Terms and Conditions for Accounts

DANMARKS NATIONALBANK

Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank

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Effective as of 14 November 2026

Harmonised Conditions for participation in TARGET-Danmark – Settlement of payments in euro at Danmarks Nationalbank

Part I General terms and conditions

Article 1 – Scope

The terms and conditions set out in this Part I govern the relationship between Danmarks Nationalbank and participants in TARGET-Danmark. The terms and conditions set out in Parts II, III, IV, V, VI and VII apply as far as participants opt for and are granted one or more of the accounts described in these Parts. The terms and conditions set out in Parts I to VII of these harmonised conditions are referred to below as the 'Harmonised Conditions', the 'Conditions' or 'These Conditions'.

Article 2 – Appendices

1. The following Appendices form an integral part of these Conditions:

Appendix 1:	Technical specifications for the processing of cash transfer orders
Appendix 2:	TARGET compensation scheme
Appendix 3:	Terms of reference for capacity and country opinions
Appendix 4:	Business continuity and contingency procedures
Appendix 5:	TARGET operating schedule
Appendix 6:	Fee schedule
Appendix 7:	Requirements regarding information security management and business continuity management
Appendix 8:	Definitions

In the event of any conflict or inconsistency between the content of any appendix and the content of any other provision in these Conditions, the latter shall prevail.

Article 3 – General description of TARGET

1. TARGET is legally structured as a multiplicity of payment systems composed of all TARGET component systems, each of which is designated as a 'system' under Part 31 of the Danish Capital Markets Act (Kapitalmarkedsloven) (Consolidated Act no. 652 of 10 June 2025), implementing Directive 98/26/EC of the European Parliament and of the Council of 19 May 1998 on settlement finality in payment and securities settlement systems.

2. TARGET comprises payment systems in euro that settle in central bank money, provide central liquidity management services, real-time gross settlement for payments and services for ancillary system (AS) settlement, and enable cash payments in relation to securities settlement and the settlement of instant payments.

2a. TARGET allows cross-currency instant payments to be sent to or received from interoperable eligible payment systems in other currencies operating in central bank money and using the TIPS platform. Eligible payment systems in other currencies are those owned and/or operated by central banks that have signed a currency participation agreement with the Eurosystem CBs, allowing them to use the TIPS platform as a technical basis to settle instant payments.

3. TARGET provides the following:
(a) MCAs for the settlement of central bank operations;
b) RTGS DCAs for large-value real-time gross settlement of payments and sub-accounts if required for AS settlement;
c) T2S DCAs for the settlement of payments in relation to securities settlement;
d) TIPS DCAs for the settlement of instant payments; and
(e) the following accounts for AS settlement: (i) RTGS AS technical accounts; (ii) AS guarantee fund accounts; and (iii) TIPS AS technical accounts.

Each account in TARGET-Danmark shall be identified by means of a unique account number made up of the elements described in Appendix 1, paragraph 2.

Article 4 – Access criteria

1. The following types of entities are eligible to become participants in TARGET-Danmark upon request:

a) credit institutions established in the Union or the EEA, including when they act through a branch established in the Union or the EEA;

b) credit institutions established outside the EEA, provided that they act through a branch established in the Union or the EEA;

c) national central banks (NCBs) of EU Member States and the ECB.

It is a precondition that the entities referred to in points (a) and (b) are not subject to restrictive measures adopted by the Council of the European Union or Member States pursuant to Article 65(1)(b), Article 75 or Article 215 of the Treaty on the Functioning of the European Union that have the effect of suspending or imposing limitations on transfers or payments to or from such an entity similar to suspensions or limitations in insolvency proceedings.

2. Danmarks Nationalbank may, at its discretion, also admit the following entities as participants:

(a) treasury departments of central or regional governments of Member States;

(b) public sector bodies of Member States authorised to hold accounts for customers;

(c) (i) investment firms established in the Union or the EEA, including when they act through a

branch established in the Union or the EEA; and
(ii) investment firms established outside the EEA, provided that they act through a branch established in the Union or the EEA;

(d) entities managing ancillary systems, and acting in that capacity;

(da) non-bank payment service providers established in the Union or the EEA, including when they act through a branch established in the Union or the EEA;

(e) credit institutions or any of the entities of the types listed in points (a) to (d), in both cases where these are established in a country with which the Union has entered into a monetary agreement allowing access by any such entities to payment systems in the Union subject to the conditions set out in the monetary agreement and provided that the relevant legal regime applying in the country is equivalent to relevant Union legislation.

Article 5 – Application procedure

1. In order to become a participant in TARGET-Danmark, an entity as described in Article 4(1) or an entity that may be admitted by Danmarks Nationalbank under Article 4(2) shall fulfil the following requirements:

   a) install, manage, operate, monitor and ensure the security of the necessary IT infrastructure to connect to TARGET-Danmark and be able to submit cash transfer orders to it. In doing so, applicant participants may involve third parties but retain sole liability;

   b) have passed the tests required by Danmarks Nationalbank;

   c) if it is an applicant for an RTGS DCA, a T2S DCA or a TIPS DCA, it shall also hold or open an MCA with Danmarks Nationalbank;

   d) provide a capacity opinion in the form specified in Appendix 3, unless the information and representations to be provided in such capacity opinion have already been obtained by Danmarks Nationalbank in another context;

   e) for the entities referred to in Article 4(1)(b) and in Article 4(2)(c)(ii), provide a country opinion in the form specified in Appendix 3, unless the information and representations to be provided in such country opinion have already been obtained by Danmarks Nationalbank in another context;

   f) if it is an applicant for a TIPS DCA, have adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement and, if relevant, it has adhered to the One-Leg Out Instant Credit Transfer Transfer (OCT inst) scheme by signing the One-Leg Out Instant Credit Transfer Adherence Agreement;

   g) if it is an applicant for a TIPS AS technical account, have provided evidence that the disclosure letter showing their intent to be an SCT Inst compliant Clearing and Settlement Mechanism (CSM) and, if relevant, to be an OCT Inst compliant CSM, has been provided to the European Payments Council (EPC);

   h) If the applicant is an entity referred to in Article 4(2), point (da) compliance with (i) the

relevant national law provisions implementing Article 35a(1) of Directive (EU) 2015/2366 of the European Parliament and of the Council; and (ii) the procedures set out in the relevant national law provisions implementing Article 35a(2) of Directive (EU) 2015/2366.

2. Applicants shall apply to Danmarks Nationalbank, as a minimum enclosing the following documents/information:

   a) completed static data collection forms as provided by Danmarks Nationalbank;

   b) the capacity opinion, if required by Danmarks Nationalbank, and the country opinion, if required by Danmarks Nationalbank;

   c) if it is an applicant for a TIPS DCA, evidence of their adherence to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement and, if relevant, that it has adhered to the OCT Inst scheme by signing the One-Leg Out Instant Credit Transfer Adherence Agreement;

   d) if the applicant is applying to use the TIPS AS settlement procedure, evidence that they have provided the EPC with the disclosure letter showing their intent to be an SCT Inst compliant CSM and, if relevant, an OCT Inst compliant CSM;

   e) if the applicant designates a paying agent, evidence that the paying agent has agreed to act in that role;

   f) if the applicant is an entity referred to in Article 4(2), point (da), for the purposes of compliance with Article 5(1) point (h), either a statement issued by the relevant competent authority or a statement duly signed as approved by the competent management body of the non-bank payment service provider, in either case confirming compliance by such entity with: (i) the conditions for requesting participation in designated payment systems, as set out in the relevant national law provisions implementing Article 35a(1) of Directive (EU) 2015/2366; and (ii) the procedures set out in the relevant national law provisions implementing Article 35a(2) of Directive (EU) 2015/2366.

3. Applicants which are already TARGET participants and apply for a new account as described in: (i) Part III (RTGS DCA); (ii) Part IV (T2S DCA); (iii) Part V (TIPS DCA); (iv) Part VI (RTGS AS technical account); and/or (v) Part VII (TIPS AS technical account), shall comply with the provisions of paragraphs 1 and 2 to the extent relevant for the new account applied for.

4. Danmarks Nationalbank may also request any additional information it deems necessary to decide on an application to open a TARGET account.

5. Danmarks Nationalbank shall reject the application to participate if:

   a) the applicant is not a TARGET eligible entity as described in Article 4(1) or an entity that may be admitted by Danmarks Nationalbank under Article 4(2);

   b) one or more of the participation requirements referred to in paragraph 1 are not met; and/or

   c) according to Danmarks Nationalbank's assessment, such participation would endanger the

overall stability, soundness and safety of TARGET-Danmark or of any other TARGET component system, or would jeopardise Danmarks Nationalbank's performance of its tasks as described in the Danmarks Nationalbank Act and the by-laws of Danmarks Nationalbank and the Statute of European System of Central Banks and of the European Central Bank, or poses risks on the grounds of prudence.

6. Danmarks Nationalbank shall communicate in writing its decision on the application to become a participant in TARGET-Danmark to the applicant within one month of Danmarks Nationalbank's receipt of the application. Where Danmarks Nationalbank requests additional information pursuant to paragraph 4, the decision shall be communicated within one month of Danmarks Nationalbank's receipt of this information from the applicant. Any rejection shall contain reasons for the rejection.

Article 6 – Participants

1. Participants which are not AS shall hold at least one MCA with Danmarks Nationalbank and may also hold one or more RTGS DCAs, T2S DCAs and/or TIPS DCAs with Danmarks Nationalbank.

2. AS which use the RTGS AS settlement procedures or the TIPS AS settlement procedure shall be subject to the terms and conditions set out in this Part I as well as in Part VI or Del VII, respectively. They may hold one or more MCAs, T2S DCAs and, exceptionally and if approved by Danmarks Nationalbank, one or more RTGS DCAs except in relation to the clearing of instant payments pursuant to the SCT Inst scheme. If an AS holds an RTGS DCA or a T2S DCA it shall also hold at least one MCA with Danmarks Nationalbank. In the event that an AS holds one or more MCAs or RTGS DCAs or T2S DCAs, the respective Parts of these Conditions shall also apply.

Article 7 – Access to a participant's account by entities other than the participant

1. To the extent technically possible, a participant may give access to its TARGET accounts to one or more entities it designates, for the purposes of submitting cash transfer orders and performing other actions.

2. Cash transfer orders submitted or funds received by the entities designated by a participant as referred to in paragraph 1 shall be deemed to have been submitted or received by that participant itself.

3. The participant shall be bound by such cash transfer orders and any other action taken by the entity or entities referred to in paragraph 1, regardless of the content of, or any non-compliance with, the contractual arrangement between that participant and such entity.

Article 8 – Billing

1. Danmarks Nationalbank shall identify billable items according to Appendix 6 and shall allocate each of them to the participant from which that billable item originates.

2. Any fee payable in relation to a cash transfer order submitted by or a transfer order received

by an AS, irrespective of whether it uses RTGS AS settlement procedures or an RTGS DCA, shall be exclusively charged to that AS.

3. Billable items generated by actions taken by the designated entities referred to in Article 7, as well as by central banks acting on behalf of a participant, shall be allocated to the participant.

4. Danmarks Nationalbank shall issue separate invoices to the participant for the relevant services described in: (i) Part III (RTGS DCA); (ii) Part IV (T2S DCA); (iii) Part V (TIPS DCA); (iv) Part VI (RTGS AS settlement procedures); and (v) Part VII (TIPS AS settlement procedure).

5. Danmarks Nationalbank shall settle each invoice by means of a direct debit of an MCA held by the participant, unless the participant has designated another participant in TARGET (which may be in TARGET-Danmark or another component system) as a paying agent and instructed Danmarks Nationalbank to debit the MCA of that paying agent. Such an instruction shall not release the participant from its obligation to pay each invoice.

6. Where a paying agent has been designated, the participant shall provide Danmarks Nationalbank with evidence that the paying agent has agreed to act in that role.

7. For the purposes of this Article, each AS shall be treated separately, even if two or more of them are operated by the same legal entity, and irrespective of whether or not the AS has been designated under Directive 98/26/EC. In the case of an AS that has not been designated under Directive 98/26/EC, it shall be identified as an AS by reference to the following criteria: (a) it is a formal arrangement, based on a contractual or legislative instrument, e.g. an agree- ment among the participants and the system operator: (b) it has multiple membership; (c) it has common rules and standardised arrangements; and (d) is for the purpose of clearing, net- ting and/or settlement of payments and/or securities between the participants.

Article 9 – Billing groups

1. Upon the request of the participant Danmarks Nationalbank shall create a billing group to allow its members to benefit from the degressive pricing applicable to RTGS DCAs. The billing group may only include RTGS DCA holders belonging to the same banking group, from one or more TARGET component systems.

2) Upon the request of an RTGS DCA holder Danmarks Nationalbank shall add that RTGS DCA holder to or delete it from a billing group which may be in TARGET-Danmark or in any other TARGET component system. The RTGS DCA holder shall inform all other members of the billing group of such request prior to making it.

RTGS DCA holders included in a billing group shall be invoiced separately as set out in Article 8.

Article 10 – Obligations of Danmarks Nationalbank and the participants

1. Danmarks Nationalbank shall offer the services described in Parts II, III, IV, V, VI and VII where a participant has opted for and has been granted an account as referred to therein. Save where otherwise provided in these Conditions or required by law, Danmarks Nationalbank shall use all reasonable means within its power to perform its obligations under these Conditions, with-

out guaranteeing a specific result.

2. Danmarks Nationalbank is the provider of services pursuant to these Conditions. Acts and omissions of the Level 3 NCBs shall be considered as acts and omissions of Danmarks Nationalbank, for which it shall assume liability in accordance with Article 22. Participation pursuant to these Conditions shall not create a contractual relationship between the participants and the Level 3 NCBs when any of the latter acts in its capacity as a Level 3 NCB. Instructions, messages or information which a participant receives from, or sends to, TARGET in relation to the services provided under these Conditions shall be deemed to be received from, or sent to, Danmarks Nationalbank.

3. The participant shall pay to Danmarks Nationalbank fees in accordance with Article 8.

4. The participant shall ensure that it is technically connected to TARGET-Danmark in accordance with the TARGET operating schedule set out in Appendix 5. This obligation may be fulfilled through a designated entity referred to in Article 7.

5. The participant shall represent and warrant to Danmarks Nationalbank that the performance of its obligations under these Conditions does not breach any law, regulation or by-law applicable to it or any agreement by which it is bound.

6. The participant shall pay any applicable stamp duties or other documentary taxes or duties, if applicable, as well as any other costs the participant incurs in opening, maintaining or closing its TARGET account.

7. A participant referred to under Article 4(2), point (da), shall submit to Danmarks Nationalbank once a year a statement signed as approved by its competent management body confirming ongoing compliance by the participant with the requirements set out in Article 5(2), point (f), and ongoing compliance by the participant with the requirement to implement adequate security controls to protect its systems from unauthorised access and use as set out under Article 20(1). Danmarks Nationalbank shall be entitled to verify the information provided in such statement and request any supporting documentation it reasonably deems necessary.

Article 11 – Cooperation and information exchange

1. In performing their obligations and exercising their rights under these Conditions, Danmarks Nationalbank and participants shall cooperate closely to ensure the stability, soundness and safety of TARGET-Danmark. They shall provide each other with any information or documents relevant for the performance of their respective obligations and the exercise of their respective rights under these Conditions, without prejudice to any banking secrecy.

2. Danmarks Nationalbank shall establish and maintain a system support desk to assist participants in relation to difficulties arising in connection with system operations.

3. Up-to-date information on the operational status of each service shall be available on a TARGET Information System (TIS) on a dedicated webpage on the ECB's website.

4. Danmarks Nationalbank may communicate system relevant messages to participants by means of a broadcast message or, if this means is not available, by any other appropriate means of communication.

5) Participants shall update in a timely manner existing reference data collection forms and submit new reference data collection forms to Danmarks Nationalbank. Participants shall verify the accuracy of information relating to them that is entered into TARGET-Danmark by Danmarks Nationalbank.

6) The participant hereby authorises Danmarks Nationalbank to communicate to the Level 3 NCBs any information relating to participants which the Level 3 NCBs may need, in accordance with the agreements between the Level 3 NCBs and the Eurosystem CBs governing the provision of the services to be provided by the Level 3 NCBs.

7) Participants shall inform Danmarks Nationalbank without undue delay about any changes in their legal capacity and relevant legislative changes affecting issues covered by any country opinion relating to the country in question as set out in the terms of reference given in Appendix 3.

8) Danmarks Nationalbank may at any time request an update or renewal of the country or ca- pacity opinions referred to in Article 5(1)(d) and (e).

9) Participants shall immediately inform Danmarks Nationalbank if an event of default occurs in relation to themselves or if they are subject to crisis prevention measures or crisis manage- ment measures within the meaning of Directive 2014/59/EU of the European Parliament and of the Council or any other equivalent applicable legislation[1].

Article 12 – Remuneration of accounts

1. MCAs, DCAs and their sub-accounts shall be remunerated at a rate of €STR minus 20 basis points, but not exceeding 0 per cent.

   After 18:00, the participant may have a balance on its MCAs, DCAs and their sub-accounts for settlement purposes only.

   Interest shall be calculated on a daily basis and shall accrue and be paid on the third business day of the month.

2) Overnight balances held on RTGS AS technical accounts for AS settlement procedure D, TIPS AS technical accounts and guarantee funds held by European Economic Area financial market infrastructures, including those held on an AS guarantee fund accounts, shall be remunerated at a rate of €STR minus 20 basis points, but not exceeding 0 per cent.

[1] Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173 12.6.2014, p. 190).

Article 13 – Management of accounts

1. Participants shall monitor and manage the liquidity on their accounts in line with the TARGET operating schedule as set out in Appendix 5 and perform transaction-level reconciliation at least once a day. This obligation may be fulfilled through a designated entity referred to in Article 7.

2. Participants shall make use of the tools provided by Danmarks Nationalbank for the purpose of account reconciliation, in particular the daily statement of account which is made available to each participant. This obligation may be fulfilled through a designated entity referred to in Article 7.

3. Participants shall immediately inform Danmarks Nationalbank in the event that a mismatch occurs in relation to any of their accounts.

Article 13a – Maximum holding amounts on accounts held by participants referred to under Article 4(2), point (da) and penalties for breach thereof

1. Total funds held at the end of the business day by a participant referred to under Article 4(2), point (da), on all the accounts it holds with Danmarks Nationalbank shall not exceed a maximum holding amount calculated in accordance with the terms set out below. The funds referred to in this paragraph shall not include funds held by a participant referred to under Article 4(2), point (da), on accounts held for the purposes of RTGS AS settlement procedure D or the TIPS AS settlement procedure.

2. The maximum holding amount referred to in paragraph 1 shall be calculated as follows:

   (a) Where a participant referred to under Article 4(2), point (da), has been in operation for a period of 12 months prior to its application to open an account in TARGET-Danmark, the maximum holding amount shall be twice the peak value of the outgoing settled cash transfer orders including, where relevant, ancillary system transfer orders but excluding liquidity transfers of the participant referred to under Article 4(2), point (da), on any business day during the previous period of 12 calendar months. The participant referred to under Article 4(2), point (da), shall include the detailed calculation of such maximum holding amount in its application to Danmarks Nationalbank to participate in TARGET-Danmark.

   (b) Where a participant referred to under Article 4(2), point (da), has not been in operation for a period of 12 months prior to its application to open an account in TARGET-Danmark, the maximum holding amount shall be twice such participant's expected total peak value of the outgoing cash transfer orders including, where relevant, ancillary system transfer orders but excluding liquidity transfers. The participant referred to under Article 4(2), point (da), shall include its detailed calculation of the proposed maximum holding amount in its application to open an account in TARGET-Danmark.

   (c) In the 12-month period following the opening of the first active TARGET-Danmark account, Danmarks Nationalbank shall recalculate the maximum holding amount for each participant referred to under Article 4(2), point (da), each month during the first quarter using the actual peak value of the outgoing settled cash transfer orders including, where relevant, ancillary system transfer orders but excluding liquidity trans-

fers, since the opening of the account. Thereafter the recalculation shall take place each quarter. Such recalculated maximum holding amount shall apply from the next business day after recalculation is notified to each such participant by Danmarks Nationalbank and until the next recalculation.

(d) After the first 12-month period following the opening of the first active TARGET-Danmark account, Danmarks Nationalbank shall recalculate the maximum holding amount once each year. The recalculation shall be based on the actual total peak value of all outgoing cash transfer orders of a participant referred to under Article 4(2), point (da), including, where relevant, ancillary system transfer orders but excluding liquidity transfers during the previous 12-month period in TARGET-Danmark and information provided to Danmarks Nationalbank in accordance with points (a) and (b).

(e) In exceptional circumstances, Danmarks Nationalbank may, at its discretion, recalculate the maximum holding amount on an ad hoc basis, in the event of a significant change in the settlement values of a participant referred to under Article 4(2), point (da), that is imminent or has already occurred and that might cause non-compliance with the relevant maximum holding amount. Any such recalculation shall be made in accordance with point (b).

3. In the event that the total funds on the accounts of a participant referred to under Article 4(2), point (da), exceed the applicable maximum holding amount, such participant shall take immediate steps to reduce the total funds held to the maximum holding amount or lower. If such a reduction is not possible due to an incoming payment shortly before the end of the business day, the reduction shall take place without undue delay after the start of the next business day.

4. Where a participant referred to under Article 4(2), point (da), is a direct participant in a payment system that is an ancillary system in TARGET-Danmark, and relies on RTGS AS settlement procedure D or TIPS AS settlement procedures, such participant shall report to Danmarks Nationalbank on a monthly basis both the peak and average daily overnight holdings on the relevant TARGET ancillary system technical accounts. Such participant shall also report, on a monthly basis, its peak and average daily settlement obligation amounts processed in the corresponding ancillary system.

5. In the event that a participant referred to under Article 4(2), point (da), fails to comply with paragraphs 1 to 3, Danmarks Nationalbank shall impose a penalty at the rate of 0,03 % on the total amount in excess of the maximum holding amount held on all accounts by such participant at the end of the business day in TARGET, and an additional daily penalty of EUR 1 000 for each day of non-compliance.

6. The accounts referred to in paragraph 1 shall be reviewed no later than 12 months after 6 October 2025, and at least once every three years thereafter. The methods for calculating the maximum holding amount described in paragraph 2 shall be reviewed no later than 12 months after 6 October 2025, and at least once every three years thereafter.

Article 14 – Minimum reserves

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK.

Article 15 – Floor and ceiling amounts

1. Participants may set floor and ceiling amounts on their MCAs or DCAs.

2) Participants may choose to receive a notification if the floor or ceiling amount is breached. In addition, for MCAs, RTGS DCAs or TIPS DCAs participants may opt for the breach to trigger a rule-based liquidity transfer order.

3) The settlement of a liquidity transfer order shall not trigger a check of whether the floor or ceiling amount has been breached.

Article 16 – Account monitoring group

1. An MCA holder may create one or more account monitoring groups for the purpose of monitoring liquidity on several MCAs or DCAs and will become the leader party for any account monitoring group that it creates.

2) A participant may add any of its MCAs or DCAs opened within TARGET-Danmark or any other TARGET component system to one or more account monitoring groups and thereby become a member of that account monitoring group. A member of an account monitoring group may initiate the removal of its account from that account monitoring group at any time. A partici- pant shall inform the leader party of an account monitoring group prior to adding or removing an account from that account monitoring group.

3) Only the leader party of an account monitoring group shall be able to view the balances of all accounts included in that account monitoring group.

4) The leader party may delete the account monitoring group and shall inform the other members of the account monitoring group prior to such deletion.

Article 17 – Acceptance and rejection of cash transfer orders

1. Cash transfer orders submitted by participants shall be deemed accepted by Danmarks Nationalbank if:

   a) the transfer message complies with the technical requirements of TARGET described in Appendix 1;

   b) the transfer message complies with the formatting rules and conditions described in Appendix 1;

   c) the transfer message passes the double-entry check described in Appendix 1;

   d) in cases where a payer has been suspended with regard to debiting its account(s) or a payee has been suspended with regard to crediting its account(s), the suspended participant's CB's explicit consent has been obtained;

   e) in cases where the cash transfer order is made as part of an RTGS AS settlement procedure, the participant's account is included in the settlement bank account group requested by that AS as set out in Part VI, Article 1(7); and

f) in the case of cross-system settlement as part of RTGS AS settlement procedures, the AS concerned is part of a cross-system settlement arrangement as set out in Part VI, Article 9.

2) Danmarks Nationalbank shall immediately reject any cash transfer order that does not fulfil the conditions laid down in paragraph 1. Danmarks Nationalbank shall inform the participant of any rejection of a cash transfer order, as specified in Appendix 1.

Article 18 – Entry of cash transfer orders into the system and their irrevocability

1. For the purposes of the first sentence of Article 3(1) and Article 5 of the Settlement Finality Directive and sections 163 and 166 of the Danish Capital Markets Act (Consolidated Act no. 652 of 10 June 2025):

   a) all cash transfer orders, except as provided for in points (b), (c) and (d) of this paragraph, shall be deemed entered into TARGET-Denmark and irrevocable at the moment that the relevant participant's TARGET account is debited;

   b) instant payment orders shall be deemed entered into TARGET-Danmark and irrevocable at the moment that the relevant funds on the TIPS DCA of the participant or on its TIPS AS technical account are reserved;

   c) in the case of transactions that are settled on T2S DCAs and that are subject to matching of two separate transfer orders:

      i. such transfer orders, except as provided for in point (ii) of this paragraph, shall be deemed entered into TARGET-Danmark at the moment at which they have been declared compliant with the technical rules of T2S by the T2S Platform and irrevocable at the moment the transaction has been given the status 'matched' at the T2S Platform;

      ii. in the case of transactions involving one participating central securities depository (CSD) that has a separate matching component where transfer orders are sent directly to that participating CSD to be matched in its separate matching component, such transfer orders shall be deemed entered into TARGET-Danmark at the moment at which they have been declared compliant with the technical rules of T2S by that participating CSD and irrevocable from the moment the transaction has been given the status 'matched' on the T2S Platform. A list of participating CSDs to which this point (ii) applies is available on the ECB's website;

   d) cash transfer orders in connection with RTGS AS settlement procedures shall be deemed entered in the TARGET component system of the account to be debited at the moment at which they are accepted by that TARGET component system and irrevocable at that moment.

2. The provisions of paragraph 1 shall not affect any rules of AS that stipulate a moment of entry into the AS and/or irrevocability of transfer orders submitted to it at a point in time earlier than the moment of entry of the respective AS transfer order in the relevant TARGET component system.

3. Cash transfer orders included in an algorithm may not be revoked during the period that the algorithm is running.

Article 19 – Business continuity and contingency procedures

1) In the event of an abnormal external event or any other event which affects transactions on the TARGET accounts, the business continuity and contingency procedures described in Appendix 4 shall apply.

2) In exceptional circumstances the TARGET operating schedule may be changed, in which case participants will be informed by Danmarks Nationalbank.

3) In exceptional circumstances an AS may make a request to Danmarks Nationalbank to modify the TARGET operating schedule.

4) The Eurosystem provides a Contingency Solution for use if the events described in paragraph 1 occur. Connection to and use of the Contingency Solution may be effected on the request of a participant and shall be mandatory in the following cases:

    a) for participants considered by Danmarks Nationalbank to be critical and for participants that settle very critical transactions as set out in Appendix 4

    b) with effect from 21 March 2025 for all ASs and for all RTGS DCA holders.

Article 20 – Security requirements

1. Participants shall implement adequate security controls to protect their systems from unauthorised access and use. Participants shall be exclusively responsible for the adequate protection of the confidentiality, integrity and availability of their systems.

2. Participants shall immediately inform Danmarks Nationalbank of any security-related incidents in their technical infrastructure and, where appropriate, security-related incidents that occur in the technical infrastructure of third-party providers. Danmarks Nationalbank may request further information about the incident and, if necessary, request that the participant take appropriate measures to prevent a recurrence of such an event.

3) Danmarks Nationalbank may impose additional security requirements, in particular with regard to cybersecurity or the prevention of fraud, on all participants and/or participants that are considered critical by Danmarks Nationalbank.

4) Participants shall provide Danmarks Nationalbank with: (i) permanent access to their attestation of adherence to their chosen network service provider's (NSP) endpoint security requirements; and (ii) on an annual basis the TARGET self-certification statement as required for the types of accounts that they hold and as published on Danmarks Nationalbank's website and on the ECB's website in English.

5) Danmarks Nationalbank shall assess the participant's self-certification statement(s) on the participant's level of compliance with each of the requirements set out in the TARGET self-certification requirements. These requirements are listed in Appendix 7.

6) Participants' level of compliance with the requirements of the TARGET self-certification shall be categorised as follows, in increasing order of severity: 'full compliance', 'minor non-compliance' or 'major non-compliance. The following criteria apply: full compliance is reached where participants satisfy 100% of the requirements; minor non-compliance is where a participant satisfies less than 100% but at least 66% of the requirements; and major non-compliance is where a participant satisfies less than 66% of the requirements. If a participant demonstrates that a specific requirement is not applicable to it, it shall be considered as compliant with the respective requirements for the purposes of the categorisation. A participant which fails to reach 'full compliance' shall submit an action plan demonstrating how it intends to reach full compliance. Danmarks Nationalbank shall inform the relevant supervisory authorities of the status of such participant's compliance.

7) If the participant refuses to grant permanent access to its attestation of adherence to its chosen NSP's endpoint security requirements or does not provide the TARGET self-certification, the participant's level of compliance shall be categorised as 'major non-compliance'.

8) Danmarks Nationalbank shall re-assess compliance of participants on an annual basis.

9) Danmarks Nationalbank may impose the following measures on participants whose level of compliance was assessed as minor or major non-compliance, in increasing order of severity:

   a) enhanced monitoring: the participant shall provide Danmarks Nationalbank with a monthly report, signed by a senior executive, on its progress in addressing the non-compliance. The participant shall additionally incur a monthly penalty charge for each affected account of EUR 1,000. This measure of redress may be imposed in the event the participant receives a second consecutive assessment of minor non-compliance or an assessment of major non-compliance;

   b) suspension: participation in TARGET-Danmark may be suspended in the circumstances described in Article 25(2), points (b) and/or (c). By way of derogation from Article 25, the participant shall be given three months' notice of such suspension. The participant shall incur a monthly penalty charge for each suspended account of EUR 2,000. This measure of redress may be imposed in the event the participant receives a second consecutive assessment of major non-compliance;

   c) termination: participation in TARGET-Danmark may be terminated in the circumstances described in Article 25(2), points (b) and/or (c). By way of derogation from Article 25, the participant shall be given three months' notice. The participant shall incur an additional penalty charge of EUR 1,000 for each terminated account. This measure of redress may be imposed if the participant has not addressed the major non-compliance to the satisfaction of Danmarks Nationalbank following three months suspension.

10) Participants allowing access to their TARGET account by third parties as set out in Article 7 and participants having registered addressable BIC holders as set out in Part III, Article 2, shall address the risk stemming from allowing such access in accordance with the security requirements set out in paragraphs 1 to 9.

Article 21 – Compensation scheme

If, due to a technical malfunction of TARGET, a cash transfer order cannot be settled on the same business day on which it was accepted, or could not be submitted, Danmarks Nationalbank shall offer to compensate the participant concerned in accordance with the special procedure laid down in Appendix 2.

Article 22 – Liability regime

1. In performing their obligations pursuant to these Conditions, Danmarks Nationalbank and the participants shall be bound by a general duty of reasonable care in relation to each other.

2) Danmarks Nationalbank shall be liable to its participants in cases of fraud (including but not limited to wilful misconduct) or gross negligence, for any loss arising out of the operation of TARGET-Danmark. In cases of ordinary negligence, Danmarks Nationalbank's liability shall be limited to the participant's direct loss, i.e. the amount of the transaction in question and/or the loss of interest, excluding any consequential loss.

3) Danmarks Nationalbank shall not be liable for any loss that results from any malfunction or failure in the technical infrastructure (including but not limited to Danmarks Nationalbank's computer infrastructure, programmes, data, applications or networks), if such malfunction or failure arises in spite of Danmarks Nationalbank having adopted those measures that are reasonably necessary to protect such infrastructure against malfunction or failure, and to resolve the consequences of such malfunction or failure (the latter including but not limited to initiating and completing the business continuity and contingency procedures referred to in Appendix 4).

4) Danmarks Nationalbank shall not be liable:

   a) to the extent that the loss is caused by the participant; or

   b) if the loss arises out of external events beyond Danmarks Nationalbank's reasonable control (force majeure).

5) Notwithstanding the provisions of the Danish Payments Act (*Lov om betalinger*) (Consolidated Act no. 651 of 10 June 2025), paragraphs 1 to 4 shall apply to the extent that Danmarks Nationalbank's liability can be excluded.

6) Danmarks Nationalbank and the participants shall take all reasonable and practicable steps to mitigate any damage or loss referred to in this Article.

7) In performing some or all of its obligations under these Conditions, Danmarks Nationalbank may commission third parties in its own name, particularly telecommunications or other network providers or other entities, if this is necessary to meet Danmarks Nationalbank's obligations or is standard market practice. Danmarks Nationalbank's obligation shall be limited to the due selection and commissioning of such third parties and Danmarks Nationalbank's liability shall be limited accordingly. For the purposes of this paragraph, the Level 3 NCBs shall not be considered third parties.

Article 23 – Evidence

1. Unless otherwise provided in these Conditions, all cash transfer orders and related messages, such as confirmation of debits or credits or statement messages, between Danmarks Nationalbank and participants shall be made through the relevant networks service provider (NSP).

2. Electronic or written records of the messages retained by Danmarks Nationalbank or by the relevant NSP shall be accepted as a means of evidence of the payments processed through Danmarks Nationalbank. The saved or printed version of the original message of the relevant NSP shall be accepted as a means of evidence, regardless of the form of the message.

3. If a participant's connection to the NSP fails, the participant shall use the alternative means of transmission of messages as agreed with Danmarks Nationalbank. In such cases, the saved or printed version of the message produced by Danmarks Nationalbank shall have the same evidential value as the original message, regardless of its form.

4. Danmarks Nationalbank shall keep complete records of cash transfer orders submitted and payments received by participants for a period of five years from the end of the financial year in which such cash transfer orders are submitted and payments are received, respectively.

5. Danmarks Nationalbank's own books and records shall be accepted as a means of evidence of any obligations of the participants and of any facts and events that the parties rely on.

Article 24 – Duration and ordinary termination of participation and closure of accounts

1. Without prejudice to Article 25, access to participation in TARGET-Danmark shall be for an indefinite period of time.

2. A participant may terminate any of the following at any given time giving 14 business days' notice thereof, unless it agrees a shorter notice period with Danmarks Nationalbank:

   a) its entire participation in TARGET-Danmark;

   b) one or more of its DCAs, RTGS AS technical accounts and/or TIPS AS technical accounts;

   c) one or more of its MCAs, provided it continues to comply with Articles 4 and 5.

3. Danmarks Nationalbank may terminate any of the following at any time giving three months' notice thereof, unless Danmarks Nationalbank agrees a different notice period with the relevant participant:

   a) the participant's entire participation in TARGET-Danmark;

   b) one or more of the participant's DCAs, RTGS AS technical accounts and/or TIPS AS technical accounts;

   c) one or more of the participant's MCAs, provided that the participant continues to hold at least one MCA.

4. On termination of participation, the confidentiality duties laid down in Article 28 shall remain in

force for a period of five years starting on the date of termination.

5. On termination of participation, Danmarks Nationalbank shall close all TARGET accounts of the participant concerned in accordance with Article 26.

Article 25 – Suspension and extraordinary termination of participation

1. A participant's participation in TARGET-Danmark shall be immediately terminated or suspended without prior notice if one of the following events of default occurs:

   a) the opening of insolvency proceedings; and/or

   b) the participant no longer meets the access criteria laid down in Article 4.

For the purposes of this paragraph 1, the taking of crisis prevention measures or crisis management measures within the meaning of Directive 2014/59/EU[2] of the European Parliament and of the Council against a participant shall not automatically qualify as the opening of insolvency proceedings.

2. Danmarks Nationalbank may terminate without prior notice or suspend a participant's participation in TARGET-Danmark if:

   a) one or more events of default (other than those referred to in paragraph 1) occur;

   b) the participant is otherwise in material breach of these Conditions;

   c) the participant fails to carry out any material obligation to Danmarks Nationalbank;

   d) the participant ceases to have a valid agreement with an NSP to provide the necessary connection to TARGET;

   e) any other event related to the participant occurs which, in Danmarks Nationalbank's assessment, would threaten the overall stability, soundness and safety of TARGET-Danmark or of any other TARGET component system, or would jeopardise Danmarks Nationalbank's performance of its tasks as described in the Danmarks Nationalbank Act and the by-laws of Danmarks Nationalbank and the Statute of European System of Central Banks and of the European Central Bank, or poses risks on the grounds of prudence;

   f) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

   g) the participant is excluded from or otherwise ceases to be a member of one of the NSP Closed Group of Users.

3. In exercising its discretion under paragraph 2, Danmarks Nationalbank shall take into account, inter alia, the seriousness of the event of default or events mentioned in points (a) to (c) of paragraph 2.

[2] Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU of the European Parliament and of the Council and Regulations (EU) No 1093/2010 and (EU) No 648/2012 (OJ L 173 12.6.2014, p. 190).

4. In the event that Danmarks Nationalbank suspends or terminates a participant's participation in TARGET-Danmark under paragraphs 1 or 2, Danmarks Nationalbank shall without undue delay inform – by means of a broadcast message or, if that is not available, by any other appropriate means of communication – the respective participant, other CBs and participants in all of the TARGET component systems of such suspension or termination. Such message shall be deemed to have been issued by the home CB if the respective participant.

5. Once a message issued under paragraph 4 has been received by the participants, they shall be deemed informed of the termination/suspension of a participant's participation in TARGET-Danmark or another TARGET component system. The participants shall bear any losses arising from the submission of a cash transfer order to participants whose participation has been suspended or terminated if such cash transfer order was entered into TARGET-Danmark after receipt of the message.

6. If a participant referred to under Article 4(2), point (da), has not remedied a material non-compliance with the requirements of Article 13a, Danmarks Nationalbank may terminate its participation in TARGET-Danmark in the circumstances described under point (b) and/or point (c) of paragraph 2. By way of derogation from paragraph 2, Danmarks Nationalbank may terminate its participation in TARGET-Danmark with one month's notice and shall impose an additional one-off penalty of EUR 1.000 for each closed account. For the purpose of this paragraph, each of the following shall be deemed, among others, to be an event of material non-compliance:

   (a) systematic or repeated breach of the relevant maximum holding amount limit, including but not limited to a breach involving a significant amount in excess of the relevant maximum holding amount limit;

   (b) failure to reduce the amount held on the relevant accounts to the maximum holding amount or lower by the end of the business day after the business day on which the funds are received;

   (c) non-compliance with the obligation to report on a monthly basis both the peak and average daily overnight holdings on the relevant TARGET ancillary system technical accounts and its peak and average daily settlement obligation amounts processed in the corresponding ancillary system.

7. If a participant referred to under Article 4(2), point (da), fails to comply with the requirements set out in Article 10(7), Danmarks Nationalbank may terminate that participant's participation in TARGET-Danmark in the circumstances described in point (b) and/or point (c) of paragraph 2. By way of derogation from paragraph 2, the participant shall be given one month's notice.

Article 26 – Closure of TARGET accounts by Danmarks Nationalbank on termination of participation

On termination of a participant's participation in TARGET-Danmark pursuant to either Article 24 or 25, Danmarks Nationalbank shall close the TARGET accounts of the participant concerned, after having settled or rejected any queued cash transfer orders, and made use of its rights of set-off under Article 27.

Article 27 – Danmarks Nationalbank's rights of set-off

1. NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

2. NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

3. NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

4. On the occurrence of:

    a) an event of default, referred to in Article 25(1); or

    b) any other event of default or event referred to in Article 25(2) that has led to the termination or suspension of a participant's participation, notwithstanding the commencement of any insolvency proceedings in respect of a participant and notwithstanding any assignment, judicial or other attachment or other disposition of or in respect of the participant's rights,

    all obligations of the participant shall be automatically and immediately accelerated, without prior notice and without the need for any prior approval of any authority, so as to be immediately due. In addition, the mutual obligations of the participant and Danmarks Nationalbank shall automatically be set off against each other, and the party owing the higher amount shall pay to the other the difference.

5. Danmarks Nationalbank shall promptly give the participant notice of any set-off pursuant to paragraph 4 after such set-off has taken place.

6. Danmarks Nationalbank may without prior notice debit any participant's TARGET accounts by any amount which the participant owes Danmarks Nationalbank resulting from the legal relationship between the participant and Danmarks Nationalbank.

7. The provisions of this Article shall not create any right, pledge, charge or claim or set-off in respect of the following TARGET accounts used by AS:

    a) TARGET accounts used in accordance with the AS settlement procedures under Part VI or Part VII;

    b) TARGET accounts held by AS under Parts II to V, where funds held on such accounts do not belong to the AS but are held on behalf of their customers or are used to settle cash transfer orders on behalf of their customers.

Article 28 – Confidentiality

1. Danmarks Nationalbank shall keep confidential all sensitive or secret information, including when such information relates to payments, technical or organisational information belonging to the participant, participants from the same group or the participant's customers, unless the participant or its customer have given its written consent to disclose or such disclosure is permitted or required under Danish law.

2) By derogation from paragraph 1, the participant agrees that information on any action taken

under Article 25 shall not be confidential.

3) By derogation from paragraph 1, the participant agrees that Danmarks Nationalbank may disclose payment, technical or organisational information regarding the participant, participants from the same group or the participant's customers, obtained in the course of the operation of TARGET-Danmark to:

a) other CBs or third parties that are involved in the operation of TARGET-Danmark, to the extent that this is necessary for the efficient functioning of TARGET or the monitoring of the participant's or its group's exposure;

b) other CBs in order to carry out the analyses necessary for market operations, monetary policy functions, financial stability or financial integration; or

c) supervisory, resolution and oversight authorities of Member States and the Union, including CBs, to the extent that this is necessary for the performance of their public tasks;

and provided that in all such cases the disclosure is not in conflict with applicable law.

4) Danmarks Nationalbank shall not be liable for the financial and commercial consequences of disclosure made in accordance with paragraph 3.

5) By derogation from paragraph 1 and provided that this does not make it possible, whether directly or indirectly, to identify the participant or the participant's customers, Danmarks Nationalbank may use, disclose or publish payment information regarding the participant or the participant's customers for statistical, historical, scientific or other purposes in the exercise of Danmarks Nationalbank's tasks or – if the information is disclosed to other public authorities – in the exercise of these authorities' tasks.

6) Information relating to the operation of TARGET-Danmark to which participants have had access may only be used for the purposes laid down in these Conditions. Participants shall keep such information confidential, unless Danmarks Nationalbank has explicitly given its written consent to disclosure. Participants shall ensure that any third parties to whom they outsource, delegate or subcontract tasks which have or may have an impact on the performance of their obligations under these Conditions are bound by the confidentiality requirements in this Article.

7) Danmarks Nationalbank shall be authorised, in order to settle cash transfer orders, to process and transfer the necessary data to the NSP.

Article 29 – Data protection, prevention of money laundering, administrative or restrictive measures and related issues

1. Participants shall be deemed to be aware of, shall comply with and shall be able to demonstrate that compliance to the relevant competent authorities with all obligations on them relating to legislation on data protection. They shall be deemed to be aware of, and shall comply with, all obligations on them relating to legislation on prevention of money laundering and the financing of terrorism, proliferation-sensitive nuclear activities and the development of nuclear weapons delivery systems, in particular in terms of implementing appropriate measures con-

cerning any payments debited or credited on their TARGET accounts. Participants shall ensure that they are informed about their chosen NSP's data retrieval policy prior to entering into the contractual relationship with the NSP.

2) Participants shall be deemed to have authorised Danmarks Nationalbank to obtain any information relating to them from any financial or supervisory authority or trade body, whether national or foreign, if such information is necessary for the participant's participation in TARGET-Danmark.

3) Participants, when acting as the payment service provider of a payer or payee, shall comply with all requirements resulting from administrative or restrictive measures imposed pursuant to Article 75 or 215 of the Treaty to which they are subject, including with respect to notification and/or the obtaining of consent from a competent authority in relation to the processing of transactions. In addition:

    a) when Danmarks Nationalbank is the payment provider of a participant that is a payer:

        i. the participant shall make the required notification or obtain consent on behalf of the central bank that is primarily required to make notification or obtain consent, and shall provide Danmarks Nationalbank with evidence of having made a notification or having received consent;

        ii. the participant shall not enter any cash transfer order for the transfer of funds to an account held by an entity different than the participant, into TARGET until it has obtained information from Danmarks Nationalbank that the required notification has been made or the consent has been obtained by or on behalf of the payment service provider of the payee;

    b) when Danmarks Nationalbank is a payment service provider of a participant that is a payee, the participant shall make the required notification or obtain consent on behalf of the central bank that is primarily required to make notification or obtain consent, and shall provide Danmarks Nationalbank with evidence of having made a notification or having received consent.

    For the purposes of this paragraph 3, the terms 'payment service provider', 'payer' and 'payee' shall have the meanings ascribed to them in the applicable administrative or restrictive measures.

Article 30 – Notices

1. Except where otherwise provided for in these Conditions, all notices required or permitted pursuant to these Conditions shall be sent by registered post, facsimile or other electronic means if agreed bilaterally, or otherwise in writing. Notices to Danmarks Nationalbank shall be submitted to Central Bank and Retail Bank Operations, Banking and Markets, Danmarks Nationalbank, Langelinie Allé 47, DK-2100 Copenhagen Ø or to Danmarks Nationalbank's BIC address: DKNBDKKK. Notices to the participant shall be sent to it at the address, fax number or its BIC address as the participant may from time to time notify to Danmarks Nationalbank.

2. To prove that a notice has been sent, it shall be sufficient to prove that the notice was sent either physically or by electronic means to the relevant addressee.

3. All notices shall be given in Danish and/or English.

4. Participants shall be bound by all forms and documents of Danmarks Nationalbank that the participants have filled in and/or signed, including static data collection forms, as referred to in Article 5(2)(a), and information provided under Article 11(5), which were submitted in compliance with paragraphs 1 and 2 and which Danmarks Nationalbank reasonably believes to have been received from the participants, their employees or agents.

Article 31 – Contractual relationship with NSP

1. In order to send to or receive from TARGET instructions and messages, participants shall:

   a) conclude a contract with an NSP within the framework of the concession contract with that NSP in order to establish a technical connection to TARGET-Danmark; or

   b) connect via another entity which has itself concluded a contract with an NSP within the framework of the concession contract with that NSP.

1a From 21 March 2026, participants that are considered critical by Danmarks Nationalbank shall, in addition to the technical connection referred to in paragraph 1, establish a second technical connection for contingency purposes to TARGET-Danmark through a second NSP in accordance with the modalities set out in paragraph 1. The second technical connection may be via the second NSP's low-volume user to application (U2A) access).

2) The legal relationship between a participant and the NSP shall be exclusively governed by the terms and conditions of the contract concluded between them.

3) The services to be provided by the NSP shall not form part of the services to be performed by Danmarks Nationalbank in respect of TARGET.

4) Danmarks Nationalbank shall not be liable for any acts, errors, or omissions of the NSP (including its directors, staff and subcontractors), or for any acts, errors or omissions of third parties selected by participants to gain access to the NSP's network.

Article 32 – Amendment procedure

Danmarks Nationalbank may at any time unilaterally amend these Conditions, including the Appendices. Such amendments shall be announced by means of communication in writing made available via 'MS Teams'. Amendments shall be deemed to have been accepted unless the participant expressly objects within 14 days of being informed of such amendments. In the event that a participant objects to an amendment, Danmarks Nationalbank is entitled immediately to terminate that participant's participation in TARGET-Danmark and close any of its TARGET accounts.

Article 33 – Third-party rights

1. Participants shall not transfer, pledge, or assign any rights, interests, obligations, responsibilities or claims arising from or relating to these Conditions to any third party without Danmarks

Nationalbank's written consent.

2) These Conditions do not create any rights in favour of or obligations in relation to any entity other than Danmarks Nationalbank and participants in TARGET-Danmark.

Article 34 – Governing law, jurisdiction and place of performance

1. The relationship between Danmarks Nationalbank and participants in TARGET-Danmark shall be governed by Danish law.

2) Without prejudice to the competence of the Court of Justice of the European Union, any dispute arising from the relationship referred to in paragraph 1 falls under the exclusive competence of the competent courts of Copenhagen.

3) The place of performance for obligations arising from the legal relationship between Danmarks Nationalbank and the participants shall be Copenhagen.

Article 35 – Severability

If any provision in these Conditions is or becomes invalid, this shall not prejudice the applicability of all the other provisions of these Conditions.

Article 36 – Entry into force and binding nature

1. These Conditions become effective from 14 November 2026 and replace the Conditions of 15 June 2026.

2) By requesting to participate in TARGET-Danmark, applicant participants automatically agree to these Conditions between themselves and in relation to Danmarks Nationalbank.

Part II Special terms and conditions for main cash accounts (MCAs)

Article 1 – Opening and management of an MCA

1. Danmarks Nationalbank shall open and operate at least one MCA for each participant, except where the participant is an AS that only uses RTGS or TIPS AS settlement procedures, in which case the use of an MCA shall be at the discretion of the AS.

2. NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

3. The participant shall designate a primary MCA to be used for:

    a) debiting of any negative interest, unless the participant has designated another participant in TARGET-Danmark for that purpose;

    b) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

    c) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK.

4. The participant shall have no debit balances on an MCA.

Article 2 – Co-management of an MCA

1. On the request of an MCA holder Danmarks Nationalbank shall allow an MCA held by that MCA holder to be co-managed by one of the following:

    a) another MCA holder in TARGET-Danmark;

    b) an MCA holder in another TARGET component system;

    c) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

    If the MCA holder holds more than one MCA, each MCA held may be co-managed by a different co-manager.

    The co-manager shall have the same rights and privileges in relation to an MCA that it co-manages as it has in relation to its own MCA.

2. The MCA holder shall provide Danmarks Nationalbank with evidence of the consent of the co-manager to act in that capacity.

3. An MCA holder acting as co-manager shall fulfil the obligations of the MCA holder of the co-managed MCA under Part I, Article 5(1)(a), Part I, Article 10(4), and Part I, 31(1) and 1(a).

4. The MCA holder of a co-managed MCA shall fulfil the obligations of a participant under Part I and Part II in respect of the co-managed MCA. In the event that the MCA holder does not have a direct technical connection to TARGET, Part I, Article 5(1)(a), Part I, Article 10(4), and Part I,

31(1) and 1(a), shall not apply.

5. Part I, Article 7, shall apply to an MCA holder that designates an entity to act as co-manager of an MCA holder's MCA pursuant to this Article.

6. The MCA holder shall immediately notify Danmarks Nationalbank if the co-manager ceases to act or the co-management between the MCA holder and the co-manager is terminated.

Article 3 – MCA liquidity transfer group

1. On the request of an MCA holder Danmarks Nationalbank shall create an MCA liquidity transfer group for the purpose of enabling the processing of MCA-to-MCA liquidity transfer orders.

2. On the request of an MCA holder Danmarks Nationalbank shall add one of the MCA holder's MCAs to or delete it from an existing MCA liquidity transfer group created in TARGET-Danmark or another TARGET component system. The MCA holder shall inform all other MCA holders in that MCA liquidity transfer group before making such a request.

Article 4 – Transactions processed via an MCA

1. The following transactions shall be processed via an MCA in TARGET-Danmark:

    a) central bank operations;

    b) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

    c) liquidity transfer orders to another MCA within the same MCA liquidity transfer group;

    d) liquidity transfer orders to a T2S DCA, TIPS DCA or RTGS DCA, or to a sub-account thereof.

2. The following transaction may be processed via an MCA in TARGET-Danmark:

    a) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

Article 5 – Liquidity transfer orders

1. An MCA holder may submit a liquidity transfer order as one of the following:

    a) an immediate liquidity transfer order, which shall be an instruction for execution immediately;

    b) a standing liquidity transfer order, which shall be an instruction for the recurring execution of the transfer of a specified amount on the occurrence of a predefined event each business day.

Article 6 – Rule-based liquidity transfer orders

1. An MCA holder may specify a floor and/or a ceiling amount for its MCA.

2. By setting a ceiling and opting for a rule-based liquidity transfer order, if, following the set-

tlement of a payment order, the ceiling is breached, the MCA holder shall be deemed to have instructed Danmarks Nationalbank to execute a rule-based liquidity transfer order that credits an RTGS DCA or another MCA within the same MCA liquidity transfer group designated by that MCA holder. The credited RTGS DCA or MCA may be registered in TARGET-Danmark or another TARGET component system.

3. By setting a floor and opting for a rule-based liquidity transfer order, if, following the settlement of a payment order, the floor is breached, a rule-based liquidity transfer order is initiated which debits an RTGS DCA or another MCA within the same MCA liquidity transfer group designated by that MCA holder. The debited RTGS DCA or MCA may be registered in TARGET-Danmark or another TARGET component system. The holder of the RTGS DCA or MCA to be debited must authorise its account to be debited in this manner.

4. An MCA holder may authorise its MCA to be debited in the event that a floor is breached in one or more specified RTGS DCAs, TIPS DCAs or MCAs within the same liquidity transfer group in TARGET-Danmark or another TARGET component system. By authorising its account to be debited, the MCA holder shall be deemed to have instructed Danmarks Nationalbank to execute a rule-based liquidity transfer order that credits the RTGS DCA(s), TIPS DCA(s) or MCA(s) whenever the floor is breached.

5. An MCA holder may authorise its MCA to be debited in the event that there is insufficient liquidity on an RTGS DCA designated for the purpose of automated liquidity transfer orders under Part III, Article 1(5) and (6) to settle urgent payment orders, AS transfer orders or high priority payment orders. By authorising its account to be debited, the MCA holder shall be deemed to have instructed Danmarks Nationalbank to execute a rule-based liquidity transfer order that credits its RTGS DCA.

Article 7 – Processing of cash transfer orders

1. Cash transfer orders, once accepted, shall be settled immediately provided that there is available liquidity on the payer's MCA.

2. In the event that there are insufficient funds on an MCA to effect settlement, the relevant rule as set out in points (a) to (d) shall apply (depending on the type of cash transfer order).

    a) Payment order on the MCA: the instruction shall be rejected if it is initiated by Danmarks Nationalbank and would trigger both a change in the participant's line of intraday credit and a corresponding debit or credit of its MCA. All other instructions shall be queued.

    b) Immediate liquidity transfer order: the order shall be rejected without partial settlement or any further attempt to settle.

    c) Standing liquidity transfer order: the order shall be partially settled without any further attempt to settle.

    d) Rule-based liquidity transfer order: the order shall be partially settled without any further attempt to settle.

e) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

3. All cash transfer orders in the queue shall be processed following the 'first in, first out' (FIFO) principle without prioritisation or reordering.

4. Cash transfer orders in the queue at the end of the business day shall be rejected.

Article 8 – Liquidity reservation orders

1. An MCA holder may instruct Danmarks Nationalbank to reserve a specified amount of liquidity on its MCA for the purpose of settling central bank operations using one of the following:
   a) a current liquidity reservation order that shall have immediate effect for the current TARGET business day;
   b) a standing liquidity reservation order to be carried out at the start of every TARGET business day.
2. In the event that the amount of unreserved liquidity is not sufficient to fulfil the current or standing liquidity reservation order, Danmarks Nationalbank shall partially execute the reservation order. Danmarks Nationalbank shall be deemed instructed to execute further reservation orders until the outstanding amount to be reserved is reached. Pending reservation orders shall be rejected at the end of the business day.
3. Central bank operations shall be settled using the liquidity reserved as set out in paragraph 1 and other cash transfer orders shall only be settled using liquidity available after the amount reserved has been deducted.

Article 9 – Processing of cash transfer orders in the event of suspension or termination

1. Upon termination of a participant's participation in TARGET-Danmark, Danmarks Nationalbank shall not accept any new cash transfer orders from that participant. Cash transfer orders in the queue, warehoused cash transfer orders or new cash transfer orders in favour of that participant shall be rejected.

2. If a participant is suspended from TARGET-Danmark on grounds other than those specified in Part I, Article 25(1)(a), Danmarks Nationalbank shall store all of that participant's incoming and outgoing cash transfer orders on its MCA and only submit them for settlement after they have been explicitly accepted by the suspended participant's CB.

3. If a participant is suspended from TARGET-Danmark on the grounds specified in Part I, Article 25(1)(a), any outgoing cash transfer orders from that participant's MCA shall only be executed on the instructions of its representatives, including those appointed by a competent authority or a court, such as the participant's insolvency administrator, or pursuant to an enforceable decision of a competent authority or a court providing instructions as to how the cash transfer orders are to be processed. All incoming cash transfer orders shall be processed in accordance with paragraph 2.

Article 10 – Entities eligible for intraday credit

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK.

Article 11 – Eligible collateral for intraday credit

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK.

Article 12 – Credit extension procedure for intraday credit

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK.

Article 12a – Credit extension procedure for the CCP credit facility

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK.

Article 13 – Suspension, limitation or termination of intraday credit

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK.

Part III Special terms and conditions for real-time gross settlement dedicated cash accounts (RTGS DCAs)

Article 1 – Opening and management of an RTGS DCA

1. Danmarks Nationalbank shall on the request of an MCA holder open and operate one or more RTGS DCAs and one or more sub-accounts if required for use for AS settlement. If the MCA holder has adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement, the RTGS DCA(s) (and any sub-accounts) shall not be opened or operated unless the MCA holder is and remains reachable at all times, either as a TIPS DCA holder or as a reachable party via a TIPS DCA holder.

2. Danmarks Nationalbank shall on the request of the holder of an account opened pursuant to paragraph 1 (RTGS DCA holder) add the RTGS DCA or its sub-accounts to a settlement bank account group for AS settlement. The RTGS DCA holder shall provide Danmarks Nationalbank with any relevant documents, duly signed by that RTGS DCA holder and the AS.

3. There shall be no debit balance on an RTGS DCA or its sub-accounts.

4. Sub-accounts shall have a zero balance overnight.

5. An RTGS DCA holder shall designate one of its RTGS DCAs in TARGET-Danmark for the purpose of processing automated liquidity transfer orders. By such designation the RTGS DCA holder shall be deemed to have instructed Danmarks Nationalbank to execute an automated liquidity transfer order that credits the MCA in the event that there are insufficient funds on its primary MCA for the settlement of payment orders that are central bank operations.

6. A participant holding two or more RTGS DCAs and two or more MCAs shall designate one of its RTGS DCAs in TARGET-Danmark, which is not already designated to its primary MCA, for the purpose of processing automated liquidity transfer orders in the event that there are insufficient funds on one of its other MCAs for the settlement of payment orders that are central bank operations.

Article 2 – Addressable BIC holders

1. RTGS DCA holders that are credit institutions as set out in Part I, Article 4(1)(a) or (b), or Part I, Article 4(2)(e), may register addressable BIC holders. RTGS DCA holders may register addressable BIC holders that have adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement only if such entities are reachable, either as a TIPS DCA holder or as a reachable party via a TIPS DCA holder.

2. RTGS DCA holders that are entities as set out Part I, Article 4(2)(a) to (d), may only register as an addressable BIC holder any BIC that belongs to the same legal entity.

3. An addressable BIC holder may submit cash transfer orders to and receive cash transfer orders via an RTGS DCA holder.

4. An addressable BIC holder may not be registered by more than one RTGS DCA holder.

5. Cash transfer orders submitted or cash transfer orders received by addressable BIC holders shall be deemed to have been submitted or received by the participant itself.

6. The participant shall be bound by such cash transfer orders and any other action taken by the addressable BIC holders, regardless of the content of, or any non-compliance with, the contractual or other arrangements between that participant and such entity.

Article 3 – Multi-addressee access

1. An RTGS DCA holder that is a credit institution as set out in Part I, Article 4(1) (a) or (b), may give authorisation to the following credit institutions and branches to use its RTGS DCA for the purpose of submitting and receiving cash transfer orders directly by way of multi-addressee access:

    a) credit institutions as set out in Part I, Article 4(1) (a) or (b), that belong to the same banking group as the RTGS DCA holder;

    b) branches of that RTGS DCA holder;

    c) other branches or the head-office of the same legal entity as the RTGS DCA holder.

2. The authorisation to use an RTGS DCA by way of multi-addressee access as set out in paragraph 1 shall be given to entities referred to in point (a) of paragraph 1 that have adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement only if such entities are reachable, either as a TIPS DCA holder or as a reachable party via a TIPS DCA holder.

3. Part I, Article 7, shall apply to RTGS DCA holders that give access to their RTGS DCAs by way of multi-addressee access.

Article 4 – RTGS liquidity transfer group

1. On the request of an RTGS DCA holder Danmarks Nationalbank shall create an RTGS liquidity transfer group for the purpose of enabling the processing of RTGS DCA-to-RTGS DCA liquidity transfer orders.

2. On the request of an RTGS DCA holder Danmarks Nationalbank shall add one of the RTGS DCA holder's RTGS DCAs to or delete it from an existing RTGS liquidity transfer group created in TARGET-Danmark or another TARGET component system. The RTGS DCA holder shall inform all other RTGS DCA holders in that RTGS liquidity transfer group before making such a request.

Article 5 – Transactions processed on an RTGS DCA and its sub-accounts

1. Payment orders to other RTGS DCAs and cash transfer orders to AS guarantee fund accounts shall be processed via an RTGS DCA in TARGET-Danmark.

2. Cash transfer orders related to RTGS AS settlement procedures shall be settled via an RTGS DCA or its sub-accounts in TARGET-Danmark.

3. The following transactions may be processed via an RTGS DCA or its sub-accounts in TARGET-Danmark:

    a) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

    b) liquidity transfer orders to another RTGS DCA within the same RTGS liquidity transfer group;

    c) liquidity transfer orders to a TIPS DCA or an MCA;

    d) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK.

4. Liquidity transfer orders to T2S DCAs may be processed via an RTGS DCA in TARGET-Danmark.

Article 6 – Liquidity transfer orders

1. An RTGS DCA holder may submit a liquidity transfer order as one of the following:

    a) an immediate liquidity transfer order, which shall be an instruction for execution immediately;

    b) a standing liquidity transfer order, which shall be an instruction for the recurring execution of the transfer of a specified amount on the occurrence of a predefined event each business day.

2. A standing liquidity transfer order may be input or modified by the RTGS DCA holder at any time during a business day and shall become effective as of the next business day.

3. An immediate liquidity transfer order may be input by the RTGS DCA holder at any time during a business day. An immediate liquidity transfer order for processing in accordance with RTGS AS settlement procedures C or D may also be input by the relevant AS on behalf of the settlement bank.

Article 7 – Rule-based liquidity transfer orders

1. An RTGS DCA holder may specify a floor and/or a ceiling amount for its RTGS DCA.

    a) By setting a ceiling and opting for a rule-based liquidity transfer order, if, following the settlement of a payment order or AS transfer order, the ceiling is breached, the RTGS DCA holder shall be deemed to have instructed Danmarks Nationalbank to execute a rule-based liquidity transfer order that credits an MCA designated by that RTGS DCA holder. The credited MCA may be belong to another participant in TARGET-Danmark or in another TARGET component system.

    b) By setting a floor and opting for a rule-based liquidity transfer order, if, following the settlement of a payment order or AS transfer order, the floor is breached, a rule-based liquidity transfer order is initiated that debits an MCA authorised by the MCA holder.

The debited MCA may belong to another participant in TARGET-Danmark or in another TARGET component system. The holder of the debited MCA must authorise its MCA to be debited in this manner.

2. An RTGS DCA holder may authorise its RTGS DCA to be debited in the event that a floor is breached in one or more specified MCAs in TARGET-Danmark or another TARGET component system. By authorising its RTGS DCA account to be debited, the RTGS DCA holder shall be deemed to have instructed Danmarks Nationalbank to execute a rule-based liquidity transfer order that credits the MCA(s) whenever the floor is breached.

3. An RTGS DCA holder may authorise its MCA designated for the purpose of automated liquidity transfer orders under Article 1(5) and (6) to be debited in the event that there is insufficient liquidity on the RTGS DCA account to settle urgent payment orders, AS transfer orders or high priority payment orders on its RTGS DCA.

Article 8 – Priority rules

1. The order of priority for the processing of cash transfer orders, in descending order, shall be:

   a) urgent;

   b) high;

   c) normal.

2. The following orders shall automatically be assigned the priority 'urgent':

   a) AS transfer orders;

   b) liquidity transfer orders, including automated liquidity transfer orders;

   c) cash transfer orders to an AS technical account for RTGS AS settlement procedure D.

3. All cash transfer orders not listed in paragraph 2 shall automatically be assigned the priority 'normal', except payment orders to which the RTGS DCA holder has at its discretion assigned the priority 'high'.

Article 9 – Processing of cash transfer orders on RTGS DCAs

1. Cash transfer orders on RTGS DCAs shall be settled immediately they are accepted, or later as indicated by the RTGS DCA holder in accordance with Article 16 or Article 17, provided in all cases that:

   a) there is available liquidity on the payer's RTGS DCA;

   b) no cash transfer orders of equal or higher priority are queued; and

   c) any debit limits set in accordance with Article 15 are observed.

2. If any of the conditions set out in points (a) to (c) of paragraph 1 are not met in relation to a cash transfer order, the following shall apply.

    a) In the case of an automated liquidity transfer order, Danmarks Nationalbank shall be deemed instructed to execute the instruction partially and to execute further liquidity transfer orders whenever liquidity is available, up to the amount of the initial automated liquidity transfer order.

    b) In the case of an immediate liquidity transfer order, the order shall be rejected without partial settlement or any further attempt to settle unless the order is initiated by an AS, in which case it shall be partially settled without any further attempt to settle.

    c) In the case of a standing liquidity transfer order or a rule-based liquidity transfer order, the order shall be partially settled without any further attempt to settle. A standing liquidity transfer order triggered by mandatory RTGS AS settlement procedures C or D and for which there are insufficient funds on the RTGS DCA shall be settled following a pro rata reduction of all orders. A standing liquidity transfer order triggered by optional RTGS AS settlement procedure C and for which there are insufficient funds on the RTGS DCA shall be rejected.

3. Cash transfer orders on RTGS DCAs, other than those orders referred to in paragraph 2, shall be queued and processed in accordance with the rules set out in Article 10.

Article 10 – Queue management and settlement optimisation

1. Cash transfer orders on RTGS DCAs that are queued in accordance with Article 9(3) shall be processed according to their priority. Subject to paragraphs 2 to 5, the 'first in, first out' (FIFO) principle shall apply within each category or subcategory of cash transfer orders as follows:

    a) urgent cash transfer orders: automated liquidity orders shall be placed first in the queue. AS transfer orders and other urgent cash transfer order shall be placed next in the queue;

    b) high priority cash transfer orders shall not be settled while urgent cash transfer orders are queued;

    c) normal priority cash transfer orders shall not be settled while urgent or high priority cash transfer orders are queued.

2. The payer may change the priority of its cash transfer orders other than urgent cash transfer orders.

3. The payer may change the position of its cash transfer orders in the queue. The payer may move such cash transfer orders either behind the automated liquidity transfer orders in the queue or to the end of the respective queue with immediate effect at any time during the settlement window for customer and interbank payments as specified in Appendix 5.

4. To optimise the settlement of queued cash transfer orders, Danmarks Nationalbank may:

    a) use the optimisation procedures described in Appendix 1;

    b) settle cash transfer orders with a lower priority (or of the same priority but accepted later) before cash transfer orders with a higher priority (or of the same priority but accepted earlier), if the cash transfer orders with a lower priority would net out with payments to be received and result on balance in a liquidity increase for the payer;

    c) settle cash transfer orders with normal priority before other queued normal priority payments accepted earlier, provided that sufficient funds are available and notwithstanding that this may contravene the FIFO principle.

5. Queued cash transfer orders shall be rejected if they cannot be settled by the cut-off times for the relevant message type as specified in Appendix 5.

6. The provisions regarding settlement of cash transfer orders as set out in Appendix 1 shall apply.

Article 11 – Liquidity reservation orders

1. An RTGS DCA holder may instruct Danmarks Nationalbank to reserve a specified amount of liquidity on its RTGS DCA using one of the following:

    a) a current liquidity reservation order that shall have immediate effect for the current TARGET business day;

    b) a standing liquidity reservation order to be carried out at the start of every TARGET business day.

2. An RTGS DCA holder shall assign one of the following statuses to a current or standing liquidity reservation order:

    a) high priority: allows the usage of the liquidity for urgent or high priority cash transfer orders;

    b) urgent priority: allows the usage of the liquidity only for urgent cash transfer orders.

3. In the event that the amount of unreserved liquidity is not sufficient to fulfil the current or standing liquidity reservation order, Danmarks Nationalbank shall partially execute the reservation order and shall be deemed instructed to execute further reservation orders until the outstanding amount to be reserved is reached. Pending reservation orders shall be rejected at the end of the business day.

4. By requesting the reservation of a specified amount of liquidity for usage for urgent cash transfer orders, the RTGS DCA holder shall be deemed to have instructed Danmarks Nationalbank only to settle high priority and normal priority cash transfer orders if there is available liquidity after the amount reserved for usage for urgent cash transfer orders has been deducted.

5. By requesting the reservation of a specified amount of liquidity for usage for high priority cash transfer orders, the RTGS DCA holder shall be deemed to have instructed Danmarks Nationalbank only to settle normal priority cash transfer orders if there is available liquidity after the amount reserved for usage for urgent and high priority cash transfer orders has been deducted.

Article 12 – Recall request and answer

1. An RTGS DCA holder may enter a recall request to request the return of a settled payment order.

2. The recall request shall be forwarded to the payee of the settled payment order which may answer positively or negatively. A positive answer does not initiate a return of the funds.

Article 13 – RTGS directory

1. The RTGS directory is a list of BICs used for the purpose of routing information and comprises the BICs of:

    a) RTGS DCA holders;

    b) any entity with multi-addressee access;

    c) addressable BIC holders.

2. The RTGS directory shall be updated daily.

3. Unless otherwise requested by an RTGS DCA holder, its BICs shall be published in the RTGS directory.

4. RTGS DCA holders may only distribute the RTGS directory to their branches and entities with multi-addressee access.

5. RTGS DCA holders accept that Danmarks Nationalbank and other CBs may publish RTGS DCA holders' names and BICs. In addition, BICs of addressable BIC holders or entities with multi-addressee access may be published and RTGS DCA holders shall ensure that addressable BIC holders or entities with multi-addressee access have agreed to such publication.

Article 14 – Processing of cash transfer orders in the event of suspension or termination

1. Upon termination of an RTGS DCA holder's participation in TARGET-Danmark, Danmarks Nationalbank shall not accept any new cash transfer orders from that RTGS DCA holder. Cash transfer orders in the queue, warehoused cash transfer orders or new cash transfer orders in favour of that RTGS DCA holder shall be rejected.

2. If an RTGS DCA holder's participation in TARGET-Danmark is suspended on grounds other than those specified in Part I, Article 25(1)(a), Danmarks Nationalbank shall store all of that RTGS DCA holder's incoming and outgoing cash transfer orders on its RTGS DCA and only submit

them for settlement after they have been explicitly accepted by the suspended RTGS DCA holder's CB.

3. If an RTGS DCA holder's participation in TARGET-Danmark is suspended on the grounds specified in Part I, Article 25(1)(a), any outgoing cash transfer orders from that RTGS DCA holder's RTGS DCA shall only be executed on the instructions of its representatives, including those appointed by a competent authority or court, such as the RTGS DCA holder's insolvency administrator, or pursuant to an enforceable decision of a competent authority or a court providing instructions as to how the cash transfer orders are to be processed. All incoming payments shall be processed in accordance with paragraph 2.

Article 15 – Debit limits

1. An RTGS DCA holder may limit the use of available liquidity for payment orders on its individual RTGS DCAs in relation to other RTGS DCAs, except any of the CBs, by specifying bilateral or multilateral limits. Such limits may only be defined in relation to normal priority payment orders.

2. By specifying a bilateral limit, the RTGS DCA holder shall be deemed to have instructed Danmarks Nationalbank that an accepted payment order shall not be settled if the sum of its outgoing normal priority payment orders to another RTGS DCA holder's RTGS DCA minus the sum of all incoming urgent, high priority and normal priority payments from that RTGS DCA (the net bilateral position) would exceed this bilateral limit.

3. An RTGS DCA holder may specify a multilateral limit for any relationship that is not subject to a bilateral limit. A multilateral limit may only be specified if the RTGS DCA holder has set at least one bilateral limit. If an RTGS DCA holder specifies a multilateral limit, it shall be deemed to have instructed Danmarks Nationalbank that an accepted payment order shall not be settled if the sum of its outgoing normal priority payment orders to all RTGS DCA holders' RTGS DCAs in relation to which no bilateral limit has been specified minus the sum of all incoming urgent, high priority and normal priority payments from those RTGS DCAs (the net multilateral position) would exceed this multilateral limit.

4. Limits may be changed in real time with immediate effect or with effect from the next business day. If a limit is changed to zero, it shall not be possible to change it again on the same business day. The definition of a new bilateral or multilateral limit shall only be effective from the next business day.

Article 16 – Participants' instructions with regard to settlement times

1. An RTGS DCA holder may indicate the earliest time before which a payment order cannot settle or the latest time after which time the payment order will be rejected by using the earliest debit time indicator or the latest debit time indicator, respectively, or may indicate a time range during which the payment order will settle by using both indicators. An RTGS DCA holder may also use the latest debit time indicator solely as a warning indicator. In such cases, the payment order concerned shall not be rejected.

2. In the event that 15 minutes prior to the indicated latest debit time the payment order has not been settled, the RTGS DCA holder concerned shall be notified accordingly.

Article 17 – Payment orders submitted in advance

1. Payment orders may be submitted up to 10 calendar days before the specified settlement date (warehoused payment orders).

2. Warehoused payment orders shall be accepted and submitted for processing on the date specified by the RTGS DCA holder at the start of the settlement window on that day for customer and interbank payments, as referred to in Appendix 5. They shall be placed in front of payment orders of the same priority.

Article 18 – Direct debit

1. An RTGS DCA holder (payer) may give its authorisation for another RTGS DCA holder (payee) in TARGET-Danmark or in another TARGET component system to debit the payer's RTGS DCA by direct debit.

2. To enable such arrangement the payer shall provide prior authorisation to Danmarks Nationalbank entitling Danmarks Nationalbank to debit the payer's RTGS DCA upon receipt of a valid direct debit instruction.

3. If a payee receives the authorisation as described in paragraph 1, it may submit direct debit instructions to debit the payer's RTGS DCA by the amount specified in the instruction.

4. An RTGS DCA holder that requests to be added to a settlement bank account group of an AS shall be deemed to have given authorisation to Danmarks Nationalbank entitling Danmarks Nationalbank to debit the RTGS DCA holder's RTGS DCA and sub-accounts upon receipt of a valid direct debit instruction by that AS.

Article 19 – Back-up payment functionality

In the event of failure of its payments infrastructure, an RTGS DCA holder may request Danmarks Nationalbank to activate the back-up payment functionality. This allows the RTGS DCA holder to enter certain payment orders using the Graphical User Interface (GUI).

Article 20 – Security rights in relation to funds on sub-accounts

1. The balance on an RTGS DCA holder's sub-account opened under the arrangements between the relevant AS and its CB for the settlement of AS-related payment instructions in accordance with RTGS AS settlement procedure C shall be frozen in the period stated in paragraph 2. During this period, the RTGS DCA holder has no right to dispose of the balance on the sub-account. The freezing and such balance shall collateralise the RTGS DCA holder's obligations referred to in paragraph 7 towards Danmarks Nationalbank.

2. Upon receipt by Danmarks Nationalbank of a 'start-of-cycle' message, Danmarks Nationalbank shall ensure that the balance on the sub-account of the RTGS DCA holder (including increases or reductions of that balance resulting from crediting or debiting cross-system settlement

payments to or from the sub-account, or from crediting liquidity transfers to the sub-account) at the moment the AS starts a cycle can only be used for the settlement of AS transfer orders related to that settlement procedure C. Upon receipt by Danmarks Nationalbank of an 'end-of-cycle' message the balance on the sub-account shall be available for the use of the RTGS DCA holder.

3. By confirming the balance on the RTGS DCA holder's sub-account, Danmarks Nationalbank guarantees to the AS payment up to the amount of this particular balance. By confirming, where applicable, the increase or reduction of the frozen balance upon crediting or debiting cross-system settlement payments to or from the sub-account or crediting liquidity transfers to the sub-account, the guarantee is automatically increased or reduced by the amount of the payment. Notwithstanding the abovementioned increase or reduction of the guarantee, the guarantee shall be irrevocable, unconditional and payable on first demand. If Danmarks Nationalbank is not the AS's CB, Danmarks Nationalbank shall be deemed instructed to issue the abovementioned guarantee to the AS's CB.

4. In the absence of any insolvency proceedings in relation to the RTGS DCA holder, the AS transfer orders for the squaring of the RTGS DCA holder's settlement obligation shall be settled without drawing on the guarantee and without realisation of the collateral right over the balance on the RTGS DCA holder's sub-account.

5. In the event of the RTGS DCA holder's insolvency, the AS transfer orders for the squaring of the RTGS DCA holder's settlement obligation shall be a first demand for payment under the guarantee; the debiting of the instructed amount from the RTGS DCA holder's sub-account (and crediting of the AS's RTGS AS technical account) shall therefore equally involve the discharge of the payment obligation by Danmarks Nationalbank and realisation of its collateral right over the balance on the RTGS DCA holder's sub-account.

6. The guarantee shall expire upon receipt by Danmarks Nationalbank of an 'end-of-cycle' message confirming that the settlement has been completed.

7. The RTGS DCA holder shall be obliged to reimburse to Danmarks Nationalbank any payment made by the latter under such guarantee.

Part IV Special terms and conditions for TARGET2-Securities dedicated cash accounts (T2S DCAs)

Article 1 – Opening and management of a T2S DCA

1. Danmarks Nationalbank shall on the request of an MCA holder open and operate one or more T2S DCAs.

2. There shall be no debit balance on a T2S DCA.

3. A T2S DCA holder shall designate one MCA for the purpose of processing liquidity transfer orders between T2S DCAs as referred to in Article 3(1)(c). The designated MCA may be registered in TARGET-Danmark or another TARGET component system and may belong to a different participant.

Article 2 – Links between securities accounts and T2S DCAs

1. A T2S DCA holder may request Danmarks Nationalbank to link its T2S DCA to one or more securities account(s) held on its own behalf or on behalf of its clients which hold securities accounts in one or more participating CSDs.

2. T2S DCA holders linking their T2S DCAs to securities accounts on behalf of clients as set out in paragraph 1 are responsible for establishing and maintaining the list of linked securities accounts and, where relevant, the set-up of the client-collateralisation feature.

3. As a result of the request under paragraph 1, the T2S DCA holder is deemed to have given a mandate to the CSD where such linked securities accounts are maintained to debit the T2S DCA with the amounts resulting from securities transactions taking place on these securities accounts.

4. Paragraph 3 shall apply regardless of any agreements made by the T2S DCA holder with the CSD and/or the securities account holders.

Article 3 – Transactions processed on T2S DCAs

1. The following transactions shall be processed via a T2S DCA in TARGET-Danmark:

    a) the settlement of cash instructions stemming from T2S provided that the T2S DCA holder has designated the relevant securities account(s), as referred to in Article 2;

    b) liquidity transfer orders to an RTGS DCA, a TIPS DCA or an MCA;

    c) liquidity transfer orders between T2S DCAs belonging to the same participant or in respect of which the same MCA has been designated pursuant to Article 1(3);

    d) cash transfer orders between the T2S DCA and the T2S DCA of Danmarks Nationalbank in the particular context of Article 10(2) and (3).

2. Corporate actions payments may be processed via a T2S DCA.

Article 4 – Liquidity transfer orders

A T2S DCA holder may submit liquidity transfer orders as one of the following:

a) an immediate liquidity transfer order, which shall be an instruction for execution immediately;

b) a standing liquidity transfer order, which shall be an instruction for the recurring execution of (i) a transfer of a specified transfer amount or (ii) a transfer to reduce the balance of the T2S DCA to a predefined level with the amount of the reduction being transferred to an RTGS DCA, a TIPS DCA or an MCA, on the occurrence of a predefined event each business day;

c) a predefined liquidity transfer order, which shall be an instruction for the single execution of (i) a transfer of a specified transfer amount or (ii) a transfer to reduce the balance of the T2S DCA to a predefined level with the amount of the reduction being transferred to an RTGS DCA, a TIPS DCA or an MCA, on the occurrence of a predefined event each business day.

Article 5 – Reservation and blocking of liquidity

1. Participants may reserve or block liquidity on their T2S DCAs. This does not constitute a settlement guarantee vis-à-vis any third party.

2. By requesting to reserve or block an amount of liquidity, a participant instructs Danmarks Nationalbank to decrease the available liquidity by this amount.

3. A reservation request is an instruction by which, if the available liquidity is equal to or higher than the amount to be reserved, the reservation is processed. If the available liquidity is lower, it is reserved and the shortfall may be met by incoming liquidity until the full amount of the reservation is available.

4. A blocking request is an instruction by which, if the available liquidity is equal to or higher than the amount to be blocked, the blocking request is processed. If the available liquidity is lower, no amount is blocked and the blocking request is resubmitted, until the full amount of the blocking request can be met by available liquidity.

5. The participant may at any time during the business day on which a request to reserve or block liquidity has been processed, instruct Danmarks Nationalbank to cancel the reservation or blocking. Partial cancellation shall not be permitted.

6. All requests for reservation or blocking of liquidity under this article shall expire at the end of the business day.

Article 6 – Processing of liquidity transfer orders on T2S DCAs

1. A timestamp for the processing of liquidity transfer orders is allocated in the sequence of their receipt.

2. All liquidity transfer orders submitted to TARGET-Danmark shall be processed following the 'first in, first out' (FIFO) principle without prioritisation or reordering.

3. After a liquidity transfer order to a TIPS DCA, an MCA, an RTGS DCA or a T2S DCA has been accepted as set out in Part I, Article 17, TARGET-Danmark shall check if sufficient funds are available on the payer's T2S DCA to effect settlement. If sufficient funds are available, the liquidity transfer order shall be settled immediately. If sufficient funds are not available, the following shall apply:

    a) in the case of an immediate liquidity transfer order, the order shall be rejected without partial settlement or any further attempt to settle unless these are initiated by a third party as designated in accordance with Part I, Article 7, in which case they shall be partially settled without any further attempt to settle;

    b) in the case of a predefined or standing liquidity transfer order, the order shall be partially settled without any further attempt to settle.

Article 7 – Processing of cash transfer orders in the event of suspension or termination

1. Upon termination of a T2S DCA holder's participation in TARGET-Danmark, Danmarks Nationalbank shall not accept any new cash transfer orders from that T2S DCA holder.

2. If a T2S DCA holder's participation in TARGET-Danmark is suspended on grounds other than those specified in Part I, Article 25(1)(a), Danmarks Nationalbank shall store all of that T2S DCA holder's incoming and outgoing cash transfer orders on its T2S DCA and only submit them for settlement after they have been explicitly accepted by the suspended T2S DCA holder's CB.

3. If a T2S DCA holder's participation in TARGET-Danmark is suspended on the grounds specified in Part I, Article 25(1)(a), any outgoing cash transfer orders from that T2S DCA holder's T2S DCA shall only be processed on the instructions of its representatives, including those appointed by a competent authority or a court, such as the T2S DCA holder's insolvency administrator, or pursuant to an enforceable decision of a competent authority or a court providing instructions as to how the cash transfer orders are to be processed. All incoming cash transfer orders shall be processed in accordance with paragraph 2.

Article 8 – Eligible entities for auto-collateralisation facilities

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

Article 9 – Eligible collateral for auto-collateralisation operations

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

Article 10 – Credit provision and recovery procedure

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

Article 11 – Suspension, limitation or termination of auto-collateralisation facilities

NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

Part V Special terms and conditions for TARGET instant payment settlement (TIPS) dedicated cash accounts (TIPS DCAs)

Article 1 – Opening and management of a TIPS DCA

1. Danmarks Nationalbank shall on the request of an MCA holder open and operate one or more TIPS DCAs.

2. There shall be no debit balance on a TIPS DCA.

3. The TIPS DCA holder shall inform Danmarks Nationalbank prior to exercising its option to accept instant payment orders according to the OCT Inst scheme.

Article 2 – Sending and receiving messages

1. A TIPS DCA holder may send messages:
    a) directly; and/or
    b) via one or more instructing parties.
2. A TIPS DCA holder may receive messages:
    a) directly; or
    b) via an instructing party.

4. Part I, Article 7, shall apply to a TIPS DCA holder that sends or receives messages via an instructing party as though that TIPS DCA holder sends or receives messages directly.

Article 3 – Reachable parties

1. A TIPS DCA holder may designate one or more reachable parties and shall inform Danmarks Nationalbank if any of these reachable parties accept instant payment orders according to the OCT Inst scheme. Reachable parties shall have adhered to the SCT Inst scheme by signing the SEPA Instant Credit Transfer Adherence Agreement, and, if relevant, the OCT Inst Scheme by signing the One-Leg Out Instant Credit Transfer Adherence Agreement.

2. A TIPS DCA holder shall provide evidence to Danmarks Nationalbank of each designated reachable party's adherence to the SCT Inst scheme and, if relevant, the OCT Inst scheme.

3. A TIPS DCA holder shall inform Danmarks Nationalbank if any designated reachable party no longer adheres to the SCT Inst scheme and/or, if relevant, the OCT Inst scheme and shall, without undue delay, take steps to prevent the reachable party from accessing the TIPS DCA.

4. A TIPS DCA holder may allow its designated reachable parties access via one or more instructing parties.

5. Part I, Article 7, shall apply to TIPS DCA holders that designate reachable parties.

6. A TIPS DCA holder that has designated a reachable party shall ensure that at all times that reachable party is available for the purpose of receiving messages.

Article 4 – Transactions processed on TIPS DCAs

1. The following transactions shall be processed via a TIPS DCA in TARGET-Danmark:
    a) instant payment orders;
    b) positive recall answers;
    c) liquidity transfer orders to TIPS AS technical accounts, MCAs, T2S DCAs or RTGS DCAs;
    d) liquidity transfer orders to sub-accounts;
    e) NOT APPLICABLE TO PARTICIPANTS IN TARGET-DANMARK;

Article 5 – Immediate liquidity transfer orders

A TIPS DCA holder may submit immediate liquidity transfer orders.

Article 6 – Processing of cash transfer orders on TIPS DCAs

1. A timestamp for the processing of cash transfer orders is allocated in the sequence of their receipt.

2. All cash transfer orders submitted to TARGET-Danmark shall be processed following the 'first in, first out' (FIFO) principle without prioritisation or reordering.

3. After an instant payment order has been accepted as set out in Part I, Article 17, TARGET-Danmark shall check if sufficient funds are available on the payer's TIPS DCA to effect settlement and the following shall apply:
    a) if sufficient funds are not available, the instant payment order shall be rejected;
    b) if sufficient funds are available, the corresponding amount shall be reserved while awaiting the payee's response. In the event of acceptance by the payee of an instant payment order, the order shall be settled and the reservation shall be simultaneously lifted. In the event of rejection by the payee of an instant payment order, or the absence of a timely response, within the meaning of the SCT Inst scheme or the OCT Inst Scheme, the instant payment order shall be rejected and the reservation shall be simultaneously lifted.

4. Funds reserved in accordance with paragraph 3(b) shall not be available for the settlement of subsequent cash transfer orders.

5. Without prejudice to paragraph 3(b), Danmarks Nationalbank shall reject an instant payment order if the amount of the instant payment order exceeds any applicable credit memorandum balance (CMB).

6. After an immediate liquidity transfer order has been accepted as set out in Part I, Article 17,

TARGET-Danmark shall check if sufficient funds are available on the payer's TIPS DCA. If sufficient funds are not available, the liquidity transfer order shall be rejected.

7. After a positive recall answer has been accepted as set out in Part I, Article 17, TARGET-Danmark shall check if sufficient funds are available on the TIPS DCA to be debited. If sufficient funds are not available, the positive recall answer shall be rejected. If sufficient funds are available, the positive recall answer shall be settled immediately.

8. Without prejudice to paragraph 7, TARGET-Danmark shall reject positive recall answers if the amount of the positive recall answer exceeds any applicable CMB.

Article 7 – Recall request

1. A TIPS DCA holder may submit a recall request.

2. The recall request shall be forwarded to the payee of the settled instant payment order which may answer with a positive or a negative recall answer.

Article 7a – Rule-based liquidity transfer orders

1. A TIPS DCA holder may specify a floor and/or ceiling amount for its TIPS DCA.

2. By setting a ceiling and opting for a rule-based liquidity transfer order, if, following the settlement of an instant payment order, a positive recall answer or a liquidity transfer order, the ceiling is breached, the TIPS DCA holder instructs Danmarks Nationalbank to execute a rule-based liquidity transfer order that credits an MCA designated by that TIPS DCA holder. The credited MCA may belong to another participant in TARGET-Danmark or in another TARGET component system.

3. By setting a floor and opting for a rule-based liquidity transfer order, if, following the settlement of an instant payment order, a positive recall answer or a liquidity transfer order, the floor is breached, a rule-based liquidity transfer order is initiated that debits an MCA authorised by the MCA holder. The debited MCA may belong to another participant in TARGET-Danmark or in another TARGET component system. The holder of the debited MCA must authorise its MCA to be debited in this manner.

Article 8 – TIPS directory

1. The TIPS directory is a list of BICs used for the purpose of routing information and comprises the BICs of:

    a) TIPS DCA holders;

    b) reachable parties.

    The TIPS directory shall include information for each BIC as to whether the TIPS DCA holder or reachable party accepts instant payment orders according to the OCT Inst scheme.

2. The TIPS directory shall be updated daily.

3. TIPS DCA holders may only distribute the TIPS directory to their branches, their designated reachable parties and their instructing parties. Reachable parties may only distribute the TIPS directory to their branches.

4. A specific BIC shall only appear once in the TIPS directory.

5. TIPS DCA holders accept that Danmarks Nationalbank and other CBs may publish their names and BICs. In addition, Danmarks Nationalbank and other CBs may publish names and BICs of reachable parties designated by TIPS DCA holders and TIPS DCA holders shall ensure that reachable parties have agreed to such publication.

Article 9 – MPL repository

1. The central Mobile Proxy Lookup (MPL) repository contains the proxy-IBAN mapping table for the purposes of the MPL service.

2. Each proxy may be linked to only one IBAN. An IBAN may be linked to one or multiple proxies.

3. Part I, Article 28, shall apply to the data contained in the MPL repository.

Article 10 – Processing of cash transfer orders in the event of suspension or termination

1. Upon termination of a TIPS DCA holder's participation in TARGET-Danmark, Danmarks Nationalbank shall not accept any new cash transfer orders from or payments to that TIPS DCA holder.

2. If a TIPS DCA holder's participation in TARGET-Danmark is suspended on grounds other than those specified in Part I, Article 25(1)(a), Danmarks Nationalbank shall:

    a) reject all of the holder's incoming payments;

    b) reject all of the holder's outgoing cash transfer orders; or

    c) reject both the holder's incoming payments and outgoing cash transfer orders.

3. If a TIPS DCA holder's participation in TARGET-Danmark is suspended on the grounds specified in Part I, Article 25(1)(a), Danmarks Nationalbank shall reject all of the holder's incoming payments and outgoing cash transfer orders.

4. Danmarks Nationalbank shall process instant payment orders of a TIPS DCA holder whose participation in TARGET-Danmark has been suspended or terminated under Part I, Article 25(1) or (2) and in relation to which Danmarks Nationalbank has reserved funds on a TIPS DCA pursuant to Article 6(3)(b) prior to the suspension or termination.

Article 11 – Broadcast messages

1. TIPS DCA holders may use the broadcast message function offered by TIPS, which allows a TIPS DCA holder or a TIPS AS technical account holder to send a message to all other TIPS DCA holders and TIPS AS technical account holders, to send broadcast messages in the following categories:

    (a) "Immediate downtime start";

    (b) "Immediate downtime end";

(c) “Planned downtime”.

2. TIPS DCA holders shall not send “free text messages” or “insolvency messages”. The TIPS DCA holder making use of the broadcast facility retains sole responsibility and liability for the content of any message.

Part VI Special terms and conditions for ancillary systems (AS) using real-time gross settlement ancillary system (RTGS AS) settlement procedures

Article 1 – Opening and management of an AS technical account and use of RTGS AS settlement procedures

1. Danmarks Nationalbank may on the request of an AS open and operate one or more RTGS AS technical accounts to support RTGS AS settlement procedures.

2. There shall be no debit balance on an RTGS AS technical account.

3. RTGS AS technical accounts shall not be published in the RTGS directory.

4. The AS shall select at least one of the following settlement procedures for the purposes of processing AS transfer orders:

    a) RTGS AS settlement procedure A;

    b) RTGS AS settlement procedure B;

    c) RTGS AS settlement procedure C;

    d) RTGS AS settlement procedure D;

    e) RTGS AS settlement procedure E.

5. The rules set out in Articles 3, 4, 5, 6 and 7 shall apply to RTGS AS settlement procedures A, B, C, D and E, respectively.

Article 2 – Priority of AS transfer orders

All AS transfer orders shall automatically be assigned the priority 'urgent'.

Article 3 – RTGS AS settlement procedure A

NOT APPLICABLE TO AS PARTICIPATING IN TARGET-DANMARK.

Article 4 – RTGS AS settlement procedure B

NOT APPLICABLE TO AS PARTICIPATING IN TARGET-DANMARK.

Article 5 – RTGS AS settlement procedure C

1. Settlement procedure C supports settlement using dedicated liquidity on sub-accounts. An AS shall request a dedicated RTGS AS technical account to support the processing of AS transfer orders using settlement procedure C. The balance on such account shall be zero at the end of the day. RTGS AS technical accounts may also be used to support the processing of AS transfer

orders using settlement procedure E (settlement procedure E is not applicable to AS participating in TARGET-Danmark).

2. An AS shall ensure that each settlement bank opens at least one sub-account that is only to be used by the AS for the purposes of this settlement procedure.

3. Danmarks Nationalbank shall start a mandatory settlement procedure C automatically on each TARGET business day according to the schedule set out in Appendix 5 that shall trigger the settlement of those standing liquidity transfer orders set up for mandatory settlement procedure C by debiting the RTGS DCAs of the settlement banks and crediting the sub-account referred to in paragraph 2.

4. Settlement procedure C shall close by means of an end-of-procedure message, which may be sent by the AS at any time prior to the cut-off time for interbank payments as set out in Appendix 5. If the AS does not send the end-of-procedure message by that cut-off time, Danmarks Nationalbank shall close the procedure at that cut-off time.

5. The closure of the mandatory settlement procedure C leads to an automatic transfer of liquidity from the sub-account referred to in paragraph 2 to the RTGS DCA.

6. If the mandatory settlement procedure C is closed, the AS may start an optional procedure at any time before the cut-off time for interbank payments as set out in Appendix 5 that shall trigger the settlement of those standing liquidity transfer orders set up for optional settlement procedure C by debiting the settlement bank's RTGS DCA and crediting its RTGS sub-account. The AS may start and close one or several successive optional procedures before the cut-off time for interbank payments. The closure of an optional settlement procedure C leads to an automatic transfer of liquidity from the sub-account referred to in paragraph 2 to the RTGS DCA.

7. The mandatory settlement procedure C and any subsequent optional settlement procedure C may consist of one or several cycles.

8. An AS may, at any time after the start of a mandatory or optional settlement procedure C, start a cycle by means of a 'start-of-cycle' message. After the start of the cycle, liquidity transfers from the sub-account referred to in paragraph 2 may not be made until an 'end-of-cycle' message is sent by the AS. The balance can be changed during the cycle as a result of cross-system settlement payments or if a settlement bank transfers liquidity to its sub-account. Danmarks Nationalbank shall notify the AS of the reduction or increase of liquidity on the sub-account as a result of cross-system settlement payments. If the AS so requests, Danmarks Nationalbank shall also notify it of the increased liquidity on the sub-account as a result of liquidity transfer orders by the settlement bank.

9. An AS may submit AS transfer orders as a batch in one or several files while the cycle is open. The cash transfer orders may be for any of the following transactions:
   a) the debit of the sub-accounts of settlement banks and credit of the RTGS AS technical account;

b) the debit of the RTGS AS technical account and credit of the sub-accounts of settlement banks;

c) the debit of the RTGS AS technical account and credit of the RTGS DCAs of settlement banks.

10. Danmarks Nationalbank shall immediately settle those AS transfer orders that can be settled. AS transfer orders that cannot be settled immediately shall be queued and an optimisation algorithm shall be applied. Any AS transfer orders which remain unsettled at the time the cycle is closed shall be rejected.

11. The AS shall be notified at the latest by the end of the cycle of the status of the individual AS transfer orders.

Article 6 – RTGS AS settlement procedure D

NOT APPLICABLE TO AS PARTICIPATING IN TARGET-DANMARK.

Article 7 – RTGS AS settlement procedure E

NOT APPLICABLE TO AS PARTICIPATING IN TARGET-DANMARK.

Article 8 – Information period and settlement period

1. The 'information period' service allows the AS to inform its settlement banks of the liquidity needed to ensure successful settlement. This optional service allows the AS to define a period before the start of the settlement of the AS transfer orders. During that period, and at the request of the settlement bank, the AS may revoke either single RTGS AS transfer orders (for RTGS AS settlement procedure E) or files (for RTGS AS settlement procedures A and B). An AS may also request Danmarks Nationalbank to perform such revocation on its behalf.

2. In the event that an AS, or Danmarks Nationalbank on its behalf, revokes single AS transfer orders (for RTGS AS settlement procedure E) or files (for RTGS AS settlement procedures A and B) during the 'information period', the processing of the AS transfer orders shall be cancelled.

3. The 'settlement period' service allows the AS to define a period until which the settlement of the AS transfer orders can take place. This service is a prerequisite for the use of a guarantee fund account, and is optional for the use of AS technical accounts.

4. During the 'settlement period' the AS, or Danmarks Nationalbank on its behalf, may revoke either single RTGS AS transfer orders (for RTGS AS settlement procedure E) or files (for RTGS AS settlement procedures A and B) that do not have a final status and the following shall apply:

    a) if RTGS AS settlement procedure E is used for bilateral settlement, the relevant AS transfer orders shall be reversed;

    b) if RTGS AS settlement procedure E is not used for bilateral settlement, or if in RTGS AS settlement procedure A the entire settlement fails, any settled AS transfer orders in the

file shall be reversed, and all settlement banks and the AS shall be informed via a broadcast message;

c) if RTGS AS settlement procedure B is used, the entire settlement fails, and all settlement banks and the AS shall be informed via a broadcast message.

Article 9 – Cross-system settlement

1. Cross-system settlement allows an AS to credit the RTGS AS technical account of another AS or sub-account of a settlement bank of another AS and is available for AS using RTGS AS settlement procedures C or D.

2. Danmarks Nationalbank shall, on the request of the AS, allow cross-system settlement between that AS and another AS in TARGET-Danmark or another TARGET component system. The requesting AS shall provide Danmarks Nationalbank with the authorisation of the other AS.

3. Cross-system settlement may only be initiated if two AS have opened a settlement procedure. Furthermore, if the cross-system settlement is initiated by an AS using RTGS AS settlement procedure C, a settlement cycle may also be open for that AS.

4. An AS using settlement RTGS AS settlement procedure C in the context of cross-system settlement shall only submit AS transfer orders individually that debit the sub-account of one of its AS settlement banks. These AS transfer orders would credit the sub-account of the receiving AS settlement bank if that receiving AS is using RTGS AS settlement procedure C, or would credit the RTGS AS technical account of the receiving AS if that AS is using RTGS AS settlement procedure D.

5. An AS using settlement RTGS AS settlement procedure D in the context of cross-system settlement shall only submit AS transfer orders individually that debit its RTGS AS technical account. These AS transfer orders would credit the sub-account of the receiving AS settlement bank if that receiving AS is using RTGS AS settlement procedure C, or would credit the RTGS AS technical account of the receiving AS if that AS is using RTGS AS settlement procedure D.

   Both AS using cross-system settlement shall be notified via a broadcast message of the settlement or rejection of the AS transfer orders.

Article 10 – Effect of suspension or termination

If the suspension or termination of the use of the AS settlement procedures by an AS occurs during the settlement cycle of AS transfer orders, Danmarks Nationalbank may complete the settlement cycle.

Article 11 – Additional requirements for AS

The RTGS AS technical account shall be registered to the AS. Nevertheless, the amounts registered in the account belong to the settlement banks, and the AS shall not hold own funds in the technical account. The AS shall be obliged to ensure that the contractual relationship between the AS and the settlement banks and the legal set-up of this account ensures that the right of ownership

of the assets registered in the RTGS AS technical account at any time belongs to the settlement banks. In this context, the AS shall also ensure that, at any time, it is possible to establish the individual settlement bank's share of the balance held in the RTGS AS technical account at any time.

Del VII Special terms and conditions for ancillary systems (AS) using the TARGET instant payment settlement (TIPS) ancillary system settlement procedure (TIPS AS settlement procedure)

Article 1 – Opening and management of a TIPS AS technical account

1. Danmarks Nationalbank may on the request of an AS that settles instant payments pursuant to the SCT Inst scheme, and, if relevant, the OCT Inst scheme and, if relevant, near instant payments in its own books, open and operate one or more TIPS AS technical accounts. If the TIPS AS technical account holder exercises its option to accept instant payment orders according to the OCT Inst Scheme, it shall inform Danmarks Nationalbank accordingly.

2. There shall be no debit balance on a TIPS AS technical account.

3. The AS shall use a TIPS AS technical account to collect the necessary liquidity set aside by its clearing members to fund their positions.

4. The AS may opt to receive notifications of the crediting and debiting of its TIPS AS technical account. If the AS opts for this service, notification is provided immediately upon the debit or credit of the TIPS AS technical account.

5. An AS may send instant payment orders and positive recall answers to any TIPS DCA holder or TIPS AS technical account holder, and it may send instant payment orders according to the OCT Inst scheme to any TIPS DCA holder or TIPS AS technical account holder which has opted to receive them.

6. An AS shall receive and process instant payment orders, recall requests and positive recall answers from any TIPS DCA holder or TIPS AS technical account holder. If it has informed Danmarks Nationalbank of the exercise of its option in accordance with paragraph 1, it shall accept instant payment orders according to the OCT Inst scheme from any TIPS DCA holder or TIPS AS technical account holder which has opted to send them.

Article 2 – Sending and receiving messages

1. A TIPS AS technical account holder may send messages:

    a) directly;

    b) via one or more instructing parties.

2. A TIPS AS technical account holder may receive messages:

    a) directly;

    b) via one instructing party.

3. Part I, Article 7, shall apply to a TIPS AS technical account holder that sends or receives mes-

sages via an instructing party as though that TIPS AS technical account holder sends or receives messages directly.

Article 3 – Immediate liquidity transfer orders

A TIPS AS technical account holder may submit immediate liquidity transfer orders.

Article 4 – Processing of cash transfer orders on TIPS AS technical accounts

1. A timestamp for the processing of cash transfer orders is allocated in the sequence of their receipt.

2. All cash transfer orders submitted to TARGET-Danmark shall be processed following the 'first in, first out' (FIFO) principle without prioritisation or reordering.

3. After an instant payment order has been accepted as set out in Part I, Article 17(1), Danmarks Nationalbank shall check if sufficient funds are available on the payer's TIPS AS technical account to effect settlement and the following shall apply:

    a) if sufficient funds are not available, the request for the instant payment order shall be rejected;

    b) if sufficient funds are available, the corresponding amount shall be reserved while awaiting the payee's response. In the event of acceptance by the payee of an instant payment order, the order shall be settled and the reservation shall be simultaneously lifted. In the event of rejection by the payee of an instant payment order, or the absence of a timely response, within the meaning of the SCT Inst scheme or the OCT Inst scheme, the instant payment order shall be rejected and the reservation shall be simultaneously lifted.

4. Funds reserved in accordance with paragraph 3(b) shall not be available for the settlement of subsequent cash transfer orders.

5. Without prejudice to paragraph 3(b), Danmarks Nationalbank shall reject an instant payment order if the amount of the instant payment order exceeds any applicable credit memorandum balance (CMB).

6. After a liquidity transfer order from a TIPS AS technical account to a TIPS DCA has been accepted as set out in Part I, Article 17, Danmarks Nationalbank shall check if sufficient funds are available on the payer's TIPS AS technical account. If sufficient funds are not available, the liquidity transfer order shall be rejected. If sufficient funds are available, the liquidity transfer order shall be settled immediately.

7. After a positive recall answer has been accepted as set out in Part I, Article 17, Danmarks Nationalbank shall check if sufficient funds are available on the TIPS AS technical account to be debited. If sufficient funds are not available, the positive recall answer shall be rejected. If sufficient funds are available, the positive recall answer shall be settled immediately.

8. Without prejudice to paragraph 7, Danmarks Nationalbank shall reject positive recall answers if

the amount of the positive recall answer exceeds any applicable CMB.

Article 5 – Recall request

1. A TIPS AS technical account holder may submit a recall request.
2. The recall request shall be forwarded to the payee of the settled instant payment order which may answer with a positive or a negative recall answer.

Article 6 – TIPS AS settlement procedure

1. The TIPS AS settlement procedure shall be operational during the times set out in Appendix 5.

Article 7 – Reachable parties via a TIPS AS technical account

1. A TIPS AS technical account holder may designate one or more reachable parties. Reachable parties shall have adhered to the SCT Inst scheme signing the SEPA Instant Credit Transfer Adherence Agreement and, if relevant, to the OCT Inst scheme signing the One-Leg Out Instant Credit Transfer Adherence Agreement, and, if they are addressable in TARGET as RTGS DCA holders, addressable BIC holders or as entities referred to in Part III, Article 3(1), point (a), having been authorised to use an RTGS DCA by way of multi-addressee access, they shall hold a TIPS DCA or be reachable via a TIPS DCA.

2. A TIPS AS technical account holder shall provide evidence to Danmarks Nationalbank of each designated reachable party's adherence to the SCT Inst scheme and, if relevant, the OCT Inst Scheme.

3. A TIPS AS technical account holder shall inform Danmarks Nationalbank if any designated reachable party no longer adheres to the SCT Inst scheme and shall, without undue delay, take steps to prevent the reachable party from accessing the TIPS AS technical account.

    a) A TIPS AS technical account holder shall inform Danmarks Nationalbank if any designated reachable party no longer adheres to the OCT Inst scheme.

4. A TIPS AS technical account holder may allow its designated reachable parties access via one or more instructing parties.

5. Part I, Article 7, shall apply to an AS that has designated reachable parties.

6. A TIPS AS technical account holder that has designated a reachable party shall ensure that reachable party is at all times available for the purpose of receiving messages.

Article 8 – Transactions processed on TIPS AS technical accounts

1. The following transactions shall be processed via a TIPS AS technical account in TARGET-Danmark:

    a) instant payment orders;

    b) positive recall answers;

c) liquidity transfer orders to TIPS DCAs;

Article 9 – TIPS directory

1. The TIPS directory is a list of BICs used for the purpose of routing information and comprises the BICs of:

    a) TIPS DCA holders;

    b) reachable parties.

The TIPS directory shall include information for each BIC as to whether the TIPS DCA holder or reachable party accepts instant payment orders according to the OCT Inst scheme.

2. The TIPS directory shall be updated daily.

3. TIPS AS technical account holders may only distribute the TIPS directory to their designated reachable parties and their instructing parties. Reachable parties may only distribute the TIPS directory to their branches.

4. A specific BIC shall only appear once in the TIPS directory.

5. TIPS AS technical account holders accept that Danmarks Nationalbank and other CBs may publish names and BICs of reachable parties designated by TIPS AS technical account holders and TIPS AS technical account holders shall ensure that reachable parties have agreed to such publication.

Article 10 – MPL repository

1. The central Mobile Proxy Lookup (MPL) repository contains the proxy-IBAN mapping table for the purposes of the MPL service.

2. Each proxy may be linked to only one IBAN. An IBAN may be linked to one or multiple proxies.

3. Part I, Article 28, shall apply to the data contained in the MPL repository.

Article 11 – Processing of cash transfer orders in the event of suspension or termination

1. Upon termination of a TIPS AS technical account holder's participation in TARGET-Danmark, Danmarks Nationalbank shall not accept any new cash transfer orders to or from that TIPS AS technical account holder.

2. If a TIPS AS technical account holder's participation in TARGET-Danmark is suspended on grounds other than those specified in Part I, Article 25(1)(a), Danmarks Nationalbank shall:

    a) reject all of the holder's incoming payments;

    b) reject all of the holder's outgoing cash transfer orders;

    c) reject both the holder's incoming payments and outgoing cash transfer orders.

3. If a TIPS AS technical account holder's participation in TARGET-Danmark is suspended on the grounds specified in Part I, Article 25(1)(a), the suspended TIPS AS technical account holder's CB shall reject all of its incoming and outgoing cash transfer orders.

4. Danmarks Nationalbank shall process instant payment orders of a TIPS AS technical account holder whose participation in TARGET-Danmark has been suspended or terminated under Part I, Article 25(1) or (2) and in relation to which Danmarks Nationalbank has reserved funds on a TIPS AS technical account pursuant to Article 4(3)(b) prior to the suspension or termination.

Article 12 – Broadcast messages

1. TIPS AS technical account holders may use the broadcast message function offered by TIPS, which allows a TIPS DCA holder or a TIPS AS technical account holder to send a message to all other TIPS DCA holders and TIPS AS technical account holders, to send broadcast messages in the following categories:

   (a) "Immediate downtime start";

   (b) "Immediate downtime end";

   (c) "Planned downtime".

2. TIPS AS technical account holders shall not send "free text messages" or "insolvency messages". The TIPS AS technical account holder making use of the broadcast facility retains sole responsibility and liability for the content of any message.