



OPERATIONAL REGULATIONS

ENGLISH VERSION

from June 12th 2022

**OPERATIONAL REGULATIONS
of Bureau Central de Clearing
*Société Coopérative à Responsabilité Limitée***

1. CURRENCY

10. EURO

The euro (the common currency of the signatories of the Maastricht agreement on economic and monetary union - EMU) was introduced on 01.01.1999 and is the currency used by BCC and its members for clearing and payments.

11. OTHER CURRENCIES

110. Specific task ensured for the UIC

BCC recognises the national currencies used by companies that are active European members of the International Union of Railways (UIC) in their international financial transactions with each other and immediately informs the BCC sub-contractor of same. Euro exchange rates for these currencies are given in the list of daily exchange rates.

111. National currency

The national currency of a member is the national currency of the State in which that member carries out its main business.

112. Recognised currencies

All national currencies for which the BCC sub-contractor can obtain an official exchange rate against the euro from the central bank of the State in question can be recognised.

113. Recognition notice

BCC shall recognise currencies in notices that include:

- the alphabetic code: in accordance with ISO 4217. If the currency is not yet covered by this standard, the BCC Manager shall allocate a provisional alphabetic code to it;
- the sequential number for the currency period: the first currency recognition period shall be "01".

Recognition notices shall be sent to the members, the BCC sub-contractor and too the companies accepted by the BCC Manager.

114. List of exchange rates

The daily list of exchange rates shall show the daily euro exchange rates for the various recognised currencies. It shall also show the daily ESTER and 1-month EURIBOR rates, which are used to calculate interest on arrears for participants in BCC clearing and for bilateral relations between railway participants.

For the information of companies that are active European members of the UIC but are not BCC members, and in accordance with UIC sheet no. 311 OR governing financial relations between railways, the list of exchange rates also shows:

- for the month just ended, the weighted arithmetic average of each currency at 5, 10, 15, 20 and 25 of each month and at the end of the month;
- the quarterly average for 1-month EURIBOR at the end of each quarter.

The BCC sub-contractor shall regularly send a list of exchange rates to BCC members and companies accepted by the BCC Manager, which shall inform the BCC sub-contractor of same immediately.

12. EXCHANGE RATE VARIATIONS

120. Duties

The BCC sub-contractor shall observe the fluctuations in the recognised currencies used in the financial transactions between active UIC members, and in the event of significant variation shall create separate currency periods.

121. Currency period

"Currency period" for a recognised currency is a period of time that commences when there is a significant variation in the exchange rate for that currency. Currency periods run from start of the day the significant variation in the exchange rate begins and end at the start of the day a new significant variation is observed by the BCC sub-contractor.

122. Significant variation in the exchange rate

A "significant variation" in the exchange rate of a currency occurs when the daily exchange rate for the euro against that currency, as monitored by the BCC sub-contractor, varies by + 3% against the reference rate for the current euro currency period. All significant variations in the exchange rate trigger a new currency period.

123. Reference rate

The "reference rate" of a recognised currency is the exchange rate of the euro against that currency on the first day of the current currency period. The reference period may not exceed one year.

124. Account splitting

If the BCC sub-contractor identifies a significant variation in the exchange rate of a recognised currency, it shall:

- fix the exchange rate of the euro against that currency for the currency period just ended. This shall be the weighted average exchange rate of the euro against the currency over the period in question;
- start a new currency period for the currency by issuing the next sequential number;
- issue an account splitting notice for the currency.

For the currency period just ended, the account splitting notice shall state the sequential number for the period, the ISO 4217 code and the euro exchange rate fixed for the currency, along with the start and end dates of the currency period. For the new currency period the notice shall also give: the new sequential number, the ISO code for the currency and the start date of the new period.

Account splitting notices shall be sent by the BCC sub-contractor to all members and companies accepted by the BCC Manager, who shall immediately inform the BCC sub-contractor of same.

125. Account split limit

No more than two account splits per currency are allowed per clearing period.

Point 124 above shall apply automatically to the first split of any currency in a clearing period. For subsequent splits during the same clearing period, point 124 shall be applied on the last day of the clearing period. On the last day of the clearing period and in order to set the fixed exchange rate, the BCC sub-contractor shall calculate the weighted arithmetic average exchange rate for the euro against the currency, using the rates observed from the time of the first split up to the last day (inclusive) of the period concerned.

2. CLEARING

20. DEFINITIONS

200. Multilateral clearing

"Multilateral clearing" is the assembly within a single account for each member of all that member's claims against, and liabilities to, all other BCC members to produce one single balance per member. This shall be a debit balance if total liabilities exceed total claims or a credit balance if the reverse is true.

The BCC sub-contractor shall clear all credits and debits resulting from all transactions among BCC members.

Multilateral clearing shall apply to all amounts stated in notifications (see point 201 below) received by the BCC sub-contractor by closing. Multilateral clearing is comprehensive and may involve members making payments to other members with whom they have had no direct transactions. Closing dates for clearing shall be the 15th and the final day of each month.

201. Notification

"Notification" is a request made by a member to the BCC sub-contractor asking the latter to include an amount owed by that same member to another member or vice-versa in multilateral clearing. The amount must be stated on a notification slip (see point 220 below).

Amounts may be notified to the BCC sub-contractor in any recognised national currency or any unit of account included in the list of exchange rates. They must be organised by currency period.

If however there have been so many significant variations in the exchange rate of a particular currency that two currency periods with the same sequential number are included in one single clearing, members must convert the amounts for the old currency period into euro at the fixed rate given to them by the BCC sub-contractor. The amounts converted into euro shall then be entered on the slip used to report amounts denominated in euro.

21. SCOPE

210. Notifications not subject to prior agreement

UIC fees and traffic (travellers, baggage, express parcels and goods) charges shall be notified to the BCC sub-contractor without need for prior agreement:

- by members who have prepared the balances or the accounts: such notifications must be made in good time to allow balances to be settled by the deadlines stated in traffic agreements,
- by a common settlement office responsible for calculating the balances on certain types of traffic if the members involved have agreed a settlement method and are BCC members. In this case, the settlement office must advise each member of the debit/credit amounts notified for it,
- by a clearing agent: once the parties concerned have reached an agreement in principle, the agent shall report the balances he has calculated or the results of the clearing tables as soon as these have been completed. He shall be required to give his members a statement of account for each clearance made in this way.

211. Notifications subject to prior agreement by the members concerned

Balances that do not concern UIC fees or traffic charges (indemnities, shares of indemnity, sundry adjustments etc.) cannot be notified unless agreed by the members concerned.

212. Adjustments

In the event of error or omission, the necessary adjustments must be included in a later notification. Unless otherwise agreed between members and immediately reported to the BCC sub-contractor, entry adjustments (material error, account adjustment etc.) to traveller, baggage, express parcel or goods traffic or to sundry transactions need not be specially notified but must be recorded in the traffic accounts or in the adjustment reports for these accounts.

22. NOTIFICATION OF CLEARANCE AMOUNTS

220. Notification slip

One single notification slip shall be completed per currency and per currency period. However, and depending on the customs of the members concerned, separate notification may be issued for each separate charge (traffic and sundry items). Notification slips shall detail all transaction amounts to be cleared for a member over a given clearing period, and shall specify the nature of the traffic or of the accounts generating these amounts.

221. Amounts to be cleared

Currency amounts notified with a unit value of under €0.10 must be rounded up or down to the nearest full unit, even if the fraction involved is 0.5 or over.

The total amount stated on a notification slip may not be below €10 or its equivalent value in the slip currency. Slips sent to the BCC sub-contractor that show a value of under €10 shall be returned to the member concerned for inclusion in a future slip.

222. Data transmission

Notification slips must be sent to the head office of the BCC sub-contractor using e-file, in accordance with the instructions contained in the confidential internet file, or exceptionally may be sent by fax or any other fast transmission method to ensure delivery by 08:30 at the latest on the dates given in the schedule sent to members by the BCC Manager at the start of each year.

Members must send the documents justifying notification by separate cover to all other members concerned.

23. CLEARING PROCEDURE

230. Fixed exchange rates

The exchange rates used by the BCC sub-contractor in clearing shall in principle be those applying at clearing closing.

If the closing exchange rate for a national currency is more than 2.5% above the weighted arithmetic average of the exchange rates quoted over the previous fortnight, that same weighted average exchange rate shall be used in conversions.

If a currency has been subject to a series of splits over a single clearing period, the exchange rate used in that clearing shall be the fixed rate set for the currency, calculated in accordance with point 125 above.

The list of fixed exchange rates shall be sent to all members.

231. Euro balances

The BCC sub-contractor shall first establish the credit and debit balances on all currencies for each member. It shall then convert the balances into euro using the exchange rates described in point 230 above.

The BCC sub-contractor shall offset all notified balances, once converted into euro, thus establishing the closing euro credit/debit balance for each member.

232. Financial flows

The BCC contractor shall establish credit/debit financial flows between members by ranking members in decreasing order, based on their final balances.

It shall then match credits and debits until the figures balance.

In order to reduce bank charges on payments between members, the BCC sub-contractor may amend the ranking as it sees fit and in the best interests of the members.

233. BCC sub-contractor liability

The BCC sub-contractor is liable for its own actions alone. The members concerned must settle among themselves any disputes that may arise concerning the accuracy of the sums they asked the BCC sub-contractor to clear. The BCC sub-contractor shall assume all notifications are correct and constitute clearing orders for execution. Any further action taken to rectify incorrect notifications must be made on a proper notification slip.

Members who have suffered financial loss (overdrawn cash balances or exchange difference) for reasons imputable to the BCC sub-contractor may seek compensation for such loss.

The BCC sub-contractor shall at its sole discretion decide the form such compensation will take and all associated costs:

- shall be for the account of the member(s) who benefited from the original error up to the full amount of the undue gain; or
- if this does not apply or if there is any additional cost, this shall - once agreed by the BCC Manager - be included in BCC operating expenses.

The member concerned may appeal to the BCC Manager against the decision of the BCC sub-contractor.

24. PAYMENT

240. Payment orders and credit advice

At clearing closing, the BCC sub-contractor shall inform all creditor/debtor members, using the fastest means possible, of the amounts they must pay/receive.

Within three working days of clearing, the BCC sub-contractor shall send each member a payment order or credit advice, statements of account showing the cleared sums and the list of fixed exchange rates.

Payment orders and credit advice shall show:

- the names of creditor/debtor members;
- euro amounts payable/receivable;
- the payment deadline as per point 241 below;
- the financial institution(s) and account number(s) that must be credited.

If these documents are not received within five working days of clearing, the member must ask the BCC sub-contractor to re-send the clearing results or to confirm that the member is not involved in that clearing.

Balances under €300 shall not generate payment orders or credit advice. In such events, the BCC sub-contractor shall temporarily take the place of the creditor/debtor, taking responsibility for the amount generating the credit/debit balance whose settlement has been suspended. Said outstanding credit/debit balances shall be automatically carried forward to the next clearing.

241. Debit balances

Clearing balances shall be credited in euro to the accounts detailed in the appropriate payment order.

Debtors shall ensure that the creditor's bank is credited by the 26th (transactions completed by 15th of the same month) or the 11th of the following month (transactions completed by the final day of a month). The time taken to credit a payment to the creditor's bank account shall depend on the banking agreement the creditor has signed with its payment service provider.

The deadline shall end the next working day if the original payment deadline is not a TARGET banking day for euro payments. The BCC Manager shall provide a list of TARGET non-banking days to all members and to the BCC sub-contractor at the start of each year.

Point 3 below (Default on Payment) shall apply if balances are not settled by their set deadlines.

242. Payment charges

Payment beneficiaries and payors shall each pay their own charges to their own payment service providers.

The beneficiary may however recover its charges from the payor if the latter did not give the payment order to the payment service provider using the beneficiary's bank details set out on the payment order issued by the BCC sub-contractor.

After having sent documentary evidence to the debtor, the creditor may then recover the bank charges incorrectly debited to it by providing notification of their amount at the following clearing.

3. DEFAULT ON PAYMENT

30. DEFAULT BY A MEMBER

300. Scope

The following procedure applies to all defaulters, both BCC members and defaulters acting through a clearing agent. A "defaulter" is any debtor that is late making payment and has received a reminder from the creditor in accordance with point 301 below.

301. Creditors' obligations

If at the payment date set under point 241 above, the amount owed to the creditor has not been credited to its payment service provider's account for subsequent credit to the account detailed on the payment order, the creditor must, within 5 calendar days of that deadline, send a reminder to the debtor, copied to the BCC sub-contractor.

If no payment has been made within 5 calendar days of that reminder, the creditor shall inform the sub-contractor immediately.

The creditor shall also inform the BCC sub-contractor if its claim has been paid in part or in full into its account within 5 calendar days of receipt of said payment.

Should the creditor fail to comply with the above obligations, the BCC sub-contractor reserves the right to impose a €100 fine to cover BCC expenses.

302. Interest on arrears

If payments are not made by their due dates, the defaulter shall pay interest on arrears to the creditor suffering the shortfall.

Interest on arrears while debit balances remain unpaid shall apply at 500 points above the ESTER base rate at the payment due date. This shall rise to 1000 points above the ESTER base rate from the 16th day after the due date.

Interest shall be calculated by the BCC sub-contractor from the payment due date until full or partial payment is made.

The BCC sub-contractor shall automatically debit interest on arrears to the defaulter and credit it to the creditor at the clearing following the notice sent by the creditor to the BCC sub-contractor advising that the amount has been credited to its account in accordance with point 301 above.

Payment of interest on arrears shall not however release the defaulter from the consequences of any larger financial loss the creditor may have suffered. The creditor may require correction of the value date and if this is refused may recover the difference between the expenses it has incurred and the interest on arrears calculated by the BCC sub-contractor by giving notification of said difference at the clearing following that in which the interest arose. Notification of the difference may not be made however unless the actual loss suffered is more than 25% higher than the value of the calculated interest.

303. Fines

Should a defaulter fail to make payment by the due date, BCC shall levy fines in addition to charging for its expenses.

The amount of the fine shall depend on the number of calendar days of arrears:

- 1-5 days: €100
- 6-10 days: €250
- 11-15 days: €500
- 16+ days: €1000

The BCC sub-contractor shall automatically debit fines to the defaulter and credit them to BCC at the clearing following the advice sent by the creditor to the BCC sub-contractor informing the latter that the creditor's account has been credited in accordance with point 301 above.

304. Action by the BCC sub-contractor

In the event of default on payment as described in point 301 above, the sub-contractor shall in turn send a reminder to the defaulter, applying interest on arrears for the first 11 calendar days from the payment due date stated in point 302 above plus the €500 fine imposed under point 303. Both amounts shall be officially included in the next clearing.

The reminder should:

- invite the defaulter to make payment within 5 calendar days and to inform the BCC sub-contractor of the payment date.
- advise the defaulter that it is at risk of official suspension from BCC clearing if payment is not made within five 5 calendar days of the reminder from the sub-contractor.

Interest and fines shall be added to the liabilities of the defaulter.

In the event of non-payment, the BCC sub-contractor shall inform the BCC Manager with a view to application of point 305.

305. Suspension of defaulter from clearing

Upon receiving the report of the BCC sub-contractor as per point 304, the BCC Manager shall:

- inform the defaulter that it has been suspended from clearing with immediate effect,
- seek the agreement of the Board, which shall reply within 5 calendar days, to extraordinary clearing cancelling all individual notifications issued/received by the defaulting network from/to its partners in respect of payment orders that have not been executed.

The clearing shall also reverse all financial flows on requests for payment to which the defaulting member has not responded.

- inform all the members/affiliates of the Board's decision. Defaulter debit/credit notifications shall not be allowed until all the defaulter's liabilities have been settled.

The BCC Manager shall ask the sub-contractor to make extraordinary clearing.

Once the suspended member has settled all its liabilities, the BCC Manager shall ask the Board to allow it back into the clearing process.

306. General Meeting of Shareholders

Should the grounds for suspension still exist 30 days before the GM, the Board shall make it an item on the GM agenda.

The GM may:

- a) demand security: the defaulter shall be invited to pay additional funds into its account and clearing shall remain suspended until said payment has been made;
- b) extend clearing suspension;

c) expel the defaulter from BCC in accordance with article 14 of the Articles of Association.

The BCC Manager shall inform all members and the BCC sub-contractor immediately of all decisions taken.

307. Repayment of creditors of an expelled defaulter

Following a demand for security or the expulsion of a defaulter, the BCC Manager shall allocate the amounts available from the security and from the share capital of the expelled member, in accordance with article 15 of the Articles of Association, to the creditors in proportion to their claims.

Creditors whose claims have not been satisfied in full shall retain their rights of recourse against the expelled defaulter and may exercise them in accordance with their bi-lateral agreements.

308. Suspension for repeated late payment

In the event a member who has already been suspended under points 304 and 305 above should again fall behind with payments, the BCC sub-contractor shall inform the BCC Manager who shall notify the Board of the new suspension of this member from clearing and of the implementation of an extraordinary clearing.

The BCC Manager shall inform the defaulter and all the members/affiliates of the measures taken in that respect.

Should the grounds for suspension still exist 30 days before the GM, the Board shall make it an item on the GM agenda.

309. Consequences of suspension on clearing

Members/affiliates may no longer issue notifications concerning the suspended member once they have received the BCC Manager's notice as specified in points 308 or 305.

If the sub-contractor nevertheless receives notifications concerning the suspended member, such notifications shall be dealt with through the extraordinary clearing procedure.

31. MEMBER BANKRUPTCY

310. Advice

If a member becomes bankrupt it must advise the BCC Manager immediately. This duty shall also apply to all members who become aware of such bankruptcy. The BCC Manager shall immediately inform all other members and the BCC sub-contractor of same.

311. Expulsion of the bankrupt

Bankruptcy shall immediately trigger expulsion of the bankrupt member from BCC.

312. Consequences on clearing

Debit/credit notifications concerning the bankrupt member shall be disallowed by the BCC sub-contractor.

Notifications already received from the member by the BCC sub-contractor when it is informed that bankruptcy proceedings have commenced, shall be returned to the member, even if clearing is already closed. Credits/debits already notified by other members with respect to the bankrupt member shall be dealt with through the extraordinary clearing procedure in accordance with article 305.

313. Consequences on balance payments

In the event the bankruptcy of a member causes another member to become temporarily in debt, point 307 above concerning the repayment of the creditors of an expelled member shall apply.

32. EXCHANGE CONTROLS

320. Advice to BCC

Members shall inform the BCC Manager immediately of any foreign exchange controls introduced in its country of registration that prevent it taking part in clearing. It shall immediately send the BCC Manager copies of all relevant official documents (laws, decrees, orders and regulations of whatever nature).

321. BCC action

If the BCC Manager believes that entry into effect of exchange controls will prevent payment being made by the member concerned, the latter shall be automatically suspended.

The BCC Manager shall notify the member concerned immediately that it has been suspended from clearing and shall notify the other members and the BCC sub-contractor of the suspension. The BCC sub-contractor shall no longer accept any notification from the member and shall send issuers a statement of eliminated items.

Such suspension shall not lead to expulsion unless the suspended member has unpaid liabilities to one or more other members arising from its membership of BCC.

322. Action by the Board

If convened at the request of the suspended member, the Board may decide to lift the suspension despite continuing exchange controls if it believes the guarantees offered are sufficient. The BCC Manager shall immediately inform all the members and the BCC sub-contractor that the member's suspension has been lifted.

323. Measures at lifting of exchange controls

If the measures leading to suspension have been lifted, the member concerned must inform the BCC Manager so that reinstatement can take place. This shall be subject however to payment of all outstanding BCC clearing liabilities the member may have. The BCC Manager shall immediately inform all the members and the BCC sub-contractor of the reinstatement of the member.