

Amended and consolidated

BUSINESS TERMS AND CONDITIONS

for bank accounts managed by the Magyar Nemzeti Bank and for settlement of forint and foreign exchange transactions

Effective from 2 February 2015

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1. DEFINITIONS

For the purposes of the rules set forth in these Business Terms and Conditions, in their Annexes and Appendices (hereinafter collectively: Business Terms and Conditions) the following definitions apply:

Bank account:	HUF or foreign currency payment account managed by the MNB for customers in order to carry out payment transactions.
Resident credit institution:	credit institutions established in Hungary, foreign credit institutions established in the European Economic Area with a branch incorporated in Hungary by way of its Hungarian branch and the Hungarian branches of foreign credit institutions established in countries outside of the European Economic Area.
Investment firm:	any enterprise established in the territory of the European Economic Area or incorporated as a branch that is engaged in the pursuit of investment service activities under Council Directives 85/611/EEC and 93/6/EEC, as well as amending Directive 2000/12/EC and repealing Directive 93/22/EEC of the European Parliament and Council Directive 2004/39/EC of 21 April 2004 on Markets in Financial Instruments.
ICS:	an interbank clearing system (hereinafter: ICS) operated by GIRO Zrt. with two types of clearing: night clearing and intraday multiple clearing.
Available ICS funds:	funds specified by the MNB to GIRO Zrt. on a daily basis as coverage available for the execution of customer payment orders submitted to ICS for ICS night clearing, consisting of the total of the bank account balance and the limit granted for the Customer of a resident credit institution. The negative value of the usable funds represents sufficient coverage in accordance with the applicable amount of usable funds. However, value of the usable funds is positive if the MNB has prescribed the threshold of usable funds due to lack of sufficient funds on the account of the ICS member in question.
ICS minimum funds:	funds with a positive sign (indicating insufficient coverage) specified to GIRO Zrt. for night clearing; the customer can only receive credit items in the ICS, and the customer's transfers can only be executed up to an amount that exceeds minimum credit amount of funds.
ICS clearing position matrix:	provided in a night clearing mode, the ICS clearing position matrix contains direct ICS participants' forint debts to and claims against one another on a specific settlement day.

DVP transaction:	Delivery versus Payment, the delivery, as final transfer of the securities occurs if, and only if, the final transfer of the funds occurs.
Other customer:	any customer, other than payment service providers, investment firms and market infrastructures, who are not direct participants neither of ICS nor VIBER.
Technical account for clearing:	An account not qualifying as a bank account (a payment account) with a limited function managed by the MNB for the market infrastructure for the purpose of the settlement of clearing in the payment and securities clearing system
Value date (T day):	a reference date used by the MNB for the calculation of interest on the funds debited from or credited to a bank account.
Collateralised credit:	a credit covered by the securities deposited on the securities account of customer under the “Terms and Conditions of the Operations of the Central Bank in Forint and Foreign Currency Markets” (hereinafter: Central Bank Operations Terms and Conditions) at KELER and held as bond on behalf of the MNB as beneficiary (hereinafter: Security bond held on behalf of the MNB).
Cover check:	comparison of the amount specified in the payment and settlement order with the actual balance of the bank account as increased by the line of credit, if any.
Insolvency proceedings:	bankruptcy proceeding, liquidation proceeding and appointment of an temporary administrator in accordance with Act XLIX/1991 on Bankruptcy Proceedings and Liquidation Proceedings, and under Article 185(2)c) subpoint cf) and the supervisory measures according to Article 48(5) and Article 55(2) of Act CCXXXVII/2013 on Credit Institutions and Financial Enterprises (hereinafter: CFA), Article 135(1), Article 128(1) of Act CXXXVIII/2007 and Article 164(1)h) and n) of the Act on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities, and Article 400(1)h), j) and r) and Article 400(4) of Act CXX/2001 of the Capital Market Act (hereinafter: CMA).
Payment order:	any instruction by a payer or payee to his payment service provider requesting the execution of a payment transaction, including official transfer orders and remittance summons.
Payment transaction:	an act, initiated by the payer or by the payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and the payee, or an order initiated by an officer empowered to issue an official transfer order or a remittance summons.

Central bank transactions:	money market transactions with the MNB under the Central Bank Operations Terms and Conditions.
KELER:	KELER Központi Értéktár Zrt.
Forced overdraft:	credit provided to customers (without their requesting such) at a penalty interest rate to cover a debit balance resulting from overdue and unpaid debts to the MNB.
Forward payment order:	an order to be executed under these Business Terms on a specified date (date of execution) subsequent to submission.
Cash transactions:	transactions defined in the Business Terms and Conditions relating to transactions carried out in cash for cash processing organisations and customers holding forint accounts at the Magyar Nemzeti Bank (hereinafter: Large Cash Transactions Terms and Conditions).
Settlement order:	an order submitted by the market infrastructure in VIBER in order to settle the debts and claims of members of the system of the market infrastructure, including the refund of any sum erroneously transferred to a technical account for clearing.
Minimum balance:	a technical condition incorporated into the MNB's customer account management system and VIBER facilitating the recovery of any debt owed by the customer to the MNB which prevents customers' account balance from dropping below this amount.
Intraday credit limit:	a roll-over credit line. From the portfolio deposited at KELER in favour of the MNB as beneficiary, those securities can be used as collateral, which have not been used by the Resident credit institution customer to cover collateralised credits.
Payment service provider:	resident credit institutions, payment institutions established in the European Economic Area and institutions issuing electronic money instruments, the institution operating the Postal Clearing Centre, and Magyar Államkincstár (<i>Hungarian State Treasury</i>) (hereinafter: Treasury).
Market infrastructure:	any organization established in the European Economic Area (hereinafter: EEA) or incorporated as a branch subject to supervision or oversight within the EEA that is engaged in operating payment systems under CFA or in the activities of operating a payment system in accordance with CMA, or in central counterparty or central securities depository activities.

PVP:	payment versus payment, a simultaneous execution of bank-to-bank and client payment orders between two VIBER participants.
SWIFT:	a financial mediation system operated by the Society for Worldwide Interbank Financial Telecommunication Scrl.
Date of execution:	the debit day specified in Decree 18/2009 (VIII. 6.) MNB on payment services activities (hereinafter: MNB Payment Decree).
VIBER:	a Real-Time Gross Settlement System operated by the MNB.
VIBER message:	A message between co-operating parties in VIBER sent in connection with payment, settlement or information in a manner and with a content regulated in Appendix 1 of the Business Terms
Customer:	a legal entity who is party to a bank account agreement concluded with the MNB and any person to whom the MNB provides payment services.

2. GENERAL PROVISIONS

2.1. Scope of the Business Terms and Conditions

These Business Conditions regulate the general contract terms and conditions between the Magyar Nemzeti Bank (hereinafter: MNB) and the customer governing transactions, other than cash transactions, connected to bank accounts managed by the MNB.

The MNB shall perform its activities within the framework of the effective statutory regulations, thus in particular, pursuant to the provisions of Act V of 2013 on the Civil Code of Hungary (hereinafter: Civil Code), the Act CXXXIX of 2013 on Magyar Nemzeti Bank (hereinafter: MNB Act), the Act XXIII of 2003 on settlement finality in payment and securities settlement systems (hereinafter: SFA), the Act LXXXV of 2009 on the Pursuit of the Business of Payment Services (hereinafter: Payment Act), the MNB Decree 34/2009 (XII.28.) on the material, technical, security and business continuity requirements for operation of the payment system, the MNB Decree 35/2009 (XII.28.) on the requirements for the General Terms and Conditions and regulations of organizations providing clearing services for payment systems, and MNB Decree on Payment Services, the Act CXXXVI of 2007 on the Prevention of Money Laundering and Terrorism Financing (hereinafter: MLA) and its implementing decrees, and the relevant regulations of the European Union.

The contents of the relationship established between the MNB and the customer (together hereinafter: Parties) shall in principle be specified in the bank account agreement. In respect of issues which are not regulated in the bank account agreement, the provisions of these Business Conditions shall be authoritative, moreover, Large Cash Transactions Terms and Conditions, and the Central Bank Operations Terms and Conditions shall also apply.

Parties may depart from the present Business Terms and Conditions subject to mutual consent in writing.

2.2. Fundamental Rights and Obligations of the Parties

Parties in order to ensure continuous performance of the bank account agreement, and in respect of direct VIBER participant to ensure the proper and undisturbed operation of VIBER in compliance with regulations, shall mutually co-operate and, accordingly, report to each other – without delay – any and all facts and circumstances relevant to exercising their rights and discharging their obligations, as well as any changes therein. To this end, the customer shall notify the MNB without delay of any material change in its legal status (such as, in particular, if opening insolvency proceedings, if removed from any official or other similar register, or if its operating licence will be revoked). Responsibility for failure to discharge this obligation lies with the customer.

It is the responsibility of VIBER participants to monitor the execution and queuing of payment orders, lack of funds, the refusal of such orders, as well as system messages and SWIFT messages relating to VIBER (under Appendix 1 of the Business Terms and Conditions), furthermore, where electronic connection exists, it is the responsibility of customers to monitor the messages specified in Appendix 2 of the Business Terms and Conditions (confirmation of orders received, defective, erroneous and pending foreign exchange orders returned) during operating hours specified in Annex 2, and to make any comments in a fashion to allow the MNB to remedy the problem in question.

The customer shall pay the fees, costs and interests charged in accordance with the Conditions without delay, at the time when due.

In the course of implementing the provisions of the SFA, the MNB and the customer with direct or indirect access to VIBER operated by the MNB shall proceed in accordance with these Conditions of Business.

2.3. Customer identification procedure

The MNB shall perform the identification of the customer in accordance with the MLA, in all cases set forth by law, particularly when entering into a business relationship.

During the life of the business relationship, the customer shall notify the MNB of any and all changes in the information provided for the purposes of identification (including the data of persons vested with right of disposition over the bank account), or such related to the actual account holder's person within five business days of learning thereof.

2.4. Complaint procedures

Customers shall submit any comments and complaints they may have relating to system operations, to the handling of payment orders, business hours, etc., to the MNB Directorate Back Office Department in writing. Customers shall provide any additional information that the MNB has requested for investigating the complaint on hand by the deadline set by the MNB. The time limit for the investigation of a complaint is 7 business days from the time of receipt of the complaint, or any additional information that has been requested, that may be extended by the MNB on one occasion, however, the aggregate time limit may not exceed 15 business days. The MNB shall notify the customer affected concerning the outcome of its investigation in writing.

If the customer is in disagreement with the result of complaint proceedings, the case shall be referred to the court of law if there is a legal dispute. All lawsuits against the MNB must be launched at a venue of jurisdiction by reference to its registered address.

2.5. Liability

The MNB shall not be liable for damages suffered by the customer as a result of

- a) unavoidable reasons beyond the control of the MNB, including, in particular, force majeure (natural disaster, riot, terrorist attack and war) domestic or foreign statutory regulations or provisions issued by Hungarian or foreign authorities, late issue or refusal of necessary official licences or permits,
- b) a delayed submission or lack of other documents required for carrying out the order
- c) the provision of erroneous or inaccurate data, including data needed for a flawless execution of payment orders, pertaining to the customer's sphere of interest
- d) the unauthorised use of the customer's means of electronic correspondence,
- e) any breakdown in the communications channel.

If, in order that the order can be executed, an agent has to be engaged, and the agent's liability is restricted or excluded by statutory regulations, regulatory decision, contract or its own business regulations, the liability of the MNB shall correspond to that of the agent.

In addition to the foregoing, the applicable parts of international private law and international standards and contracts shall apply to the MNB's liability for foreign agents.

The MNB's liability shall only cover direct damage to property incurred by the customer; accordingly, with the exception of the cases of and wilfulness, the MNB shall not be liable for any damage to property that has no direct causal link to its conduct, any obligation to compensate any third party in a legal relationship with the customer for any damage or any loss of material advantage.

The customer shall, in order to prevent, control or mitigate damage, take all the necessary actions without delay. The MNB shall not be liable for any damage related to the customer's failure to prevent, control or mitigate damage.

The customer shall, without delay, notify the MNB of any damage that might have incurred by it. The MNB shall not be liable for any damage that may arise from any delay in notification.

The MNB shall not be liable for any failure to fulfil its notification or payment obligation or any delay in such fulfilment if such failure is due to statutory regulations or an authority action.

The compensation undisputed by the MNB shall fall due on the 5th working day from the date of the decision on the related claim.

In addition to this section, the specific rules governing liability set out in Sections A) and B) shall apply to account management and settlement services.

These Terms and Conditions, limited to or excluding the MNB's liability provisions to which no alteration is allowed which would void the exclusion or limitation of liability, do not apply in this context, therefore the validity of the Terms and Conditions shall not otherwise be affected.

2.6. Data protection

Provided that they affect the customer, the MNB shall hold any and all information on transactions under the bank account agreement as confidential without any limitation in time and – with the exception of cases defined in separate statutory regulations – disclose such information to third parties only and exclusively with the customer's express written request or authorization.

2.7. Interests, commissions, costs, fees and special fees

In a public Announcement¹ posted on its website in Hungarian and English, the MNB shall inform the customer regarding the fees, special fees, commissions, postal and other costs relating to account management and the method of settling such expenses and interests. In case of any discrepancy, the Hungarian version is governing. The MNB review fees, special fees, commissions and other charges annually, and maintains the right to unilaterally modify the conditions of the Notice with a view to enforcing the principle of cost recovery.

2.8. Effect, amendment and publication of the Business Terms and Conditions

These amended and consolidated Business Terms and Conditions shall enter into effect on 2 February 2015.

The MNB shall be entitled to unilaterally amend the Business Terms and Conditions. Where any provision of the present Business Terms and Conditions fails to conform to the provisions of the relevant legislation, authority or court decision, the MNB shall amend the Business Terms and Conditions so as to bring the principles and goals contained therein into conformity with the legislation, authority or court decision in question.

The MNB shall inform the customers in writing of any proposed amendment of the Business Terms and Conditions at least 5 days in advance, or minimum 10 and maximum 15 days in advance in connection with comprehensive or extensive amendments to allow the Customers to make any comments they may have. The MNB shall be entitled to reduce the above-specified time limits, or may forego sending the notice if the procedure is likely to jeopardise the safe and efficient functioning of the payment system. The proposal will be made available in Hungarian and in a track changes format on the website². The MNB shall notify Customers concerning the final version of the amendments 15 calendar days prior to the effective date of the amendment, or the amendment enters into force in 30 calendar days if the amendment concerns orders submitted electronically, other than by way of the SWIFT network. The MNB shall publish the Business Terms and Conditions – with restricted access to Annex 4/a, 4/b and 4/c for VIBER contact persons only – on its website in Hungarian and English. The proposal for amendment shall be posted on the website prior the effective date with the corrections indicated. In the event of any discrepancy, the Hungarian version shall govern.

¹ [Opening Announcement](#)

² <http://english.mnb.hu/Penzforgalom/accountmts>

A) CONDITIONS FOR ACCOUNT MANAGEMENT SERVICES

3. BANK ACCOUNTS

3.1. Bank account agreement

On the basis of a bank account agreement and in accordance with these Business Terms and Conditions, The MNB shall open and maintain:

- a) for the purpose of providing settlement agent services for payment service providers and investment firms having direct participation in forint payment systems and the same purpose for the market infrastructures - the decision thereof – forint bank accounts or (under a contract for a technical account for settlement) a technical account for settlement;
- b) forint bank accounts for Other Customers with a view to providing payment services stemming from basic central bank functions;
- c) foreign exchange bank accounts for resident organisations, foreign organizations, foreign central banks defined by the relevant legislation.

Unless otherwise provided in the Business Terms and Conditions as well as the annexes and appendices thereto, the provisions applicable to bank accounts and payment orders shall govern technical accounts for settlement and any related settlement orders and any other accounts.

The bank account may, subject to the instruction of the customer, also be opened as a payment account.

Pursuant to the bank account agreement and the present Business Terms and Conditions, the MNB shall manage and record the customer's funds, execute regular payment orders to the debit of its balances, and inform the customer of any and all credit and debit entries and balances on the bank account.

In addition to the relevant provisions laid down by law, a bank account agreement may be concluded on condition that direct VIBER participants shall subscribe to the 'szamvez' and the 'viber' channels of the GIROHáló GIROFile service.

3.2. Disposition over the bank account

Upon conclusion of a bank account agreement, the customer shall indicate the persons authorised to submit instructions to the MNB concerning the bank account and shall have them sign the Bank's standard signature specimen form.

Two authorised persons may dispose over the bank account jointly.

For the purpose of notifying new signatories for exercising control over the bank account, a new signature card shall be submitted, noting that if the previous signature card is not yet full and if it contains any valid information, such information shall be carried over to the new one, while the previous signature card has to be abolished.

The customer may determine which of the co-signatories on the signature card are authorised to sign jointly; the MNB shall not accept any other restrictions (e.g. restrictions to specific orders or to limits) on the authority to sign. The MNB shall accept dispositions exclusively as is laid down in the signature card by the customer.

The customer is required to notify any change in the authority for disposing over the bank account. Pending such notification made in writing, the MNB shall effect payments according to the previous status.

Disposal rights over bank accounts may exercise:

- by means of payment order submitted directly to the payment or settlement system by direct participants of the payment system

by other customers:

- electronically (via remote data transmission networks) by way of the means defined in Annex 3 and in Appendix 2,
- by SWIFT message,
- on a form submitted directly to the MNB in person, by encrypted fax or by mail.

In addition to the liability rules set out in Section 2.5, the provisions set forth in this section shall also apply to payment orders.

The MNB shall consider electronically submitted payment orders as if they were submitted and approved by the authorised signatories of the bank account. The customer shall be responsible for ensuring that only authorised persons have access to the electronic facilities used for issuing orders.

The MNB shall not be liable for any losses arising from the execution of a payment order duly submitted in a cash-substitute payment instrument manner if the customer has violated the security and reporting regulations related to the instruments.

Any losses arising from the execution of a payment order submitted using a cash-substitute payment instrument that is no longer in the possession of the customer, has been stolen or unlawfully used shall, irrespective of the amount of the losses, be borne by the customer until it reports the incident to the MNB, whether the cash-substitute payment instrument means of payment is used through an IT or a telecommunications channel or without a personal security feature. After the incident has been reported, the MNB shall, without delay, proceed to suspend the order placed in a cash-substitute payment instrument manner while notifying the customer simultaneously. The MNB shall be liable for any and all losses incurred to the customer as a result of the order submitted by means of a cash-substitute payment instrument concerned after the suspension.

The customer may exercise its entitlement to the correction of an order either unauthorised or authorised but erroneously executed within a peremptory term of 13 months following the execution of the order. The customer shall bear the burden of proof to the effect that either it did not authorise the challenged operation or the operation had not been recorded properly. The MNB shall have to burden of proof to the effect that execution was hindered by a technical hitch or some malfunction. Until proven to the contrary, the use of cash-substitute payment instrument shall be considered by the parties as lawful use by the customer.

As the parties consider the amount involved in the payment operation as reasonable in a given situation, no refund can be requested quoting exclusively the size of the amount. Nor can it be requested arguing that the payer was not aware of the sum of the payment operation at the date of the authorisation.

3.3. General rules relating to bank account management

The MNB shall not accept authorisations for collection and direct debit orders, and shall not execute direct debit requests from bank accounts.

The MNB shall execute the remittance summons and official transfer orders it has received from all the bank accounts, except the technical account for settlement that it manages on behalf of the customer liable for the payment, provided that the content and form of the payment orders satisfy the conditions set out in these Business Terms and Conditions and laid down by the law.

Unless otherwise provided for by the Business Terms and Conditions, the MNB shall accept messages from customers by mail, encrypted fax, SWIFT message or through GIROHáló GIROFile. The MNB shall dispatch and receive files through GIROHáló GIROFile only if executed by signature certified by GIROLock, in the form specified in Appendix 2.

The customer shall be able to declare, using the statement form specified in Annex 10 executed as authorised, that the persons notified as the authorised signatories are entitled to represent the account holder jointly, as in the event of giving orders related to the bank account in connection with applying for VIBER monitor service and entitlements, the notification of VIBER contact persons, and also with O/N collateralised credits.

The MNB's liability for erroneous execution shall, within the framework of the general liability rules set forth in Section 2.5, be limited to the amount of the payment operation to the extent of fees and costs charged by it, with the proviso that the amount of the payment shall be credited to the customer's bank account back value dated

The MNB shall not bear any losses that may arise from exchange rate changes that may materialise during the execution of a foreign exchange order.

According to Article 6:397 of the Civil Code, the MNB is entitled to impose a statutory lien (security deposit) as collateral in the context of a claim occurring during account management (including the corrections of any crediting or debiting errors made by the MNB) over the customer account receivables. In accordance with this, the MNB has the right to debit the customer's account with the amount occurred in context of a claim during account management (including the corrections of any crediting or debiting errors made by the MNB). A lien can be established without recording it in the mortgage lending registration.

In addition to the above, according to Article of 160(1) of the MNB Act on the basis of Article 4(1)-(7) of the MNB Act on the performance of specific tasks, the MNB is entitled to impose a statutory lien (security deposit) as collateral in the context of the performance of these tasks (e.g. principal, interest, commissions, fees, special fees, costs) over the customer account receivables. In accordance with this, the MNB has the right to debit the customer's account with the amount occurred in context of the performance of these tasks on the basis of Article 4(1)-(7) of the MNB Act.

3.3.1. Regulations relating to direct participants of payment systems

Apart from the settlement of cash transactions and central bank transactions, the MNB provides clearing and settlement services within the framework of account services only to direct participants, with the exception of other customers.

Accordingly:

- direct participants shall submit their payment orders directly to the payment system only, therefore they shall not be able to submit any payment order to the MNB, in its capacity as the account carrier, outside the payment system, as the MNB shall refuse any payment order that is submitted directly;
- only those payment transactions received through the payment system shall be credited to the bank accounts of direct participants, therefore the MNB, in its capacity as the account carrier, shall refuse any payment transaction delivered directly to the MNB to be credited to the customer's bank account, outside the payment system.

Participation may not be established and implemented through the MNB, who itself is direct participant of the payment systems.

MNB Postal payment services are not available to direct participants.

3.3.2. Provisions relating to other customers

The MNB shall execute payment orders between other customer in way of account transfer. In any other cases, unless the other customer has specified another settlement system or if the account manager of the payee does not accept any payment in the specified settlement system, it shall execute the other customer's domestic payment orders in forint via ICS multiple intraday clearing.

The MNB shall provide the payment services referred to in Chapter II(1) and Chapter III(3) of the Hungarian Postal Payment Services standard service agreement to other customers.

3.3.3. Requirements relating to payment orders

Payment orders shall clearly specify the subject of the transaction and all data and information required by the relevant statutory regulations and administrative requirements, or which are necessary for the execution of the order. The MNB shall execute any official transfer order that has been submitted directly if the payer is other than a publicly financed entity and if able to supply sufficient proof of entitlement for submission.

The MNB shall refuse to execute and shall return any and all deficient payment orders if the missing information requested is not received by the deadline specified by the MNB.

The MNB shall not assume responsibility for damages where the data the payer has supplied for execution is incorrect or incomplete, and such deficiency had not been remedied in good time.

3.3.4. Execution of Payment Orders

The MNB shall execute payment orders up to the amount of the available funds on the account. In addition to the account balance, the MNB shall automatically execute payment orders made by customers with pre-authorised credit limit up to the applicable limit.

The following orders are irrevocable:

- payment orders to be executed in ICS that have already been forwarded to ICS on behalf of other customers;
- payment orders to be executed by bank account transfer for other customers that have already been booked;
- payment orders to be executed via SWIFT, but outside VIBER, for which SWIFT messages have already been sent; and
- payment orders to be executed via VIBER, that have already been settled in VIBER.

The date of execution of a defective payment order the customer has submitted may not be altered subsequently.

Payments to beneficiary shall be made through ICS night clearing in case of executing direct debits, the remittance summons and official transfer orders.

3.3.5. Setting the business days, submission deadlines

The MNB shall provide payment services on the VIBER business days listed in the schedule for settlement set forth in 11.3.1. Procedural rules for the submission and execution of the different kinds of payment orders, and applicable on these dates of settlement, are provided in the Guide constituting Annex 2 to the present Business Terms and Conditions, whereas the procedures for submission and execution on related Saturdays designated as business days in the stead of official holidays are contained in the Guide included in Annex 2/a of the present Business Terms and Conditions.

3.3.6. Order of execution

Of the receivables of the central bank, uncollateralised HUF loans and settlement costs (interest and turnover commission) are booked at the beginning of the due business day, provided that sufficient funds are available.

The MNB shall be entitled to debit the customer's account, without the customer's specific instruction or consent, for recovering any claims (principal, interest, commission, fee, special fee, cost) it may have in connection with:

- account management (including the corrections of any crediting or debiting errors made by the MNB),
- cash transactions,
- MNB activities relating to its monetary policy.

The MNB prioritises the central bank receivables (for monetary purposes) listed under Article 18 of the MNB Act before the payment orders to be debited to the customer's bank account (including official transfer orders and remittance summons). However, other receivables (receivables for non-monetary purposes, other than those mentioned under Article 18 of the MNB Act) are ranked following official transfer orders and remittance summons, but before other payment orders.

3.3.7. Delay in settlement, forced overdraft

The MNB charges default interest on central bank receivables, which are still in the queue at the end of the day until settlement. The default interest rate is twice the prevailing central bank base rate.

In contingency situations under Sections 4.1 and 4.3 of Annex 4/a, if ICS position matrix I is settled in the VIBER or if ICS multiple intraday clearing is settled without the cover having been checked and, as a result, the VIBER member is still unfunded at the end of the VIBER business hours, because, for lack of pledged securities collateral, no O/N credit in a sufficient amount can be awarded, the MNB provides the VIBER member forced-overdraft in order that net ICS and multiple intraday clearing and queued official transfer orders and remittance summons to be executed with priority under the applicable legislation can be executed. The overdraft becomes due and matures upon disbursement.

MNB grants overdrafts to fulfil repayment of secured loans as well. The interest rate charged on authorised overdraft is twice the prevailing central bank base rate.

3.3.8. Items booked directly in the MNB customer-account management system

The MNB shall carry out the following payment-related operations on the customer bank account:

- a. settlement of amounts of debit and credit of I. ICS clearing position matrix of ICS members produced by ICS night clearing;
- b. booking the sum of daily VIBER turnover of VIBER participants;
- c. crediting payment transactions sent to MNB on behalf of other customers in ICS or VIBER;
- d. debiting payment orders initiated by other customers in ICS or postal intermediary payment services provided to other customers;
- e. booking of postal relay payment service for other customers
- f. for all customers, booking of payments resulting from transactions and settlements with the MNB (e.g. settlement of costs of closing procedures, collateralised credits, expiration of deposits and the forint leg of foreign exchange transactions executed not on value date, etc.);
- g. booking of cash transactions affecting the Customer's account, conducted outside of VIBER business hours;
- h. debiting of placement of deposits, if the transaction cannot be booked in VIBER due to its closing

3.3.9. Submission of payment orders by other customers electronically

The other customer shall be entitled to dispose of his bank account electronically, other than by way of the SWIFT network, if the electronic data exchange has been tested in co-operation with the MNB, and the MNB has made out a technical certificate of the test result for the other customer, valid for the given method of data transmission.

The MNB shall consider payment orders submitted electronically, other than by way of the SWIFT network, valid only if submitted in a file form executed with double electronic signatures.

The other customer shall initiate payment orders in the format determined by the standard described in Appendix 2 of these Business Terms and Conditions.

The MNB shall also inform the other customer of the result of the processing of messages sent by way of electronic means – and of items received on paper or from other systems (e.g. VIBER) as well – in an e-mail message following the closure of the business day.

In the event of a failure of the electronic correspondence system or a line fault, the party which perceives the irregularity shall immediately and shortly (e.g. through telephone, fax, SWIFT or the Internet) inform the other party. Until the defect is remedied, data transmission shall be performed in a paper-based manner, through 'VIBER' channel of GIROHáló GIROFile, or by delivering USB data carriers or CDs, or via encrypted fax.

The MNB shall be liable for the accuracy and completeness of the data in relation to the part between the time of receipt and the time of initiating the return of the data.

As for the deadline of submitting electronic orders by the other customer, the provisions set forth in Annex 2 shall apply.

The MNB shall forward the result of the accounting day in several steps, depending on the course of processing. The data contain the processed and erroneous items in separate files.

3.3.10. Cash desk services

The general contract term and conditions for customer transactions for the depositing and/or withdrawal of banknotes and coins to and from the customer's bank account are laid down in the Business Terms and Conditions for Large Cash Transactions.

3.4. Provisions relating to ICS settlements

3.4.1. Settlement for ICS night clearing

The MNB shall inform GIRO Zrt. regarding the ICS funds every day upon closing.

The available ICS funds shall be the total of:

- a) the daily closing account balance and
- b) the credit line of a customer with pre-authorized credit limit.

ICS funds deduction factors:

- a) There is insufficient funds for the priority execution of official transfer orders and remittance summons;
- b) Sums of matured central bank receivables;
- c) Forced overdrafts;
- d) Amount of a loan provided based on lack of funds for a sanction imposed in relation to minimum reserve requirements;
- e) Minimum account balance requirement resulting from the revaluation of collateral;
- f) Sums blocked for the execution of FX payment orders on the day(s) prior to the day of execution.

If the available ICS funds are smaller than the amount of the ICS funds deduction factor, the MNB shall specify the ICS minimum account balance to GIRO Zrt., which means that as long as the account has insufficient funds, in the ICS night clearing mode the customer is allowed to receive only credit entries, and debit transfers may only be effected after the credit items have exceeded their lack of funds.

The MNB shall, after the bank account has been closed, notify the customer who is a direct participant of the ICS of the available amount of ICS funds and of its deduction factors (hereinafter: ICS notification).

The MNB shall quantify the values specified in the ICS notification by the re-valued central bank collateralised loans (including accumulated interest) and by revaluation of the blocked securities portfolio (values are shown at the new, updated prices). The MNB shall dispatch the ICS notification to customer through 'szamvez' channel of GIROHáló GIROFile and channel in the form specified in Appendix 2. If the MNB sets a minimum balance for the customer in the notice, the MNB shall specifically indicate if additional collateral is required by sending a letter through GIROHáló GIROFile 'viber' channel to the customer.

3.4.2. Insolvency proceeding in respect of ICS clearing

If insolvency proceedings have been initiated against a customer with direct participation in ICS, for the settlement of the customer's payment orders that are accepted in accordance with the BKR Business Rules and are, according to

the information provided by GIRO Zrt., duly cleared in ICS, the MNB as settlement agent may use the credit limit provided for the customer for clearing in ICS.

Subsequent to the launch of the insolvency proceeding, the MNB shall, at the request of GIRO Zrt., set the credit line constituting the direct participant's ICS credit line to '+unlimited'.

3.5. Central bank forint deposit and lending operations

3.5.1. Deposits

A Customer eligible to make a deposit with overnight maturity under the standing deposit facility, with a two week maturity in the framework of applicable deposit tender, in accordance with the Terms and Conditions of the Central Bank's Operations in a period specified in Annex 2, 2/a via a SWIFT MT298 SMT550 message and, in the absence of a SWIFT connection, in the manner defined in Annex 12, point 3.3 (3) by submitting the fully completed application found there. The customer will be notified of the acceptance or refusal of the request for placing a deposit via a MT298 SMT550 type SWIFT message. Deposit requests queued due to lack of funds will be refused at the time of VIBER closing; O/N deposit requests arriving subsequently will be refused after the standing deposit facility. Within the framework of availability deposit requests shall be submitted one banking day in advance at most.

A description of MT298 SMT550 type SWIFT messages is contained in Annex 9.

3.5.2. Pre-authorised credit limit

'Customer with pre-authorised credit limit' means a customer who is qualified as a Money Market Counterparty and eligible for standing collateralised lending facilities under the 'Terms and Conditions of the Central Bank's Operations'. From the portfolio comprising securities specified in the Terms and Conditions of Central Bank's Operations deposited at KELER in favour of the MNB as beneficiary only such part can be used as collateral for the credit line that has not been used by the customer to cover collateralised credits. The rules governing adequacy of collateral assessment and the method of calculating the limit are set forth in the Guide as part of Annex 1 of these Business Terms and Conditions entitled 'Guide to MNB's Collateral Assessment System' published by the MNB.

The limit may be used:

- by VIBER participants for the execution of payment orders during VIBER business hours,
- for the execution of settlement transactions
- for night ICS clearing transactions,
- for payment orders and central bank operations booked directly in the MNB customer-account management system.

A customer with pre-authorised credit limit may initiate the increase or decrease in the limit at any time during the period specified in Annex 2 by way of manipulating the amount of blocked securities at KELER, according to the General Business Rules of KELER.

If insolvency proceedings have been initiated against a customer with pre-authorised credit limit, the MNB, after receipt of the notification thereof and in accordance with these Business Terms and Conditions, shall not comply with the request made by the customer with pre-authorised credit limit to change the credit line.

3.5.3. Collateralised credits

Without the specific request of the customer with pre-authorised credit limit, the MNB shall provide an overnight credit facility at the end of the business day up to the debit balance of the account against securities collateral blocked.

Furthermore, at the separate request of the customer with pre-authorised credit limit, the MNB shall also provide overnight credit up to the value of the blocked securities portfolio (standing collateralised lending facilities). In the

case of a debit balance, a loan in an amount exceeding the amount of the debit balance needs to be applied for. Collateralised loans may be applied for after a prior notice is given by phone, by way of an MT298 SMT500 SWIFT message, or in a letter drawn up according to Annex 5, encrypted fax or through the 'viber' channel of GIROHáló GIROFile. When the loan is in fact made available the Customer is notified by means of an MT581 message (Appendix 1, chapter 12), or if the loan application is refused the customer is notified, including the reasons, in the same manner as the application had been submitted.

A description of MT298 SMT500 type SWIFT messages is available in Annex 9.

Longer-term collateralised credit is provided under the Terms and Conditions of the Central Bank's Operations.

Collateral valuation of collateralised credit arise in accordance with the Terms and Conditions of the Central Bank Operations and the loan is provided after the VIBER business hours specified in Annexes 2 and 2/a.

3.5.4. Collateral revaluation, minimum balance, enforcement of collateral

The collateral value of the blocked securities portfolio, and the portfolio of collateralised central bank loans are revalued at the end of each day according to Annex 1. The MNB shall notify the VIBER member of the end-of-day revaluation of the portfolio of blocked securities via a SWIFT MT581 message. Such a message shall contain the change in the intraday credit line and the value of the credit line after the revaluation. The MNB reserves the right to re-evaluate the securities portfolio pledged as collateral for collateralised credit anytime during the day (13.4 Extraordinary revaluation).

If, after revaluation, collateral is still found to be insufficient for the stock of central bank collateralised loans calculated in accordance with Annex 1, the MNB shall automatically define a minimum balance.

A minimum balance may be eliminated by blocking additional collateral. Until this is done, the MNB requires a positive balance on the bank account up to the minimum balance, thus ensuring collateral. If the Customer has more liquidity than the minimum balance, the customer's payment orders can be executed from any available account balance above the minimum balance.

If the customer fails to eliminate a minimum balance set on the previous day by 12:00 a.m. on the next business day and also fails to fulfil the minimum balance requirement defined in Annex 1, as well as the forced credit claims granted for the purpose of repayment of secured loans, the MNB shall have the right to cancel all its loan transactions with the customer in question with immediate effect, and may also enforce the securities portfolio blocked for collateral in accordance with the Terms and Conditions of the Central Bank's Operations.

3.5.5. Procedure in the event of termination of partnership with the MNB

When a customer's money market counterparty status under the Business Terms and Conditions of Central Bank Operation is terminated, this customer is entitled to access MNB transactions on the last day of its partnership. Changing the intraday credit line may be requested within the time limit specified in Annex 2. At this time the customer may request overnight credit either under the automated debit system or under special request. No additional changes in the credit line are allowed to be made, for it will be terminated (set to zero, or, if appropriate, a minimum balance requirement will be established) before the ICS notification is sent, and no intraday credit will be available the following day. The deadline for repayment of an overnight credit obtained on the last day of partnership is 12:00 hours on the next business day. If at this time the credit is not repaid (due to insufficient funds on the customer's bank account), enforcement of collateral is initiated.

3.6. Procedural rules for foreign exchange payment transactions

The MNB shall maintain foreign exchange accounts for resident organisations, international institutions, central banks and payment service providers specified in the relevant legislation. With the exception of the Treasury, the MNB shall not perform foreign exchange payment orders, and shall not carry foreign exchange accounts for direct participants.

The MNB shall perform the following foreign exchange account transactions for its customer to the credit or debit of bank accounts:

- a) customer foreign exchange payment orders by order or in favour of the Treasury, its treasury customers and other customers,
- b) accepts orders for issuing letters of credit on behalf of organisations belonging to Treasury on condition that the competent Treasury branch office gives evidence of sufficient funds and its authorisation to sign on behalf of the Treasury,
- c) correction of incorrect entries to bank accounts due to mistakes for which the MNB is liable.

In the absence of an agreement the MNB shall not execute foreign currency to forint or foreign currency to foreign currency conversions for the customer arising from payment orders or payment transactions. Accordingly, the MNB shall not execute any payment orders debited to payment accounts it maintains, if the currency of the payment order is other than the currency of the account. Consequently, the MNB shall refuse any payment transaction addressed to the customer if made out in a currency other than the currency in which the customer's bank account is denominated.

3.6.1. Payment transactions to the credit of the accounts managed by the MNB

In the absence of a notice of payment transaction made out to the customer, if the credit entry is recorded only in the statement of the MNB's bank account held abroad, the MNB shall not credit the sum of the transaction to the customer's bank account.

Based on a payment transaction made in favour of the customer, with a settlement date prior to the day of issue, the MNB shall perform payment only upon the Customer's express request. For interest-bearing bank accounts, interest shall be accounted in the amount charged by the correspondent bank of the MNB for the period between the original and the revised date of execution, in the case of conversion orders the MNB shall not make exchange rate adjustments (that is to say, the difference between the exchange rates between the two value dates).

Based on a notice of payment transaction made out to the customer, the MNB shall credit the account prior to the actual collection of funds provided as coverage. The MNB shall, unless funds are provided, restore the original situation (i.e. it debits the amount calculated at the exchange rate prevailing at the date of the crediting transaction and any interest on it to the beneficiary's bank account). If funds are received with a delay, payment operations are adjusted in accordance with the date when these funds are received.

3.6.2. Payment orders to the debit of accounts managed by the MNB

In the absence of the customers instructions thereof, the MNB shall be entitled to choose the method of performing and forwarding payment orders at its own discretion.

In connection with cross-border payment orders in euro addressed to EEA³ Member States the beneficiary's bank account number shall be indicated in the IBAN format along with the BIC of the destination account manager, and in the absence of either the MNB shall refuse the order.

In connection with any transfer order to be executed via a payment service provide established in an EEA Member State, in the currency of an EEA Member State, the MNB shall apply the 'shared' option for costs, specifically, it shall charge the fees and costs specified in the Notice to the customer. The MNB shall refuse any transfer order submitted by a customer if it does not contain the 'shared' option for costs.

Unless otherwise instructed by the customer, the MNB shall forward documents, drafts and other securities, bank notes and other valuables by insured mail at the cost and risk of the customer.

³ For the purposes of the provision under 3.6.2., the MNB considers Switzerland as an EEA member state.

The procedures of submitting and executing foreign exchange payment orders are specified in Annex 2 of the present Business Terms and Conditions. The MNB shall execute payment orders up to the amount of funds available on the bank account on the date of the payment order. If there are insufficient funds, the order remains in a queue until the end of day of submission. The MNB keeps suspended all payment orders in a queue at the end of the day, except for payment orders sent electronically, other than by way of the SWIFT network, which are refused at the end of the day. The MNB attempts to settle the payment again on the subsequent business day at the time defined in the Guide; if this fails, it returns the orders to the customer at the end of the day (unless the customer has withdrawn such in the meantime).

3.6.3. Documentary transactions

If the MNB is required to inspect documents relating to a transaction, it shall proceed as prescribed in the international agreements (standards) to which it is a party.

If in the documents received by the MNB there are discrepancies the assessment of which, according to international standards, falls within the competence of the bank charged with the inspection of documents in the first place, neither the opening bank nor any other bank inspecting the documents submitted under the letter of credit, nor the party who made the payment order shall be entitled to lodge a claim against the MNB on account of such discrepancies at its discretion.

Unless otherwise specified in documentary collection orders, the MNB shall apply the standards specified in the Uniform Rules for Collections, issued by the International Chamber of Commerce, as effective.

Unless otherwise provided for, in the course of banking activities related to letters of credit the MNB shall apply the standards specified in the latest version of the Uniform Customs and Practice for Documentary Credits, issued by the International Chamber of Commerce.

In its capacity as an opening bank, the MNB may not effect payment under reserve in respect of the documents submitted under the letter of credit, but shall either perform payment or refuse the documents. In the latter case the MNB may accept the documents, but shall perform disbursement only and exclusively upon explicit order from its principal.

3.7. Notifying the customer of bank account transactions

The MNB shall, on the reporting day, prepare an electronic statement of account of all the credit and debit entries booked on the account furnishing it with a time stamp and an electronic signature with enhanced security features under Act XXXV of 2001 on electronic signatures and send such statement via electronic channel set forth in Appendix 2 to the customer with effect from the date specified in Annexes 2 and 2/a. If, due to a technical error, neither an electronic signature nor a time stamp can be provided, the MNB shall send a certified paper-based bank statement to the customer by post and a non-certified copy of the bank statement electronically as set out in Appendix 2.

In the event there is a SWIFT data connection, the MNB shall provide its customers information on the credit and debit entries booked on their accounts by sending them a SWIFT MT 950 statement message and a SWIFT message in accordance with the prevailing standards.

Unlike the Civil Code Act 6:392(2), the MNB will not ascertain a yearly bank account balance statement and it does not send a credit balance, only through bank statements will the MNB notify the customer about balance changes.

3.8. Termination of the bank account agreement

Unless otherwise regulated in the agreement concluded between the Parties or stipulated in these Business Terms and Conditions, both the MNB and the customer shall be equally entitled to terminate the bank account agreement with a 60-day notice period by written notification to the other party.

The Business Terms and Conditions shall be applicable in the entire period from the effective date of termination until the complete closing of settlement.

In the event of termination, the Parties shall settle all accounts.

Following settlement of debits and credits between the MNB and the customer, the MNB shall pay the sum remaining that is due to the customer on the first working day after the period of notice expires.

3.9. Technical account for clearing

The MNB shall manage a technical account for clearing for the market infrastructure, at its request, for the purpose of the settlement by the MNB of the positions cleared in the payment or securities clearing systems related exclusively to the market infrastructure.

No payment order to credit or debit the technical account for clearing is allowed to be submitted.

B) VIBER BUSINESS CONDITIONS

4. SYSTEM DESCRIPTION, GOALS AND PRINCIPLES

VIBER is a real time gross settlement system for high-value forint payments managed by the MNB, where settlement and execution takes place in a single step by debiting the bank account of one direct VIBER participant and crediting that sum to the bank account of another direct VIBER participant; for both parties this means that the payment order has been finally and irrevocably settled.

In VIBER, MNB (1054, Budapest V. Szabadság tér 8-9) functions as the settlement agent, and the system operates under Hungarian law. VIBER functions as the payment system designated under the SFA.

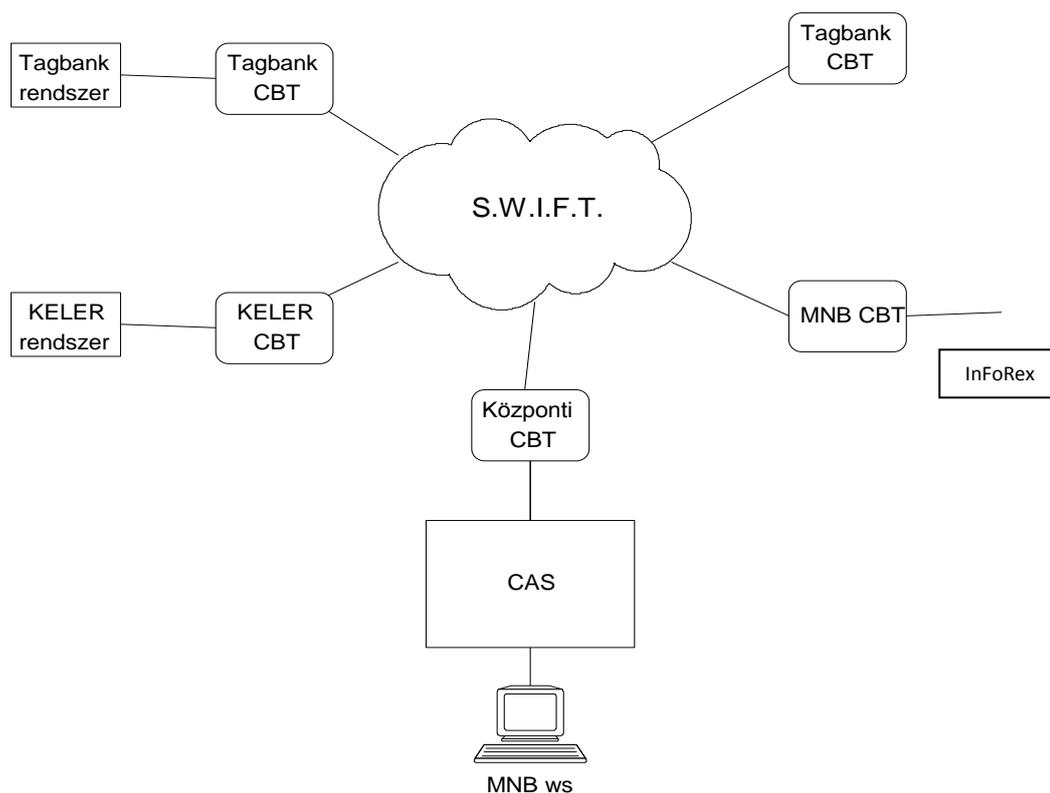
The VIBER members authorize the MNB as the system operator according to SFA Act 3(1)c) as a participant to perform the duties specified in the SFA, the MNB accepts its mandate.

The VIBER operates on the basis of the following relevant legislation and agreements:

- MNB Act;
- CFA;
- SFA;
- Payment Act;
- Decree 35/2009 (XII.28.) MNB on the material, technical, security and business continuity requirements related to the operation of the payment system;
- Decree 34/2009 (XII.28.) MNB on the requirements of the business regulations and other regulations of operators of the payment system;
- MNB Payment Decree;
- Interbank agreement for the execution of payment orders on behalf of customers in the Real Time Gross Settlement System (VIBER).

5. COMPONENTS OF SYSTEM ARCHITECTURE

- **SWIFT FIN-Copy** network: a communication system between system participants for settlement of the payment orders of members.
- **Member CBT** (Computer Based Terminal). The CBTs of VIBER participants serve as an interface via the SWIFT network between VIBER participants, through which they send VIBER messages to VIBER. Under a separate agreement, the VIBER monitor is optionally usable for monitoring and modifying payment orders.
- **CAS** (Central Accounting System): the central accounting system of VIBER.
- **Central CBT - CIM** (Central Interface Module): an interface between CAS and the SWIFT network.



Legend:

Tagbank rendszer	Participating bank network
Tagbank CBT	Participating bank CBT
KELER rendszer	KELER system
KELER CBT	KELER CBT
Központi CBT	Central CBT

6. VIBER SYSTEM PARTICIPANTS

1. The **MNB** operates VIBER and performs the tasks of the participant specified under Article 3(1)c) of the SFA, and, as a central bank, regulates and supervises the payment system. As regards VIBER, the MNB functions as the clearing house and settlement agent in one.
2. The **market infrastructure** shall, in order to financially settle orders for payments and securities transactions, use VIBER.
 - a. **KELER** operates the central securities clearing system and depositary, enabling DVP-based securities clearing and the blocking of securities serving as collateral for the intraday credit line.

- b. **GIRO** Zrt. operates the ICS, the multiple intraday clearing and night clearing of which are settled in VIBER.
3. The following may be **VIBER participants**:
 1. resident credit institutions and other payment service providers established in any EEA Member State;
 2. investment firms;
 3. market infrastructures;
 4. the MNB.

7. CONDITIONS FOR JOINING AND VIBER PARTICIPATION, ADMISSION

7.1. Technical conditions for direct VIBER participation:

- a) a **HUF bank account** must be kept at the MNB or a technical account for clearing;
- b) SWIFT membership with own BIC (Bank Identifier Code);⁴
- c) **membership** in the HUF **Closed User Group** formed by SWIFT for VIBER purposes;⁵
- d) successful **testing** to certify that the applicant has the technical means for sending and receiving VIBER messages (upon successful completion of the test, the MNB shall make out a Technical Certificate within 5 business days to the participant),
- e) Establishing a live RMA⁶ connection with the MNB VIBER central address (MANEHU2A, MANEHUHH, MANEHUHB)
- f) shall apply in writing for participation in VIBER and registration in the Routing table as a VIBER participant with the exception of market infrastructures.

7.2. Other conditions for direct VIBER participation:

Non-resident direct VIBER participants shall submit a written declaration made by the head of their legal department, in conformity with the terms of reference provided by the MNB as System Operator, stating that the requirements set out under Article 10ea) – ec) of the SFA are satisfied in full. Concerning the manner and content of confirming full compliance with the requirements set out under SFA Article 10 ed), the MNB shall, in accordance with the legislative intent, make the relevant decision on a case-by-case basis.

When an indirect VIBER participant becomes a direct one, the regulations governing new membership shall apply.

7.3. Conditions for indirect VIBER membership:

- a) written notice from the correspondent under Section 9.2 of the indirect VIBER member;
- b) Non-resident indirect VIBER participants shall submit a written declaration made by the head of their legal department, in conformity with the terms of reference provided by the MNB as System Operator, stating that the requirements set out under SFA Article 10ea) – ec) are satisfied in full. Concerning the manner

⁴ Existing BIC is used for VIBER purposes.

⁵ Application for membership in HUF Closed User Group must be submitted to SWIFT, and if SWIFT supports it, the MNB approves it.

⁶ *Relationship Management Application*: Bilateral electronic authorization between Parties to transfer authenticated messages

and content of confirming full compliance with the requirements set out under SFA Article 10 ed), the MNB shall, in accordance with the legislative intent, make the relevant decision on a case-by-case basis.

7.4 Other rules related to VIBER participation

1. VIBER membership is either direct or indirect. An indirect VIBER member (respondent) may only participate via a direct VIBER member (correspondent). If a market infrastructure also participates as a direct VIBER member, it must meet the conditions set forth in Sections 7.1 and 7.2.
2. The MNB shall approve or reject the application for participation within 10 working days following the confirmation of the fulfilment of the conditions. The MNB may, if the above conditions are fully met, reject the application only if, in its opinion, the admission of the candidate to VIBER pose such extra risks that jeopardise the reliable and efficient operation of the payment system. The MNB shall notify the applicant of its decision without delay. The applicant may lodge a written complaint against the rejection within 10 calendar days.
3. The MNB shall have the right to conduct on-site inspection so as to verify compliance with the conditions for joining, and for participation, at any time, of which the participant must be informed in advance.

8. TERMINATION, CANCELLATION AND SUSPENSION OF VIBER PARTICIPANT STATUS

1. Termination of VIBER membership

1.1 Direct VIBER participant status shall terminate:

- a) upon the VIBER participant's dissolution without succession;
- b) if the technical conditions referred to in point 7.1.a)-d) are no longer satisfied;
- c) upon cancellation;
- d) upon an indirect VIBER participant becoming a direct one.

In the cases mentioned under points a)–b), VIBER participant status shall terminate at the end of the business day, when the MNB learns about the grounds for termination.

1.2 Indirect VIBER membership shall terminate:

- a) indirect VIBER member's termination without a successor,
- b) by termination
- c) indirect VIBER member becomes a direct VIBER member.
In the cases mentioned under points b) and c) the indirect VIBER membership through the correspondent's notification will be terminated on the last business day of the following month.

2. Cancellation of direct VIBER participant status:

- VIBER participants may cancel their participant status in writing, with a 3-week notice, effective as of the last business day of the following month. VIBER participant status shall terminate, if cancelled by the VIBER participant, only if the participant has satisfied all its obligations existing with other system participants.
- The MNB may terminate a VIBER participant status in writing, with a 3-week notice, effective as of the last business day of the following month, if the participant in question fails to comply with the obligations set out in Business Terms and Conditions and its annexes upon being requested to do so in writing, or if maintaining VIBER participant status is likely to entail risks that would jeopardise the reliable and safe functioning of the payment system,

- or if the VIBER participant is undergoing an insolvency proceeding, or if its business licence terminates, the MNB may terminate VIBER membership in writing with a 2 weeks' notice.

The MNB shall register the termination of VIBER participant status in the Routing table.

3. VIBER participant status cannot be suspended.

9. TYPES OF CONNECTION TO VIBER

1. Direct VIBER participants:

Customers that send and receive payment and settlement orders using their own CBT.

2. Indirect VIBER participants:

Correspondent clients of direct VIBER participants. Direct VIBER participants and their correspondent clients settle payments between themselves using traditional methods. Payment transactions between indirect VIBER participants and direct VIBER participants (other than their correspondents) are settled through the bank account of the correspondent managed by the MNB.

10. ACCOUNT MANAGEMENT AT THE CENTRAL BANK

10.1. Account management systems

a. Customer sub-ledger management system

The MNB's customer account management system keeps the bank accounts, technical accounts for clearing, foreign exchange bank accounts, loan accounts, deposit accounts and other accounts for direct VIBER participants and other customers. During a specific period of the business day,⁷ it manages the positions of direct VIBER participants, completes the end-of-day closing, with this closing balance also currently also functioning as mandatory reserves.

b. Settlement in CAS

During VIBER operating hours, CAS takes over the management of the HUF bank accounts and settlement accounts of technical nature of direct VIBER participants from the MNB's customer accounting system (i.e. no items may be booked on the HUF accounts in the MNB's system); the HUF accounts of other customers are managed in the customer sub-ledger system during these hours of operation as well. If, in addition to the payment or HUF account, a payment order relates to another account as well, e.g. loan, deposit, repo, etc., the item is also automatically booked in the CAS account in VIBER and the account in the customer account management system (credit, deposit, repo account, etc.).

10.2. Account management in CAS

Each direct VIBER participant has one bank account in CAS. CAS maintains a database of the data on all its VIBER participants. The system contains the individual code (BIC: Bank Identifier Code), bank account number and name of each participant. The payment order submitted via SWIFT by VIBER participant settles in VIBER in case of 'HUF' FIN Copy Service Code in Field 103 of the message.

⁷ See Annex 2 to the Business Terms and Conditions (Guide to the procedures of submitting and executing payment and settlement orders affecting the bank accounts).

11. THE PERIMETER OF VIBER, SCOPE AND RESPONSIBILITIES AND RIGHTS AND TECHNICAL OBLIGATIONS OF PARTICIPANTS

The technical perimeter of VIBER constitutes the SWIFT endpoint of the MNB, consequently, the SWIFT network, the SWIFT endpoints of participants and related internal banking systems, as well as the connection between the participant's system and its correspondent partners and customers do not constitute parts of VIBER.

11.1. Responsibilities of direct VIBER participants excluding the market infrastructure

11.1.1. Responsibilities of direct VIBER participants excluding the market infrastructure

- a) providing for SWIFT RMA (Relationship Management Application) and authorisation (Authorisation to send & Authorisation to receive) between the MNB MANEHU2A BIC and the VIBER participant for the purpose of conveying MT298 messages,
- b) notifies the start/end of indirect VIBER membership,
- c) when sending:
 - accepting a payment order from their own customers,
 - sending the payment order into the SWIFT system (both customer and bank-to-bank payments),
 - sending the payment order to SAP (SWIFT Access Point),
 - securing sufficient funds for the execution of payment orders,
 - notify the MNB immediately regarding any technical or liquidity problems,
- d) when receiving:
 - ensures the receiving of transaction orders from the SWIFT system without any delay,
 - ensures the beneficiary of the payment transaction is the payee institution, or its client,
 - returns erroneous payment transaction received on the current day whenever possible (taking into account the deadline stated in the agreement between credit institutions),
 - for customer payments, credits the amount of the payment transaction received on the payee's bank account without delay in accordance with MNB regulations and agreement between credit institutions,
 - notifies the customer of the crediting based on the agreement between the receiving institution and its client,
 - in the event of extension of business hours, accepts payment transactions for settlement on the same day;
- e) notifies the MNB of all events and changes in due time, that may have an impact on his own operations and on those of the VIBER; notifies the MNB without delay if the number of the payment orders sent to VIBER daily is expected to increase by 1000 per day relative to the highest daily number a year earlier,
- f) notifies the MNB and acts in accordance with the instruction of the MNB if, in the event that sending for the purpose of ICS multiple intraday clearing fails, it intends to submit payment orders to the VIBER,
- g) communicates the name, title, phone number and email address of the VIBER contact persons and deputy contact persons, and any subsequent changes therein, on the data disclosure form a model of which is contained in Annex 8 to the MNB (Account Services Department) immediately after learning thereof by mail, encrypted fax or through GIROHáló GIROFile,

- h) terminat, without delay, its activity as a correspondent for the respondent indirect VIBER participant while notifying the MNB of such termination if the respondent VIBER member goes out of business without legal succession,
- i) refrain from the submission of payment orders to credit a technical account for clearing,
- j) informs in writing the MNB of the name, headquarters, business registration and VAT number, as well as the contact of the person authorised to receive notice of initiation of insolvency proceedings along with him and his deputies' name, title, organization, mailing and e-mail address, telephone and fax number,
- k) informs the MNB within 5 days of any changes that have occurred to the information mentioned in the previous paragraph j)),
- l) presents within 5 days of the MNB's request, any supporting documentation regarding the information mentioned in the two previous paragraphs.

11.1.2. Responsibilities of indirect VIBER participants excluding the market infrastructure

- a) access to all functions of the VIBER (initiation and modification of payment orders, using of the central queue management and gridlock resolution, the VIBER monitor, etc.),
- b) provides correspondent banking services to indirect VIBER participant,
- c) requests extension of business hours according to the rules laid down in the Business Terms and Conditions,
- d) lodges complaints in connection with non-satisfactory services,
- e) makes comments within the prescribed time limit relating to any proposed amendment of the Business Terms and Conditions.

11.2. SWIFT responsibilities

- a) Sending VIBER messages from the sending VIBER participant's SAP to the receiving VIBER participant's SAP,
- b) encryption and validation of the SWIFT message.
- c) archiving of the message for 4 months.
- d) sending a 'copy' of a specific part of the payment and settlement orders to MNB SWIFT CBT.
- e) Sending responses regarding settlements/non-settlements to the addressees.

11.3. Rights and Responsibilities of the MNB

11.3.1. Responsibilities of the MNB

- a) Ensures that the VIBER is open, capable of receiving messages and operates properly during the operating hours published;
- b) receiving payment and settlement orders, queries and instructions from MNB SWIFT CBT, and returning reply messages to central CBT after settlement (to be sent automatically to VIBER participants by SWIFT),
- c) notifies direct VIBER members of any extension of VIBER hours of operation,
- d) ensures that information from CAS (statements) are sent to VIBER participants,
- e) endeavouring to ensure that the VIBER operates 99.7% of the business hours published and is at the service of the participants,
- f) increases the capacity of the VIBER in accordance with the increase in transaction volumes and numbers indicated by VIBER participants;

- g) publishes on the MNB's website its annual clearing schedule listing VIBER business days for the year, at least 20 working days prior to the first day of the year, shall be identified on the basis of the legislation governing work on working days immediately before and after non-working days,
- h) maintaining of a VIBER contact list drawn up in order to improve coordination between VIBER direct participants, and making such list available at the MNB's website, and in the event that any change to data occurs, the sending of such changes to those shown in the VIBER contact list through VIBER channel of GIROHáló GIROFile or by e-mail,
- i) According to SFA Act 3(1)c) the MNB as a system operator
 - a. the MNB is responsible to keep a written contact with the Court and the Authorities empowered to act
 - registration to receive notice, with the competent insolvency Court as well as with the Authorities empowered to act in accordance with SFA Act 5 (1) on insolvency proceedings, during which to give the information of the person authorised with necessary powers and jurisdiction to receive such notification along with him and his deputies, name, title, contact information (department, mailing and e-mail address, telephone and fax number),
 - to notify the competent Court and the Authorities empowered to act of the direct and indirect VIBER members' name, headquarters, business registration and tax number and contact details mentioned in the preceding paragraph
 - to inform the competent Court and the Authorities empowered to act of any changes of the previously mentioned information regarding the direct and indirect VIBER members within 15 days;
 - b. required to keep and preserve, for five years, records from which can clearly establish at a later time the content and the date of receipt of the notification of the initiation of insolvency of the competent Court and the Authorities empowered to act.

11.3.2. Rights of the MNB

- a) amendment of VIBER functions, upon consulting with the participants,
- b) amendment of the Business Terms and Conditions in a manner that participants are invited to make comments,
- c) to establish and charge a service fee,
- d) to order the extension of VIBER hours of operation;
- e) where a VIBER participant resident credit institution is undergoing insolvency proceedings, the MNB, after receipt of the notification thereof and in accordance with these Business Terms and Conditions, shall not comply with the request made by the VIBER participant resident credit institution to change the limit and shall stop accepting payment and settlement orders from such VIBER participant, as well as during insolvency proceedings, in favor of the direct participants in the case of prohibition of settlement and implementation of submitted payment orders, will not fulfil these orders,
- f) in the event of a VIBER participant's failure to comply with the requirements set out in Business Terms and Conditions and its annexes upon being requested to do so in writing, MNB shall be entitled to terminate its VIBER participant status under Chapter 8.2.
- g) According to the SFA Act 3(1)c) the MNB is a system operator and as such is entitled to perform requests for data and information, record such and, if deemed necessary, request supporting documents regarding direct and indirect VIBER members referred to above under Section 11.3.1.i) in accordance with the SFA.

11.4. Rights and Responsibilities of KELER as a clearing house

11.4.1. Responsibilities of KELER as a clearing house

- a) in order to be able to send MT298 messages, ensuring the availability of SWIFT RMA (Relationship Management Application) authorisation (Authorisation to send & Authorisation to receive) between the MNB MANEHU2A BIC code and KELER.,
- b) delivering payment orders to SAP (SWIFT Access Point),
- c) submit payment orders through VIBER for the financial settlement of DVP securities transactions,
- d) ensuring the acceptance of an incoming item from SWIFT without delay,
- e) checking whether or not an amount received by it is not the result of an erroneous transfer,
- f) managing the securities portfolio pledged in collateral for central bank loans, and blocked on behalf of the MNB, and notify the MNB of any changes in the portfolio,
- g) at the end of the day, reporting to the MNB on the securities portfolios of partners blocked in security for intraday credit line, broken down by securities,
- h) proceeding as instructed by the MNB in connection with enforcement of collateral,
- i) notify the MNB without delay of all events that may have an impact on the operation of the VIBER,
- j) at the request of the MNB, extend the business hours available for modification of limit,
- k) refraining from debiting the technical account for clearing of another market infrastructure,
- l) communicating the name, title, phone number and e-mail address of VIBER contact persons and their substitutes and any subsequent changes therein, on the data disclosure form a model of which is contained in Annex 8 to the MNB (Account Services Department) immediately after learning thereof by mail, encrypted fax or through GIROHáló GIROFile,
- m) to inform the MNB regarding the name, headquarters, business registration and VAT number, as well as the contact information of the person authorised with necessary powers and jurisdiction to receive notice of the initiation of insolvency proceedings along with him and his deputies name, title, contact information, department, mailing and e-mail address, telephone and fax number,
- n) informs MNB within 5 days of any changes that have occurred to the information mentioned in the previous paragraph m),
- o) presents within 5 days of the MNB's request, any supporting documentation regarding the information mentioned in the two previous paragraphs.

11.4.2. Rights of KELER as a clearing house:

- a) submit payment orders in the amount of DVP transactions, payable from the account of a VIBER participant according to KELER General Business Rules,
- b) as a clearing house it may request extension of business hours on account of any extension of credit institution repo business hours,
- c) has the right to use all functions of the VIBER (initiation and modification of payment orders, using of the central queue management and gridlock resolution, the VIBER monitor, etc.),
- d) lodge complaints in connection with non-satisfactory services,

- e) make comments within the prescribed time limit relating to any proposed amendment of the Business Terms and Conditions.

11.5. Rights and Responsibilities of GIRO Zrt.

11.5.1. Responsibilities of GIRO Zrt.

- a) in order to be able to send MT298 messages, ensuring the availability of SWIFT RMA (Relationship Management Application) authorisation (Authorisation to send & Authorisation to receive) between the MNB MANEHU2A BIC code and GIRO Zrt.,
- b) within the framework of multiple intraday clearing, in order to fulfil its payment obligations as a clearing system member determined in each settlement cycle under the ICS Business Regulations (contribution) and in order to settle crediting transactions, submitting an order to the VIBER,
- c) delivering settlement orders to SAP (SWIFT Access Point),
- d) ensuring the acceptance of an incoming item from SWIFT without delay,
- e) checking whether or not an amount received by it is not the result of an erroneous transfer,
- f) notifying the MNB if on the last business day of the reserve period, in the last cycle of the ICS multiple intraday clearing, any ICS member cannot draw down the contribution by the prescribed deadline,
- g) notifying the MNB in a timely manner of any event and change that may affect its own operation and the operation of the VIBER,
- h) communicating the name, title, phone number and e-mail address of RTGS contact persons and their substitutes and any subsequent changes therein, on the data disclosure form a model of which is contained in Annex 8 to the MNB (Account Services Department) immediately after learning thereof by mail, encrypted fax or through GIROHáló GIROFile,
- i) to inform the MNB regarding the name, headquarters, business registration and VAT number, as well as the contact information of the person authorised with necessary powers and jurisdiction to receive notice of the initiation of insolvency proceedings along with him and his deputies name, title, contact information, department, mailing and e-mail address, telephone and fax number,
- j) informs the MNB within 5 days of any changes that have occurred to the information mentioned in the previous paragraph i),
- k) presents within 5 days of the MNB's request, any supporting documentation regarding the information mentioned in the two previous paragraphs.

11.5.2. Rights of GIRO Zrt.:

- a) request extension of business hours according to the rules laid down in the Business Terms and Conditions,
- b) has the right to use all functions of the VIBER (initiation and modification of payment orders, using of the central queue management and gridlock resolution, the VIBER monitor, etc.),
- c) lodge complaints in connection with non-satisfactory services,
- d) make comments within the prescribed time limit relating to any proposed amendment of the Business Terms and Conditions.

11.6. Technical limits of responsibilities

- a) Responsibilities of direct VIBER participants:
 - preparing VIBER messages according to standards and dispatching them to VIBER via the SWIFT network,

- providing services according to VIBER regulations to the indirect participants for which it provides connection,
 - receiving VIBER messages from SWIFT and processing them in its own system;
- b) responsibilities of SWIFT:
- transmitting VIBER messages and statements between the VIBER participant SWIFT interface and the MNB SWIFT interface;
- c) responsibilities of the MNB:
- receiving the VIBER participants' payment and settlement orders in a total number of not more than 20 000 per day and processing them as they arrive,
 - acceptance and processing of queries and instructions from VIBER members,
 - generating replies and transmitting them to the SWIFT interface;
- d) responsibilities of KELER:
- preparing DVP settlement orders according to standards and dispatching them to VIBER via the SWIFT network,
 - receiving VIBER messages from SWIFT and processing them in its own system,
 - managing collateral for the intraday credit line and automatically notifying the MNB of any changes therein;
- e) responsibilities of GIRO Zrt.:
- preparation of standardised orders for settlement orders submitted in the course of multiple intraday clearing and the sending of such standardised orders to the VIBER via the SWIFT network,
 - receiving of VIBER messages submitted in the course of multiple intraday clearing and their processing in its own systems.

11.7. Types of evidence mutually recognised by system participants

System participants shall recognise in connection with VIBER operations the orders, notices, excerpts, letters executed by the authorised signatories, email messages transmitted through the SWIFT network and other communication channels listed in Annex 4/a (GIROHáló GIROFile, on paper, encrypted fax), as well as data recorded in the MNB systems for the eventuality of any dispute arising out of or in connection with clearing and settlement transactions.

12. RULES GOVERNING GENERAL LIABILITY

This section shall complement the rules governing general liability specified in Section 2.5.

The MNB shall not assume liability for any operational error of the VIBER if settlement occurs during the operating hours of the system on the day at issues.

If, due to the violation of the reporting and co-operation obligations set forth in Section 11.1 e-f) by a direct VIBER participant, VIBER malfunction occurs, the direct VIBER participant shall reimburse the damages paid by the MNB to the injured party under the Business Terms and Regulations to the MNB.

13. LIQUIDITY MANAGEMENT ISSUES IN CONNECTION WITH THE DIRECT VIBER PARTICIPANTS

13.1. Concept of liquidity

Liquidity of direct VIBER participants consists of two parts:

- positive balance available on the bank accounts of VIBER participants, furthermore
- the limit (intraday credit line) of customers eligible for pledging collateral.

13.2. Limit definition

Of the portfolio deposited at KELER with the MNB as beneficiary, those securities can be used as collateral for the intraday credit line of which have not been used by the VIBER participant eligible for pledging collateral for covering collateralised credits.⁸ There is no upper limit for the limit (apart from the liquid securities portfolio of resident credit institutions). The credit line is calculated in accordance with the provisions of the collateral management system published by the MNB.⁹ The use of credit line is free of charge during the day. During the business day (during the specific period of VIBER operational period defined in Annex 2), the limit amount may be freely changed by changing the volume of securities pledged at KELER.

The MNB has an infinite limit.

13.3. Modification of the intraday limit

Customers eligible for pledging collateral may request to have their intraday limit changed during VIBER business hours, in accordance with the following rules:

Pledging of collateral:

- The Customer eligible for pledging collateral indicates to KELER that it intends to pledge collateral: it submits an order through the KID system to pledge securities for the limit with designation of the securities to be blocked.
- Following verification of securities cover, KELER pledges the designated securities on the securities account of the customer and sends an MT298–SMT600 SWIFT message to the MNB indicating the increase in pledged securities at the face value shown in the currency of the securities.
- The MNB shall define the acceptance value of the pledged securities and increases the limit of the Customer eligible for pledging collateral. The MNB shall notify the customer of the increase by means of a SWIFT MT581 message, indicating the changes in the limit and the new value of intraday credit line, and sends confirmation to KELER with an MT298-SMT600 message.
- KELER notifies the customer regarding the blocking of the securities.

Unblocking of collateral:

- Customers eligible for pledging collateral also can request a limit decrease at KELER, using the KID system, designating the securities to be released.
- KELER sends an MT298-SMT600 SWIFT message to the MNB, indicating the request for a decrease based on the face value of the blocked securities shown in the currency of the securities, but does not release the securities.

⁸ Banks may not only deposit securities for limit generation, but for other purposes as well (longer-term collateralised credits).

⁹ Annex 1

- If the acceptance value of the securities remaining after the reduction of collateral exceeds the VIBER participant's debts originating from the collateralised credit, the MNB shall decrease the limit as requested.
- If the reduction of the limit is approved, the MNB notifies KELER in an MT298-SMT600 message that the securities can be released. If the decrease cannot be performed in full or in part, the MNB refuses the request for the decrease and notifies KELER accordingly. The MNB shall notify the customer of the reduction by means of a SWIFT MT581 message, indicating the changes in the limit and the new value of intraday credit line. If the MNB refuses the request for the decrease of the limit, the customer shall not receive an MT581 message.
- KELER notifies the customer that securities have been released, or that the request for release has been rejected.

Due to system limitations, during VIBER operating hours credit limit changes can only be undertaken hourly by the MNB or for direct participants at a maximum of 12 credit process messages. The bank can amend this maximum limit in the positive direction (process a higher number of transactions) but cannot be held responsible to fulfil them.

13.4. Extraordinary revaluation

If the price of securities acceptable as collateral falls significantly, there may be a need for an extraordinary (intraday) revaluation of the securities portfolio. The MNB suspends processing of orders to pledge and release collateral received from KELER and intraday credits until the conditions of acceptance have been modified. Because of extraordinary revaluation, the MNB suspends VIBER for the revaluation period and, for the purpose of collateral calculation, it also takes into account the actual intraday credit portfolio (including any funds that are available on the account at the time). The MNB shall notify the VIBER participant concerning extraordinary revaluation by means of a SWIFT MT581 message, indicating the changes in the limit and the new value of intraday credit line, if the intraday credit line of the VIBER participant has changed. Extraordinary revaluation may result in positive limits. The MNB shall allow ample time between the extraordinary revaluation and end-of-day closing to have the positive limit terminated, and the operating hours will be extended if deemed necessary.

A positive limit can be eliminated by blocking additional collateral. Until this is done, the MNB requires there to be a positive balance on the bank account (minimum balance), up to the positive limit, thus providing collateral. If the customer has more liquidity than the minimum balance, the payment orders can be executed from any available account balance above the minimum balance.

14. RISKS COVERED BY THE SYSTEM PARTICIPANTS

- a) '*liquidity risk*' means when a business partner of a participant – that is also a participant or whose bank account is maintained by another participant – fails to satisfy its payment obligation in full at the time when due. It does not necessarily mean that the business partner or the other participant is insolvent, for it may be able to pay the sum owed at a later time.
- b) '*operational risk*' means when unexpected losses occur due to inadequate or faulty operation of the computer systems or internal processes, due to human error or to mistakes on the part of management, the heads and members of the supervisory board or executive officers;
- c) '*legal risk*' means any event where the relevant law enforcement bodies interpret the law in ways contradicting with the rules laid down in the Business terms and conditions that cannot be foreseen by the cooperating parties, hence rendering the provisions of the Business terms and conditions inapplicable;
- d) '*system risk*' means when a cooperating parties is unable to satisfy its obligations in the VIBER or is unable to carry out its responsibilities in due time, and thereby triggering a series of events to deprive other cooperating parties of the ability to satisfy their obligations. If this process results in a liquidity crisis that has the capacity to jeopardise financial stability, it constitutes a system risk.

Given that in VIBER payment and settlement orders are executed gross, i.e. when the funds necessary are in fact available, the 'risk of default' that is typical of net settlement (where payment orders accepted by the system during the day cannot be executed due to insufficient funds) does not exist. On the other hand, there exists a liquidity risk (temporary, intraday liquidity shortage) and system risk (liquidity crisis), for which the VIBER features the following management functions:

- VIBER participants are given the option to request an intraday credit line (on a voluntary basis, subject to special rules in terms of eligibility);
- PVP payment orders;
- VIBER features central queue management and an algorithm for abolishing gridlock;
- VIBER manages 99 priorities, available to participants in a prearranged scheme;
- VIBER participants are given real time notice upon the completion of their payment and settlement orders, regarding the opening of a queue and on any event of import in the VIBER;
- queries can be made with a SWIFT message, and the VIBER monitor is also available for better liquidity management.

The MNB functions as a management agent in providing services to KELER and GIRO Zrt. as market infrastructures. Settlement of DVP securities transactions on the securities side may be hindered by the liquidity shortage of the VIBER participant affected (that is handled as explained above), as well as any operational error.

VIBER members' orders submitted for intraday multiple clearing shall not be executed during ICS multiple intraday clearing sessions if the necessary funds are not available. Lack of funds on the part of an VIBER participant may, through failure to execute the orders sent by it, hinder the execution of the payee (beneficiary) VIBER member's orders as well (because, as a result, the beneficiary VIBER is facing lack of funds as well). (This risk is presented in detail in the ICS Business Regulations)

The operational risks that may arise in VIBER, and the related procedures are made available in Annex 4/a of the Business Terms and Conditions.

15. PAYMENT ORDERS MANAGED BY THE VIBER

15.1. Types of VIBER orders

A) Payment orders

- Payments initiated by customers of direct and indirect VIBER participants (customer payments),
- Inter-bank items of VIBER participants (bank-to-bank items),
- Account transfers of the central bank, using the CAS workstation (central bank transactions).

B) Settlement orders

Settlement orders submitted by the market infrastructure

15.2. Payments between VIBER participants

15.2.1. Customer payments and bank-to-bank payments

VIBER participants initiate their payments for the beneficiary to be credited using MT102, MT103, MT103+, MT202 and MT202COV (as well as optionally MT205) SWIFT messages.

Bank-to-bank items are payments ordered by direct or indirect VIBER participants with MT202 messages, when the beneficiaries are direct or indirect VIBER participants as well.

A payment order is considered a customer payment if it is initiated with an MT103 message.

MT102/103 and MT202/205 messages received by VIBER participants can only be considered settled in VIBER if the 'HUF' code word (and the subsequent numbers) is contained in the appropriate field of the message. (Payment will only be shown on the VIBER account statement as a settled payment in such cases.) Payments cannot be rejected through VIBER; the receiving VIBER participant shall return erroneously sent/received items as new items, and the two VIBER participants shall settle the applicable cost between themselves.

For VIBER participant credit institutions established in Hungary or abroad the head office, for the Hungarian branch of credit institutions registered abroad the branch shall receive customer payments, and branches shall be prepared for sending and receiving customer transactions in accordance with the information contained in the Routing table.

After business hours MT103 payment orders will not be accepted, however, queued items will remain in the VIBER – waiting for funds – and are performed prior to VIBER closing if funds are available.

15.2.2. PVP-based customer and inter-bank payment orders

PVP MT103 and MT202 payment orders submitted by two direct VIBER participants with the same identification code and made out according to Appendix 1 shall be executed in VIBER concurrently, if the fund for covering the net payment requirement for the matched items is available on the payer's bank account.

Upon receipt of a PVP-based payment order, when the VIBER locates another PVP-based order that has the same identification code and a PVP code word, the two orders are matched, and executed if there are sufficient funds available. In the absence of any instruction from the other side, or if there are insufficient funds, the order be pending, i.e. waiting for settlement.

Two PVP orders can be matched if:

- both of them has the PVP code word,
- both payment transactions are carried out between the same two direct VIBER participants in opposite directions,
- they have the same identification code,
- they have the same value date.

The two orders may be submitted in different forms of messages.

The PVP orders that cannot be matched and those paired up PVP orders that cannot be executed due to insufficient funding shall be rejected by the system automatically, when VIBER closes.

The direct VIBER participant having submitted the order may request to have the order cancelled by sending a MT298 SMT200 SWIFT message during VIBER business hours.

15.3. Orders submitted by the market infrastructure

Settlement orders submitted by the market infrastructure shall be for the settlement of

- DVP-based securities transactions and
- ICS multiple intraday settlement.

15.3.1. DVP-based securities transactions

KELER performs the settlement of DVP-based securities transactions by credit institutions who are direct VIBER participants in securities, whereas the cash leg is executed in VIBER. In respect of DVP-based securities transactions,

the customer shall exercise control over the bank account indirectly, through KELER, as according to its business rules KELER is entitled to submit payment orders – which affect the bank accounts of direct VIBER participants – directly for settlement of the cash leg of securities transactions.

DVP transactions are settled in real time, item by item; in case of insufficient funds the transaction is queued (both on the securities and cash sides). In the process of settlement of transaction, KELER first checks the securities available within its own system, which – if successful – is followed by financial settlement. If either or both parties to the transaction are VIBER participants, KELER submits an MT298-SMT100 settlement order to VIBER for the purpose of financial settlement of the transaction. When the transaction is executed KELER receives an MT298-SMT703 message, on the basis of which it records the transaction on the securities accounts affected. VIBER participants are notified when their account is debited by way of an MT900 message, and by an MT910 message on credit. The settlement order may be withdrawn by KELER only, by means of an MT298-SMT200 message. KELER, and the bank account holders to be debited and credited are notified by way of an MT298-SMT701 message concerning the items withdrawn or rejected or cancelled items queued at the end of the day. KELER is connected to its customers by way of its own KID¹⁰ terminals.

DVP-based securities transactions:

- guaranteed BSE (Budapest Stock Exchange) transactions (multi-net settlement, derivatives)
- non-guaranteed securities deals concluded in BSE (fixed-price, auctions and free-market transactions)
- non-guaranteed securities deals concluded outside of BSE (OTC deals, primary market transactions, repos)

15.3.2. ICS multiple intraday clearing

GIRO Zrt. clears the payment orders submitted by direct ICS participants (ICS members) for intraday multiple clearing at an ICS session. GIRO Zrt. shall – on the basis of the authorisation granted to it in the contract for clearing that it has entered into, and in order to execute intraday multiple clearing – be entitled – without any further consent from the ICS member – to submit – from the ICS member’s bank account managed by the MNB and in order to secure the funds covering the ICS member’s payment orders submitted within the framework of intraday multiple clearing on GIRO Zrt.’s technical account for clearing – an MT298-SMT100 message with an amount of funds determined on the basis of the ICS member’s specifications of the funds. Concurrently with such amount being debited to the ICS member’s bank account managed by the MNB, the technical account for clearing managed by the MNB for GIRO Zrt. for the purpose of the settlement of intraday multiple clearing shall be credited. The MNB shall not be liable for GIRO Zrt.’s using the MT298-SMT100 message in a manner other than what is stipulated in the ICS Business Regulations. The MNB shall notify GIRO Zrt. and the ICS member of making funds available by sending MT910 and MT298-SMT703 messages to the former and an MT900 message to the latter.

If the funds in an amount specified in GIRO Zrt.’s MT298-SMT100 message are not available on the ICS member’s bank account managed by the MNB by the deadline set in the ICS Business Regulations, GIRO Zrt. shall, by sending an MT298-SMT200, cancel its MT298-SMT100 message. GIRO Zrt. and the ICS participant shall be sent an MT298-SMT701 message informing them of the cancellation of the MT298-SMT100 message.

Following the clearing of the session under the ICS Business Regulations, GIRO Zrt. shall, in order to be able to credit the closing balance of the session to the bank accounts of ICS members kept with the MNB, submit an MT298-SMT100 message to the VIBER to the debit of its technical account for clearing. Based on intraday multiple clearing, an MT910 message notifies ICS participants of the crediting transaction carried out on their bank accounts kept with the MNB; GIRO Zrt. shall be sent MT900 and MT298-SMT703 messages informing it of the debiting of the technical account for clearing.

¹⁰ KELER Interface Device.

15.4. Transfers between central bank accounts in CAS

The MNB make transfers between two VIBER accounts that it manages manually through the workstation. This means a debit and credit between two direct VIBER participants, or between the MNB and a direct VIBER participant, initiated by the MNB. Following successful transfer between accounts, CAS automatically notifies the debited (MT900) and credited (MT910) VIBER participant. The MNB uses transfers between central bank accounts for making payments from II. IBI matrix and bankcard settlements, correcting central bank errors, settlement of cash payments and deposits, placing deposits, and for transferring balance differences at the beginning of the day.

15.4.1. Settlement of ICS II. IBI matrix

If payment orders of a VIBER participant cannot be settled during the ICS night clearing due to lack of funds or late sending, the queuing batches of the ICS night clearing can be settled (hereinafter: morning processing). Any intention to request morning processing shall be sent to the MNB by filling out Annex 11 by the deadline specified in Annex 2. The MNB shall submit a transfer operation to the debit of the VIBER participant's account with high priority in order to separate the necessary funds, for which the VIBER participant shall provide sufficient funds.

The account transfer initiated by the MNB in VIBER is in the queue until the funds are provided. If the VIBER participant is unable to provide funds for the morning processing by the time specified in Annex 2 either, the MNB shall delete the order for transfer between accounts for blocking the collateral.

When the II. IBI matrix is received, the MNB credits the VIBER participant(s) in a credit position debiting its own account.

GIRO Zrt. notifies ICS members on the list of sent and received and settled items in accordance with the Business Terms and Conditions.

15.4.2. Bankcard settlements

Clearing positions for bankcard settlement are received at the MNB during VIBER operating hours. They are processed manually, with account transfers between accounts: the MNB debits the bank account of VIBER participants in a debit position, collecting the amount on its own account, and then, provided that all debits have been successfully completed, credits the bank account of VIBER participant with a credit position debiting its own account by the time specified in Annex 2 and Annex 2/a.

If the bank account is unfunded, the MNB account transfer order remains in the queue with a high priority. The VIBER participant cannot withdraw such transaction orders nor change their priority. If any transaction order arising from bankcard settlement is still in the queue at VIBER closing, the VIBER shall not reject them: before closing, the MNB shall make an overnight credit collateralised with securities blocked for the MNB to cover settlement. In these cases the closing time of VIBER shall be extended by the time necessary for granting the credit, but sending in other payment orders shall not be allowed.

The MNB shall forward all correspondence related to failure to comply with the obligation to provide bank card collateral (security deposit) via the 'viber' channel of the GIROHáló GIROFile service.

15.4.3. Cash deposits and withdrawals at the MNB cash desk

VIBER participants can make cash deposits and withdrawals at the MNB cash desks according to the Business Terms and Conditions for Large Cash Transactions. Withdrawals are preceded by a check of funds. If amount available is sufficient, the debit entry is made and the cash is disbursed. If there are insufficient funds, the payment order is rejected.

15.4.4. Placing deposits during VIBER operating hours

Settlement of deposits processed during operating hours is arisen in the VIBER with account transfer.

15.4.5. Redemption of securities of the MNB's own issue upon maturity

On the day of maturity of the securities of the MNB's own issue, at the time of opening of VIBER MNB shall credit – upon receipt of advance notice form KELER – the bank account of the beneficiary resident credit institution (or the correspondent with a VIBER bank account if the securities holder is not a VIBER participant), by way of transfer between accounts.

15.4.6. Transfers due to bank errors

Any error made by the MNB will be corrected during VIBER business hours, by way of transfer between accounts.

15.4.7. Official transfer orders and remittance summons

Funds for official transfer orders and remittance summons received during VIBER business hours are blocked in VIBER with account transfer. The bank account holder is notified regarding the debit in an MT900 message.

15.4.8. Prepayment of central bank credits, end of day credit repayment

A resident credit institution may prepay overnight collateralised credits even during VIBER operating hours. VIBER participants may initiate repayments with an MT202 message, indicating the MNB's MANEHUHH BIC code for the beneficiary.

15.4.9. Central bank receivables not settled before VIBER opening

Of the central bank receivables, uncollateralised HUF credits and settlement costs (interests and commissions) are booked at the beginning of the business day providing that there are sufficient funds. If there are insufficient funds, the payment order is put in a queue in VIBER. The MNB charges default interest on central bank receivables, which are still in the queue at the end of the day until settlement.

16. SENDING AND RECEIVING ORDERS

16.1. SWIFT FIN Y-Copy

The communication system of VIBER is SWIFT. SWIFT FIN Copy is designed to convey messages for domestic real time gross settlement systems.

Payments orders may be dispatched into the VIBER if made out according to SWIFT standards and the rules laid down in Appendix 1 of the Business Terms and Conditions entitled 'Description of messages used in VIBER'.

SWIFT FIN Copy receives the payment orders (MT102/103/103+, MT202/205 and MT202COV messages, containing the 'HUF' code in Field 103 of the message header: it is an instruction to send the item to VIBER. Following a formal control, it automatically sends a settlement request (MT096 message) to CAS, containing the full elements of the payment order for performance. Based on the settlement request, CAS debits the sender's VIBER bank account and credits the beneficiary's VIBER bank account. It sends an MT097 response message to FIN Y Copy with the result of the transaction. Based on an affirmative answer, i.e. a settled debit-credit, the beneficiary VIBER participant receives an MT102/103 or MT202/205 message. For the receiving VIBER participant this verifies that the payment order has been finally and irrevocably settled by the central bank, and the VIBER participant may credit the received payment transaction to the account of its customer.

SWIFT notifies the holder of the debited account regarding settlement of the payment with an MT012 message.¹¹

Invalid payment orders will be rejected by the VIBER and the reason for rejection will be communicated in an MT019 message.

16.2. Checking orders in various phases of CAS

¹¹ MNB ordered this advice at SWIFT.

a) CAS has not been opened for the day yet

In this status, VIBER does not work; it does not receive payment orders or other orders, the items are not settled, and nor can any queries be made. However, SWIFT FIN Copy receives and verifies (in terms of the SWIFT standards) the messages and stores them until the VIBER opens.

b) The date of execution has been set in CAS

If the date of execution has already been set in CAS, but the payments have not been settled yet (not Open for Business), the VIBER checks the date of execution of the order when a payment order is received. Payment orders may be submitted to VIBER for the set date of execution (effective date) or for 7 calendar days later. A payment order submitted with a later execution date is stored in the system (warehouse) and processing begins in CAS on the value date indicated after the date of execution is provided. Payment orders submitted for an execution date outside the time limit permitted shall be rejected, of which the sending VIBER participant will be notified by means of an MT019 and KELER an MT298-SMT701 SWIFT message, respectively.

If the date of execution of the payment order is the same as the date of execution set in CAS, the item will be pending, i.e. waiting for settlement, until CAS opens for business.

Insofar as the settlement process begins, but the current day is already set in CAS as the date of execution (i.e. it is open), the system stores the incoming orders, queries and commands.

c) CAS is 'Open for Business'

If VIBER is open for business when the payment order is received, the process starts by verifying the date of execution as described above, followed by the examination of duplication.

The conclusion of duplication takes place based on the transaction number (TRN), the SWIFT message type, the date of execution and the BIC of the sending VIBER participant. CAS considers a payment order duplicated if the individual key generated from the aforementioned codes occurs a second time as well. When this rule is violated, the VIBER participant receives an MT019 SWIFT message, and KELER receives an MT298-SMT701 message regarding rejection of the transaction order. If the payment order is for the current day and it has been checked, the payment order is put into the settlement queue (Ready). If the settlement of payments is pending, or the end of performance command has already been issued, the payment orders are stored (pending).

VIBER participants must log onto the SWIFT interface for this period, for their system to be ready to send and receive messages. They will see that VIBER is open for business when they receive the first SWIFT message from VIBER, typically (MT900 or 910) on the debit or credit arising from the opening settlement transfer between accounts of CAS and the MNB customer account system, provided that a change has occurred compared to the end-of-day VIBER balance of the previous day.¹²

d) CAS has already been closed (Closed for Business)

If VIBER is closed, the VIBER rejects the payment orders delivered at that time, as well as the payment orders for which the execution date had been set in CAS, whereas other payment orders are checked according to point b.

If a payment order with a same-day execution date is received in VIBER after the final closing of the VIBER (shut down status), it shall not send the rejection message on the current day, only after the opening of the system on the subsequent day.

16.3. Acceptance of orders

¹² The CAS balance is modified with the VIBER closing balance of the previous day and balance of items booked in MNB analytical customer account management system before VIBER opening as the opening item, following which the two account managing systems are synchronised. For the rest of the business day, CAS will function as MNB's authentic account manager until VIBER is closed.

a.) Time of acceptance of payment orders between VIBER participants (customer items and bank-to-bank items), specified under point 15.1.1

VIBER does not consider these payment orders accepted until settlement.

b.) Time of acceptance of settlement orders related to DVP-based securities transactions initiated by KELER

In terms of cash settlement of DVP-based securities transactions already lawfully accepted under KELER's business terms and conditions, the time of acceptance of settlement orders under point **15.1.2**, initiated by KELER shall be identical with their date of acceptance by KELER, regardless of actual receipt in the VIBER, provided that the order is not rejected due to logical (formal or content-related) reasons. Section a) shall apply to the acceptance date of payment orders by KELER.

c.) Time of acceptance of ICS multiple intraday clearing and ICS settlements under point 15.1.3.1

The time of acceptance by VIBER of transactions already lawfully accepted and settled under the business terms and regulations of ICS is identical with the time of acceptance in ICS, regardless of their actual receipt in the VIBER, provided that the transaction is not rejected due to logical (formal or content-related) reasons.

16.4. Settlement of payments

If the payment order has been submitted properly, it is put into the settlement queue on the value date.

Payment orders are settled in the order of receipt (based on the FIFO principle – First-in-first-out) within the business priority.

Settlement of a payment order means that one bank account is debited and another bank account is credited. It takes place in the same work process, and both participants receive the same performance time stamp with regard to the payment.

If, for technical reasons, a VIBER participant is unable to send or receive payment transactions and his bank account managed by the MNB is not suspended in the VIBER, the received payment transactions are settled on its bank account, without the participant receiving real-time notification of such transactions.

16.5. Suspension of payments

The MNB, in connection with:

- a) extraordinary revaluation,
- b) lending with bank card security,
- c) extraordinary events (see the procedure under CFA Article 197 (1))

may suspend the operation of the VIBER or a bank account.

Suspension may mean suspending both sending and receiving. All VIBER participants receive a notice on suspension by way of an MT298-SMT700 message. If the bank account to be debited or credited is suspended, the VIBER blocks the transactions submitted until the end of suspension, or the end of the VIBER business day. If the bank account to be credited is suspended, after blocking the payment orders submitted CAS continues to settle the items towards the other bank accounts to be credited.

16.6. Priorities in VIBER

Participants payment orders have the option to send their transaction orders with a priority code. Unless otherwise instructed, VIBER assigns the priority code 98.

CAS manages 99 priorities, the payment orders with the lower code numbers are given priority compared with the payment orders with a higher number.

<u>Priority</u>	<u>Payment transactions</u>	<u>Sender</u>
0	VIBER START	MNB
1	The MNB receivables for monetary purposes	MNB
2	Official transfer orders, remittance summons	MNB
3	The MNB receivables for non-monetary purposes	MNB
4	II. ICS clearing position matrix, queuing, ICS multiple intraday clearing	MNB, GIRO
5	Bank card settlement, cash disbursement	MNB
6	Primary market transactions	MNB, KELER
7	Derivatives	MNB, KELER
8	Multi-net settlement transactions	MNB, KELER
9	Other DVP transactions	MNB, KELER
10-98	Payment orders	VIBER participants

If a VIBER participant sets a priority which is lower than the priority allowed for it, the VIBER overwrites it with the lowest priority allowed for the VIBER participant in question.

Only the sender of the payment order may request a **change in priority**, by way of an MT298-SMT202 SWIFT message or using the VIBER monitor, prior to the settlement of the transaction order (the transaction order is in the queue or it is to be settled at a later date of execution). The VIBER does not send a message on a successful priority change, but notifies the sender with an MT298-SMT252 message if it fails.

The MNB may change the priority of a VIBER participant at the request of the VIBER participant, if it has a technical problem.

16.7. Queue managing mechanism

Each bank account managed by the MNB has a queue, and each payment order stands in the same queue, depending on their priority.

CAS notifies the VIBER participant with an MT298-SMT700 message, if the order at the top of the payment queue does not move for 90 seconds due to insufficient funds. If the payment order in the front of the queue changes (e.g. settled or drops back in the priority order) and the payment order next in the queue are not settled in 90 seconds either, CAS sends another message. Similarly, the VIBER participant receives a message if its queue has been emptied. A payment may be entered into the queue due to the following reasons:

- CAS is not open for business yet.

- The bank account to be debited or credited is suspended.¹³
- The bank account to be debited does not have sufficient funds; there may already be transaction orders in the queue.
- Automatic gridlock resolution is in progress, and the bank account is also involved in this process.
- CAS is overloaded.

The payment order remains in the queue:

- Until funds arrive on the bank account, sufficient for settlement. There is no partial settlement.
- If the sender VIBER participant cancels a payment order for a higher amount standing in front of it in the queue or lowers its priority, and the liquidity on the bank account is sufficient.
- If a new or existing payment order for a lower amount receives a higher priority than the first order in the queue and the funds of the VIBER participant covers its settlement.
- Gridlock has been resolved successfully.
- CAS is no longer overloaded.

16.8. Withdrawal and cancellation of orders

The sender may withdraw all orders in the queue before such are settled (or cancel them by an MT298-SMT200 message or using the VIBER monitor). VIBER rejects this command if, for example,

- payment has already been performed in the meantime,
- the order has been withdrawn previously.

CAS sends an MT298-SMT250 message on failure of withdrawal. If withdrawal is successful, the transaction is deleted from the queuing system and the VIBER participant automatically receives an MT019 message regarding such from the SWIFT centre (not from MANEHU address), and the beneficiary of the withdrawn order also receives an MT298/SMT701 message. The withdrawn payment order appears as a deleted transaction order on the monitor.

Settlement orders in the queue, sent by the market infrastructure in VIBER may be withdrawn only by the market infrastructure with an MT298-SMT200 message. In such a case, the market infrastructure and the debit and credit parties receive an MT298/SMT701 message regarding withdrawal.

The debit and credit parties receive an MT298/SMT701 message regarding the successful withdrawal of the account transfer by the central bank. If payment and settlement orders are still insufficiently covered or not settled for other reasons by the closing time of the VIBER business day in question, they shall be cancelled. CAS sends an MT298/SMT701 message in accordance with the following:

- to the credit party about the rejection and end-of-day cancellation of the payment order submitted by the VIBER participant,
- to the debit and credit parties about the rejection and end-of-day cancellation of the central bank account transfer,

¹³ The payment orders to be transferred to a suspended account are put into the queue, but the processing of subsequent payments to be transferred to a different VIBER participant continues (provided that there are sufficient funds). The queuing system is notified about the termination of the suspension and it can start processing the withheld item.

- to the debit party and the market infrastructure submitting the order about the rejection and end-of-day cancellation of the settlement order.

16.9. Gridlock

Gridlock occurs if the payment orders of two or more VIBER participants are in a queue while they have a debt to each other, but in total there is no liquidity shortage.

Gridlock can be resolved by putting more liquidity into the VIBER, or using a gridlock resolution algorithm. The frequency of starting such an algorithm can be defined with parameters, or it can be launched from the MNB workstation. With this algorithm, the sequence of the transaction orders does not change in the process.

16.10. Insolvency proceedings

If insolvency proceedings have been initiated against a VIBER participant, the MNB shall proceed as follows:

16.10.1. The date of receipt of the notice of initiation of insolvency proceedings

According to the SFA Act 5 (1) notice of the confirmed arrival date is, regardless of the method of transmission, when this first written notice of an initiated insolvency proceeding against the direct or indirect VIBER member from the competent Court and the Authorities empowered to act is proven to be received by an authorised employee of the MNB.

16.10.2. Notification of the system participants of the initiation of insolvency proceedings

As soon as notification of the initiation of insolvency proceedings, according to the previous point under 16.10.1., is confirmed, the MNB as system operator, according to the SFA Act 3 (1) c), immediately notifies by email the person(s) authorised with necessary powers and jurisdiction to receive such notification of the direct and indirect VIBER participants.

- a) this notification will be regarding the initiation proceedings, the content and the date of receipt of the notification,
- b) notification of the exact date when the credit institution providing the correspondent banking service stops accepting payment orders from direct and indirect VIBER participants subject to the proceedings according to Section 16.10.3.1 a) or according to 16.10.4.2.

16.10.3. Rules of procedure in the event of insolvency proceedings against a direct VIBER participant

1. The confirmation of notice of the initiation of insolvency proceedings according to Section 16.10.1. with the MNB as contracting party
 - a. immediately, but not later than 30 minutes, stops the admission of additional payment and settlement orders from the subject involved in the proceedings and only continues to receive payment orders when other legislation that lays down rules regarding insolvency proceedings approves (e.g. liquidators, supervisory commissioner or its own authorised agent),
 - b. no longer accepts from a direct VIBER participant subject to the proceedings, orders for daytime credit line changes set out under section 13.3,
 - c. in case of proceedings in accordance with the CFA Act 197 (1) suspends the settlements of payment orders arriving in favour of direct VIBER participant subject to the proceedings.
2. In accordance with the SFA Act 4 (1) and in line with the timeframe under section 16.10.2 b) and in the manner of section 16.3. received payment orders, the MNB as contracting party fulfils these orders, if there are funds available, to the extent of these funds regardless of the initiation of insolvency proceedings, if the direct VIBER participant subject to these proceedings does not withdraw his order according to section 16.8. Fulfilling of these payment orders are carried out in the order specified in section 16.4.
3. In accordance with the SFA Act 8 (2) and in line with the above mentioned point 2 fulfilment of obligations resulting from legitimately received payment orders, the MNB as contracting party has the right to use:

- a. the available funds in the bank account of the direct VIBER participant subject to the proceedings at the time of the receipt of the notice set out in section 16.10.1., and is in line to fulfil the payment orders with the above mentioned paragraph 2,
- b. the free intraday credit line of the direct VIBER participant, that is available at the time of the receipt of the notice set out in section 16.10.1., and it is at KELLER as collateral for the MNB as beneficiary as the one-day or longer-term secured loans covered with insured unutilized securities portfolio, in which case the securities as collateral will be transferred to the MNB,
- c. the funds received at the time of the receipt of the notice set out in section 16.10.1., to the payment account of the participant under insolvency proceedings.

16.10.4. Rules of procedure in the event of insolvency proceedings against an indirect VIBER participant

1. A VIBER participant providing correspondent banking services at the time of the receipt of the MNB notice set out in section 16.10.2
 - a. immediately stops the transmission into the VIBER by the orders of the indirect VIBER participant subject to the proceedings,
 - b. immediately withdraw any payment orders received from the indirect VIBER participant subject to the proceedings, in the time period between the time indicated for stopping the acceptance of payment orders into the system and the time of the receipt of the MNB notice set out in section 16.10.2.,
 - c. sends a confirmation message in electronic form of the completion of the actions described in previous paragraphs a) and b),
 - d. if the withdrawn payment orders described in paragraph b) include items belonging to other account managing credit institutions, after filtering out the payment orders of the indirect VIBER participant subject to the proceedings, shall again immediately forward these payment orders into VIBER.
2. The MNB suspends the fulfilment of payment orders submitted after the receiving of confirmation of notice of the initiation of insolvency proceedings from a VIBER participant providing the correspondent banking service according to section 16.10.1., until he receives the confirmation set out in section 16.10.4.1 c).

16.11. Notification of transactions, queries

VIBER participants shall be informed of transactions settled in VIBER via SWIFT statements, broken down according to items, and also by means of a SWIFT statement after the closing of VIBER, VIBER transactions are indicated in the statements of account as one aggregate debit or credit item, respectively. VIBER participants having a VIBER monitor can follow their bank account positions and the data related to their payment orders on-line during operating hours. Queries are made with a SWIFT message, contained in the Appendix 1 of these Business Terms and Conditions.

16.12. Extraordinary situations

VIBER participants shall immediately notify the MNB if due to malfunction or other reason it becomes temporarily incapable of sending or receiving messages, and if the MNB is required to intervene due to the length of time required for repairs. The customer shall also indicate the expected time of recommencing operations.

The Annex 4/a of these Business Terms and Conditions entitled 'Extraordinary circumstances affecting VIBER participants' defines the concept of major malfunction, as well as the alternative means available for the execution of payment orders in VIBER if such circumstances occur. The customer shall prepare its own contingency plan for such situations and keep such plan updated.

17. USE OF THE VIBER MONITOR

The monitor works using the 'Browse' and 'InterAct' services of SWIFTNet. Its pre-conditions are as follows:

- registration in the SWIFT monitor Closed User Group (CUG),

- requesting user names and authorisations,
- testing.

There are two basic user groups according to authorisation:

- entitled to query and modification and/or,
- entitled to approval of modification.

At least 2 users are required (a modification always has to be approved based on the four-eye principle) for the commands (cancellation of payment order, changing of priority). The modification can be changed and cancelled until approval.

Functions of the Participant Browser Access:

Data displayed on the Account Monitor platform

- monitoring participants' liquidity position,
- the current state of the suspension of credit transactions to members as transferees
- the current state of the suspension of members' accounts
- the queued debit and credit items of members

Queries:

- participants' queuing and settled payment orders according to flexible selection aspects,
- commands to modify queuing transaction orders through cancellation and priority changing,
- data exporting for compiling reports and statistics.

The following data and information are available through the queries:

- settled debit orders, *
- settled credited payment transactions, *
- status of PVP transactions,
 - unmatched – there are no orders in the system that can be matched,
 - matched, there are conforming items in the system, however, the items are not yet executed due to insufficient funds,
 - executed.

For each PVP transaction there are two additional fields available on the Payment Details screen: PVP reference and PVP Matching Information. The PVP reference field is a hyperlink, pointing to the other order of the PVP transaction executed.

- bank account balance of the VIBER participant,
- submitted, queuing payment orders, *
- organisational information relevant to the VIBER participant,
- free-format messages,
- information on the operational day.

Commands allow the management of the queue, that is to say cancellation of queuing payment orders and changing of priorities.

Reports available before Close for Business:

- Interim Report – with the same contents as of the End of Day Report
- Monthly Report
- Unsettled Transactions Report*
- Outgoing Transactions Report*

Reports available after Close for Business:

- All Transactions Report*
- Balance History Graph
- Cancellations Report*
- Domestic Payment Distribution Histogram
- End of Day Report
- Forward Transactions Report*
- Monthly Report
- Settled Transactions Report*
- Settlement Report

In the reports marked with an asterisk (*) deals in PVP payment transactions are shown separately.

The reports can be exported in Text, Excel and XML formats and are available up to a month prior to the query. Retrieval of previous periods is not possible, therefore for longer intervals regular query of data (eg. monthly) is necessary!

The VIBER participant shall assign the VIBER monitor identifiers to persons, and it is always the VIBER participant that is liable for the activities performed using the identifiers. If an identifier is used jointly by direct VIBER participants, the VIBER participant shall be obliged to include additional checks in the process in order to be able to call the users to account, and to keep records indicating which access belongs to which person.

Requests for VIBER monitor shall be submitted on the completed application form contained in Annex 7, and the related entitlements may be requested upon receipt of the Technical Qualification Certificate CAS/VIBER monitor authorisation application form (Annex 6) dispatched by mail, encrypted fax, GIROHáló GIROFile or MT299 SWIFT message (BIC: MANEHUHH).

ANNEXES

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Annex 3/a:	Notification form for Annex 3
Annex 4/a:	Extraordinary circumstances affecting VIBER participants
Annex 4/b:	List of those to be notified in case of extraordinary circumstances
Annex 4/c:	Sample letter sent by the MNB: 'Notification of VIBER participants of a delay in operating hours' (Annex 4/a, b and c is available for downloading for VIBER contact persons on the MNB website)
Annex 5:	End-of-day credit request
Annex 6:	CAS/VIBER monitor authorisation application form
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Appendix 2:	Exchange of information between the MNB and its Customers