

**Decree No 11/2011 (IX. 6.)**

**of the Governor of the MNB**

**on the processing and distribution of banknotes and on technical tasks relating to the protection of banknotes against counterfeiting**

Having regard to the authorisation by Article 60 (1) *e*) and *h*) together with Article 60 (2) *b*) and *c*) of Act LVIII of 2001 on the Magyar Nemzeti Bank (hereinafter referred to as 'MNB Act'), and acting within my scope of duty laid down in Article 4 (2) and (6) of the MNB Act, I hereby decree the following:

**1. Scope**

**Article 1** This Decree shall apply to the processing and distribution of:

a) forint banknotes, issued by the MNB, which are in circulation and forint banknotes withdrawn but remaining exchangeable for legal tender (hereinafter: forint banknotes); and

b) with regard to Article 3 (1), Article 3 (2) *b*), Article 3 (2) *d*) *db*), Article 3 (4), Article 7 and Articles 14-17 [in issues not regulated by Council Regulation (EC) No 1338/2001 of 28 June 2001 laying down measures necessary for the protection of the euro against counterfeiting (hereinafter referred to as 'Council Regulation')] foreign banknotes issued by foreign institutions authorised to issue cash, which are in circulation, and foreign banknotes withdrawn but remaining exchangeable for legal tender (hereinafter: foreign banknotes)

[hereinafter the banknotes under points *a*) and *b*) collectively referred to as 'banknotes'] as well as to their protection against counterfeiting.

**2. Definitions**

**Article 2** For the purposes of this Decree, the following definitions shall apply:

1. *cash dispensers*: self-service devices that do not qualify as banknote handling machines, allowing customers to withdraw banknotes by using bank cards or other means to the debit of a payment account [for example automated teller machine (ATM), self-checkout terminals with cash withdrawal function];

2. *average daily forint cash turnover*: the total value of cash transactions specified in points 16. *aa*), *ae*), *af*), *ba*), *be*) and *bf*) carried out by a given counter of the credit institution and the postal service during a calendar year, divided by the business days of the given counter;

3. *average daily forint cash disbursement turnover*: the total value of pay-out transactions specified in points 16. *aa*), *ae*), *af*), *ba*), *be*) and *bf*) carried out in a given branch of the credit institution and the postal service during a calendar year, divided by the business days of the given branch;

4. *exchange deadline*: the date determined taking account of the deadlines in an MNB announcement published before 1 May 2004 (hereinafter referred to as 'MNB announcement') or in accordance with the deadlines set forth in Article 31 (3) of the MNB Act, and the deadline determined by a legal act or an official announcement of foreign institutions authorised to issue cash, until the banknotes withdrawn from circulation can be exchanged for legal tender;

5. *banknote recirculation*: within the framework of cash distribution:

a) dispensing banknotes,

b) banknote delivery,

c) banknote transfer;

6. *banknote handling machines*:

a) staff-operated machines, including

*aa*) banknote processing machines,

*ab*) banknote authentication machines,

*ac*) teller assistant recycling machines,

*ad*) teller assistant machines,

- b) customer-operated machines, including
  - ba) cash-in machines,
  - bb) cash-recycling machines,
  - bc) combined cash-in and cash-out machines,
  - bd) cash-out machines;

7. *withdrawal deadline*: the date determined by an MNB announcement or by an MNB decree and the deadline determined by a legal act or an official announcement of foreign institutions authorised to issue cash, upon which the withdrawn banknotes lose their legal tender status;

8. *other economic agents*: natural or legal persons and other entities without legal personality that do not qualify as cash processing providers or cash distributors and that are engaged on a secondary basis in banknote recirculation via customer-operated machines or cash dispensers, within the limit of such secondary activities;

9. *banknotes withdrawn from circulation*: banknote no longer accepted as legal tender as prescribed in an MNB announcement or an MNB decree, or in a legal act or in an official announcement of foreign institutions authorised to issue cash;

10. *fit banknotes*: genuine legal tender, covering:

a) forint banknotes, identified as fit for recirculation according to the sorting criteria defined in Annex 1,

b) euro banknotes, identified as fit for recirculation according to the minimum requirements laid down in Annexes IIIa and IIIb of the ECB Decision ECB/2010/14 of 16 September 2010 on the authenticity and fitness checking and recirculation of euro banknotes (hereinafter referred to as 'ECB Decision'),

c) other foreign banknotes, identified as fit for recirculation according to the sorting criteria of the issuer;

11. *unfit banknotes*:

a) genuine banknotes withdrawn from circulation; and

b) genuine legal tender, covering:

ba) forint banknotes, identified as unfit for recirculation according to the sorting criteria defined in Annex 1,

bb) euro banknotes, identified as unfit for recirculation according to the minimum requirements in Annexes IIIa and IIIb of the ECB Decision,

bc) other foreign banknotes, identified as unfit for recirculation according to the sorting criteria of the issuer;

12. *counterfeit banknotes*: counterfeits that have been fraudulently produced by using the image, denomination value or any security feature of a genuine banknote by imitating or modifying it;

13. *suspicious banknotes*: banknotes - legal tender or withdrawn from circulation - which are subject to any well-founded professional doubt as to their authenticity relying on the results of an authenticity check conducted under Article 3 (3) and (4) by cash processing providers or cash distributors;

14. *incomplete banknote*: banknotes unfit for circulation pursuant to points 4.5 and 4.6 of Annex 1;

15. *double/duplex counter*: two counters located next to each other, in which the two cashiers can use one (the same) UV-A/C device without leaving the counter;

16. *cash distribution*:

a) the following banknote operations

aa) dispensing and depositing banknotes carried out at the counter of the cash distributor,

ab) banknote transfer by cash processing providers following the cash processing activity, in line with the client's instructions, including the filling of the equipment that is physically suitable for dispensing and depositing banknotes,

ac) banknote trade among cash distributors,

ad) dispensing and depositing banknotes through physically enabled equipment,

ae) denomination exchange of fit forint banknotes as well as unfit forint banknotes qualifying as legal tender,

af) exchanging forint banknotes withdrawn from circulation as well as difficult-to-recognise and damaged forint banknotes;

b) the following coin operations

ba) dispensing and depositing coins carried out at the counter of the cash distributor,

*bb)* coin transfer by cash processing providers following the cash processing activity, in line with the client's instructions, including the filling of the equipment that is physically suitable for dispensing and depositing coins,

*bc)* coin trade among cash distributors,

*bd)* dispensing and depositing coins through physically enabled equipment,

*be)* denomination exchange of fit forint coins as well as unfit forint coins qualifying as legal tender,

*bf)* exchanging forint coins withdrawn from circulation as well as difficult-to-recognise and damaged forint coins;

17. *cash processing*: an activity defined in point 1.8 of Annex 2 of Act CXII of 1996 on Credit Institutions and Financial Enterprises (hereinafter referred to as 'Credit Institutions Act');

18. *cash processing providers*: institutions authorised to carry out cash processing activities in accordance with Article 3 (2) c) of the Credit Institutions Act;

19. *cash distributors*:

*a)* credit institutions specified in Article 5 (1) of the Credit Institutions Act, including Hungarian branches of credit institutions registered abroad (hereinafter together: credit institutions),

*b)* payment institutions specified in Article 6/A (1) of the Credit Institutions Act,

*c)* institutions mediating currency exchange activities in accordance with Article 3 (2) a) of the Credit Institutions Act;

*d)* general postal service provider operating the Postal Settlement System specified in Article 3 (38) of Act CI of 2003 on the Post (hereinafter: postal service), and

*e)* postal service providers carrying out international postal money order services specified in Article 4 (1) d) of Act CI of 2003 on the Post;

20. *counter*: a place in the branch of a cash distributor located inside the customer-room or separated from the customer-room, carrying out the cash transactions specified in points 16. *aa)*, *ae)*, *af)*, *ba)*, *be)* and *bf)*;

21. *cashier*: employee of the cash distributor carrying out the cash transactions specified in points 16. *aa)*, *ae)*, *af)*, *ba)*, *be)* and *bf)*;

22. *account holder*: natural or legal person, or other entities without legal personality, on whose payment account the amount of cash deposited or withdrawn through the customer-operated machine is credited or debited.

23. *legal tender*: banknotes defined in Article 4 (2) of the MNB Act and defined as such in a legal act or in an official announcement of a foreign institution authorised to issue cash;

24. *UV-A/C device*: an equipment using for checking the authenticity of forint banknotes, which can operate in both the UV-A and UV-C wavelength ranges;

25. *customer*: natural or legal person, or other entity without legal personality using the services of cash processing providers, cash distributors, customer-operated machines or cash dispensers within the framework of cash distribution;

26. *force majeure*: any unavoidable natural or social event that is capable to influence the operations of cash processing providers, cash distributors and other economic agents and to cause major disturbances in the smooth supply of banknotes and that has the capacity to influence or prevent the implementation of the provisions of this Decree, such as, in particular, natural disasters, terrorist acts, strikes, war and civil war.

### 3. Provisions on banknote distribution

**Article 3 (1)** Cash processing providers, cash distributors, as well as other economic agents with regard to Article 4 (2) and (6) and Article 7, with the exception of the provisions in (2), shall be allowed to recirculate banknotes only after having checked them for authenticity and fitness and found them to be genuine and fit for circulation.

(2) The authenticity and fitness check does not have to be repeated

*a)* with regard to forint banknotes taken over from the MNB,

*b)* with regard to euro banknotes received from national central banks of Member States that have adopted the euro as legal tender,

c) with regard to foreign banknotes not regulated in b) and taken over from foreign institutions authorised to issue cash, and

d) with regard to banknotes taken over from other cash processing providers and cash distributors when the authenticity and fitness check has been performed in a certified way by any cash processing provider or cash distributor as set out below

da) in the case of forint banknotes, using a banknote handling machine of the type listed in the register made public on the MNB's website (hereinafter referred to as 'MNB register'), tested by the MNB in accordance with Articles 8-11, meeting the relevant requirements and set in accordance with the hardware and software version specified in the MNB register,

db) in accordance with Article 7 for euro banknotes,

dc) in accordance with (1) and (4), in the case of foreign banknotes not regulated in db).

(3) The authenticity check of forint banknotes shall be performed under the provisions laid down in the relevant MNB announcement, MNB decree, or MNB publication containing the description of the given denomination, and their fitness check shall be performed in accordance with the criteria set out in Annex 1.

(4) As regards foreign banknotes, the checks referred to in paragraph (1) shall be conducted with due regard to the sorting standards of the institution authorised to issue, complying with a mere description in the relevant legal act or official announcement, or relying on the banknote description contained in publications prepared by a specialised information providing organisation.

**Article 4** (1) Forint banknotes shall be checked for authenticity and fitness by banknote handling machines of the types listed in the MNB register, set in accordance with the hardware and software version specified therein, or manually.

(2) Forint banknotes may be recirculated through cash dispensers or customer-operated machines - subject to the exception set out in paragraph (6) - on the condition that the banknotes are duly checked for authenticity and fitness by banknote handling machines of the types listed in the MNB register and set in accordance with the hardware and software version specified therein, and they have been found genuine and fit for circulation.

(3) At the cash processing provider, the ratio of forint banknote quantity checked by banknote handling machines of the type listed in the MNB register and set in accordance with the hardware and software version specified therein shall reach 90% annually.

(4) In the cash disbursement turnover, any branch of credit institutions and the postal service having an average daily forint cash disbursement turnover of more than 40 million forints based on the data of the preceding calendar year may only recirculate forint banknotes received as supplies or supplementary supplies if the authenticity and fitness check of at least 90% of the received forint banknotes was carried out with a banknote handling machine of the type listed in the MNB register, set in accordance with the hardware and software version specified therein.

(5) In the cash disbursement turnover, branches of credit institutions and the postal service may also recirculate the forint banknotes paid in by customers at the given branch even following a manual check.

(6) Cash processing providers, cash distributors and other economic agents may also carry out the checks of forint banknotes for authenticity and fitness in force majeure cases manually, on a temporary basis, with a view to ensuring a smooth banknote supply. In these cases the cash processing providers, cash distributors and other economic agents shall notify the MNB

a) about the occurrence and expected duration of the force majeure situation without delay,

b) about the manual check performed, subsequently, before the last working day of the month following the ending of the force majeure situation, with a description of the latter, and indicating the actual duration of the manual check.

**Article 5** (1) For the purpose of forint banknotes distribution, a banknote handling machine may only be put into operation if it has been listed in the MNB register and set in accordance with the hardware and software version specified therein.

(2) Cash processing providers, cash distributors and other economic agents shall notify the MNB of the putting into operation of the banknote handling machine of the type listed in the MNB register and set in accordance with the hardware and software version specified therein in advance, at least 20 working days prior to the planned putting into operation, indicating the type as well as hardware and software version of the banknote handling machine to be put into operation. Operating companies that do not

qualify as cash processing providers, cash distributors or other economic agents may also report the putting into operation of a banknote handling machine to the MNB.

**Article 6** (1) For checking the authenticity of forint banknotes, every counter of the credit institutions' and the postal service's branches having an average daily forint cash turnover more than 5 million forints based on the data of the preceding calendar year shall be supplied with UV-A/C device, with the exception of counters having a banknote handling machine of the type listed in the MNB register and set in accordance with the hardware and software version specified therein.

(2) Double/duplex counter may be supplied at least with one UV-A/C device.

**Article 7** (1) The authenticity check of euro banknotes shall be carried out in accordance with the provisions of Article 6 of the Council Regulation.

(2) The fitness check of euro banknotes shall be carried out either by trained staff members or by a banknote handling machine that has been tested by a national central bank belonging to the Eurosystem and has met the relevant requirements, its type is listed in the register made public on the ECB's website, and it has been set in accordance with the hardware and software version specified therein.

(3) In the transition period determined in Article 13 (2) of the ECB Decision to be applied pursuant to the second subparagraph of Article 6 (1) of the Council Regulation, subject to the exception in Article 7 (2) of the ECB Decision, euro banknotes shall only be recirculated through cash dispensers or customer-operated machines if their authenticity and fitness check was carried out using a banknote handling machine that has been tested by a national central bank belonging to the Eurosystem and has met the relevant requirements, its type is listed in the register made public on the ECB's website, and it has been set in accordance with the hardware and software version specified therein.

(4) For the purposes of this Article

a) Eurosystem: as defined in the second sentence of Article 282 (1) of the Treaty on the Functioning of the European Union;

b) trained staff members: the employees of cash distributors, cash processing providers and other economic agents who have knowledge of the different public security features of euro banknotes, as specified and published by the Eurosystem, and the ability to check them, and knowledge of the sorting criteria listed in Annex IIIb of the ECB Decision and the ability to check euro banknotes in accordance with them.

#### 4. Certain provisions on the operation of banknote handling machines

**Article 8** (1) Banknote handling machines - regardless of their functions - shall be able to check batches of forint banknotes and sort them according to the categories specified in point 2 of Annex 2, without the intervention of the staff or the customer operating the machine.

(2) Banknote handling machines shall be adaptable in order to ensure their ability to reliably recognise possible new counterfeits, and, if necessary, to be able to meet fitness check regulations when their strictness changes.

(3) Banknote handling machines, in addition to the provisions in paragraphs (1) and (2), shall be able to physically separate the forint banknotes sorted according to the criteria set up in Annex 2.

(4) In addition to what is contained in paragraph (1), banknote processing machines, teller assistant recycling machines, cash-recycling machines and cash-out machines shall also be able to sort banknotes according to fitness.

(5) With the exception of cash-out machines, customer-operated machines

a) shall be able to store information relating to suspicious forint banknotes and not clearly authenticated forint banknotes until linking this information with the depositor or the account holder concerned, and

b) shall be able to accept genuine forint banknotes identified as legal tender, as well as

c) shall provide the data necessary for crediting the countervalue to the appropriate bank account.

(6) In addition to the provisions in paragraphs (1)-(5), cash-recycling machines, cash-out machines as well as teller assistant recycling machines shall also ensure that all withdrawals of banknotes take place in the form of fit forint banknotes.

(7) The detailed provisions relating to the functions and operation of banknote handling machines, and the related duties of cash processing providers, cash distributors and other economic agents are laid down in Annex 2.

## 5. Provisions on the testing of banknote handling machines and the MNB register

**Article 9** (1) The testing and registration of banknote handling machines may be requested from the MNB by the manufacturer, the distributor or the operating company. The MNB shall refuse the request for testing if it is for a banknote handling machine type with a hardware and software version that has already been tested earlier.

(2) The application shall be submitted in compliance with the formal and content requirements set out in Annex 3.

(3) The following documents shall be attached to the application, preferably in Hungarian or, in absence of such version, in English:

a) documents containing the following information pertaining to the banknote handling machines to be tested:

aa) denominations, image and format recognised by the banknote handling machine,

ab) description of security features recognised by the banknote handling machine and the procedures for checking security features,

ac) information on how the banknote handling machine can be adapted to detect new counterfeits, the method of adaptation and how the adaptation can be checked by the user,

ad) means of maintenance and the frequency of maintenance procedures necessary to ensure the reliable operation of banknote handling machines,

ae) in the case of banknote processing machines, methods of feeding banknotes and of resetting the minimum standard requirements for sorting according to fitness,

af) in the case of cash-recycling machines, way of possible resetting of the minimum standard requirements for sorting according to fitness;

b) user's manual of the banknote handling machine to be tested.

**Article 10** (1) The MNB shall carry out the testing procedure in its own facilities or at another location designated by the applicant.

(2) The MNB shall carry out the tests of banknote handling machines using test packages comprised of forint banknote counterfeits and genuine fit and unfit forint banknotes.

(3) Testing shall be carried out free of charge if performed in the MNB's own facilities. The MNB's costs related to the testing (especially travel expenses and accommodations) shall be borne by the applicant, who shall also take care of the transportation of the test package and bear the relevant costs (especially the transport cost and the fee for the insurance and bank guarantee approved by the MNB) if the testing is carried out by the MNB at another location designated by the applicant.

(4) The test results are valid only for the type of banknote handling machine tested by the MNB and for the hardware and software version it contains at the time of testing as well as for the test package used for testing.

(5) The results of the testing shall not affect the responsibilities of

a) the manufacturer or distributor of the given banknote handling machine type for the suitability for use and faultless operation of the machine, and

b) the cash processing provider, the cash distributor or other economic agents for the compliance with the rules of forint banknote recirculation.

**Article 11** (1) The first step of the testing procedure is a pre-test (brief testing), that shall be conducted in all cases, regardless of the banknote handling machine's function, and it is a precondition for further testing. The pre-test is intended to determine whether the banknote handling machine is capable to detect genuine forint banknotes.

(2) The second stage of the testing procedure is the basic (authentication) test that covers the following, regardless of the banknote handling machine's function:

a) ability to identify and to separate counterfeit forint banknotes from genuine ones (testing ability for detecting counterfeits),

b) ability to sort forint banknotes according to fitness (testing ability to carry out fitness checks), and

c) with the exception of cash-out machines, in the case of customer-operated banknote handling machine, ability to store information concerning the depositor of suspicious forint banknote or the account holder, and for linking information on the depositor or the account holder with suspicious forint banknotes (testing ability for allowing traceability).

(3) In the event of the MNB's altering the test package used for testing under Article 10 (2), the applicant that requested the testing of the banknote handling machine that has already been tested and found in compliance with the prescribed requirements may be requested to conduct an additional testing procedure. The applicant must comply with the MNB's request within six weeks upon receipt of notice and make the machine available for re-testing. The MNB shall determine the re-testing procedure considering paragraphs (1) and (2).

(4) Following the basic (authentication) test referred to in paragraph (2), every year - within 1 year from the last day of the month when the machine was recorded in the MNB register on the basis of the result of the latest test, pursuant to the provisions of Article 9 (2) - the applicant shall request the MNB to conduct a re-test of the banknote handling machine type that has already been tested. The documents referred to in Article 9 (3) shall be submitted for the annual re-testing procedure if they contain any changes. The MNB shall determine the annual re-testing procedure considering paragraphs (1) and (2).

(5) The applicant for the testing shall in each case - pursuant to Article 9 (2) - request a re-test by the MNB of a banknote handling machine type upon altering in any way the authentication hardware or software of the machine. The documents referred to in Article 9 (3) shall be submitted for the re-testing procedure if they contain any changes. The MNB shall determine the re-testing procedure considering paragraphs (1) and (2).

**Article 12** The MNB shall notify the operators described in Article 5 (2) if, with regard to the banknote handling machine operated by them, it

- a) requests the applicant to conduct an unscheduled re-test pursuant to Article 11 (3),
- b) applies the clause pursuant to Article 13 (3),
- c) deletes an item in the MNB register following the expiry of the deadline laid down in Article 13 (1) or for any reason specified in Article 13 (4).

**Article 13 (1)** The MNB shall effect the registration of successfully tested banknote handling machine types, and shall keep them in the MNB register for 1 year from the last day of the month when the registration was effected, provided that the banknote handling machine type continues to be able to recognise all forint banknote counterfeits that become known for the MNB in this period.

(2) The MNB register contains the following:

- a) the particulars of successfully tested banknote handling machines: name, function, type, hardware and software version,
- b) information relating to the manufacturer or the distributor: name, registered office, mailing address as well as electronic mail address and website,
- c) date of registration in the MNB register,
- d) clause pursuant to paragraph (3), if any.

(3) The MNB adds a clause to the banknote handling machine type listed in the MNB register if the given banknote handling machine type can only be used with some limitation. The banknote handling machine type that has a clause in the MNB register shall only be used for functions to which the limitation does not apply.

(4) The MNB shall remove the banknote handling machine type from the MNB register before the time limit referred to in paragraph (1), if

- a) the applicant for testing fails to satisfy the conditions mentioned in Article 11 (3)-(5),
- b) the banknote handling machine type in question fails to pass an unscheduled re-test procedure pursuant to Article 11 (3)-(5),
- c) 60 days have elapsed from the registration of the hardware and software version without clause limitative of the banknote handling machine type with a clause in the MNB register following successful testing,
- d) the MNB establishes a non-compliance due to a failure of the type of banknote handling machine within the framework of central bank inspection pursuant to Article 29 of the MNB Act.

## 6. Provisions on handling suspicious banknotes

**Article 14 (1)** With the exception set out in paragraphs (2) and (3), natural and legal persons and other entities without legal personality shall, in the event of the slightest doubt as to the authenticity of any banknotes, forthwith deliver or send the banknotes in question to the credit institution, the postal service or the MNB for the purposes of examination. Credit institutions and the postal service are required to accept such banknotes, check their authenticity, and send the banknotes they deem suspicious to the MNB together with the report of receipt within 20 working days following the date of receipt.

(2) In the event that other economic agents have the slightest doubt regarding the authenticity of banknotes found during the operation of a cash dispenser operated by them, they shall, without delay, forward such banknotes as well as the suspicious banknotes from customer-operated machines operated by them to the cash processing provider with whom they have a contractual relationship or, in absence of such, to the credit institution or the MNB for the purposes of examination. Cash processing providers and credit institutions are required to accept such banknotes, check their authenticity, and send the banknotes they deem suspicious to the MNB together with the report of receipt within 20 working days following the date of receipt.

(3) Cash processing providers and cash distributors are obliged to hand over or forward to the MNB any banknotes deemed suspicious according to the results of the authenticity and fitness checks, or banknotes from customer-operated machines if found suspicious and reconfirmed by their own test, together with the report of receipt within 20 working days following the date of finding or the date when deposited into the customer-operated machine.

(4) Cash processing providers and cash distributors shall store information concerning the depositor of suspicious banknote, or the account holder, for a period of 8 weeks.

(5) The content elements of the reports referred to in paragraphs (1)-(3) are described in Annex 4.

**Article 15 (1)** The examination of suspicious banknotes is carried out by the MNB.

(2) Compensation for the countervalue of any banknotes found counterfeit by the MNB examination may not be requested either from the cash processing provider, cash distributor and other economic agent that found it or forwarded it for examination or from the MNB.

(3) The MNB shall notify the party that requested the examination, or his agent that contacted the MNB about the result of the examination, and shall credit the value of forint banknotes found genuine by the examination, or return the genuine foreign banknotes - with the examination report attached - to the party requesting the examination or his agent.

(4) Counterfeit banknotes are safeguarded and handled by the MNB in the absence of any EU legal acts or national regulation to the contrary.

(5) With a view to the prevention and combating of counterfeiting, the MNB shall collaborate with law enforcement agencies, and shall supply information relating to counterfeiting in accordance with Act LXIII of 1992 on the Protection of Personal Data and Access to Information of Public Interest and with Article 31/A (1) of the MNB Act to them.

**Article 16 (1)** Cash processing providers shall handle the value of genuine forint banknotes returned according to Article 15 (3), as well as genuine foreign banknotes as laid down in the relevant agreement, or - failing such agreement - within the deadline as specified under paragraph (2), and deliver or send them to, or settle the accounts with their clients.

(2) Cash distributors shall handle the value genuine forint banknotes returned according to Article 15 (3), as well as genuine foreign banknotes, and shall deliver or send them to, or settle the accounts with the depositor (holder) within 10 working days upon receiving them.

(3) In the case of banknotes detected counterfeit by the MNB's examination, the cash processing provider or cash distributor shall notify the depositor (holder) of such banknotes about the result of the MNB's examination within 10 working days following the receipt of the notification about the result.

(4) Credit institutions, the postal service and cash processing providers shall deem the banknotes as unfit received under Article 14 (1) and (2) and identified by them as genuine, and shall credit the value of such banknotes to or settle accounts with the party that handed over the banknote within 10 working days upon conclusion of the examination.

## 7. Technical tasks of the MNB relating to the protection of euro banknotes against counterfeiting

**Article 17** In connection with the protection of euro banknotes against counterfeiting, the MNB shall perform:

- a) tasks of the National Counterfeit Centre defined in the ECB Decision ECB/2001/11 of 8 November 2001 on certain conditions regarding access to the Counterfeit Monitoring System (CMS),
- b) tasks defined in Article 3 (1) of the Council Regulation relating to euro banknotes, and
- c) tasks of the National Analysis Centre defined in Article 4 (1)-(3) of Council Regulation.

## 8. Assessment of operational risks in cash distribution, business contingency plan

**Article 18 (1)** Credit institutions - excluding specialised credit institutions and credit cooperatives - and the postal service are required to evaluate and classify their branches in terms of the level of risk exposure in their cash distribution, based on the volume of daily pay-out transactions and the geographical location of the branches.

(2) In terms of cash distribution the following branches of credit institutions shall be considered critical (hereinafter critical branches):

- a) any branch making pay-out transactions in excess of a daily average of 30 million forints based on the data of the calendar year preceding the evaluation, and
- b) the given credit institution's
  - ba) at least four branches operating in Budapest,
  - bb) at least one branch operating in a county seat.

(3) In terms of cash distribution critical post office (hereinafter critical post offices) means:

- a) at least four post offices operating in Budapest,
- b) at least one post office operating in a county seat.

(4) In accordance with paragraph (1), the credit institution designated by the MNB - on the basis of its role in cash circulation as well as of the size of the branch network and its national coverage - and the postal service shall forward an annually updated list of their critical branches and post offices based on paragraphs (2) and (3), containing the information specified in Annex 5, to the MNB by 30 June each year.

(5) In accordance with paragraph (1), the credit institutions not designated by the MNB are required to triennially evaluate - based on the criteria set out in paragraph (2) - their list of branches that are considered critical in terms of cash distribution, before 30 June of the year of the review.

**Article 19 (1)** The credit institutions referred to in Article 18 (1) and the postal service shall identify all operational risks to which its cash distribution and the availability of the necessary relevant resources are exposed, and shall have in place a business contingency plan for the handling of emergency situations in cash distribution - especially the operation of critical branches and post offices - deriving from identified operational risks and from the loss of relevant resources.

(2) The business contingency plan referred to in paragraph (1) shall, inter alia, contain the following:

- a) the basic principles as to communication relating to the given emergency situation affecting cash distribution and the rules for liaising with the MNB,
- b) the rules for providing services to customers in the critical branches and post offices during emergency situations affecting cash distribution, including the business hours of the branches and the conditions for providing cash payments to the credit institution's and post office's own customers with payment accounts and to other customers without payment accounts,
- c) internal policies applied in critical branches and post offices relating to cash withdrawals during emergency situations affecting cash distribution, and internal regulation relating to the decision-making process,
- d) banknote recirculation procedures of critical branches and post offices during emergency situations affecting cash distribution, and
- e) cash transport regulations to critical branches and post offices during emergency situations affecting cash distribution.

(3) In accordance with Article 18 (1), the credit institution designated by the MNB - on the basis of its role in cash circulation as well as of the size of the branch network and its national coverage - and the

postal service shall forward a biennially updated business contingency plan pursuant to paragraphs (1) and (2) to the MNB before 30 June of the year of updating.

(4) In accordance with Article 18 (1), the credit institutions not designated by the MNB are required to triennially update their business contingency plans referred to in paragraphs (1) and (2) before 30 June of the year of updating.

## **9. Provisions on the denomination exchange of fit forint banknotes as well as unfit forint banknotes qualifying as legal tender**

**Article 20** (1) Credit institutions and the postal service shall exchange on one occasion maximum 50 pieces of fit forint banknotes and unfit forint banknotes qualifying as legal tender to different denominations of fit forint banknotes or - at most 100 pieces of - forint coins.

(2) Credit institutions and the postal service shall accept any incomplete forint banknote for denomination exchange if more than half of such forint banknote is submitted. Any incomplete forint banknote presented in several pieces - also if taped together - may be accepted for denomination exchange if the various pieces presumably belong to the same forint banknote, and the pieces combined make up more than half of such forint banknote.

(3) Credit institutions and the postal service shall not be required to accept for denomination exchange forint banknotes whose authenticity or face value cannot clearly be determined. Credit institutions and the postal service are required to check the authenticity of not clearly authenticated banknotes, and deliver or send the banknotes they deem suspicious to the MNB according to Article 14 (3).

**Article 21** (1) Credit institutions and the postal service shall be entitled to charge a fee for the denomination exchange referred to in Article 20. The fee, including any other charges applied in connection with the exchange, shall not exceed

- a) 5% of the face value of the forint banknotes to be paid to the customer,
- b) 10% of the face value of the forint coins to be paid to the customer.

(2) Credit institutions and the postal service may request a payment account to be kept at them and/or any other services to be requisitioned from them to carry out the denomination exchange referred to in Article 20.

(3) Credit institutions and the postal service may limit the number of their branches assigned to carry out the denomination exchange referred to in Article 20. However, credit institutions and the postal service with branches in Budapest and in the various counties shall assign at least one branch in Budapest and in the given county - preferably in the county seats - to actually engage in carrying out the denomination exchange referred to in Article 20.

**Article 22** (1) Credit institutions and the postal service are required to make public the conditions and fees relating to the use of the denomination exchange services referred to in Article 20 by customers in a clearly visible place of their branches that are actually providing such services.

(2) Credit institutions and the postal service are required to post a notice in a clearly visible place of their branches that are not engaged in the denomination exchange referred to in Article 20 indicating the address of the nearest branch where the denomination exchange is actually performed as well as the information determined in (1).

(3) Credit institutions and the postal service are required to publish on their website - if such website exists - in a permanently and easily accessible way the list of their branches actually performing the denomination exchange referred to in Article 20 as well as the information determined in (1).

## **10. Special provisions relating to cash processing providers**

**Article 23** Cash processing providers shall adopt the internal regulation referred to in Article 19/B f) of the Credit Institutions Act in accordance with the provisions of this Decree.

## 11. Closing provisions

**Article 24** (1) This Decree - subject to the exceptions set out in paragraphs (2)-(4) - shall enter into force on the first day of the second month following its announcement.

(2) In respect of the requirements for the banknote handling machine used for checking the authenticity and fitness of forint banknotes, Article 4 (1) shall enter into force on 1 January 2012. Similarly, in respect of the requirements for the cash dispensers used for recycling forint banknotes, Article 4 (2) and (6), as well as Article 4 (3) and Article 5 shall enter into force on 1 January 2012.

(3) Article 4 (4) and Article 6 shall enter into force on 1 January 2017.

(4) Article 7 (3) shall enter into force on the day of the adoption of the euro in Hungary.

(5) The day of the occurrence of the condition set out in paragraph (4) shall, immediately after it has become known, be stated by the Governor of the MNB in his decision announced in *Magyar Közlöny* (Official Gazette).

**Article 25** Banknote handling machines that legally operated in accordance with Article 18 (5) b) of MNB Decree No. 2/2009. (I. 23.) on the processing and distribution of banknotes, and on technical tasks relating to the protection of banknotes against counterfeiting upon entry into force of this Decree shall be allowed to be used for checking the authenticity and fitness of forint banknotes until 31 December 2011.

**Article 26** Cash distributors with a reporting obligation under Article 18 (6) of MNB Decree No 2/2009 (I. 23.) on the processing and distribution of banknotes and on technical tasks relating to the protection of banknotes against counterfeiting shall fulfil such obligation in respect of the period 1 July 2011 to 31 December 2011 on the last occasion until 31 January 2012.

**Article 27** At the cash processing providers, the ratio of forint banknote quantity examined by banknote handling machines of the type listed in the MNB register and set in accordance with the hardware and software version specified therein shall reach an annual 80% by 31 December 2011.

**Article 28** In conducting cash disbursement transactions, any branch of the credit institutions and the postal service having an average daily forint cash disbursement turnover of more than 40 million forints based on the data of the preceding calendar year may only recirculate forint banknotes received as supplies or supplementary supplies if the authenticity and fitness check has been carried out with a banknote handling machine of the type listed in the MNB register and set in accordance with the hardware and software version specified therein of

- a) at least 50% of the received forint banknotes in 2013,
- b) at least 60% of the received forint banknotes in 2014,
- c) at least 70% of the received forint banknotes in 2015,
- d) at least 80% of the received forint banknotes in 2016.

**Article 29** For checking the authenticity of forint banknotes,

- a) in 2013 at least 50%,
- b) in 2014 at least 60%,
- c) in 2015 at least 70%,
- d) in 2016 at least 80%

of the counters or double/duplex counters of the credit institutions' and the postal service's branches having an average daily forint cash turnover more than 5 million forints based on the data of the preceding calendar year shall be supplied with UV-A/C device, with the exception of counters having a banknote handling machine of the type listed in the MNB register and set in accordance with the hardware and software version specified therein.

**Article 30** (1) Article 17 a) of this Decree - together with Article 31/A (1) of the MNB Act and Article 9 a) of MNB Decree No 12/2011 (IX. 6.) on the processing and distribution of coins, and on technical tasks relating to the protection of banknotes against counterfeiting - serves the purpose of compliance with the ECB Decision ECB/2001/11 of 8 November 2001 on certain conditions regarding access to the Counterfeit Monitoring System (CMS).

(2) Article 3 (1), Article 3 (2) b), Article 3 (2) d) db), Article 3 (4), Article 7, Articles 14-16 as well as Article 17 b) and c) of this Decree - together with Article 29-29/D and Article 31/A (2)-(4) of the MNB Act as well as Article 3 (1), Article 3 (2) b), Article 3 (2) d) db), Article 5 (1) and (3), Articles 6-8 as well as Article 9 b) and c) of MNB Decree No 12/2011 (IX. 6.) on the processing and distribution of coins and

on technical tasks relating to the protection of coins against counterfeiting - set out the provisions necessary for the implementation of

1. Council Regulation (EC) No 1338/2001 of 28 June 2001 laying down the measures necessary for the protection of the euro against counterfeiting as amended by Council Regulation (EC) No 44/2009,

2. Council Regulation (EC) No 1339/2001 of 28 June 2001 extending the effects of Regulation (EC) No 1338/2001 laying down measures necessary for the protection of the euro against counterfeiting to those Member States which have not adopted the euro as their single currency as amended by Council Regulation (EC) No 45/2009.

**Article 31** The preliminary consultation of this draft Decree pursuant to the first, second and third indents of Article 2 (1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions has been done.

**Article 32** (1) MNB Decree No. 2/2009. (I. 23.) on the processing and distribution of banknotes and on technical tasks relating to the protection of banknotes against counterfeiting shall be repealed.

(2) Article 25 and Article 27 shall be repealed on 1 January 2012.

(3) Article 26 shall be repealed on 1 February 2012.

(4) Article 28 and Article 29 shall be repealed on 1 January 2017.

(5) Article 7 (3) shall be repealed on the day following the passing of 1 year reckoned from the day of the adoption of the euro in Hungary.

(6) The day of the occurrence of the condition set out in paragraph (5) shall, immediately after it has become known, be stated by the Governor of the MNB in his decision announced in *Magyar Közlöny* (Official Gazette).

***Detailed criteria for the fitness check of forint banknotes***

1. This Annex provides common minimum sorting standards for mainly automated fitness sorting of forint banknotes. Forint banknotes shall only be recirculated if they are evaluated as fit according to the sorting criteria defined below. Upon request, the MNB shall supply reference banknotes to cash processing providers and to cash distributors.
2. The fitness sorting of forint banknotes shall be carried out manually of the individual banknotes or applying banknote handling machine. The authenticity check is a pre-requisite of fitness sorting. Fitness sorting can be done only in the case of genuine forint banknotes. In the course of the fitness checks to be carried out under point 4 of this Annex, soiled or physically damaged forint banknotes shall be sorted as unfit and shall not be used for recirculation.
3. Following the fitness sorting carried out by banknote handling machines, the ratio of unfit forint banknotes among forint banknotes classified as fit shall not exceed 10%.

## 4. List of sorting criteria

## 4.1. Soiled forint banknotes

General distribution of dirt across the entire forint banknote or in some patterns. Soiling of forint banknotes increases the optical density of the notes and decreases their reflectance. The sorting criteria for banknote handling machines are set by the cash processing provider or the cash distributor operating the banknote handling machine relying on the reference banknotes provided by MNB. Circulated soiled forint banknotes exhibiting a visual soil level higher than the reference banknotes shall be sorted as unfit.

## 4.2. Limpness of forint banknotes

Structural deterioration or wear resulting in a marked lack of stiffness in the banknote paper. Forint banknotes with significantly decreased solidity shall be sorted as unfit.

## 4.3. Dog-eared forint banknotes

The corner of the forint banknote that seems to be incomplete is bent backwards. Forint banknotes with dog-ears with an area of more than 130 mm<sup>2</sup> and a length of the shorter edge greater than 10 mm shall be sorted as unfit.

## 4.4. Torn forint banknotes

Forint banknote exhibiting at least one tear on its surface. Forint banknotes with tears larger than those indicated in the table below shall be sorted as unfit, provided they are 'open' and fully located outside the area of the transport mechanics of the banknote handling machines, meaning that they are not covered by the transport belts and are visible.

Minimal measure of tears on unfit forint banknotes

	Direction	Width	Length
1.	Vertical	4 mm	8 mm
2.	Horizontal	4 mm	15 mm
3.	Diagonal	4 mm	18 mm*

\* Measured by drawing a straight line from the peak of the tear to the edge of the forint banknote where the tear begins (rectangular projection), rather than measuring the length of the tear itself.

#### 4.5. Hole in the forint banknotes

Forint banknote exhibiting at least one visible hole. Forint banknotes with holes which are not partly or fully covered by the transport belt(s) of the machine shall be sorted as unfit if the area of the hole is greater than 10 mm<sup>2</sup>.

#### 4.6. Mutilated forint banknotes

Forint banknote with part(s) missing. Forint banknotes with lengths and widths deviating from the nominal lengths and widths of the forint banknotes (154 mm x 70 mm) by 3 mm shall be sorted as unfit.

#### 4.7. Repaired forint banknotes

A repaired forint banknote is created by joining parts of the same banknote together, for example, by using tape or glue. In the case of fitness sorting by a banknote handling machine, the forint banknote shall be sorted as unfit if the tape or the glue covering an area is greater than 10 mm by 40 mm and which is more than 50 µm thick. In the case of manual fitness sorting, repaired forint banknote shall be sorted as unfit irrespective of the dimension or mode of sticking.

#### 4.8. Stained forint banknotes

A forint banknote shall be detected as unfit if localised - i.e. with limited extension - stain can be recognised on its surface. Stains can be identified by the banknote handling machine if they significantly change the forint banknote's motif.

#### 4.9. De-inked forint banknotes

A forint banknote shall be identified as unfit if the ink is partially or wholly missing from its surface. De-inking of forint banknotes can occur, for example, if they have been washed or subjected to aggressive chemical agents. Such forint banknotes - detected by image detectors or UV detectors (if they contain any optical brightener) of banknote handling machines - shall be sorted as unfit.

#### 4.10. Graffiti soiled forint banknotes

There are characters, drawings or colouring on the forint banknote not included in the relevant MNB announcement or MNB decree containing the description of the given forint banknote. The provisions of point 4.8 of this Annex shall apply to graffiti soiled banknotes.

#### 4.11. Crumpled/folded forint banknotes

Multiple random folds across the whole forint banknote that adversely affect the visual appearance and substance of the banknote. Folded forint banknotes shall be sorted as unfit if the folds lead to a reduction of the original banknote in length or width greater than 3 mm.

**Detailed provisions relating to the functions and operation of banknote handling machines as well as the related tasks of cash processing providers, cash distributors and other economic agents****1. Functions of banknote handling machines***Table 1.1**Staff-operated machines*

	<b>Description</b>	<b>Function</b>
1	Banknote processing machine	A machine suitable for checking the authenticity and fitness of banknotes without the intervention of the machine operator.
2	Banknote authentication machine	A machine suitable for checking the authenticity of banknotes without the intervention of the machine operator.
3	Teller assistant recycling machine	A banknote handling machine operated by a cashier; it allows the payment of banknotes to payment accounts and the withdrawal of banknotes to the debit of payment accounts. The machine checks the authenticity and fitness of deposited banknotes without the intervention of the cashier who operates it. For the withdrawal of banknotes the machine may also use genuine and fit forint banknotes deposited in other customers' earlier transactions.
4	Teller assistant machine	A banknote handling machine operated by a cashier; it allows the depositing of banknotes to payment accounts. The machine checks the authenticity of deposited banknotes without the intervention of the cashier who operates it.

*Table 1.2**Customer-operated machines*

	<b>Description</b>	<b>Function</b>
1	Cash-in machine	It allows the customer to deposit banknotes to payment accounts using bank cards or other means. However, it is not suitable for banknote dispensing. The machine checks the authenticity of banknotes deposited by customers, provides the data necessary for crediting a payment account with the countervalue of banknotes classified as genuine, and also ensures the linking of suspicious banknotes and withheld, not clearly authenticated forint banknotes with the data of the customer as well as the retrievability of such data.  These machines are typically unsuitable for fitness checking of banknotes.

2	Cash-recycling machine	It allows the customer to deposit banknotes to payment accounts using bank cards or other means, and also allows the withdrawal of banknotes by debiting a payment account. The machine checks the authenticity and fitness of banknotes deposited by customers, provides the data necessary for crediting a payment account with the countervalue of banknotes classified as genuine and for debiting the countervalue of banknotes dispensed, and also ensures the linking of suspicious banknotes and withheld, not clearly authenticated forint banknotes with the data of the customer as well as the retrievability of such data. For the withdrawal of banknotes the machine may also use genuine and fit forint banknotes deposited in other customers' earlier transactions.
3	Combined cash-in and cash-out machine	It allows the customer to deposit banknotes to payment accounts using bank cards or other means and to withdraw banknotes by debiting a payment account. The machine checks the authenticity of banknotes deposited by customers, provides the data necessary for crediting a payment account with the countervalue of banknotes classified as genuine, and also ensures the linking of suspicious banknotes and withheld, not clearly authenticated forint banknotes with the data of the customer as well as the retrievability of such data. For banknote withdrawal, the machine does not use the genuine (and fit) banknotes deposited in other customers' earlier transactions. These machines are typically unsuitable for fitness checking of banknotes.
4	Cash-out machine	It allows the customer to withdraw banknotes using bank cards or other means, by debiting a payment account. The machine checks the authenticity and fitness of banknotes put in by the operator/user, and provides the necessary data for debiting the relevant payment account with the countervalue of the dispensed genuine and fit banknotes.

2. Detailed provisions relating to the operation of banknote handling machines as well as the related tasks of cash processing providers, cash distributors and, with regard to the Table in point 2.2.1., other economic agents

2.1. Staff-operated machines

2.1.1. General rules on staff-operated machines

Category	Classification	Properties	Tasks
A	Objects not recognised as forint banknotes, suspicious forint banknote or not clearly authenticated forint banknote	<p>Objects not recognised as forint banknotes due, in particular, to the following reasons:</p> <ul style="list-style-type: none"> <li>- it is not a forint banknote (e.g. foreign banknote, cheque),</li> <li>- an object similar to a forint banknote (e.g. blank paper, hand-drafted forint banknote, separating card),</li> <li>- defective image or format,</li> <li>- large dog-ears or missing parts,</li> <li>- feeding or transportation fault (e.g. two forint banknotes fed at the same time)</li> </ul> <p>Forint banknotes detected as suspicious or not clearly authenticated due to the following reasons:</p> <ul style="list-style-type: none"> <li>- image and format recognised, but one or more authentication features missing or clearly out of tolerance,</li> <li>- image and format recognised, but not all authentication features recognised because of quality and/or tolerance deviations (mostly damaged or soiled banknotes)</li> </ul>	<p>After visual examination by a staff member, objects not recognised by the banknote handling machine as forint banknotes should be separated from the suspect forint banknotes.</p> <p>Banknotes identified by staff as forint banknotes shall at least once again be examined using the banknote handling machine (if necessary, following the straightening of wrinkles, folds or dog-ears or performing any other tasks that facilitate recognition by the machine). Genuine forint banknotes classified by the banknote handling machine into this category after repeated examination(s) as well shall be withdrawn from circulation and given to the MNB, and the amount shall be credited to the account holder.</p> <p>Forint banknotes identified by the banknote handling machine as suspect or not clearly authenticated shall be checked in accordance with Article 14 (3) of this Decree, and if the forint banknote is deemed suspicious on the basis of this check as well, it shall be withdrawn from circulation, and shall be given or forwarded to the MNB within 20 working days following the date of finding, together with the report referred to in Article 14 (3) of this Decree.</p>
B1	Forint banknotes identified as genuine and fit	All authentication checks and fitness checks supported by the banknote handling machine delivered positive results.	The forint banknote can be used for recirculation. The amount shall be credited to the account holder.
B2	Forint banknotes identified as	All authentication checks supported by the banknote	The forint banknote shall be withdrawn from circulation and

	genuine but unfit	handling machine delivered positive results. Fitness checks supported by the machine delivered negative results.	forwarded to the MNB. The amount shall be credited to the account holder.
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### *2.1.2. Specific rules on certain staff-operated machines*

2.1.2.1. Banknote processing machines equipped with only two dedicated output stackers shall carry out the authenticity and fitness checks in the same pass and any category B1 forint banknotes must be sorted into one output stacker, whereas both category A and B2 forint banknotes must be sorted into a separate output stacker (second output stacker) that does not have any physical contact with the output stacker of category B1 forint banknote. Forint banknotes placed into the second output stacker must be checked again by the banknote processing machine. In this second pass, the banknote processing machine shall separate the suspected forint banknotes from the category B2 forint banknotes by sorting them into separate output stackers.

2.1.2.2. Banknote authentication machines are not required to differentiate between category B1 and category B2 specified in the Table in point 2.1.1.

2.1.2.3. Banknote authentication machine equipped with only one dedicated output stacker shall stop the processing each time when a category A forint banknote is detected, and keep the category A forint banknote in a position that avoids any physical contact with authenticated forint banknotes. The banknote authentication machine shall indicate the result of the authenticity check of any category A forint banknote on a display. The banknote authentication machine shall check for the presence of a category A forint banknote when it stops processing, and processing can only be resumed after the physical removal of the category A forint banknote by the operator. For each stop of the processing mode no more than one category A forint banknote can be accessible to the operator.

## 2.2. Customer-operated machines

### 2.2.1. General rules on customer-operated machines

Category	Classification	Properties	Tasks
1	Objects not recognised as forint banknotes	<p>Objects not recognised as forint banknotes due, in particular, to the following reasons:</p> <ul style="list-style-type: none"> <li>- it is not a forint banknote (e.g. foreign banknote),</li> <li>- an object similar to a forint banknote (e.g. hand-drafted forint banknote, separating card),</li> <li>- defective image and format,</li> <li>- large dog-ears or missing parts,</li> <li>- feeding or transportation fault (e.g. two forint banknotes fed at the same time)</li> </ul>	Objects not recognised as forint banknotes shall be returned to the customer.
2	Suspicious forint banknote	Image and format recognised, but one or more authentication features missing or clearly out of tolerance.	Forint banknotes identified as suspect shall be withdrawn from circulation, shall be handed over for authenticity check and/or shall be checked pursuant to Article 14 (2) and/or (3) of this Decree, and if the forint banknote is deemed suspicious it shall be given or forwarded to MNB within 20 working days following the date of depositing it into the customer-operated machine, together with the report referred to in Article 14 (2) and (3) of this Decree. The amount shall not be credited to the account holder.
3	Not clearly authenticated forint banknotes	<p>Image and format recognised, but not all authentication features recognised because of quality and/or tolerance deviations.</p> <p>In most cases unfit or soiled forint banknotes.</p>	<p>Not clearly authenticated forint banknotes</p> <ul style="list-style-type: none"> <li>- may be returned to the customer or</li> <li>- may be withheld.</li> </ul> <p>Withheld not clearly authenticated forint banknotes shall be handed over for authenticity check and/or shall be examined pursuant to Article 14 (2) and/or (3) of this Decree, and based on this examination</p> <ul style="list-style-type: none"> <li>- forint banknotes identified as genuine shall not be</li> </ul>

			<p>recirculated and shall be treated as unfit,</p> <ul style="list-style-type: none"> <li>- forint banknotes deemed suspicious shall be given or forwarded to the MNB within 20 working days following the date of depositing into the customer-operated machine, together with the report referred to in Article 14 (2) and (3).</li> </ul> <p>If banknotes are withheld, the amount can be credited to the account holder, in line with the business decision of the operating company of the machine (immediately upon depositing or following the authenticity check).</p>
4a	Forint banknotes identified as genuine and fit	All authentication checks and fitness checks supported by the banknote handling machine delivered positive results.	Can be used for recirculation. To be credited to account holder.
4b	Forint banknotes identified as genuine but unfit	All authentication checks supported by the machine delivered positive results. Fitness checks supported by the machine delivered negative results.	Shall not be used for recirculation and shall be returned to the MNB. To be credited to account holder.

### 2.2.2. Specific rules for certain customer-operated machines

2.2.2.1. In the event that the customer-operated banknote handling machine is unable to physically separate the not clearly authenticated forint banknotes, such banknotes - with the exception of category 4a - shall be included in another category listed in the Table in point 2.2.1.

2.2.2.2. Cash-in machines and combined cash-in and cash-out machines do not have to differentiate between categories 4a and 4b specified in the Table in point 2.2.1.

**Application for testing and registration of a banknote handling machine by the MNB**

1. Particulars of the applicant (manufacturer, distributor, operating company*)	Name:	
	Registered office:	
	Mailing address:	
	Email:	
	Website:	
2. Particulars of contact person	Name:	
	Phone number (including area code):	
	Email:	
3. Particulars of the banknote handling machine to be tested	Function*:	Staff-operated - banknote processing machine - banknote authentication machine - teller assistant recycling machine - teller assistant machine Customer-operated - cash-in machine - cash-recycling machine - combined cash-in and cash-out machine - cash-out machine
	Place of origin (if other than an EU Member State):	
	Type:	
	Hardware version:	
	Software version:	

\* underline as appropriate.

Date: .....

.....  
 authorised signature

***Contents of suspicious banknote reports***

1. Suspicious banknote reports must contain the following information, subject to the exceptions set out in points 2-4:

- a) particulars of the banknote (currency type, denomination, year of issue, quantity, serial number),
- b) particulars of the depositor (holder) of the banknote (for natural persons: surname and forename, home address, description and number of identification document, for legal persons and other entities without legal personality: name of the legal person or other entity without legal personality, address, particulars of authorised representative as per this item),
- c) place and time of detection of the banknote,
- d) brief description of detection,
- e) depositor's (holder's) statement as to its origin,
- f) depositor's (holder's) signature,
- g) address of the reporting cash processing provider or cash distributor,
- h) place and date of the report, signature of the persons drafting it, and
- i) number of the report.

2. Cash processing providers shall draw up the report referred to in point 1, subject to the exception that they are not required to indicate the data mentioned under points e) and f), and as regards point b) they are to indicate the particulars of their clients and the client's premises affected.

3. If the depositor (holder) of the banknote refuses to supply the information under point 1 in full when so requested, it shall be duly indicated in the report.

4. The reports on suspicious banknotes originating from customer-operated machines pursuant to point 1 shall be compiled without the data mentioned under points 1 e) and f).

**List of credit institutions and post offices critical in terms of cash distribution**

	Address of branch					Average daily forint cash disbursement turnover
	Postal code	Town	Street	Number	Telephone number	
1						
2						
[...]						

Method of reporting: via postal service (address: Magyar Nemzeti Bank Cash Logistics, 1850 Budapest)