

CIRCULAR REF: 2018/001

**CIRCULATED TO ALL MEMBERS AND BROKERS
ATTENTION INSURANCE DEPT**

**09 JANUARY 2018
EJD**

EU / EEA BANK CHARGES ON CLUB PAYMENTS

We currently have a banking arrangement whereby the Club meets the cost of making all of our payments, including those incurred on the beneficiary bank side. This has allowed payments to be received in full and without deduction by beneficiaries.

Members are informed that a change has been made to the regulations such that all bank payments within the EU and EEA must have the charges applied to the relevant person in the transaction. The change is a result of the Second Payment Services Directive ("PSD2") and is effective from 13 January 2018. This Directive is intended to increase the integration and efficiency of the European payments market.

The effect of this change is that, whilst we will continue to meet our own costs of transmitting payments, we are now unable to meet beneficiaries' costs of receiving payments. This cost will vary according to beneficiaries own banks' charges and will reduce the amount received accordingly.

We are disappointed to see this change which is mandated within the EU and EEA and is unavoidable.

Our payments to the rest of the world will be unaffected.

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CIRCULAR

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