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**SPECIAL CONDITIONS**

**1. EXPLANATION OF TERMS USED IN THE REGULATIONS**

<b>Insurer</b>	BTA Insurance Company SE Lithuania Branch, hereinafter – BTA.
<b>Policyholder</b>	Natural or legal person who in accordance with the procedure set out by legal acts of the European Union (hereinafter – the EU) and Republic of Lithuania (hereinafter – RL) is the principal of the operation of temporary warehousing of goods, customs procedure or any other customs approved treatment committed to fulfil all his obligations to the Beneficiary.
<b>Beneficiary</b>	Competent authorities of the European Union and certain other countries (the customs of RL or other Member States of the EU, hereinafter the Customs) specified in the guarantee to the Customs.
<b>Guarantee</b>	Document issued and submitted to the Customs alongside the insurance policy for one customs procedure or one customs approved treatment (a single guarantee) or for several customs procedures or several customs approved treatments (a blanket guarantee).

**2. INSURANCE OBJECT**

<b>Insurance object</b>	2.1. The insurance object shall be the Policyholder’s obligation to pay to the Customs the amount of customs duties and taxes established by the legislation of the EU and RL comprising the debt relating to the operations of temporary warehousing of goods, customs procedures or any other customs approved treatment (hereinafter – the customs approved treatment).
<b>Excluded from the object of insurance</b>	2.3. Fines provided by laws for the non-fulfilment or improper fulfilment of the Policyholder’s obligation(s) shall not be the object of insurance.

**3. INSURANCE COVER**

**Insurance cover**

3.1. Insurance cover under the contracts of suretyship insurance regarding the fulfilment of obligations to the Customs shall be provided only for the insurance risks listed in the insurance contract.

**4. INSURED EVENT****Insured event**

4.1. The insured event shall be the default on or inadequate fulfilment of the Policyholder's obligation to pay the customs duties and taxes (excluding penalties) representing the Customs debt in the manner established by the legislation of the EU and RL with regard to the customs approved treatment applicable to goods as specified in the insurance contract, as a result of which BTA receives the claim from the Customs.

**5. EXCLUSIONS****Exclusions**

5.1. Exclusions shall be all cases of exemption of the Policyholder from the obligation to pay the customs duties and taxes (excluding penalties) representing the Customs debt in the manner established by the legislation of the EU and RL with regard to the customs approved treatment applicable to goods as specified in the insurance contract.

**6. SUM INSURED****Sum insured**

6.1. Sum insured shall be equal to the maximum amount of customs duties and taxes representing the Customs debt should the Policyholder with whom the insurance contract was concluded default on timely and proper fulfilment of the obligations assumed to the Customs.

**7. INSURANCE PREMIUM****Insurance premium**

7.1. The insurance premium amount shall be determined by agreement between BTA and the Policyholder. The insurance premium amount and its payment term shall be specified in the insurance policy.

**8. CONCLUSION AND VALIDITY OF THE INSURANCE CONTRACT****Conclusion of the Insurance contract**

8.1. For the purpose of concluding the insurance contract, the Policyholder shall apply with BTA verbally, or, at the request of BTA, shall submit a completed written insurance contract application of the established form and content, financial statements and other documents necessary for the assessment of insurance risk and for the conclusion of the insurance contract. If these documents are not submitted, BTA may refuse considering the Policyholder's insurance contract application. The Policyholder shall be responsible for the accuracy of the submitted data and documents.

8.2. The insurance contract shall consist of: the Policyholder's insurance contract application, the Insurance Regulations, the insurance policy and the guarantee issued together with the insurance policy.

8.3. The insurance contract between the Policyholder and BTA shall enter into force from the date specified in the insurance policy and guarantee and shall remain effective until fulfilment of the Policyholder's obligations to the Customs arising during validity of the insurance contract.

8.4. Upon acquisition by the Policyholder of the insurance policy and the accompanying guarantee, the Policyholder's obligation to the Customs shall

**Validity of the Insurance contract**

arise from the acceptance and registration of the guarantee by the Customs.

8.3. When the name of the Policyholder's obligation to the Customs or the sum insured changes or for any other reasons a new insurance contract may be executed or the existing insurance contract may be re-documented prior to the registration of the insurance contract with the Customs. An additional fee may be charged for the repeated execution of the insurance contract and for the issue of a new insurance policy and the accompanying guarantee.

8.4. The insurance contract shall expire when all customs sanctioned treatment started during validity of the insurance policy and the accompanying guarantee are finalised.

8.5. The Policyholder shall have the right to terminate the insurance contract and it may be terminated in the following cases:

8.5.1. the Policyholder, who was issued a single insurance policy and a single accompanying guarantee, returns all copies without the Custom's references indicating that the customs approved treatment according to them have been started;

8.5.2. the Policyholder, who was issued a blanket insurance policy and a blanket accompanying guarantee, has notified BTA in writing one month in advance of the envisaged date of termination of the insurance contract and submitted to BTA the documentary proof of the repayment of all debts to the Customs.

8.6. The expiry or termination of the insurance contract shall not exempt the contractual Parties from liability in respect of the Custom's claims filed during validity of the contract and during the period until the Policyholder submits the documentary proof of the full discharge of obligations to the Customs.

**Termination of the insurance contract**

**9. RIGHTS AND OBLIGATIONS OF THE POLICYHOLDER AND BTA DURING VALIDITY OF THE INSURANCE CONTRACT**

**Rights and obligations of BTA**

9.1. Rights and obligations of BTA shall be established by legal acts of the EU and RL and the agreement signed between BTA and the Customs Department.

**Obligations of the Policyholder**

9.2. During validity of the insurance contract and prior to concluding the insurance contract BTA shall have the right to request from the Policyholder the additional security of performance of the insurance contract.

9.3. The Policyholder must properly fulfil the obligations assumed to the Customs in accordance with the procedure established by the Customs and in a timely manner.

9.4. At the request of BTA, the Policyholder must provide to BTA the information and/or the proof of the fulfilment of his obligations to the Customs according to the insurance policy and the accompanying guarantee issued to him.

9.5. At the request of BTA, the Policyholder must provide an additional security (collateralise his property, form a cash deposit, etc.).

**10. RIGHTS OF THE POLICYHOLDER AND BTA UPON OCCURRENCE OF THE INSURED EVENT**

**Obligations of BTA**

10.1. BTA, having received the notification or claim from the Customs concerning incurred Customs debt as a result of the Policyholder's default on or inadequate fulfilment of the obligations to the Customs according to the insurance policy issued by BTA, shall notify the Policyholder by post or e-mail about the received notification or claim and shall request the proof (payment orders, collection orders, letters of guarantee, etc.) of the fulfilment of obligations to the Customs.

**Obligations of the Policyholder**

10.2. Upon payment by BTA of the insurance indemnity to the Customs, BTA, by implementing the subrogation claim, shall notify the Policyholder in writing of the arising debt specifying the time limit for its repayment to BTA.

10.3. The Policyholder, having received the information from BTA

## **Rights of BTA**

about the Custom's notification or claim, must:

10.3.1. Give a written approval to the Customs Department (territorial customs office) for providing to BTA all information about the progress and all documents concerning the customs approved treatment specified in the insurance policy and in the accompanying guarantee.

10.3.2. By the deadline established by BTA (but no longer than within 15 (fifteen) business days of the day of sending the letter), fulfil his obligation to the Customs and furnish BTA with the proof of the fulfilment or proper fulfilment of the obligation.

10.4. If the Policyholder fails to repay the debt by the time limit specified in the letter of BTA the Policyholder shall be charged late interest of 0.02% from the defaulted amount for each delayed day.

10.5. The time limits indicated in subparagraph 10.3.2 and paragraph 10.4 shall be calculated from the day of sending the claim to the last known address of the Policyholder's registered office.

10.6. BTA shall assume obligations only to the Customs, and only the Customs shall have the right to demand the fulfilment of the obligation from BTA. The Policyholder shall have no right to any financial or other claim in respect of BTA.

## **11. CONDITIONS AND PAYMENT OF INSURANCE INDEMNITIES**

### **Determination of the amount of claim**

11.1. The amount of the insurance indemnity shall be determined by the Customs on a case-by-case basis acting in observance the legislation of the EU and RL and documents supporting the completion of the customs approved treatment formalities.

11.2. The amount of the insurance indemnity shall be equal to the amount of customs duties and taxes comprising the debt to the Customs incurred by reason of the Policyholder's default on the obligation under the customs approved treatment specified in the insurance policy and the accompanying guarantee.

11.3. The amount of the insurance indemnity may not exceed the sum insured specified in the insurance policy and the accompanying guarantee.

11.4. The insurance indemnity established by the Customs shall be specified in the claim and sent to BTA alongside other documents.

11.5. BTA shall pay the insurance indemnity to the Customs in observance of the time limits provided for in the agreement concluded with the Customs Department of the Republic of Lithuania.

### **Payment of the insurance indemnity**