KIR's computer designated according to the communication address given to the directly participating unit.
2. The message collections shall be made available to the directly participating unit by teletransmission with the use of the KIR gate. The mode of running the exchange of message collections between KIR and the Participant is set forth in "Technical Specification No. 16."
3. The directly participating units receive message collections created by the Euro Elixir system in a given clearing flow after the settlement.
4. If the Participant uses the SFTP protocol to deliver and receive message collections, the Participant shall be liable for establishing communication with KIR. If communication is broken, the directly participating unit should reestablish it.

##### **§ 17.**

1. The premises of the directly participating unit where the computer used for the transmission of message collections to and from the Euro Elixir system is working must be fitted with operational phone connected to the generally accessible network to be used to agree on the mode of operation of the Participant and KIR in emergency situations.
2. A directly participating unit shall be obliged to have a main and back-up ICT connection in accordance with "Technical Specification No. 10."
3. In the case of failure of both ICT connections the directly participating unit may send and receive message collections via Ognivo.
4. KIR reserves the right to run periodical tests of ICT connections and emergency sending and receiving of message collections via Ognivo. The schedule and scope of tests are set forth by KIR.

5. The effects of failure to meet the obligations referred to in sections 1 and 2 are borne exclusively by the Participant whose unit has failed to meet these obligations.

## **CHAPTER V. CLEARINGS AND SETTLEMENT**

### **§ 18.**

KIR conducts clearings in the Euro Elixir system, with settlement completed in the TARGET-NBP system, on operating days and times of the TARGET system.

### **§ 19.**

1. After obtaining the permission from NBP, KIR may introduce changes to its own calendar of clearing days, but not later than two months before the clearing day to which the change pertains.
2. KIR shall promptly notify the Participants about changes introduced in its own calendar of clearing days; the changes apply to all Participants.

### **§ 20.**

1. KIR registers the liabilities and receivables of the Participants that arise from the exchange of payment orders.
2. The payment orders entered to the Euro Elixir system and submitted by a directly participating unit for clearing in the Euro Elixir system in a given clearing flow cannot be withdrawn by such unit or the Participant from clearings after closing access to such clearing flow, and become irrevocable.
3. The payment order delivered before the closure of access to a given clearing flow is entered to the Euro Elixir system after the end of verification of the message collection in which it has been sent and the end of verification of a given payment order.

### **§ 21.**

The message collections and payment orders delivered to KIR are verified in the Euro Elixir system by checking their compliance with the requirements set forth in "Technical Specification No. 2" and "Technical Specification No. 3." The message collections and payment orders are verified by the end of the processing stage of a given clearing flow in accordance with "Technical Specification No. 8."

### **§ 22.**

1. The payment orders referred to in § 10 section 2 are cleared in the clearing session. The clearing session is closed when the balances are determined for all Participants.
2. After the clearing of payment orders referred to in § 10 section 2, one balance collection is created for every settlement bank running sub-accounts for the Participants. The balance collection is provided to the settlement bank after every clearing flow.
3. Every clearing session of the Euro Elixir system includes all payment orders that need to be cleared and settled in a given clearing flow.
4. The names and structures (formats) of the balance collection are set forth in "Technical Specification No. 5."

### **§ 23.**

1. The result collections from every clearing flow of the Euro Elixir system are provided to the Participants and include information about the clearing of all payment orders referred to in § 10 section 2, separately for credit and debit payment orders.
2. The times of making the result collections available to the Participants are set forth in "Technical Specification No. 8."
3. The names and structures (formats) of the result collections are set forth in "Technical Specification No. 5."

### **§ 24.**

1. The payment orders cleared in the Euro Elixir System are settled in the TARGET-NBP system.
2. The settlement referred to in section 1 is initiated by KIR and follows settlement procedure C in the interface variant, that is on the sub-accounts of settlement banks where the funds are blocked for the settlement of payment orders cleared in the Euro Elixir system.
3. KIR has a technical account opened in the TARGET-NBP system. After completing settlement procedure C, the balance of the technical account is zero.

## **§ 25.**

1. In every clearing flow, there is settlement procedure C in which at least one settlement cycle is started. The schedule of clearing flows and times of settlement procedures C is set forth in “Technical Specification No. 8.”
2. In the settlement cycle KIR initiates the settlement in the TARGET-NBP system for amounts resulting from multilateral compensation of mutual liabilities and receivables arising from the clearing of payment orders of every Participant referred to in § 10 section 2, at the times specified in the schedule of the clearing flows described in “Technical Specification No. 8.”
3. Settlement procedure C is completed according to the following phases:
  - 1) start of the settlement procedure;
  - 2) execution of standing orders;
  - 3) liquidity adjustment;
  - 4) settlement cycle;
    - a) start of the settlement cycle,
    - b) blocking the funds,
    - c) settlement,
    - d) end of the settlement cycle,
  - 5) end of the settlement procedure.

The phases of settlement procedure C are presented in detail in § 26 – § 30.

4. In the case of circumstances caused by force majeure or emergency situation that might affect clearing in the Euro Elixir system and settlement, on a given clearing day KIR, in agreement with NBP, may not complete one or several clearing flows, complete one or several clearing flows with settlement without taking messages into account, or change the schedule of clearing flows set forth in “Technical Specification No. 8” and the date of making the result collections referred to in § 23 section 1 available.

### **Start of settlement procedure C**

## **§ 26.**

Settlement procedure C is launched at times set forth in “Technical Specification No. 8” within the timeframe of the operating day of the TARGET system.

### **Execution of standing orders**

## **§ 27.**

The funds that shall be credited to the sub-account as a result of execution of standing orders by settlement banks before the start of settlement procedure C shall not be included in the amount of funds transferred in the phase of liquidity adjustment.

### **Liquidity adjustment**

## **§ 28.**

1. In the liquidity adjustment phase the funds from the liabilities of the Participants are transferred in the amount of balances determined after the clearing of payment orders referred to in § 10 section 2 from the RTGS accounts to sub-accounts.
2. In the liquidity adjustment phase the settlement bank may top up the balance on the sub-account (sub-accounts) to the amount required for settlement by issuing proper orders.
3. The transfer of funds corresponding to the determined balances referred to in § 22 section 1, from RTGS accounts to sub-account (sub-accounts), may be initiated by the settlement bank or KIR. It is also possible for the transfer of funds for some sub-accounts of a given settlement bank to be made upon the initiative of the settlement bank, and for others – upon the initiative of KIR.
4. The information about the mode of transfer of funds from the RTGS account to the sub-account (sub-accounts) is provided, one month in advance, by the settlement bank in form “BB” whose model is presented in “Technical Specification No. 1.”
5. The settlement bank that does not agree to the KIR’s transfer of funds corresponding to the determined balances referred to in § 22 section 1 from the RTGS account to the sub-account (sub-accounts) is obliged to make the

transfer of funds from the RTGS account to its sub-account and the sub-account of every Participant for whom it intermediates in the settlement.

6. Based on the information about the determined balances referred to in § 22 section 2, in every settlement cycle the settlement bank provides the funds in the amount required for settlement with regard to its obligations and obligations of the Participants for whom it intermediates in the settlement.
7. If the amount in the RTGS account of the settlement bank is insufficient for settlement, KIR transfers all funds available in the RTGS account to the sub-account (sub-accounts).

#### **Settlement cycle**

##### **§ 29.**

1. When the settlement cycle is started, the funds gathered in the sub-accounts in the liquidity adjustment phase are blocked and only such funds shall be considered in the settlement cycle.
2. In the course of the settlement cycle, the funds of Participants with liabilities are moved from the sub-accounts to the KIR's technical account, and then from the KIR's technical account to the sub-accounts of Participants and to the RTGS accounts of ancillary clearing systems recognised in a given settlement cycle.
3. Every settlement cycle is preceded with a liquidity adjustment phase.
4. If the funds are missing in the sub-account of at least one Participant with regard to the balances referred to in § 22 section 1, the settlement guarantee procedure referred to in § 31 is launched.
5. The funds missing for the settlement of selected debit payment orders are supplemented by KIR with the Participant's funds gathered in the guarantee fund. The rules of operation of the guarantee fund are set forth in "Regulations of the guarantee fund for the clearing of SEPA Direct Debit messages" that are enclosed to the participation agreement.
6. If there is enough funds in the sub-accounts to cover the net liabilities of the Participants with regard to the exchange of orders referred to in § 10 section 2 or after the execution of the settlement guarantee procedure referred to in § 31, KIR initiates the settlement in the TARGET-NBP system.
7. After the execution of the settlement and the closure of the settlement cycle, the funds in the sub-accounts are unblocked.

#### **End of settlement procedure C**

##### **§ 30.**

The closure of settlement procedure C releases the funds gathered in the sub-accounts. The funds gathered in the sub-accounts are automatically transferred to the related RTGS accounts.

### **CHAPTER VI.**

#### **SETTLEMENT GUARANTEE**

##### **§ 31.**

1. The settlement guarantee procedure in the Euro Elixir system is executed in the settlement cycle on the basis of funds blocked in the sub-accounts.
2. KIR initiates the settlement guarantee procedure if the sub-account of at least one Participant has insufficient amount to cover its liabilities arising from the clearing of payment orders referred to in § 10 section 2.
3. As part of the executed settlement guarantee procedure referred to in section 1, any intrasystem payment orders and any intersystem payment orders may be identified as non-executable, regardless of the fact which of the Participants submitted them and when, and regardless of the type of message, provided that the selected debit payment orders may be identified as non-executable only when the identification of other payment orders as non-executable does not ensure the completion of settlement with the available funds. The principles of identification of debit payment orders as non-executable are set forth in "Technical Specification No. 2, part II."
4. Payment orders identified as non-executable are returned to the (presenting) directly participating unit with a relevant error code.
5. The directly participating unit being the addressee of intrasystem payment orders receives both original and secondary payment orders. The secondary payment orders are assigned with an error code denoting the cancellation of original payment orders.
6. On the basis of new calculations adjusted to the balance of funds blocked in the sub-accounts, KIR initiates the settlement in the TARGET-NBP system.

7. The Participant that did not provide funds to cover its liabilities and on whose sub-account the amount required for settlement was not gathered shall be charged for the start of the settlement guarantee procedure. The Participant shall be charged for the start of the settlement guarantee procedure with a fee set forth in the "Price list of services provided by KIR in the Elixir and Euro Elixir systems."
8. KIR shall inform the Participants about every instance of starting the settlement guarantee procedure, and the settlement banks not being Participants shall be informed when the settlement guarantee procedure is launched due to non-provision of sufficient funds to cover own liabilities of the Participant for which a given settlement bank runs a sub-account. Furthermore, KIR shall provide relevant information to NBP and the Polish Financial Supervision Authority in writing.
9. The information referred to in section 8 includes the date and number of the settlement session and, additionally for the Chairperson of the Polish Financial Supervision Authority, the name of the Participant or Participants who did not have sufficient funds to cover their net liabilities with regard to clearings in the Euro Elixir system as part of a given settlement session.
10. KIR shall inform the Participant and its settlement bank about every case when the funds in the sub-account of the Participant are insufficient to cover its net liabilities with regard to clearings conducted in the Euro Elixir system.
11. In an emergency situation when:
  - 1) the payment orders of the Participants are not cleared in the settlement cycle of a given settlement procedure C for technical reasons, they shall be moved to the settlement cycle in the next procedure on the same day;
  - 2) the payment orders of the Participants are not cleared in the settlement cycle of the last settlement procedure C on a given day for technical reasons, they shall be returned to the Participants being the senders of such payment orders.
12. The conduct in emergency situations other than those listed in section 11 shall be agreed between the settlement bank or the entity running the ancillary clearing system and KIR.

**§ 32.**

The result collections and balances calculated on the basis of payment orders left after the completion of settlement guarantee procedure referred to in § 31 are final.

**CHAPTER VII.**

**OTHER PROVISIONS ON CLEARINGS AND SETTLEMENT**

**§ 33.**

1. KIR shall inform the Participants in the agreed way about the completion of settlement referred to in § 29 or the completion of settlement guarantee procedure referred to in § 31.
2. The Participant may receive from KIR collections to control the clearings conducted by the units of such Participant. The collections to control the clearings are sent between KIR and the Participant in the format set forth in "Technical Specification No. 7."

**§ 34.**

1. After the completion of settlement for a given clearing flow, the directly participating unit shall receive messages with report on clearings conducted in this clearing flow by it in accordance with the schedule of clearing flows set forth in "Technical Specification No. 8," as prepared according to the structure (format) set forth in "Technical Specification No. 2."
2. The directly participating unit is obliged to verify the compliance of the sent and received payment orders with reports referred to in section 1.

**CHAPTER VIII.**

**SUSPENSION OF ACTIVITIES, BANKRUPTCY AND EXCLUSION OF THE PARTICIPANT FROM CLEARINGS**

**§ 35.**

1. As soon as KIR receives the information that the Polish Financial Supervision Authority, Bank Guarantee Fund or another competent supervisory authority has decided to suspend the activities of the Participant, KIR shall suspend the Participant in clearings in the Euro Elixir system.



2. Starting from the next clearing flow, the Participant shall not participate in the exchange of messages, clearings in the Euro Elixir system and settlement in the period of suspension of the Participant in the clearings in the Euro Elixir system. All payment orders concerning such Participant shall be returned to the sending Participant with a relevant error code, with the exclusion of received intersystem orders. The intersystem orders received:
  - 1) from the STEP2-T SCT system are transferred to NBP which returns them to the sending participants,
  - 2) from other ancillary clearing systems are returned by KIR to relevant ancillary clearing systems.

**§ 36.**

1. After receiving the information about the declaration of the Participant's bankruptcy, KIR completes clearings in a given flow and includes in the balance collection only those payment orders of such Participant that:
  - 1) have been entered to the Euro Elixir system in a given clearing flow before NBP has received notice about the Participant's bankruptcy, as indicated in the information sent to KIR by NBP; or
  - 2) have become irrevocable before KIR receives the information from NBP.
2. Starting from the next clearing flow, KIR shall exclude the Participant from participation in the clearings in the Euro Elixir system and shall not include it in the settlement. The messages concerning such Participant shall be returned to the sending Participant with a relevant error code, with the exclusion of received intersystem orders. The intersystem orders received:
  - 1) from the STEP2-T SCT system are transferred to NBP which returns them to the sending participants;
  - 2) from other ancillary clearing systems are returned by KIR to relevant ancillary clearing systems.
3. New base collections are issued for the Participants on the date of receiving information referred to in section 1, with consideration given to the changes arising from the Participant being declared bankrupt.
4. If the sub-account of the Participant or the RTGS account of the settlement bank have not been closed, the Participant may be re-included in the clearings in the Euro Elixir system in line with the principles set forth in section 5.
5. The official receiver shall inform KIR about the intention to re-include the Participant in the clearings in the Euro Elixir system at least 3 working days before the envisaged date of re-inclusion, with the indication of the Participant's units that are to be re-included in the clearings.
6. The information referred to in section 5 is sent by the Participant in the forms whose models are presented in "Technical Specification No. 1."
7. New base collections are issued for the Participants promptly after receiving information referred to in section 5, with consideration given to the changes arising from the Participant being re-included in the clearings in the Euro Elixir system.
8. Pursuant to the information provided by the official receiver, KIR verifies who is authorised to sign message collections on behalf of the Participant in bankruptcy.

**§ 37.**

1. KIR starts to monitor the clearings of the Participant in accordance with section 4 promptly after receiving from the Bank Guarantee Fund or another relevant authority the information about the initiation of compulsory restructuring of the Participant, if it does not lead to the closure of its sub-account or RTGS account of the settlement bank used for the purposes of settlement.
2. Pursuant to the information provided by the Bank Guarantee Fund or another relevant authority, KIR verifies who is authorised to sign message collections on behalf of the Participant undergoing restructuring.
3. If necessary, KIR issues new base collections for receipt, with consideration given to changes arising from the initiation of compulsory structuring of the Participant reported accordingly by the Bank Guarantee Fund or another relevant authority.
4. Monitoring of the Participant involves:
  - 1) on the day when KIR receives the information about compulsory restructuring, informing the other Participants about the status of a given Participant's participation in the Euro Elixir system agreed by the Bank Guarantee Fund or another relevant authority;
  - 2) transferring to the Bank Guarantee Fund and to NBP the information about the amount of current liabilities of the Participant in every clearing flow one hour before the closure of entry to a given clearing flow;
  - 3) transferring to the Bank Guarantee Fund and to NBP, within the scope agreed with the Bank Guarantee Fund, the information about the current state of clearings in the Euro Elixir system for the Participant with regard to which compulsory restructuring has been initiated.

### **§ 38.**

1. Based on the information about the closure of the sub-account for the Participant or the RTGS account of the settlement bank provided by the settlement bank, the central bank from the payment area proper for a given Participant or another relevant supervisory authority, KIR shall exclude the Participant from clearings in the Euro Elixir system.
2. On the date of closure of the sub-account of the Participant or the RTGS account of the settlement bank, starting from the first clearing flow, the Participant shall not participate in the exchange of messages, clearings in the Euro Elixir system and settlement.
3. New base collections for receipt are issued for the Participants on the date of receiving information referred to in section 1, with consideration given to the changes arising from the Participant being excluded from clearings in the Euro Elixir system.
4. In the case of exclusion of the Participant from clearings in the Euro Elixir system, all payment orders concerning such Participant shall be returned to the sending Participant with a relevant error code, with the exclusion of received intersystem orders. The intersystem orders received:
  - 1) from the STEP2-T SCT system are transferred to NBP which returns them to the sending participants;
  - 2) from other ancillary clearing systems are returned by KIR to relevant ancillary clearing systems.

### **§ 39.**

1. On the date of termination of the participation agreement, KIR shall exclude the Participant from clearings in the Euro Elixir system.
2. On the clearing day following the date of termination of the participation agreement, starting from the first clearing flow, the Participant shall not participate in the exchange of messages, clearings in the Euro Elixir system and settlement.
3. In the case of termination of the participation agreement by KIR without notice, new base collections are issued for the Participants on the date of termination of the participation agreement, with consideration given to the changes arising from the termination of the participation agreement.
4. In the case of termination of the participation agreement by the Participant or KIR, the base collections, with consideration of the changes arising from the termination of the participation agreement, shall be issued for the Participants for receipt in accordance with the principles described in § 8.
5. In the case of exclusion of the Participant from clearings in the Euro Elixir system, all payment orders concerning such Participant shall be returned to the sending Participant with a relevant error code, with the exclusion of received intersystem orders. The intersystem orders received:
  - 1) from the STEP2-T SCT system are transferred to NBP which returns them to the sending participants;
  - 2) from other ancillary clearing systems are returned by KIR to relevant ancillary clearing systems.

### **§ 40.**

1. If KIR finds out that the Participant's unit fails to comply with the Regulations or Technical Specifications, KIR shall send a reminder to such unit and a copy for the attention of the Participant and the National Bank of Poland.
2. The reminder shall include the description of irregularities found and set the deadline for their removal if it is possible to remove them with consideration given to their nature.
3. If the Participant's unit does not remove the irregularities included in the reminder, interfering with the operation of the Euro Elixir system and affecting all Participants, within the set deadline, KIR may exclude such unit from participation in the clearings in the Euro Elixir system.
4. On the clearing day following the date of exclusion of the Participant's unit, starting from the first clearing flow, such unit shall not participate in the exchange of messages, clearings in the Euro Elixir system and settlement.
5. New base collections are issued for receipt for the Participants on the date of exclusion of the Participant's unit, with consideration given to the changes arising from the exclusion of the Participant's unit.
6. In the case of exclusion of the Participant from clearings in the Euro Elixir system, all messages concerning such Participant shall be returned to the sending Participant with a relevant error code, with the exclusion of received intersystem orders. The intersystem orders received:
  - 1) from the STEP2-T SCT system are transferred to NBP which returns them to the sending participants;
  - 2) from other ancillary clearing systems are returned by KIR to relevant ancillary clearing systems.

7. The Participant's unit shall be re-included in the clearings in the Euro Elixir system when the Participant meets the requirements set forth for the newly included Participant's unit.

## **CHAPTER IX.**

### **ENCRYPTION OF COLLECTIONS AND DIGITAL SIGNATURE**

#### **§ 41.**

1. The Euro Elixir system makes use of digital signature and encryption of collections.
2. Encryption refers to result collections.
3. A digital signature is placed by the sender of messages by signing the entire message collection.
4. If a digital signature is negatively verified in the message collection, all messages from such collection shall be rejected and the payment orders from such collection shall not be cleared, and information about this fact is provided to the directly participating unit.
5. The principles of certificate management are set forth in the KIR's Code of Certification Procedure for trusted non-qualified certificates and the KIR's Certification Policy for trusted non-qualified certificates on the basis of which the certificate has been issued.

## **CHAPTER X.**

### **MAKING THE EURO ELIXIR-OR SUBSYSTEM AVAILABLE**

#### **§ 42.**

1. KIR makes the Euro Elixir-OK subsystem available to the Participants.
2. The directly participating unit is obliged to use the Euro Elixir-OK subsystem for the execution (preparation or sending) of payment orders, unless it uses for this purpose another application that has successfully completed Euro Elixir compatibility tests. The Participants using another application are obliged to undergo periodical tests. KIR determines the schedule and scope of tests and informs the Participant about this sufficiently in advance.
3. The Participant is obliged to use the Euro Elixir-OK subsystem in accordance with the manual provided by KIR.
4. KIR provides the Participants with new versions of the Euro Elixir-OK subsystem. The Participant is obliged to use the latest version of the Euro Elixir-OK subsystem.

## **CHAPTER XI.**

### **DATA ARCHIVING AND REPORTING**

#### **§ 43.**

1. KIR retains the data from the Euro Elixir system in its archives for a period of 5 (five) years, starting from the end of the calendar year in which the clearing was completed. The archive data include copies of message blocks sent for clearing by the Participant (incoming messages) and copies of message blocks leaving the Euro Elixir system to the Participant (outgoing messages).
2. KIR reserves the right to store data referred to in section 1 for a period longer than the period indicated in section 1, if the agreements concluded by KIR with entities running an ancillary clearing system and governed by a foreign law provide for a longer period of storage of data from these systems.

#### **§ 44.**

1. Upon the request of the directly participating unit, KIR provides:
  - 1) copies of blocks of messages processed by the Euro Elixir system, including copies of messages being parts of message blocks and meeting the conditions set forth in "Technical Specification No. 9," in the period referred to in § 43. The functions for searches in copies available in the Euro Elixir system are set forth in "Technical Specification No. 9";
  - 2) copies of blocks of messages for the last four clearing days.
2. The copies referred to in section 1 are sent in the mode agreed for communication with the Participant's unit requesting the copy or in another mode agreed with the Participant's unit.
3. The requests shall not be considered if:

- 1) they are sent by an unauthorized person;
- 2) they refer to data for which the archiving period has elapsed;
- 3) they do not include information that allows for the identification of the message.

#### **§ 45.**

1. Upon the request of NBP, Participants and authorised supervision authorities, KIR shall make available the source data about the exchange of messages in the Euro Elixir system.
2. KIR prepares the reporting on the exchange of messages between the Participants in monthly periods, with consideration given to the needs of the Participants.

### **CHAPTER XII.**

#### **PRINCIPLES OF PERSONAL DATA PROCESSING**

#### **§ 46.**

1. The Participant entrusts KIR with the processing of personal data within the meaning of Article 28 of GDPR.
2. The Participant declares that it is a personal data controller within the meaning of Article 4 section 7 of GDPR with regard to personal data entrusted to KIR for processing.
3. KIR shall process the entrusted personal data included in the messages in order to:
  - 1) execute interbank clearings to meet the obligations set forth in the participation agreement;
  - 2) ensure security;
  - 3) conduct statistical analysis;
  - 4) enhance the operation of the payment systemwith the observance of regulations on personal data protection, banking secret protection and professional secret protection for savings and credit unions.
4. The scope of entrusted data shall particularly cover, but not be limited to, personal data included in the messages. The scope of data entrusted for processing includes:
  - 1) number of the bank account or account of a savings and credit union member;
  - 2) name – including:
    - a) first name and last name,
    - b) address,
    - c) series and number of identity document, PESEL (personal identification number), NIP (tax identification number),
    - e) other data provided by the Participant's clients.
5. The scope of operations performed on the data entrusted by the Participant includes: entering, presenting, sending, storing archiving and deleting data.
6. KIR processes the entrusted personal data only upon the documented order of the Participant, where the Participant is not authorised to issue orders in a mode or of a character different than those provided for in the participation agreement.
7. KIR shall cooperate with the Participant in meeting the Participant's obligation to:
  - 1) respond to the request of the data subject within the scope of execution of their rights, with the use of appropriate technical and organisational measures, and with consideration given to the nature of processed data;
  - 2) report the breach of data protection and notify the data subjects about the personal data breach;
  - 3) assess the effects on data protection;
  - 4) conduct consultations with the supervision authority.
8. KIR keeps the register of all categories of processing actions for the entrusted personal data referred to in Article 30 section 2 of GDPR.

#### **§ 47.**

1. KIR is obliged to cooperate with the Participant within the scope of responding to the requests of data subject referred to in Chapter III of GDPR, in the mode set forth in sections 2 and 3.
2. KIR is obliged to promptly provide the Participant with information about the requests of data subjects, not later than on the fifth working day after their receipt by KIR, where KIR is not authorised or obliged to accept any requests, petitions or queries from data subject or to respond to such requests, petitions or queries.
3. KIR shall be closely cooperating and supporting the Participant in relation to the submitted claim or request from the data subject within the scope of personal data processing in accordance with the participation agreement.

#### **§ 48.**

1. KIR shall provide the Participant with all information necessary to prove that the obligations referred to in this Chapter are met and to enable it to conduct control within this scope, upon prior notification about the control at least seven working days before its commencement or immediately in the case of data breach occurrence. The control may be conducted by persons indicated by name by the Participant, on working days, in places of data processing. KIR shall cooperate in verification and repair actions.
2. The information about the planned control shall be provided to KIR at least seven working days before its commencement, with the simultaneous indication of persons authorised by the Participant to conduct the control.
3. KIR shall promptly inform the Participant about:
  - 1) the intention, course and results of control of compliance of entrusted personal data processing with personal data protection laws conducted by a relevant supervision authority;
  - 2) decisions and orders issued for KIR by a relevant supervision authority with regard to the processing of entrusted personal data;
  - 3) complaints with regard to the KIR's observance of personal data protection laws on the processing of entrusted personal data.

#### **§ 49.**

1. The Participant entrusts KIR with the processing of personal data exclusively for the period necessary to execute the participation agreement, subject to § 43.
2. KIR erases the processed personal data from its ICT systems upon the lapse of the period of time referred to in § 43.

#### **§ 50.**

1. Considering the current state of technical knowledge, cost of implementation and nature, scope, context and purposes of processing, and the risk of infringement of rights or freedoms of natural persons with various degrees of likelihood and importance, KIR implements adequate technical and organisational measures to ensure the level of security corresponding to the risk, as referred to in Article 32 of GDPR. The Participant and KIR shall cooperate within the scope of implementing security measures for the personal data processing and storage operation.
2. KIR ensures that the processing of personal data shall be performed only by persons with relevant authorisation granted by KIR who are obliged to keep the confidentiality of personal data, banking secret and security measures employed at KIR.
3. KIR shall acquaint the persons referred to in section 2 with the legal provisions referred to in § 46 section 3.
4. After becoming acquainted with the provisions referred to in § 46 section 3, the persons referred to in section 2 shall make written statement that they have read the provisions on personal data protection and are obliged to observe them, also that they are obliged to keep the confidentiality of personal data, banking secret, professional secret of savings and credit unions and security measures employed at KIR.
5. KIR maintains records of persons authorised to process personal data.

#### **§ 51.**

1. KIR shall report to the Participant every breach of personal data entrusted to KIR by the Participant promptly but not later than within 36 hours of its occurrence. The report must include at least the information specified in Article 33 section 3 of GDPR, that is:
  - 1) describe the nature of personal data breach, including, as far as possible, indicate categories and approximate number of data subjects, as well as categories and approximate number of personal data records affected by the breach;
  - 2) indicate the first name, last name and contact details of Data Protection Officer at KIR;

- 3) describe possible consequences of personal data breach;
  - 4) describe the measures employed or proposed by KIR to deal with personal data breach, including, as the case may be, measures aimed at the minimisation of its possible negative results.
2. KIR shall be obliged to update the information provided in the report and to promptly inform the Participant about this.
  3. The information referred to in sections 1 and 2 should be sent to the email address of the person responsible for contacts with KIR indicated in the BB Participant Application Form whose model is set forth in “Technical Specification No. 1.”

#### **§ 52.**

1. Pursuant to Article 106d section 1 point 3 of the Act on Banking Law, the Participant makes personal data available to KIR:
  - 1) for KIR to employ financial security measures and conduct and document the results of ongoing analysis of executed transactions referred to in Article 43 section 3 of the AML Act, pursuant to the agreement referred to in Article 48 section 1 of the AML Act and concluded with a bank or a savings and credit union;
  - 2) for KIR to perform actions for banks or savings and credit unions necessary for banks or savings and credit unions to employ financial security measures and conduct and document the results of ongoing analysis of executed transactions referred to in Article 43 section 3 of the AML Act.
2. KIR shall exercise due diligence while processing personal data that are made available and shall process them in accordance with the provisions of GDPR and other commonly applicable provisions of the law that protect the rights of the data subjects.
3. KIR shall employ security measures meeting the requirements of GDPR, and shall particularly secure personal data by implementing relevant technical and organisational means that ensure appropriate level of security corresponding to the risk related to personal data processing referred to in Article 32 of GDPR.
4. KIR shall only grant authorisation to process personal data to all persons who process the data that are made available.

#### **§ 53.**

KIR may transfer the entrusted personal data to a third country or international organisation for the purposes referred to in § 52 section 1. If data are transferred to a third country or international organisation, KIR shall ensure the appropriate security measures for the transfer of data and effective legal protection measures, and particularly transfer of data on the basis of decision of the European Commission ascertaining the appropriate level of protection and standard contractual clauses adopted by the European Commission.