



CUSTOMS CHARGE DEBT GUARANTEE

Terms and Conditions No. 15.M2
Effective as of 01.01.2025

AAS "BTA Baltic Insurance Company", Sporta iela 11, Rīga, LV-1013, Latvija.
Telephone +371 26 12 12 12, website bta.lv, e-mail bta@bta.lv

Pursuant to these Terms and Conditions BTA concludes Insurance Contracts with Policyholders on repayment of a single or general customs charge debt.

Insurance Contract functions as a guarantee for customs debt repayment within the meaning of the regulatory enactments regulating customs matters:

- Regulation (EU) No. 952/2013 of the 9th of October 2013 of the European Parliament and the Council, establishing the Customs Code of the Union;
- Delegated Regulation (EU) No. 2015/2446 of the 28th of July 2015 of the Commission, supplementing Regulation (EU) No. 952/2013 of the European Parliament and the Council in regard to laying down the detailed rules applying to several regulations of the Union's Customs Code;
- Implementing Regulation (EU) No. 2015/2447 of the 24th of November 2015 of the Commission, laying down the detailed rules required to implement certain rules in the Regulation (EU) No. 952/2013 of the European Parliament and the Council, establishing the Union's Customs Code;
- Customs Law;
- Within the meaning of the Cabinet of Ministers regulations issued on the basis of the Customs Law that regulate customs charge debt guarantees.

CONTENTS

1. TERMS USED IN TERMS AND CONDITIONS.....	1
2. INSURANCE OBJECT	2
3. INSURANCE COVER	2
4. INSURED RISK.....	2
5. INSURANCE PREMIUM PAYMENT PROCEDURE.....	2
6. OBLIGATION TO PROVIDE INFORMATION	2
7. OBLIGATIONS UPON OCCURRENCE OF A POSSIBLE INSURED EVENT	2
8. INSURANCE INDEMNITY	3
9. EARLY TERMINATION OF INSURANCE CONTRACT	3
10. PERSONAL DATA PROCESSING	4
11. CONFIDENTIALITY OF INFORMATION	4
12. OTHER PROVISIONS.....	4

1. TERMS USED IN TERMS AND CONDITIONS

Policyholder - a person concluding an Insurance Contract and:

- intending to perform customs clearance of goods upon application of the respective customs procedure and undertaking liability for payment of any customs duty, excise duty and value added tax;
- acting as a direct or indirect customs representative of another person.

Sum Insured - limit of BTA's liability in pecuniary terms, provided for in the Insurance Contract.

Insurance Indemnity - sum payable for the Insured Event.

Insured Event - an event related through causal relationship to the Insured Risk, upon occurrence of which payment of the Insurance Indemnity is provided for in accordance with the concluded Insurance Contract.

Insurance Contract - an agreement between BTA and Policyholder according to which Policyholder undertakes to pay insurance premium in the manner, time and to the amount specified in the Insurance Contract, as well as to fulfil all other obligations under the Insurance Contract; in turn, BTA undertakes upon occurrence of an Insured Event to pay insurance indemnity to the State Revenue Service according to the provisions of Insurance Contract. BTA shall issue insurance policy as an acknowledgement for conclusion of an Insurance Contract.

Insurance Period - timeframe, for which Insurance Premium is paid in accordance with the Insurance Contract and during which insurance is effective.

Insurance Application - a document of a certain form, defined by BTA, or any other information, which Policyholder submits to BTA in order to inform about the planned customs procedures, possible customs charge debt and other facts and circumstances required to conclude an Insurance Contract.

Acceptance of the insurance application shall not impose any obligation on BTA to conclude an Insurance Contract.

Insurance Policy – a document, which shall acknowledge Insurance Contract conclusion and encompass the Terms and Conditions of the Insurance Contract, whereupon the Policyholder and the Insured have agreed. If Insurance Policy lacks signatures of the parties, it will not affect the validity of the Insurance Contract.

Insurance Premium – payment for the insurance specified in the Insurance Contract.

Insured - a person having insurable interest and for the benefit of whom the Insurance Contract is concluded. Within the meaning of these Terms and Conditions - State Revenue Service.

BTA – BTA Baltic Insurance Company AAS, the insurer within the meaning of the Insurance Contract Law.

Customs charge debt - the principal debt of customs duty, value added tax and excise duty.

2. INSURANCE OBJECT

2.1. Insurance object is the Policyholder's compliance to pay customs charges (customs duty, value added tax, excise duty).

3. INSURANCE COVER

3.1. Insurance provided under the Insurance Contract shall come to effect as of the first day of the Insurance Period specified in the Insurance Contract if Policyholder has paid the insurance premium to BTA in full amount according to payment term specified in the Insurance Contract.

3.2. Insurance shall remain effective until 23:59 of the last day of Insurance Period specified in the Insurance Contract, unless Insurance Contract is terminated early.

4. INSURED RISK

4.1. Insured Risk shall read as a possible occurrence of Customs charge debt.

5. INSURANCE PREMIUM PAYMENT PROCEDURE

5.1. Policyholder shall pay the Insurance Premium according to the due date and amount specified in the Insurance Contract.

5.2. Insurance Premium shall be considered paid at the moment, when BTA received the payment at the account specified by BTA.

5.3. By making Insurance Premium payment, Policyholder confirms having studied, fully understood and consenting with the Insurance Contract terms and conditions, incl. the individual terms set forth in the Insurance Contract, and that Policyholder undertakes to meet all the obligations under the Insurance Contract and agrees to enter into the Insurance Contract on such terms.

6. OBLIGATION TO PROVIDE INFORMATION

6.1. Policyholder shall be obliged both prior to conclusion of the Insurance Contract (upon completion of an Insurance Application or in any other way), and over the entire effective period of the Insurance Contract, to provide BTA with complete and true information, requested by BTA, including the information about the planned customs procedure, information required to assess the probability of occurrence of the Insured risk, information that is important for assessment of Policyholder's probable performance of the obligation referred to in Article 7.2 or 7.3 of the Terms and Conditions, information about all changes and circumstances, which have occurred over the effective period of the Insurance Contract and which can affect the probability of occurrence of the Insured risk or Policyholder's performance of the obligation referred to in Article 7.2 or 7.3 of the Terms and Conditions.

6.2. If Policyholder failed to meet the above-mentioned obligation, BTA has the right to terminate the Insurance Contract upon occasions specified in the Insurance Contract Law of the Republic of Latvia having informed the Insured thereupon according to the procedure envisaged thereby.

7. OBLIGATIONS UPON OCCURRENCE OF A POSSIBLE INSURED EVENT

7.1. Policyholder is hereby obliged to:

7.1.1. immediately, as soon as possible, to notify BTA about occurrence of the Insured Risk;

7.1.2. to take all required measures in order to prevent or reduce any negative consequences caused by the Insured Risk, as well as to follow all instructions provided by BTA in order to reduce the loss resulting from the occurrence of the Insured Risk;

7.1.3. Policyholder shall not object to BTA's demand to survey and establish the losses, assess their amount and occurrence circumstances, as well as BTA's demand to submit to BTA any documents describing

the occurrence of the Insured Risk and the losses caused by it. Policyholder shall also provide all information at its disposal regarding the possible Insured Event upon BTA's request;

- 7.2.** If BTA disbursed the Insurance Indemnity to the Insured, Policyholder shall be obliged to:
- 7.2.1.** no later than within 10 days after receipt of a respective notification from BTA, to pay a compensation to BTA in the amount of the disbursed Insurance Indemnity without any objections;
 - 7.2.2.** to pay BTA a late payment penalty at the rate of 0.5% of the outstanding amount for each day of delay if Policyholder fails to pay, without any objections, the compensation to BTA pursuant to Article 7.2.1 of the Terms and Conditions;
- 7.3.** Policyholder is obliged to meet the obligation mentioned in Article 7.2 of the Terms and Conditions even if the Insured requested Insurance Indemnity disbursement for Customs charge debt of another person, whose direct or indirect customs representative is the Policyholder, and BTA has disbursed the Insurance Indemnity to the Insured.
- 7.4.** Having paid the compensation to BTA as described in Article 7.2, Policyholder shall become entitled to challenge the Insurance Indemnity claim by the Insured in order to receive from the Insured the amount of money, or a part thereof, paid by BTA to the Insured.
- 7.5.** Upon receipt of Policyholder's request, BTA will issue an acknowledgement on the disbursed Insurance Indemnity, as well as other information, if at disposal of BTA, which might contribute to Policyholder in exercising its rights by recovering the paid amount of money.

8. INSURANCE INDEMNITY

- 8.1.** Receipt of the Insured's consent in writing to pay the calculated Policyholder's outstanding Customs charge debt, which is submitted according to the procedure and deadline envisaged by the regulatory enactments regulating customs matters and the field of taxation, shall read as precondition for Insurance Indemnity disbursement.
- 8.2.** BTA shall make a decision on Insurance Indemnity disbursement and disburse the Insurance Indemnity or make a decision to reject Insurance Indemnity disbursement within 30 days as of the day when a request in writing by the Insured is received.
- 8.3.** BTA having prior verified that the Insured's request applies to the Insurance Contract issued by BTA and that conditions of Article 8.1 of the Terms and Conditions are met, shall disburse the requested sum (Insurance Indemnity) to the Insured within 30 days as of the day when a request in writing of the Insured is received.

9. EARLY TERMINATION OF THE INSURANCE CONTRACT

- 9.1.** The Insurance Contract may be terminated early upon occasions and according to the procedure envisaged by the regulatory enactments regulating customs matters.
- 9.2.** Insurance Contract shall expire upon occasions envisaged by the Insurance Contract, as well as upon occasions envisaged by the regulatory enactments of the Republic of Latvia, when BTA is prohibited from maintaining the Insurance Contract in force.
- 9.3.** Upon early termination of Insurance Contract, BTA shall repay the paid share of Insurance Premium to Policyholder, which is calculated according to the procedure specified in Article 9.3.1 or 9.3.2 of the Terms and Conditions, within 15 days after the expiry of the time limit specified by the regulatory enactments wherein the Insured is entitled to requesting BTA to pay Policyholder's customs charge debt or within 15 days after receipt of the acknowledgement by the Insured in writing that it has no current and will not have any future claims against BTA under the Insurance Contract, depending on whichever is the earlier:
- 9.3.1.** if within the effective period of the Insurance Contract no Insurance Indemnity is paid and no probable Insured Event is claimed within the time limit specified in the regulatory enactments, then BTA shall pay back to Policyholder the part of the paid Insurance Premium per each remaining day of the effective period of the Insurance Contract until the Insurance Contract's expiry date, deducting BTA's expenses of 15% related to the Insurance Contract conclusion from the unused Insurance Premium, i.e. from the part of the Insurance Premium that corresponds to the unused effective period of the Insurance Contract;
 - 9.3.2.** during the effective period of the Insurance Contract, Insurance Indemnity has been paid, a decision has been made on Insurance Indemnity disbursement or a claim regarding a possible insured event has been submitted, then BTA will refund to Policyholder the difference, when there is one, between

the amount of the Insurance Premium paid to BTA, corresponding the number of days remaining until the expiry of the Insurance Contract, and the amount of the disbursed Insurance Indemnity, deducting the expenses of BTA related to the conclusion of the Insurance Contract of 15% of the unused Insurance Premium, i.e., of the part of Insurance Premium corresponding the unused effective period of the Insurance Contract.

10. PERSONAL DATA PROCESSING

10.1. BTA as controller of personal data processing shall process personal data of natural persons upon observance of the Regulation 2016/679 of 27 April 2016 by the European Parliament and the Council on protection of natural persons in regard to processing personal data and free movement of such data, thus invalidating directive 95/46/EK (General data protection regulation) and requirements to personal data processing provided for in other regulatory enactments.

10.2. Principles of personal data processing performed by BTA are published on BTA website www.bta.lv. Principles of personal data processing performed by BTA are published on BTA website www.bta.lv.

11. CONFIDENTIALITY OF INFORMATION

11.1. The parties undertake not to disclose the information received within the framework of the Insurance Contract on the parties of the Insurance Contract or third parties, as well as not to use it against the interests of other parties of the Insurance Contract, except for in the cases defined in the effective regulatory enactments of the Republic of Latvia. BTA is entitled to provide experts and reinsurers with information related to the Insurance Contract, persons engaged by BTA for the execution of the insurance contract, as well as to keep it in BTA databases.

11.2. insurance contract shall be regarded as a financial service involving credit risk within the meaning of definitions of the Credit Register Regulations of the Bank of Latvia, and:

11.2.1. include information on Policyholder and the obligations of Policyholder in the Credit Register within the term specified in the Credit Register Regulations of the Bank of Latvia as of the effective date of the insurance contract;

11.2.2. BTA shall provide periodic information on the balance of Policyholder's liabilities, as well as information on any breaches by Policyholder on payment obligations according to the insurance contract to the Credit Register in the amount and within the term specified in the Credit Register Regulations of the Bank of Latvia;

11.2.3. Policyholder may receive information about itself included in the Credit Register in accordance with the procedures specified in the Credit Register Regulations of the Bank of Latvia.

12. OTHER PROVISIONS

12.1. Notifications, requests and information related to insurance contract, BTA, as well as Policyholder and the Insured shall provide in writing or upon the use of durable medium or means of remote communication, upon the use of which the parties have agreed in the Insurance Contract.

12.2. In case BTA, during the effective period of the Insurance Contract, changes its legal form, company name, contact information and other similar information required for contractual liabilities of Policyholder or the Insured, BTA shall immediately inform thereof by publishing this information on its website www.bta.lv.

12.3. Upon request by the Policyholder, the Insured or another person, entitled to claim the Insurance Indemnity, BTA shall provide the claimant with its notifications, requests and the information, provided upon the use of website, durable medium or any other means of remote communication, in writing and free of charge.

12.4. Regulatory enactments of the Republic of Latvia shall be enforced upon settlement of contractual relationships deriving from Insurance Contracts.

12.5. The Terms and Conditions shall be applied to resolve the issues that are not covered by the regulatory enactments regulating customs matters, incl. in regard to Policyholder's obligations to pay compensation to BTA in the amount of the disbursed insurance indemnity according to the procedure set forth on articles 7.2 and 7.3 of the Terms and Conditions.

12.6. BTA is not entitled to provide insurance and BTA is not obliged to pay the Insurance Indemnity or provide benefits in accordance with the Insurance Contract, as long as provision of such insurance, Insurance Indemnity disbursement or provision of benefits:

- 12.6.1.** subjects BTA to sanctions, restrictions or limitations, established by the resolutions of the United Nations or trade or economic sanctions, regulatory enactments of the European Union, the United Kingdom, the Republic of Latvia or the United States of America (upon condition that it does not violate any regulations or regulatory enactments, applicable to BTA);
- 12.6.2.** subjects a reinsurance company, the whom the Insurance Contract is submitted for reinsurance, to sanctions, restrictions or limitations, established in accordance with the regulatory enactments of the reinsurance company's state of registration.
- 12.7.** BTA shall not disburse the insurance indemnity if occurrence of the insured risks was caused by warfare or an operation tantamount to war (with or without a declaration of war).
- 12.8.** All disputes arising between BTA and Policyholder with regard to the obligations of Policyholder referred to in Articles 7.2 and 7.3 herein shall be settled by means of negotiation. If no mutual agreement is thus reached, the dispute shall be finally resolved in the International Court of Arbitration of Commercial Transactions (Starptautiskā komercdarījumu šķīrējtiesa) (registration number: 40003764669) in accordance with its regulation, the proceedings shall be written, held in Riga, in Latvian, by 1 arbitrator assigned by the presidium of the court of arbitration, and applying the effective regulatory enactments of the Republic of Latvia.
- 12.9.** All disputes arising between BTA and the Insured in regard to the Insurance Contract shall be settled by means of negotiation. In case no agreement is reached, the dispute shall be submitted for resolution in the court according to the procedure envisaged in the Republic of Latvia and having applied the regulatory enactments effective in the Republic of Latvia.
- 12.10.** In the event of any contradiction between the Terms and Conditions and the terms and conditions of the concluded Insurance Contract (policy), the terms and conditions of the Insurance Contract (policy) shall be considered as a priority and be binding on the parties.
- 12.11.** The text of the Terms and Conditions in Latvian prevails over its translations into any other language.