

Decree No. 21/2006 (XI. 24.)
of the Governor of the MNB

on carrying out payment transactions

Pursuant to the authorisation defined in Article 60 (1) *ha*) of Act LVIII of 2001 on the Magyar Nemzeti Bank, I hereby decree the following:

TITLE I
GENERAL PROVISIONS

Scope

Article 1

The scope of this Decree shall apply to

a) organisations providing financial service activities as defined in Article 3 (1) *d*)–*e*) and *m*) of Act CXII of 1996 on Credit Institutions and Financial Enterprises (hereinafter referred to as “Banking Act”), including, unless otherwise provided by law or government decree, the Magyar Nemzeti Bank (hereinafter referred to as “MNB”) and unless otherwise provided by legal regulations, the Hungarian State Treasury (hereinafter referred to as “Treasury”),

b) unless otherwise provided by law or government decree, organisations authorised to keep client accounts specified under Article 5 Subparagraph 102 of Act CXX of 2001 on Capital Markets (hereinafter referred to as “Capital Markets Act”) in respect of Article 5 (1)–(2), Article 18–19, Article 39 (2), Article 40, Article 42 (1) and Article 43 of this Decree accordingly,

c) organisations (hereinafter referred to as “Post”) providing postal money remittance activities, postal intermediary payment services and domestic postal money order services (hereinafter together referred to as “postal payment services”) as defined in Article 4 (1) *d*) of Act CI of 2003 on the Post (hereinafter referred to as “Postal Act”);

d) users of the services referred to in Subparagraphs *a*)–*c*) (hereinafter referred to as “customer”).

Definitions

Article 2

For the purpose of this Decree

1. 'domestic payments' means payment transactions where both the originator's institution and the beneficiary's institution provide the relevant payment services within the borders of the Republic of Hungary;
2. 'domestic postal money order services' means the postal activity defined in Article 3 Subparagraph 17 of the Postal Act, where the service is used and executed within the territory of the Republic of Hungary;
3. 'BIC (SWIFT) (Bank Identifier Code)' means a row of alphanumeric characters used for the identification of an institution in the course of automated message transmission within the SWIFT network that does not comprise part of the international bank account number;
4. 'BKR' means Interbank Clearing System;
5. 'electronic payment instrument' covers both remote access payment instrument and electronic money instrument;
6. 'electronic money instrument' means a payment instrument specified in Title I Subparagraph 5.3 of Annex 2 to the Banking Act;
7. 'value date' means the date used by a credit institution for the calculation of interest in respect of payment transactions;
8. 'payment order' means
 - 8.1. an instruction given to the account keeper by the originator to transfer a specific amount of money from the account-holder's account to the account of the beneficiary (hereinafter referred to as "credit transfer"),
 - 8.2. an instruction given to the account keeper by the beneficiary to collect a specific amount of money from an obligor's account designated by him to his own account (hereinafter referred to as "collection"),
 - 8.3. an instruction to pay cash to or from an account (hereinafter referred to as "cash payment"),
 - 8.4. an instruction to transfer cash (hereinafter referred to as "cash transfer");
 - 8.5. an instruction for domestic postal money order services (hereinafter referred to as "cash payment by domestic postal money order");
9. 'payment transaction' means a payment effected by using any of the payment methods defined in this Decree;
10. 'routing table' means a register kept by the MNB on the direct and indirect participants of the domestic payment systems and published monthly to institutions and clearing houses for credit institutions in order to ensure the proper direction of payment orders in respect of domestic payments;
11. 'credit institution' means a credit institution as defined in Article 5 (1) of the Banking Act, including the Hungarian branches of foreign credit institutions, but excluding the specialised credit institutions issuing electronic money as defined in the Act XXXV of 2004 on Specialised Credit Institutions Issuing Electronic Money, furthermore, unless otherwise provided by law or government decree, the MNB and unless otherwise provided by statute, the Treasury;
12. 'IBAN (International Bank Account Number)' means an international bank account number used to identify bank accounts in respect of cross-border payments;
13. 'institution' means a credit institution as defined in Subparagraph 11 and a legal person other than a credit institution that executes cross-border credit transfers between Member States businesslike within the frame of the activity specified under Article 3 Subparagraph 31 of the Postal Act as well as branches of credit institutions situated in different Member States which participate in the execution of cross border credit transfers between Member States;
14. 'reference interest rate' means
 - 14.1 as relating to Hungary, the rate of default interest specified under Article 301 (2) or Article 301/A (2) of Act IV of 1959 on the Civil Code of the Republic of Hungary (hereinafter referred to as "Civil Code");

- 14.2 as relating to other Member States, an interest rate representing compensation and established in accordance with the rules laid down by the Member State in which the institution which must pay the compensation to the customer is situated;
15. 'beneficiary' means the customer to whom the amount of the payment order is to be credited on an account of which he has the right of disposal (on which he has access to the funds) or to whom the cash is to be paid out and in these cases the beneficiary and the originator may be one and the same person;
16. 'money remittance' means an activity as defined in Title I Subparagraph 16 of Chapter I of Annex 2 of the Banking Act, as well as in Article 3 Subparagraph 22 of the Postal Act;
17. 'booking entry day' means the day when a payment transaction is recorded on the customer's bank account;
18. 'originator' means a customer who orders to execute a payment order in favour of the beneficiary;
19. 'cross-border payments' means payment transactions where either the originator's institution or the beneficiary's institution provides the relevant payment services outside the borders of the Republic of Hungary;
20. 'legal regulation on payments' means this Decree, as well as the Government Decree on payment services and electronic payment instruments;
21. 'financial institution' means a credit institution as defined in Subparagraph 11 and a financial enterprise as defined in Article 6 of the Banking Act;
22. 'person having the right of disposal' means the account holder, the person entitled to act on his behalf pursuant to a legal regulation, as well as other persons entitled by him to dispose of the account;
23. 'Member State' means States who are parties to the Agreement on the European Economic Area;
24. 'cross-border credit transfer between Member States' means a payment transaction executed by order of an originator via an institution in one Member State where the amount of the credit transfer is made available to the beneficiary at an institution in another EEA Member State;
25. 'cross-border credit transfer order' means an unconditional instruction in any form, given by an originator to an institution to execute a cross-border credit transfer between Member States;
26. 'STEP2' means a pan-European automated clearing system operated by EBA Clearing S.A.S for bulk payments of small amounts in Euro;
27. 'STEP2 entry point' means a direct STEP2 participant of a country participating in the STEP2 clearing system that undertakes to transmit credit transfers received from STEP2 clearing system to any national institution that has not joined the STEP2 clearing system;
28. account:
- 28.1 'bank account' means an account opened pursuant to a bank account contract as defined in Article 529 of the Civil Code, which, irrespective of its name and currency, serves the purpose of recording and handling the cash receivables and payables of the account holders, and to the debit or credit of which - unless otherwise provided by legal regulation - any of the payment methods defined in legal regulation on payments is applicable;
- 28.2 'domestic bank account' means a bank account opened and kept in the territory of the Republic of Hungary;
- 28.3 'treasury account' means the account kept by the Treasury in connection with its tasks relating to payment transactions as laid down in legal regulations;
- 28.4 'payment bank account' means the domestic bank account that the account holder opens or has opened, pursuant to an obligation set out by law or government decree, to carry out his payments relating to his entrepreneurial activities as defined in Article 178 Subparagraph 28 of Act XCII of 2003 on the Tax Procedure (hereinafter referred to as "Tax Procedure Act") -

including foreign currency accounts opened prior to 1 January 2002 pursuant to Articles 48 and 50 of Act XCV of 1995 on Foreign Exchange, as well as the budgetary settlement accounts of local governments or local minority governments as regulated in Article 103 (2) of Government Decree No. 217/1998 (XII.30.) on the Operation of the Public Finance System, and furthermore, the payment bank accounts of foreign companies opened in accordance with Article 9 (3) of the Tax Procedure Act - as well as bank accounts opened expressly as payment bank accounts in accordance with the instructions of the account holder;

- 28.5 'client account' means the account defined in Article 5 (1) Subparagraph 102 of the Capital Market Act,
29. 'account holder' means a party concluding a contract with an account keeper, furthermore an organization for which the account keeper keeps an account pursuant to a legal regulation;
30. 'account keeper' means a credit institution defined in Subparagraph 11 or a legal person authorised by law to keep client accounts;
31. 'remote access payment instrument' means an electronic payment instrument enabling the holder - usually by requiring personal identification code or any other similar proof of identity - to dispose of the funds held on his account at the credit institution, or of the use of credit facilities provided by the financial institution, this includes, in particular, bank cards as well as other instruments providing the possibility for disposing of the funds held on the account by means of a telecommunications device or computer;
32. 'date of execution' means the date referred to in Article 7 (2)–(6) of this Decree;
33. 'debit day' means the day when the amount indicated on the payment order is deducted from the balance available on the customer's account kept by the financial institution;
34. 'bailiff' means the persons and bodies defined in Article 225 (1) *a)–d)* of Act LIII1994 on Judicial Enforcement (hereinafter referred to as "Enforcement Act"), the tax administrator referred to in Article 144 of the Tax Procedure Act, and the persons and bodies defined in Article 131 of Act CXL/2004 on the General Rules of Administrative Proceedings and Services (hereinafter referred to as "Administration Act").
35. 'VIBER' means Real-time Gross Settlement System.

TITLE II RULES FOR IDENTIFYING BANK ACCOUNTS

Article 3

(1) Credit institutions identify opened bank accounts on the basis of the individual bank account number created in accordance with the nationally unified bank account number system and/or the full or abbreviated name (corporate name) of the account holder.

(2) In respect of domestic payments the bank account number used to identify the bank accounts is a row of figures consisting of 16 (2x8) or 24 (3x8) numeric characters and it is created according to the following rules:

a) out of the first eight characters (hereinafter referred to as "routing code") the first three digits (hereinafter referred to as "identification code of credit institution") indicate the account keeping credit institution and the next four digits indicate the branch or account keeping place of the credit institution, the eighth digit is a control code;

b) digits 9–16 or 9–24 comprise the identification number of the bank account holder, the control code is the 16th digit if the full length of the row of figures is 16 characters or the 24th digit if the

row of figures contains 24 characters; in the case of bank account number containing 24 digits, the 16th digit may be freely used.

(3) The MNB shall assign the identification codes of credit institutions and keep a register thereof.

(4) The control codes verify the preceding digits, and are to be created according to the following algorithm: the digits 1–7, and separately the digits 9–15 or 9–23 in reverse order shall be multiplied by „9,7,3,1, .. 9,7,3,1”, and then the products shall be added up and the first digit shall be subtracted from 10. The difference shall be the control code. (Should the difference be "10", the value of the control code shall be "0".)

(5) Taking the above rules into consideration the credit institution may freely determine the creation of the bank account number and its internal content.

(6) The IBAN is a row of figures consisting of 28 alphanumeric characters and it shall be created according to the following rules:

a) the first two digits comprise the country code of Hungary in accordance with the ISO 3166: HU;

b) the 3rd and 4th digits comprise the control code;

c) digits 5–28 comprise the domestic bank account number (if the domestic bank account number contains only 16 digits, the last 8 digits of the IBAN shall all be zeros).

(7) The algorithm for calculating the control code comprised in digits 3 and 4 of the IBAN is laid down in the standard of the European Committee for Banking Standards (ECBS) relating to the creation of the IBAN.

(8) Following receipt of operating license the credit institution shall apply to the MNB for the identification code of credit institution.

(9) MNB registers the following data of credit institutions in the routing table:

a) the routing codes of branches and account keeping units (hereinafter referred to as “branch”) as defined in Paragraph (2) a),

b) the branch’s name,

c) the branch’s address,

d) the length of the bank account numbers used by the branch,

e) the data required for forwarding payment messages in the domestic payment systems.

The credit institution shall notify the MNB of any changes in its data in respect of the routing table by the 4th business day of the month previous to the effective date of the change.

TITLE III INFORMATION TO CUSTOMERS

Prior information

Article 4

(1) The institutions shall make available to their actual and prospective customers in writing, in a clearly understandable form, prior information on conditions for executing payment orders. The information shall include at least:

- a) in the case of the originator's institution, the period of time needed for the amount of the payment order to be credited to the account of the beneficiary's account keeper and the start of calculating that period,
- b) in the case of the beneficiary's institution the time needed for the amount credited to the account of the beneficiary's account keeper to be credited to the beneficiary's account,
- c) the value day applied by the institution,
- d) the method of calculation of any commissions, fees, charges and interest payable by the originator,
- e) details of complaint and redress procedures available and the way to use them,
- f) the type of exchange rate used for conversion the amount of the payment order.

(2) The institution carrying out money remittance shall provide information in writing when accepting payment orders, which shall include at least:

- a) the information referred to in Paragraph (1) d)–f),
- b) the place of cash withdrawal,
- c) the period of time needed for the amount of the payment order to arrive at the beneficiary and the start of calculating that period.

Subsequent information (bank account statement)

Article 5

(1) Credit institutions shall notify the account holders of the turnover and balance of their bank accounts by way of bank account statements of the content defined in Paragraph (2) and with the frequency prescribed in Paragraphs (3) and (4). Subject to agreement with the account holder the bank account statement may be forwarded also by electronic means.

(2) The bank account statement shall include:

- a) the name of the account holder,
- b) the domestic bank account number,
- c) the IBAN,
- d) the BIC (SWIFT) code of the account keeper (corresponding bank),
- e) the type of the account (e.g. payment bank account),
- f) the currency of the account,
- g) the period to which the bank account statement refers,
- h) the amount of the payment transactions, the booking entry day and the value date, if any, in the case of payment transactions effected through bank cards the date of the payment transactions,
- i) in the case of payment transactions executed in a currency other than the currency of the account, the amount shall be indicated both in the currency of the payment transaction and the currency of the bank account, and the exchange rate of the conversion shall be indicated as well,
- j) the commissions, fees or charges to be paid by the account holder in respect of individual transactions or periodically,

- k) the type of payment transaction (e.g. credit transfer, cash payment, etc.),
- l) the opening and closing balance,
- m) the accumulated credit and debit turnover,
- n) the bank account number of the bank account to be credited or debited, the name of its holder, in the case of cash deposit the name and address, or the identification code of the depositor,
- o) the codes as specified in the Decree No.16/2005 (VII. 27.) of the MNB on the requirement of providing transaction codes for the central bank's information system,
- p) the sequential number of the statement,
- r) the full content of the "Comments" box of the payment order.

(3) The credit institution shall prepare a bank account statement on the debit and/or credit entries on the payment bank account on each business day when the payment bank account has been debited or credited and – unless otherwise agreed – it shall be sent to the account holder without delay.

(4) The credit institution shall prepare a bank account statement on the debit and/or credit entries on bank accounts other than a payment bank account at times (periods) stipulated in the bank account contract, or at least once a month and – unless otherwise agreed – it shall be sent to the account holder without delay. If there are no debit or credit entries in the specified period or during the month, it shall be sufficient if the credit institution prepare a bank account statement in the period when the next debit or credit entry takes place. Where a bank account is debited only with the charges and/or credited only with the interest, the credit institution shall inform the account holder by sending a bank account statement once a year by the 15th day of the month following the end of the calendar year.

(5) If, according to his order, the account holder does not request delivery of the bank account statement, instead he wants to take over it at the credit institution, the credit institution shall keep the bank account statement so that at request it shall be made available to the account holder any business day without undue delay.

(6) Information on non-executed direct debits shall be given in the bank account statement, or in a separate notification sent simultaneously with the bank account statement as agreed between the credit institution and the account holder concerning the way of forwarding the bank account statement. If the bank account is not debited or credited on the day of the unsuccessful direct debit, it shall suffice to indicate the non-executed payment order in the next bank account statement or in other notification.

(7) The issuer shall notify the customer of transactions effected through bank cards by way of a transaction statement in the absence of a bank account.

(8) The transaction statement mentioned in Paragraph (7) shall by all means contain the data specified in Paragraph (2) b)–j).

(9) In the case of payment orders received through the postal clearing system, the identification data provided (submitted) by the Postal Clearing Centre shall also be shown on the bank account statement (and its enclosures), unless the Postal Clearing Centre forwards this information directly to the account holder on the basis of a separate agreement.

TITLE IV.

EXECUTION OF PAYMENT ORDERS

Receipt and identification of payment orders

Article 6

- (1) Unless otherwise instructed by the account holder or provided by legal regulation on payments, the credit institution shall execute payment orders for debiting bank accounts in the sequence of their arrival. In respect of the sequence of arrival the record of the credit institution shall be competent. The credit institution shall execute payment orders submitted under the titles specified in Article 8 (1) of Government Decree 227/2006 (XI.20.) on payment services and electronic payment instruments irrespective of the account holder's disposal and of the sequence of arrival.
- (2) In addition to the information contained in the payment order, the credit institution shall register and keep the time (day, month, year, hour, minute) of receipt.
- (3) The receipt of the payment orders may take place in batches, if the relationship between the individual items and the batch can be clearly shown (even also retroactively).
- (4) The credit institution shall execute credit entries after checking the bank account number, prompt collection orders, deferred collection orders and transfer decisions after checking the bank account number and the name of the obligor.
- (5) Where a credit institution is unable to carry out a payment order received by way of electronic means due to any error in the data identifying the credit (or debit) transaction, the credit institution shall notify the credit institution sending the payment order accordingly, on the banking business day following the day of receipt at the latest.

General provisions concerning the execution of payment orders

Article 7

- (1) Subject to the exceptions set out in legal regulations, in the course of executing payment orders the credit institution shall follow the instructions of the originator indicated in the payment order.
- (2) Unless otherwise provided by law or government decree or otherwise agreed by the parties, the date of execution of a payment order shall be the day when the funds are credited to the account of the beneficiary of the credit transfer order or the collection order.
- (3) A cash deposit or withdrawal to or from a bank account shall be deemed executed when the cash is paid in or paid out at the teller of the credit institution or at the Post, or if the Post ensures the possibility of receipt of the amount to be paid out.
- (4) A money remittance shall be deemed executed when the cash is made available to the beneficiary at the place indicated in the money remittance order.
- (5) A cash payment by domestic postal money order shall be deemed executed when the Post pays out the amount sent by domestic postal money order to the rightful recipient or ensures the possibility of its receipt.

(6) Payment affected through a bank card shall be deemed executed when its regular use is accepted.

(7) Unless otherwise agreed by the parties or provided by legal regulation, in the case of domestic credit transfers executed in forints or Euro, or in the currency of any other Member State the originator and the beneficiary shall bear the charges levied by their own respective credit institution.

(8) If a credit institution executes a payment order with delay, the credit institution shall be liable to pay interest to the originator calculated by the reference interest rate for the period of delay, and the originator shall be entitled for any other damages exceeding the interest as well. If a payment of order fails partially or totally due to default execution, upon request of the originator the credit institution shall refund the amount of the payment order or its part failed without delay.

(9) For the purposes of the calculation of the execution time, the days when any institution participating in the execution of the payment order is not open for business shall not be treated as banking business days.

(10) Where a credit institution rejects the execution of a payment order, it shall disclose the reason for rejection and in the case of paper-based payment orders countersigned or equipped by documents the credit institution shall return the payment order and the documents, in the case of other payment orders submitted on paper or by way of electronic means it shall send a notification of the rejection.

Execution of payment orders, queuing and partial execution

Article 8

(1) Unless otherwise provided by law or government decree or agreed with the account holder, the credit institution shall reject the credit transfer and collection orders that cannot be executed due to lack of coverage on the bank account.

(2) The credit institution shall queue the payment orders that cannot be executed due to lack of coverage and are not rejected in accordance with law, government decree or the agreement with the account holder, for a maximum of 90 days. After the period of queuing the credit institution shall reject the payment order.

(3) The credit institution keeping the account of the obligor shall notify without delay the beneficiary – through the credit institution keeping the account to be credited - of registering (queuing) the prompt collection orders unexecuted due to lack of coverage on the bank account. Beside the data contained on the original prompt collection order, the notification shall also indicate the last day of queuing.

(4) When executing a partial payment, the credit institution shall indicate the identification data of the original payment order, as well as which instalment is paid in order to execute the original payment order, in the comments box of the partial payment order.

(5) Where partial payment is made in respect of a prompt collection order, the credit institution shall indicate on all documents containing payment liability and attached to the prompt collection order that partial payment had been effected.

6) Group credit transfer and direct debit orders shall not be queued, no partial payments shall be executed; the credit institution shall reject the execution of such orders in lack of coverage.

(7) The originator may withdraw or modify his payment order within the time limit or before the fulfilment of conditions specified in the bank account contract or in the general terms and conditions of the credit institution or, subsequent of which the payment order cannot be withdrawn or modified.

Acceptance of payment orders

Article 9

(1) Unless the originator specifies a later date or otherwise prescribed by legal regulation, the time limit for the execution of a payment order shall be calculated from the date of acceptance of the payment order.

(2) The time of acceptance of the payment order:

a) in the case of credit transfer, shall be the date when the credit institution has received the payment order along with all the data – including the identification of the authorised signatories – necessary for the execution and if there are sufficient funds on the account to cover the entire sum or, in case of partial execution, the first instalment,

b) in the case of collection, shall be the date when the credit institution has received the collection order along with all the data – including the identification of the authorised signatories – and documents necessary to fulfil the tasks falling on him,

c) in the case of cash payments,

ca) when making a cash deposit, it shall be the date when the cash has been taken over from the originator by the credit institution at the teller or by the Post at a place designated,

cb) when making a withdrawal, it shall be the date when the credit institution or the Post has received the payment order along with all the data necessary for the cash payment, and if there are sufficient funds on the account,

cc) when making a payment by way of cash withdrawal vouchers, it shall be the date when the Post has received the cash withdrawal voucher (submitted on paper or by way of electronic means) along with all the data necessary for the cash payment, and if there are sufficient funds on the account.

Execution times of payment orders in respect of domestic forint payments

Article 10

(1) Credit institutions shall specify the opening and closing point in time during a banking business day between which payment orders are to be submitted; within this period it shall specify the point in time until which the tasks falling on the credit institution in respect of the execution of payment orders received and accepted are fulfilled on the same day. Credit institutions shall fulfil their tasks falling on them in respect of the execution of payment orders

accepted until the closing point in time the next banking business day at the latest, unless a later time is specified by the originator. If the payment orders are accepted on a day which is not a banking business day, the execution (settlement) time shall be calculated from the next banking business day.

(2) The credit institution shall credit the amount received via interbank settlement to the beneficiary's bank account on the day of receiving notice of the amount being credited to its own bank account in such a way as to allow the account holder to have the credited amount at his disposal no later than the opening time of the credit institution on the morning of the following banking business day. Withdrawal or payment by bank cards shall be made possible by no later than 8 a.m. of the following morning, irrespective of whether it is a banking business day or not. Credit institutions shall reject the execution of payment orders that cannot be credited to the bank account taking into consideration the time limits referred to in Paragraph (1).

(3) If a payment order is forwarded in the VIBER, and the transaction is executed in the system within the operating hours set out in VIBER's operating rules or within the operating hours extended in accordance with the rules, the credit institution shall credit the amount to the beneficiary's bank account in such a way that the credited amount shall be available as coverage for the payment orders to be forwarded in the BKR on the same day.

(4) Receiving notice, mentioned in Paragraph (2) shall be the time when the organization executing the settlement makes the notification relating to the payment order to be executed – and necessary for executing it – available for the credit institution keeping the account of the beneficiary.

(5) Where the debit or credit entry is carried out by a credit institution that is an indirect participant of the domestic payment system among credit institutions, the time limit for executing the payment order may be extended by maximum a further banking business day. If both the debit and the credit entry is carried out by a credit institution that is an indirect participant of the domestic payment system among credit institutions, the time limit for executing the payment order may be extended by a maximum of two banking business days.

(6) If the payment between the originator and the beneficiary is executed within the same credit institution, the credit institution shall execute the debit and the credit entry on the same banking business day, with the same value date.

(7) The account keeping credit institution shall fulfil its tasks concerning the execution of direct cash deposits to the credit of a bank account on the same banking business day when the direct cash deposit was made. Settlement of direct cash deposits made at other credit institutions shall be executed by the credit institution during the period of time as agreed with the other credit institution accepting the cash deposit, which cannot take longer than two banking business days. Direct cash deposit made through an automated teller machine (suitable for accepting payments) shall be settled – after checking the amount – within the time limit set in the agreement with the account holder; however, this time limit shall not be longer than three banking business days after the actual day of the direct cash deposit.

(8) If the credit institution effecting the debit entry is required to consider more bank accounts – in accordance with provisions of law or government decree – when executing a prompt collection order, the time limit specified in Paragraph (1) and Paragraph (5) may be extended by a maximum of three banking business days.

(9) In accordance with its general terms and conditions for payment services the Post shall set the closing point in time within the business day, until which it executed payment orders accepted within two business days. The payment orders accepted later than the closing point in time shall be executed within a maximum of three business days.

(10) The Post may postpone cash withdrawals considered as large amounts according to its general terms and conditions for payment services if the person having the right to receive the cash withdrawal did not notify the Post at least two business days in advance. At the post offices the Post shall publish the limits of cash withdrawals considered as large amounts in respect of prior notification which limits may differ according to post office.

Execution times of payment orders in respect of international payments, domestic payments in currencies other than forint, and with conversion

Article 11

(1) Unless otherwise agreed, the credit institution shall fulfil its tasks in respect of cross-border credit transfer orders or domestic credit transfer orders in foreign currencies on the banking business day after accepting the payment order.

(2) The credit institution shall credit the amounts transferred from abroad, or in a foreign currency domestically, to the beneficiary's account after receiving notice of the credit transfer, at the latest on the banking business day following the day when the coverage for the transfer was made available as well.

(3) If currency conversion is required for the execution of the payment order, the time limit for execution may be extended by a maximum of two banking business days.

Execution times of cross-border credit transfers between Member States

Article 12

(1) The provisions of this Article shall apply to cross-border credit transfers between Member States to be executed up to the amount of 50,000 Euro, or its equivalent in other currencies of the Member States, with the exception if the originator is a financial institution, investment firm or insurance company.

(2) Unless otherwise agreed, the originator's institution shall execute the cross-border credit transfers between Member States in such a way that the funds shall be credited to the account of the beneficiary's institution on the fifth banking business day following the date of acceptance of the payment order at the latest.

(3) The beneficiary's institution shall make available the amount of the cross-border credit transfer between Member States to the beneficiary within the time limit fixed in the agreement, or in lack of an agreement concerning the time limit, on the banking business day following the day when the funds transferred are credited to its own bank account.

Certificate on the availability of funds

Article 13

(1) The certificate on the availability of funds is issued by the account keeping credit institution at the account holder's request. The amount indicated in the certificate on the availability of funds shall be separately treated by the credit institution, and may be used only for the purpose indicated therein. The certificate on the availability of funds shall contain – as the account holder's obligation – in particular the amount blocked as coverage, the purpose of the blocking, the name of the beneficiary and the period of blocking the coverage. When using the certificate on the availability of funds the payment order shall contain the remark "With certificate on the availability of funds" and the bank account indicated in the certificate on the availability of funds shall be specified as the account to be debited. The parties shall agree on the payment method even in case of using a certificate on the availability of funds.

(2) In the case of continuous execution, the payment orders submitted on basis of the partial invoices shall contain the remark "Partial payment against certificate on the availability of funds" and the date and number of the certificate on the availability of funds.

Forms for payment instructions

Article 14

(1) Within the frames provided by legal regulation on payments, the account holder shall submit the payment order in accordance with the agreement concluded with the credit institution.

(2) The credit institution shall accept payment orders to be executed domestically in forints, if submitted on the forms shown in the Annex of this Decree.

(3) The credit institution shall accept prompt collection orders denominated in foreign currencies as specified in Article 27 (2) if submitted on form PFNY 40.

(4) The credit institution shall obtain the approval of the MNB in order to use forms differing from the ones illustrated in the Annex, in connection with the following transactions: forms for credit transfer orders filled in by the beneficiary in advance and sent to the originator (PFNY 10, PFNY 20), cheque collection order (PFNY 60), prompt collection order (PFNY 40), authorisation form for direct debit order (PFNY 30), deferred collection order (PFNY 50). The provisions of this Paragraph shall also apply to the beneficiaries issuing form PFNY 30.

(5) In the case of payment methods where no form is given in the Annex the credit institution may freely create the forms.

(6) Credit institutions may create the forms for payment orders in foreign currencies within their own competence.

(7) If no documents required to be attached, payment orders may be submitted in ways other than by using the forms for payment transactions (e.g. by electronic means), if so permitted by an agreement between the account holder and the credit institution. In the case of submission of payment orders by electronic means the credit institution shall create the form. Electronically submitted payment orders shall contain at least the data required for paper-based forms and at least the fields of the same length as contained therein.

(8) The forms standardized, distributed and the certificates accepted by the Post shall be used for postal payment services. These forms may be manufactured and distributed subject to authorisation and under the conditions laid down by the Post.

(9) The models of the forms used for postal payment transactions, with detailed instructions for filling them out – in due consideration of the general rules laid down in Article 39 (2) –, the exact technical specifications and the conditions for use shall be determined by the Post and published in its general terms and conditions.

Article 15

(1) On the forms for payment instructions shown in the Annex, with the exception of form PFNY 40, the amount shall be indicated in Hungarian forints, even if it is the equivalent of an amount in foreign currency. In the latter case the type of currency and the corresponding amount shall be shown in the comments box.

(2) On the forms for payment instructions the amount to be paid shall be rounded up to forints.

(3) In the case of payment orders denominated in foreign currency, the forms for payment instructions shall indicate the amount payable as rounded off up to three decimal places depending on the type of currency in which the amount is denominated.

(4) The payment orders denominated in foreign currency shall contain the ISO code of the type of currency consisting of three alphabetical digits.

(5) Account holders shall obtain the forms for payment instructions from their account keeping credit institutions in a way as specified by the credit institutions, or they shall obtain blank forms from specialised suppliers. Each copy of the form shall be filled in at the same time (by transcription), in a clearly legible way, without corrections, using black or blue ink pen or typewriter or printer; and they shall be dated and signed consistent with the signature sample registered with the credit institution.

(6) Payment orders filled in and submitted not in compliance with the regulation on payments shall be rejected by the credit institution.

(7) The technical attributes and pictures of the forms for payment instructions used for domestic payments with the required content and format (signed as PFNY) are contained in *Charts 1–4 and 6–7 of the Annex*.

TITLE V. PAYMENT METHODS

Article 16

(1) Payment methods applicable in respect of domestic payments are as follows:

a) payments between bank accounts:

aa) credit transfer:

1. single credit transfer,
2. group credit transfer,
3. standing order,
4. credit transfer through bank cards

ab) collection

1. direct debit,
2. prompt collection,
3. deferred collection order,
4. documentary collection
 - ac*) documentary credit (letter of credit),
 - b*) payment made by cash-substitute payment instrument:
 - ba*) bank card,
 - bb*) electronic money instrument,
 - bc*) check;
 - c*) cash payment.

(2) Cash payments may be effected:

- a*) by handing over the cash directly,
- b*) by way of cash deposit placed on the bank account of the beneficiary
 - ba*) at the tellers of the credit institution,
 - bb*) at automated teller machines,
 - bc*) by postal inpayment money order,
 - bd*) at POS terminals;
- c*) cash withdrawal from a bank account in favour of the beneficiary
 - ca*) at the tellers of the credit institution
 - cb*) at automated teller machines,
 - cc*) through a cash withdrawal voucher,
 - cd*) through allocation by postal outpayment money order,
 - ce*) at POS terminal,
 - cf*) by cheque,
 - cg*) by way of cash deposit book;
- d*) money remittance;
- e*) by way of domestic postal money order.

Article 17

Independent of the type of bank account, out of the payment methods listed in Article 16 (1) the credit institution – unless otherwise provided by law or legal regulation on payments – cannot refuse to accept single credit transfer orders, furthermore, in respect of domestic payments prompt collection orders, deferred collection orders and cash payment orders.

TITLE VI. DETAILED RULES FOR PAYMENT METHODS

Single credit transfer

Article 18

(1) By a single credit transfer order the originator instructs the credit institution to debit a specific amount from his bank account and transfer (credit) it to the bank account of the beneficiary. The single credit transfer order is to be submitted by the originator to the credit institution keeping his bank account.

(2) On the basis of an agreement with the credit institution the single credit transfer order may also be submitted by setting a debit day. The account keeping credit institution shall determine for what period it accepts credit transfer orders setting a debit day. If the debit day indicated precedes the day when it could in fact be fulfilled or if it is subsequent to the period specified by the credit institution, the credit institution may refuse to accept the credit transfer order. If the debit day indicated falls on a day that is declared a holiday by the account keeping credit institution, the next banking business day shall be considered the debit day.

Article 19

(1) Single credit transfer orders (form number: PFNY10, PFNY20) shall be filled in by the originator as follows:

a) in the relevant boxes the name (abbreviated where necessary containing maximum 27 or 32 characters) and bank account number of both the originator and the beneficiary shall be entered,

b) if the originator requests to have his credit transfer transmitted through VIBER, an X shall be entered in the box marked "VIBER"; if the originator submit the credit transfer order on a form that does not have a special box for VIBER, the execution through VIBER shall be indicated in a way defined by the account keeping credit institution,

c) the amount rounded up to forints to be transferred () shall be entered in a numerical form only,

d) data shall be entered in the "debit day" box (day, month, year) only if the originator wishes to debit his bank account on a business day subsequent to the day of submission,

e) in the box marked "number", the sequential number of the credit transfer order may be entered using no more than six digits,

f) the boxes reserved for country and title codes shall contain the country and title codes specified in Decree No. 16/2005 (VII. 27.) of the MNB on the requirement of providing transaction codes for the central bank's information system,

e) the "Comments" box is for communicating the purpose of the amount to be transferred (not to exceed fifty-two characters).

(2) Based on an agreement with the credit institution, where payment orders are filled in by machine and/or submitted by way of electronic means, the length of comments may not exceed ninety-six characters, including punctuation marks and spaces. If the originator wishes to emphasise a certain part of his comments to serve as a reference number (e.g. account number, contract number, identification code of the consumer) it is to be entered in the first row of the comments box using maximum twenty-four characters with an "X" placed in the first code box in the first row;

(3) The credit transfer order form shall consist of two copies:

a) the first copy shall constitute the order given by the originator to the credit institution and at the same time it serves as the file copy of the credit institution;

b) the second copy, which shall be detached from the original, shall be kept by the originator, in case of a personal handing-over to the account keeping credit institution (hereinafter referred to as “direct submission”), the credit institution shall verify receipt of the credit transfer order on this copy before detaching it.

(4) Credit institutions indirectly connected to the domestic payment system may adapt this form in triplicate copies. In this case the first and the second copies shall be submitted to the account keeping credit institution, and the third copy shall be kept by the originator.

(5) The credit transfer order form may be prepared in a single copy (in a so-called coupon format), under an agreement between the credit institution and the account holder. In this case the credit transfer order shall be submitted to the credit institution, while the stub remains with the account holder. In the case of direct submission the credit institution shall verify receipt of the credit transfer order on the coupon indicating the exact time and date (year, month, day, hour, minute). Pictures of the credit transfer order forms are contained in *Charts 1 and 2 of the Annex*.

Group credit transfer

Article 20

(1) The originator instructs the account keeping credit institution by submitting the credit transfer orders under the same title in batches (hereinafter referred to as “group credit transfer order”) to transfer specific amounts to the debit of his bank account and credit them to the beneficiaries’ bank accounts.

(2) The obligor shall submit the group credit transfer order at the place and in the way set out in the contract concluded with the account keeping credit institution.

(3) The credit institution keeping the bank account of the beneficiary shall notify the credit institution keeping the bank account of the originator of non-execution of the group credit transfer order (failure of crediting) and the reason of the non-execution. The credit institution keeping the bank account of the originator shall list these notifications (rejected transfer orders) in the order of the beneficiaries as specified in the originally submitted group credit transfer order and forward this list to the originator.

(5) Unless otherwise agreed by the credit institution and the account holder, the group credit transfer order shall be submitted containing the data set out in the Hungarian standard marked MSZ 16283-1:2001.

Standing order

Article 21

By a standing order the originator instructs the credit institution to transfer a specific amount from his bank account to the beneficiary’s bank account at the pre-determined dates he has given (debit days). The debit day may be defined on the standing order in a text format, determining the starting date (e.g. a certain day counted from the day of a regular credit entry on the account)

or in a numeric format (e.g. on a predetermined day of each month). If the so defined debit day is not a banking business day, or if there is no such day in the given month, the debit day shall be the banking business day that follows the pre-determined day. The credit institution is entitled to refuse to accept the standing order if the debit day is not unambiguously indicated. The credit institution shall execute the standing order until the originator withdraws it or until the last execution day given on the transfer order.

Credit transfer through bank card

Article 22

(1) The bank card holder may submit a credit transfer order through an ATM suitable for this purpose to the debit of the coverage linked to the bank card. The data required for the credit transfer order shall be provided electronically or manually.

(2) The bank account number of the card holder's account linked to the bank card shall be indicated on the credit transfer order.

Direct debit

Article 23

(1) The beneficiary instructs the account keeping credit institution by submitting the collection orders under the same title in batches (hereinafter referred to as "direct debit order") to collect the amount specified to the credit of his bank account and to the debit of the obligors' bank accounts on the debit day indicated on the direct debit order; the account keeping credit institution of the obligor shall debit the bank account of the obligor on this day. If the day indicated is not a banking business day, the credit institution shall execute the order on the following banking business day.

(2) Direct debit orders shall be performed only if the obligor authorises his account keeping credit institution in that regard.

(3) Direct debit orders shall be submitted at the place, in the way and at the frequency (submission time limit) fixed in the contract concluded between the beneficiary and its account keeping credit institution at least five banking business days before the debit day indicated on the direct debit order.

(4) In the case of a direct debit order the person in a contractual relationship with the beneficiary (hereinafter referred to as "consumer") shall be notified by sending the invoice or other document underlying the collection order, the beneficiary is obliged to send the invoice to the consumer at least six business days before the debit day. In the case of a collection order for the same amount on each occasion (e.g. that is the same each month) the beneficiary shall notify the consumer at least once a year in the case of a collection order for varying amounts the document (e.g. invoice) verifying the amount shall be sent to the consumer each time.

(5) The credit institution is not obliged to inform the obligor of the direct debit order before executing it.

(6) Unless his account keeping credit institution defines a later time limit in its general terms and conditions (contractual terms) the obligor may instruct his account keeping credit institution until

9 a.m. of the banking business day preceding the debit day to stop execution of the direct debit order. The stop instruction shall pertain to the full amount to be charged to the obligor. In the case of a stop instruction the credit institution shall proceed in accordance with the stop instruction and shall not examine the justification and rightfulness of the stop instruction. The stop instruction shall not affect the conditions of the authorisation.

(7) The credit institution keeping the bank account of the obligor shall notify the credit institution keeping the bank account of the beneficiary of the execution or non- execution of the direct debit order, in the latter case giving the reasons. The credit institution keeping the bank account of the beneficiary shall list these notifications and the data of executed transactions in the sequence of the obligors as indicated in the originally submitted direct debit order and as a confirmation shall notify the beneficiary.

(8) Unless otherwise agreed between the credit institution and the account holder, the direct debit order shall be submitted containing the data set out in the Hungarian standard marked MSZ 16283-2:2001, and the authorisation containing the data set out in the Hungarian standard marked MSZ 16283-3:2001.

Article 24

(1) The credit institution keeping the account of the obligor shall inform the beneficiary on the basis of the authorisation received from the obligor concerning the acceptance, modification or withdrawal of the authorisation.

(2) The beneficiary shall inform the credit institution keeping the bank account of the obligor and the consumer of accepting or refusing the authorisation. The credit institution keeping the bank account of the obligor shall inform the obligor, if other than the consumer, of the beneficiary's accepting or refusing the authorisation. The credit institution keeping the bank account of the obligor shall consider the authorisation to be accepted by the beneficiary if the beneficiary initiates collection.

(3) The authorisation and any modification thereunto may also be submitted by the beneficiary to the credit institution keeping the bank account of the obligor.

(4) The account keeping credit institution of the obligor shall debit the bank account of the obligor with the amount of the direct debit order only in the event of compliance with the conditions set out in the authorisation (e.g. the same consumer identification code, amount under the limit, etc.).

(5) The authorisation shall be submitted using form PFNY 30 or in another way with the same data. The form is applicable in triplicate (one copy each for the credit institution, the beneficiary and the obligor) or in duplicate (one copy each for the credit institution and the obligor). The picture of the form is contained in *Chart 3 of the Annex*.

(6) The account keeping credit institution of the obligor shall, at the obligor's request, issue a certificate concerning the valid authorisations for direct debit order in respect of the obligor's bank account. Requesting such a certificate shall not mean cancellation of the authorisation to which it pertains, unless so instructed by the obligor. The obligor may submit the certificate to another credit institution as a new authorisation.

(7) Upon accepting the new authorisation, the beneficiary shall consider all previous authorisations at the credit institution having issued the certificate as cancelled.

(8) The certificate referred to in Paragraph (6) shall be made out on form PFNY 30/A entitled “Certificate of authorisations for direct debit orders” or in another way containing the same data. The picture of the form is contained in *Chart 3/a of the Annex*.

Prompt collection

Article 25

By a prompt collection order the beneficiary instructs his account keeping credit institution to collect a specific amount to the credit of his bank account and to the debit of the obligor’s bank account.

Article 26

(1) The beneficiary shall submit the prompt collection order to his account keeping credit institution.

(2) The account keeping credit institution of the beneficiary shall check the data relating to the beneficiary before accepting the prompt collection order (where a document is required to be attached with the prompt collection order, the conformity of the beneficiary indicated on the document with the account holder indicated as beneficiary in the prompt collection order, the bank account number of the beneficiary, the signature of the person having a right of disposal over the account as registered by the credit institution) and shall check as to whether a prompt collection order can be submitted in favour of the beneficiary’s bank account. The credit institution shall refuse to accept any prompt collection order without delay that fails to comply with these criteria.

(3) After checking the facts listed in Paragraph (2) the credit institution keeping the bank account of the beneficiary shall forward the data of the prompt collection order to the credit institution (or branch) keeping the bank account of the obligor.

(4) If a document is to be attached with the original copy of the prompt collection order or if a countersignature is required, the credit institution keeping the bank account of the beneficiary or the beneficiary entitled to direct submission shall forward such prompt collection order, together with the said document, by certified mail with return receipt, or by direct delivery to the credit institution (or branch) keeping the bank account of the obligor.

(5) The bailiff and the credit institution may submit the prompt collection order directly to the credit institution (or branch) keeping the bank account of the obligor.

(6) The credit institution keeping the bank account of the obligor is not allowed to notify the obligor account holder(s) of the prompt collection order before executing it (to any extent), or queuing it as prescribed by law or government decree, and it shall debit the bank account without the specific disposal (consent) of the obligor account holder(s) and irrespective of any objection (protest) on the part of the said obligor account holder(s). The credit institution shall notify the obligor account holder(s) immediately upon executing the prompt collection order (to any extent), or when queuing them, in writing (by sending the third copy of the prompt collection order or in another way with the same data).

(7) If a prompt collection order fails to comply with the requirements laid down in legal regulations, the credit institution keeping the bank account of the obligor shall reject the prompt collection order and shall notify the beneficiary accordingly through the credit institution keeping his bank account, or in the case of direct submission directly.

Article 27

(1) The beneficiary shall fill out the form of the prompt collection order (PFNY 40) as set out in Articles 28–30; in respect of questions not regulated therein shall proceed according to the provisions relating to credit transfer orders.

(2) In the “Amount” box of the form of the prompt collection order denominated in foreign currency – as referred to in Article 28 (2) – the beneficiary shall indicate the amount rounded off to maximum three decimal places, separated with a comma. The ISO code referred to in Article 15 (4) shall be entered before the “Amount” box.

(3) The form of the direct collection order form consists of three copies, with the following functions:

a) the first copy is the order submitted by the beneficiary to his account keeping credit institution, which serves as the file copy of this credit institution, unless the order is submitted directly or by post via the beneficiary’s credit institution, in which case this copy shall be the file copy of the credit institution keeping the bank account of the obligor;

b) the second copy, or information of the same data, is submitted by the credit institution keeping the obligor’s bank account to notify the obligor account holder(s),

c) the third copy is the own copy of the beneficiary; in the case of direct submission, upon request, the credit institution verifies the receipt of the order on this copy.

(4) The picture of form PFNY 40 is contained in *Chart 4 of the Annex*.

Prompt collection based on legal regulations

Article 28

(1) If the prompt collection order is submitted on the basis of Article 82/A of the Enforcement Act, the “Comment” box of the prompt collection order shall contain the text “on the basis of Article 8/A of the Enforcement Act”, if submitted by the tax administrator the same text or the text “on the basis of Article 144 of the Tax Procedure Act”, if submitted under Article 133 (1) of the Administration Act it shall contain the text “on the basis of Article 133 (1) of the Administration Act” or a reference to the Enforcement Act as per the above, or if the enforcement pertains to child support the abbreviation "GY", or "SZ", when it is for birth support. The box "Reason for submission" shall indicate "3".

(2) If the prompt collection order is submitted by the beneficiary to enforce his claim based on a document underlying the enforcement, the “Comment” box of the prompt collection order shall contain the text "Enforcement" and "2" shall be entered in the box “Reason for submission”.

(3) In the case of prompt collection orders submitted on the basis of law or government decree other than specified in Paragraphs (1)–(2), the beneficiary shall write “3” in the “Reason for submission” box and shall give the number of the legal regulation serving as a basis of the submission in the “Comment” box.

(4) Unless otherwise provided by legal regulations, the authentic official copy or authenticated duplicate of the document underlying the enforcement shall be attached to the prompt collection order marked as "Enforcement". If the operative part of the decision of second instance does not contain the amount of the condemnation, the decision of first instance shall also be enclosed. If enforcement is dependent on a condition or point in time, the document attesting the occurrence of the condition or point in time shall also be attached.

(5) To prompt collection orders submitted to enforce a claim based on a document underlying the enforcement, the beneficiary shall attach the statement required in accordance with Article 6 (2) d) of the Enforcement Act as well. The credit institutions participating in the execution of the prompt collection order shall not check the adequacy of the signatures on the statement.

(6) The beneficiary may reclaim the document underlying the enforcement, or the authenticated duplicate thereof, if the document is to be used for enforcement several times due to a reason described in the operative part. The credit institution shall comply with such request only if the beneficiary attaches a simple copy (extract) of the operative part of the document underlying the enforcement to the prompt collection order, in addition to the document itself or its authenticated duplicate.

(7) If the funds on the bank account of the obligor are insufficient to execute the prompt collection order marked “Enforcement” and according to the decision attached to the prompt collection order a default interest is due until the day of payment, the credit institution keeping the bank account of the obligor shall officially charge the interest difference due to the beneficiary for the period of delay in payment because of lack of funds in addition to the interest to be realized by the prompt collection order to the debit of the obligor’s bank account and to the credit of the beneficiary’s bank account without any special request by the beneficiary.

(8) Prompt collection orders submitted under Article 305 (2) of Act CXXIX of 2003 on Public Procurements shall have attached a statement from the obligor declaring that the beneficiary has fulfilled all his obligations stemming from the public works or supply contract, furthermore, the time limit for payment (deadline) shall also be precisely indicated in the statement. The beneficiary of the prompt collection order shall attach with the prompt collection order his own statement declaring that the required payment was not effected within the time limit for payment (deadline).

Prompt collection order based on a letter of authorisation

Article 29

(1) In the letter of authorisation the obligor notifies his account keeping credit institution of the name and bank account number of the account holders who are entitled to submit prompt collection orders to the debit of his bank account.

(2) In the case of submission of a prompt collection order based on a letter of authorisation “1” shall be written in the “Reason for Submission” box of the form.

(3) The letter of authorisation shall contain the following data:

- a) the name of the account holder obligor issuing the power of attorney and the number of the bank account to which the authorisation pertains,
- b) the name of the beneficiary authorised to submit a prompt collection order and the number of his bank account,
- c) the period of validity of the authorisation.

(4) In addition to the data specified in the previous paragraph, the account holder issuing the letter of authorisation may dispose over the following, on the basis of an expressed agreement with his account keeper:

- a) the upper limit of payment,
- b) the frequency of submission,
- c) the period of queuing in the event of lacking sufficient funds,
- d) procedure for withdrawal.

(5) Unless otherwise provided in the letter of authorisation, the credit institution shall accept and execute the prompt collection orders based on the letter of authorisation until the obligor account holder withdraws the relevant letter of authorisation in writing.

(6) While the letter of authorisation is in effect and until its withdrawal the credit institution shall only accept a request to terminate the bank account on condition that the earliest day of terminating the bank account shall be the day following the withdrawal or expiry of the letter of authorisation. The account keeping credit institution may terminate the bank account contract even during the period of validity of the letter of authorisation, in the event of the obligor's failure to pay the fees and charges of account keeping in respect of the bank account to which the letter of authorisation pertains within 30 days from maturity in spite of call. If the credit institution avails itself of its right of termination and the withdrawal of the letter of authorisation is subject to the beneficiary's written consent, the credit institution shall notify the beneficiary when terminating the bank account.

(7) The text of the letter of authorisation is contained in *Chart 5 of the Annex*.

Prompt collection order based on bills of exchange

Article 30

(1) If the prompt collection order is for collecting a claim based on a bill of exchange, the "Reason for Submission" box shall contain "4".

(2) For the collection based on a bill of exchange, the original bill of exchange shall be attached.

(3) The prompt collection order shall be used against the guarantors and bill debtors (acceptors) to realize the claims based on a bill of exchange only if a letter of authorisation (Chart 5) is available.

(4) If the beneficiary presents the bill of exchange when submitting a prompt collection order, but the payment cannot be or only partially can be executed due to lack of sufficient funds, the credit institution indicated on the bill of exchange as the place of payment shall require a statement substituting the act of protest in accordance with the legal regulations on bills of

exchange, unless the issuer requires a protest in the text of the bill of exchange or released the holder from the obligation of requiring a protest. If the holder of the bill of exchange is at the same time the credit institution keeping the bank account to be debited, it shall not be entitled to require a statement substituting the act of protest.

Deferred collection order

Article 31

(1) By a deferred collection order constitutes the beneficiary instructs the credit institution keeping his payment bank account to collect a specific amount to the credit of his payment bank account and to the debit of an obligor having an account at the Treasury for the purpose of enforcing a contractual payment obligation.

(2) On the deferred payment collection order the beneficiary shall specify a time limit (hereinafter referred to as “objection period”) for the obligor within which the latter can make objection against the execution of payment. The last day of the objection period shall be at the earliest the tenth business day following the date upon which the beneficiary submits the order to the credit institution keeping his payment bank account.

(3) The Treasury shall notify the obligor of the submission of the deferred payment collection order prior to its execution and shall execute the order in accordance with the obligor’s instructions. For the purposes of this provision, if the obligor does not exercise his right of objection within the objection period it shall be construed as an instruction.

(4) The obligor may file an objection against execution of the deferred collection order, in part or in full, at the Treasury before the business day preceding the last day of the objection period at the latest in the way, form and until the point in time specified by the Treasury.

(6) If the obligor has made no objection against the execution of the deferred collection order, or if the objection is submitted with delay, the Treasury shall execute the order. If an objection is made, the Treasury shall proceed in accordance with the contents of the objection, it shall not investigate the justification or the rightfulness of the objection.

Article 32

(1) Deferred collection orders are to be submitted by the beneficiary to the credit institution keeping his payment bank account. The picture of form PFNY 50 used for deferred collection order is shown in *Chart 6 of the Annex*. In the appropriate boxes the name (abbreviated name) and the bank account number of the beneficiary and the obligor shall be entered. The box “Last day of the objection period” shall be filled out in accordance with the provisions of Article 31 (2) of this Decree.

(2) Deferred collection order form consists of three copies, with the following functions:

- a) the first copy is the order submitted by the beneficiary to his bank account keeping credit institution and it serves as the file copy of the credit institution,
- b) the second copy is kept by the beneficiary; in the case of direct submission, upon request, the credit institution verifies the receipt of the order on this copy,
- c) the third copy is to be sent by the beneficiary, with the documents attached, to notify the obligor of the submission of the order.

(3) The credit institution accepting the deferred collection order shall forward the first copy, or its contents, to the Treasury, after checking that it satisfies formal requirements.

(4) The Treasury shall create the form for making an objection against deferred collection orders. With respect to using, filling out and signing the said forms the regulations of the issuer of the form shall be observed.

Documentary collection

Article 33

(1) The beneficiary of the basic transaction shall submit to his account keeping credit institution the documents on which the claims are based on condition that they are to be delivered to the obligor (addressee) only upon payment, acceptance of a bill of exchange or upon meeting other conditions.

(2) In respect of domestic forint payments this payment method may be used in accordance with the general terms and conditions of the credit institution.

Documentary credit (letter of credit)

Article 34

(1) With the documentary credit the credit institution (the opening credit institution) – on the basis of the order submitted by the obligor of the underlying transaction – undertakes an obligation in its own name for paying the amount defined in the documentary credit if the beneficiary submits the required documents until the expiry date specified, they are acceptable and are in compliance with other conditions set out in the letter of credit.

(2) The beneficiary shall forward the documents required in the documentary credit together with its relevant letter of utilisation to the opening credit institution directly or through his account keeping credit institution.

(3) The opening credit institution shall pay the amount of the documentary credit to the beneficiary by transferring it to the bank account stipulated in the documentary credit or in the letter of utilisation.

(4) The obligor of the underlying transaction shall pay or reimburse the amount paid to the beneficiary by the opening credit institution in accordance with the relevant contract.

(5) The credit institution determines the amount limit above which it accepts orders for opening documentary credits in respect of domestic forint payments in its general terms and conditions.

Cheques

Article 35

(1) The bank account holder may issue a cheque if he has concluded a cheque contract with his account keeping credit institution.

(2) The bearer of a collection-only cheque may submit it for collection in the event that the conditions stipulated in the general terms and conditions of his account keeping credit institution are complied with.

(3) Unless otherwise agreed, the credit institution shall only clear a cheque made out to himself up to the amount of coverage available on the bank account indicated on the cheque by the bank account holder issuing it.

Guaranteed cheque

Article 36

(1) Apart from the cheque contract, the credit institution may undertake a bank guarantee (Article 249 of the Civil Code) for the account holder issuing the cheque. If the conditions are met, the guarantee is extended to all the persons accepting the cheque for payment.

(2) The general terms and conditions of the credit institution undertaking the bank guarantee or the agreement between the issuer and the recipient shall contain in detail the procedures to be followed when clearing a guaranteed cheque.

Using the cheque forms

Article 37

(1) On basis of the cheque contract the bank account holder may apply for cheque forms (cheque book) from the credit institution. The credit institution shall deliver the cheques – against a receipt – to the person signing the cheque order form in accordance with the signature sample registered with the credit institution. Upon request, the cheque forms (cheque book) may also be sent by certified mail with return receipt.

(2) When a bank account is terminated, the account holder shall return all unused cheque forms (cheque book) in his possession to the credit institution.

(3) The cheques shall be filled out in accordance with the pre-printed text. The amount shall be written clearly and legibly in numbers and letters in relevant. Cheques shall be signed consistent with the signature sample registered with the credit institution.

(4) The picture of the cheque collection order form PFNY 60 is shown *in Chart 7 of the Annex*.

Presenting, clearing and collection of cheques

Article 38

(1) When clearing an open cheque the credit institution shall check the identity of the bearer of the cheque (beneficiary) as follows:

a) when clearing a cheque made in name of the certain person – unless the cheque has a blank endorsement – the credit institution shall examine as to whether the bearer is the same as the beneficiary denominated on the cheque, for the cash can only be paid to the person denominated on the cheque;

b) the amount of a bearer cheque payable is to be paid to the bearer of the cheque.

(2) The teller of the credit institution shall have the person whose name is denominated on the cheque or the bearer sign the back of the cheque – acknowledging receipt of the money – and the data of the personal documents used for identification shall be indicated.

(3) The collection-only (so-called crossed) cheque shall be submitted for collection at due time that, taking into consideration the length of time of postal delivery, the cheque shall arrive at the issuer's account keeping credit institution within the submission time limit (8 calendar days).

(4) Collection-only cheques, with the completed cheque collection order form PFNY 60 attached, shall be submitted to his account keeping credit institution by the bearer if the provisions of Article 35 (2) of this Decree are complied with. The form shall be filled out consistent with the data shown on the cheque. If the number of the submitted cheque is longer than six digits, it shall be indicated in the comment box and the form shall be given a special number.

(5) The cheque collection order form consists of two copies, with the following functions:

a) the first copy is the original order to the credit institution to collect the amount of the cheque, to which the cheque itself shall be attached; the credit institution shall forward these two together to the issuer's account keeping credit institution,

b) the second copy is kept by the cheque holder, on which, upon request, the credit institution verifies the receipt of the cheque.

Cash deposits to bank accounts

Article 39

(1) Cash deposits to bank accounts may be made at the tellers of the account keeping credit institution and at its automated teller machines suitable for accepting payments. Apart from the account keeping credit institution, other credit institutions and the Post may also accept cash deposits to bank accounts kept by other credit institutions – on the basis of an agreement between the credit institutions and with the Post – at their tellers, at their automated teller machines suitable for accepting payments, and at their POS terminals.

(2) The general requirements for filling in the cash deposit forms are as follows:

a) all copies of the cash deposit slips shall be filled out the same way;

b) in the case of large volumes of cash deposits of the similar amount the amount box may be filled out by printing as well;

c) slips containing incomplete or incorrect data, as well as those with any deletions, modifications or corrections, or which are damaged or soiled shall not be accepted by the credit institution tellers or post offices. In such cases new slips shall be filled out.

Making cash deposits at the tellers of credit institutions

Article 40

(1) Cash may be deposited to bank accounts kept by the credit institution at any of the designated tellers of the credit institution by using a cash deposit slip or by signing the cash desk voucher.

The identification data of the depositor shall appear on the cash deposit slip or the cash desk voucher and there shall be a place for comments.

(2) The cash deposit slips of credit institutions are created within their own competence. This slip serves the purpose of making cash deposits at the tellers of credit institutions and cannot be used for payments at post offices.

(3) At the designated teller of the credit institution cash may also be deposited to the bank accounts kept by them by way of postal inpayment money order specified in Article 41 (4).

Making cash deposits at post offices by way of postal inpayment money order

Article 41

(1) Cash deposits to bank accounts may be effected at post offices by way of postal inpayment money orders. The postal inpayment money order is a cash deposit slip individually identifiable that contains the name, the bank account number of the account holder and any further data specified by the Post.

(2) The amount of cash deposits made at post offices by way of postal inpayment money orders shall be transferred by the Post to the account keeping credit institution through the postal clearing system. The Post shall forward the detailed data on individual cash deposits to the account holder through the account keeping credit institution, or shall supply them directly on the basis of individual contracts in this respect.

(3) The depositor may request for information or data relating to postal cash deposits not yet credited on the relevant bank account at any post office or at the Postal Clearing Centre in the way as specified in the general terms and conditions of the Post, or at the account keeping credit institution. Information concerning cash deposits already credited on the relevant bank account shall be provided by the account keeping credit institution.

(4) The postal inpayment money order form is a form for payment instructions distributed by the Post.

Cash withdrawal from bank accounts

Article 42

(1) Cash may be withdrawn from bank accounts by way of cheque, cash withdrawal voucher, bank card, cash withdrawal slip or by signing the cash desk voucher at the tellers of the account keeping credit institution or – upon an agreement – at the tellers of other credit institutions.

(2) On the basis of an agreement between the account keeping credit institution and the Post, at the Post cash may be withdrawn by way of cheque, postal outpayment money orders, cash withdrawal vouchers, by way of bank card at POS terminals and by way of cash deposit book.

Cash withdrawal vouchers

Article 43

(1) The bank account holder may withdraw cash at the teller of the account keeping credit institution or – upon an agreement – at the tellers of other credit institutions by way of a cash withdrawal voucher to the debit of his bank account. At the Post cash may be withdrawn on basis of an agreement concluded preliminarily between the account keeping credit institution and the Post and only in ways set out therein.

(2) Cash withdrawal vouchers shall be presented for payment at the teller of the credit institution within eight (calendar) days from the date of issue. The day of issue shall not comprise part of the time limit. If the last day of the time limit is a bank holiday, the time limit shall expiry the following business day.

(3) On the face of the cash withdrawal voucher the issuing account holder may designate a natural person to whom the cash is to be paid out. In this case the credit institution shall pay the amount of the cash withdrawal voucher to the designated person only. If the issuing account holder does not designate a natural person for cash withdrawal, the credit institution shall pay the amount of the cash withdrawal voucher to the bearer.

(4) The credit institution shall have the designated person or the bearer of the cash withdrawal voucher sign the back of the cash withdrawal voucher in acknowledgement of receiving the funds and shall indicate the data of the personal document used for identification of the person to whom the money was paid.

(5) If there are not enough funds on the bank account of the account holder to pay the amount indicated on the cash withdrawal voucher presented in due time, the credit institution shall invalidate the cash withdrawal voucher by deleting the acknowledgement of receipt on the back and shall return it non-executed to the person submitting it.

(6) The credit institution keeping the bank account of the account holder shall deliver the cash withdrawal voucher booklet to the person indicated on the relevant form signed consistent with the signature sample registered with the credit institution. Upon request, the cash withdrawal voucher booklet may also be sent by certified mail with return receipt.

(7) The cash withdrawal voucher issued by the distributing credit institution (which may be drawn under strict accountability) consists of two parts:

- a)* the stub (which remains in the book) and
- b)* the voucher.

(8) The cash withdrawal voucher booklet may be prepared and used in a three-part format as well. The third copy serves as an advising coupon to be sent to the account holder.

(9) Cash may be withdrawn at the Post by way of postal cash withdrawal voucher. The postal cash withdrawal voucher is a form for payment instructions distributed by the Post.

(10) Cash withdrawal vouchers shall be signed in a way consistent with the signature sample registered with the credit institution. In the case of cash withdrawal at a post office or a credit institution other than the account keeping one, the signature shall be checked as defined in the agreement.

(11) The credit institution shall not execute payments against a cash withdrawal voucher if it is not dated or it is advance dated, if it is filled out erroneously or unintelligibly or it is corrected, if

the bank account number is not properly indicated, or if the pre-printed text is corrected or the amount in numeric format is different from the amount in alphanumeric format, or if the amount indicated on the cash withdrawal voucher differs from the one on the debit note.

(12) Lost, stolen or destroyed cash withdrawal vouchers shall be reported by the account holder to the account keeping credit institution in writing without delay. If the voucher can be cashed at designated tellers of other credit institutions as well, these credit institutions shall also be notified at the same time. The credit institution shall keep record of such reports for 5 years, but until the termination of the bank account at the longest. In respect of postal cash withdrawal vouchers a similar procedure applies.

(13) When a bank account is terminated, the holder of such bank account shall return all unused cash withdrawal vouchers booklets (voucher slips) to the credit institution.

Cash withdrawal from a bank account by post by way of postal outpayment money order

Article 44

(1) By issuing a postal outpayment money order and a consignment list (or, on the basis of an agreement with the Post, only a consignment list) the account holder instructs the credit institution to pay a specific amount from his bank account to the addressee by post. In respect of cash payments effected by post, delivery and payment of the sum indicated on the postal outpayment money order the provisions pertaining to domestic postal money orders shall apply.

(2) The account holder shall submit to the credit institution the postal outpayment money orders specified in a consignment list. The credit institution shall debit the account of the account holder with the amounts of the postal outpayment money orders increased by postage, and shall forward the postal outpayment money orders to the post office operating at its registered office together with a document entitled "certificate of coverage for posting postal outpayment money order referred to as "certificate of coverage") for postal validation delivery to the post offices competent according to the domicile of the addressees.

(3) On the basis of an agreement, account holders may also forward the information of postal outpayment money orders necessary for producing (printing) the vouchers to the designated post office or directly to the Postal Clearing Centre by floppy. The certificate of coverage shall be requested from the credit institution by the appropriate copy of the consignment list of the postal outpayment money orders.

(4) The data of the postal outpayment money orders may be forwarded to the Postal Clearing Centre by means of data transmission. In the case of forwarding the postal outpayment money orders by means of data transmission, the procedure for making available the necessary coverage shall be laid down in an agreement concluded with the Post. The payment method applied shall also be fixed in the agreement.

Article 45

(1) If the funds necessary is available in the bank account of the account holder submitting a postal outpayment money order, the credit institution shall debit the bank account with the amount indicated in the properly filled out payment order. In the case of funds available only partially, the credit institution shall not split the order within one consignment list. Partial execution shall only be effected if there is more than one consignment list attached to the order

and there are sufficient funds available in the bank account to cover the full amount of one consignment list.

(2) The postal outpayment money order shall be valid for 30 days after the day of receipt by the Post.

(3) Upon request, the credit institution shall return a copy of the consignment list (database) to the account holder, on which the post office receiving the postal outpayment money order has indicated the data of postal reception.

(4) The postal outpayment money order shall be made out by either the account holder or the Post consistent with the pre-printed boxes of the form. The account holder shall not sign the postal outpayment money order and shall not overwrite, delete or change any data indicated on the postal outpayment money order, for such orders shall be accepted neither by the credit institution nor the Post.

(5) The name, address and postal code of the addressee shall be accurately indicated on the consignment list (database) or – in the case of postal outpayment money order submitted on paper – on the postal outpayment money order. If the address is indicated inaccurately the Post shall refuse to pay the amount and will proceed in accordance with the regulations specified in its general terms and conditions. Neither the credit institution, nor the Post may be held liable for the non-execution of payments due to inaccurate addressing by the account holder.

(6) A postal outpayment money order may contain only one payment order, and the Post shall execute only one order. In the case of allocation several items at the same time a separate postal outpayment money order shall be made out for each of them.

(7) The data of the cash disbursement orders and the valid fee of postal services shall be listed and added up on the form entitled "consignment list of postal outpayment money orders", consisting of four copies.

(8) The account holders using postal outpayment money orders in large volumes shall produce their postal outpayment money order forms themselves under an agreement with the Post.

(9) The forms entitled "consignment list", "postal outpayment money order", and the "certificate of coverage" used for the postal outpayment money orders are considered as forms for payment instructions distributed by the Post.

Void postal outpayment money orders, complaints

Article 46

(1) The amount of the postal outpayment money order s that for some reason the Post is unable to deliver or pay shall be returned by the Postal Clearing Centre to the account keeping credit institution together with a copy of the postal outpayment money orders for having it credited to the bank account of the original sender.

(2) Any complaints concerning postal outpayment money orders issued to the debit of a bank account, including requests of withdrawing the postal outpayment money orders (stopping payment), shall be lodged by the account holder at the post office accepting the postal

outpayment money orders or directly at the Postal Clearing Centre. As for the procedures for lodging such complaints the general terms and conditions of the Post shall apply.

(3) The account holder may lodge a complaint directly with the account keeping credit institution provided that the account keeping credit institution enables it.

Cash deposit book

Article 47

(1) A cash deposit book is a register book of limit kept by the designated post office in order to keep records of and certify the limit available for cash withdrawal at a designated post office by account holders or their branches operating at places other than the credit institution's registered office is located.

(2) Account holders shall transfer funds into cash deposit books by the way of postal outpayment money orders.

Depositing and handling funds in a cash deposit book

Article 48

(1) The account keeping credit institution shall open a cash deposit book for the account holder upon request. In the application the branch (with the exact address), for which the cash deposit book is requested, furthermore the data of the post office designated to manage the cash deposit book shall also be indicated in addition to the account holder's accurate particulars.

(2) The account keeping credit institution shall send the cash deposit book, through the Postal Clearing Centre, by way of the post office designated to manage the cash deposit book.

(3) The credit institution issuing cash deposit books shall conclude a contract thereof with the Post, simultaneously it shall determine the rules and the system of keeping a control account. Cash deposit books shall have an account number created as specified in Article 3 of this Decree.

(4) The account holder or his proxy shall sign the cash deposit book in person at the post office upon receipt, certifying his identity and his entitlement and shall simultaneously submit the personal signature of the person or persons authorised to dispose of the amount in the cash deposit book, the stamp to be used and the method of instruction. The post office managing the cash deposit book shall be notified of any changes in the authorised persons, in the method of instruction or in using the stamp.

Deposits and withdrawals

Article 49

(1) The account holder shall request deposits to and withdrawals from the deposit book from the post office handling the deposit book (indicated on the cover of the deposit book by filling out the appropriate vouchers. Vouchers are made available by the post office managing the deposit book. In the case of deposit or withdrawal the post office shall submit the "confirmation of receipt" or "receipt" section of the voucher signed, stamped and dated, together with the deposit book to the account holder.

(2) Funds may be transferred from the bank account to the cash deposit book by a postal outpayment money order. The postal outpayment money order shall contain the following instruction, in addition to the name and address of the account holder: “To be credited in the No. cash deposit book kept at the post office!”

(3) The account holder shall check, immediately upon completion of postal processing, if the correct entries were made in the deposit book with respect to each deposit and withdrawal and if the available limit amount is registered correctly following the execution of payments. The post office is to be requested immediately to correct any incorrect entries made in the deposit book.

(4) If the account holder wishes to transfer the amount registered as available limit in the deposit book partially or totally back to his bank account, two different vouchers are to be issued: one postal outpayment money order to the debit of the deposit book and one postal inpayment money order to credit of the bank account. The post office shall register the amount in the deposit book as a debit and at the same time settle it as cash deposit in favour of the bank account.

Replacement of full or lost deposit books

Article 50

(1) If in a cash deposit book the space (lines) available for postal entries are running low or no more is available, the account holder shall order a new deposit book by using the order form placed in the deposit book in accordance with the instructions contained in the deposit book. The account keeping credit institution shall send the new deposit book bearing the previous book's number and marked as “continued” to the branch office of the account holder through the post office handling the deposit book.

(2) Lost or destroyed cash deposit books are to be reported in writing immediately directly to the account keeping credit institution or through the post office handling the cash deposit book. Credit institutions shall regard lost (destroyed) deposit books as invalid and shall issue deposit books with new numbers in replacement. Deposit books declared invalid, if found later, shall be surrendered to the account keeping credit institution through the post office handling the deposit book.

Money remittance

Article 51

Money remittance is a cash transfer between natural persons without using a bank account, where the transaction takes place in the licensed premises of the parties participating in the money remittance system.

Domestic postal money order

Article 52

(1) A domestic postal money order shall remain valid for thirty days following the date of dispatch. The Post shall refund the amount of domestic postal money orders unpaid within validity to the sender.

(2) The service charge for a domestic postal money order shall be payable at the time the domestic postal money order is dispatched.

(3) In respect of a domestic postal money order:

a) in the address section the data specified under Article 5 (1) *a)-d)* of Government Decree 79/2004 (IV. 19.) on the Provision of and the Quality Requirements for Postal Services (hereinafter referred to as “D.”), or the address of the consignee post office shall be entered as the place of delivery,

b) the Post shall deliver the amount to the beneficiary at the place referred to in point *a)* or to another recipient considered entitled according to the D.,

c) in terms of delivery the provisions of the D. concerning the delivery of registered consignments shall apply.

(4) If the amount of a domestic postal money order exceeds the amount of the prevailing mandatory monthly minimum wage,

a) it shall be paid at a post office,

b) the domestic postal money order will not be delivered to a substitute recipient according to the D., nor in any indirect way.

(5) In respect of the application of Paragraph (4) the Post may stipulate an amount higher than the prevailing mandatory monthly minimum wage in its general terms and condition.

(6) The addressee of a domestic postal money order may authorise a person referred to in Article 18 (1) of the D. in the way specified in Article 18 (2) *a) - b)* of the D to take over the amount of the domestic postal money order. The Post may authorise its employee effecting the delivery to verify the signature of the principal.

(7) Where an authorisation is granted by a person who is treated in a healthcare or social institution, it may be verified by the director of the institution or its authorised representative, if an authorisation is granted by a person under preliminary arrest or serving a term of imprisonment it may be verified by the director of the competent police or detention facility, or its authorised representatives, by affixing their signature and the stamp of the institution. The Post shall accept the authorisations verified in this fashion without investigating the entitlement of the signatory.

(8) The Post may record the type, letter code and number of the personal identification document on the certificate of delivery. If the holder of this document refuses to comply, the Post shall indicate his refusal on the certificate of delivery as the reason for rendering delivery impossible, and shall return the money to the sender.

(9) Where a domestic postal money order cannot be delivered, the Post shall retain it according to the provisions relating to registered postal consignments as laid down in the Postal Act, and shall place the amount of the domestic postal money order in court custody after the expiry of the retention period. The Post shall have the right to collect the costs of placing the amount into and releasing it from custody.

TITLE VII.

REGULATIONS RELATING TO CLEARING AND SETTLEMENT

Transmission of paper-based payment orders between credit institutions

Article 53

The credit institutions shall accept payment orders together with the accompanying documents transmitted to them by another credit institution at the branch address indicated in the routing table.

Transmission of payment orders in the domestic payment systems

Article 54

Where clearing and settlement of payment orders between credit institutions is executed through domestic payment system, the credit institution shall transmit all numeric and alphanumeric data, including the contents of the comments section, as indicated in due form on the payment orders by the account holders, by itemised data transmission in accordance with the standards and regulations laid down by the domestic payment system.

Opening payment bank accounts between credit institutions

Article 55

(1) A credit institution that is not a direct participant of a domestic payment system (indirectly participating bank) may receive and transfer payment orders via the domestic payment system through a credit institution (correspondent bank) directly participating in the domestic payment system. For this purpose the indirectly participating bank shall use only one credit institution for correspondent banking services. The correspondent bank shall open a payment bank account for the indirectly participating bank.

(2) Apart from the arrangement defined in Paragraph (1), a credit institution may open a payment bank account for another credit institution in order to execute payments made for other purposes laid down in the bank account contract (e.g. cash supply).

(3) The account keeping credit institutions shall notify the MNB of the opening and terminating of bank accounts referred to in Paragraphs (1) and (2) 15 days in advance of the opening or termination. The bank account contract must be attached to the notification.

(4) In the case of correspondent banking services the bank account contract referred to in Paragraph (3) shall cover, in particular, the following:

- a) the rules and regulations concerning the compulsory reserves to be deposited with the central bank by the credit institution using a correspondent bank,
- b) principles for rating the credit institution using a correspondent bank to determine its intra-day and day-end limits,
- c) the rules for handling any liquidity difficulties due to settlement risks between the correspondent bank and credit institution using it,

- d) the special procedures and time limits for the acceptance and execution of payment orders within the correspondent banking service, and the liability of the correspondent bank and the credit institution using it in this respect,
- e) the method of cash supply for credit institution using a correspondent bank ,
- f) special regulations regarding termination of the correspondent banking contract,
- g) division of the responsibilities between the correspondent and the credit institution using it concerning the fulfilment of data supply to the central bank.

Special provisions relating to the direct participants of the BKR

Article 56

Where the beneficiary of a prompt collection order or a deferred collection order is a direct participant of the BKR, it may directly submit its order to the account keeping credit institution of the obligor through the BKR, naming as the account of the beneficiary a technical account kept by the beneficiary.

Euro transfers received by way of the STEP2 entry point

57. §

The STEP2 entry point shall transfer the amount of euro credit transfers received through the STEP2 system to the credit of an account kept by a credit institution not participating in the STEP2 system to the beneficiary's account via the BKR after converting it to forints.

Payments transmitted through the postal clearing system

Article 58

Postal intermediary payment services shall be deemed executed on the day when the Post has forwarded the amount of the order to the credit institution keeping the bank account of the beneficiary.

TITLE VIII.
FINAL PROVISIONS

Entry into force

Article 59

(1) This Decree – subject to the exceptions set out in Paragraph (2) – shall enter into force on 1 March 2007.

(2) Article 5 (6) and Article 24 (6) - (8) shall enter into force on 1 June 2007.

Transitional provisions

Article 60

(1) The provisions Article 8 (1) shall be applicable to payment orders accepted subsequent to the entering into force of this Decree.

(2) Credit institutions shall accept the forms for payment instructions adopted before the entering into force of this Decree until 1 September 2007.

Repeals

Article 61

Simultaneously with this Decree entering into force Decree No. 9/2001 (MK 147.) of the MNB on payment transactions, clearing and settlement transactions, and on the rules of cash processing, Decree No. 3/2002 (MK 36.) of the MNB and Decree 4/2003 (MK 150.) of the MNB modifying it, shall be repealed, the second sentence of Article 14 (1) of Decree No. 14/2005 (VI. 27.) of the MNB on cash processing and on the conditions of cash distribution, Article 2 *a) - d)*, Article 2 *f)*, Article 5 (2) of Decree No. 16/2005 (VII. 27.) of the MNB on the requirement of providing transaction codes for the central bank's information system (hereinafter referred to as "Code Regulation") and Article 13 (2) of Decree No. 23/2005 (XI. 23.) of the MNB on the material, technical, security and business continuity requirements related to carrying out clearing transactions.

Modifying provision

Article 62

Article 2 of the Code Regulation shall be supplemented by the following paragraph (2) and the original text of the Article shall be changed to paragraph (1):

“(2) Regarding definitions of domestic payments, payment transaction, payment order, beneficiary and originator the definitions included in the Decree of the MNB on carrying out payment transactions shall be applied.”

Compliance with the acquis

Article 63

This Decree - together with the Government Decree on payment services and electronic payment instruments - serves the purpose of compliance with Directive 97/5/EC of the European Parliament and of the Council of 27 January 1997 on cross-border credit transfers.

Járai Zsigmond
Governor of the Magyar Nemzeti Bank