

# Direct Debit

## - automatic receivables collection



**Direct Debit is one of the most efficient methods of collecting receivables from payers through automatic debiting of their accounts by the creditor.**



**The service is addressed to companies which:**

- ✓ have a very large base of counterparties, payers, including consumers
- ✓ receive cyclical payments
- ✓ need their receivables to be collected efficiently
- ✓ need their receivables to be settled quickly
- ✓ expect to maintain the loyalty of their counterparties
- ✓ have an inefficient reminder process



### Service characteristics

- ✓ the Customer's account is credited with the amount which always corresponds to the amount due (no overpayments/underpayments/collective payments)
- ✓ it is the Customer, not the counterparty, that decides about the payment date
- ✓ an option to resign from the reminder process



### Service rules

- ✓ the Customer sends to its counterparties consent forms for debiting their accounts, together with a request to fill in and sign these forms, and subsequently hands them over to Citi Handlowy
- ✓ after consent confirmation, the Customer orders at Citi Handlowy the debiting of its counterparties' accounts on the payment date
- ✓ the Bank sends the instructions and receives funds after debiting the counterparties' accounts in individual banks
- ✓ the Customer receives a report with transactions to be recorded and information in the case of rejection or revocation of the transaction by the counterparty
- ✓ in the case of absence of funds on the payment date, the Bank can automatically repeat debit attempts

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### Service effects

- ✓ in the case of receiving a complaint from the counterparty, the Bank is obliged to refund the collected amount by debiting the Customer
- ✓ the Bank automatically collects the Customer's receivables from the counterparties' accounts
- ✓ on the payment date and transfers them to the Customer
- ✓ the Bank submits a transaction report – an output file which constitutes the basis for recording the transactions



### Additional features

- ✓ distribution of consents to the counterparty's bank
- ✓ support for all types of output files adapted to the Customer's needs
- ✓ automatically repeated transaction attempts in the case of lack of funds on the first date
- ✓ an option to train the Customer's staff within the scope of Direct Debit



### The experience of Citi Handlowy

- ✓ we were the first bank in Poland to launch the Direct Debit service in July 1998
- ✓ we have kept the leading position since the product was launched
- ✓ we have the largest number of Customers in Poland
- ✓ we have the largest market share – more than 40%
- ✓ we are members of the Working Group for Direct Debit at the Polish Bank Association, which shapes future legislation
- ✓ we are the co-founders of the Direct Debit Coalition
- ✓ we are one of the first participants of the Ognivo system of Krajowa Izba Rozliczeniowa S.A., used for electronic distribution of consents to the payer's banks

Data according to own statistics, based on the number of transactions in the Elixir system of KIR S.A.

Information about charges and commissions for using the product is available on our website. Product functionalities, requirements, terms and conditions of use as well as related risks are discussed in detail during direct contact with customers interested in this product. To launch the product, the Customer needs to sign the "Agreement on non-cash settlements using direct debit".



### Details of the offer:

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