GLOSSARY OF PAYMENT SERVICES

1) Payment service provider that manages the account is the payment service provider that opens and maintains payment accounts for the payer;
2) User is a natural person that concludes a contract on payment services for the purposes that are not intended for their activity, business or occupation;
3) Payment account is an account managed by a payment service provider on the behalf of one or more users, through which the user can deposit funds, withdraw cash, and execute and receive payment transactions, including credit transfers to or from another person;
4) Transaction account is a type of payment account that is opened and maintained by payment service providers on the behalf of one or more payment service users for the execution of payment transactions and for other purposes;
5) Payer is a natural or legal person that has a payment account and provides an order or consent for executing a payment from that account; or a natural or legal person that does not have a payment account and provides a payment order;
6) Payee is a natural or legal person to whom the funds, being the subject of the payment transaction, are intended;
7) Payment order is an instruction submitted by the payer or payee to the payment service provider requesting the execution of a payment transaction;
8) Payment initiation channel is any method, device or procedure through which the payer submits a payment order to the payment service provider for the execution of the credit transfer, including internet banking, mobile banking application, ATM, or any other means available on the premises of the payment service provider;
9) Payment instrument is a personalized tool and/or a set of procedures agreed between the user of payment services and the provider of payment services which the user of payment services applies to initiate a payment order;
10) Payment transaction is a payment, disbursement or transfer of funds, initiated by the payer, on their behalf or by the payee, regardless of the obligations between the payer and the payee;
11) Remote payment transaction is a payment transaction that is initiated via Internet or a device that can be used for remote communication;
12) Instant credit transfer is a credit transfer that is executed immediately, 24 hours a day, every calendar day;

13) Monetary funds are cash (banknotes and coins), funds in the account and electronic money;
14) Umbrella contract is a contract that regulates the execution of future individual payment transactions, whereas the conditions for opening and maintaining a payment account can also be regulated in accordance with special regulations;
15) Payment account management is a service by which a payment service provider manages an account so that payment service user can use it;
16) Internet payment is a payment, connected to a payment account, which a payment service provider enables to users of payment services via Internet;
17) Mobile payment is a payment connected to a payment account which a payment service provider enables to payment service users via mobile application;
18) National payment transaction is a payment transaction in which the payer's payment service provider and/or the payee's payment service provider, who provide payment services on the territory of Montenegro, participate in the execution;
19) RTGS system (Real-Time Gross Settlement) is a system in which individual payment transactions between participants are executed on a gross basis during the system's operating hours;
20) DNS system (Deferred Net Settlement) is a system in which payment transactions are processed on a net basis through mutual netting, with the settlement of net amounts carried out at predetermined time intervals;
21) TIPS Clone system (TARGET Instant Payment Settlement Clone) is an instant payment system that enables the execution/settlement of payment transactions between the payer and the payee in real time, on a continuous (24/7) basis, in accordance with the standardized rules and technical standards of the SCT Inst scheme, but without direct connectivity to its infrastructure;
22) Per-transaction limit for the execution of an instant credit transfer represents the maximum amount of an instant credit transfer available to the customer. The customer may independently manage this limit via electronic banking, provided that the set limit does not exceed the predefined limit;
23) Predefined limit represents the maximum amount per individual transaction for the execution of an instant credit transfer, as defined by the Central Bank of Montenegro or, alternatively, set at the customer level by the Bank;
24) Daily limit for the execution of instant credit transfers represents the maximum daily total amount of all instant credit transfers of the customer. The customer may independently define or modify this limit via electronic banking;

25) International payment transaction is a payment transaction in which one payment service provider provides a payment service in the territory of Montenegro, and another payment service provider provides a payment service in the territory of a third country, as well as a payment transaction in which the same payment service provider provides a payment service for one payment service user in the territory of Montenegro, and for the same or another user of payment services they provide a payment service on the territory of a third country, the payment transactions are carried out through the SWIFT or SEPA payment scheme;
26) SWIFT (Society for Worldwide Interbank Financial Telecommunication) is a global network that enables secure, standardized, and reliable exchange of financial messages among financial institutions. By using SWIFT codes and messages in accordance with international standards, it allows for the transfer of payment transaction information regardless of the location of banks or other system participants;
27) SEPA (Single Euro Payments Area) payments include all types of credit transfers that are carried out as international payments within the unified euro payment area through SEPA payment schemes, based on standardized and defined rules applicable to SEPA member countries;
28) Cancellation of a transaction refers to the process by which the payer withdraws an already authorized domestic payment order before it is executed, or—in the case of international payment transactions—after the execution of the payment order, in accordance with the defined SWIFT and SEPA rules;
29) Withdrawal of a payment order is the process in which the payer retracts a previously submitted payment instruction that has not yet been authorized;
30) Standing order is an order by which the user gives consent in advance to the payment service provider to debit his transaction account in favour of a specific payee, for a precisely determined amount, with a defined payment dynamic, with the possibility of a certain number of repeated payments, for a certain period;
31) Direct debit is a payment service for debiting the payer's payment account, where the payment transaction is initiated by the payee based on the payer's consent given to the payee, the payee's payment service provider or the payer's payment service provider;
32) Payment card is a payment instrument that enables its holder to pay for goods and services via a payment acceptance device or remotely and/or that enables the payment of cash, i.e. the use of other services at an ATM or other self-service device;
33) Debit card issuance – the payment service provider issues a payment card that is linked to the user's payment account. The amount of funds

that the payment service provider makes available to the user is the amount available to the user on the payment account;

34) Credit card issuance - the payment service provider issues a payment card that is linked to the user's payment account. The amount of funds that the payment service provider makes available to the user is the amount that exceeds the available amount of funds on the payment account, based on the contract on a specially agreed overdraft;
35) Cash withdrawal with a debit card at an ATM - the user withdraws cash from their payment account, at an ATM in Montenegro and abroad with a debit card;
36) Cash withdrawal with a credit card at an ATM - the user withdraws cash from their payment account, at an ATM in Montenegro and abroad with a credit card;
37) Allowed overdraft is the amount of funds that the payment service provider makes available to the user, which exceeds the available amount of funds on the payment account, based on the contract on a specially agreed overdraft and allowed overdraft;
38) An overdraft agreement is a special agreement by which the payment service provider makes the funds, that exceed the available amount of funds, available to the user on the user's payment account;
39) Fees are fees and charges paid by the user to the payment service provider for the services associated with the payment account or in connection with those services, if any;
40) Notification via remote communication refers to notification of the user via SMS, email, electronic banking or other available channel in accordance with the provisions of the contract concluded by the Bank with the user.

This Glossary clarifies the names and definitions from the list of the most representative services that users use most often and which expose users to costs, and which are subject to the fee of at least one payment service provider that provides users with the service of opening and managing payment accounts.

The payment services glossary is published in accordance with the Law on the comparability of fees associated with user's payment accounts, transfer of user's payment accounts and payment accounts with basic services ("Official Gazette of Montenegro", No. 145/21 of 31.12.2021), which was adopted and applicable from July 22nd 2026.