



Cash Logistics

Customer information

on the procedural rules applicable to the test of banknote handling machines

(the implementation of the provisions on testing of the MNB Decree on the processing and distribution of banknotes and the technical tasks related to their protection against counterfeiting (hereinafter: D.)¹

In working out the process of the testing, the Magyar Nemzeti Bank sought to achieve compatibility with the testing procedure adopted in the euro area in a manner that it took the ECB's directives and procedural rules into consideration. Differences stem from national characteristics.

2014

¹ Currently MNB Decree no. 11/2011. (IX.6.)

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1. Devices used for banknote verification

There are three groups of devices used for banknote verification:

- banknote handling machines (circumstances regulated in an MNB Decree, only banknotes processed with them can be re-circularised);
 - ❖ detectors: components of the machines falling under the scope of the D.;
- banknote authentication devices (not regulated at a decree level, not suitable for re-circularisation, testing is available);
- banknote authentication aids (no test is available for such devices).

1.1 Banknote handling machines

Fundamental requirements to be met by banknote handling machines:

- automated loading (in large quantities) i.e. no human intervention is required
- adaptability: ability to recognise new counterfeits
ability to follow changes in regulations regarding fitness for circularisation
- availability of sorting by category and physical separation

A detailed list of requirements is contained in Article 8 of the D.²

Rules governing the operation of banknote handling machines				
Classification of banknotes	Staff-operated machines		Customer-operated machines	
	Categories of separation	Treatment	Categories of separation	Treatment
Objects identified as non-HUF banknotes	A	Visual inspection, a repeated machine-aided check	1	To be returned
Suspect counterfeit banknotes		To be withdrawn from circulation	2	To be withdrawn from circulation
Not clearly genuine banknotes			3	To be returned or withheld
Genuine banknotes fit for circularisation	B1	Fit for recircularisation	4a	Fit for recircularisation
Genuine banknotes unfit for circularisation	B2	To be withdrawn from circulation	4b	To be withdrawn from circulation

The detailed regulations governing the operation of banknote handling machines and the special provisions applicable to the individual machines (e.g. those equipped with 1 or 2 dedicated output stacker(s)) are contained in Annex 2 to the D.

² http://www.mnb.hu/Root/Dokumentumtar/11_2011MNB%20rendelet.pdf

1.1.1 Detectors:

Detection systems operating as components of the machines falling under the scope of the D. As the MNB encourages manufacturers' endeavours to develop machines compliant with the decree, it offers the possibility of conducting a test of their detectors. The MNB performs the test in accordance with the procedural rules applicable to banknote handling machines. The MNB is willing to provide manufacturers with a report on the successfully tested detectors; however, it does not publish them in the list of the banknote handling machines that have been successfully tested.

1.2 Banknote authentication devices

The banknote checking devices that do not meet the requirements as laid down in Article 8 of the D. are treated as banknote authentication devices. The MNB provides the possibility that both manufacturers and distributors can get such devices tested free of charge. By so doing, it supports their endeavours to develop reliable banknote authentication devices. However, the MNB does not publish the successfully tested banknote authentication devices in the list of the banknote handling machines that have been successfully tested. The MNB performs the test in accordance with the procedural rules applicable to banknote handling machines. The test is aimed exclusively at the recognition ability of machines: i.e. a check of their ability to recognise denominations and counterfeit notes. The MNB expressly declare in its reports on the test that what is stated in the reports only holds true under the conditions as of the date of the test: on the basis of the test, the tested device was able to recognise the counterfeit banknotes in the test deck.

There are two categories of banknote authentication devices:

- i. devices verifying banknotes loaded separately;
- ii. banknote counting devices: devices that can verify and count banknotes in an automated way, i.e. without the intervention of the operating staff; however, they cannot separate counterfeit and rejected banknotes from genuine ones physically.

All requests and questions regarding the test are to be sent to the following e-mail address: ellenorzoteszteles@mnbb.hu.

1.3 Banknote authentication aids

The aids used for banknote authentication that only help users recognise the security features of banknotes, however, it is the user who has to decide whether the checked banknote is genuine or not do not qualify as banknote authentication devices in terms of the test. Such aids include UV lamps, UV pens, IR devices, magnifying glasses and mirrors.

2. Test decks used for the test

Parts of a complete test deck set:

- circulation test deck (hereinafter: C test deck): for the purpose of checking HUF-banknote recognition ability; consists of 30 genuine banknotes fit for circularisation from each version of the banknotes that are in circulation in the highest number (i.e. a total of 360 banknotes);
- counterfeit sample test deck (hereinafter: CS test deck): for the purpose of checking counterfeit recognition ability; consists of the samples of all the

counterfeit types known and identified in circulation prior to the date of compilation in a breakdown by denomination;

- special test deck (hereinafter: S test deck): for the purpose of checking fitness for circularisation;
'soiled' banknotes: 40 banknotes from each damage type (a total of 240) and 200 for each denomination of the banknotes that are in circulation in the highest number (a total of 2,400 banknotes); the complete set consists of 2,640 genuine banknotes unfit for circularisation.

3. Supply of reference banknotes for cash processing and distributing organisations

In accordance with clauses 1 and 4.1 of Annex 1 to the D., the MNB supplies, upon request, reference banknotes for cash processing and distributing organisations operating banknote handling machines to enable them to set criteria for checking fitness for circularisation. The reference deck consists of banknotes in the composition and number specified for the S test deck used for testing.

4. Issues related to the testing procedure

The test is conducted by a two-strong committee (hereinafter: test committee).

4.1 Test requests

The Manufacturer/Distributor/Operator or its agent (hereinafter jointly: Client) submits its test request using the form specified in the D., provides, using the form specified in Annex 1, any other information that may bear relevance to the type of the machine in question and encloses the documents specified in the D. (Article 9 (3) of the D.)

The client has to submit the Hungarian form (completed in Hungarian).

If, in the course of checking for the availability of all the requisite documents and information, the MNB finds that any information or document has failed to be provided, it requests the Client to provide such information or documents.

If the documentation meets all the applicable requirements, the MNB holds a discussion with the Client to agree on the date and place of the test, taking the movability of the machine type into account.

4.2 Tests at the MNB

Based on the date agreed with the Client and if the machine is moveable, the test is performed in the test laboratory of the MNB's Logistic Centre.

Costs: No fee is charged to the Client.

Access permit: The MNB ensures that the Client-appointed persons participating in the test can enter the premises. While agreeing on the date of the test, the Client must provide the data needed for the entry to the premises in respect of both the participating persons and the vehicle shipping the machine.

Conduct of the test: The committee conducts the test in accordance with the procedural rules. It provides the necessary test and counterfeit banknotes, to an extent needed for the given phase of the test, for the Client's representatives operating the machine (accepting, loading, removing and returning the banknotes).

4.3 Confidentiality

If, due to the fact that a business secret is disclosed (i.e. the committee learns such facts, data, items of information and solutions needed for the test that qualify as a business

secret), the Client finds that confidentiality must be confirmed (clarified), the test committee provides a confidentiality declaration.

If, in connection with the conduct of the test, the Client comes into the possession of such information that qualifies as the MNB's business or professional secret, the MNB concludes a confidentiality agreement with the Client.

4.4 Off-site tests

Based on the discussion with the Client, if the machine is not movable, the test is performed on the premises provided by the Client.

4.4.1 Delivery of the C and S test decks

The delivery of the C test deck or the C and S test decks to the premises and back is performed by the Client at the time and the date previously agreed.

The necessary conditions (transport vehicle, staff and accompanying personnel) are provided by the Client.

The costs of the transportation are borne by the Client.

4.4.2 Prior submission of a bank guarantee declaration

The Client is obliged, 2 working days prior to the planned date of the delivery, to cause a credit institution acceptable for the MNB to issue, via a SWIFT message, and communicate to the MNB, a bank guarantee declaration in favour of the MNB in an amount equal to the value of the test deck announced earlier, which value is equal to the amount of the C test deck and (depending on the function of the machine) the S test deck or 25 per cent of such amount, and with an expiration date that is 15 calendar days later than the planned date of the return of the test deck(s) to the MNB (the sample text of the guarantee is contained in Annex 2). The foreign bank granting the bank guarantee must hold at least an 'A' MNB rating (which corresponds to the lowest rating by Moody's, Standard & Poor's and Fitch Ratings). Only the bank guarantee issued by banks headquartered in Hungary whose credit rating or the credit rating of whose parent bank is at least 'A' can be accepted. In the case of Hungarian banks Moody's Long Term Bank Deposits rating can also be taken into consideration when an MNB rating is determined.

The MNB will not hand over a test deck for delivery until the Client complies with its obligation to provide a bank guarantee declaration and the head of the Cash Processing Department is notified and takes notice of the fulfilment of the obligation.

4.4.3 Handover of test decks

The MNB hands over the C test deck or the C and the S test decks in a closed container secured with a plastic tape and against a certificate of acceptance to the Client's representative authorised to accept the deck(s), who acknowledges the acceptance of an intact container by signing the certificate of acceptance.

4.4.4 Delivery of the CS test deck

Counterfeit banknotes are delivered to the premises in a passenger car by the committee in a lockable briefcase furnished with a security lock.

4.4.5 Location of the test

The conditions needed for the test at the location of the test are provided by the Client.

The Client must ensure that no persons other than those participating in the test are present at the location, and that the location is suitable for the separate handling of the test decks during the test.

4.4.6 Liability

The Client is fully liable for any deficiency, physical damage and losses that may, for any reason, materialise in the test deck(s) during the delivery (from the MNB and back) and the test unless the damage stems from such difference in the number of the banknotes that is attributable to an incomplete compilation of the test deck(s) and that is identified during the test and for which evidence can be provided.

4.4.7 Conduct of the test

As per clause 5 of these procedural rules.

4.4.8 Treatment of test decks at off-site premises

The C test deck or the C and the S test decks is/are opened by the test committee at the premises of the test in the presence of the Client's representatives (establishment of intactness).

The test bank notes and the counterfeit banknotes removed from the machine are taken over by the test committee from the Client's representatives in an inspected manner.

After the test the committee compiles and seals with an MNB tape the C test deck or the C and the S test decks in order for them to be delivered back to the MNB; it delivers the CS test deck consisting of the counterfeit banknotes locked in a safe briefcase back to the MNB.

4.4.9 Declaration of undertaking

In a declaration of undertaking (Annex 3) the Client undertakes to provide the circumstances necessary for a successful test.

The test pack can be handed over to the Client only if - after an agreement on the circumstances is reached and the bank guarantee is submitted - the Client has handed over a duly signed copy of the declaration of undertaking to the Control and Technology Support Division of Cash Logistics.

4.4.10 Confidentiality

As per clause 4.3 of these procedural rules.

4.4.11

If any problem arises, once they are clarified, the head of the Control and Technology Support Division determines the tasks related to the given test at his/her sole discretion.

5. Conduct of the test

The MNB conducts the test (first test, annual test and unscheduled (priority) test) in accordance with the following procedure.

During the test the MNB checks whether the machine can

1. recognise genuine HUF banknotes properly (**checking of ability to recognise HUF banknotes**),
2. recognise counterfeit banknotes (**checking of ability to recognise counterfeit banknotes**),

3. inasmuch as such is supported, sort banknotes in accordance with their fitness for circularisation (**checking of ability to recognise fitness for circularisation**), and
4. in the case of a customer-operated machine, store information on the depositor of the deposited counterfeit banknotes and/or the account-holder, and provide accurate information on the linking of the counterfeits to the account-holder (**checking of ability to ensure traceability**).

The test specified in clauses 1-3 covers each denomination and position.

Those unsuccessful phases of the test that involve the use of genuine banknotes (denomination recognition and checking fitness for circularisation) can - at the Client's request - be repeated three times at most in a manner that settings are changed between the individual test runs. The MNB considers the result of the last test run as final and definitive.

During the checking of the ability to recognise counterfeit banknotes, only one complete test run per orientation is allowed.

5.1 Checking of HUF-banknote recognition ability

During the test the MNB checks the general operability of the machine with regard to the extent to which it can recognise genuine HUF banknotes reliably.

The MNB performs the test using the C test deck and 60 genuine and 60 counterfeit banknotes by denomination. The banknotes are, in all the positions and denominations that the machine can handle, loaded into the machine by the Client's representative. If the machine does not support all denominations or loading orientations, we check and confirm, by loading a limited number of banknotes (3 to 4), whether the machine does reject them.

Evaluation of the test:

- The machine should accept at least 90% of the banknotes as genuine in a manner that each denomination is correctly established.
- The customer-operated machine may include 1% of the banknotes at most in the suspect counterfeit category (category 2).

Further tests may be conducted only after the test criteria of HUF banknote recognition are successfully met.

5.2 Checking of ability to recognise counterfeit banknotes

During the checking of the ability to recognise counterfeit banknotes the MNB uses the CS test deck consisting of sample counterfeits. Each banknote in the test deck in each position that the machine can handle must be loaded into the machine in a manner that 10 genuine banknotes (from the C desk deck) for each denomination are placed randomly among the counterfeit banknotes. The first and the last banknotes must be genuine in the case of each tested denomination.

Evaluation of the test:

- The machine meets the requirements of the testing of the counterfeit banknote recognition ability if it does not classify the tested counterfeit banknotes as genuine ones (i.e. into categories 4a/4b or B1/B2).
- The machine includes at least 90% of the genuine banknotes in categories 4a/4b or B1/B2 (i.e. classifies them as genuine).
- The customer-operated machine should include at least 90% of the tested counterfeits in category 2 or 3 (i.e. classifies them as suspect counterfeit or not clearly genuine).

Further tests may be conducted only after the test criteria of counterfeit banknote recognition are successfully met.

5.3 Checking of the ability to recognise fitness for circularisation

Using the S test deck, testing is conducted exclusively in connection with machines suitable for such purpose. During the test banknotes must be loaded into the machine in each orientation supported by the machine. As the S test deck consists of a large number of samples, damaged banknotes must be loaded into the machine by damage type and stained test banknotes by denomination in 4 positions. Thus, the entire content of the S test deck can be checked in one test run.

In the case of customer-operated machines with a processing speed of 6 banknotes/sec at most, 25 per cent of the S test deck must be used by damage type and/or denomination when the ability to recognise fitness for circularisation is checked. Such restriction is due to the time that the test takes and the capacity of the dedicated output stacks of customer-operated machines.

The result is acceptable only if the machine declares a maximum of 5% of the tested banknotes as fit for circularisation (category 4a or B1) and includes at least 10 banknotes per damage type in category 1,2,3 or 4/b and/or category A or B2.

5.4 Testing of traceability

This test is performed exclusively for customer-operated machines.

During the test both genuine banknotes (C test deck) and counterfeit ones (CS test deck) are loaded into the machine for each denomination supported by the machine on behalf of ten different (dummy) account-holders.

During a single transaction the MNB uses 10 genuine banknotes from several different denominations and a maximum of 3 counterfeits (based on the documentation recording the results of testing the counterfeit banknote recognition ability, from among the counterfeit banknotes classified into category 2 or 3) in any position supported by the machine.

The committee documents the individual identifiers (registration numbers) of the counterfeits used for the transaction and the identifier of the payor.

After ten transactions the committee checks whether the machine was able to provide accurate and reliable information on linking the counterfeits to the account-holder.

The test is successful if the machine can provide accurate and reliable information for the identification of the account-holder in the case of each banknote included in category 2 (suspect counterfeits) or category 3 (not clearly genuine).

5.5 Completion of the test

Upon the completion of the test, based on the documented results, signed by the persons participating in the test, a report on the test is prepared in 2 copies by the test committee on the premises. One of the copies is the Client's.

6. Publication

If the test is successful, the MNB includes the machine in the list available at its website. If a tested machine cannot pass the banknote test in one run per denomination, the MNB refers to the operation specified in clause 2.1.2 of Annex 2 to the D. in a footnote.

In addition to the tested machine, one or more such other device(s) of the same type that the MNB has not tested can also be included if the manufacturer guarantees in writing that it uses/they use the same hardware and software and, hence, has/have the same fundamental functions as the tested machine. Such machines are listed along with the tested machines. If any tested machine is, for any reason, removed from the list, so will the references made to them. Likewise, the removal of any machine with references from the list means that of the tested machine and all other machines running on the same hardware and software version.

The MNB notifies, 45 calendar days prior to the expiration date of the one-year publication period, the Client of the need for a retest.

7. Version change of test decks

7.1 C and S test decks

C and S test decks consisting of genuine banknotes are compiled in accordance with the provisions of the prevailing version of the D. Accordingly, a version change is required only if criteria for fitness for circularisation also change.

7.2 Version change of the CS test deck

A version change in connection with the CS test deck consisting of counterfeit samples is required if a new sophisticated counterfeit that can affect machine-aided identification is identified among the banknotes in circulation.

The MNB decides on a repeated priority (unscheduled) test of all or some of the already tested machines.

8. Procedural rules applicable to ex officio priority (unscheduled) tests

8.1 Notification

The MNB notifies the clients having the machines affected by the priority (unscheduled) test tested of the need for a check and draws their attention to their obligation to comply with the deadline specified in the D. (six weeks from receipt of the notification) and to contact the MNB via the bevizsgalas@mnbb.hu e-mail address. After the client has contacted the MNB, the MNB proceeds in accordance with clause 4.1 (the client need not submit an application form). The committee performs the test in accordance with clause 5.

8.2 Liaising

The MNB contacts the client having the machine that has failed the counterfeit test tested in order to discuss the problem of a new counterfeit capable of affecting the machine, holds discussions with the client if necessary and instructs it to eliminate the deficiency without delay and notify the MNB if the deficiency has been successfully eliminated. The MNB also notifies the Client, after the problem has been resolved, that it requires the machine to be tested with priority.

8.3 Timeline of conduct of the test

If the MNB orders a priority (unscheduled) test in respect of the machines types not affected by the counterfeit recognition problem, after the call, once the necessary discussions have been held, the test can be conducted on a continuing basis. In the case of the machines types affected by the counterfeit recognition problem the committee conducts the priority tests after the problem is solved.

8.4 Removal from the list

If

- the Client fails to provide for the possibility of a retest within the deadline under the D.,
 - the machine type fails to comply with the expected requirements,
 - 60 days have passed after the successful test of the unqualified HW and SW versions of the machine type in respect of which a clause has been issued, and
 - if any defect linked to a given machine type is identified during a central bank test,
- the MNB removes the machine type from the MNB list and proceeds to cause the current MNB list made available on its website.

If the priority test of the machine is successful, the one-year period of the machine's being listed in the MNB list commences again from the date of the retest.

The updating of the MNB list and a request for the publication occur in accordance with clause 6 of these procedural rules.

9. Monitoring of cash handling machines

The monitoring is aimed at inspecting cash handler-operated banknote handling machines during their operation. The committee appointed to perform the inspection contacts the entity operating the machine and holds discussions on the date of inspection.

9.1 Inspection criteria

During the inspection the committee checks whether

- a banknote handling machine that has not been tested is used;
- the reporting obligation related to the putting of the banknote handling machine specified in Article 5 (2) of the D. into operation has been fully complied with;
- the banknote handling machine runs on the hardware and software version tested for the machine type;
- in the case of staff-operated machines, their ability to recognise counterfeits is tested with the most recent version of the CS test deck;
- in the case of customer-operated machines, with 1 representative counterfeit per counterfeit type, a total of 10 counterfeits at most.

Signed by both parties' representatives in attendance, a report on the inspection is prepared by the committee.

9.2 On-site tasks if a counterfeit recognition problem arises

If the machine's ability to recognise counterfeits in respect of any one of the denominations does not function properly, in the report the committee

- points out that the machine cannot, in respect of certain denominations, be used until the MNB's further written instructions;
- orders the entity operating the machine to contact the manufacturer without delay to discuss whether the defect is a single occurrence or forms a pattern, to remedy the defect and to notify the Cash Processing Department of the remedying of the defect without delay.

10. Prior reporting of the start of the operation of banknote handling machines

In accordance with Article 5(2) of the D., cash processors, cash distributors and other economic actors are obliged to notify the MNB of the start of the operation of any machine type included in the MNB list 20 working days before the start of the operation at the latest. In line with paragraph (1), only banknote handling machines of the type listed in the MNB list and running the HW and SW versions specified there can be put into operation for the purpose of HUF banknote distribution.

The MNB is obliged to check the notifications sent to bevizsgalas@mnbb.hu whether they comply with the requirements. If they do, the MNB registers them electronically.

If the notified machine has not been included in the MNB list, the MNB draws the attention of the notifying entity that it can put a machine type into operation for the purpose of cash distribution only if it is included in the MNB list; towards this end, it should request or cause the manufacturer or the distributor to request the testing of the machine; once it has been tested successfully, it can be put into operation.

10.1 Notices to the operators

The MNB ensures that the operators are notified (Article 12 of the D.) in respect of the banknote handling machine operated by them if

- it calls the client having the machine tested for a priority (unscheduled) test;
- it issues a clause;
- it performs deletion in the MNB list for any reason.

Annex 1: Information sheet³

Manufacturer information	
Name of manufacturer	
Address of manufacturer	
Postal code, city/town	
Country of origin (if other than an EU member state)	
Website	
Description of the company, major business lines	
Primary contact person (if any)	
position	
telephone number	
e-mail address	
Secondary contact person (if any)	
position	
telephone number	
e-mail address	

Banknote handling machine information	
Name of banknote handling machine (model, type number, serial number, hardware and software type and version (as of the date of the start of operation))	
Functions of the machine ⁴	<p>Staff-operated</p> <ul style="list-style-type: none"> - banknote processing and sorting machine - banknote authentication machine - teller assistant banknote processing and sorting machine - teller assistant banknote authentication machine <p>Customer-operated</p> <ul style="list-style-type: none"> - cash-in machine - cash-recycling machine - combined cash-in and cash-out machine - cash-out machine
Does the machine comply with the national and EU health and security regulations?	<ul style="list-style-type: none"> - Yes (Please attach the supporting documents.) - No
Has an identical machine (model, type number and hardware version) been included in the ECB's list of successfully	<ul style="list-style-type: none"> - Yes - No

³ The Client should provide the requisite data. The Client is held liable for the accuracy and authenticity of the data.

⁴ To be underlined.

tested banknote handling machines?	
If not, why?	<ul style="list-style-type: none"> • No test has been requested yet. • Under way (expected date?) • The machine failed to meet the test requirements.
Automated loading of banknotes (in large quantities)	<ul style="list-style-type: none"> - Yes - No
Speed of loading	...banknotes/sec
Number of dedicated output stacks of the staff-operated machine:	
How does the staff-operated machine with 1 or 2 dedicated output stack(s) separate the various categories of banknotes? Please present the entire process. (How many runs? What settings are needed?)	
The staff-operated machine does the following in respect of not clearly recognised HUF banknotes (category 3):	<ul style="list-style-type: none"> - returns them to the customer; - withholds them (On what basis? Denomination, tested characteristics, etc.? Please specify.
Number of supported orientation?	4 3 2 1
Is the number of supported orientation indicated on the machine?	<ul style="list-style-type: none"> - Yes - No
Supported denominations?	500 1000 2000 5000 10000 20000
Are the supported denominations indicated on the machine?	<ul style="list-style-type: none"> - Yes - No
Is there a Hungarian user manual?	<ul style="list-style-type: none"> - Yes (Please attach the available documents.) - No (Please make Hungarian information needed for the operation of the machine available at the earliest opportunity. The English version should be provided until the Hungarian one is available.)
Does the user manual specify how and how often the machine needs servicing (e.g.: the cleaning of detectors)?	<ul style="list-style-type: none"> - Yes - No (Please provide this information as soon as such is reasonably possible.)
Can the machine be adjusted in a manner that it can recognise new counterfeits? If yes, please specify how and how users can check this?	<ul style="list-style-type: none"> - Yes - No
How can characteristics of fitness for circularisation be changed (if the machine	

is suitable for sorting)?	
Power supply	Electricity network: 220V Other:
Where can the SW version be checked?	<ul style="list-style-type: none"> • on the monitor, on the machine • on a label on the machine • other:

Information related to the features checked by banknote handling machines		
What security features does the machine check? (Please specify.)	• The UV features of the paper	
	• Availability of prints with UV features	
	• UV other	Which?
	• IR features of printing	Which?
	• Availability of a magnetic thread	
	• Magnetic thread (coding)	
	<ul style="list-style-type: none"> • Magnetism of the serial number • Magnetic features of printing • Differentiation between soft and hard magnetism • Other 	

Annex 2: Sample bank guarantee

Guarantee to be issued in favour of the Bank via an MT 760 SWIFT message

FIN 760 Guarantee

Sender: (SWIFT code of the issuing bank)

Receiver:MANEHUHBXXX

MAGYAR NEMZETI BANK

BUDAPEST HU

Message Text

27: Sequence of Total: (length of message, e.g. 1/1, 2/1, etc.)

20: Transaction reference number: guarantee no. as recorded by the issuing bank

23: Further identification: ISSUE

30: Date: (date of guarantee, 6 characters. e.g. 080101)

40C: Applicable Rules: NONE

77C:Details of guarantee: (150 lines, 65 characters per line)

TO: Magyar Nemzeti Bank

1850 Budapest

Szabadság tér 8-9.

Transaction no. of guarantee:

We are aware of the fact that ... (registered seat..., company registration no.: ...; hereinafter: Client), our customer issued a declaration of undertaking to you on ... in respect of the test specified in MNB Decree no. 11/2011. (IX. 6.) to be conducted at the location specified by the Client. Pursuant to the Declaration, in order to secure the fulfilment of the Client's payment obligation incurred as a result of the Declaration, a bank guarantee of HUF..., that is ... forints is needed to be issued in your favour.

... (registered seat..., company registration no.: ...; hereinafter: Bank) hereby undertakes an unconditional and irrevocable obligation to pay you, upon your first written call, without checking the underlying legal relationship, despite the legal challenge lodged by the Bank or any other party or any legal dispute, an amount specified by you, one that, however, does not exceed HUF..., that is ... forints, if you make a declaration in your written call sent via a SWIFT message to the Bank's address to the effect that the amount claimed by you has fallen due because the Client has failed to comply with its payment obligation incurred as a result of the Declaration or it has not complied with it in a manner prescribed in the contract.

The Bank fulfils the payment obligation arising from this guarantee in a manner that

- it hereby authorises you to debit the Bank's bank account kept with you (bank account no.: ...) with the claimed amount on T+2 bank working day as the due date in a manner that the Bank is concurrently notified, or
- (if the Bank refuses to issue a bank guarantee with the content presented in the previous section) it transfers the requested amount to the bank account specified by you on the 2nd bank working day from receipt of your payment demand.

This bank guarantee remains valid until ... unless a request from you is received by the Bank.

After this date all our obligations arising from the bank guarantee will cease automatically.

All rights and obligations under this guarantee are governed by the Hungarian law.

.....(issuing bank)

72:Senders to Receiver Information: "This SWIFT message is an operative instrument which is not confirmed via mail."

Annex 3: Declaration of undertaking in respect of the onsite test of banknote handling machines

..... (name of company) ... (registered seat) (hereinafter: Client), in connection with the conduct of an on-site test of a banknote handling machine requested on the basis of the MNB Decree⁵ on the processing and distribution of banknotes and the technical tasks related to their protection against counterfeiting, undertakes to

- a) cause the test deck needed for the test to be delivered to the location of the test on ... 2012 and back on ... 2012 at the time and at the date previously agreed, ensure the necessary conditions (transporting vehicle, staff, accompanying personnel) and bear the resulting costs;
- b) 2 working days prior to the planned date of the delivery, to cause a credit institution acceptable for the MNB to issue, via a SWIFT message, and to communicate to the MNB, a bank guarantee declaration in favour of the MNB in an amount equal to the value of the test deck (i.e. HUF ...), and with an expiration date that is 15 calendar days later than the planned date of the return of the test deck to the MNB;
- c) ensure that the conditions needed for the conduct of the test are available, in particular, that no persons other than those participating in the test are present at the location, and that the location is suitable for the separate handling of the test decks during the test.

The Client acknowledges and agrees that it is fully liable for any deficiency, physical damage and losses that may, for any reason, materialise in the test deck(s) during the delivery (from the MNB and back) and the test unless the damage stems from such difference in the number of the banknotes that is attributable to an incomplete compilation of the test deck(s) and that is identified during the test and for which evidence can be provided.

Dated, Budapest ... 2012

.....
Client

⁵ As of the date of this Declaration, MNB Decree no. 11/2011. (IX.6.)