

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 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;
9. **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;
10. **Remote payment transaction** is a payment transaction that is initiated via Internet or a device that can be used for remote communication;
11. **Monetary funds** are cash (banknotes and coins), funds in the account and electronic money;
12. **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.
13. **Payment account management** is a service by which a payment service provider manages an account so that payment service user can use it;

14. **Internet payment** is a payment, connected to a payment account, which a payment service provider enables to users of payment services via Internet;
15. **Mobile payment** is a payment connected to a payment account which a payment service provider enables to payment service users via mobile application;
16. **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;
17. **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;
18. **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 of time;
19. **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;
20. **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;
21. **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;
22. **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;
23. **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.

24. **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.

25. **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;

26. **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 users's payment account;

27. **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;

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 names and definitions of the list of the most representative services are given 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 on 29th December 2021, and which is applicable from 09th January 2023.