



## 1 Definitions

“Member” means any organisation or person who holds an account with the Clearing House, and who is thereby entitled, in accordance with these terms & conditions, to initiate a transaction via the Clearing House.

“Transaction” means an instruction to debit a Clearing House account with a particular value and to credit a different account of the same or another Member with the same value.

“Clearing House” is a trading name of CEL Transact, a division of the CEL Group, a company registered in the UK under number 2131825.

## 2 Purpose

The purpose of the Clearing House is to permit the cost effective initiation and completion of bona fide financial transactions between Members. This will often involve different currencies. It is the responsibility of Members to ensure that there is a firm contractual basis to the initiation or rejection of any transaction through the Clearing House.

## 3 Acceptance of Members

3.1 Acceptance will be subject to a validation procedure initiated by the Clearing House.

3.2 Members will be required to sign an application form signifying their acceptance of these Terms & conditions.

## 4 Scope of Clearing House

4.1 Members are entitled to use the Clearing House to settle any legal business with other Members.

4.2 Any Member initiating a transaction with another Member is liable in full for any failure on the part of that Member to pay, and for any costs or charges incurred in accordance with these terms & conditions.

## 5 Principles Governing the Clearing House

### 5.1 *Initiation of Transactions*

- a) The Clearing House will work on a weekly cycle commencing on a Wednesday of each week. This day will be known as the ‘Processing Day’
- b) All Members shall each have a minimum of one account with the Clearing House.
- c) Any Member may initiate a transaction by informing the Clearing House of the accounts to be debited and credited, the value of the transaction, the currency involved and the number of days (minimum of seven and multiple of seven) following the next Processing Day by which the debit must be paid into the Clearing House.
- e) Transactions initiated by CEL Transact may not be rejected without prior use of the conciliation procedure (see point 7 below).

### 5.2 *Statements of Account*

Statements of Account shall be automatically distributed on a weekly basis to all Members, providing there have been movements on their accounts in the preceding week. Otherwise statements shall be made available to Members on request.



## 5.3 Currency and Conversion

- a) Each Member shall have at least one account in the Clearing House, which shall normally be kept in the local currency of the Member. They may also hold additional accounts in currencies other than their local currency.
- b) Transactions via the Clearing House may be made in any currency included in the Clearing House list of approved currencies.
- c) The transaction shall be converted into the respective currencies of each party, at the Clearing House rate of exchange valid at the time of the issuing of the Statement of Account (the Processing Day) immediately subsequent to the initiation of the transaction.
- d) The rates of exchange used shall be fixed on a weekly basis by the Clearing House for each transaction, having regard to the forward contract rates of exchange offered by the HSBC Bank in London prevailing for the Processing Day. This rate will be quoted on each Statement of Account.
- e) Payments by debtors shall be made in the currency in which their account is operated. Payments to creditors shall be made in the currency in which the creditor's account operates, unless otherwise agreed in advance by the Clearing House.

## 5.4 Payments

- a) The Statement of Account will indicate the date by which debtors must settle the balance of the transactions to which they are party and creditors will receive payments due to them. This date will be known as the Due Date.
- b) Debtors must ensure that amounts paid to the Clearing House have 'good value' i.e. are cleared through the banking system by the Date Due.
- c) Normally the Date Due for the creditor in any transaction will be seven days later than the Date Due for the debtor in the same transaction.

## 5.5 Stop Listing

A debtor failing to meet their obligations by the due date shall automatically be stop listed until payment is received. Stop listing shall have the following effects:

- a) A stop-listed Member may be barred from any access to or use of the Clearing House.
- b) The Clearing House may refuse to accept any transactions to which any currently stop listed Member is a party.
- c) Clearing House retain the right to apply a late payment penalty to any Member who fails to make the total payment within seven days of the Payment Due date.
- d) Transactions involving stop-listed Members and any amount due by them shall be reversed to the relevant Member.

## 6 Charges for the System

- 6.1 Charges to the Members for the use of the Clearing House will be calculated in GBP and converted to the currency of the Member responsible for payment.
- 6.2 Charges will be as published from time to time by the Clearing house
- 6.3 The initiator of a transaction may state which of the two parties is responsible for payment of fees but in the absence of any indication payment will default to the initiator.
- 6.4 Fees will fall due 7 days after the Processing Day for which the transaction is first recorded.



- 6.5 Where the Clearing House incurs bank charges in excess of GBP 3.00 for receipt of a payment then it retains the right to recharge any excess to the organisation making the payment.

### **7 Amendments**

Amendments to these Terms & Conditions will be communicated to Members by the Clearing House at least 4 weeks prior to enactment.