

cVRP Rulebook

VERSION 1.0

© 2025 [insert operator name].

Notice: This document is proprietary and confidential to [insert operator name]. It must not be duplicated, published, distributed or disclosed, in whole or in part, without [insert operator name]'s prior written consent.

Summary of changes

This section provides an overview of all the changes that have been made to the cVRP Rulebook since its last publication.

In addition to the changes listed below, minor drafting revisions may have been made by the Operator to ensure consistency and clarity and to delete out of date or unnecessary language.

Reference	Change Overview (including details of when the Change was notified to Participants)
n/a	<i>[No changes as at the date of drafting – this is the first version of the cVRP Rulebook.]</i>

Contents

	Section	Page
1	Definitions and interpretation	4
2	The objectives and purposes of cVRP and this Rulebook.....	19
3	In-Scope Use Cases for cVRP	24
4	Eligibility criteria.....	26
5	Role of the Operator.....	28
6	Inter-Participant matters.....	31
7	Underlying payment methodologies	34
8	Co-operation.....	35
9	MLA Changes	37
10	Technical Changes	43
11	Compliance.....	47
12	Required policies and standards	50
13	Performance standards and service levels.....	52
14	Representatives.....	54
15	Reporting.....	55
16	Audit.....	56
17	Default Events and Incidents	60
18	Waivers and appeals.....	64
19	Relationships with Payers	66
20	Relationships with Billers and other Beneficiaries.....	71
21	Dealing with disputes about cVRP transactions	77
22	Suspension of participation.....	78
23	Termination.....	80
24	Exit.....	83
25	Intellectual property.....	86
26	Data Protection.....	94
27	Data and record keeping.....	97
28	Information security.....	100
29	Confidentiality	102
30	Inter-Participant fees and charges	105
31	Operator fees and contingency fund	106
32	Liability.....	107
33	Warranties and representations.....	112
34	Third and fourth parties.....	113
35	Miscellaneous	115

1 Definitions and interpretation

1.1 Definitions

Access Dashboard	a facility provided by an ASPSP Participant to a Payer that a Payer can use to view and revoke ongoing cVRP access that they have given to any Payment Initiation Participant for each account held at that ASPSP Participant.
Aggregate Operator Liability Cap	<i>[Drafting note: details to be confirmed]</i>
Affiliate	in relation to any body corporate (whether or not registered in the United Kingdom), any holding entity or subsidiary of such body corporate or any subsidiary of a holding company of such body corporate in each case from time to time.
Anti-Corruption Laws	all Applicable Law relating to anti-bribery or anti-corruption, including the Bribery Act 2010, Public Bodies Corrupt Practices Act 1889, the Prevention of Corruption Act 1906 and the Prevention of Corruption Act 1916.
Anti-Tax Evasion Laws	all Applicable Law relating to anti-facilitation of tax evasion including sections 45 or 46 of the Criminal Finances Act 2017.
Anti-Slavery Laws	all Applicable Law relating to anti-slavery and human trafficking, including the Modern Slavery Act 2015.
API Licensee Application	the relevant Payment Initiation Participant's (or a cVRP-TSP that is its Third Party Agent's) software application, application programming interface or website that is developed by the relevant Payment Initiation Participant, or on the relevant Payment Initiation Participant's behalf, to interact with cVRP APIs and cVRP API Materials.
Applicable Law	to the extent it applies to any Participant or the Operator (and, where the context requires, to any Payer, Beneficiary, Subcontractor or Third Party Agent): <ul style="list-style-type: none"> (a) any statute, regulation, by law, ordinance or subordinate legislation which is in force for the time being to which a party is subject; (b) the common law as applicable to the parties (or any one of them); (c) any binding court order, judgment or decree applicable to the parties (or any one of them); and (d) any applicable industry code, policy, guidance, supervisory materials, standard or accreditation terms enforceable by law which, in each case, is enforceable by law and is in force for the time being and/or which is stipulated by any Competent Authority to which such party (Participant or Operator) is subject.
ASPSP	an account servicing payment service provider as defined in the Payment Services Regulations 2017.

ASPSP Participant	an ASPSP that has signed a Participation Agreement with the Operator to participate in the MLA.
Audit	an investigation, review, audit or inspection, and (where used as a verb, i.e. "to Audit") shall mean to investigate, review, audit, or inspect.
BACS	the UK electronic payment system that processes direct credits and direct debits.
Beneficiary	<p>means either a Biller or, where the relevant In-Scope Use Case has no Biller, the person or entity that is the Payer's intended recipient of funds which have been the subject of the relevant cVRP transaction.</p> <p>In any cases of doubt as to whether a particular person or entity falls into the above description, the Operator's opinion will be determinative.</p>
Biller	Payees under cVRP transactions which use cVRPs to take payment from a Payer, for example, sellers of goods and/or services for purchases by such Payer of such goods and/or services.
Breaking Technical Change	<p>a Technical Change which:</p> <ul style="list-style-type: none"> • requires any other party to the MLA (or its subcontractor or agent) to make a non-minor change to its own systems prior to such Technical Change being released, for the relevant party's participation in the MLA and/or implementation and operation of cVRP pursuant to the MLA, to continue to operate, following the Technical Change, in the same way and to the same standard that they operated prior to the update (including a code or configuration change or redefinition of an existing API); and/or • adversely impacts on the maintenance of any cVRP Mandates or the ability of any Participant (or Payer or Beneficiary) to initiate cVRPs pursuant to those cVRP Mandates.
Business Day	any calendar day other than Saturday, Sunday, Christmas Day, Good Friday or a statutory Bank Holiday in the UK.
Calendar Year	each twelve (12) month period commencing 1 January in each year.
Change of Control	<p>any event where:</p> <ul style="list-style-type: none"> (a) ownership change: there is a direct or indirect acquisition by any person or group of persons of 50% or more of the voting power, equity interests, or ownership interests in a party; (b) merger or consolidation: a party is merged with or into, or consolidated with, another entity, or any entity merges with or into, or consolidates with, the party, in each case resulting in the shareholders or owners of the party prior to such transaction holding less than 50% of the voting power, equity interests, or ownership interests in the surviving or resulting entity; (c) sale of assets: there is a sale or other disposition of all or substantially all of the assets of a party; or

	(d) other reorganisation or transfer: any other corporate reorganisation or transfer occurs resulting in a change in the effective control of a party.
CHAPS	The Clearing House and Automated Payment System, the UK's sterling same-day system used to settle high-value wholesale payments as well as time-critical, lower-value payments.
Claim	any claim, action, proceeding, demand or allegation or any threatened claim, action, proceeding, demand or allegation of whatever nature, whether in contract, tort (including negligence) or otherwise.
Consents	all licences, permissions, consents, authorisations, registrations and approvals from all relevant Competent Authorities or other regulatory bodies or authorities.
Consumer Duty	the FCA Consumer Duty rules, guidance and principles implemented by the Consumer Duty Instrument 2022 and set out in the FCA Handbook including all rules and guidance deriving from Principle 12 of the FCA Handbook, and 'FG22/5 Final non-Handbook Guidance for firms on the Consumer Duty' as amended from time to time.
controller, data subject, personal data, personal data breach and processor	have the meaning given to them in Data Privacy Laws.
Competent Authority	any governmental, statutory, regulatory, supervisory or Resolution Authority and any other competent authority or entity in the United Kingdom having responsibility for the regulation or governance of any Participant, or the Operator, the MLA or cVRP (or persons or entities appointed by or on the direction of such authorities and/or bodies and/or entities).
Complaints Information	has the meaning given in Section 20.1 (Biller onboarding, monitoring and information).
Confidential Information	information that is designated as 'confidential' or which by its nature is clearly confidential, including: <ul style="list-style-type: none"> (a) any information concerning the technology, technical processes, business processes, procedures, business affairs, financial affairs and finances of the Operator or any Participant (or any of their Affiliates), or their customers, employees, suppliers, subcontractors, agents and Third Party Agents; (b) details of the Operator's or any Participant's security procedures; (c) any Materials or communications provided by any of the Operator or any Participant to each other in connection with the MLA that are confidential in nature or marked as confidential; and (d) information contained in, or relating to, the items licensed to any other party pursuant to Section 25 (Intellectual Property).

Consent Dashboard	a facility provided by or on behalf of a Payment Initiation Participant to a Payer that a Payer can use to view and revoke cVRP Mandate(s) that they have given to that PISP.
cVRP	a series of payments of varying amounts and frequency which are initiated by a PISP to (or for ultimate payment via any intermediaries (such as a Third Party PSP)) to a Beneficiary based on the terms of the cVRP Mandate and which are not sweeping-VRPs as defined by the Competition and Markets Authority in its public letter of 14 March 2022.
cVRP API	means, in respect of an ASPSP, the product, function, process or application, software or code that allows external systems to communicate in accordance with strictly defined parameters with relevant components of the ASPSP's systems which relate to that product, function, process or application, and which each ASPSP Participant will grant each Payment Initiation Participant express authorisation to access and use in accordance with Section 25.5 (Inter-participant cVRP API Licences and use) and cVRP APIs shall be construed accordingly.
cVRP API Data	any information, data, or materials provided by an ASPSP through a cVRP API, accessed or otherwise used by a PISP (or cVRP-TSP on behalf of a PISP) as part of its use of the relevant ASPSP's APIs.
cVRP API Items	the cVRP APIs; cVRP API Materials; and cVRP API Data.
cVRP API Materials	all information made available by an ASPSP in respect of its cVRP API, including all technical documentation and operations information.
cVRP API Services	the provision and enablement of the cVRP API and the API Items by the relevant ASPSP Participant to the relevant Payment Initiation Participant (or cVRP-TSP on behalf of a PISP) in accordance with the MLA.
cVRP Authorisation Parameters	the agreed parameters of a cVRP Mandate which may include: (i) the Beneficiary to which the cVRP is payable; (ii) the frequency of the cVRP and/or the date(s) on which the cVRP is to be made; (iii) the amount of the cVRP; and (iv) any other relevant parameters agreed between the relevant PISP and a Payer.
cVRP Biller Services	the services provided by a PISP (or a Third Party Agent of a PISP) to Billers which (amongst other things) enables Billers to invite Payers to establish a cVRP Mandate for the purposes of making cVRPs to a Biller in respect of goods and/or services provided by that Biller to the Payer.
cVRP Biller Services Agreement	a contract between a PISP (or an agent or third party intermediary of a PISP) and a Biller pursuant to which cVRP Biller Services are made available to the Biller.
cVRP Mandate	a long held consent given by a Payer to a PISP to initiate a series of payments of varying amounts and frequency and which will be subject to the cVRP Authorisation Parameters.
cVRP Payer Services	the creation of a cVRP Mandate and the subsequent provision of Payment Initiation Services by a PISP (or a Third Party Agent of a PISP) to the Payer, pursuant to that cVRP Mandate, which results in cVRPs being made from the relevant ASPSP account to the relevant Beneficiary.

cVRP Payer Services Agreement	a contract between a PISP and a Payer for the provision of the cVRP Payer Services.
cVRP Mandate & Transaction Disputes	disagreements between Participants relating to specific cVRP Mandates and/or specific cVRP transactions and/or any complaints or disputes relating to specific cVRP Mandates and/or cVRP transactions raised by Payers or Beneficiaries.
cVRP-TSP	a TSP which provides technical services (such as API integration, information technology and communication infrastructure and/or processing and storage of data) in respect of cVRP which enable but do not constitute payment initiation and which contracts with PISPs to enable those PISPs to create cVRP Mandates and initiate payments pursuant to them.
Damaging Practices	has the meaning given to it in Section 8.2 (Co-operation in relation to Damaging Practices).
Data Privacy Laws	<p>all Applicable Laws relating to the protection of personal data, as applicable to the parties, including:</p> <ul style="list-style-type: none"> (a) in the UK: <ul style="list-style-type: none"> (i) the UK GDPR; (ii) the Data Protection Act 2018; and (iii) the Privacy and Electronic Communications (EC Directive) Regulations 2003, <p>in each case as amended by the Data Protection, Privacy and Electronic Communications (Amendments, etc.) (EU Exit) Regulations 2019 or as otherwise amended, extended or re-enacted from time to time;</p> (b) in member states of the European Union and / or the EEA: <ul style="list-style-type: none"> (i) the GDPR; (ii) Directive 2002/58/EC; and (iii) all relevant member state laws or regulations giving effect to or corresponding with any of them, <p>in each case as may be amended, extended or re-enacted from time to time;</p> (c) any judicial or administrative interpretation of any of the above, any guidance, guidelines, codes of practice, approved codes of conduct or approved certification mechanisms issued by any relevant supervisory authority, which, in each case is enforceable by law and is in force for the time being and/or which is stipulated by any Competent Authority to which such party (Participant or Operator) is subject, as applicable to the parties; and

	(d) any other laws relating to the processing, privacy and use of personal data in any other territory or jurisdiction as applicable to any party.
Day 1 Directory	the Directory provided by the Operator to Participants as at the first day on which the MLA comes into effect, being the Directory which is owned, operated and maintained by the Standard Setting Body acting, for the purposes of the MLA, as a subcontractor of the Operator.
Day 1 Directory Service Terms	the document setting out the Operator's terms for providing the Day 1 Directory, and associated Directory Services, to Participants for the purposes of the MLA. [Drafting note: this MLA Document will be developed once the identity of the Operator has been confirmed and the basis of the Operator's provision of the Day 1 Directory is known.]
Default Event	a breach by a Participant of any provision of the MLA Documents. A Participant shall not be deemed to have breached a provision of the relevant MLA Document if the Participant has secured a Waiver for that provision, and provided that the relevant circumstance is covered by the scope of the Waiver.
Directory	a register of (amongst other parties) ASPSPs and PISPs created and maintained by a Directory Services Provider for the purposes of enabling Directory Services.
Directory Services	means a Directory Services Provider's identity and trust management service, providing identity information supporting natural persons, organisations and software identity classes, which enable (amongst other parties) ASPSPs and PISPs to undertake organisation identification validation.
Directory Services Provider	the Operator or any other party approved by the Operator for the purposes of providing Directory Services to Participants for the purposes of the MLA.
Disputes Schedule	means the disputes schedule to the MLA.
Employee	any employees, officers, staff, contractors and individuals contracted by a party and involved to any extent in the performance of a party's activities under the MLA or relating to cVRP.
Exit Period	a period of at least four (4) months and no more than twelve (12) months, as agreed between the Operator and the relevant Participant in writing (each acting reasonably) starting on the effective date of any termination pursuant to Section 23 (Termination of Participation), and provided that where any termination notice has the effect of immediately terminating a Participant's participation in the MLA, the applicable Exit Period shall be a minimum period of at least six (6) months unless the Operator otherwise agrees in writing.
FCA	the Financial Conduct Authority and any other person, body or organisation which may, from time to time, replace or otherwise take over its functions in whole or in part which are relevant to a person lawfully carrying out its activities relating to cVRP.
FCA Handbook	the handbook of rules and guidance published by the FCA, as the same is amended, varied, supplemented and updated from time to time.
FPS	the "Faster Payments Service", a real-time UK electronic payment service.

Force Majeure Event	has the meaning given to it in Section 13.5 (Force Majeure).
GDPR	the General Data Protection Regulation EU 2016/679.
Good Industry Practice	all practices and professional standards that would be expected of a well-managed expert organisation undertaking activities and duties substantially similar to those carried out by the relevant party.
Incident	any event or occurrence which has adversely affected or may adversely affect the safety, security, soundness and/or integrity of the MLA and cVRP, which (a) does not constitute or give rise to a Default Event; (b) is not subject to Section 13.5 (Force Majeure) or (c) does not constitute or give rise to a Data Security Breach pursuant to which Sections 26 (Data Protection) or 28 (Information security) apply.
Insolvency Event	<p>means, in respect of a party, one or more of the following events affecting such party (Affected Party):</p> <ul style="list-style-type: none"> (a) the Affected Party ceases or threatens to cease to carry on business or suspends all or substantially all of its operations, or suspends payment of its debts or becomes unable to pay its debts or is deemed to be unable to pay its debts within the meaning of section 123, 222, 223, 224 or 268 of the Insolvency Act 1986 (assuming, if necessary, that such sections apply to the Affected Party); (b) a winding-up petition is presented in respect of the Affected Party is not set aside within fourteen (14) calendar days or circumstances arise which entitle a court of competent jurisdiction to make a winding up order of the Affected Party; (c) the Affected Party enters into liquidation (as defined in section 247(2) of the Insolvency Act 1986) either compulsory or voluntary (save for the purposes of a solvent reconstruction or amalgamation previously approved in writing by the Operator) or a provisional liquidator is appointed in respect of the Affected Party; (d) notice of intention to appoint an administrator is served in respect of the Affected Party or an application for an administration order is presented or a notice of appointment of administration is served in respect of the Affected Party or an administration order is made under Schedule B1 of the Insolvency Act 1986 in respect of the Affected Party is filed at Court; (e) an administrative receiver, receiver or manager or similar officer is appointed under part III of the Insolvency Act 1986 in respect of the whole or any part of the Affected Party's assets or circumstances arise which entitle a court of competent jurisdiction or a creditor to appoint a receiver or manager of the Affected Party; (f) an application for an interim order under part VIII of the Insolvency Act 1986 is made; (g) the Affected Party proposes to enter or enters into any composition or arrangement with its creditors generally or any class of creditors;

	<ul style="list-style-type: none"> (h) a distress, execution or other legal process is taken or steps are taken to enforce any encumbrance over all or part of the assets and/or undertaking of the Affected Party; (i) a provisional liquidator is appointed under section 135 of the Insolvency Act 1986; (j) the exercise or anticipated exercise by a Resolution Authority of a resolution tool or any Resolution Powers including: (i) any pre-stabilisation measures and assessments or; (ii) the exercise of stabilisation powers by a Resolution Authority; (k) any deterioration in the financial circumstances or entry into a period of stress within the meaning of the PRA Supervisory Statement 9/16 (including any amended or replacement versions), resolution or restructuring; or (l) the Affected Party is subject to an event analogous to paragraphs (a) to (k) above in any other jurisdiction.
Intellectual Property Rights	patents (including rights in, and/or to, inventions); trade marks, service marks, trade names and business names (in each case including rights in goodwill attached thereto); design rights; rights in and/or to internet domain names and website addresses; semiconductor topography rights; copyright (including future copyright); database rights; rights in and to confidential information (including know how and trade secrets); and all other intellectual property rights, in each case subsisting at any time in any part of the world (whether registered or unregistered) and (a) any pending applications or rights to apply for registrations of any of these rights that are capable of registration in any country or jurisdiction and (b) any similar or analogous rights to any of these rights, whether arising or granted under the laws of England & Wales or in any other jurisdiction.
Introducer	any third party with whom a Payment Initiation Participant has established a relationship, and through whose platform and/or introduction, the Payment Initiation Participant provides its cVRP transaction acceptance services to a Beneficiary.
In-Scope Use Cases	has the meaning given to it in Section 3 (In-Scope Use Cases for cVRP).
In-Scope Use Cases Schedule	the document setting out detail of the In Scope Uses Cases for the purposes of the MLA, as described in Section 3 (In-Scope Use Cases for cVRP).
Issue Resolution Platform	the platform made available by the Operator to the Participants to facilitate written communications between Participants relating to cVRP Mandate & Transaction Disputes and other issues arising between them in relation to the MLA and/or their implementations of cVRP pursuant to the MLA.
Liability	liability, whether in contract, tort, misrepresentation, restitution, under statute or otherwise, in each case howsoever caused (including if caused by negligence).
Losses	all losses, liabilities (including provision for contingent liabilities), fines, damages, costs and expenses including legal fees on a solicitor/client basis and disbursements and costs of investigation, litigation, settlement, judgment, interest and penalties.

Mandatory or Emergency MLA Change	any MLA Change which is required for Mandatory or Emergency Reasons.
Mandatory or Emergency Reasons	being required immediately or urgently by: <ul style="list-style-type: none"> (a) Applicable Law; or (b) a Competent Authority; or (c) to address a material threat or any material risks to the integrity, safety, efficiency, effectiveness, overall operation or reputation of cVRP under the MLA.
Mandatory or Emergency Technical Change	any Technical Change which is required for Mandatory or Emergency Reasons.
Marks	all trademarks, service marks and logos of a party and which that party confirms in writing to the other parties to the MLA are available for use by other parties for the purposes of the MLA pursuant to Section 25.6 (Inter-Participant and Participant to Operator trade mark licences).
Material	any document, methodology or process, documentation, data or other material in whatever form, including any reports, specifications, business rules or requirements, user manuals, user guides, operations manuals, training materials and instructions.
Material Change	MLA an MLA Change which would require or result in: <ul style="list-style-type: none"> • a substantive change to: <ul style="list-style-type: none"> ○ any of the following Sections of this Rulebook or to any of the following MLA Documents: <ul style="list-style-type: none"> ▪ Section 3 (In-scope use cases for cVRP); ▪ Section 4 (Eligibility Criteria); ▪ Section 9 (MLA Change); ▪ Section 10 (Technical Changes); ▪ Section 22 (Suspension of Participation); ▪ Section 23 (Termination); ▪ Section 30 (Inter-Participant Fees and Charges); ▪ Section 31 (Operator Fees and Contingency Fund); ▪ Section 32 (Liability); ▪ the In-Scope Use Cases Schedule;

	<ul style="list-style-type: none"> ▪ the Pricing Schedule; ○ or otherwise to a Participant's: <ul style="list-style-type: none"> ▪ operations, business process or procedures, IT system, or infrastructure (including any Technical Change that would constitute a Breaking Technical Change); ▪ Liability or obligations, or rights and remedies (whether those can be exercised by or against the relevant Participant), under the MLA; or • material implementation costs for any Participant; • procuring an alternative Directory and associated Directory Services (as contemplated under Section 5.2).
Material Fourth Party	<p>any entity (including a Participant's Affiliates) within a Participant's supply chain which provides services to a Participant that relate to that Participant's implementation and operation of cVRP pursuant to the MLA, that is not a Subcontractor and which (in its role within the relevant Participant's supply chain):</p> <ul style="list-style-type: none"> (a) is critical to the Participant's compliance with the MLA and/or implementation and operation of cVRP within the scope of the MLA; or (b) holds or processes any Confidential Information of any other Participant; (c) directly connects to the system of any other Participant; and/or (d) interacts directly with any Beneficiaries or Payers.
MLA	the multilateral agreement relating to cVRP comprising the MLA Documents.
MLA Change	any change to any MLA Document.
MLA Document	<p>any one or more of the following documents:</p> <ul style="list-style-type: none"> (a) the Participation Agreement; (b) this Rulebook; (c) the In-Scope Use Cases Schedule; (d) the Reporting Schedule; (e) the Day 1 Directory Service Terms; (f) the SLA Schedule; (g) the Disputes Schedule; (h) the Pricing Schedule; and

	<p>(i) any other document designated by the Operator to be a MLA Document in accordance with Section 9 (Change).</p> <p>A reference to an MLA Document shall be to the relevant one of them.</p>
MLA Guidance Materials	non-binding guidance materials issued by the Operator to the Participants, or any particular sub-group of Participants, in accordance with Section 5.6.
Non-Breaking Technical Change	any Technical Change other than a Breaking Technical Change or a Mandatory and Emergency Technical Change.
Non-Material MLA Change	any MLA Change that is neither a Material MLA Change nor a Mandatory or Emergency MLA Change.
OBL	Open Banking Limited (Company No. 10440081).
Operator	the entity responsible for maintaining, developing and administering the MLA, and related standards and infrastructure to facilitate the functions of cVRP and including any successor body
Operator Contingency Fund	[the contingency funding to be provided by Participants to the Operator in accordance with Section 31 (Operator Fees and Contingency Fund)].
Operator's Board	<i>[Drafting note: details to be confirmed once identity and structure of the Operator is known.]</i>
Out-of-Scope Use Cases	has the meaning given to it in Section 3 (In-Scope Use Cases for cVRP).
Participant	either or both an ASPSP Participant or Payment Initiation Participant (as the context requires).
Participant to Operator Liability Cap	<i>[Drafting note: details and whether this concept is to be included in the MLA to be confirmed]</i>
Payer	a person who holds a payment account with an ASPSP and gives consent to a PISP to initiate a payment order from that payment account pursuant to a cVRP Mandate.
Payment Initiation Participant	a PISP that has signed a Participation Agreement with the Operator to participate in the MLA.
Payment Scheme Rules	has the meaning given to it in Section 7 (Underlying payment methodologies).
Persistent Default	<p>(a) a persistent breach of a Participant's obligations under the MLA, where such persistent breaches together constitute (in the Operator's reasonable opinion) a material breach of the Participant's obligations;</p> <p>(b) the occurrence of six (6) or more Default Events, in any twenty-four (24) month period, by a Participant which are either incapable of remedy or which are capable of remedy but which are not remedied within any</p>

	timeframe required by the Operator (acting reasonably) in any written notice to the Participant requiring the same to be remedied.
Permitted Purpose	the purpose for which an API Licensee is permitted to use the cVRP API, being to facilitate the set up and operation of cVRP from Payers to Beneficiaries for In-Scope Use Cases pursuant to the MLA.
PISP	a payment initiation service provider as defined in the Payment Services Regulations 2017.
Payment Initiation Services	has the meaning given to it in regulation 2(1) of the Payment Services Regulations 2017.
Relevant Standards	the Open Banking Standard implemented and maintained by the Standard Setting Body under requirements set out in the Retail Banking Market Investigation Order 2017.
Resolution Authority	any Competent Authority appointed with Resolution Powers.
Resolution Powers	powers of the applicable Resolution Authority, including any powers conferred under or by virtue of the Banking Act 2009 (especially sections 48Z and 70C-D), the Building Societies (Insolvency and Special Administration) Order 2009/805, the Financial Services (Banking Reform) Act 2013 or any other legislation or regulatory framework implementing Directive 2014/59/EU (especially Articles 68 and 71) into national law, in each case as amended or replaced.
Rulebook	this cVRP Rulebook.
Sanctions	Applicable Law relating to economic or financial, trade, immigration, aircraft, shipping or other sanctions, export controls, trade embargoes or restrictive measures from time to time imposed, administered or enforced by a Sanctions Authority.
Sanctions Authority	the UK and United Nations (and any other governmental authority with jurisdiction over a Participant or any part of its business or operations or key subcontractors used in the performance of the MLA, and in each case their respective governmental, judicial or regulatory institutions, agencies, departments and authorities responsible for the implementation and enforcement of sanctions, including the UN Security Council, Her Majesty's Treasury and the UK's Office of Financial Sanctions Implementation, the Department of Business and Trade and the Export Control Joint Unit.
Standard Setting Body	the body that is responsible for implementing, maintaining and monitoring the Open Banking Standard and any other standards that are intended to apply to cVRP from time to time (the role currently performed by OBL and including any successor body).
Subcontractor	<p>any person to whom a Participant subcontracts some or all of its obligations under the MLA and whose failure to perform those obligations would be reasonably likely to have a material impact on the relevant Participant's ability to comply with the MLA.</p> <p>In any cases of differing interpretations as to whether a particular third party falls within the above description, the Operator's opinion will be determinative.</p>
Technical Changes	a change to the technical infrastructure, configuration or software of a party to the MLA (or such party's subcontractors or agents) used to support and/or provide:

	<ul style="list-style-type: none"> operational activity in relation to the relevant party's involvement in the MLA; and/or any implementation and operation of cVRP (including cVRP Mandates and the initiation of cVRPs) pursuant to the MLA, and/or the technical procedures and/or technical processes used in providing and implementing cVRP pursuant to the MLA, <p>in each case, impacting on (or which is likely to impact on) any party to the MLA (or any such party's subcontractors or agents), but always excluding MLA Changes and changes to the Relevant Standards.</p>
Third Party Agent	<p>an entity (including any Subcontractor) that:</p> <ul style="list-style-type: none"> directly enables and/or intermediates a Participant's cVRP API connection to another Participant (for example, a cVRP-TSP that enables a Payment Initiation Participant to create cVRP Mandates and initiate payments pursuant to them); or markets, promotes and distributes, resells and/or intermediates and/or acts as a Participant's agent in respect of a material or significant part of the provision of a Participant's cVRP products and services to Payers and/or Beneficiaries (including intermediating any aspect of the onboarding of those Payers and/or Beneficiaries by a Participant) (for example, a Third Party PSP or any Introducer which carries out such activities); or is an outsource provider, or white-labeler, of all or any material or significant part of a Participant's cVRP products and services. <p>In any cases of differing interpretations as to whether a particular third party, falls into any of the above descriptions, the Operator's opinion will be determinative.</p>
Third Party PSP	a third-party payment services provider.
TSP	a technical services provider.
UK GDPR	the GDPR as it forms part of domestic law in the UK by virtue of section 3 of the European Union (Withdrawal) Act 2018.
Unauthorised Use	any access to or use or disclosure of data, information or code stored in any cVRP API that is not expressly permitted by the MLA.
Underlying Payment Scheme	has the meaning given to it in Section 7 (Underlying payment methodologies).
Waiver	any temporary formal waiver granted by the Operator in writing that permits a Participant, or Participants, to not comply with one or more specific rules or requirements in the MLA Documents for a specified period of time or until a specified date or by default one year from the date on which the waiver was given.

1.2 Interpretation

In interpreting any MLA Document, the following principles of interpretation shall apply:

- Any reference to any statute or statutory provision including any subordinate legislation includes a reference to that statute or statutory provision as from time to time amended, extended or re-enacted.
- References to a person include an individual, body corporate and an unincorporated association.
- The expressions "Participant" and "Operator" shall include their respective successors and/or permitted assignees.
- A successor shall be construed so as to include, in respect of any party, a lawful successor in title of such party and any person who under the laws of its jurisdiction of incorporation or domicile has assumed the rights and obligations of such party under the MLA or to which, under such laws, such rights and obligations have been transferred.
- Use of the words "includes" or "including," means without limitation and the use of these or similar words will not limit the meaning of the general words.
- Except where the context specifically requires otherwise, words importing one gender will be treated as importing any gender, words importing individuals will be treated as importing corporations and vice versa, words importing the singular will be treated as importing the plural and vice versa and words importing the whole will be treated as including a reference to any part thereof.
- If anything in the MLA requires a Participant not to do an act or thing, that Participant shall be in breach of this the MLA if it suffers or permits such an act or thing to be done.
- The headings in the MLA are for convenience only, and do not affect its interpretation.
- If any notice is needed from a Participant or the Operator in accordance with the MLA, such notice must be given in accordance with those provisions relating to the giving of notices as set out in the relevant MLA Documents from time to time.
- References in the Rulebook to:
 - "Sections" shall be references to the Sections of this Rulebook.
 - "Paragraphs" shall be references to the paragraphs of this Rulebook.
- References in the Participation Agreement to Clauses shall be references to Clauses of the Participation Agreement.
- References in any other MLA Document to Paragraphs shall be references to Paragraphs of the relevant MLA Document.
- References to days shall be references to calendar days and any references to months shall be references to calendar months unless expressly stated otherwise.
- A reference to material when used with reference to information, a fact or circumstance, a course of action, a decision-making process or other matter, shall be limited to information, facts, and circumstances, courses of action, decision-making processes or other matters as to

which there is a substantial likelihood that a reasonable person acting reasonably would attach importance.

- Any references to a party being "aware" or to "awareness" shall mean the actual knowledge of that parties' Employees and the knowledge, information and belief which their Employees would have had if they had made all reasonable enquiries.

2 The objectives and purposes of cVRP and this Rulebook

2.1 What is cVRP?

cVRPs are a type of payment instruction that enable Payers to agree to a series of payment orders, initiated through a PISP, direct from an online accessible payment account (e.g. a bank or building society current account) to a Beneficiary.

To pay by cVRP, a Payer needs to set up a cVRP Mandate with a PISP.

Once a Payer has given their consent to a PISP for the cVRP Mandate, the Payer will authenticate with their ASPSP and, upon successful authentication, the PISP can then initiate at least one payment, or a series of payments within the cVRP Authorisation Parameters of the cVRP Mandate, from the Payer's payment account, with or without the Payer being present. The cVRP Authorisation Parameters may include limits such as maximum individual or aggregate payment amount, payment frequency and an expiry date for the cVRP Mandate.

This means the PISP will then initiate cVRP payments, from the Payer's payment account, for the amounts and at the frequency agreed, which may be as requested by a Beneficiary, provided they are within the agreed parameters.

cVRPs can be viewed in “dashboards” so customers are able to see at their ASPSP and their PISP details of the VRP permissions they have granted.

2.2 Non-sweeping use cases

Sweeping variable recurring payments allow payers to move funds automatically between two accounts. The accounts can be held at different financial institutions as long as the accounts are held by the same payer.

Sweeping variable recurring payments were first implemented pursuant to letters from the Competition and Markets Authority (**CMA**) to the Implementation Trustee of the Open Banking Implementation Entity (OBIE) dated 26 July 2021 and 14 March 2022. In those letters, the CMA mandated certain ASPSPs (**Mandated ASPSPs**) to enable the use of variable recurring payments for sweeping, and those letters also defined the scope of the sweeping use cases that had been mandated (**Mandated Sweeping Use Cases**). OBL have also produced additional guidance on the definition of sweeping which is available on OBL's website.

Commercial variable recurring payments (i.e. cVRP), which the MLA has been developed to enable, expands upon the capabilities of sweeping variable recurring payments, providing a payment method for businesses and consumers (or other customers) to use for series of payments between them. cVRP pursuant to the MLA can also be used for sweeping payments, where those payments do not fall within the Mandated Sweeping Use Cases or are sweeping payments from a Payer's account that is not held with a Mandated ASPSP.

Mandated Sweeping Use Cases, however, are not cVRP and are not within the scope of the MLA.

2.3 The main parties involved in cVRP

The following parties will be involved with cVRP (with the described function and role):

- **Payer:** Payers hold a payment account with an ASPSP, from which they can authorise and initiate payment transactions to payees. Payers can also provide consent to regulated third party providers, such as PISPs, to initiate payments from the Payer's payment account.
- **Beneficiary:** Beneficiary is the person or entity that the Payer intends to pay.
- **Biller:** Biller is a type of Beneficiary that provide goods or services to the Payer in exchange for the relevant cVRP being made.
- **PISP:** payment initiation service providers are responsible for initiating payment transactions on behalf of the Payer. In the context of cVRP, PISPs are responsible for submitting cVRP Mandate parameters to the ASPSP and initiating commercial cVRP payments, within those parameters, in accordance with the cVRP Mandate and the cVRP Payer Services Agreement.
- **ASPSP:** an account servicing payment service provider offers a payment account that is accessible online to the Payer under a framework agreement. This allows PISPs to establish cVRP Mandates and initiate cVRP transactions from that payment account. The functionality is facilitated through cVRP APIs which ASPSPs develop and make available to PISPs (and cVRP-TSPs) to connect to.

Ancillary parties which may also be involved with cVRP include (with the described function and role):

- **TSP:** a technical service provider is an entity which provides technical services that are not regulated financial services activities.
- **cVRP-TSP:** for the purposes of the MLA, a cVRP-TSP is a TSP which provides the underlying technological infrastructure to enable a secure API integration into an ASPSP's APIs on behalf of one or more PISPs. A cVRP-TSP may also provide other technical services, such as information technology and communication infrastructure and storage of data, which also enables, but does not constitute, Payment Initiation Services.

2.4 Parties to the MLA and Participants in cVRP

The Operator has developed the MLA to provide a framework for the operation and implementation of cVRP between the Participants in respect of In-Scope Use Cases for cVRP (as described in more detail at Section 3 (In-scope use cases for cVRP)) of this Rulebook below.

The parties to the MLA are:

- the Operator (whose role is summarised at Sections 2.5 (The Operator and the bilateral nature of the MLA) and 5 (Role of the Operator) of this Rulebook).
- ASPSP Participants.
- Payment Initiation Participants.

An entity (including an ASPSP or PISP) that is not a Participant in the MLA cannot and must not implement cVRP under the MLA, and the Operator will have no role in overseeing a cVRP implemented by such an ASPSP or PISP – these are also Out-of-Scope Use Cases.

In contrast, ASPSP Participants and Payment Initiation Participants may implement cVRP under the MLA, and ASPSP Participants must therefore make available an API for the creation and maintenance of cVRP Mandates in respect of In-Scope Use Cases to all Payment Initiation Participants, in each case, on the terms set out in the MLA (including, in particular, Section 25.5 (Inter-participant cVRP licences and use)).

2.5 The Operator and the bilateral nature of the MLA

In the context of the MLA, and for the In-Scope Use Cases, the Operator performs the role set out at Section 5 (Role of the Operator) of this Rulebook.

Each Participant in the MLA contracts directly, and bilaterally, with the Operator in respect of its own participation in the MLA.

The bilateral contracts between the Operator and each Participant enables the direct technical and operational connections and activities between Participants (and their Subcontractors and Third Party Agents, where relevant) that are necessary for the implementation and operation of cVRP.

2.6 Separate Participant contracts

Participants do not contract directly with each other under the MLA, but are free to contract with each other outside of the MLA. Participants must ensure that any separate bilateral contracts they agree (or may have already agreed) with each other are not inconsistent with the terms of the MLA to an extent that materially impacts the ability of Participant(s) to comply with the terms of the MLA.

2.7 Inter-Participant liability

As set out in more detail at Section 32.8 (Inter-Participant liability), although the MLA is a bilateral contract between each Participant and the Operator:

- there are some areas of the MLA which have multilateral effect and which Participants can therefore enforce against each other, exercising third party rights in accordance with Section 35.6 (Third Party Rights);
- the MLA does not seek to limit, or to provide a contractual basis, for any Participant's rights against any other Participant that arise outside of the MLA (for example, under a separate inter-Participant contract, or under Applicable Law); the MLA may provide processes and systems for dealing with and resolving such inter-Participant matters, but where there are inter-Participant rights and obligations that arise outside of the MLA, then Participants remain liable to each other in respect of such rights and obligations and the MLA does not apply to such matters save as expressly stated.

2.8 Contracting models

There are various approaches to contracting for cVRP (for example, where Participants involve Third Party Agents in their implementations of cVRP) and the Operator may, from time to time, describe the various approaches to contracting for cVRP, herein referred to as **Known Contracting Models**, in MLA Guidance Materials.

Such descriptions shall be made available to Participants by the Operator at its discretion, and may be updated, revised, or otherwise modified periodically to reflect current practices, regulatory requirements, or the Operator's reasonable view of those models.

Not all parties that are involved in Known Contracting Models are party to the MLA as Participants. Only PISPs and ASPSPs are eligible to be "Participants" under the MLA.

Nonetheless, it is the responsibility of all Participants to the MLA, where they contract with any other parties to implement any Known Contracting Models (or any New Contracting Models), to:

- notify the Operator of which of the models they use in their implementation and operation of cVRP;
- comply with the terms of Section 34 (Third and Fourth Parties), including in relation to:
 - identifying whether any of the parties involved in any of the above models is a Third Party Agent which must be registered with the Operator; and
 - ensuring such non-Participant parties act consistently with the requirements of the MLA; and
 - notifying the Operator of any material risks in relation to such non-Participant parties,

in each case in accordance with the terms of Section 34 (Third and Fourth Parties).

Notwithstanding the above, each Participant shall remain responsible for all acts and omissions of such other parties and the acts and omissions of those employed by such other parties as if they were its own.

2.9 New contracting models

Other contracting models for cVRP may emerge over time (**New Contracting Models**). Where those New Contracting Models do not form part of the Known Contracting Models, or are not clearly dealt with by the MLA Participants must notify the Operator so that it can consider whether to make an MLA Change to cater for this.

2.10 Changes or additions to a Participant's category/ies of participation in the MLA

If a Participant wishes to change its category of participation in the MLA, for example it participates as an ASPSP Participant, and wishes to additionally participate as a Payment Initiation Participant, then the relevant Participant must enter into an amendment agreement, on terms satisfactory to the Operator

(consistent with those terms in place with other Participants in the same categories), to amend its existing Participation Agreement.

2.11 Purpose of this Rulebook and the MLA

This Rulebook sets out the rules on how cVRP works, how to participate in the MLA, the responsibilities of the parties, the technical standards that must be adhered to and the dispute processes for Participants to support with resolving issues that arise.

The purpose of the Rulebook, and the MLA, is to:

- provide a framework for ASPSP Participants to make available their APIs to Payment Initiation Participants for the creation and maintenance of cVRP Mandates;
- support Participants in addressing cVRP Mandate & Transaction Disputes and other issues, including liability issues, that arise between them in the course of providing cVRP;
- maintain the integrity of cVRP and enable its continuous delivery for In-Scope Use Cases;
- mitigate the risks to Payers and to each Participant when using cVRP;
- ensure a consistent “customer journey” for Payers and Beneficiaries who receive cVRPs; and
- ensure, in a manner consistent with the Consumer Duty:
 - the fair treatment of consumers by Participants;
 - transparency of Participants' cVRP products and services; and
 - that cVRP products meet consumers' needs.

3 In-Scope Use Cases for cVRP

3.1 Scope

The scope of the MLA is limited to use of cVRP within the scope and subject to the conditions set out in the In-Scope Use Case Schedule from time to time (**In-Scope Use Cases**).

Uses of cVRP for payment transactions, Beneficiaries, goods or services, and/or Payers not explicitly defined as being within In-Scope Use Cases (the **Out-of-Scope Use Cases**) are excluded from the scope of the MLA.

The Out-of-Scope Use Cases also include the Mandated Sweeping Use Cases, as explained in Section 2.2 (Non-sweeping use cases).

The In-Scope Use Cases may be expanded over time. Any amendments to the In-Scope Use Cases, and to the In-Scope Use Case Schedule, will be governed by the MLA Change process set out in Section 9 (**MLA Changes**).

Whether a particular cVRP transaction, or a Beneficiary, is within the In-Scope Use Cases shall be determined by reference to the purpose of the relevant cVRP transaction. If there is any disagreement as to the purpose, the Operator's opinion will be final and binding.

3.2 Restrictions

A Payment Initiation Participant cannot rely on the MLA, and the licences to access cVRP APIs from which it benefits pursuant to the MLA, in order to enable a Biller (or other Beneficiary) to receive cVRPs for an Out-of-Scope Use Case.

Any such Out-of-Scope Use Cases shall not be governed by the MLA, and would (be likely to) require a separate API Licence and contractual agreement to be in place between the relevant Payment Initiation Participant and relevant ASPSP Participant to permit and govern such Out-of-Scope Use Cases.

3.3 Implementation and maintenance obligations

Each ASPSP Participant must implement and maintain its cVRP capability as described under the MLA for all In-Scope Use Cases, unless otherwise agreed in writing by the Operator.

If there is any MLA Change to expand the In-Scope Use Cases, the Operator must specify whether ASPSP Participants must implement and maintain cVRP capability for those new use cases, or whether such ASPSP Participants will have any option as to whether to implement and maintain cVRP capability for those use cases, at the time of first notifying the Participants of the proposed MLA Change in accordance with the process set out in Section 9 (Change).

Payment Initiation Participants must also carry out appropriate due diligence on Billers and other Beneficiaries in accordance with Section 20.1 (Biller and Beneficiary onboarding, monitoring and information), including to ensure that such Beneficiary is not receiving cVRPs in relation to Out-of-Scope Use Cases.

3.4 Notification of out-of-scope activity and remedial action

If a Participant becomes aware of any Out-of-Scope Use Cases being made available under its own implementation and operation of cVRP (under the MLA), it shall:

- in the case of a Payment Initiation Participant promptly notify the Operator, and in the case of an ASPSP Participant, use reasonable endeavours to promptly notify the Operator (in each case unless it knows the Operator is already aware); and
- the relevant Payment Initiation Participant shall:
 - take prompt (and in any case, within the timeframes specified by the Operator, if any) corrective action to cease the Out-of-Scope Use Cases and prevent its recurrence, provided that where the Payment Initiation Participant and the Operator agree it is necessary not to immediately cease the Out-of-Scope Use Case in order to avoid disruption to other Participants, Payers, Beneficiaries and the cVRP ecosystem, the relevant Payment Initiation Participant and the Operator may agree (in writing) a phased plan for ceasing the Out-of-Scope Use Case (and the relevant Payment Initiation Participant will implement that plan); and
 - promptly notify the Operator in writing of all such corrective action that it takes.

If any Participant:

- suspects any other material instance of cVRP (under the MLA) being used for Out-of-Scope Use Cases;
- not aware that the Operator is already aware of such suspected material instance,

that Participant shall use reasonable endeavours to notify the Operator of such suspected Out-of-Scope Use Cases where it would be reasonable to conclude that the Out-of-Scope Use Case would be likely to have an adverse impact on other Participants, the Operator, the MLA or the integrity of cVRP.

Any use of cVRP under the MLA for an Out-of-Scope Use Case is likely to constitute a Default Event and this Section is without prejudice to the Participant's rights under Section 2.6 (Separate Participant contracts) and the Operator's rights under Section 17 (Default Events and Incidents).

The Operator's opinion as to what constitutes "awareness", a "material instance", or an "adverse impact" for the purposes of this Section shall, in the event of any disagreement between the Operator and any Participant, be determinative.

The Operator may notify Participants of any instances of cVRP under the MLA being used for Out-of-Scope Use Cases where it considers this is necessary in order to avoid any adverse impact on other Participants, the Operator, the MLA or the overall integrity of cVRP in accordance with Section 29.4 (Operator risk communications with Participants and other publicising of risks).

4 Eligibility criteria

4.1 Eligibility of Participants for In-Scope Use Cases

Subject to Section 4.2 (Implementation Dates), all Participants must (on an ongoing basis) satisfy the following eligibility requirements to participate in, implement and operate, cVRP under the MLA:

- the Participant must:
 - demonstrate and maintain the technical capability necessary for participation in the MLA, including the ability to meet the standards as set out in Section 12.3 (Adherence to Relevant Standards);
 - hold and maintain an authorisation, permission or licence from the FCA (or another Competent Authority) to lawfully carry out its activities relating to cVRP;
 - hold all other necessary authorisations, permissions, licences or consents necessary to carry out, and comply with all Applicable Law in carrying out, the activities contemplated in the MLA Documents;
 - make and maintain its contribution to the Operator Contingency Fund in accordance with Section 31 (Operator Fees and Contingency Fund);
 - possess a UK bank (or payment) account capable of paying [Operator Fees] and making or receiving Faster Payments; and
 - be domiciled or have a registered office in the United Kingdom.

Other than those set out above, there are no other eligibility requirements for Participants. However, subject to the paragraph below, if the Operator introduces any additional eligibility requirements, which are to apply either to all Participants, or to any particular sub-set of In Scope Uses Cases, those additional requirements will be set out in either this Section 4 (Eligibility Criteria) or the In-Scope Use Cases Schedule.

Participants who were deemed eligible and were admitted as Participants under the eligibility requirements in effect at the time of their admission shall continue to be considered eligible Participants, notwithstanding any additional eligibility requirements that the Operator may introduce from time to time (**Grandfathering Right**). This Grandfathering Right applies exclusively to the eligibility criteria for participation in the MLA and does not exempt any Participant from compliance with any other MLA Changes that may occur after their admission as Participants. Notwithstanding the foregoing, the Operator may determine, in its sole discretion, that it is not appropriate for a Participant to benefit from the Grandfathering Right on the basis that it would cause or may cause a material adverse impact on or material threat to the integrity, safety, efficiency, effectiveness or reputation of cVRP. In such case, the Operator will notify the relevant impacted Participants in writing that no such Grandfathering Right applies to such MLA Change and set out the reasons for the Operating arriving at such decision.

A Participant must promptly notify the Operator in writing if it no longer satisfies the eligibility requirements in this Section.

4.2 Implementation Dates

Recognising that a Participant may not be capable of meeting all of the requirements under the MLA Documents immediately on the date that Participant signs its Participation Agreement or the date that any MLA Change takes effect, this Section provides a mechanism for staggered compliance and implementation of a Participant's participation in the MLA, as follows:

- the Operator may issue written notifications to any Participants (or specific groups of Participants), outlining different staging dates for compliance with particular obligations under the MLA Documents. Such notifications will detail the specific requirements subject to delayed compliance and the revised dates by which compliance must be achieved;
- in the absence of a specific notification issued by the Operator concerning staggered staging dates, Participants must (subject to any Waiver) comply with all their obligations under the MLA from the effective date of their Participation Agreement;
- the Operator may, at its sole discretion, extend any such staging dates by further written notification to the relevant Participants (or specific group of Participants);
- the Operator may notify other Participants of any such staging dates it has granted. The Operator shall not name the Participants subject to such staggered compliance and implementation in any such notification, unless the Operator considers it necessary for any reason, in which case, it may disclose such names; and
- failure to comply with a Participant's obligations under the MLA after the staggered staging dates will (subject to any Waiver) constitute a Default Event.

5 Role of the Operator

5.1 Role

The Operator shall maintain, develop and administer the MLA, and the related standards and infrastructure, to facilitate and enhance the smooth functioning of cVRP for In-Scope Use Cases.

Where Participants are non-compliant with their obligations under the MLA, the Operator may also take enforcement action against the relevant Participants, subject to and in accordance with the terms of the MLA.

In fulfilling this role, the Operator may:

- exercise all powers, discretions and rights available to it under the MLA; and
- do such other things and take such other actions as the Operator reasonably considers to be necessary to achieve or otherwise promote the safe, efficient and effective operation of cVRP for In-Scope Use Cases.

In carrying out its role and exercising the above entitlements, the Operator will act in good faith, in accordance with Applicable Law and use all reasonable endeavours to:

- treat any Participant no less favourably than any other Participant in its running and administration of the MLA (provided that it is acknowledged that different outcomes may arise if a particular fact pattern so requires, and the Operator will need to consider how to apply the MLA on a case-by-case basis);
- act rationally, fairly and proportionately, and with a view to promoting the integrity of cVRP, when exercising any discretion or power that it has under the MLA; and
- provide a reasonable level of explanation and rationale to (impacted) Participants for decisions it takes when exercising its powers under the MLA (except where doing so is not permitted by Applicable Law).

5.2 Provision of Day 1 Directory and associated Directory Services to Participants

The Operator shall provide the Day 1 Directory, and any associated Directory Services, to Participants for use in connection with their implementation and operation of cVRP pursuant to the MLA.

The Day 1 Directory Service Terms shall apply between the Operator and the Participants in respect of the Day 1 Directory and the Operator's associated Directory Services.

The Operator may procure or approve an alternative Directory, and associated Directory Services, which Participants may use in connection with their implementation and operation of cVRP pursuant to the MLA. This shall constitute a Material MLA Change (or, where applicable, a Mandatory or Emergency MLA Change) and the relevant process in respect of MLA Changes set out in Section 9 (MLA Changes) shall apply before any such Directory, and associated Directory Services, are implemented for use by Participants pursuant to the MLA.

In the event the Operator approves any other Directory, associated Directory Services and Directory Services Provider, the Operator shall notify the Participants in writing as to whether they must enrol in such other Directory and associated Directory Services.

Each Participant must enrol in the Day 1 Directory (and associated Directory Services) offered by the Operator pursuant to this Section.

Each ASPSP Participant must accept, for the purpose of identification of Payment Initiation Participants, certificates issued by the Operator and/or the Directory Service Provider and/or the Standard Setting Body (as applicable to the Day 1 Directory) provided that those certificates are compliant with and meet all requirements under Applicable Law (being the **Means of Identification**).

Each Payment Initiation Participant must identify itself to the relevant ASPSP Participant using the Means of Identification.

5.3 Oversight

The Operator requires clear oversight of Participants' activity under the MLA in order to carry out its role as described above. To assist the Operator to perform its oversight obligations under the MLA:

- subject to Applicable Law and any obligations of confidentiality owed to third parties, each Participant shall co-operate reasonably with all reasonable requests of the Operator to facilitate its oversight of their obligations under the MLA, and will use reasonable endeavours to respond transparently to any reasonable and legitimate request for information directly relevant to cVRP made to them by the Operator. In exercising this entitlement, the Operator will act rationally, fairly and proportionately to the relevant circumstance that prompted such request. A Participant is not required to disclose commercially sensitive information or provide the Operator with access to its internal systems in order to comply with these requests; and
- without prejudice to any other obligation on Participants to notify the Operator of any issues under the MLA, Participants must notify the Operator of any developments or circumstances which may have a material impact on their ability to comply with the terms of the MLA (including the occurrence of any Default Event, which must be notified in accordance with Section 17.1 (Notification of Default Events)).

The Participants also acknowledge that the Operator's oversight of Participants' obligations is at an aggregate or industry level only unless specific information is provided directly to the Operator or the Operator otherwise becomes aware of information that relates to a particular Participant.

5.4 Limits to the Operator's role and responsibilities

Although the Operator has the role, responsibilities and entitlements outlined in this Section 5 (Role of the Operator), the parties to the MLA acknowledge that the Operator is not responsible for overseeing, nor for underwriting, all dealings between Participants and all implementations of cVRP pursuant to the MLA, and only has a role in relation to such dealings to the extent that the Operator takes any action that it is entitled to take under the MLA; otherwise such matters are the sole responsibility of the Participants.

5.5 Operator-Participant dialogue without prejudice to Operator's rights

In respect of any matter under this MLA where the Operator's opinion is determinative, or where an interpretation is otherwise required, the Operator may provide a non-binding written view to one or more Participants. Where the Operator does so, it will note in relevant written correspondence or document that the relevant opinion is provided informally, and is not binding.

The Operator shall not be held to any such non-binding opinion, which shall not set any precedent, even in respect of the matter opined on, and the Operator shall not have any liability to any party in respect of any such opinion. Participants, equally, shall not be bound to follow any such informal opinion.

The Operator also intends to have a co-operative relationship with Participants, and this may include informal dialogue from time to time in relation to their dealings under the MLA, or more formal discussions relating to actual or potential Default Events or other rights and obligations under the MLA. The Operator may also be asked to provide an opinion in accordance with Section 6.3 (Operator opinion on Participant disagreements).

All such discussions (or provision of any opinion) are without prejudice to the Operator's rights to, at any time, determine that a Default Event has occurred or to exercise any of the Operator's rights and entitlements under the MLA.

5.6 Operator's right to publish MLA guidance

The Operator may from time to time provide guidance materials relating to cVRP and the MLA to Participants.

The MLA Guidance Materials are not binding, and there shall be no Default Event or other breach of the MLA, where a Participant does not comply with any MLA Guidance Materials except to the extent the same or a similar subject matter is addressed in the MLA. However, Participants may consider and are encouraged to take into account, if appropriate to do so, any such MLA Guidance Materials in their implementation of cVRP.

The Operator does not accept any Liability for any actions taken by any Participant as a result of following the MLA Guidance Materials. It is the sole responsibility of each Participant to exercise its own judgement in deciding whether to adopt any part of the MLA Guidance Materials.

6 Inter-Participant matters

6.1 Inter-Participant relationships

Pursuant to the MLA, Participants will have direct relationships with other Participants in relation to their implementation(s) of cVRP, and shall generally manage day-to-day aspects of their relationships themselves.

Those direct relationships are governed by the terms of the MLA (to the extent applicable), but may also be governed in other ways, for example, by any separate contracts between Participants, or under Applicable Law.

6.2 Inter-Participant disagreements

cVRP Mandate & Transaction Disputes will be managed in accordance with Section 21 (Dealing with disputes about payments)

Where any Participant has any other issue or disagreement with any other Participant that relates to the MLA or their activities in relation to cVRP under the MLA, those Participants:

- must, in the first instance, try to resolve the matters between themselves (inter-Participant), each acting reasonably and within a reasonable timeframe, which may include applying any bilateral dispute resolution mechanism that they have agreed in any separate contract that applies between the relevant Participants (a **Bilateral Dispute Resolution Mechanism**); and
- shall (subject to Applicable Law) use the Issue Resolution Platform to log all material written correspondence between them in relation to the issue or disagreement.

Unless any Bilateral Dispute Resolution Mechanism applies, then:

- if such disagreement is not resolved within fifteen (15) Business Days (or such other period agreed between the relevant Participants in writing) after a Participant first notified the other Participant of the matter, the Participants shall (on written request by either of them) escalate the disagreement to applicable senior executive officers of each of the relevant Participants involved who shall meet to discuss and endeavour to reach a resolution of the disagreement; and
- Where the Participants remain in dispute and cannot resolve the disagreement between themselves within a further ten (10) Business Days (or such other period agreed between the relevant Participants in writing) of the escalation referred to above, then:
 - the relevant Participants may resolve the disagreement by such means as they may elect or are available to them;
 - where the disagreement relates to rights the relevant Participants have outside of the contract created by the MLA (for example, any inter Participant rights under Applicable Law), the relevant Participants may enforce those rights against each other in any manner available to them;
 - where the disagreement relates to rights the relevant Participants only have against each other due to the contractual terms of the MLA, then:

- either Participant may request the Operator to enforce the relevant term of the MLA; or
 - where a Participant is entitled to enforce the MLA in accordance with Section 32.8 (Inter-Participant Liability), the Participant may bring a Claim or otherwise enforce the relevant term of the MLA against the other Participant itself;
- alternatively, the relevant Participants may jointly request the Operator to consider any disagreement between them in accordance with Section 6.3 (Operator opinion on Participant disagreements), below.

6.3 Operator opinion on Participant disagreements

Where any Participant has any issue or disagreement with any other Participant that relates to the MLA or their activities in relation to cVRP under the MLA (including a dispute relating to a specific cVRP transaction, or any number of cVRP transactions), then those Participants may jointly request the Operator to provide, in its absolute discretion and without liability to either party, an initial opinion on the disagreement.

Following receipt of that opinion, the two Participants shall meet within ten (10) Business Days to resolve the disagreement on the basis of such opinion, and the Participants must then promptly notify the Operator of the outcome of that meeting.

If the two Participants fail to resolve the disagreement at that meeting, then:

- either of them may request the Operator to provide, in its absolute discretion and without liability to either party, a final opinion on the disagreement;
- where:
 - both Participants agree to the Operator providing a binding final opinion on the matter; and
 - the Operator agrees to provide such a final opinion,

then that final opinion shall, save in the case of fraud or manifest error, be final and binding upon the two Participants and neither of them shall have any right of appeal of whatsoever nature in respect of the Operator's final opinion;

- the Operator shall be entitled to determine all procedural matters relating to its final opinion, including those relating to written submissions and the Operator shall be requested to make its determination as soon as reasonably practicable; and
- the Operator shall deliver its final opinion in writing, which must include reasons to explain the findings and justify the decision.

Where the Operator considers that it lacks the expertise to independently provide an opinion on the relevant disagreement, the Operator may refer the disagreement to a single expert for determination, provided that any expert will only be appointed by agreement between the Operator and each of the relevant Participants.

The two Participants that are in disagreement shall bear the reasonable costs (that are properly incurred, direct and non-recoverable) of the Operator providing any opinion(s) or making any decision in

accordance with this Section, including the costs of any expert. Such costs shall be borne equally by the relevant Participants unless the Operator otherwise directs, in which case the Operator shall provide a reasoned, written determination on the allocation of costs to the relevant Participants. The Operator shall advise the relevant Participants of its estimated costs in advance of incurring them, and in advance of the relevant Participants deciding to resolve their disagreement in accordance with this Section, and the Operator and the relevant Participants shall use all reasonable endeavours to pre-agree all such costs before they are incurred.

Once the two Participants have jointly requested the Operator to provide any opinion in accordance with this Section, and the Operator has notified the two Participants that it will do so, then the Operator may proceed to provide such opinion unless each of the Participants agree to jointly revoke their original request. Notwithstanding such revocation, the paragraph above regarding costs will apply to any costs incurred up to the date of such revocation.

In providing any opinion or decision in accordance with this Section, the Operator (or any expert appointed by the Operator) shall act as an expert, not as an arbitrator and the Arbitration Act 1996 and the law of arbitration shall not apply to the Operator, to the determination procedure, or to the Operator's final opinion.

7 Underlying payment methodologies

7.1 Compliance with Underlying Payment Scheme rules

cVRPs are a type of payment instruction, enabled through 'Open Banking'.

cVRP technology does not itself deal with all steps that are required to complete and settle a payment from Payer to Beneficiary. Rather, cVRP deals with authorisation of payments under cVRP Mandates, and the generation of the relevant payment instruction.

Processing, and settlement, of cVRP payments is then managed by:

- a separate payment scheme, such as FPS, BACS, CHAPS (**Underlying Payment Scheme**); or
- through ASPSP Participants' own internal systems (where the sending ASPSP Participant is the same as the receiving ASPSP Participant) (commonly referred to "on us" or "me-to-me" payments).

cVRP technology is payment scheme-agnostic, and the Operator will notify Participants in writing from time to time of which Underlying Payment Schemes are capable of being used in conjunction with In-Scope Use Cases for cVRP under the MLA.

Each ASPSP Participant warrants to the Operator, as of the date it signs its Participation Agreement, and on each day throughout its participation in the MLA, that:

- it complies with the rules, bylaws, regulations and guidelines governing the Underlying Payment Schemes (**Payment Scheme Rules**), to the extent applicable to that Participant, in the context of the operation and implementation of cVRP pursuant to the MLA from time to time; and
- where it manages processing and settlement of cVRP payments using its own internal systems, it does so in accordance with Good Industry Practice.

Each Participant and the Operator shall co-operate in relation to any matters relating to cVRP where this raises requirements to interact with any Underlying Payment Schemes.

8 Co-operation

8.1 General co-operation between Participants and Operator

Subject to Applicable Law and any obligations of confidentiality owed to third parties, Participants and the Operator will each use reasonable endeavours to co-operate in good faith with each other and (if required) with any Competent Authority:

- in relation to all matters addressed under the MLA;
- to uphold, and mitigate risks to, the safety, security, soundness and integrity of the MLA and cVRP; and
- to resolve any issues relating to technical and/or operational matters relating to cVRP, relationships between Participants and/or the MLA.

8.2 Co-operation in relation to Damaging Practices

Each ASPSP Participant and each Payment Initiation Participant will develop, maintain and apply practices to identify any Beneficiaries which are receiving cVRP transactions in a manner that is not in compliance with Applicable Law, which is detrimental to a Payer or which reflects negatively on cVRP acceptance as a whole (collectively, **Damaging Practices**).

The circumstances in which Damaging Practices arise include:

- an excessive number of complaints or complaints of a material nature (such as a fraudulent) being received by an ASPSP Participant and/or a Payment Initiation Participant in respect of such Beneficiary;
- complaints of a material nature (such as a fraudulent Beneficiary) identified by either an ASPSP Participant or a Payment Initiation Participant as a result of the Complaints Information;
- a Beneficiary meeting the Monthly Threshold after discounting any cVRP Mandate & Transaction Disputes in which the relevant Beneficiary is found not to be at fault (as detailed under Section 21.2 (Excessive Disputes));
- cVRP Authorisation Parameters not being appropriately and proportionately set pursuant to Section 19.5 (Setting mandate parameters reasonably and proportionally);
- a Beneficiary fraudulently or on multiple occasions:
 - requesting transactions outside of the cVRP Authorisation Parameters; and/or
 - requesting duplicate cVRP transactions (including a Biller that does this in relation to goods or services sold by the Biller);
- either of the relevant ASPSP Participant and/or the relevant Payment Initiation Participant and/or the Operator reasonably suspects that the Beneficiary has treated Payers unfairly based on evidence of complaints from Payers in relation to a Beneficiary's use of cVRP or the underlying purchase that cVRP relates to;

- any other practices identified by the Operator (acting reasonably), as constituting a Damaging Practice; and/or
- any other practices identified by a Participant (acting reasonably) which the Operator (acting reasonably) agrees constitutes a Damaging Practice.

Subject to Data Privacy Laws, throughout the relevant period of a Participant's participation in the MLA, and for a period of at least thirteen (13) months following the later of: (i) the last cVRP initiated by or via the relevant Payment Initiation Participant within the scope of the MLA; or (ii) expiry or cancellation of a cVRP Mandate set up by or via a Payment Initiation Participant within the scope of the MLA, each ASPSP Participant and each Payment Initiation Participant must in relation to Damaging Practices:

- promptly share information in relation to Damaging Practices (including, in the case of a Payment Initiation Participant, any Complaints Information) with each other, notwithstanding that a Participant may withhold commercially sensitive information;
- notify the Operator in writing of any such Damaging Practices that would reasonably be considered material in nature and/or which require further action to be taken in accordance with this Section;
- cooperate in good faith with each other and the Operator; and
- take reasonable and proportionate steps within a reasonable timeframe to address the Damaging Practices as required by the Operator. Such steps may include:
 - that the relevant Payment Initiation Participant will (or procure that the Beneficiary will) take steps to reduce the cVRP Mandate parameters when agreeing new cVRP Mandates; or
 - that the relevant Payment Initiation Participant will address the issues with the Beneficiary and provide an opportunity to address the Damaging Practice;
 - the relevant Payment Initiation Participant preventing the Beneficiary from receiving further payments using cVRP, subject to due consideration of the potential Payer detriment of preventing the Beneficiary from receiving further payments using cVRP; or
 - any other reasonable and proportionate steps the Operator deems necessary, subject to Applicable Law.

9 MLA Changes

9.1 Rights to request and make MLA Changes

The Operator may, in its absolute discretion, make MLA Changes at any time, subject to first complying with all requirements set out in this Section 9 (Change). Such MLA Changes will be reflected in the next edition of this Rulebook or any other relevant MLA Document.

MLA Changes can be proposed to the Operator by:

- Participants;
- Competent Authorities;
- the Standard Setting Body (but only insofar as they relate to the Relevant Standards); or
- other relevant stakeholders in the cVRP ecosystem who can demonstrate (to the Operator's reasonable satisfaction) a legitimate interest in and nexus to cVRP.

Proposed changes may be submitted by way of email communication to the Operator for initial assessment (**MLA Change Request**).

The Operator will give due consideration to any MLA Change Request submitted by a Participant, and will use its reasonable endeavours to provide an initial response to such MLA Change Request promptly and in any event within ten (10) Business Days of receipt, such initial response to provide an estimated timeframe for considering or progressing the MLA Change Request.

Upon receipt of an MLA Change Request (or upon the Operator's own initiation of a MLA Change), the Operator (acting reasonably and in good faith) will carry out an initial review of the request and, if it determines that the MLA Change Request should be progressed, will seek views from a range of relevant stakeholders within the Operator's organisation (including technical, strategy, risk, commercial, operational, compliance and legal functions) (**Initial Change Review**). The Operator shall conduct such initial review in accordance with the following criteria:

- the Operator shall assess the extent to which the proposed MLA Change serves the interests and objectives of the Operator, MLA, Participants, Payers, Billers and the cVRP ecosystem and other relevant stakeholders in the cVRP ecosystem; and
- the Operator shall evaluate the potential impact of the proposed MLA Change on Participants, Payers, Billers and the cVRP ecosystem and other relevant stakeholders in the cVRP ecosystem, including evaluating any potential disruptions, required adjustments, costs associated with implementing the proposed change and the overall feasibility of implementing the change.

If any MLA Change Request is not progressed at this stage, whether before or following the Initial Change Review, the relevant submitter, and at the Operator's discretion, other Participants, Competent Authorities, the Standard Setting Body and/or any other relevant stakeholders in the cVRP ecosystem, will be notified by the Operator explaining the rationale for its decision and the Operator may, at its sole discretion, publish publicly details (in such form as it considers reasonable) of any such decision.

The Operator has no obligation to progress any MLA Change Request it receives save as expressly set out in this Section, and save that it will not, except in good faith, decline to progress any MLA Change Request received from a Participant.

9.2 Categorisation of MLA Changes and applicable process

Once the Initial Change Review has been completed, if the Operator determines that the proposed MLA Change is to be progressed, the Operator will determine (acting reasonably and in good faith) whether the proposed change is a Material MLA Change, a Non-Material MLA Change or a Mandatory or Emergency MLA Change.

Following such determination, the process in the table below will apply:

Change Type	Applicable Process	Additional provisions
Material MLA Change	<p>The Operator will provide at least four (4) months' written notice (Initial Notice) to Participants of the proposed Material MLA Change, such notice to include reasonable details of the proposed Material MLA Change, including, at a minimum, the nature of the change and the reasons for such change, and the Operator's proposed implementation plan for such change, including the dates by which Participants must implement and comply with any operational or other requirements relating to such change.</p> <p>Such four (4) month (or longer) Initial Notice period is to allow for the following steps to occur within it:</p> <ol style="list-style-type: none"> (1) The Operator must consult in detail with Participants in relation to the proposed Material MLA Change for a period of no less than [one (1)] month (or such longer period as determined by the Operator, acting reasonably), starting on the date on which the written notice of the Material MLA Change was circulated (the MC Consultation Period). During the MC Consultation Period, where applicable, the Operator will use reasonable endeavours to make available to Participants any new drafting and/or amendments to existing drafting proposed in connection with the Material MLA Change, where appropriate. (2) Within [one (1)] month of the end of that MC Consultation Period, the Operator must notify the Participants of the final proposed Material MLA Change (Final Material MLA Change Notice), such notice to include: <ul style="list-style-type: none"> • all new drafting and/or amendments to existing drafting that are proposed; • the final implementation plan for the change; and • details of any material written feedback and comments from Participants (anonymised, unless the relevant 	<p>Within one (1) month of a Final Material MLA Change Notice being circulated by the Operator, a Participant may notify the Operator that it formally objects to the relevant proposed Material MLA Change, with such notice to state clearly that, and to explain why, the relevant Participant objects to the proposed Material MLA Change (Objection Notice).</p> <p>The Operator shall give due consideration to all Objection Notices it receives.</p> <p>If the Operator receives Objection Notices from over two thirds (2/3) of the Participants, including at least one (1) Payment Initiation Participant and one (1) ASPSP Participant, (the Veto Threshold), then the proposed Material MLA Change shall not proceed unless sufficient Objection Notices are withdrawn (by further written notice from the relevant Participants) so that the Veto Threshold is no longer satisfied. In instances where a Participant is acting in both capacities as an ASPSP Participant and a Payment Initiation Participant, such Participant shall be entitled to only one (1) vote for the purposes of the veto. When casting their vote, the Participant must declare in writing the capacity in which they are voting, whether as an ASPSP Participant or a Payment Initiation Participant. This declaration shall accompany the Objection Notice or any notice of vote withdrawal.</p> <p>If the Veto Threshold is not met, but the Operator has received Objection Notice(s) from at least one third (1/3) of the Participants, including at least one (1) Payment Initiation Participant and one (1) ASPSP Participant, the following process will apply:</p> <ul style="list-style-type: none"> • the Operator must circulate the Objection Notice (and any other Objection Notices it receives in respect of the same proposal) to all Participants (together with a summary of the principal reasons for the relevant Participants objecting to the proposed Material MLA Change). If the Operator names any Participant in such circulation, it shall inform that

Change Type	Applicable Process	Additional provisions
	<p>Participant otherwise agrees) that were received during the MC Consultation Period that were not accepted by the Operator.</p> <p>(3) Unless the Operator receives any Objection Notice(s) from at least one third (1/3) of the Participants, including at least one (1) Payment Initiation Participant and one (1) ASPSP Participant, within one (1) month of the Final Material MLA Change Notice, the proposed Material MLA Change will take effect from the date first notified by the Operator in its Initial Notice (or any later effective date that the Operator has notified to or agreed with the Participants in writing).</p>	<p>Participant in advance;</p> <ul style="list-style-type: none"> • the effective date for the proposed Material MLA Change will be postponed until the Objection Notice has been resolved in accordance with the following steps; • the Operator will escalate the matter to the Operator's Board for a final decision; • the Operator's Board will consider the proposed Material MLA Change and any Objection Notices and will make a decision as to: <ul style="list-style-type: none"> ○ whether the proposed Material MLA Change shall either: (i) proceed unchanged; (ii) be revised; or (iii) be revoked; and ○ if applicable, shall also determine a revised effective date for the proposed Material MLA Change, to be no sooner than three (3) months after the Operator's Board reaches its final decision; • once the Operator's Board has made its decision on the matter, the Operator shall promptly communicate it to all Participants, setting out the Operator's Board's rationale for its decision in a reasonable level of detail; • the decision by the Operator's Board shall be final and binding.
Non-Material MLA Change	<p>The Operator will provide at least two (2) months' written notice to the Participants of the proposed Non-Material MLA Change, such notice to include reasonable details of the proposed Non-Material MLA Change, including, at a minimum, the nature of the change and the reasons for such change, and any applicable implementation plan.</p> <p>If, within two weeks of the date on which the notice of the Non-Material MLA Change was circulated, any Participants so request, then the Operator must consult with those Participants in relation to the proposed Non-Material MLA Change for a period of between two (2) – four (4) weeks (as determined by the Operator, acting reasonably), starting on the date on which the relevant Participant so requested (the NMC Consultation Period). The Operator must notify all Participants of the consultation and any other Participants who request to participate in the consultation shall be included by the Operator. During the NMC Consultation Period, where</p>	<p>If any Participant objects to the proposed Non-Material MLA Change within the relevant period, the Operator shall consult with that Participant in good faith in relation to the objection, but ultimately the Operator may decide whether to proceed with, amend or discontinue the proposed Non-Material MLA Change and its decision shall be final and binding.</p>

Change Type	Applicable Process	Additional provisions
	<p>applicable, the Operator will use reasonable endeavours to make available to Participants any new drafting and/or amendments to existing drafting proposed in connection with the Material MLA Change.</p> <p>Within one (1) week of the end of that NMC Consultation Period, the Operator must notify the Participants of the final proposed Non-Material MLA Change, such notice to include:</p> <ul style="list-style-type: none"> • all new drafting and/or amendments to existing drafting that are proposed; and • details of any material written feedback and comments from Participants (anonymised, unless the relevant Participant otherwise agrees) that were received during the MC Consultation Period that were not accepted by the Operator. <p>The proposed Non-Material MLA Change will take effect from the date first notified by the Operator (or any later effective date that the Operator has notified to the Participants in writing).</p>	
Mandatory or Emergency MLA Change	<p>Notwithstanding any other provision in this document, any such MLA Changes can be made by the Operator at any time upon written notice to the Participants without prior consultation.</p> <p>Any such MLA Change shall apply with effect from such a time as may be specified by the Operator.</p> <p>The Operator will endeavour to give as much prior notice as possible and, in any event, a reasonable period of notice of any such MLA Change to the Participants, but reserves the right to introduce it with immediate effect, if it deems that to be necessary.</p>	<p>The Operator will consult with Participants retrospectively, following the introduction of any such MLA Change, if such consultation would have been required had the MLA Change not been determined to be a Mandatory or Emergency Change. Such consultation shall be carried out in a similar manner to that required for the category of change that such change would have been had the MLA Change not been determined to be a Mandatory or Emergency Change</p>

Change Type	Applicable Process	Additional provisions
All MLA Change types	<p>The relevant process for any of Material MLA Changes, Non-Material MLA Changes or Mandatory or Emergency MLA Changes shall apply, as above.</p> <p>In all instances, the Operator must give due consideration to all reasonable feedback it receives from Participants in response to any proposed MLA Change, in particular with a view to avoiding any adverse impact for Payers and Beneficiaries.</p> <p>The Operator may, at its sole discretion, consult with consumer representatives in respect of proposed MLA Changes.</p> <p>The Operator may, at its sole discretion, publish publicly a summary (in such form as it considers reasonable) of the relevant consultation process which applied to any MLA Change, including a summary of any material written feedback and comments from Participants (anonymised, unless the relevant Participant otherwise agrees) that were received during such consultation process.</p>	<p>If a Participant reasonably considers that the Operator has not correctly categorised the proposed MLA Change, then that Participant may notify the Operator of this in writing (Re-categorisation Notice).</p> <p>The Operator will only be required to reconsider its categorisation of the proposed MLA Change if it receives such notices from at least one third (1/3) of the Participants, including at least one (1) Payment Initiation Participant and one (1) ASPSP Participant, within two (2) weeks of the Operator notifying the Participants of a proposed MLA Change and, where it does so reconsider the categorisation:</p> <ul style="list-style-type: none"> • if it agrees with the relevant Participants, then the Operator shall re-categorise the proposed MLA Change and notify the Participants of this (and the relevant process for the re-categorised MLA Change shall then apply); or • if it disagrees with the relevant Participants, then the Operator shall escalate the decision as to the correct categorisation of the MLA Change to the [Operator's Board] for a final decision. <p>In instances where a Participant is acting in both capacities as an ASPSP Participant and a Payment Initiation Participant, such Participant shall be entitled to only one (1) vote for the purposes of seeking re-categorisation. When casting their vote, the Participant must declare in writing the capacity in which they are voting, whether as an ASPSP Participant or a Payment Initiation Participant. This declaration shall accompany the Re-categorisation Notice.</p>

Change Type	Applicable Process	Additional provisions
MLA Changes that require Technical Changes	Where an MLA Change would also require a Technical Change, falling within Section 10 (Technical Changes), then only the requirements of this Section 9 will apply to the relevant proposal, and Section 10 (Technical Changes) shall not apply.	<p>In respect of any technical aspects of such MLA Change or its implementation, the Operator and the relevant Participants shall also comply with equivalent requirements to those set out under Section 10 (Technical Changes) relating to:</p> <ul style="list-style-type: none"> • the time of day and months in which such Technical Changes may be implemented; • conformance testing in accordance with Good Industry Practice and the reasonable directions of the Operator; • maintaining backwards compatibility for a period of at least ninety (90) days; • not materially degrading any functionality or security of technology, <p>and the Operator shall determine, and notify the relevant Participants about, how those Sections will apply to the technical aspects of the relevant MLA Change or its implementation.</p>

10 Technical Changes

10.1 Types and sources of Technical Changes

Technical Changes may be proposed and made by:

- Participants (and their subcontractors or agents); or
- the Operator (and its subcontractors or agents).

Such Technical Changes shall be governed by, and shall only be proposed and implemented, in accordance with this Section, unless that Technical Change:

- is required as a result of a MLA Change, in which case this Section 10 shall not apply and the proposal will be managed in accordance with Section 9 (MLA Changes), except that for any Breaking Technical Changes, the Operator shall provide the longer of the notice period available under either of those sections for such changes; or
- is also a change to the Relevant Standards (in which case, that change will be governed by the change processes applicable to the Relevant Standards).

Prior to a Participant (or its subcontractor or agent) proposing to make a Technical Change which in the Participant's reasonable opinion may constitute a Breaking Technical Change, it must assess:

- the extent to which the proposed MLA Change serves the interests and objectives of the Operator, MLA, Participants, Payers, Billers and the cVRP ecosystem and other relevant stakeholders in the cVRP ecosystem; and
- the potential impact of the proposed MLA Change on Participants, Payers, Billers and the cVRP ecosystem and other relevant stakeholders in the cVRP ecosystem, including evaluating any potential disruptions, required adjustments, costs associated with implementing the proposed change and the overall feasibility of implementing the change,

(together, the **Evaluation Criteria**).

10.2 Technical Changes by Participants

Where a Participant (or its subcontractor or agent) proposes to make a Technical Change, it must first give written notice of the proposed Technical Change to the Operator (a **Participant Technical Change Notice**). The relevant Participant will ensure that the Participant Technical Change Notice includes sufficient detail to enable each other party to the MLA to understand and take any action required as a result of the relevant Technical Change, and indicates in the Participant's reasonable opinion whether the proposed Technical Change is a Breaking Technical Change, a Non-Breaking Technical Change – with downtime, a Non-Breaking Technical Change – without downtime, or a Mandatory and Emergency Technical Change (each as defined below); and a summary of its assessment against the Evaluation Criteria.

Where the Operator receives and is satisfied with a Participant Technical Change Notice, the Operator shall determine (acting reasonably, and as soon as reasonably practicable) whether the relevant Participant's proposed Technical Change is a Breaking Technical Change, a Non-Breaking Technical Change – with downtime, a Non-Breaking Technical Change – without downtime, or a Mandatory or

Emergency Technical Change. Based on that determination, the relevant process below shall then apply before the relevant Participant may implement the proposed Technical Change:

Technical Change Type	Applicable Process (before the Participant may make the proposed Technical Change)
Breaking Technical Change	<p>The Operator must have provided six (6) months' notice in writing (or such longer period as is specified by the relevant party proposing to make the Technical Change) to all Participants of the relevant party's (or their subcontractor's or agent's) proposed Technical Change.</p> <p>Each Participant may only make one Breaking Technical Change in each six (6) month period. A Participant may make multiple Breaking Technical Changes at once, provided that all changes are packaged together as a single update, and may only do so once in each six (6) month period. No sequential daily updates containing Breaking Technical Changes are permitted within that same period.</p>
Non-Breaking Technical Change – with downtime	<p>The Operator must have provided three (3) months' notice in writing (or such longer period as is specified by the relevant party proposing to make the Technical Change) to all Participants of the relevant party's (or their subcontractor's or agent's) proposed Technical Change.</p> <p>For this purpose, "downtime" shall mean the technology of a party to the MLA (or such party's subcontractors or agents) not being available to provide responses to another party's technology as a result of the Technical Change.</p>
Non-Breaking Technical Change – no downtime	<p>The Operator must have provided seven (7) days' notice in writing (or such longer period as is specified by the relevant party proposing to make the Technical Change) to all Participants of the relevant party's (or their subcontractor's or agent's) proposed Technical Change.</p> <p>The relevant party proposing to make such a Technical Change must notify the Operator as soon as reasonably practicable of its proposal so that the Operator, in turn, can provide as much advance notice as reasonably practicable to other Participants.</p> <p>For this purpose, "no downtime" shall mean the technology of a party to the MLA (or such party's subcontractors or agents) remains available to provide responses to another party's technology despite the Technical Change.</p>
Mandatory or Emergency Technical Change	<p>Notwithstanding any other provision in this Rulebook, any such Technical Changes can be made by the relevant party at such time as the Operator (acting reasonably) determines.</p> <p>The Operator will endeavour to give reasonable notice of any such Mandatory or Emergency Technical Change to the Participants, but reserves the right to determine that it may be made with immediate effect, if necessary.</p> <p>Participants who notify the Operator of a Mandatory and Emergency Technical Change they (or their subcontractors or agents) require to implement shall wait for the Operator to determine that the proposed Technical Change is a Mandatory and Emergency Technical Change, and shall follow the relevant process, below, unless that Participant reasonably considers that the required Technical Change is so urgent that it must be implemented more quickly in order to uphold the integrity of cVRP, in which case the relevant Participant (or their subcontractors or agents) may implement the relevant Technical Change. However, if the Operator subsequently determines that such Participant's action was not reasonable, the Operator may treat this as a Default Event.</p>
All types of Technical Change	<p>In respect of each of the above types of Technical Change:</p> <ul style="list-style-type: none"> • where the Operator, acting reasonably, determines that the Technical Change impacts only on a limited number of parties to the MLA, then the Operator may

Technical Change Type	Applicable Process (before the Participant may make the proposed Technical Change)
	<p>determine that any of the above notifications may be provided by the relevant party proposing to make the Technical Change to only the impacted parties, rather than the Operator providing a notice to all Participants – in this case, the relevant party must notify all impacted parties providing the same notice period as indicated above;</p> <ul style="list-style-type: none"> • following notification of any such Technical Change, where applicable, the impacted parties will promptly take (or procure that their subcontractors or agents take) any reasonable action required by the relevant Technical Change; • the party making the Technical Change will also ensure that any Technical Change does not result in a material degradation of functionality or security of the relevant party's technology; • for a period of at least ninety (90) days following the effective date of any Technical Change which is not backwards compatible, the relevant party making the Technical Change will ensure that it supports the then previous version of the relevant technology, unless it is prohibited by Applicable Law, the requirements of a Competent Authority or the Relevant Standards from doing so; • Technical Changes which are not Mandatory and Emergency Technical Changes may only be made by a party between 10pm and 6am GMT and in any month other than August and December; and • the relevant parties impacted by the MLA will carry out conformance testing in respect of the Technical Change in accordance with the Relevant Standards (where applicable), Good Industry Practice and any reasonable additional directions of the Operator in respect of such conformance testing.

10.3 Technical Changes by the Operator

The parties acknowledge that the Operator provides limited technology to Participants for the purposes of the MLA.

However, where the Operator (or its subcontractor or agent) proposes to make a Technical Change, it must first give written notice of the proposed Technical Change to the Participants, ensuring that such written notice includes sufficient detail to enable each Participant to understand and take any action required as a result of the relevant Technical Change.

The Operator will provide as much advance notice to Participants as is reasonably practicable of all such Technical Changes, and shall procure that its subcontractors and agents provide a reasonable level of notice for such Technical Changes that they initiate in accordance with their service agreements with the Operator, provided that the Operator (and its subcontractors and agents) may make Mandatory or Emergency Technical Changes on shorter or immediate notice to Participants where required.

The Operator will use reasonable endeavours to meet the timeframes that apply to Participants proposing to make Technical Changes as set out in Section 10.2 (Technical Changes by Participants) when the Operator proposes to make Technical Changes in accordance with this Section.

10.4 Changes to the Relevant Standards

The parties acknowledge that changes to the Relevant Standards shall not constitute Technical Changes under this Section 10, and shall instead be covered by the change process operated by the Standard Setting Body under the Relevant Standards.

11 Compliance

11.1 Warranties of compliance

In addition to the warranties set out at Section 33 (Warranties and representations), as of the date it signs its Participation Agreement, and on each day throughout its participation in the MLA, each Participant warrants to the Operator, and the Operator warrants to each Participant, that:

- its execution of any Participation Agreement does not breach any Applicable Law;
- in respect of its activities relating to cVRP under the MLA:
 - the performance of its obligations under, and its activities relating to cVRP pursuant to, the MLA does not breach any Applicable Law;
 - it has not done or omitted to do anything which would cause the Operator or any other Participant to breach any Applicable Law;
 - it has not done or omitted to do anything which could reasonably be expected to damage the reputation of cVRP, the MLA or the Operator, in any material way;
 - it has all Consents as are necessary to perform its obligations under, and carry out its activities relating to cVRP pursuant to, the MLA;
 - it is compliant with all requirements of any Competent Authority as such requirements apply to the MLA or its activities relating to cVRP pursuant to the MLA;
 - without changing the broader application of the above, in respect of its activities relating to cVRP under the MLA, it:
 - complies with all applicable Anti-Corruption Laws and Anti-Tax Evasion Laws and shall have in place and comply with its own anti-bribery and corruption procedures and anti-tax evasion facilitation procedures;
 - has not contravened any Sanctions;
 - has not done, or omitted to do, any act that would cause or lead to Operator or a Participant to contravene any Sanctions;
 - implements and maintains adequate policies and procedures to ensure compliance with Sanctions;
 - complies with all applicable Anti-Slavery Laws, statutes, regulations and codes from time to time in force including the Modern Slavery Act 2015;
 - does not engage in any activity, practice or conduct that would constitute an offence under sections 1, 2 or 4 of the Modern Slavery Act 2015 if such activity, practice or conduct had been carried out in England and Wales; and
 - has not been convicted of any offence involving slavery and human trafficking or been the subject of any investigation, inquiry or enforcement proceedings regarding any offence or alleged offence of or in connection with slavery and human trafficking, except for (a) any investigation, inquiry, or enforcement proceeding which is being contested by that Participant, and (b) any

investigation, inquiry, or enforcement proceeding which, was subsequently determined to be unfounded.

Each Participant shall immediately notify the Operator in writing if at any time it becomes aware that any of the above warranties is not true, complete and/or accurate.

Each of the above warranties shall be read and construed as separate representation and warranty on behalf of the Participant and Operator (as applicable).

11.2 Regulatory engagement and Operator reporting to Competent Authorities

Unless otherwise agreed in writing by the Operator and a Participant, the Operator shall be responsible for all communications and correspondence with any Competent Authority in relation to the MLA as a whole and the manner of the operation of the MLA generally.

The Operator's responsibility described above does not preclude a Participant from communicating with any Competent Authority. In particular:

- if any correspondence or communication is directed solely at a Participant, the Participant is solely responsible for responding to such correspondence or communications;
- the Participant may respond to general industry consultations run by Competent Authorities, including any relating to cVRP;
- to the extent permitted by Applicable Law, the Participant:
 - may notify the Operator of any requests made to it by any Competent Authority that specifically relate its participation in the MLA;
 - shall notify the Operator as soon as reasonably practicable in respect of any such request which may materially affect its ability to perform its obligations under, or its implementation of cVRP pursuant to, the MLA, or which may materially impact on the Operator or any other Participant, unless specifically requested not to do so by the Competent Authority; and
- to the extent permitted by Applicable Law, as soon as reasonably practicable, the Operator shall notify the relevant Participant of any requests made to the Operator by any Competent Authority to it which relate specifically to that Participant.

In addition, each party acknowledges that the Operator may, in such manner as is required by Applicable Law or by any Competent Authority, or as it may otherwise reasonably determine, report details of the following items to a Competent Authority and may request the attendance of the relevant Participant at any meeting held with a Competent Authority (if deemed necessary):

- Default Event;
- Waiver;
- exercise of the Operator's rights of suspension pursuant to Section 22 (Suspension of participation);

- exercise of any party's rights of termination pursuant to Section 23 (Termination); and/or
- any other circumstances or events affecting a Participant or the Operator of which the Operator is aware which the Operator considers will have, or is reasonably likely to have had or have, an adverse impact on other Participants, the Operator, the MLA or the integrity of cVRP.

The Operator will use reasonable endeavours (subject always to complying with any Applicable Law) to:

- inform the relevant Participant at the earliest opportunity of details to be reported to the Competent Authority, and to consult with the relevant Participant as to whether the relevant Participant has or will self-report the Default Event to the relevant Competent Authority; and
- provide the relevant Participant a copy of any documents or other submissions the Operator proposes to send to the relevant Competent Authority, and afford the relevant Participant a reasonable period of time (determined by the Operator) to comment on those documents and submissions.

11.3 Applicable Law to be given priority over the MLA in the event of any inconsistency

If any provision of the MLA is, or is determined by the Operator or a Competent Authority to be, inconsistent with Applicable Law, then each party's obligation to comply with Applicable Law shall take precedence over the MLA (and the MLA shall be deemed disapplied) to the extent of such inconsistency.

In cases of any differing interpretations on the application of this Section to the MLA, the Operator's written opinion on the matter shall be determinative.

12 Required policies and standards

12.1 General requirement to maintain policies and standards

Each Participant:

- must have and maintain in place appropriate, robust and effective policies and procedures to ensure compliance with the MLA, Applicable Law and the requirements of any Competent Authority; and
- must ensure that those policies and procedures are kept up to date, conform with Good Industry Practice and, where applicable, the Relevant Standards.

12.2 Business continuity

Each Participant and the Operator will ensure that at all times it has in place and can implement an appropriate, robust and effective business continuity and disaster recovery plan for its business to enable it to continue to perform its obligations set out in the MLA.

12.3 Adherence to Relevant Standards

Each Participant will adhere to the Open Banking Standard published by the Standard Setting Body applicable to cVRPs (**Relevant Standards**) as set out below in respect of its implementation and operation of cVRP pursuant to the MLA.

In the case of Participants, the Relevant Standards include, as at the date of publication of this document, the latest versions of the:

- the API Specification (as defined in the Relevant Standards);
- the MI Reporting Data API Specification;
- Security Profiles;
- Customer Experience Guidelines except as set out in Section 19.6 (Access and Consent Dashboards) in that a Payment Initiation Participant may comply with its obligation to provide Payers with a Consent Dashboard by requiring the relevant Beneficiary to do so); and
- Operational Guidelines.

In addition, some parts of the Relevant Standards which are optional will be mandatory for Participants to comply with in respect of their implementation and operation of cVRP pursuant to the MLA, and Participants shall therefore meet the requirements in the following parts of the Relevant Standards:

- **MI Standards** – cVRP requirements in the MI Specification are mandatory. In addition, Participants must provide additional MI reporting in accordance with Section 15.1 (Participant Reporting) of the Rulebook and the Reporting Schedule to the MLA.

- **Ultimate creditor (beneficiary)** – where the ultimate creditor/debtor is different to the creditor/debtor, the ultimate creditor/debtor field in v4.0 of the Relevant Standards is mandatory.
- **Transaction Risk Indicators (TRIs)** – Payment Initiation Participants are required to provide quality and accurate TRI data for all cVRP transactions in line with the API Specification in the latest version of the Relevant Standards. Payment Initiation Participants are also required to adhere to the TRI guidance for definitions in the Customer Experience Guidelines.
- **Dashboards** - requirements for uptime for consent and access dashboards will apply to Payment Initiation Participants and ASPSP Participants as detailed in the SLA Schedule.
- **Payment status and error messages** – the requirements relating to error messages and consent and payment statuses in v4.0 of the Relevant Standards are mandatory. All Participants are required to ensure error messages are provided and are as defined in v4.0 of the Relevant Standards. All consent and payment statuses must be provided by ASPSP Participants and when a payment is in a particular state, the appropriate reason must be provided back to the Payment Initiation Participant as defined in v4.0 of the Relevant Standards.
- **PSU authentication - in session off session** – when a cVRP transaction is being made, the Payer might be present or not present. This information must be provided by the Payment Initiation Participant for every cVRP transaction in line with the API Specifications of the Relevant Standards. **[Drafting Note: The list of technical requirements above are expected to be included in a separate Schedule when the MLA is finalised.]**

13 Performance standards and service levels

13.1 Participant general standards

Each Participant shall:

- implement cVRP in a manner that is consistent with Good Industry Practice and shall ensure that it has the skills, capability and experience to do so; and
- not do, or omit to do, or procure or assist to be done any act that damages or could reasonably be expected to damage the reputation of cVRP, the MLA, the Operator, or other Participants in any material way.

13.2 Operator general standards

The Operator shall perform its role under the MLA in a manner that is consistent with Good Industry Practice and shall ensure that it has the requisite skills, capability and experience to do so.

13.3 Employees

Each Participant and the Operator shall on an ongoing basis:

- use adequate numbers of qualified individuals with suitable training, experience, capability and skill to perform their obligations under the MLA; and
- conduct reasonable investigations and background checks of its Employees engaged in cVRP and performing obligations under the MLA.

13.4 Participant Service levels

Each Participant shall comply with the SLA Schedule

13.5 Force Majeure

Subject to the provisos below, no party to the MLA shall be liable to any other party to the MLA for any delay or non-performance of its obligations under the MLA arising from any cause or causes beyond its reasonable control and which such party (or its agents (including Third Party Agents), any subcontractors (including the Subcontractors) or Employees) could not anticipate and mitigate by means of insurance, contingency planning or any other prudent business means (a **Force Majeure Event**).

This Section is subject to the following provisos:

- the Operator may always exercise its suspension and termination rights under Sections 22 (Suspension of participation) and 23 (Termination of participation);
- industrial dispute or action or any circumstances arising due to the default of the party wishing to rely on this Section shall not give rise to a Force Majeure Event;
- in the event of a Force Majeure Event affecting a Participant, the Participant shall as soon as reasonably practicable following that Participant becoming aware of the Force Majeure Event (and no later than one (1) Business Day after discovering the Force Majeure Event if such event is likely to have a material impact on any other Participant or the integrity of cVRP), notify the Operator in writing of the cause of the delay or non-performance, the likely duration of the delay or non-performance and, to the extent reasonably practicable, the names of any Participants which are or may be materially impacted;
- in the event of a Force Majeure Event affecting the Operator, the Operator shall as soon as reasonably practicable following the Operator becoming aware of the Force Majeure Event, notify all Participants in writing of the cause of the delay or non-performance, and the likely duration of the delay or non-performance;
- the affected party shall use all reasonable endeavours to limit the effects of that delay or non-performance on any other party or the Operator; and
- no party can claim relief from a Force Majeure Event to the extent that it has failed to comply with its business continuity and disaster recovery plan (in accordance with Section 12.2 (Business Continuity)), unless this failure is also due to a Force Majeure Event affecting the operation of the business continuity and disaster recovery plan.

If the Operator is informed of a Force Majeure Event by a Participant, the Operator will promptly assess which Participants are, or might be, significantly affected. After this assessment, the Operator will promptly notify all Participants identified as being significantly affected or potentially significantly affected.

14 Representatives

14.1 Participant and Operator Representatives

Each Participant shall appoint and maintain an individual, being an Employee or officer of the relevant Participant, to act on behalf of it and manage the Participant's relationships with the Operator and other Participants under or in connection with the MLA (the **Participant Representative**).

Each Participant shall appoint and maintain an individual, being an Employee of the relevant Participant, to act on its behalf and be responsible for that Participant's use of the cVRP Dispute Management Portal (as set out in the Disputes Schedule) (the **Participant Portal Representative**). The Participant Representative and Participant Portal Representative may be the same individual.

The Operator shall appoint and maintain, in respect of each Participant, an individual, being an Employee or officer of the Operator, to act on behalf of it and manage the Operator's relationship with the relevant Participant under or in connection with the MLA (the **Operator Representative**).

Each Participant and the Operator shall also appoint an authorised delegate, also being an Employee or officer, who will act as the Participant Representative, Participant Portal Representative or Operator Representative in the event the main Participant Representative, Participant Portal Representative or Operator Representative is unavailable.

The Operator shall maintain and make available to Participants in such manner as it decides a register of all Participant Representatives, Participant Portal Representative and Operator Representatives and their authorised delegates). The register shall include the name, title, telephone number and email address of each such individual.

Each Participant and the Operator shall keep the contact details contained on such register of its Participant Representative, Participant Portal Representative or Operator Representative, or their authorised delegates, (as applicable) up-to-date. A change to a Participant Representative or Operator Representative or their authorised delegates will be effective on the date that the updates contact details appear on the register.

Each Participant shall use reasonable endeavours to use an email-mailbox (rather than a personal email address for one individual) for receipt of communications to Participant Representatives and Participant Portal Representatives to reduce the risk of correspondence being missed.

If any Participant Representative, Participant Portal Representative, Operator Representative, or authorised delegate, leaves the Participant or Operator's organisation, or leaves the relevant team responsible for cVRP, then the relevant Participant or Operator (as applicable) must promptly notify the Operator of a new Participant Representative or Participant Portal Representative (as applicable) or notify each Participant of a new Operator Representative or back up as applicable.

The Participant Representative and Operator Representative (or their authorised delegate, if applicable) will be the first point of contact for any information requests or correspondence under or in connection with the MLA.

15 Reporting

15.1 Participant reporting

Each Participant shall provide to the Operator the information set out in the Reporting Schedule in the manner and at the frequency specified therein.

Insofar as reasonably required by the Operator, each Participant shall provide to the Operator the information a Participant is required to provide to the Standard Setting Body, at the same frequency required by the Relevant Standards, and in the manner specified by the Operator.

The Section is without prejudice to any other reporting related obligations on a Participant in the MLA.

15.2 Participant attestation

Annually, on such date as is notified by the Operator (which shall be the same date for each Participant), each Participant shall submit to the Operator an attestation confirming its compliance with the MLA Documents. This attestation must be in the form specified by the Operator, which may be updated by the Operator from time to time, and must be signed by one or more duly authorised representatives of the Participant.

15.3 Operator reporting

Without prejudice to any other reporting related rights of or obligations on the Operator in the MLA, the Operator shall determine, at its sole discretion, the nature and extent of the information which it shall report to Participants in connection with the MLA. Such determination shall be made based on the Operator's assessment of what information would be beneficial to the cVRP ecosystem.

Participants may request that the Operator provides reports on specific areas of interest or concern relating to the MLA and cVRP ecosystem from time to time. While the Operator is not obligated to fulfil any such request, it shall consider such requests when making any determination in accordance with the paragraph above.

16 Audit

16.1 Risk management

Each Participant shall ensure that it has in place robust, effective and consistent internal risk management and internal policies and procedures relating to its performance of the MLA and its implementation of cVRP.

These processes shall include real-time incident reporting including internal escalation of material risks and incidents within the Participant's organisation.

16.2 Participant self-Audit

Each Participant shall conduct periodic Audits (but no less than annually) of itself and its Subcontractors and Third Party Agents to ensure compliance on a continuous basis with the technical and operational requirements detailed in the MLA and shall as soon reasonably practicable provide relevant details of such Audits to the Operator upon request.

All self-Audit documentation will be treated as Confidential Information in accordance with Section 29 (Confidentiality) and shall not be shared with other Participants by the Operator.

16.3 Operator Audit

Stage 1

The Operator may, on notice to a Participant, require the relevant Participant, within twenty (20) Business Days (or such longer period as may be agreed with the Operator in writing), or where the Operator reasonably considers it is an emergency, at any time, to engage (at the Participant's cost) an independent auditor, whose identity is acceptable to both the Participant and the Operator, to Audit a Participant's (and/or, so far as possible, its Subcontractors' and Third Party Agents') compliance with the MLA and activities in relation to cVRP, where the Operator:

- considers that:
 - a Participant has committed or it is reasonably likely that it has committed a Default Event; or
 - there have been persistent issues or concerns relating to a Participant that create a material risk of a Default Event occurring; or
 - a Participant is subject to a material risk relating to its implementation of cVRP or its participation in the MLA; and
- considers that such Default Event, persistent issues or concerns, or material risk has had, will have, or is reasonably likely to have had or have, an adverse impact on other Participants, the Operator, the MLA or the integrity of cVRP; and
- has provided the Participant with an opportunity, and a period of time that is reasonable in the circumstances, to provide information in relation to the Default Event, persistent issues,

concerns or material risk, but the Operator reasonably considers that information already provided by that Participant is not adequate to enable the Operator to sufficiently understand all relevant related circumstances and facts.

The relevant Participant will agree the identity of the independent auditor, and the scope and timing of the independent auditor's work, the level of access to be given to the independent auditor, and the terms of the independent auditor's engagement, with the Operator, and may submit reasonable objections or adjustments to the Operator's intended agenda, cost, timing, scope and required personnel and documentation, in writing, and no later than ten (10) Business Days' of receipt of the notice of Audit, and the Operator must, in good faith, give due consideration to any such objections or adjustments and take them into account in determining the final scope of the relevant Audit.

The relevant Participant must promptly share the independent auditor's report with the Operator without redaction (unless such redaction is agreed to in advance by the Operator in writing or is required by Applicable Law). If the relevant Participant is restricted by Applicable Law from sharing the full report, then that Participant shall share extracts of the report or an appropriately redacted copy with the Operator, as permissible under Applicable Law.

The independent auditor's report will be treated as Confidential Information in accordance with Section 29 (Confidentiality) and shall not be shared with other Participants by the Operator.

Stage 2

If the relevant Participant fails to fully comply with the process set out for Stage 1 above, including where the Participant refuses to engage an independent auditor, or has not engaged an independent auditor within the timeframe specified by the Operator, or fails to share the auditor's report with the Operator or if the Operator reasonably considers that the auditor's report is not adequate to enable the Operator to sufficiently understand all the relevant related circumstances, or reasonably considers it an emergency, then the relevant Participant permits the Operator, either itself or through an agent, to Audit the relevant Participant's (and/or so far as possible, its Subcontractors' and Third Party Agents') compliance with the MLA and activities in relation to cVRP in accordance with the remainder of this Section.

Without prejudice to the Operator's rights under this Section, in deciding whether to exercise its rights of Audit, the Operator shall take into account all circumstances of the Participant, including whether the Participant has remedied or mitigated (or partially remedied or mitigated) the Default Event, persistent issues or concerns, or material risk that had led to the Operator initially requesting an Audit at Stage 1 above.

Where the Operator exercises this right, then:

- prior to performing any Audit, the Operator shall (except where the Operator reasonably considers it is an emergency) provide to the relevant Participant at least ten (10) Business Days' notice of the Audit, including a high-level summary of the Operator's intended agenda, timing, scope and required personnel and documentation, noting that such agenda shall not act so as to limit the auditor's ability to carry out an Audit; and
- the relevant Participant will co-operate fully with the Operator's Audit, including providing reasonable access to premises and all relevant records, information, staff, and using all reasonable endeavours to procure that its Subcontractors and Third Party Agents provide such access and co-operation.

Any Audit by the Operator pursuant to this Section shall at all times be subject to the following:

- the Operator will ensure that all such Audits are undertaken using a risk-based approach and in an efficient, proportionate and reasonable manner, taking into consideration the materiality of the risks and matters in scope;
- the Participant (and/or Subcontractor or Third Party Agent) shall be entitled to restrict or prevent access to any part of its premises, systems or records which it reasonably considers could compromise the security of any information or data relating to its businesses, provided that where the Participant (and/or Subcontractor or Third Party Agent) relies on this right, they shall use all reasonable endeavours to provide a workaround to enable the auditor to access the information requested in a manner that does not compromise security;
- any confidentiality or privacy obligations imposed on the Participant: (i) which are owed by Participant to third parties (other than its Subcontractors and Third Party Agents); or (ii) by Applicable Law; in each case only to the extent that such obligations would be breached by the provision of the relevant information and provided that the Participant shall use reasonable endeavours to obtain a waiver of any such confidentiality or privacy obligations where required to enable the Audit to be effective;
- any requirements imposed on the Participant under Applicable Law to the extent that they would be breached by the provision of the relevant information; and
- the Operator using reasonable endeavours to ensure that any agent it uses to carry out any Audit complies with all applicable facility and network security or access policies and procedures of the Participant which have been communicated to the Operator or the auditor in advance.

16.4 Audit costs

The Operator shall use reasonable endeavours to advise the relevant Participant of its estimated Audit costs in advance of incurring them, and the Operator and the relevant Participant shall use all reasonable endeavours to pre-agree all such costs before they are incurred.

Notwithstanding whether the Operator and Participant are able to reach such pre-agreement, the relevant Participant shall pay the Operator's reasonable costs (that are properly incurred, direct and non-recoverable) of any Audit and exercising the Operator's rights under this Section, (unless the Audit was carried out by the Operator based on a suspected Default Event, or suspected risks, issues or concerns, and the Audit demonstrates that the Operator's suspicion or concerns were unfounded, in which case the Operator and the relevant Participant will discuss the Operator's costs of Audit in good faith and use reasonable endeavours to agree a reasonable apportionment that reflects the extent to which the relevant Participant was not at fault; in the event of such agreement, the relevant Participant's obligation to pay such costs of Audit shall be reduced or adjusted accordingly.).

16.5 Audit learnings

The relevant Participant grants the Operator the right to use the data, findings, and outputs derived from any Audits (**Audit Outputs**) conducted under the terms of this Section 16, to derive general learnings and best practice (**Learnings**) that can contribute to the enhancement of cVRP and the Operator's role under the MLA.

In sharing or utilising the Learnings, the Operator shall ensure that such Learnings are generalised and anonymised and do not disclose any Confidential Information of the relevant Participant. The Operator

shall not directly attribute any specific Learning to a Participant, or publish any Learnings where it is readily apparent that the identity of the Participant can be ascertained, without obtaining prior written consent from that Participant.

Notwithstanding the Operator's rights under this Section, all Intellectual Property Rights in the Audit Outputs shall remain with the Participant or independent auditor, as applicable. The Operator is granted a non-exclusive, royalty-free licence to use such Audit Outputs solely for the purposes described in this Section.

17 Default Events and Incidents

17.1 Notification of Default Events and Incidents

If any Participant has committed or considers it is reasonably likely that it has committed a Default Event or has suffered or considers it is reasonably likely to suffer an Incident, then as soon as reasonably practicable thereafter (and in any event, in the case of a material Incident or Default Event, no later than twenty-four (24) hours after the relevant Participant becoming aware), that Participant must notify the Operator of this in writing, providing such details of the actual or suspected Default Event or Incident as are known to that Participant at the time of issuing the notification.

Following the initial notification, that Participant shall provide further regular updates to the Operator on the actual or suspected Default Event or Incident as soon as reasonably practicable after becoming aware of any additional material information concerning such actual or suspected Default Event or Incident.

If any Participant is:

- aware that any other Participant has committed a material Default Event, or considers it is reasonably likely that such other Participant has committed a material Default Event; and
- not aware that the Operator is already aware of such actual or suspected material Default Event,

that Participant shall use reasonable endeavours to notify the Operator of this where it would be reasonable to conclude that the Default Event would be likely to have an adverse impact on other Participants, the Operator, the MLA or the integrity of cVRP.

The Operator's opinion as to what constitutes a "material Default Event", "material Incident" or "awareness" for the purposes of this Section shall, in the event of any disagreement between the Operator and any Participant, be determinative.

The Operator may notify other Participants of any material Default Events where it considers this is reasonably necessary in order to avoid any adverse impact on other Participants, the Operator, the MLA or the overall integrity of cVRP, in accordance with Section 29.4 (Operator risk communications with Participants and other publicising of risks).

17.2 Actions the Operator may take following an actual or suspected Default Event or Incident

In any event, the Operator may (at its discretion) notify a Participant (a **Default Notification**) if it determines or suspects, based on evidence available to it, that a Default Event or Incident has occurred or is continuing to occur in respect of that Participant, and (in that notification) may:

- specify a date by which the Participant must remedy the Default Event or Incident (in which case the Participant must use all reasonable endeavours to do so); and/or
- require the Participant to provide further information to the Operator in relation to the Default Event or Incident (in which case the Participant must, subject to Applicable Law and any obligations of confidentiality owed to third parties, provide such information to the Operator within a reasonable timeframe stipulated by the Operator); and/or

- notify the Participant of any exercise of the Operator's rights of Audit under (and subject to the terms of) Section 16.3 (Operator Audit); and/or
- require the Participant to prepare a documented remediation plan in respect of the Default Event or Incident (in which case, the Participant must submit such plan to the Operator within a reasonable timeframe stipulated by the Operator, and must take into account and reasonably co-operate with the Operator to address any comments the Operator makes on such plan, and such plan will be treated as Confidential Information in accordance with Section 29 (Confidentiality) and shall not be shared with other Participants by the Operator); and/or
- notify the Participant of any further measures which the Operator proposes to take in respect of the Default Event or Incident, in accordance with Sections 0 (Escalation to participant representatives) – Section 0 (Non-compliance assessments) below (provided that it is acknowledged that non-compliance assessments shall only apply to Default Events and not to Incidents that are not also Default Events) below; and/or
- take any other actions it is entitled to or required to take under the MLA following an Incident or Default Event (for example, those set out at Sections 22 (Suspension of participation) and/or 23 (Termination)).

Prior to any deadline set by the Operator in respect of any of the above actions, the relevant Participant can request an extension by sending a written notice to the Operator. The Operator will reasonably assess this request and inform the Participant if it is approved.

The Operator will take into account the materiality of any actual or suspected Default Event or Incident in exercising the above powers and determining the actions that will be taken in respect of such Default Event or Incident.

Where the Operator only suspects a Default Event or Incident, then the Operator may not require a Participant to remedy that suspected Default Event or Incident, nor to prepare nor implement a documented remediation plan, and may not impose any non-compliance assessment under 0 (Non-compliance assessments) unless and until it determines that an actual Default Event or Incident has occurred.

The Default Notification will also advise the Participant responsible for the Default Event or which suffered the Incident of the reasons for the Operator determining that a Default Event or Incident has occurred, and (where applicable) inform the relevant Participant of its right to appeal the Operator's determination that a Default Event has occurred (and the process to follow to make such an appeal).

In addition, the Operator may exercise its rights under Section 29.4 (Operator risk communications with Participants and other publicising of risks).

Without prejudice to the Operator's rights and discretions under this Section 17, the Operator may publish MLA Guidance Materials, and provide those to Participants, setting out the process the Operator will seek to follow when dealing with any actual or suspected Default Event and/or Incident. The Operator will not depart from that process unless there is a Mandatory or Emergency Reason or otherwise without having good reason, based on credible evidence, to do so.

17.3 Escalation to Participant representatives

If the Operator reasonably considers it is appropriate, a Default Event and/or Incident shall (at the Operator's option) be considered by the relevant Participant Representative and the Operator Representative at a meeting between them called by the Operator (**Contract Representative Meeting**).

At the Contract Representative Meeting, the Participant's Contract Manager and the Operator shall consult in good faith to consider whether a Default Event and/or Incident has occurred, and, if so, the severity of the Default Event and/or Incident and the causes of the Default Event and/or Incident, and shall endeavour to agree upon a suitable approach and actions to be taken to remedy the Default Event and/or Incident.

The Operator shall provide a report on the outcome of the Contract Representative Meeting and the actions required from the Participant to remedy the Default Event and/or Incident as soon as reasonably practicable (and, in any event, no later than five (5) Business Days thereafter) after the Contract Representative Meeting.

In the absence of agreement at the Contract Representative Meeting in respect of how to address the Default Event and/or Incident, the matter will be escalated to senior management in accordance with Section 17.4 (Escalation to senior management).

17.4 Escalation to senior management

A Default Event and/or Incident shall, be escalated to an appropriate senior executive officer of each of the Operator and the Participant, each with authority to address all issues and make relevant decisions relating to the Default Event and/or Incident, who shall meet to discuss and endeavour to reach a resolution in relation to the matter, if either the Contract Representative Meeting does not reach an agreement in respect of how to address the Default Event and/or Incident and/or the Operator considers, at its discretion that:

- the Operator deems such a Default Event and/or Incident is sufficiently material to merit escalation under this Section (including multiple minor Default Events and or Incidents which taken together are considered material and any actual or potential Persistent Default);
- the Participant disputes the findings of the Operator in relation to an actual or suspected Default Event and/or Incident;
- a Default Event and/or Incident remains unremedied despite previous efforts to remedy it;
- the Operator otherwise reasonably considers such escalation to be appropriate.

The same provisions that apply to the Contract Representative Meeting under Section 0 (Escalation to participant representatives) shall apply to the meeting between the appropriate senior executive officers under this Section, except the final paragraph.

In the absence of agreement, the Operator may reasonably determine the actions to be taken by the Participant and a timeline to remedy the Default Event and/or Incident and/or prevent its reoccurrence and the Participant shall comply with such determination.

17.5 Non-compliance assessments

Following a Default Event, the Operator may (at its discretion, acting reasonably, and to the extent permitted by Applicable Law) impose a non-compliance assessment on the Participant responsible for the Default Event. The purposes of a non-compliance assessment may include to protect the legitimate interests of all parties to the MLA in ensuring ongoing compliance of Participants with the terms of the MLA, to prevent and address harm and damage to the MLA and other Participants caused by instances of non-compliance, and/or to compensate the Operator for its costs in managing the Default Event.

In determining whether to impose a non-compliance assessment, the Operator may take into account:

- the nature, duration and extent of the Default Event, and of any damage or loss caused by the Default Event;
- any costs that the Operator (and any other party) has incurred as a result of the Default Event;
- the legitimate interests of all parties to the MLA in ensuring ongoing compliance of Participants with the terms of the MLA;
- the causes of the Default Event;
- any efforts made by the relevant Participant to prevent the occurrence of, or remedy, the relevant Default Event;
- whether there is any repetitive or wilful nature to the Default Event;
- the relevant Participant's history of Default Events or prior conduct (including whether a Default Event is a Persistent Default);
- the integrity of cVRP pursuant to the MLA; and/or
- any other considerations the Operator considers appropriate.

When notifying the relevant Participant of a non-compliance assessment, the Operator shall provide details of Default Event and rationale for applying a non-compliance assessment, including details of any aggravating or mitigating factors, and an explanation of the quantum or duration of the applicable non-compliance assessment.

The relevant Participant must pay the relevant non-compliance assessment within a reasonable timeframe stipulated by the Operator.

The quantum of any non-compliance assessment will be determined by the Operator in accordance with the Pricing Schedule. The Operator will also review the quantum of any non-compliance assessment that has been imposed on any Participant once it has obtained further information from the relevant Participant and any impacted parties about the circumstances and impacts of any Default Event.

The Operator and the Participants acknowledge that the quantum of any non-compliance assessment is intended (amongst other things) to reimburse the Operator for its reasonable administrative costs and/or management time and other reasonable costs and expenses (in each case that are properly incurred, direct and non-recoverable) involved in dealing with and remedying any Default Event and the impacts and consequences of any such Default Event; however, in the event that the quantum of any non-compliance assessment available to the Operator is insufficient to do so, then the relevant Participant and the Operator shall consult in good faith to address any such excess and unrecovered costs.

18 Waivers and appeals

18.1 Operator's power to grant waivers

A Participant that cannot comply with a rule or requirement in the MLA Documents may submit a request to the Operator to grant a Waiver. The Operator will decide whether to grant any such request in its sole discretion.

The Operator will notify the Participant in writing of its decision in respect of any Waiver request. Any Waiver granted is effective as specified in the Operator's notice.

Each Waiver granted by the Operator is unique, may include specific conditions, and is limited only to the specific circumstances of the individual request. A Participant must not apply a previously granted Waiver to any different or future circumstances, or treat a previously granted Waiver as determining the outcome of any future requests.

The Operator may repeal, amend, extend, or revoke any Waiver by giving a reasonable period of advance written notice of the same to the relevant Participant.

A Participant shall pay the Operator's Waiver Request Fee upon submitting a request for a Waiver to the Operator.

The quantum of the Waiver Request Fee will be determined by the Operator in accordance with the Pricing Schedule.

The Operator and the Participants acknowledge that the quantum of any Waiver Request Fee is intended (amongst other things) to reimburse the Operator for its reasonable administrative costs and/or management time and other reasonable costs and expenses (in each case that are properly incurred, direct and non-recoverable) involved in dealing with any Waiver request. However, in the event that the quantum of any Waiver Request Fee available to the Operator is insufficient to do so, then the relevant Participant and the Operator shall consult in good faith to address any such excess and unrecovered costs.

The Operator may communicate a Waiver granted to a Participant to any or all other Participants (provided such disclosure would not breach Applicable Law) and/or to any Competent Authority in accordance with Section 11.2 (Regulatory engagement and Operator reporting to Competent Authorities).

18.2 Appeals

A Participant is entitled to appeal a decision made by the Operator under the MLA (relating to that specific Participant or to a specific group of Participants (other than all Participants or all Participants of the same Participant-type), including under Sections 16 (Default Events), 22 (Suspension of Participation) and/or 23 (Termination), where that Participant is able to:

- provide new evidence or information not previously available to the Operator when making its decision; or
- demonstrate, to the Operator's satisfaction (acting reasonably) that the Operator's decision should be reviewed (for example, on its merits or on the basis that the Operator has not acted

in accordance with the MLA or has otherwise acted unreasonably, incorrectly or without good faith).

So that the relevant Participant may consider whether to submit any appeal, and only where this has not already been provided by the Operator, a Participant is entitled to request the Operator to confirm in writing the Operator's rationale for the relevant decision, provided the Operator is able to do so in accordance with Applicable Law.

The appealing Participant must make the appeal to the Operator in writing, and the Participant's written submission must:

- be received by the Operator within fifteen (15) Business Days of the Participant's receipt of the notice of the Operator's decision; and
- include the relevant new or additional evidence or information, and supporting arguments, necessary to substantiate the request for an appeal.

The relevant Participant will be charged an initial fee by the Operator, as determined in accordance with the Pricing Schedule, for the Operator considering such initial appeal submission. This fee is refundable if the appeal is upheld.

The Operator will then, as soon as reasonably practicable and in any event within fifteen (15) Business Days of receipt of the Participant's appeal, respond to the appealing Participant and in such response shall set out:

- the process to apply to the appeal, depending on all the circumstances of the relevant decision and the nature of the appeal; and
- any additional fee (if any) which will be charged to the relevant Participant in order to proceed with the relevant appeal, by reference to the Pricing Schedule. This fee is refundable if the appeal is upheld.

If the appealing Participant wishes to proceed on the basis set out by the Operator in its response, the appealing Participant must notify the Operator of this within ten (10) Business Days of the appealing Participant's receipt of the Operator's response.

The Operator's decision on the appeal will be final and not subject to further challenge (provided that this shall not limit any Participant's right to initiate court proceedings in respect of the matter).

The Operator's reasonable costs and expenses (that are properly incurred, direct and non-recoverable) in considering the appeal will also be borne by the appealing Participant, unless the appeal is upheld. The Operator shall advise the relevant Participant of its estimated costs in advance of incurring them, and the Operator and the relevant Participant shall use all reasonable endeavours to pre-agree all such costs before they are incurred.

Without prejudice to the Operator's rights and discretions under this Section, the Operator will publish MLA Guidance Materials, and provide those to Participants, setting out the process the Operator will seek to follow when dealing with any appeals under this Section; the Operator will not depart from that process unless there is a Mandatory or Emergency Reason or otherwise good reason, based on credible evidence, to do so.

19 Relationships with Payers

19.1 Meaning of provide, make available and "durable medium"

In this Section, the words "provide", "provided", "make available", "made available" and "durable medium" shall be interpreted in the same manner in which those terms are interpreted and understood where used in relation to the provision of documents and information in the Payment Services Regulations 2017 and the FCA's "Payment Services and Electronic Money - our Approach" document, which describes the FCA's approach to implementing the Payment Services Regulations 2017, as may be updated from time to time.

In addition, the Operator may further interpret those terms to encompass other methods of communication (additional to those noted above) by interpreting the terms "provide", "provided", "make available", "made available" and "durable medium" in the same manner in which those terms are interpreted and understood under the Payment Services Regulations 2017.

19.2 Information disclosures to payers – pre cVRP Mandate set-up

Each Payment Initiation Participant must ensure (or must procure that the Beneficiary ensures) that the information set out in in this Section is either (i) provided, or (ii) made available (as specified below), to all Payers before agreeing to the cVRP Mandate.

The following minimum level of information should be provided to all Payers before agreeing to the cVRP Mandate:

- a description of cVRPs, including the operation of cVRP Mandates;
- that the Payer should try to resolve issues with the Beneficiary at first instance;
- where the Beneficiary is a Biller, that the Payer should contact the Biller in particular if there is an issue with the goods or services purchased from the Biller;
- that where the amount of a cVRP transaction made is not what the Payer expected or where the Payer believes they did not consent to such transaction, the Payer can also raise an issue relating to the cVRP with the relevant ASPSP;
- the time limits within which the Payer may raise a dispute about a cVRP transaction, subject to limited exceptions, being: (i) without undue delay, and in any event no later than thirteen (13) months after the debit date of the relevant cVRP, on becoming aware of any unauthorised or incorrect executed cVRP transaction, for a refund from the relevant ASPSP, providing the dispute is valid and otherwise meets the requirements under Applicable Law; and (ii) six (6) years from the date on which the cause of action against a Beneficiary accrued;
- details on where the Payer can find information to identify the Beneficiary to whom their cVRP transaction has been paid; and
- information on the Payer's right to cancel the cVRP Mandate directly through the relevant PISP and/or ASPSP (as applicable).

The following minimum level of information shall be made available to all Payers before agreeing to the cVRP Mandate:

- that the Payer can raise an issue relating to the cVRP with the relevant ASPSP Participant if the Payer considers:
 - the cVRP transaction or cVRP Mandate is fraudulent;
 - the cVRP transaction was made without their permission;
 - the cVRP transaction was made outside of the cVRP Authorisation Parameters; or
 - there has been any other payment error, mistake, or delay with the cVRP transaction.

19.3 Information disclosure – when agreeing cVRP Authorisation Parameters

Each Payment Initiation Participant must (or must procure that the relevant Beneficiary will) when agreeing cVRP Authorisation Parameters with a Payer, ensure that: (i) such parameters are clearly communicated to the relevant Payer; and (ii) the relevant Payer is provided with at least the information set out this Section.

This information must as a minimum contain the following:

- the legal name and any trading names of the Beneficiary to which the cVRP is payable;
- the account details of the Beneficiary to which the cVRP is payable;
- the frequency of the cVRP and/or the date(s) on which the cVRP is to be made (if appropriate for the use case);
- the maximum amount of the cVRP per payment collection frequency (if appropriate for the use case);
- the expiry date of the cVRP Mandate; and
- any other relevant parameters agreed between the Payment Initiation Participant and the Payer.

19.4 Confirmation of cVRP Mandate and requirement to provide information in a durable medium

Each ASPSP Participant must notify the relevant Payment Initiation Participant once the ASPSP Participant has set up the cVRP Mandate on a Payer's account. This notification may be made automatically via the cVRP APIs, and does not (in that case) require any separate communication to be made by the ASPSP Participant to the Payment Initiation Participant.

Following receipt of such notice from the ASPSP Participant, and only to the extent such information has not already been provided pre cVRP Mandate set up pursuant to Section 19.2 (Information disclosures to payers – pre cVRP Mandate set-up) in a durable medium, the Payment Initiation Participant must (or must require the Beneficiary to) provide to the relevant Payer, in a durable medium, the information required to be displayed to the Payer in accordance with Section 19.2 (Information disclosures to payers – pre cVRP Mandate set-up).

19.5 Setting mandate parameters reasonably and proportionally

Each Payment Initiation Participant must (or must procure that the relevant Beneficiary will), when establishing the cVRP Authorisation Parameters with the Payer, set those parameters appropriately and proportionately in relation to the sale of goods or services to which the cVRP relates. This must include consideration of:

- the expected frequency (or frequency) of the Payer's payments that will be made using cVRP;
- the expected period over which the Payer's payments will be made using cVRP; and
- the expected (variability of) amounts of the Payer's payments that will be made using cVRP.

If an ASPSP Participant and/or the Operator considers that cVRP Authorisation Parameters have not been appropriately and proportionately set taking into account the factors set out in this Section, then the ASPSP Participant and/or the Operator may treat this as a Damaging Practice under Section 8.2 (Co-operation in relation to Damaging Practices).

19.6 Access and Consent Dashboards

Each Payment Initiation Participant shall (or must require the relevant Beneficiary to) provide Payers with a Consent Dashboard in accordance with the Relevant Standards and SLA Schedule.

Each ASPSP Participant shall provide Payers with an Access Dashboard in accordance with the Relevant Standards and SLA Schedule.

19.7 Pre-notifications of cVRP transactions to Payers

Subject to the remainder of this Section, each Payment Initiation Participant must (or must require the relevant Beneficiary to) provide to the relevant Payer, in a durable medium, before each cVRP transaction a notification (**cVRP Pre-Notification**), within a reasonable timeframe to enable the Payer to cancel a cVRP transaction, and in any case, no less than forty-eight (48) hours prior to such cVRP transaction.

The cVRP Pre-Notification must include at a minimum:

- the upcoming cVRP transaction date;
- the amount of the upcoming cVRP transaction;
- the Beneficiary's trading and/or brand name or, for Beneficiaries that are not Billers, the Beneficiary's usual name (and, where the format of the cVRP Pre-Notification allows this, then the Beneficiary's full legal name, address, and, where applicable, company number);
- that the Payer should contact the Beneficiary or their account provider if they do not recognise the payment; and
- information that explains how the Payer may cancel the relevant cVRP Mandate.

A cVRP Pre-Notification will be required where all of the following conditions are satisfied:

- the Payer has agreed to a cVRP Mandate which authorises the relevant Payment Initiation Participant to initiate regular cVRP payments to the Beneficiary until the expiry date;
- the regular payments agreed under the cVRP Mandate vary by amount and/or frequency; and
- where the Beneficiary is a Biller, the regular payments are made in respect of an on-going provision of goods and/or services by the Biller which does not require the Payer to request such goods and/or services on each occasion before a payment is initiated by the Payment Initiation Participant (or Biller, as appropriate).

However, no cVRP Pre-Notification is required for cVRP transactions where the Payer is either: (i) present at either the relevant Payment Initiation Participant or the relevant Biller; or (ii) consents to the relevant cVRP transaction, in each case at the time when the relevant cVRP transaction is initiated.

Each Payment Initiation Participant must (or must require the Beneficiary to) submit a further cVRP Pre-Notification promptly if the Payment Initiation Participant (or Beneficiary) becomes aware that any of the information included in the previous cVRP Pre-Notification is inaccurate, incomplete or does not include all of the information listed in this Section.

19.8 Notification of cVRP Mandate expiry

Each Payment Initiation Participant must (or must require the relevant Biller to) provide to the relevant Payer, a notification in a durable medium, before each cVRP Mandate is due to expire, within a reasonable timeframe to enable the Payer to extend or set-up a new cVRP Mandate, and in any case, no less than forty-eight (48) hours prior to expiry of such cVRP Mandate.

19.9 Equal treatment of payment orders

ASPSP Participants must treat any cVRP initiated under a cVRP Mandate that has been set up pursuant to the MLA in the same way as any other payment order received from a Payer or a PISP under a single consent arrangement (i.e. where the Payer provides consent for a specific payment transaction or a set of transactions at a given point in time), in particular, in terms of timing, priority or charges, unless the ASPSP Participant has objective reasons for treating the cVRP payment order differently.

19.10 Switching by Payers

The parties acknowledge that there is currently no generally applicable process or functionality to enable Payers to transfer their cVRP Mandates between PISPs, or ASPSPs, for example, in the event of:

- a Payer changing its bank account or its ASPSP; or
- an Insolvency Event or Force Majeure Event affecting a PISP or ASPSP; or
- a suspension or termination and exit of a Participant under the MLA.

Accordingly, in the event that a Payer requires to switch their cVRP Mandates from any Participant to any other Participant, and/or to implement any other payment method instead, this will require the Payer to engage with a manual process to implement the switch or change.

The Operator may publish MLA Guidance Materials to support Participants, and Payers and Beneficiaries, with the practical and operational requirements of such scenarios, and the Participants shall take such MLA Guidance Materials into account in their implementations of cVRP pursuant to the MLA.

19.11 Use of intermediaries by Participants

In accordance with Section 34 (Third and Fourth Parties), where any Third Party Agent has or intermediates a relationship with a Payer in relation to any Participant, the relevant Participant shall procure that relevant Third Party Agent adheres to all requirements relating to dealing with Payers under this Section 19, and all of the relevant Payment Initiation Participant's obligations under this Section shall be interpreted so as to apply to the relevant Third Party Agent.

20 Relationships with Billers and other Beneficiaries

20.1 Biller and other Beneficiary onboarding, monitoring and information

Each Payment Initiation Participant will develop, maintain and apply appropriate criteria for the onboarding of any Beneficiary.

In particular, in respect of Beneficiaries that are not Billers, each Payment Initiation Participant will carry out a reasonable and proportionate level of Beneficiary due diligence in accordance with good industry practice, and in respect of Beneficiaries that are Billers, each Payment Initiation Participant will, before contracting with a Biller to provide cVRP Biller Services, and thereafter on an ongoing basis, conduct appropriate due diligence checks on the Biller designed to check that the Biller is operating a legitimate business (**Biller Due Diligence Checks**).

The Biller Due Diligence Checks include:

- requiring each Biller to confirm that, at all times, it:
 - makes available to Payers clear terms and conditions and policies governing the Biller's sale of goods and/or services to Payers in accordance with Applicable Law, including (as applicable) terms and conditions relating to cancellations, returns and refunds;
 - has Payer support arrangements in place, with clear contact details, and provides support to Payers, in relation to the goods and/or services purchased by such Payers;
 - complies with all Applicable Law in respect of its sale of goods and/or services to Payers;
 - the Biller is complying with its obligations as set out under this Section;
- performing a Confirmation of Payee verification or an alternative account name verification on such Biller, and thereafter performing such check each time that Biller changes its account; and
- carrying out credit ratings agency checks in respect of the Biller where appropriate in accordance with Good Industry Practice.

In addition to the requirements set out in Section 3.3 (Implementation Obligations), each Payment Initiation Participant will, during the period it provides services enabling a Biller to accept cVRPs from its Payers:

- collect and require each Biller to provide information about the Biller, its business and the products it provides to Payers (**Biller Information**). The Biller Information will include:
 - the legal name and any trading names of the Biller;
 - the registered office and principal place(s) of business addresses of the Biller;
 - Payer service contact details;
 - a description of the Biller's business type and sector;

- a description of the types of products sold by the Biller; and
- confirmation that the Biller will, at all times, implement and maintain an information security control environment which will ensure the confidentiality and security of any Payer data in the Biller's possession or under the Biller's control,

and the relevant Payment Initiation Participant shall not rely on any KYC/AML information provided by any ASPSP Participant to comply with this obligation;

- maintain and implement measures to ensure that: (i) any change to the Biller's business or to the information provided by the Biller as part of the initial and any subsequent Biller Due Diligence Checks is identified by the Payment Initiation Participant; and (ii) Biller Due Diligence Checks are undertaken in the context of such changes; and
- collate information on complaints it has received, and require the Biller to provide information to it, of complaints received by the Biller from a Payer in relation to the use of cVRP as a payment method. Such information (**Complaints Information**) shall include:
 - the number of complaints; and
 - the nature of the complaint,

Complaints Information does not include details of complaints relating to goods and/or services provided by a Biller to which a cVRP transaction relates.

- conduct appropriate due diligence on each Biller and establish and maintain appropriate controls and monitoring mechanisms designed to ensure that such Biller is not using cVRP in relation to Out-of-Scope Use Cases; and
- provide to the Operator, on reasonable request, details of such due diligence, and controls and monitoring mechanisms it has in place.

Subject to Data Privacy Laws, throughout the term of the Participation Agreement and for a period of at least thirteen (13) months following the later of: (i) the last cVRP initiated by the relevant Payment Initiation Participant within the scope of the MLA or (ii) expiry or revocation of a cVRP Mandate, set up by or via the relevant Payment Initiation Participant, the Operator may request reasonable information from the relevant Payment Initiation Participant about the Biller Due Diligence Checks and/or Biller Information (and the Operator may share such information with ASPSP Participants).

The Operator may also recommend reasonable and proportionate adjustments to such controls and mechanisms, and the relevant Payment Initiation Participant must then take those recommendations into account and implement reasonable adjustments in response.

20.2 Dealing with Billers and other Beneficiaries that are non-compliant with Section 20.1

If the Operator identifies, or is made aware by an ASPSP Participant, that a Payment Initiation Participant has onboarded a Biller (or other Beneficiary) or is contracting with a Biller (or other Beneficiary) which has not complied with or is not complying with the requirements included in Section 20.1 (Biller onboarding, monitoring and information), or in respect of which Biller the Biller Due Diligence Checks (or any other information about that Biller known to the Operator) raise, in the Operator's

reasonable opinion, a material risk of an adverse impact on other Participants, the Operator, the MLA or the integrity of cVRP:

- the Operator shall notify the Payment Initiation Participant in writing of the same, with such notice setting out in reasonable detail why the Operator believes the Payment Initiation Participant has onboarded a Biller (or other Beneficiary) or is contracting with a Biller (or other Beneficiary) which has not complied with or is not complying with such requirements and/or raises such material risk; and
- if requested by the Operator, and subject to the relevant Payment Initiation Participant's obligations under Applicable Law, the Payment Initiation Participant and the Operator shall meet to discuss and agree what steps the Payment Initiation Participant will take in respect of such Biller, which may include (subject to the relevant Payment Initiation Participant's obligations under Applicable Law) offboarding the Biller (or other Beneficiary).

In connection with any request received by a Payment Initiation Participant under this Section, the Payment Initiation Participant will:

- answer the request in a timely manner; and
- co-operate with the Operator to address any concerns raised in a reasonable and proportionate manner.

20.3 Agreements and relationships with Billers

Each Payment Initiation Participant must, in accordance with Good Industry Practice, put in place and maintain an appropriate cVRP Biller Services Agreement with each of its Billers to accept payments via cVRP.

Each Payment Initiation Participant must ensure that:

- the terms of each cVRP Biller Services Agreement are consistent with the terms of and their obligations under the MLA; and
- each cVRP Biller Services Agreement contains terms that:
 - allocate financial liability to the relevant Biller for disputed amounts where the Biller has received funds that were not due to them;
 - require the Biller to notify the PISP without delay, and in any event by the next Business Day following the relevant Payer contact, in the event a Payer contacts the Biller to cancel a cVRP Mandate unless the Biller is able to (and does) implement the cancellation itself.

20.4 Termination and suspension of Billers and other Beneficiaries by the Operator

At any time during the term of the MLA, the Operator may, at its sole discretion, require any Payment Initiation Participant to suspend or terminate the making available of cVRP to any specific Biller or group of Billers (or other Beneficiary or group of Beneficiaries).

A non-exhaustive list of circumstances in which the Operator may exercise this right include:

- where a Beneficiary or group of Beneficiaries has been determined, in the reasonable opinion of the Operator, to have a poor reputation that could potentially harm the integrity or the operational effectiveness of the cVRP system;
- where the Operator has a reasonable suspicion, based on credible evidence, that a Beneficiary or group of Beneficiaries is engaging in or has engaged in fraudulent activities or misuse of cVRP;
- where there is an excessive volume of complaints or disputes from Payers regarding a Beneficiary or group of Beneficiaries, suggesting a pattern of behaviour that is detrimental to Payer satisfaction or trust in cVRP;
- the Monthly Threshold ((as defined under Section 21.2 (Excessive Disputes)) is met in respect of a Beneficiary;
- where systemic errors are identified in the processing of cVRP transactions by a Beneficiary or group of Beneficiaries, indicating a failure to comply with the required operational standards or requirements;
- where the Operator has a reasonable suspicion that the Payment Initiation Participant is enabling the Beneficiary, or group of Beneficiary, to receive cVRPs for Out-of-Scope Use Cases; and/or
- where there are multiple instances of duplicate payments made to a Beneficiary or group of Beneficiaries, indicating a failure in the Beneficiary's systems or processes to accurately manage cVRP transactions.

When exercising its right under this Section:

- the Operator shall act reasonably, proportionately and in good faith, and give due consideration to the potential detriment to Beneficiaries and Payers receiving cVRPs and shall use reasonable endeavours to exercise its rights under this Section in such a manner that any disruption to Beneficiaries and Payers is minimised;
- the Operator shall notify the Payment Initiation Participant in writing of its request to suspend or terminate the making available of cVRP to the specified Beneficiaries or groups of Beneficiaries, providing reasonable details of the circumstances leading to this decision and any other instructions in respect of such request for suspension or termination;
- upon receipt of such notice, the Payment Initiation Participant shall promptly (and in any event within any deadline specified by the Operator (acting reasonably and proportionately)) take all necessary steps to suspend or terminate the making available of cVRP to the affected Beneficiaries or groups of Beneficiaries, in accordance with the Operator's instructions;
- the Payment Initiation Participant shall confirm to the Operator in writing once the suspension or termination has been effected; and
- the Operator may at any time, in its sole discretion, lift any suspension or withdraw any termination requested in accordance with this Section;
- the Operator may, where it considers this is necessary in order to avoid any adverse impact on other Participants, the Operator, the MLA or the integrity of cVRP, notify other Participants of any termination or suspension of a Beneficiary (and/or any withdrawal of such termination or

lifting of such suspension) in accordance with Section 29.4 (Operator risk communications with Participants and other publicising of risks);

- the Operator may, where it considers this is proportionate, notify the relevant Participant(s) of any criteria or requirements in order for the relevant Beneficiary to be reinstated and the relevant termination to be withdrawn or suspension lifted.

Without prejudice to the Operator's rights and discretions under this Section 20.4, the Operator may publish MLA Guidance Materials, and provide those to Participants, setting out the process the Operator will seek to follow when exercising its rights under this Section. The Operator will not depart from that process unless there is a Mandatory or Emergency Reason or otherwise good reason, based on credible evidence, to do so.

20.5 Reporting to sectoral regulators

The Operator may, in such manner as it may determine, report details of any issues it is aware of relating to Billers which has caused, or may cause, harm to Payers from time to time to any sectoral regulator or industry body or Competent Authority.

The Operator will use reasonable endeavours (subject always to complying with any Applicable Law) to:

- inform the relevant Participant at the earliest opportunity of details to be reported to the relevant sectoral regulator, industry body or Competent Authority, and to consult with the relevant Participant as to whether the relevant Participant has or will self-report the issues to the relevant Competent Authority; and
- provide the relevant Participant a copy of any documents or other submissions the Operator proposes to send to the relevant Competent Authority, and afford the relevant Participant a reasonable period of time (determined by the Operator) to comment on those documents and submissions.

20.6 Switching by Billers or other Beneficiaries

The parties acknowledge that there is currently no generally applicable process or functionality to enable Billers (or other Beneficiaries) to transfer their cVRP Biller Service Agreements and cVRP Mandates from which they benefit between PISPs (or Third Party Agents of PISPs) for example, in the event of:

- the Biller entering into a new cVRP Biller Service Agreement with another PISP (or Third Party Agent of a PISP);
- an Insolvency Event or Force Majeure Event affecting a PISP; or
- a suspension or termination and exit of a Payment Initiation Participant under the MLA; or
- a Biller (or other Beneficiary) changes its bank account.

Accordingly, in the event that a Biller (or other Beneficiary) requires to switch their cVRP Biller Services from any Participant to any other Participant, and/or to implement any other payment acceptance

method for their customers instead, this will require the Biller (or other Beneficiary) to engage with a manual process to implement the switch or change.

The Operator may publish MLA Guidance Materials to support Participants, and Payers and Beneficiaries, with the practical and operational requirements of such scenarios, and the Participants shall take such MLA Guidance Materials into account in their implementations of cVRP pursuant to the MLA.

20.7 Use of intermediaries by Participants

In accordance with Section 34 (Third and Fourth Parties), where any Third Party Agent has or intermediates a relationship with a Biller or Beneficiary in relation to any Participant, the relevant Participant shall procure that relevant Third Party Agent adheres to all requirements relating to dealing with Billers or other Beneficiaries under this Section 20 and all of the relevant Payment Initiation Participant's obligations under this Section shall be interpreted so as to apply to the relevant Third Party Agent.

21 Dealing with disputes about cVRP transactions

21.1 Disputes Schedule and Issue Resolution Platform

The Disputes Schedule sets out processes, and the Issue Resolution Platform provides an operational tool, to support Participants with managing cVRP Mandate & Transaction Disputes and Payer or Beneficiary complaints relating to specific cVRP transactions (where those cVRP transactions have been originated under or in accordance with the MLA).

Each Participant, and the Operator, will comply with those processes when managing such disputes and complaints (and Participants shall not resolve cVRP Mandate & Transaction Disputes through other means).

The Disputes Schedule and Issue Resolution Platform only relate to the process by which cVRP Mandate & Transaction Disputes will be resolved between Participants; the actual outcome of any such cVRP Mandate & Transaction Dispute will be determined in accordance with Applicable Law. The Operator may, however, publish non-binding MLA Guidance Materials to assist Participants with considering and determining how Applicable Law applies to different types of cVRP Mandate & Transaction Disputes.

21.2 Excessive disputes

In this Section, **Monthly Threshold** means, in respect of all cVRP transactions processed by a Participant, or by a Beneficiary, pursuant to the MLA, both a:

- 5% ratio of cVRP Mandate & Transaction Disputes to cVRP transaction count; and
- 50 cVRP Mandate & Transaction Disputes count,

or such other Monthly Threshold as the Operator may notify to all Participants in writing following an expansion of the In-Scope-Use Cases. All cVRP Mandate & Transaction Disputes that are raised or occur shall be taken into account in the above calculations, even if the relevant Participant disputes the validity of such cVRP Mandate & Transaction Dispute.

The Operator monitors and may investigate Beneficiaries and Participants that generate an excessive level of cVRP Mandate & Transaction Disputes, and the Operator may request information from the relevant Participant of the circumstances that caused the Monthly Threshold to be breached.

If the Operator identifies a Beneficiary that meets or exceeds the Monthly Threshold, after discounting any cVRP Mandate & Transaction Disputes in which the relevant Participant or Beneficiary is found not to be at fault, then the Operator may:

- exercise its rights set out in Section 8.2 (Co-operation in relation to Damaging Practices) and/or Section 20.4 (Termination and Suspension of Billers and other Beneficiaries by the Operator) and/or any other right available to it under the MLA; and
- treat this as a Default Event and Section 17 (Default Events) shall apply.

22 Suspension of participation

22.1 Operator's suspension rights

The Operator may limit or suspend a Participant's participation in the MLA, and use of cVRP pursuant to the MLA, in whole or in part (and may set conditions or parameters on such participation and use) (all such actions being, for the purposes of this section, a **suspension**) where the Operator:

- has a right to terminate a Participant's participation in the MLA under Section 23 (Termination of Participation); and/or
- considers it is necessary to address a material security concern arising from an actual or an evidenced suspected Default Event caused by the relevant Participant (or its Beneficiaries, Subcontractors and/or Third Party Agents).

In each case, the Operator shall only exercise its rights under this Section where this is a proportionate response in the circumstances and is necessary to avoid or mitigate an adverse impact on other Participants, the Operator, the MLA or the integrity of cVRP.

Where the Operator exercises its rights under this Section in respect of a Participant:

- so long as the Operator is not prevented from doing so by Applicable Law, or the requirements of any Competent Authority, the Operator will:
 - provide the relevant Participant with as much advance notice as reasonably practicable of any suspension and will specify in such notice (or in a further notice if it is not reasonably practicable to provide such detail in the initial notification): reasonable detail as to the rationale for the suspension, the extent to which the Participant is to be suspended, with effect from which date, and the practical steps the Operator requires to be taken in order to implement such suspension and minimise disruption to Payers, Beneficiaries and the cVRP ecosystem (and the relevant Participant must then take those steps), and the Operator's initial view of the steps that will be required in order to bring the suspension to an end; and
 - notify all other Participants as soon as reasonably practicable of any such suspension, the extent to which the relevant Participant is to be suspended, with effect from which date, and the practical steps the Operator requires Participants to take in order to implement such suspension and minimise disruption to Payers, Beneficiaries and the cVRP ecosystem (and the relevant Participants must then take those steps).
- the Operator will, at the time of exercising the suspension right, or otherwise promptly thereafter, advise the Participant in writing of the steps required to bring the suspension to an end, and shall use all reasonable endeavours to co-operate with the Participant to enable it to do so (provided that it is acknowledged that the Participant, rather than the Operator, is the party required to actually take such steps);
- the relevant Participant shall submit to the Operator its plan to remediate the concerns that gave rise to the suspension, and the Operator and the relevant Participant shall each use all reasonable endeavours to agree that plan;
- the Operator, the suspended Participant and other relevant Participants will co-operate to minimise any disruption to the other Participants, Payers, Beneficiaries and the cVRP ecosystem;

- the suspended Participant shall keep the Operator regularly informed of the steps it has taken to resolve the issue which led to such suspension;
- the Operator shall, at its discretion, withdraw the suspension if and when it is satisfied that suspension is no longer a proportionate response in the circumstances and is not necessary to avoid or mitigate an adverse impact on other Participants, the Operator, the MLA or the overall integrity of cVRP. The Operator will notify the suspended Participant in writing when it determines the suspension is to be withdrawn (which it shall do where, acting reasonably, it is satisfied that the issue has been resolved or that that suspension is no longer a proportionate response in the circumstances and is not necessary to avoid or mitigate an adverse impact on other Participants, the Operator, the MLA or the integrity of cVRP), and of the process to be followed for lifting the suspension, and will notify all other Participants as soon as reasonably practicable of the suspension being withdrawn. The Operator will withdraw the suspension where it determines that the foregoing requirements have been satisfied.

If the Operator only suspends a Participant's participation in part, that Participant shall continue to perform its obligations in respect of any aspect of its participation in the MLA which is not suspended.

Without prejudice or delay to the Operator exercising any of its rights above, where the Operator has any reason to believe that it may seek to exercise its suspension right in respect of a Participant, and so long as the Operator is not prevented from so doing by Applicable Law, or the requirements of any Competent Authority, the Operator shall notify the relevant Participant of this risk as soon as reasonably practicable, and the Operator and the relevant Participant shall each use all reasonable endeavours to agree a plan to remediate the concerns and avoid the suspension needing to take place.

Without prejudice to the Operator's rights and discretions under this Section, the Operator will publish MLA Guidance Materials, and provide those to Participants, setting out the process the Operator will seek to follow when exercising its rights under this Section; the Operator will not depart from that process unless there is a Mandatory or Emergency Reason or otherwise good reason, based on credible evidence, to do so.

23 Termination

23.1 Participant's right to terminate on notice

If a Participant wishes to terminate its Participation Agreement for any reason, and cease participating in the MLA, it must give the Operator at least two (2) months' notice in writing of termination (unless required by Applicable Law or the Operator agrees in writing to any shorter notice period and the Operator shall act reasonably and in good faith in considering any such request for a shorter notice period by a Participant).

Any termination under this Section shall be followed by an applicable Exit Period in accordance with Section 24 (Exit).

23.2 Operator's rights to terminate

The Operator may, without prejudice to its other rights and remedies, by giving written notice to a Participant, terminate a Participant's Participation Agreement immediately (or as of a date specified in the notice of termination) if any of the following occur:

- the Participant ceases to satisfy the Eligibility Criteria; or
- a Default Event has occurred in respect of a Participant but remains unremedied by the relevant Participant within the remediation timeframe agreed with or stipulated by the Operator in accordance with Section 17 (Default Events); or
- a Persistent Default has occurred in respect of the Participant; or
- the Participant has committed a material breach of any of the provisions of the MLA, which: (i) is not capable of remedy or (ii) is capable of remedy and is not remedied within any timeframe required by the Operator in any written notice to the Participant specifying the material breach and requiring the same to be remedied; or
- the Participant is affected by an Insolvency Event or in the Operator's reasonable opinion is highly likely to be affected by an Insolvency Event; or
- the Operator considers (in its absolute discretion) that:
 - the Participant is in breach of any Applicable Law, or the requirements of any Competent Authority (and such breach is relevant to or impacts upon the Participant's participation in the MLA or implementation of cVRP under the MLA); or
 - termination is required as a result of any rule, guidance or instruction of any Competent Authority or any Applicable Law or continuing with the Participant's participation would cause the Operator or other Participants to breach Applicable Law; or
- either:
 - the Participant is affected by what is, in the Operator's reasonable opinion, an excessive number of cVRP Mandate & Transaction Disputes (which is in any event in excess of the Monthly Threshold specified under Section 21.2 (Excessive Disputes); or

- a Change of Control occurs in respect of the Participant; or
- any Force Majeure Event lasting for a period of seven (7) days or more in respect of the Participant,

and the Operator reasonably considers this is likely to have or is having or has had a material adverse impact on any other Participant, group of Participants, the Operator, the MLA or the integrity of cVRP; or

- the Operator, for any other reason, reasonably considers based on credible evidence that continuation of participation in the MLA by that Participant would be materially detrimental to the MLA, the integrity of cVRP, other Participants, Beneficiaries and/or Payers.

In all instances:

- the Operator shall only exercise its termination right under this Section where it determines that termination is a proportionate response in the circumstances;
- where the Operator reasonably determines this would be a more proportionate response to any circumstances that have given rise to a right of termination under this Section, then, without prejudice to the Operator's right to exercise its right of termination at any time, the Operator may (at its discretion) treat such circumstances as a Default Event in respect of the relevant Participant, and may exercise the Operator's rights under Section 17 (Default Events) in relation to the relevant Participant and the circumstances that gave rise to the right of termination, as an alternative to terminating the Participant's Participation Agreement; and any termination under this Section shall be followed by an applicable Exit Period in accordance with Section 24 (Exit).

23.3 Withdrawal or extension of termination notices

Either the Operator or a Participant may withdraw any notice of termination that it has served pursuant to Sections 23.1 or 23.2, at any time prior to the effective date of such termination by notifying in writing: (i) in the case of termination by a Participant, the Operator; and (ii) in the case of termination by the Operator, the relevant Participant, of such withdrawal.

The Operator may, acting reasonably, extend the termination date specified in any notice of termination that has been served by the Operator one or more times.

A Participant may extend the termination date under any notice of termination served by the Participant (which termination date shall be determined in accordance with the relevant provisions of the MLA) by mutual agreement with the Operator. The Operator will reasonably consider any request by a Participant to extend any such termination date but is not obliged to agree to such extension request.

23.4 Termination of the Operator's role

If the Operator wishes to relinquish or cease its role in relation to cVRP, and (where required) such relinquishment or cessation has been approved by a Competent Authority, or if a Competent Authority so requires, the Operator may terminate each Participation Agreement and its role as the operator of the MLA upon giving Participants no less than six (6) months' notice in writing, unless such Competent Authority determines another period is appropriate.

If cVRP continues to operate in the UK, the Operator will use all reasonable endeavours: (i) not to terminate its role before a third party replacement operator has been identified; and (ii) to transfer ownership of the MLA (including the MLA Documents) and transition operational activity relating to its role as Operator to such replacement operator.

Upon any such termination, the Operator may request that the Participants enter into an agreement on substantially similar terms to the Participation Agreement with a party approved by the Operator and/or a Competent Authority (as may be required by the facts prevailing at the time), who shall assume the role or a similar role to the Operator.

24 Exit

24.1 Exit Process

After service of any termination notice under Section 23 (Termination of Participation) in respect of a Participant:

- the relevant Participant shall continue to be under an obligation to perform its obligations under the MLA and to ensure that there is no degradation in the standards of performance until the end of the applicable Exit Period (and all other Participants shall also maintain their relationships with, and fulfil their MLA obligations in respect of, the relevant exiting-Participant for the duration of that Exit Period). This includes that the terminated Participant will continue to be responsible for any financial or other obligations incurred as a result of its participation in the MLA before the end of the applicable Exit Period;
- the Operator may notify any Competent Authority of the relevant Participation Agreement being terminated;
- from the start of the applicable Exit Period, the relevant Participant and the Operator shall each comply with the Participant's Exit Plan (as agreed between the relevant Participant and the Operator in accordance with Section 24.2, below) for the duration of the applicable Exit Period.

24.2 Exit plan and other exit obligations

As soon as reasonably practicable after service of any termination notice under Section 23 (Termination of Participation) in respect of a Participant, and in any event no later than fifteen (15) Business Days after such termination notice, the relevant Participant shall submit to the Operator for approval a detailed Exit Plan, which shall seek to meet the following objectives:

- to ensure that there is an orderly and smooth exit of the relevant Participant from the MLA and all that Participant's obligations and responsibilities to other Participants, and Beneficiaries and Payers, pursuant to the MLA;
- to ensure that the responsibilities of the Operator and the relevant Participant and the exit timetable are clearly defined in the event of exit and transfer;
- to seek to ensure that there is no material disruption or inconvenience caused to Payers and Beneficiaries;
- to uphold the integrity and reputation of cVRP; and
- to deliver any other objective that the Operator considers appropriate.

The Exit Plan must include (to the extent relevant):

- A checklist of all obligations to other Participants
- A checklist of all obligations to Beneficiaries and Payers
- A communications plan and proposed actions to inform Beneficiaries and Payers of the exit

- A communications plan and proposed actions to work (where practicable) with Beneficiaries to migrate services to another provider
- Proposed actions relating to the removal of any Intellectual Property Rights licensed to the relevant Participant (or its Subcontractors or Third Party Agents) pursuant to this MLA
- A timetable in respect of the actions to be taken under the Exit Plan (which cannot be shorter than minimum duration of the Exit Period in accordance with the definition of that term in this Rulebook).

The Operator may, acting reasonably, require additional items to be included in the Exit Plan, based on the Participant, and the circumstances of the termination and exit.

The relevant Participant must continue to iterate and revise its Exit Plan until it has been approved by the Operator (which the Operator must use all reasonable endeavours to do so by no later than one (1) month after its submission to the Operator by the relevant Participant).

Once an Exit Plan has been approved by the Operator, it can only be varied by agreement in writing between the relevant Participant and the Operator.

24.3 Other consequences of exit

A Participant's exit from the MLA for any reason shall not release a party from any Liability which at the time of exit has already accrued to another party or which thereafter may accrue in respect of any act or omission prior to such termination and shall not release the relevant Participant from any Liability arising from any Losses incurred by the Operator prior to the exit.

After the end of the applicable Exit Period, a terminated Participant must additionally:

- not do or omit to do anything that causes Payers or Beneficiaries or the public in general to consider that the terminated Participant continues to be a participant in the MLA;
- continue to fulfil all Participant obligations under the MLA in respect of cVRP transactions completed before the end of the Exit Period (including in relation to any cVRP Mandate & Transaction Disputes that related to such transactions, or any cVRP Mandates, that were processed or put in place before the end of the Exit Period);
- immediately cease the creation of cVRP Mandates and initiation of cVRP transactions to the extent those are created or initiated pursuant to, and in reliance on the relevant Participant's participation in, the MLA;
- (save as strictly required to fulfil any expressly applicable post Exit Period obligations that it has under the MLA) immediately cease and discontinue use of and destroy all printed material and supplies provided to the relevant Participant by the Operator, or by any other Participant by virtue of being a participant in the MLA, or bearing any Operator Owned Marks (and the Operator shall similarly immediately cease and discontinue use of and destroy all printed material and supplies provided by the relevant Participant to the Operator);
- assist the Operator in making all necessary and appropriate changes in official records to indicate that the terminated Participant is no longer a participant in the MLA, and no longer an authorised user of the [Operator Owned Marks];
- continue to comply with all confidentiality provisions under the MLA;

- immediately advise its Payers, Beneficiaries, Subcontractors and Agents;
- immediately terminate all Payer and Beneficiary and Agent agreements to which it is party to the extent they rely on its participation in the MLA; and
- relinquish all of its rights and privileges as a participant in the MLA (save to the extent necessary to address any cVRP Mandate & Transaction Disputes that related to such transactions, or any cVRP Mandates, that were processed or put in place before the end of the relevant Exit Period).

25 Intellectual property

25.1 Pre-existing material

The Operator and each Participant will retain ownership of any Intellectual Property Rights in any Material owned or created by it and/or its third party licensors prior to it being party to the MLA (**Pre-Existing Materials**).

Each Participant and the Operator acknowledges that:

- the MLA Documents, and any ancillary Materials distributed by the Operator, form part of the Operator's Pre-Existing Materials (save to the extent any of the content of the MLA Documents, or any ancillary Materials, are not (as a matter of Applicable Law) owned by the Operator, which may be the case where the MLA contains 'open source' materials, such as the " Commercial Variable Recurring Payments Model Clauses" published by UK Finance Limited (Company number 10250295));
- the relevant cVRP API and relevant cVRP API Materials form part of each ASPSP Participant's Pre-Existing Materials; and
- the relevant API Licensee Application forms part of each Payment Initiation Participant's Pre-Existing Materials.

Unless otherwise expressly agreed in writing by the party which owns such Pre-Existing Materials, the Intellectual Property Rights in any enhancements and modifications to such Pre-Existing Materials carried out during the term of the MLA are to vest in such the relevant party which owns the relevant Pre-Existing Materials, regardless of who carries out such enhancements or modifications.

To the extent that any Intellectual Property Rights in such enhancements and modifications do not vest in the party which owns such Pre-Existing Materials by operation of Applicable Law, the other party/ies will assign both present and future Intellectual Property Rights in such enhancements and modifications to transfer all interests and ownership of such rights to the relevant party which owns the relevant Pre-Existing Materials in order to give effect to this Section.

25.2 Operator IPR

Participants acknowledge that the MLA Documents, any ancillary Materials owned and distributed by the Operator and any Intellectual Property Rights therein, including in any trademarks, service marks and logos of the Operator from time to time are extremely valuable assets of the Operator and Participants agree to refrain from performing any acts that might discredit, disparage, dilute or negatively affect the value of such assets.

25.3 Feedback

Participants may provide feedback to the Operator on the MLA or any other Materials owned and distributed by the Operator to Participants, each Participant acknowledges that the Operator does not wish to receive such feedback unless the Operator is free to use such feedback generally for the benefit of all Participants.

Participants are not obligated to provide or develop any feedback. However, if a Participant or any of its Affiliates provides or develops any feedback, then the Operator shall have and is granted the right to use generally for itself and others to the extent necessary for the development, enhancements, extensions, or implementations relating to the MLA and cVRP. .

Feedback includes comments, ideas, suggestions, submissions, data, information, improvements, enhancements, extensions, or implementations relating to the MLA or cVRP.

Notwithstanding the Operator's rights under this Section, all Intellectual Property Rights in the feedback shall remain with the relevant Participant that provided it. The Operator is granted a non-exclusive, royalty-free licence to use such feedback solely for the purposes described in this Section.

25.4 Know-how

Nothing in the MLA prevents either the Operator or any Participant from using ideas, know-how or any general skills or knowledge gained from the experience of participating in the MLA and retained in the unaided memory of such party's Employee relating to the MLA which either party, individually or jointly, develops or discloses under the MLA (**Residual Knowledge**), provided that in so using Residual Knowledge:

- such party does not infringe the Intellectual Property Rights of any other party or any third party, or breach its obligations of confidence under this (or any other) MLA; and
- this shall not be construed as providing any right or licence to use or disclose any customer (including Payer and Beneficiary) data or MLA Documents or any technical interfaces.

The Operator shall have and is granted the right to use, disclose, distribute, make, reproduce, or commercialise generally for itself and others any information provided to it by a Participant in accordance with Section 15 (Reporting) in an anonymised or aggregated format that: (i) satisfies Good Industry Practice for aggregation and anonymisation/de-identification of data; and (ii) ensures that such data cannot reverse engineered or otherwise used (including through re-identification procedures) to identify any Participant or Beneficiary or Payer or cVRP transaction.

25.5 Inter-Participant cVRP API licences and use

- **Licence to use API:**
 - For the duration of its participation in the MLA, any Payment Initiation Participant may notify any ASPSP Participant that it requires that ASPSP Participant to provide, to the relevant Payment Initiation Participant (or a cVRP-TSP that is its Third Party Agent, as applicable), access to the relevant ASPSP Participant's cVRP API for the purpose of facilitating the set up and operation of Commercial Sweeping VRPs and cVRP from Payers to Beneficiaries in respect of the In-Scope Use Cases (the **Purpose**), in which case the relevant ASPSP Participant must do so in accordance with this Section.
 - With effect from the date of receipt of such request, the relevant ASPSP Participant (**API Licensor**) grants the relevant Payment Initiation Participant (or a cVRP-TSP that is its Third Party Agent, as applicable) (**API Licensee**) a non-exclusive, revocable (in accordance with the terms of this Section), non-transferable and non-sub-licensable (except as expressly stated in this section) licence to:

- access its cVRP API;
- integrate the cVRP API into the API Licensee Application; and
- use the applicable cVRP API Items,

in each case, solely for the Permitted Purpose.

- The API Licensee shall not use the API Items contrary to the terms of this Section or otherwise in a way that is not expressly permitted by the MLA.
 - Where the API Licensee is a cVRP-TSP that is the Third Party Agent of a Payment Initiation Participant, the Payment Initiation Participant must ensure that the cVRP-TSP complies with the terms of this Section, and shall be liable to the relevant API Licensor in the event of any breach. The relevant API Licensor may also require that the relevant cVRP-TSP enters into a separate direct contract with that API Licensor setting out the terms of that direct licence.
 - The API Licensor shall notify the Operator of the grant of each such licence (and the name of the relevant API Licensee), no later than five (5) Business Days after the grant of each such licence, to enable the Operator to keep a record of all such licences granted pursuant to the MLA.
 - Where applicable to an API, the relevant API Licensor shall make available to its API Licensees the relevant API Materials, as amended and varied from time to time. The relevant API Licensee must:
 - comply with the terms set out in the API Materials in connection with the integration and use of the API; and
 - keep all user IDs, passwords and other access codes and credentials pertaining to, or used to access, the API confidential and secure from all Unauthorised Use.
 - Nothing in the MLA is intended to nor shall grant any API Licensee any right to access or use any IT systems, applications or data of any API Licensor (nor any Intellectual Property Rights subsisting in the same) other than the API Items.
 - Each API Licensor shall ensure that that use of such API Items by an API Licensee in accordance with the MLA does not infringe the rights of any third party.
- **Acceptance and integration:**
 - Promptly following the grant of any licence under this Section, the relevant API Licensor, relevant API Licensee and the Operator shall work together in good faith in order to ensure that the cVRP API Services can be provided as soon as possible.
 - In order to do so, the relevant API Licensor must publish on a centralised platform owned or operated by or procured for use by Participants by the Operator or approved by the Operator and relevant API Licensee will agree in writing the following:
 - acceptance criteria for successful integration between the cVRP API and the API Licensee Application, and the acceptance testing processes required to test the same;

- the relevant timeframes and responsibilities of the parties in respect of any such acceptance testing;
- the applicable go-live date;
- any restrictions on use, the details of any access keys and any additional security requirements; and

and as part of the acceptance and integration process, the relevant ASPSP Licensor shall ensure that it has and that the relevant API Licensee has access to a testing environment that accurately replicates the production environment in all material respects, and the relevant API Licensee shall ensure that it conducts, and can conclusively demonstrate, successful testing of the relevant APIs within its environment prior to initiating any connection to production interfaces.

- The relevant API Licensor and relevant API Licensee shall cooperate and undertake such further actions as may be reasonably necessary to ensure that the Operator is promptly informed about such agreement, and any developments thereto, specifically relating to: (i) the relevant timeframes; (ii) the go-live date; and (iii) any Third Party Agent(s).
 - On request from the relevant API Licensee, the relevant API Licensor shall provide the relevant API Licensee with reasonable assistance and access to information as is reasonably required for the relevant API Licensee to:
 - fully integrate the API Licensee Application with the relevant cVRP API so that the relevant API Licensee can successfully receive the API Data via the relevant API; and
 - if applicable, continue to make successful API calls to receive the API Data via the relevant cVRP API in accordance with the terms of the MLA.
 - Each of the API Licensee and the API Licensor shall bear their own costs of implementing the licence and integration contemplated in this Section.
- **Use of the APIs and API Materials**
 - The API Licensee shall comply with the relevant Access Keys and Security Requirements at all times and the API Licensee shall immediately notify the Operator and the relevant API Licensor in writing if it becomes aware of any circumstance in which it is, or may be in the future, non-compliant with the Access Keys and Security Requirements.
 - The API Licensee shall take all reasonable steps to prevent any Unauthorised Use and/or fraud, and shall notify the Operator and the relevant API Licensor promptly, and in any event within twenty-four (24) hours, if it becomes aware of any fraud or Unauthorised Use.
 - The relevant API Licensee shall store any access tokens, keys and secrets (together, **Access Credentials**) issued to it by the relevant ASPSP Participant, securely and shall not allow the Access Credentials or tokens to be distributed in such a way that a customer or other third party could access them.
 - An API Licensor shall notify the Operator if it reasonably believes there is a risk that such Access Credentials have been accessed by a third party, and the Operator may

then permit the relevant API Licensor to suspend or revoke the API Licensee's Access Credentials. The relevant API Licensor and API Licensee shall then co-operate so that replacement Access Credentials may be issued following demonstration by the relevant API Licensee that such Access Credentials will be stored securely.

- An API Licensee shall notify the Operator if it reasonably believes that the relevant cVRP API, the cVRP API Services or the connection between the relevant cVRP API and the API Licensee Application poses a material security risk to, or will cause material performance issues for, the API Licensee's systems or networks, and the Operator, and then permit the relevant API Licensee to suspend the connection between the API Licensee Application and the relevant cVRP API. The API Licensee will keep the API Licensor and Operator updated and will provide such information as is reasonably requested by the API Licensor and the Operator in relation to such suspension. The relevant API Licensor and API Licensee shall then co-operate so that the risks and issues can be resolved so that the relevant API Licensee may reconnect to the relevant cVRP API.
- Except to the extent expressly permitted under the MLA, API Licensees shall not and shall procure that their Third Party Agents shall not:
 - store, distribute or transmit any material through the cVRP APIs, or use the cVRP API Data or cVRP API Services in a way, that is unlawful, illegal or causes damage or injury to any person or property;
 - except as may be permitted by any Applicable Law:
 - attempt to copy, duplicate, modify, translate, adapt, alter, create derivative works from, display, transmit, or distribute all or any portion of the API Items in any form or media or by any means; and
 - attempt to reverse compile, disassemble, reverse engineer or otherwise reduce to human-perceivable form all or any part of the API Items;
 - access all or any part of the API Items in order to build a product or service which competes with APIs. This shall not prohibit the relevant API Licensee from independently developing its own APIs;
 - use the API Items (or any part of any of the foregoing) to provide services to any third party which are unrelated to, and/or not required for, the Permitted Purpose;
 - licence, sell, rent, lease, distribute, display, disclose, or otherwise exploit the API Items (or any part of any of the foregoing);
 - otherwise make the API Items (or any part of any of the foregoing) available to any third party;
 - attempt to connect to, provide access to, or use API Items (or any part of any of the foregoing) for any purpose not expressly authorised by the MLA;
 - use the cVRP APIs, API Data or cVRP API Services:
 - to make any Personal Data or API Licensor group Confidential Information publicly available; and

- in any way which may infringe the Intellectual Property Rights of a third party;
- create permanent copies of the API Items except to the extent permitted by the MLA;
- make derivative works of, or commercially distribute or otherwise exploit the API Items, or use any of the API Items in a manner that inaccurately suggests an association between API Licensor and API Licensee; or
- otherwise use or exploit the API Items in any way for any purpose except as specifically permitted by the MLA.

25.6 Inter-Participant and Participant to Operator trade-mark licences

Each ASPSP Participant grants:

- to each relevant Payment Initiation Participant, from the date which that ASPSP Participant has granted an API licence to that Payment Initiation Participant in accordance with Section 25.5 (and until the expiry of such licence); and
- to the Operator,

a limited, non-exclusive, non-transferable, non-sublicensable (other than to Third Party Agents), royalty-free and revocable licence to use that ASPSP Participant's Marks solely in connection with the MLA, and specifically, identifying that ASPSP Participant in connection with: (i) in the case of a Payment Initiation Participant making its customers and other third parties aware of the parties' mutual participation in the MLA; and (ii) in the case of the Operator, operating and publicising the MLA.

Each Payment Initiation Participant grants to:

- each relevant ASPSP Participant, from the date which that ASPSP Participant has granted an API licence to that Payment Initiation Participant in accordance with Section 25.5 (and until the expiry of such licence); and
- to the Operator,

a limited, non-exclusive, non-transferable, non-sublicensable (other than to Third Party Agents), royalty-free and revocable license to use that Payment Initiation Participant's Marks solely in connection with the MLA, and specifically, identifying the Payment Initiation Participant in connection with: (i) in the case of the ASPSP Participant, making its customers and other third parties aware of the parties' mutual participation in the MLA; and (ii) in the case of the Operator, Operating and publicising the MLA.

In relation to the above licences to use Marks:

- The parties acknowledge that these licences are without prejudice to the terms of any separate trade-mark licences that may be in place bilaterally between any parties.
- All uses of a licensor's Marks in accordance with this Section must be agreed in writing by the relevant licensor (acting reasonably and in good faith) before the relevant licensee may use the Marks pursuant to this Section.

- All licences of Marks under this Section shall be revocable by the relevant licensor (acting reasonably and in good faith) in the event of breach of the terms of this Section or misuse of such Marks outside the scope of the licence by a licensee (but such revocation shall take effect only against the licensee that was in breach or responsible for such misuse).
- Any sublicensing of any licence granted under this Section shall only be to Third Party Agents (as noted above) and shall only be on terms that are equivalent to those set out in this Section.
- In the event any licensor does not agree to any usage of its Marks by any licensee, or objects to any licensee's (or any licensee's Third Party Agent's) use of any Mark licenced under this Section, it may notify that licensee in writing, and the relevant licensee shall then, promptly, cease using (and procure that any relevant Third Party Agents cease using) the relevant Marks in the manner that has been objected to. In the event such non-agreement, or objection, means that any licensee is unable to use another Participant's Marks in the manner intended by this Section, then the impacted licensee may treat this as an Inter-Participant disagreement under Section 6.2 (Inter-Participant disagreements) and the processes set out in that Section shall apply.
- Each party recognises that each Participant's Marks are extremely valuable assets and each Participant agrees to refrain from performing any acts that might discredit, disparage, dilute, infringe or negatively affect the value of any Participant's Marks.
- Each party is only permitted to refer to a Participant and use that Participant's Marks solely as necessary in connection with the performance of its obligations under the MLA, solely for the purpose of making Payers, Billers and other third parties aware of the parties' mutual participation in the MLA, and solely in the manner permitted under this Section or as otherwise approved in writing by the relevant licensor.
- No party shall use any other party's Marks in any way that implies any co-operation between the parties beyond mutual participation in the MLA, and no party shall use such marks to imply any endorsement by any other party of any aspect of its business, products or operations.
- No party shall in any manner represent that it owns any rights in any other party's Marks, nor do, or omit to do, or procure or assist to be done, any act that may invalidate or jeopardise any registration of any other party's Marks, including use that could reasonably be expected to result in any of the Marks becoming generic, losing distinctiveness, becoming open to challenge or becoming liable to mislead the public.
- Each party shall comply with all Applicable Laws and the relevant party's standard brand guidelines, and where a party is not aware of another party's standard brand usage guidelines, it must request them from the relevant party.
- Each party shall ensure that use of such other party's Marks does not infringe the rights of any third party or bring the MLA into disrepute.
- Each licensor of Marks pursuant to this Section warrants to each licensee that:
 - it is the sole legal and beneficial owner of the Licensed Marks and has full right, title, and authority to grant the rights set out in this Section;
 - to the best of its knowledge, the licensed Marks are validly registered, subsisting, and enforceable in the UK; and
 - the licensed Marks do not infringe the rights (including Intellectual Property Rights) of any third party in any material respect.

- Each party that is a licensee of Marks under this Section warrants and undertakes that it shall:
 - use the licensed Marks in accordance with the terms of this Section and any applicable usage guidelines issued by the licensor from time to time;
 - promptly notify the licensor of any actual, threatened, or suspected infringement of the licensed Marks or any challenge to their validity or ownership that comes to its attention;
 - cooperate with the licensor in taking any steps reasonably required to protect or defend the licensed Marks, including providing information or evidence in the licensee's possession or control; and
 - not take any action, or fail to take any action, that could reasonably be expected to harm the validity, enforceability, or goodwill associated with the licensed Marks;
- cooperate with the Licensor in maintaining, renewing, and protecting any existing registrations of the Licensed Marks, including providing any reasonable assistance or information as requested by the Licensor.

26 Data Protection

[Drafting note: provisional draft only. Full details of data flows and DPIA required to finalise drafting of this section, which will require input from the MLA Operator once they have been identified.]

26.1 Roles of the parties

The parties acknowledge and agree that it is the factual arrangement between them which dictates the role and status of each party under Data Privacy Laws in respect of the sharing and processing of any personal data in connection with the MLA. Notwithstanding the foregoing, the parties anticipate that:

- each Participant and the Operator may share personal data with one another as independent controllers; and
- each Participant, by virtue of its participation in the MLA, may share personal data with other Participants on an independent controller basis.

In the event that either party is required to process personal data as a processor on behalf of the other party as controller, or if it is determined that the parties are joint controllers, then the parties shall enter into a separate data processing or joint controller agreement where necessary to ensure such processing is compliant with Data Privacy Laws.

26.2 Sharing between each Participant and the Operator

It is anticipated that each Participant and the Operator may share personal data with one another as independent controllers in the following circumstances:

- each Participant may share personal data about its Participant Representative or Participant Portal Representative or authorised delegate with the Operator and other Participants, and the Operator may share personal data about the Operator Representative or authorised delegate with the Participants, so that the parties may communicate with each other and so that the Operator may maintain a register of same;
- the Operator may process certain personal data shared with it by Participants to effectively administer the MLA;
- the Operator may process certain personal data shared with it by Participants to monitor Participants performance with the MLA;
- Participants may share personal data with the Operator so that the Operator can handle cVRP Transaction Disputes pursuant to Section 21 (Dealing with disputes about cVRP Transactions).

26.3 Sharing between each Participant

It is anticipated that each Participant may share personal data with one another as independent controllers by virtue of its participation in the MLA.

26.4 Data sharing obligations

In respect of the shared personal data described in the bullets under Section 26.1 (Roles of the Parties), each Participant and the Operator shall:

- comply with all the obligations imposed on a controller under Data Privacy Laws in respect of any personal data they receive from another party on a separate controller basis in the context of the MLA, and shall not by any act or omission put another party in breach of its obligations under Data Privacy Laws;
- ensure that it has in place appropriate technical and organisational measures to protect against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data;
- where reasonably requested, assist the other party in complying with all applicable requirements of Data Privacy Laws;
- notify the other party (or parties) without undue delay, and in any event within twenty-four (24) hours of becoming aware of a personal data breach relating to the shared personal data, and provide such co-operation, assistance and information as the other party (or parties) may reasonably require,
- notify the other party (or parties) without undue delay, and in any event within seventy-two (72) hours, and provide such co-operation, assistance and information as the other party (or parties) may reasonably require if:
 - it receives any request from an individual with respect to the shared personal data, including the exercise of data subject rights under Data Privacy Laws; and
 - it receives any complaint, notice or communication which relates directly or indirectly to the processing of the shared personal data or to any party's compliance with Data Privacy Laws and/or the data protection principles set out therein.
- The party disclosing the personal data to another party:
 - warrants that all such personal data has been collected or obtained by it or on its behalf in accordance with Data Privacy Laws;
 - shall ensure that the personal data is accurate and up to date and it has all necessary notices and consents and lawful bases in place to enable lawful sharing of any personal data to the party receiving the personal data;
 - shall give full information to any data subject whose personal data may be shared with another party of the nature of such sharing with the party receiving the personal data; and
 - shall notify the party receiving the personal data immediately if it becomes aware of any change or circumstance (other than a change in Applicable Law) which will, may, or is alleged to, impact the lawfulness of any processing of the personal data by the party receiving the personal data.
- The party receiving the personal data shall:

- process the personal data it receives from the party disclosing the personal data only for the purposes of exercising rights or fulfilling its obligations or for any other purpose anticipated in the MLA;
- not disclose or allow access to such personal data to anyone other than:
 - to those of its directors, Employees, advisers, auditors, representatives or suppliers who require to access it for the purposes of the MLA, provided that the foregoing permitted recipients are subject to written contractual obligations concerning such personal data (including obligations of confidentiality); or
 - as may be required to comply with any correspondence or request from any Competent Authority (including the Information Commissioner's Office), or as otherwise may be required to comply with Applicable Law; and
- not disclose or transfer any personal data outside of the UK or EEA unless such transfer is subject to adequate safeguards and otherwise complies with Data Privacy Laws.

27 Data and record keeping

27.1 Record keeping

Each Participant and the Operator shall keep accurate books and records related to the performance of its obligations under the MLA.

Without affecting the broader application of the above:

- each ASPSP Participant and Payment Initiation Participant shall maintain records of Payer cVRP transactions (including attempted cVRP transactions) in connection with their respective roles in the making of a cVRP transaction. This will include:
 - in the case of the Payment Initiation Participant, records of:
 - its Payer's cVRP Mandate;
 - its Payer's consent to the cVRP Mandate;
 - its Payer's cVRP Authorisation Parameters;
 - its request to initiate the cVRP;
 - any cVRP Mandate cancellation requests;
 - any information relating to Damaging Practices; and
 - Complaints Information; and
 - in the case of the ASPSP Participant, records of:
 - the cVRP Mandate being set up on the Payer's account;
 - the execution of the cVRP;
 - any cancellation of a cVRP Mandate according to instructions received from the Payment Initiation Participant or the Payer directly; and
 - any information relating to Damaging Practices;
- each ASPSP Participant and Payment Initiation Participant shall maintain records demonstrating compliance with their obligations under Section 19 (Relationships with Payers) and 20 (Relationships with Billers and other Beneficiaries);
- each Payment Initiation Participant will require each Biller with which it has a cVRP Biller Services Agreement, to maintain complete records of cVRP transactions it accepts and the sale of goods or services to which its cVRP transactions relates. This must include records of:
 - the name of the customer or route to the customer via an identifier;
 - the purchase amount and dates of the related cVRP transactions;
 - a description of the goods or services purchased; and
 - Complaints Information.

27.2 Record management

Each Participant shall ensure that the records it is required to maintain under the MLA:

- are complete, accurate and up-to-date;
- are stored so they will remain accessible, retrievable and readable until their ultimate disposal or destruction; and
- are stored in accordance with [Infosec clause] and [DP clause], where applicable.

27.3 Record retention period

Each Payment Initiation Participant shall maintain the records it is required to maintain pursuant to the MLA for the following retention periods:

Record	Retention period
<ul style="list-style-type: none"> • a Payer's cVRP Mandate • a Payer's consent to a cVRP Mandate • a Payer's cVRP Authorisation Parameters 	at least six (6) years following the later of: (i) the last cVRP transaction subject to that cVRP Mandate; or (ii) expiry or revocation of that cVRP Mandate
Any other records	at least six (6) years following the date of creation of the relevant record.

Each ASPSP Participant shall maintain the records it is required to maintain pursuant to the MLA for the following retention periods:

Record	Retention period
A cVRP Mandate being set up on a Payer's account	at least six (6) years following the later of: (i) the last cVRP transaction subject to that cVRP Mandate; or (ii) expiry or revocation of that cVRP Mandate
Any other records	at least six (6) years following the date of creation of the relevant record.

In addition, each Payment Initiation Participant will require each Biller under the relevant Biller Services Agreement to maintain the Biller records described in Section 27.1 (Record keeping) for a period of at least six (6) years following the date of creation of the relevant record.

Where records are required to be maintained for a period that is different to the periods required by this Section, to comply with any Applicable Law, the relevant Participant shall maintain (or in the case of a Payment Initiation Participant, shall require the relevant Biller to maintain) the required records in accordance with such Applicable Law.

28 Information security

28.1 Information security program

Each Participant and the Operator shall, in respect of all information and data it has in its possession or control under the MLA and/or its implementation of cVRP under the MLA, maintain an information security program designed to:

- secure and maintain the confidentiality of information held by such party;
- protect against any anticipated threats or hazards to security of information held by such party;
- protect against unauthorised access to or use of information held by such party that could result in substantial harm or inconvenience to a Payer or Beneficiary whose information is compromised; and
- comply with Applicable Law.

Each party shall secure and protect such information and data (including any other party's Confidential Information) using at least the same degree of care as it uses to secure and protect its own information and data or its own Confidential Information (as applicable), but no less than a reasonable degree of care as determined by the nature of the MLA and the highest industry standards to prevent the Unauthorised Use, disclosure, or duplication of Confidential Information.

Each party shall immediately advise the Operator (unless the party in breach was the Operator itself) and any materially impacted Participant of any security breach it suffers that has compromised any of such other party's Confidential Information, and of any unauthorised misappropriation, disclosure, or use of such Confidential Information by any person which may come to its attention (a **Data Security Breach**).

28.2 Data security breach

In addition to any other obligation on a party to notify the Operator or another Participant of any issues under the MLA, following any Data Security Breach, the breached party shall follow the protocol set out below.

Where a party is aware of any security breach that has compromised any other party's Confidential Information, or unauthorised misappropriation, disclosure, or use of such Confidential Information by any person (Data Security Breach), that party will:

- in the most expedient time possible under the circumstances, and at its expense, investigate the Data Security Breach to identify, prevent and mitigate the effects of the Data Security Breach and to carry out any recovery or other action necessary to limit, stop, or otherwise remedy the Data Security Breach;
- without undue delay (and, in any event, within forty-eight (48) hours) after becoming aware of the Data Security Breach, notify the Operator (unless the party in breach was the Operator itself) and any materially impacted Participant of the Data Security Breach ((and follow-up with a detailed description in writing, including the cause of the Data Security Breach, remedial action taken and the potential consequences of the Data Security Breach); and

- implement any additional actions or remedial measures reasonably necessary to resolve, and mitigate the effects of, the Data Security Breach (including notification and cooperation with Competent Authorities and compliance with any requirements pursuant to Applicable Law).

If a Data Security Breach involves an actual compromise of the security, confidentiality or integrity of Personal Data, the provisions of Section 26 (Data Protection) shall apply, and not this Section.

If a conflict arises between the provisions of this Section 28 (Information Security) and the Relevant Standards, the provisions that impose the higher degree of stringency shall prevail and be applied (to be determined by the Operator, acting reasonably).

29 Confidentiality

29.1 General obligations of confidentiality

Each party to the MLA (whether a Participant or the Operator, and each being, for this purposes of this Section, a **Recipient**) undertakes to treat as confidential all Confidential Information disclosed to it by or concerning another party to the MLA (each being, for the purposes of this Section, a **Disclosing Party**).

This applies to Confidential Information shared before and after, in the case of the Participant, the date of its Participation Agreement and for the Operator, the effective date of the Rulebook.

All Confidential Information is provided by Disclosing Parties to Recipients only for the purposes of the implementation and operation of cVRP or the purposes of exercising rights or complying with obligations under the MLA.

Each Recipient agrees to maintain Confidential Information in strict confidence and to use reasonable care, but in any event no less than the same degree of care that it uses to protect its own confidential and proprietary information, to prevent any Unauthorised Use, disclosure, publication or dissemination of the Confidential Information.

Each Recipient shall promptly, and in any case within forty-eight (48) hours, notify the Disclosing Party if it becomes aware of any unauthorised publication or disclosure of the Disclosing Party's Confidential Information and shall take all possible action to prevent further publication or disclosure.

Where a Participant is the Recipient, it may only use Confidential Information as reasonably required for the purposes of the implementation and operation of cVRP and in accordance with the MLA.

Where the Operator is the Recipient, it may only use Confidential Information to carry out its role and obligations in relation to the operation of the MLA and exercise its rights under the MLA.

The obligations in this Section 29 (Confidentiality) will remain in full force and effect following the termination or expiry of the MLA (or of any party's participation in it).

Each Recipient also acknowledges that unauthorised disclosure or use of the Confidential Information could cause irreparable harm and significant injury to a Disclosing Party, for which monetary damages alone may not be an adequate remedy. A Disclosing Party will have the right to seek and obtain immediate injunctive relief to enforce a Recipient's obligations under the MLA in addition to, and not in lieu of, any other rights and remedies it may have.

29.2 Disclosures to third parties

Section 29.1 (General obligations of confidentiality) does not prohibit disclosure of Confidential Information:

- to the Recipient's own Employees, director, professional advisors, Third Party Agents and Subcontractors who need to know it;
- to the Recipient's auditors;

- subject to this Section, to any person having a legal or regulatory right to request and receive that information (including a Competent Authority), provided that the Recipient will provide as much advance written notice of the required disclosure to the Disclosing Party where permitted to do so by Applicable Law and shall consider reasonable requests by the Disclosing Party in relation to the content or timing of any such disclosure; or
- to report misconduct or provide information (in the case of the Operator, relevant to its oversight of the MLA and in the case of a Participant, relevant to its participation in the MLA) to a Competent Authority; or
- that is now or subsequently enters the public domain lawfully other than due to a breach of the MLA, or has been deemed not to be confidential as agreed by the parties in writing.

Each Recipient will ensure that any person mentioned above:

- is made aware, prior to any disclosure of Confidential Information, that it is confidential and that such person owes a duty to the Disclosing Party to keep it confidential; and
- where such person is not an Employee or director of the Recipient, nor a Competent Authority, enters into a written confidentiality undertaking with the Recipient on substantially equivalent terms to those in this Section 29 (Confidentiality) before disclosure. A copy of such confidentiality undertaking will be provided by the Recipient upon request by a Disclosing Party.

The Recipient shall in any event procure that such person complies with the duty of confidentiality imposed by this Section 29 (Confidentiality) as if they were a party to the MLA except where the Recipient has been compelled by Applicable Law to make the disclosure.

29.3 Publicity

Subject to Section 11.2 (Regulatory Engagement), no Participant will make any public announcement or disclosure about the MLA or the Operator without the prior written consent of the Operator.

The Operator may make public announcements about the MLA or its role in respect of the MLA at any time.

Nothing in this Section shall prevent a Participant from:

- marketing or promoting its implementation and operation of cVRP; and
- making any public announcement, communication or circular required by Applicable Law.

The Operator may also use or publish any non-Confidential Information disclosed to it by any Participant to meet transparency principles or to benefit other Participants, prospective participants, Beneficiaries and/or Payers, provided that the Operator will use reasonable endeavours (subject always to complying with any Applicable Law) to inform the relevant Participant at the earliest opportunity of details to be so published, and to consult with the relevant Participant in respect of the proposed publication.

29.4 Operator risk communications with Participants and other publicising of risks

The Operator may, from time to time, at its sole discretion, and in such manner as it decides (subject always to complying with Applicable Law) notify other Participants, where it considers this is necessary in order to avoid any adverse impact on other Participants, the Operator, the MLA or the integrity of cVRP, of:

- any instances of Out-of-Scope Use Cases in accordance with Section 3.4 (Notification of Out-of-Scope activity and remedial action);
- any Default Events or Incidents (or evidenced suspected Default Events or Incidents) in accordance with Section 17.1 (Notification of Default Events or Incidents);
- the termination or suspension of any Biller or other Beneficiary in accordance with Section 20.4 (Termination and suspension of Billers and other Beneficiaries by the Operator);
- any actual or evidenced suspected risks, or Damaging Practices, relevant to any Participant's implementation and operation of cVRP and/or the circumstances of such actual or suspected risks.

The Operator shall not name the impacted or responsible Participants in any such notification, unless the Operator considers (at its sole discretion) it necessary for any reason, in which case it may disclose such names.

If a Default Event, Incident and/or the circumstances surrounding either or both of them is published by a Competent Authority, or if a Competent Authority directs the Operator to publicise the Default Event or Incident, the Operator may also then publicise the Default Event or Incident and/or circumstances surrounding it in any manner it decides or the Competent Authority directs.

The Operator may publicise any actual Default Event, Incident and/or circumstances surrounding either or both of them on its website. The Operator shall not name the impacted or responsible Participants in any such notification, unless the Operator considers (at its sole discretion) it necessary for any reason, in which case it may disclose such names.

The Operator shall not be liable to any Participant in respect of any Losses suffered or incurred by that Participant as a result of or in connection with any such communication or publicity, or any errors in any such publicity made in good faith by the Operator.

If any errors are shown to have been made by the Operator in any such communication or publicity, the Operator shall (after it becomes or is made aware of it) publish a correction statement with equal prominence to that given to the relevant erroneous publication.

30 Inter-Participant fees and charges

30.1 [insert sub-title]

[Drafting note: this Section to be developed once the economic model is available.]

31 Operator fees and contingency fund

31.1 [insert sub-title]

[Drafting note: this Section to be developed once the economic model is available.]

32 Liability

[Drafting note: this Section outlines provisional proposals for the MLA, which will need to be revisited between the Participants and the Operator once the identity of, and funding arrangements for, the Operator are known.]

32.1 Background

The following categories of Liability (and related Claims) could arise under or in connection with the MLA:

- **Operator to Participant Liability:** one or more Participants could bring a Claim against the Operator.
- **Participant to Operator Liability:** the Operator could bring a Claim against one or more Participants.
- **Inter-Participant Liability:** one or more Participants could bring a Claim against other Participants.

This Section 32 (Liability) sets out the terms that apply to each of these categories of Liability.

32.2 General liability terms

The following terms shall apply to the Liability of each of the Participants and the Operator to each other party under the MLA:

- nothing in the MLA shall limit or exclude the Liability of any party for the following:
 - death or personal injury caused by the negligence of a party or its officers, employees, agents, contractors or subcontractors;
 - any fraud or fraudulent misrepresentation (including that of its officers, employees, agents, contractors or subcontractors);
 - any matter in respect of which it would be unlawful for the parties to exclude or limit liability;
 - [payment of the amount of any undisputed Fees [and applicable interest (if any)] due to any other party under the MLA,]

(all of which shall be classified as **Unlimited Liability**)

- subject to any Unlimited Liability (and to Out-of-Scope Liability, as detailed under Section 32.8), no party will be liable to another party for any indirect Losses arising out of and/or in connection with the MLA, even if such indirect Losses were foreseeable and notwithstanding that a party had been advised of the possibility that such indirect Losses were in the contemplation of the other party; and
- nothing in the MLA shall be deemed to relieve any party of its duties under Applicable Law (including its common law duty) to use reasonable endeavours to mitigate any Losses incurred by it.

32.3 Liability of the Operator to Participants

Subject at all times to Section 32.2 (General Liability Terms), Section 32.4 (Claims against the Operator by multiple Participants), and Section 32.5 (Amounts the Operator recovers from its subcontractors or agents in respect of Participant Claims), the maximum aggregate Liability of the Operator to all Participants, arising out of and/or in connection with the MLA, in respect of Claims arising in any [Calendar Year], shall not (in such [Calendar Year]) exceed the Aggregate Operator Liability Cap.

In addition, the Operator:

- is only liable for those obligations, responsibilities and matters which are specifically allocated to it under the terms of the MLA, and shall not be responsible for any obligations or responsibilities arising separately between Participants by operation of Applicable Law or Payment Scheme Rules;
- shall not be liable to any Participant for the amount of any Losses which directly result from any acts or omissions or defaults of that Participant, or any other Participant.

32.4 Claims against the Operator by multiple Participants

Where two or more Participants have Claims against the Operator arising in the same [Calendar Year], the Participants bringing such Claims will share the Aggregate Operator Liability Cap available in that [Calendar Year] on a pro rata basis, and:

- if it is calculated by the Operator that, in any Calendar Year, the total Liability of the Operator to any one or more Participants in respect of all Claims arising in that Calendar Year exceeds the Aggregate Operator Liability Cap, then the total Liability of the Operator in respect of each such Claim will be reduced proportionately by the amount that exceeds the Aggregate Operator Liability Cap for that Calendar Year;
- the amount of the reduction to be applied to each relevant Participant's Claim will be either:
 - agreed between the relevant Participants and the Operator; or
 - failing such agreement, calculated by the Operator (acting reasonably) by assigning to each relevant Claim a percentage which represents the (pounds Sterling) value of that Claim as a proportion of the aggregated (pounds Sterling) value of all relevant Claims. Where the Operator does so calculate such percentage, it shall do so based on its sole opinion, and without liability to the Participants, and the Operator's calculation shall be final.

If, in respect of any Calendar Year, the Operator has already paid to any Participant an amount in respect of a Claim, and subsequently there are further Claims arising in respect of that same Calendar Year which would result in the Aggregate Operator Liability Cap for that Calendar Year being exceeded, then that Participant shall reimburse the Operator on demand any amounts that has already been paid to it to the extent necessary to give effect to the Aggregate Operator Liability Cap in accordance with this Section.

32.5 Amounts the Operator recovers from its subcontractors or agents in respect of Participant Claims

Where the Operator:

- is entitled to rely on the Aggregate Operator Liability Cap in respect of any Claim against the Operator by one or more Participant(s); but
- any of the Operator's subcontractors or agents is liable to the Operator in respect of any such Claim, and as a result the Operator is able to recover from such subcontractor(s) or agent(s):
 - the amount of the Operator's capped Liability to the relevant Participant(s) under this Section (the **Capped Liability Amount**); and
 - any additional amounts above the Capped Liability Amount (the **Additional Sums**),

the Operator shall use its reasonable endeavours to recover such Additional Sums. Where it does recover any such Additional Sums, the Operator shall:

- (unless it has already fully compensated the relevant Participant(s) for its (or their) Losses), pay them (net of the Operator's costs, as set out below) to the relevant Participant(s); and
- not rely on the Aggregate Operator Liability Cap to avoid paying such amounts to the relevant Participant(s).

The Operator's obligations under this Section 32.5 are subject to the following provisos:

- any amounts to be paid by the Operator under this Section shall not exceed the Additional Sums actually recovered by the Operator from its subcontractor, or agent;
- where the Additional Sums are for the benefit of more than one Participant, the Operator shall apportion such Additional Sums on a pro rata basis between the relevant Participants; and

the Operator's costs (that are properly incurred, direct and non-recoverable) of bringing any Claim against the subcontractor, or agent (or a pro rata share of those costs, where recovery is on behalf of more than one Participant, or is also in behalf of the Operator), shall be deducted from any Additional Sums to be paid to any Participants under this Section.

32.6 Participant liability to the Operator

Participant Liability to the Operator is governed by the following principles:

- No Participant shall be liable to the Operator, including under the indemnity set out in this Section, for any Losses which directly result from:
 - any acts or omissions or defaults of the Operator (or any of its subcontractors or agents); or
 - any acts or omissions or defaults of any other Participant (or any such other Participant's subcontractors, agents or Third Party Agents).
- Subject to the first bullet above:
 - **[Drafting note: either:]** [the MLA does not specify any financial cap to limit the maximum aggregate Liability of a Participant to the Operator arising out of, or in connection with, the MLA.] **[Drafting note: or.]** [subject always to Section 32.2 (General

Liability Terms), the maximum aggregate Liability of a Participant to the Operator, arising out of or in connection with the MLA, in respect of Claims arising in any Calendar Year, shall not (in such [Calendar Year]) exceed the Participant to Operator Liability Cap.]

- each Participant is responsible for, and indemnifies the Operator (and its respective Affiliates, and its and their officers, directors, employees, agents and contractors) on demand for and against, Claims and Liabilities arising out of or in connection with any of the following:
 - any act or omission by the relevant Participant or any of its subcontractors, agents or Third Party Agents, including any failure by that Participant, or any of its subcontractors, agents or Third Party Agents, to comply with any MLA Document; and/or
 - the relevant Participant's, or any of its subcontractors', agents' or Third Party Agents', implementation and operation of cVRP pursuant to the MLA.
- subject to Applicable Law:
 - the Operator will notify the relevant Participant (the "**Indemnifying Party**") in writing promptly after it becomes aware of any event or any Claim against it, which it believes may give rise to a claim for indemnification under the above indemnity; and
 - (where the claim for indemnification arises due to a Claim against the Operator by a third party) the Operator and the relevant Participant shall (each acting reasonably and in good faith) meet to discuss and consult for a reasonable period (determined by the Operator), as to whether the Operator's proposed approach in relation to the third party Claim is reasonable in the circumstances, and the Operator:
 - shall take the relevant Participant's reasonable comments into account in determining its final approach; and
 - shall not materially deviate from such approach without repeating such consultation.

32.7 Claims by the Operator against multiple Participants

Where any Claim is brought by the Operator against more than one Participant, then any Liability arising out of such Claim shall be apportioned between each Participant appropriately by agreement of all such Participants or, where the relevant Participants are unable to agree, by the Operator (acting reasonably).

32.8 Inter-Participant Liability

This Section does not apply to any Inter-Participant Liability arising under Applicable Law, or otherwise arising outside of the MLA, for example under a separate contract including under any Payment Scheme Rules or infrastructure arrangement (**Out-of-Scope Liability**). Such Out-of-Scope Liability is not governed by the MLA.

In respect of Inter-Participant Liability that arises under the express terms of the MLA, no Participant shall be liable to any other Participant save as follows:

- a Participant (the **Claimant Participant**) may bring a Claim against any other Participant (the **Defendant Participant**) under the terms of the MLA, and pursuant to the Contracts (Rights of Third Parties) Act 1999, where such Claim arises directly from any of the following:
 - a breach by the other Participant of its obligations under any of the following Sections:
 - Section 26 (Data Protection);
 - Section 28 (Information Security); and/or
 - Section 29 (Confidentiality);
 - any of the Unlimited Liability items;
 - infringement or misuse, by the Defendant Participant, of the Claimant Participant's Intellectual Property Rights (that are licensed or otherwise made available for use between the Participants under the MLA, including under Section 25 (Intellectual Property)); or
 - any Claims received by a Claimant Participant alleging that any Intellectual Property Rights (that are licensed by a Defendant Participant to that Claimant Participant under the MLA, including under Section 25 (Intellectual Property)), infringe or misappropriate any Intellectual Property Rights, confidentiality right, moral right or other proprietary right of any third party.
- Where any Claim is brought by a Claimant Participant against more than one Defendant Participant, then any Liability arising out of such a Claim shall be apportioned between each such Defendant Participant appropriately by agreement of all such Defendant Participants, or where the relevant Participants request the Operator to do the apportionment and it agrees to do so. Otherwise, it shall be apportioned in accordance with Applicable Law.
- The MLA does not specify any financial cap to limit the maximum aggregate Liability of a Participant to any other Participant arising out of, or in connection with, the MLA.

33 Warranties and representations

33.1 Participant and Operator representations, warranties and undertakings

In addition to the warranties set out at Section 11.1 (Warranties of compliance), as of the date it signs its Participation Agreement, and on each day throughout its participation in the MLA, each Participant warrants to the Operator, and the Operator warrants to each Participant, that:

- it has the requisite power and authority to enter into the MLA;
- the execution and performance of the MLA has been duly authorised by the required corporate action by that Participant;
- it has appropriate and sufficient ability, expertise, skill, capability, resources and organisational structure to participate in the MLA for the purpose for which it is authorised to participate and to carry out the obligations contemplated by the MLA;
- it, and any Subcontractor or Third Party Agent it contracts with in relation to its implementation and operation of cVRP pursuant to the MLA, has all consents, authorisations, approval, licences and similar which are required by Applicable Law or otherwise necessary from time to time to participate in the MLA and to carry out the obligations contemplated by the MLA and grant the licences under the MLA; and
- it is not in breach of any term of the MLA.

Each Participant also warrants, with the same frequency, to each other Participant, and the Operator, that it satisfies the eligibility criteria as required by Section 4 (Eligibility Criteria).

Each of the above warranties shall be read and construed as a separate representation and warranty on behalf of the Participant and the Operator (as applicable).

34 Third and fourth parties

34.1 Subcontractors and Third Party Agents

Participants shall ensure that they have the ability and capacity on an ongoing basis to appropriately oversee any Subcontractors and Third Party Agents involved in their implementation and use of cVRP pursuant to the MLA, and in respect of such Subcontractors and Third Party Agents shall:

- register the relevant Subcontractor or Third Party Agent with the Operator (following the Operator's process for registration of Subcontractors and Third Party Agents from time to time);
- only appoint or involve a Subcontractor or Third Party Agent after having taken reasonable steps to verify the suitability and competence of the Subcontractor or Third Party Agent including, carrying out all checks, due diligence and other policy compliance matters that it ordinarily carries out on Subcontractors and Third Party Agents in the ordinary course of its business;
- only contract with Subcontractors and Third Party Agents which agree to comply with all Applicable Law in all material respects;
- ensure that the terms of any written agreement with such Subcontractors and Third Party Agents are not inconsistent with the terms of this MLA, and use commercially reasonable efforts to ensure that such written agreements impose obligations equivalent or substantially similar to those imposed on the relevant Participant under the MLA, to the extent proportionate to the obligations and activities of the relevant Subcontractor or Third Party Agent (provided that, it is acknowledged, that existing written agreements that are in place as at the date of a Participant's Participation Agreement may not be possible to vary unless and until they are renewed);
- have in place adequate and proportionate testing, monitoring and control over such Subcontractors and Third Party Agents, and in particular oversee its Subcontractors and Third Party Agents to ensure that they comply with the relevant Participant's obligations under the MLA to the extent that they relate to the activities performed by the Subcontractor or Third Party Agent;
- use commercially reasonable efforts to procure that, where relevant to any Audit being carried out pursuant to Section 16 (Audit), the relevant Subcontractor or Third Party Agent co-operates with such Audit; and
- promptly (and in any event within twenty four (24) hours of becoming aware) notify the Operator of any act or omission of any of its Subcontractors or Third Party Agents or any material risk in relation to its Subcontractors or Third Party Agents that has caused a material Default Event or is reasonably likely to lead to a material Default Event. The Operator's opinion as to what constitutes a "material Default Event" for the purposes of this Section shall, in the event of any disagreement between the Operator and any Participant, be determinative.

Notwithstanding the above, each Participant shall remain responsible for its compliance with the MLA, and shall be responsible for any acts, or failures to act, of its Subcontractors and Third Party Agents as if they were that Participant's own acts or failures to act.

Without limitation, the above obligation to procure that a Third Party Agent complies with the MLA means that, where any Third Party Agent has or intermediates a relationship with a Beneficiary or a Payer in relation to any Participant, the relevant Participant shall procure that relevant Third Party Agent adheres to all requirements relating to dealing with Beneficiaries and Payers that are set out in the MLA.

The Operator acknowledges that the requirement to register a Subcontractor or Third Party Agent with the Operator does not mean that the Participant requires the Operator's approval to the relevant Subcontractor or Third Party Agent. In addition, each Participant shall advise its Subcontractors and Third Party Agents that they must not represent their registration with the Operator as the Operator's endorsement of their services or activities.

In addition, to the extent that a Participant subcontracts or delegates any processing of Personal Data or Confidential Information to a Subcontractor or Third Party Agent, it must do so in accordance with Data Protection Laws and use its best endeavours to ensure that such processing is carried out under a written contract imposing on the Subcontractor or Third Party Agent equivalent obligations as are imposed on the relevant Participant under the MLA in respect of the processing and protection of Personal Data and Confidential Information (so long as it is acknowledged that existing written agreements that are in place as at the date of a Participant's Participation Agreement may not be possible to vary unless and until they are renewed).

Registration of a Subcontractor or Third Party Agent is specific to each Participant, and a separate registration is required for each business relationship the relevant Subcontractor or Third Party Agent has with each Participant.

34.2 Material Fourth Parties

Each Participant acknowledges that other Participants are regulated financial services entities and are required to ensure a reasonable level of visibility and assurance of supply chains. This Section addresses such visibility and assurance over Material Fourth Parties.

No less frequently than annually, each Participant shall undertake reasonable assurance activities of its Material Fourth Parties (provided that, where the relevant Participant reasonably considers a Material Fourth Party to be non-material or low risk, the Participant may carry out such assurance of the relevant Material Fourth Party every two (2) years).

34.3 Subcontracting by the Operator

The Operator may subcontract and/or outsource the performance of any or all of its obligations under the MLA, to a suitable third party and by suitable means, provided that the Operator shall: (i) remain responsible for the Operator's compliance with its obligations under the MLA; and (ii) be responsible for any acts, or failures to act, of its subcontractors or outsourced providers as if they were the Operator's own acts or failures to act.

35 Miscellaneous

35.1 Assignment and transfer

No Participant, nor the Operator (except as permitted by Section 23.4), shall assign, transfer, novate, mortgage, charge, declare a trust over or deal in any other manner with any of its rights and obligations under the MLA unless (in respect of a Participant) such assignment, transfer or novation is to a third party, who satisfies the eligibility criteria in accordance with Section 4.1 (Eligibility of Participants for In-Scope Use Cases) and who has substantially purchased the Participant's assets.

35.2 Resolution and mandatory divestment

The Operator acknowledges that a Participant may, at any date in the future during the term of its participation in the MLA, be required, including: (i) by a Competent Authority; (ii) in order to comply with Applicable Law; or (iii) by reason of an order issued as a result of or in connection with the exercise of any Resolution Powers, or requested by a Competent Authority, to procure for itself, or for its business and assets, the ability to operate independently of the Participant, or to restructure all or any part of its business, including its corporate structure.

In any such circumstances, the Operator, and the relevant Participant, shall take or refrain from taking such action as is necessary to ensure compliance with Applicable Law and/or the requirements of any Competent Authority.

35.3 No partnership

Nothing in the MLA (or in any MLA Document) is intended to, or shall be deemed to, establish any partnership or joint venture between any party, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party.

Each of the Participants, and the Operator, confirms it is acting on its own behalf and not for the benefit of any other person.

35.4 Entire agreement

The MLA Documents constitute the entire agreement between the parties.

Each party acknowledges that in entering into the MLA, it does not rely on any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in the MLA.

Except in respect of any fraudulent misrepresentation made by a party, the parties acknowledge that they have not relied on any representations, writings, negotiations or understandings, whether express or implied, (other than as set out in the MLA) in entering into the MLA.

35.5 Severability

If any provision or part-provision of the MLA is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of the MLA.

If any provision or part-provision of the MLA (or any MLA Document) is deemed deleted under this Section, the parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.

35.6 Third party rights

The MLA does not give rise to any rights or contractual benefits to any parties other than the Participants and the Operator, and this includes that the MLA does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the MLA.

In addition, as each Participation Agreement is a bilateral contract between the relevant Participant and the Operator, the MLA does not give rise to any rights or contractual benefits to any Participants to enforce any term of the MLA against any other Participant except as expressly set out in Section 32.8 (Inter-participant liability),

35.7 Notices

Day to day operational, administrative correspondence and any other notices shall be sent by email to the Participant Representatives and Operator Representatives in accordance with Section 14.1 (Participant and Operator Representatives) and such notice or correspondence shall be deemed to have been received at the time of transmission, or if this time falls outside of 9.00am-5.00pm on a Business Day in the place of receipt, then at 9.00am on the next applicable Business Day.

Without affecting the validity of any notice served in accordance with this Section, the relevant party sending any such notice or correspondence shall use reasonable endeavours to verify whether such notice or correspondence has been received by the intended recipient, and all recipients of such correspondence shall use reasonable endeavours to acknowledge receipt.

35.8 Governing law and jurisdiction

The MLA, and any dispute or Claim (including non-contractual disputes or Claims) arising out of or in connection with it or its subject matter or formation, shall be governed by and construed in accordance with the law of England and Wales.

Each Participant and the Operator irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or Claim (including non-contractual disputes or Claims) arising out of or in connection with the MLA or its subject matter or formation.