

**Decree 35/2014. (IX. 25.) of the Governor of the Magyar Nemzeti Bank
amending MNB Decree No. 12/2011 (IX. 6.) on the processing and distribution of coins and on technical tasks
relating to the protection of coins against counterfeiting**

Having regard to the authorisation by Article 171 (1) e) and (2) b) and c) of Act CXXXIX of 2013 on Magyar Nemzeti Bank, and acting within my scope of duty laid down in Article 4 (2) of Act CXXXIX of 2013 on Magyar Nemzeti Bank, I hereby decree the following:

Article 1 Article 2 of MNB Decree No. 12/2011 (IX. 6.) on the processing and distribution of coins and on technical tasks relating to the protection of coins against counterfeiting (hereinafter: Decree) shall be replaced by the following provision:

“2. For the purposes of this Decree:

1. *exchange deadline*: definition specified in MNB decree on the processing and distribution of banknotes and on technical tasks relating to the protection of banknotes against counterfeiting;

2. *withdrawal deadline*: definition specified in MNB decree on the processing and distribution of banknotes and on technical tasks relating to the protection of banknotes against counterfeiting;

3. *coin recirculation*: within the context of cash distribution:

a) dispensing coins,

b) coin delivery,

c) coin transfer;

4. *coin handling machine*: machines operated by cash processing providers and cash distributors to check the authenticity and fitness of coins, without the intervention of the machine operator;

5. *coin withdrawn from circulation*: a coin no longer qualifying as legal tender, specified as such in an MNB announcement published before 1 May 2004 (hereinafter: MNB announcement) or by an MNB decree or a legal act or official announcement of foreign institutions authorised to issue cash, upon which withdrawn coins lose their legal tender status;

6. *fit coin*: the following genuine items, suitable for coin recirculation, qualifying as legal tender

a) forint coin, pursuant to the criteria set out in Annex 1,

b) foreign coin, pursuant to the provisions of the issuer concerning suitability for circulation;

7. *unfit coin*:

a) genuine coins withdrawn from circulation,

b) the following genuine items qualifying as legal tender, that are not fit for coin recirculation

ba) forint coin, pursuant to the criteria set out in Annex 1,

bb) foreign coin, pursuant to the provisions of the issuer concerning suitability for circulation;

8 *exchanging forint banknotes*: cash operation defined in MNB decree on the processing and distribution of banknotes and on technical tasks relating to the protection of banknotes against counterfeiting;

9 *denomination exchange of forint banknotes*: cash operation defined in MNB decree on the processing and distribution of banknotes and on technical tasks relating to the protection of banknotes against counterfeiting;

10 *exchanging forint coins*: replacement of forint coins withdrawn from circulation by the credit institutions and the institution operating the Postal Settlement System (hereinafter: postal service) before the deadline specified in Article 23 (3) of Act CXXXIX of 2013 on Magyar Nemzeti Bank (hereinafter: new MNB Act) set for exchange as well as replacement of forint coins that are difficult to recognise, along with damaged coins, with forint coins of identical denominations, that are fit for circulation. Acceptance for payment of forint coins withdrawn from circulation, forint coins that are difficult to recognise or damaged forint coins – including payment to the customer's own account – shall not qualify as exchange of forint coins;

11 *denomination exchange of forint coins*: exchange of fit forint coins and of unfit forint coins qualifying as legal tender for fit forint banknotes or forint coins of other denominations, in identical nominal amounts;”

12. *counterfeit coin*: counterfeit prepared using the technical specifications (e.g. material, size, weight) or denomination of genuine coins and/or prepared by the imitation or modification of the image of genuine coins, with an intention of fraud;

13. *suspicious coin*: coin – either legal tender or withdrawn from circulation – subject to well-founded professional doubt as to its authenticity relying on the results of an authenticity check conducted under Article 4 (1) and (2) and Article 5 by cash processing providers or cash distributors;

14. *cash distribution*: definition specified in MNB decree on the processing and distribution of banknotes and on technical tasks relating to the protection of banknotes against counterfeiting;

15. *cash processing*: an activity defined in the Act on Credit Institutions and Financial Enterprises (hereinafter referred to as 'Credit Institutions Act');

16. *cash processing providers*: institutions specified in MNB decree on the processing and distribution of banknotes and on technical tasks relating to the protection of banknotes against counterfeiting;

17. *cash distributor*: institutions specified in MNB decree on the processing and distribution of banknotes and on technical tasks relating to the protection of banknotes against counterfeiting;

18. *counter*: a place specified in MNB decree on the processing and distribution of banknotes and on technical tasks relating to the protection of banknotes against counterfeiting;

19. *legal tenders*: definition specified in MNB decree on the processing and distribution of banknotes and on technical tasks relating to the protection of banknotes against counterfeiting;

20. *customer*: natural or legal person or other entities without legal personality using service provided by a cash processing provider or a cash distributor, in the context of cash distribution.”

Article 2 Sub-heading 6 of the Decree shall be replaced with the following sub-heading:

“6 Rules on the denomination exchange of forint coins and exchanging forint coins

Article 10 (1) Credit institutions with branch offices operating counter and the postal service office shall carry out denomination exchange of forint coins and exchanging forint coins.

(2) With the difference referred to in paragraph (3) up to 50 forint coins shall be exchanged on one occasion in the framework of a transaction referred to as denomination exchange of forint coins or exchanging forint coins.

(3) The qualitative restriction referred to in paragraph (2) shall not apply to the exchange obligation referred to in Article 23 (3) of the new MNB Act.

(4) The obligation to carry out the denomination exchange of forint coins or exchanging forint coins shall not apply to coins deliberately damaged (e.g. cut in halves, punched, lathed) or coins whose authenticity or face value cannot be clearly determined. Credit institutions and the postal service shall check the authenticity of not clearly authenticated coins, and deliver or send the coins, considered to be suspicious, to the MNB according to Article 6 (2).

Article 11 (1) With the difference set out in paragraph (2) a credit institution and the postal service –

a) may charge a fee for the denomination exchange of forint coins or for the exchanging forint coins the maximum rate of which – including any other fees that may be charged in relation to the denomination exchange of forint coins or exchanging forint coins – shall not exceed 10 % of the face value of the exchanged forint coin,

b) may make the denomination exchange of forint coins or exchanging forint coins subject to the existence of a payment account kept with it or to the use of some service it provides,

c) may restrict the number of its branches actually assigned to carry out the denomination exchange of forint coins or exchanging forint coins, providing that a credit institution having branch offices in Budapest or in the given county and the postal service must make sure that at least one of its branch offices operating in Budapest or in the given county – primarily, at the county seat town – actually provides denomination exchange of forint coins and exchanging forint coins.

(2) A credit institution and the postal service shall

a) fulfil its exchange obligation as specified in Article 23 (3) of the new MNB Act at all of its branch offices with counter,

b) charge no fee for the fulfilment of its exchange obligation as specified in Article 23 (3) of the new MNB Act,

c) not make the fulfilment of its exchange obligation as specified in Article 23 (3) of the new MNB Act to the existence of a payment account kept with it or to the use of some service it provides.

Article 12 (1) A credit institution and the postal service shall disclose the terms and conditions and fees referred to in Article 11 (1) concerning the denomination exchange of forint coins and exchanging forint coins and the availability of the exchange service referred to in Article 11 (2) a), in notices, in prominent places in its branches actually carrying out denomination exchange of forint coins and exchanging forint coins.

(2) Pursuant to Article 11 (1) c) and 2) a) a credit institution and the postal service shall publish the address of its nearest branch office actually carrying out denomination exchange of forint coins and exchanging forint coins and the information referred to in paragraph (1) in a notice, in prominent places in its branch offices not actually carrying out denomination exchange of forint coins and exchanging forint coins.

(3) A credit institution and the postal service shall publish on their website – if such website exists - continuously and easily way the list of its branch offices actually carrying out the denomination exchange of forint coins and exchanging forint coins, along with the information referred to in paragraph (1).”

Article 3 (1) In Article 1 b) of the Decree the text “Articles 5 to 9” shall be replaced by “Articles 5 to 8”.

(2) In Article 7 (5) of the Decree “in accordance with Act LXIII of 1992 on the Protection of personal data and access to information of public interest and with Article 31/A (1) of the MNB Act” is replaced by “in accordance with the Act on Informational self-determination and freedom of information and Article 24 (2) of the new MNB Act”.

(3) In Article 13 of the Decree the text “in Article 19/B f) of the Credit Institutions Act” shall be replaced by the text “in Article 3 f) of Government Decree 536/2013. (XII. 30.) on the detailed rules on the performance of certain supplementary financial services”.

(4) In Article 15 (2) of the Decree the text “Article 29–29/D and Article 31/A (2)–(4) of the MNB Act” shall be replaced by “Article 24 (1) b)–d) and (2)–(6) of the new MNB Act”.

Article 4 The following provisions of the Decree shall be repealed:

a) 5th sub-heading,

b) Article 15 (1),

c) in Article 15 (2) the text “and Article 9 *b)* and *c)*” and the text “and with Article 17 *b)* and *c)*”.

Article 5 With the exceptions set out in paragraph (2) this Decree shall enter into force on 1 October 2014.

(2) Article 2 shall enter into force on the 60th day following its promulgation.

Article 6 The notification of the draft of this Decree pursuant to the second indent of Article 2 (1) of Council Decision 98/415/EC of 29 June 1998 on the consultation of the European Central Bank by national authorities regarding draft legislative provisions has been made.