TABLE OF CONTENTS

ADHESION AGREEMENT FOR THE PARTICIPATION TO THE LESOTHO WIRE SYSTEM

<u>RULE BOOK</u>

ANNEXES

SCHEDULES

ADHESION AGREEMENT FOR THE PARTICIPATION TO THE LESOTHO WIRE SYSTEM

(Hereafter referred to as "the Agreement")

This Agreement is entered into between:

XXXXXXXX BANK
.. P/Bag A 121 Maseru 100, Kingdom of Lesotho, registered under number 2004/163, acting in its capacity as participant in the Lesotho Wire System, hereinafter referred as "the participant", duly represented by **MANAGING DIRECTOR**

And

The **CENTRAL BANK OF LESOTHO**, P.O. Box 1184, Maseru 100, Kingdom of Lesotho, acting in its capacity of operator of the Lesotho Wire System, hereinafter referred to as the "Bank", duly represented by **GOVERNOR**

Collectively referred to as the 'Parties',

Whereas the Bank owns and operates Lesotho Wire System, a real time gross settlement payment system allowing for the settlement in central bank money of large value and time-critical payment orders denominated in Maloti,

Whereas the legal framework of the Lesotho Wire System is laid down in the Rule Book, including its Annexes,

Whereas this Agreement sets out the acceptance by the Participant of rules contained in the Rule Book (including its Annexes) of the Lesotho Wire System;

1. The Participant undertakes to participate in Lesotho Wire under the terms and conditions laid down in the Rule Book of Lesotho Wire, including its annexes, as it may be amended by the Bank from time to time.

2. The Bank hereby accepts the participation of the Participant in Lesotho Wire under the terms and conditions laid down in the Rule Book of Lesotho Wire, including its annexes, as it may be amended from time to time.

3. The Rule Book of Lesotho Wire, including its annexes, as it may be amended from time to time, forms an integral part of this Agreement between the Parties and shall govern their respective rights and obligations as they stem from this Agreement.

4. Notices under the Rule Book will be sent to the following persons/addresses:

    For the Bank:

    > Governor
    > The Central Bank of Lesotho
    > Corner Airport and Moshoeshoe Roads
    > P.O. Box 1184
    > Maseru 100

    For the Participant:

    > Chief Executive Officer
    > XXXXXXXX Bank
    > P/Bag A
    > Kingsway Road
    > Maseru 100

5.   This Agreement shall enter into force on the date communicated by the Bank to the Participant.

Thus **Done** and **Signed** at **MASERU** on this ……….. Day of ……………… 2015

For the Central Bank of Lesotho	**For the Participant**
Name: A.R. Matlanyane (PhD) Title: Governor	XXXXXXXXX (Mr.) Chief Executive XXXXXXX Bank
…………………………… (Sign)	………………………… (Sign)

As Witnesses: As Witnesses:

1. N. Rantsane (Adv)   …………………………
   Director of Corporate Affairs   …………………………

   ……………………………   …………………………
   (Sign)   (Sign)

2. S. Ntelo (Mr.)   …………………………
   Director of Operations   …………………………

   ……………………………   …………………………
   (Sign)   (Sign)

Who warrant that he/she has authority to sign this Agreement on behalf of the Bank.   **Who warrant that he/she has authority to sign this agreement on behalf of the**

Attachment 1: Rule Book of Lesotho Wire

RULE BOOK OF LESOTHO WIRE SYSTEM

Article 1 – Definitions

"ACH" means the Automated Clearing House, operated by the Payment Association of Lesotho, for transactions under M100, 000.00.

"Account Transfer" means a Payment Instruction initiated by the Bank on behalf of the participants,

"**Agreement**" means this Rule Book, including all of its annexes, together with the Adhesion Agreement,

"**Applicant Participant**" means the entity which applies to the Bank a request to become a Participant of the System,

"**Bank**" means the Central Bank of Lesotho governed by the Central Bank of Lesotho Act, 2000, as amended from time to time,

"Clearing House" means an entity responsible for transmitting, reconciling and confirming payment instructions prior to settlement. Clearing involves netting of instructions and the establishment of final net settlement amount

"**Contingency Event**" means any event that disrupts or has the potential to disrupt the normal exchange and settlement of Payment Orders in the System, including but not limited to the following:

- Contingency Event relating to a Participant,
- Contingency Event relating to SWIFT,
- Contingency Event relating to the System SWIFT Terminal,
- Contingency Event relating to the System, and or
- Other Contingency Events.

"Financial Institutions" mean the institutions duly authorised to perform banking activities under the Financial Institution Act, 2012, as amended from time to time,

"**Insolvency Proceedings**" means any collective measure provided for in the laws of Lesotho or another country either to wind up a person or entity or reorganise it, where such measure involves the suspending or imposing limitations on transfers of payments; in Lesotho, Insolvency Proceedings encompass the winding-up and judicial management organised in Part XVI of the Company Act 2011, as well as the winding-up and seizure organised in Part IX of the Financial Institutions Act 2012,

"**Large Value Payment**" means any Payment Instructions whose value is equal to or greater than M100, 000.00. For avoidance of doubt, the above limit amount applies to each individual payment instruction delivered to the Lesotho Wire system operator for settlement.

"**Operating Days**" mean the days on which the System shall be operated, i.e., all days of the year except Sundays and Lesotho's public holidays as set up in the Lesotho Wire system.

"**Operation Hours**" mean the hours, during which the System is operated, as described in the operating schedule,

"**Participant(s)**" means the entities expressly authorised by the Bank to participate to the System,

"**Payment Instruction**" means an instruction by a Sending Participant to transfer an amount of money to a Receiving Participant by means of a book entry to debit the Sending Participant's Settlement Account and to credit the Receiving Participant's Settlement Account,

"Real-Time Gross Settlement (RTGS) System" means a system where transfer of money takes place from one bank to another continuously in real time and individually without netting debits against credits.

"**Receiving Customer**" means a customer of the Receiving Participant, who is the ultimate beneficiary of the funds being transferred,

"**Receiving Participant**" means the Participant designated by the Sending Participant as the receiver of the amount specified in the relevant Payment Instruction,

"**Sending Participant**" means the Participant which has initiated a payment by sending a Payment Instruction,

"**System**" means the Lesotho Wire System,

"**Settlement Account**" means an account opened in the name of a Participant on the books of the Bank for the purpose of settling Payment Instructions entered into the System,

"**SWIFT**" means Society for Worldwide Interbank Financial Telecommunications s.c., incorporated under the Laws of Belgium, with its registered seat at Avenue Adele 1, B-1310 La Hulpe,

"**SWIFT Network**" means the telecommunications network and services provided by SWIFT to individual account holders and to the Bank.

"Time-Critical Payment" means a payment that may be below the threshold of M100,000 but which because of its timely nature i.e time sensitive, is required to be processed through Lesotho Wire. To ensure that processing of Timely- critical Payments does not undermine the ACH system, these transactions shall attract a higher fee than ACH transactions fees.

Article 2 – Agreement

2.1. The agreement between the Parties governing the participation to the System is composed of the Adhesion Agreement, the Rule Book and the following annexes, which form an integral part thereof:

Annex I: Technical requirements for the connection of Participants

Annex II: Terms of Reference for the Capacity Opinion

Annex III: Business Continuity Plan

Annex IV: Method for the self-assessment by the Participant of its IT infrastructure

Annex V: Technical description of the System

Annex VI: Operating Schedule

Annex VII: Operational Manual including SWIFT FIN Copy Service Description

Annex VIII: SWIFT User Handbooks

Annex IX: SWIFT BICs of the Participants

Annex X: Fee Schedule

2.2. The provisions of the Rule Book shall prevail over any of the annexes described under Clause 2.1. Should an inconsistency arise between the provisions of the Annexes, the provisions of Annexes VIII, IX and X, as far as they contain mandatory requirements for the use of SWIFT, shall prevail over any of the other Annexes.

Article 3 – Access criteria

3.1. Subject to Clauses 3.2 to 3.5 of this Article, the following entities are entitled to participate to the System:

- Financial Institutions established in Lesotho, as well as similar foreign banks, duly supervised in another country,
- The Bank,
- The Lesotho Government, as indirect participant including the local agencies or authorities,
- Foreign central banks, and
- Operators of domestic and foreign payment systems, clearing houses and securities settlement systems.

3.2. To effectively become a Participant of the System, the entities described in Clause 3.1 must:

- Comply with the technical requirements described in Annex I, as amended from time to time by the Bank,

- Have appropriate technical capacity, including adequate contingency arrangements, so as to enable its participation to the System without hindering the latter's smooth operations,

- Provide a Capacity Opinion according to the terms of reference under Annex II,

- Address to the Bank a written request, containing the information and documents demonstrating that the above-mentioned requirements, where applicable, are met. The Bank may require any additional information or document it deems appropriate in order to decide on the request.

3.3. Within one month of the receipt of the request for additional information or document required by the Bank, the Bank shall decide to accept or reject the request of the Applicant Participant, in view of the eligibility criteria described in Clauses 3.1 and 3.2 and, more generally, in view of the impact that the participation of the Applicant Participant may have on the soundness, efficiency and reliability of the System.

3.4. The Bank shall notify its decision to the Applicant Participant and, as the case may be, open a Settlement Account denominated in Maloti, which is governed by Payment System Act, 2014 as amended from time to time.

3.5. The Bank may accept the Applicant Participant, subject to conditions or requirements or both as it deems appropriate for the sake of reliability, soundness or efficiency of the System.

3.6. The Applicant Participant effectively becomes a Participant by duly signing the Adhesion Agreement, jointly with the Bank.

3.7. The Bank shall maintain, publish and update a list of the System Participants from time to time.

Article 4 – Suspension and withdrawal of Participants

4.1. The Bank may decide to suspend or withdraw a Participant upon occurrence of any event which may reasonably be interpreted by the Bank as a source of financial, legal, operational or more generally systemic risk for the Participant(s), itself, the System or the financial system in Lesotho, including the following events; this list being illustrative and non exhaustive:

- Where a Participant enters into Insolvency Proceedings or where such Insolvency Proceedings are impending,

- Where the access criteria defined in Clause 3 are not fully met,

- where a Participant is in breach of any of its obligations under the Payment System Act, 2014 and related Regulations,Lesotho Wire rule book, the Lesotho Automated Clearing House rules or any other act governing its relation to the Bank.

4.2. The withdrawal of a Participant shall be automatic in the following cases:

- upon opening of Insolvency Proceedings against such Participant,
- upon withdrawal of its license under the provisions of national payment and settlement legislation as may be in force at any time, if the Participant is a payment system, a clearing house or a securities settlement system,
- Upon withdrawal of its license under the Financial Institution Act, 2012 if the Participant is a Financial Institution.

4.3. The suspension of a Participant shall be automatic in the following cases:

- upon impending Insolvency Proceedings which may be opened against such Participant,
- upon suspension of its license under the provisions of national payment and settlement legislation as may be in force at any time, if the Participant is a payment system, a clearing house or a securities settlement system,

- Upon suspension of its license under the Financial Institution Act, 2012 if the Participant is a Financial Institution.

4.4. The Bank shall inform the other Participants as soon as practicably possible, of the suspension or withdrawal of one or more Participants.

Article 5 – Payment Instructions which may be processed by the System

5.1 The System may process all Large Value Payment Instructions denominated in Maloti between Participants, including those resulting from or made in connection with:

- monetary policy operations,
- the day-to-day activities of the Bank,
- the net settlement of transactions processed by the clearing house,
- The cash settlement of transactions processed by securities settlement systems.

5.2 The System may only process Payment Instructions that comply with the technical conditions prescribed by this Rule Book.

5.3 The System may process Time Critical Payments irrespective of their value.

Article 6 – Obligations of the Parties

6.1. In the performance of their obligations and the exercise of their rights under this Agreement, the Parties shall generally act in good faith and closely cooperate in order to ensure the soundness, reliability and efficiency of the System. They shall provide each other with any information or document relevant for the performance of their

respective obligations and the exercise of their respective rights.

6.2. The Parties shall be bound by the business continuity plan, attached as Annex III, which shall be monitored on an ongoing basis, and tested at least on an annual basis.

6.3. The Parties shall ensure that their respective procedures provide appropriate protection against fraudulent activities and allow their proper identification. The parties shall provide assistance to each other and support for the investigation and identification of the source of any actual or suspected fraud.

6.4. The Parties shall keep strictly confidential any information received in connection with this Agreement, unless such information is already known to the public or unless its disclosure is required by a domestic Court or by domestic law. This provision does not prevent the Bank from disclosing or publishing information in the form of aggregate or summary data, educational or descriptive information on the System. The Parties shall take the necessary steps in order to ensure compliance by their respective agents, employees, consultants and or auditors who have access to this confidential information, with this confidentiality regime.

Article 7 – Obligations of the Participant

7.1. The Participant shall install, manage, operate and monitor under its sole and exclusive liability the IT infrastructure necessary in order to get connected to and enter Payment Instructions in the System, including one or more Lesotho Wire Webstation(s). The Participant shall perform a self-assessment of the integrity and resilience of its IT infrastructure every six months according to Annex IV.

7.2. The Participant shall immediately inform and consult the Bank, for prior approval, for any relevant change considered to its IT infrastructure used for the connection to the System, including any change which may be made with respect to its SWIFT connection.

7.3. The Participant shall be connected to the System on Operating Days so that it can send and receive the Payment Instructions during the Operation Hours.

7.4. The Sending Participant shall, under its sole and exclusive liability, ensure that Payment Instructions send contain the necessary information and are properly entered into the System by persons duly authorised for this purpose, in compliance with the latest SWIFT User Handbooks.

7.5. The Receiving Participant shall check, under its sole and exclusive liability, the information on the received Payment Instructions in order to verify their compliance with SWIFT User Handbooks and take the necessary steps required under such Handbooks.

7.6. The Participant shall comply with the Operational Manual provided.

7.7. The Participant shall ensure that there are sufficient funds at all times in its Settlement Account to permit the immediate settlement of any Payment Instructions submitted, unless the Bank has given the Participant specific authority to act otherwise. The Participant shall nominate a senior officer that the Bank may contact in the event that settlement fails as a result of insufficient available funds.

7.8. The Participant shall pay to the Bank the fees described under Clause 10.

7.9. The Participant shall immediately inform the Bank of the opening of Insolvency Proceedings against itself or the occurrence of any fact or event, which may empower the Bank to suspend or withdraw such Participant under Clause 4.1.

Article 8 – Obligations of the Bank

8.1. The Bank shall take all the necessary steps to ensure that the Participant's IT infrastructure is properly connected to the System, including the installation of the virtual private network (VPN) software of the Participant.

8.2. The Bank shall establish and maintain a System Support Desk, which shall be available throughout the Business Days in order to assist the Participants in any difficulty in connection with System operations. The contact information for System Support Desk shall be provided annually to participants.

8.3. The Bank shall operate the System, as described in Annex V, on Operational Days according to the Operating Schedule attached in Annex VI.

8.4. The Bank undertakes to settle valid Payment Instructions under the modalities of this Rule Book, provided that such Payment Instructions are covered by sufficient funds on the Settlement Account or hold such Payment Instructions on the queue until sufficient funds become available before the end of the Business Day, so that the Payment Instructions may be settled. Settlement takes place by the debit of the Sending Participant's Settlement Account and credit of the Receiving Participant's Settlement Account.

8.5. The Bank shall provide credit facility to the Participants in the form of Intraday Loan Facility (ILF) which shall be interest free and payable at the end of business day. This

loan shall be collateralized with acceptable assets at 120% of the amount of loan requested. Failure to pay by the borrower, shall at the discretion of the CBL, result into converting this loan into an overnight credit (Lombard Facility) at penalty charge at 91 day Treasury bill rate plus four basis points.

Article 9 – Moment of entry, irrevocability and finality of Payment Instructions

9.1. A Payment Instruction is deemed to have entered into the System at the point in time when it reaches the Bank.

9.2. A Payment Instruction entered into the System shall be irrevocable and the payment resulting from it will be final, from the point in time when the Sending Participant's Settlement Account is debited and the Receiving Participant's Settlement Account is credited. A Payment Instruction may only be cancelled by the Sending Participant or the Bank at the request of the Sending Participant provided the Sending Participant's Settlement Account has not been debited for such a Payment Instruction.

9.3. Upon opening of insolvency Proceedings against the Participant, the System may make use of funds available on the Settlement Account of the Participant in order to settle outstanding Payment Instructions, thus allowing for final settlement in the System. For the same purpose, and notwithstanding the opening of the Insolvency Proceedings against the Participant and subject to the provisions of national payment and settlement legislation as may be in force at any time, the System is also authorized to make use of credit lines granted to the Participant and to realize any collateral provided with the aim to secure such credit lines.

Article 10 – Fees

10.1. The Bank shall invoice the Participant at the end of each operating day, through the provision of billing statements provided by LSW. The fees and penalties will be calculated in accordance with the Fee Schedule attached in Annex X, as amended from time to time by the Bank.

10.2. The Fee Schedule, including its changes, shall be determined with reference to the principles of cost recovery, transparency and non-discrimination.

10.3. The fees shall be paid to the Bank by automatic debit of the Settlement Account of the Participant.

Article 11 – Force Majeure

11.1 There shall be no liability on the part of the Bank for breach of its obligations under this Agreement to the extent that, and for as long as, there is an inability to perform the said obligations or such obligations are subject to suspension or delay, owing to the occurrence of any event arising from any reason or cause beyond reasonable control (including but not limited to, equipment failure or malfunctioning, act of God, natural disasters, strikes or labour disputes), provided that the above shall not prejudice the responsibility to use all reasonable efforts to mitigate the effects on any such event while it is taking place.

11.2 The Bank shall inform the Participant as soon as practicably possible of the occurrence of such event, of its estimated impact and the duration thereof on the performance of the obligations of the Bank under this Agreement.

Article 12 – Liability regime

The Bank shall not be liable for any act, failure or omission in the performance of its obligations under this Agreement, nor for the consequences of such act, failure or omission and shall therefore not be liable to the Participant for any losses, costs, claims or other damages suffered or incurred by the Participant as a consequence of its connection to the System, unless such act, failure or omission was caused by the gross negligence or willful misconduct of the Bank or one of its agents. In the latter case, the Bank shall only indemnify the Participant for its direct damage (at the exclusion of any indirect or consequential damage) up to a maximum amount that shall be determined by the Bank from time to time, provided that the Participant positively demonstrates that the conditions of liability of the Bank are met and addresses a written request to the Bank to this effect within eight (8) calendar days of the occurrence of the act, failure or omission giving rise to such liability.

Article 13: Duration and Termination of the Agreement

13.1. Without prejudice to Clause 4, this Agreement is entered into for an undetermined period of time.

13.2. Without prejudice to Clause 4, this Agreement may be terminated by the Parties, upon giving a one month notice. The Bank shall inform the other Participants as soon as reasonably possible of such termination.

13.3. Upon termination of the Agreement, the Parties remain bound by Clause 6.4 for an additional period of five years.

13.4. Upon termination of the Agreement, including by virtue of Clause 4 of this Agreement, the Bank may at any time:

(a)   set off any obligation the Bank may have to the Participant to repay any amount standing to the credit of the Settlement Account against the obligations arising from this Agreement or any of them;

(b)   Retain the monies representing any such credit balance or any part thereof until the obligations arising from this Agreement shall have been ascertained and properly discharged.

Article 14 – Dispute resolution - Jurisdiction

14.1. In case of dispute arising between Participants or between the Bank and the Participant(s), the parties shall use their best effort in order to reach an amicable settlement.

14.2. If an amicable settlement cannot be reached, the dispute shall be referred to the Tribunal referred to in Section 76 of the Financial Institutions Act, 2012, as amended from time to time, or should such Tribunal not be available, to arbitration in terms of the Arbitration Act No.12 of 1980.

Article 15 – Notices

Any notice required to be given under this Agreement may be given by leaving it at, or sending it by registered or recorded delivery post or by telex or facsimile transmission or by authenticated SWIFT message to the persons/address indicated in the Adhesion Agreement.

Any such notice shall be deemed to have been served:

(a)   if left at the address of the Party to be served,
   i.   between 09:00hrs and 17:00hrs on that Operational Day or,
   ii.   if it is left before 09:00hrs on that Operational Day, at 09:00hrs of that Operational Day, and

      iii. in all other cases, at 09:00hrs on the next Operational Day,

(b)   If sent by post, at 12 noon on the second Operational Day following the day of posting, and

(c)   If sent by SWIFT, or by facsimile transmission, when it is so sent between 09:00hrs and 17:00hrs on an Operational Day or, if it is sent before 09:00hrs on an Operational Day, at 09:00hrs on that Operational Day and in all other cases, at 09:00hrs of the next Operational Day.

In proving the giving of a notice, it shall be sufficient to prove that the notice was delivered at the address for service or that the envelope containing such notice was properly addressed and posted, as the case may be.

Article 16 - Amendments

The Bank may, at any time, amend the Rule Book. The Bank shall give the Participant prior notice of any such amendment, which will not enter into force before the seventh Operational Day following the sending of the aforesaid notice

Article 17 - Miscellaneous

17.1. The rights and obligations of the Participant arising from this Agreement shall not be capable of assignment or otherwise being dealt with by the Participant without the prior written consent of the Bank.

17.2. Should any provision of this Agreement be declared null, void, unenforceable or invalid, it shall not affect the validity and enforceability of this Agreement and the Parties shall cooperate, in good faith, in order to agree on a valid provision, which shall substitute and replace the invalid provision.

17.3. No waiver or variation of this Agreement shall operate as a waiver or variation in any other instance or any other rights. Any failure by either Party to exercise any right under this Agreement or any defective or partial exercise thereof or any delay in this respect shall not operate as or constitute a waiver or variation of that or any other such right.

17.4. This Agreement supersedes all prior terms, conditions, agreements, arrangements, proposals and undertaking between the Parties in relation to its subject matter and constitutes the entire agreement between the Parties in relation to the matters to which they apply.

Article 18 – Governing Law

This Agreement and any dispute arising under it, shall be governed and construed exclusively according to the laws of Lesotho.

ANNEX I – TECHNICAL REQUIREMENTS FOR THE CONNECTION OF PARTICIPANTS TO THE SYSTEM

1.   The Participant is required to have one or more Lesotho Wire Webstations, which, together with a local network, are used by the System to support, including but not limited to, real time gross settlement related commands and enquiries and to non value functions such as on-line access to account balance and activity information, on-line access to queued payment information and a secure communication hub for exchange of messages.

2.   The Participant must meet the SWIFT connectivity requirements for real time gross settlement systems. It must be able to exchange SWIFT authentification keys with all the other Participants and any other components of the System necessary for proper authentifiation of messages.

3.   The Participant is required to have a single SWIFT Bank Identifier Code (BIC) to which all Lesotho Wire payments shall be routed.

4.   The Participant must become member of the Lesotho Wire Closed User Group (CUG), to allow the use by the Bank of the SWIFT FIN-Y Copy service

ANNEX II: TERMS OF REFERENCE FOR CAPACITY OPINIONS

[Letterhead of relevant legal advisers]

To: Central Bank of Lesotho,
P.O. Box 1184
Maseru 100
Kingdom of Lesotho

Adhesion Agreement for the participation to Lesotho Wire System
[date]

Dear Sir or Madam,

We have been asked to provide this Opinion as [*in-house or external law firm*] legal advisers to [*specify name of Participant*] in respect of issues arising under the laws of [*jurisdiction of incorporation of the Participant*] in connection with the participation of [*specify name of Participant*] (the **'Participant'**) in the Lesotho Wire System ((the **'System'**).

This Opinion is confined to the laws of [*jurisdiction*] as they exist as at the date hereof. We have made no investigation of the laws of any other jurisdiction as a basis for this Opinion, and do not express or imply any opinion thereon. Each of the statements and opinions set forth below applies with equal accuracy and validity under the laws of [*jurisdiction*], whether or not the Participant acts through its head office or one or more branches located inside or outside of [*jurisdiction*] in sending and receiving payment messages.

1.   Documents examined

For the purposes of this Opinion, we have examined:
(a)   a certified copy of the [*specify relevant constitutional documents*] of the Participant such as is/are in effect on the date hereof;
(b)   [*if applicable*] an extract from the [*specify relevant company, banking institutions, or other register*];

(c)   [*to the extent applicable*] a certified copy of the Participant's licence or other proof of authorisation to provide financial services in Lesotho;

(d)   [*if applicable*] a certified copy of a resolution adopted by the board of directors of the Participant on [*insert date*], [*insert year*], evidencing the Participant's approval of the System Agreement, as defined below;

(e)   [*specify certified copies of all powers of attorney and other documents constituting or evidencing the requisite power of the person or persons signing the relevant System Agreement (as defined below) on behalf of the Participant*]; and

(f)   all other documents relating to the Participant's constitution, powers, and authorisations necessary or appropriate for the provision of this Opinion,

(Hereinafter referred to as the 'Participant Documents').

For the purposes of this Opinion, we have also examined:

(i)   the Adhesion Agreement for the Participation in the Lesotho Wire System, and

(ii)   The Rule Book, including its Annexes, and

(iii)   The Maseru Clearing and settlement House Rules (Cash Current Account Rules).

(Hereinafter referred to as the 'System Documents').

2.   Assumptions

For the purposes of this Opinion we have assumed in relation to the System Documents that:

(a)   the System Documents with which we have been provided is original or a true copies thereof;

(b)   that the Participant Documents are true copies and correctly record the proceedings of such meetings and/or such matters which they purport to record and that:

(i)   any meetings referred to in the certified copies of Participant Documents produced to us were duly convened and held;

(ii)   those present at any such meetings acted bona fide throughout;

(iii) all resolutions set out in such copies were duly passed; and

(iv)   No further resolutions have been passed or corporate or other action taken which would or might alter the effectiveness thereto.

3.   Opinions regarding the Participant

3.1   The Participant is a corporation duly incorporated or otherwise duly organised for an indefinite period, and validly existing, under the laws of [*jurisdiction*].

3.2   The Participant is a separate legal entity and is subject to suit in its own name.

3.3   The Participant has all the requisite corporate powers to execute [*and deliver, where necessary]* the System Documents and to perform the rights and obligations under the System Documents.

3.4   The execution [*and delivery, where necessary*] by the Participant of the System Documents have been duly authorised by the Participant in accordance with its constitutive documents and all necessary corporate action has been taken by the Participant to authorise such execution and performance.

3.5   The execution by the Participant of the System Documents and its performance of its obligations under the System Documents will not violate in any respect any provision of the laws or regulations of [*jurisdiction*] applicable to the Participant or the current constitutional documents of the Participant.

3.6   No authorisations, approvals, consents, filings, registrations, notarisations or other certifications of or with any court, governmental, judicial or public authority of or in [*jurisdiction]* are required by the Participant in connection with its execution [*and delivery, where necessary]* of the System Documents, or its performance,

or the validity or enforceability against it, of any of the System Documents.

3.7 The Participant has taken all necessary corporate action and other steps necessary under the laws of *[jurisdiction]* to ensure that its obligations under the System Documents constitute its legal, valid and binding obligations.

This Opinion is stated as of its date and is addressed solely to the Bank. No other persons may rely hereon, and the contents of this Opinion may not be disclosed to persons other than its intended recipients and their legal counsel without our prior written consent, with the exception of foreign central banks, foreign supervisory authorities and foreign regulators, as well as international institutions with which the Bank would have entered into co-operation arrangements for the execution of its tasks.

Yours faithfully,
[*signature]*

ANNEX III BUSINESS CONTINUITY PLAN

1. Each Participant shall nominate a first contact point for responding to enquiries or exchanging information in the event of processing problems; and a second contact point to act in case of the unavailability of the first contact point.

2. An inability to access the Central System using the Lesotho Wire Webstation facility for the purposes of enquiry, queue management or non-value message exchange, shall only constitute a Contingency Event where such an inability effectively prevents the exchange and settlement of payments.

3. (1) If a Participant experiences any technical or operational problem that prevents it from processing payments and other Lesotho Wire-related messages, it shall advise the Lesotho Wire Help Desk within 15 minutes of becoming aware of the problem.

   (2) Participants must immediately notify the Lesotho Wire Help Desk of any change in their situation.

   (3) The Bank shall notify other Participants at its discretion where the problem appears likely to be protracted or potentially disruptive to the overall operation of the system, for instance, close to Final Cut-Off.

   (4) Each other Participant shall make its own judgement as to whether to continue to send payments in favour of the Participant with network reception problems. In such a case, Central Bank of Lesotho as a regulator shall be notified and clause 8.1 shall apply.

4. (1) If a Participant is experiencing problems that result in it being able to receive but not to send payments, for instance, a back office system rather than a SWIFT Terminal failure, it

shall continue to allow receipt of payments to its SWIFT Terminal.

(2) In the event of an outage in a Participant's SWIFT Terminal interface, the System shall continue to process any MT096 settlement requests already held or subsequently received from SWIFT. Settled payments in favour of the Participant and other messages shall accumulate in SWIFT pending re-establishment of communications with SWIFT.

5. It shall be the obligation of each Participant to re-establish its SWIFT Terminal connection as soon as is practically possibly.

6. In certain circumstances the Bank may, at its discretion, accept from a disabled Participant a listing of critical transactions for input by the Bank as Account Transfers, these would be:

> (a) Restricted to critical bank-to-bank transactions;
>
> (b) Only basic accounting information shall be accepted for input, that is beneficiary Participant, amount and transaction reference; and
>
> (c) The Listings must be in the form shown in Schedule A Provided always that the Participants shall only submit such listings after obtaining the consent of the Bank.

7. (1) In the event of a prolonged SWIFT outage the Bank shall consult and communicate with Participants via the Emergency Contacts contained in the Schedule provided by the participants and via the System email facility.

(2) Participants shall remain logged on to their Lesotho Wire Webstations in the event of a SWIFT system outage to allow

for receipt of contingency warnings and instructions over the Lesotho Wire email facility.

8. (1) In the event of a prolonged outage in Lesotho Wire SWIFT Terminal of the Bank, the Bank shall consult and communicate with Participants using the Emergency Contacts provided by the Participants.

    (2) Participants must remain logged on to their Lesotho Wire Webstations in the event of a Lesotho Wire SWIFT Terminal outage to allow for receipt of contingency warnings and instructions over the Lesotho Wire email facility.

9. (1) Lesotho Wire Central System contingency event occurs when Lesotho Wire is unable to process transactions to Participant's accounts. The outage shall be in the Lesotho Wire application itself rather than in its SWIFT interface.

    (2) If the contingency event involves both the Lesotho Wire SWIFT Terminal and the Lesotho Wire Central System, it shall be treated according to the procedures set out in this section.

    (3) In the event of a prolonged outage in the Lesotho Wire Central System, the Central Bank shall consult and communicate with Participants using the Emergency Contacts provided.

    (4) In the event that the Bank forms the view that it shall not be able to restore Lesotho Wire operations for the rest of that operating day, the Bank shall submit an emergency request to SWIFT by Authenticated Telephone Call (as per C.2.3 and P8 of the FIN Copy Service Description) requesting SWIFT to amend the Lesotho Wire CUG operating mode to "Closed". This could take up to 45 minutes from authentication of the emergency call. Once transferred to "Closed" mode SWIFT

shall abort any further payment instructions submitted by Participants with an MT019 Abort Notification.

(5) In the event of a Lesotho Wire Application Event, Participants shall use alternate means of payment exchange, for instance bank cheques, bilateral exchanges.

10. Force majeure events under Article 11 of the Rule Book shall be dealt with on a case-by-case basis.

11. Each participant shall maintain a written record of all contingency events and system problems. The record shall:

      (a) include details of date, time, nature of problem, action taken to rectify and time of rectification;

      (b) be reviewed by the Bank on monthly basis;

      (c) Be copied and such copies are to be forwarded to the Lesotho Wire Help Desk Supervisor (refer to section 87 hereunder) within two working days of the end of each calendar month. A template for recording this information is set out at Schedule B.

12. (1) The Bank shall test the Lesotho Wire contingency arrangements at least bi-annually. All Participants are required to cooperate and participate in this process.

(2) Participants may arrange, as necessary, with the Bank for conduct of their own contingency arrangement tests. As a minimum, the Bank should be advised of any testing that could affect a Participant's ability to operate in the system.

13. (1) In the event that it proves necessary to move System operations to the Bank's Fallback facilities, Participants shall be advised of any action that needs to be taken.

(2) It is intended that the transition to the Fallback site shall be largely transparent to Participants. Participants shall need to establish a new Logon session from their Webstation(s) to the Bank's Fallback site.

14. In the event that a participant needs to move to its Fallback site for any reason during the day, it should be able to do this without impacting the other Participants or the Bank. It should, however, notify the Bank of its intention to transfer and also of its successful transfer.

ANNEX IV: METHOD FOR THE SELF ASSESSMENT BY THE PARTICIPANT OF ITS IT INFRASTRUCTURE

(1) Participants shall perform a self-assessment of the integrity and resilience of their own internal Lesotho Wire arrangements.

     (a) physical site security
     (b) system problems and downtime
     (c) occurrences of fraud
     (d) adequacy of throughput capacity
     (e) adequacy of contingency arrangements and facilities.

(2) The self-assessment report is to be submitted to the Bank bi-annually in January 31st and June 30th under signature of an authorised signatory of the Participant.

ANNEX V: TECHNICAL DESCRIPTION OF THE SYSTEM

Lesotho Wire uses three main components:

(i) SWIFT including the FIN Y-Copy Service, the FIN Network and SWIFT Terminal;

(ii) The Participant Webstation;

(iii) The Lesotho Wire Central System with its associated Webstation facilities at the Bank.

The following are brief explanations to the three main components:

(i) SWIFT FIN Y-Copy Service, the FIN Network and SWIFT Terminal:

(a) Lesotho Wire shall use the SWIFT network for the exchange of Real Time Gross Settlement (RTGS) payment instructions. All Lesotho Wire Participants, including the Bank shall be connected to SWIFT via SWIFT interfaces.

(b) SWIFT shall monitor the payments traffic of members of the Lesotho Wire Closed User Group (CUG) and shall direct any payments designated as Lesotho Wire payments to the FIN Y-Copy Service. The FIN Y-Copy shall then extract information from the original payment message to create an abbreviated message. This message holds only enough information to allow settlement across accounts of the Sending and Receiving Participants at the Bank.

(c) The FIN Y-Copy shall hold the original payment instruction pending receipt of an authorisation or rejection message from the Bank. On receipt of a positive authorisation, the FIN Y-Copy shall forward

the settled payment instruction to the Receiving Participant.

(ii) <u>The Participant Webstation</u>:

(a) All Lesotho Wire Participants shall be required to have one or more Lesotho Wire Webstations. These Participant Webstations and a local network are used by Lesotho Wire to support, including but not limited to, real time gross settlement related commands and enquiries and to non value functions such as on-line access to account balance and activity information, on-line access to queued payment information and a secure communication hub for exchange of messages.

(b) Participants are responsible for installing and managing their own Webstation(s).

(iii) <u>The Lesotho Wire Central System with its associated Webstation facilities at the Bank</u>

The Lesotho Wire Central System shall perform three main roles, which are the processing of:

(a) Settlement accounting on behalf of Participants and associated liquidity management facilities;
(b) The Bank's own inward and outward Lesotho Wire payments; and
(c) non-RTGS Account Transfers across Participants' accounts initiated by the Bank.

ANNEX VI: OPERATING SCHEDULE

The Bank shall operate the System on a fixed schedule from Monday through Friday and on Saturday except on Sunday and on Lesotho public holidays for purposes of sending payments and settlement according to the System operating schedule described in the table below:

Time	Event	Activity / Available Transactions
08:00hrs (Mon-Fri)	Start System	• System is started • Bank can perform certain house keeping tasks
09:00hrs (Mon-Fri)	Start of Operating Day	• Participants can send and receive payments • The Bank shall enter Net Settlement Instructions from other clearing systems, Account transfers and its own payments
16:15hrs (Mon-Fri)	Initial Cut-Off	• Closed to new payments, except for bank-to-bank (MT2XX series) and Account Transfers • Queue clearance may be effected by application of gridlock resolution tools by the Bank and by deletion of queued payments by Participants • Participants must arrange to have sufficient available funds to allow reversal of ILF drawings prior to Final Cut-off
16:30hrs (Mon-Fri)	Final Cut-Off	• No further inputs accepted, except for Account Transfers and Net Settlement Amounts • At session close, any SWIFT transactions still in queues will be rejected with MT097 issued to SWIFT and passed by SWIFT to the relevant Participant
17:00hrs (Mon-Fri)	End-of-Day / System Close	• Any queued Account Transfers should be cancelled manually by the Bank • End-of-day processes, such as report production

ANNEX VII: OPERATIONAL MANUAL

PART I – RETURN OF PAYMENT PROCEDURE

1. (1) A Participant may request return of a payment from a Receiving Participant by using MT202 message format as a communication means.

    (2) A return payment shall be initiated as a new SWIFT MT202 Financial Institution Transfer message instruction.. The return instruction shall contain related reference number being the reference number of the original instruction and clearly indicate "*Return Payment*".

    (3) Any costs or claims arising thereof shall be dealt with by the Participants outside these Rules and Procedures.

2. (1) A Receiving Participant shall reject a received payment in the event it is unable to apply.

    (2) Participants shall return such payments to the Sending Participant within one (1) hour of receipt. If the original payment is received less than an hour before Final Cut-off, the payment return shall be effected within thirty (30) minutes of the Start of Day time in the next Lesotho Wire business day.

PART II – TRANSFER OF RECEIVED PAYMENTS

1. (1) A Receiving Participant shall transfer the received payment to the account of the beneficiary within one (1) hour after receipt of the payment from the Sending Participant.

    (2) A Receiving Participant shall be liable for a claim of undue enrichment from a Sending Participant if the Receiving Participant fails to credit the beneficiary's account with the value:

(a) within one (1) hour of that payment being received by the Receiving Participant where the payment was received not less than one hour before the Initial Cut-off time; or

(b) within thirty (30) minutes of Start-of-Day time in the following morning in those cases where the payment is received less than one (1) hour before the Initial Cut-off time.

(3) A Receiving Participant shall also be liable for a claim of undue enrichment from a Sending Participant if the Receiving Participant fails to return a payment which it is unable to apply within the times stipulated in Part 1, section 2.2 above.

PART III – QUEUE MANAGEMENT

1. (1) all debit transactions to Participants' accounts in the System shall be checked for funds availability. Payment Instructions shall not be processed unless there are sufficient available funds in the settlement account at the time of checking. Availability of funds shall be determined with reference to account balance as well as any other parameters set on the settlement account.

    (2) If there are sufficient funds available, the settlement accounts of the two Participants involved shall be respectively debited and credited and required message outputs shall be issued.

2. Transactions for which there are insufficient funds available shall be queued for two hours afterwhich they will be rejected by the System. Queued transactions are rechecked when settlement account conditions change, for instance when the settlement account has been credited with funds or other account constraints are changed.

3.   (1) All Payment Instructions shall be queued and re-submitted for funds availability checking on a First-In-First-Out (FIFO) basis, that is, all Payment Instructions shall be queued in the order in which they were received and the first Payment Instruction in each Participant's queue shall be checked first.

(2) Only the Payment Instructions at the head of each Participant's queue shall be checked for funds availability. The FIFO order of queues shall only be overridden by use of the queue management facilities described in the sections below.

4.   (1) SWIFT payments can be assigned two priority classes:

(a) Normal; and
(b) Urgent.

(2) Normal or Urgent priority is assigned to a Payment Instruction by the Participant as part of the SWIFT message header.

(3) Within the System, account transfers initiated by the Bank shall be tested ahead of Urgent payments (see section 5 below); and Urgent payments shall in turn be tested ahead of Normal payments. All Payment Instructions shall be tested in FIFO order within these three classes except where a Participant elevates a queued SWIFT payment (Urgent or Normal) to the head of the Urgent section of the queue.

5.   (1) Payment Instructions initiated by the Bank shall have a higher priority than SWIFT-sourced transactions.

(2) Payment Instructions shall always take precedence over other transactions in a Participant's queue.

6.   Sending Participants shall be able to change priorities of outgoing SWIFT payments held in their queue by promoting individual payments to the head of the payment queue via the Lesotho Wire Webstation facility.

7.   (1) A Sending Participant may cancel any of its SWIFT payments held in its queue using the Lesotho Wire Webstation. The System shall return an MT097 to SWIFT Fin-Copy. The System shall append a code indicating the reason for rejection.

        (2) A Participant cannot cancel an Account Transfer from its queue, only the Bank is able to cancel queued Account Transfers.

8.   (1) The System provides the Bank with tools to resolve significant backlogs of queued payments. This is called gridlock resolution.

        (2) The System shall apply an algorithm to select those payments that can be settled on an offset basis. This shall change the FIFO ordering of settlement.

        (3) Gridlock resolution can be scheduled for automatic activation at set times or intervals as specified by the Bank and can also be manually invoked by the Bank. Gridlock resolution is most likely to occur in the period between Initial and Final Cut-Off.

9.   Payment Instructions that are not settled by the end of the Operating Day shall be rejected with an appropriate Abort Reason code appended to the MT097.

PART IV – SWIFT SERVICES

1. The Bank shall enter into a contract with SWIFT for the provision of FIN Y-Copy services to support the settlement of Payment Instructions.

2. (1) The FIN Y-Copy service uses the facilities of the FIN messaging service, which it enhances by copying selected information to the Bank for settlement authorisation. This Store-Copy-Authorise-Forward facility requires that all Participants be members of the Lesotho Wire Closed User Group (CUG).

    (2) The Bank shall administer the FIN Y-Copy service, including the determination of the membership of the CUG, the message types to be supported by the Lesotho Wire CUG and various other aspects of the FIN Y-Copy service.

    (3) SWIFT is responsible for implementing the Bank's FIN Y-Copy requirements.

3. A Participant shall seek the Bank's approval prior to submitting any requests to SWIFT for any amendment to its SWIFT identity or capabilities that may impact on its participation in the Lesotho Wire CUG.

4. (1) Each Participant must maintain a single current Bank Identifier Code (BIC) for use in Lesotho Wire.

    (2) Participants who maintain multiple identities in SWIFT for related or subsidiary entities may only nominate one BIC as a destination for Lesotho Wire payments.

    (3) Bank Identifier Codes of Lesotho Wire Participants are shown in Annex IX.

5. (1) A Sending Participant must include a three character Service Identifier Code in an outgoing SWIFT payment

message for it to be intercepted and copied by the SWIFT Y-Copy service.

(2) The Service Identifier Code (placed in Field 103 of the user header) for Lesotho Wire is LSW.

6. (1) The following SWIFT Message types will be available for use in the Lesotho Wire CUG.

SWIFT Message Type	Description
MT102	Multiple Customer Credit Transfer
MT103	Single Customer Credit Transfer
MT202	General Financial Institution Transfer

(2) Message formats are contained in the SWIFT User Handbook.

(3) MT202 and MT205 are both used for the exchange of bank-to-bank payment instructions and contain the same information. Participants should use MT202 in preference to MT205.

7. (1) The FIN Y-Copy service uses the following message types to carry out the settlement leg of the process.

SWIFT Message Type	Description
MT096	FIN Copy to Central Institution Message
MT097	FIN Copy Message Authorisation/Refusal Notification

(2) The incoming payment message shall be intercepted, copied and stored pending receipt of a positive or negative

response from Lesotho Wire. The Y-Copy service operates in partial-copy mode, that is, only some information is included in the MT096 sent to Lesotho Wire for settlement processing. The following Fields are included in the MT096 to Lesotho Wire.

SWIFT Message Types	Field Tags to be Copied	Field Description
MT102, MT103,MT202	20	Transaction Reference Number
	32A	Value date, Currency code, Amount
	72	Sender to receiver information

(3) The Header and Trailer data shall also be copied.

(4) Lesotho Wire shall process the MT096 and respond to FIN Y-Copy with an MT097. The MT097 shall either authorise or reject the MT096 request for settlement depending on the outcome of Lesotho Wire validation tests on the message and the availability of funds to enable settlement to occur within the specified hours that Lesotho Wire is open for settlement.

(5) A positive MT097 authorisation response from Lesotho Wire shall contain the following settlement-related information:

     (a) Timestamp of settlement completion; and
     (b) Lesotho Wire transaction reference number.

(6) FIN Y-Copy shall forward the successfully settled Payment Instruction to the Receiving Participant with these details contained in the header block of the message.

8.   If the System rejects the payment instruction, a negative MT097 rejection response shall be returned to FIN Y-Copy. The System shall append a two-digit code to Field 432 of the MT097. This Abort Notification Code describes the reason for the rejection of the MT097 by the System.

9.   (1) If FIN Y-Copy is unable to complete processing of a Payment Instruction, it shall send an Abort Notification (MT019) to the Sending Participant, advising the reason for the rejection.

(2) Reasons for rejection shall be assigned a two-digit Abort Reason Code, which shall appear in Field 432 of the Abort Notification (MT019). The Abort Reason Code may be assigned by SWIFT or the System depending on the reason and point in the process at which rejection occurred.

10.   The tables below list SWIFT and Lesotho Wire assigned Abort Reason Codes.

Table 1.   SWIFT Assigned Codes

SWIFT Rejection Code	Description
01	Message too old (remained undelivered for n days)
02	Too many unsuccessful delivery attempts
03	Destination disabled
04	Operator aborted
05	Message could not be recovered after a major system failure because it was user encrypted
06	Message Type incompatible with SWIFT Terminal mode
11	Message is too old, but was authorized
12	Too many delivery attempts, but message was authorized
13	Destination is disabled, but message was authorized
14	Message is too long, but was authorized
21	Message is too old and was bypassed
22	Too many delivery attempts and the message was bypassed
23	Destination is disabled and message was bypassed
24	Message is too long and was bypassed
32	Message is too old and was not authorized
33	Copy message to the copy service server was aborted

Table 2. Lesotho Wire Generated Abort Codes

SWIFT Rejection Code	Description
61	Failed message format validation at Lesotho Wire
62	Duplicate Transaction reference (for this date)
63	Invalid currency
70	Invalid Value Date – not equal to current value date
71	Customer Payment Received after Initial Cut-off
72	Payment Received after Final Cut-off
72	Lesotho Wire Closed
73	Beneficiary Bank does not exist
74	Beneficiary Bank suspended
76	Beneficiary account blocked for incoming payments
77	Sender account blocked for outgoing payments
78	Sender Bank does not exist
79	Sender Bank suspended
80	Payment cancelled from Settlement Queue at your own request
81	Payment unsettled at Final Cut-off

11.   On receipt of a positive MT097 Authorisation response from the System, the FIN Y-Copy has the capacity to send a Sender Notification (MT012) to the Sending Participant. Sender Notification (MT012) is an optional FIN Y-Copy service.

12.   (1) SWIFT shall charge each Participant directly for messaging costs associated with FIN Y-Copy treatment of payment instructions initiated by that Participant. These charges are determined by SWIFT.

(2) Messages initiated by the System to Participants shall also be charged to Participants by SWIFT under a "reverse billing" arrangement, that is SWIFT charges are usually levied against the sender of a SWIFT message. Messages subject to reverse billing shall be limited to those described at section 7 above

13.   (1) The following non-value message types may be generated by the System and sent to Participants:

Non-Value Message Type	System Treatment
MT012 Confirmation of Payment	Used by the System to provide advice to Sending Participant that a payment sent by that Participant has been settled. Receipt is optional
MT900 Confirmation of Debit	Used by the System to provide advice to Participants of Account Transfers. Receipt is optional
MT910 Confirmation of Credit	Used by the System to provide advice to Participants of Account Transfers. Receipt is optional
MT950 Statement Message	Generated at end-of-day to provide account statement information to Participant. Receipt is optional
MT999 Free Format Message	Sent by the System in a manual/automatic manner to provide different information regarding the system. Receipt is mandatory

(2) For the optional messages shown in the table above, each Participant shall advise the Bank which messages it wants to receive, except for the MT999 message. The System shall not issue these messages unless Participants have requested them.

PART V – SECURITY OF SYSTEM OPERATIONS

1. Both SWIFT and the LSW Systems provide security facilities for data protection, payments in transit, and user access control. Participants are responsible for ensuring the integrity of transactions, data and user access within their own organisations.

2. Any actual or suspected breach of security must be reported to the System's Help Desk immediately.

3. (1) SWIFT security and control arrangements are described in the SWIFT FIN Copy Service Description and in the FIN Security Guide of the SWIFT User Handbook.

   (2) Participants shall ensure that they conduct Relationship Management Application (RMA) with all other Participants including the Bank, so that all payment messages passed through the System are double-authenticated, by utilising the SWIFT Standard FIN messages which uses an authentication mechanism based upon the sender and receiver.

   (3) The Lesotho Wire Bank Identifier Code (BIC) address must be used by Participants for RMA with Lesotho Wire. The Lesotho Wire BIC address is contained in Annex IX – Bank Identifier Codes.

4. (1) Participants shall use Webstations to access the System through a Virtual Private Network (VPN). The Webstations, whether attached to proxy servers or directly attached to

the network shall support the enquiry, queue management and e-mail functions of the System. Line encryption shall be provided over the link between the Participant Webstation(s) and the System.

(2) Participants shall each have one or more Webstations at their choice. Physical security of these devices in Participant premises shall be the responsibility of the Participant.

(3) Logon to the System by a Webstation shall require the use of an Aladdin e-token, which is connected to the Webstation via a USB port. The e-token will establish a secure dialogue with the System server at the Bank site in Lesotho. The Bank shall supply the Aladdin e-token(s) to Participants.

(4) The System shall provide access security with User-IDs, passwords and functionality limitations that may be controlled by the appropriate authority in each Participant organisation. It is the responsibility of each Participant to establish and enforce appropriate user access and authorities within their organisation.

ANNEX VIII: SWIFT USER HANDBOOK

Refer to latest SWIFT User Handbooks, already available to SWIFT users.

ANNEX IX: SWIFT BICs OF PARTICIPANTS

NAME OF THE BANK	SWIFT TEST ENVIROMENT – (BIC)	LIVE ENVIROMENT – (BIC)
Central Bank of Lesotho	CBLELSMO	CBLELSMX
Standard Lesotho Bank	SBICLSMO	SBICLSMX
First National Bank	FIRNLSMO	FIRNLSMX
Nedbank	NEDLLSMO	NEDLLSMX
Lesotho Post Bank	LESHLSMO	LESHLSMM

ANNEX X: FEE SCHEDULE

Lesotho Wire Transaction Fees

The following fees per transaction structure shall be applicable for the Lesotho Wire Transactions:**Description**	Transaction Fee
Payment Instructions: RG	M10.00
Payment Instructions: LO	M15.00
Account Transfers (Net Settlement Transfer)	M15.00

Penalty Charges

Description	Fee Amount in LSL
Insufficient funds for RG payment instruction	M1,000
Rejected LO payment instructions due to insufficient Funds	M1,500
Insufficient Funds for Net Settlement (Account Transfer)	M5,000
Rejected Payment Instruction by LSW (not validated)	M200
Withdrawal or Cancellation of a Payment	M200
Withdrawal or Cancellation of a Payment instruction	M300
Request for Extension of Lesotho Wire end of day time	M1,000 per hour after 1st hour of extension

SCHEDULE "A"

CRITICAL TRANSACTIONS

LESOTHO WIRE CRITICAL TRANSACTIONS

To: Director of Operations (CBL)

From:...................................   Date Stamp
(Title and Full Name)

 Bank..................................

Please process this/these transaction(s) on behalf of our Bank in Lesotho Wire:

VALUE DATE	SENDING BANK	BENEFICIARY PARTIPANT(S)	TRANSACTION REFERENCE	AMOUNT
TOTAL				

State grand total value (amount) in words:

....
....

....
Authorised Officer's Name   *Authorised Officer's Name*

....
Authorised Officer's Signature   *Authorised Officer's Signature*

CENTRAL BANK RECEIPT

Received the LSW critical transactions for Processing

Head-NPS   *Authorised for Processing by DOO*

....

<u>S</u>CHEDULE B

CONTINGENCY EVENTS

Date	Nature of Problem	Action taken to rectify the problem	Time of rectification

Rule Book Review

This Rule book shall be reviewed every two years or as and when circumstances so dictates.