

Consolidated version being in force from 2<sup>nd</sup> March 2020, except Article 55/B, which will come into force on 1<sup>st</sup> September 2020.

**Decree No. 35/2017. (XII.14.)  
of the Governor of the Magyar Nemzeti Bank**

**on Execution of Payment Transactions**

Pursuant to the authorisation by point a) of Article 171(2) of Act CXXXIX of 2013 on the Magyar Nemzeti Bank, in exercise of the powers conferred upon me by Articles 4(5) and 27(2) of Act CXXXIX of 2013 on the Magyar Nemzeti Bank, I hereby decree the following:

Chapter I

General provisions

**1. Scope**

Article 1

(1) The scope of this Decree shall apply to

- a) organisations providing payment services as defined in Act on Credit Institutions and Financial Enterprises (hereinafter referred to as “Credit Institutions Act”), except as provided for in paragraphs (2)–(4);
- b) users of the payment services referred to in point a) above.

(2) Except as provided for in paragraph (3), this Decree shall apply to the Magyar Nemzeti Bank (hereinafter referred to as “MNB”) strictly in respect of its payment services provided other than implementing the monetary policy and servicing the single treasury account.

(3) Of the provisions set out in this Decree, only those pertaining to the execution of official transfer orders and credit transfers on the basis of remittance summons shall be applied in respect of

- (a) current accounts maintained by the MNB for the Government Debt Management Agency, and
- (b) accounts maintained by the MNB pursuant to legal regulations.

(4) This Decree shall apply to the treasury in respect of the payment services it provides within the sphere of treasury duties specified in the Act on Public Finances, only to the rules for the execution of official transfer orders, credit transfers based on remittance summons, direct debit orders based on letter of authorisation and deferred direct debit orders.

## 2. Definitions

### Article 2

(1) For the purposes of this Decree, the following definitions shall apply:

1. *data input solution*: a thing or procedure that enables the automated transmission of the data or a part of them required for the submission of an instant credit transfer order to a cash-substitute payment instrument;

2. *domestic payments*: a collective reference to payment transactions where both the payer's payment service provider and the payee's payment service provider offer their respective payment services within the borders of Hungary;

3. *currency of an EEA State*: currency of a Member State of the European Union, or of any other State ("EEA State") which is a party to the Agreement on the European Economic Area ("EEA");

4. *payment transaction within the EEA*: a payment transaction where both the payer's payment service provider and the payee's payment service provider offer their respective payment services, or the sole payment service provider in the payment transaction offers its payment service in the area of the EEA;

5. *request to pay*: a message addressed by the payee to the payer concerning the initiation of payment, which is standardised in the payment system processing instant credit transfers, and includes at least all the data required for the initiation of an instant credit transfer order;

6. *routing table*: a register maintained by the MNB on direct and indirect participants of the domestic payment systems, and made available to payment service providers and the operators of domestic payment systems in order to ensure the proper direction of payment orders in respect of domestic payments;

7. *IBAN*: an international payment account number for the designation of a payment account, used for the international identification of the payment account;

8. *conversion*: conversion between two different currencies;

8a. *batch request to pay*: means any request to pay where the payee's payment service provider receives more than one request to pay at the same time from the payee or where the payee submits more than one request to pay at the same time;

9. *batch order*: in respect of instant credit transfer a batch payment order means any credit transfer where the payer's payment service provider receives more than one payment order at the same time from the payer, or more than one payment order is authorised at the same time by the payer;

10. *central database*: a register containing the account holder's name, the IBAN, and the secondary account identifier provided by a party having the right of disposal;

11. *intermediary payment service provider*: a payment service provider servicing account to another payment service provider in order to execute payment transactions for the customers of that payment service provider;

12. *secondary account identifier*: a unique identifier for the unambiguous identification of the account holder's payment account, which the party having the right of disposal provides, via the payment service provider that services the account holder's payment account, to the entity that operates the central database;

13. *end of the business day*: unless otherwise provided for by this Decree the point in time set by the payment service provider until which payment orders and incoming payment transactions are received;

14. *paper-based payment order*: a payment order given in writing that is not signed electronically;

15. *payment account number*: a unique identifier generated according to Annex 1 for the unambiguous identification of a payment account denominated in a specific currency;

16. *party having the right of disposal*: the account holder, the person legally entitled to act on his behalf, and any other person authorised by the foregoing to dispose over the account concerned;

17. *account holder*: the party entering into an account agreement with an account servicing payment service provider;

18. *debit date*: the day on which the amount of the payment order is deducted from the balance available on the payer's payment account by the payment service provider.

(2) The terms not defined in paragraph (1) shall have the meanings ascribed to them by the applicable provisions of the Act on Providing Payment Services (hereinafter referred to as “Payment Services Act”) and of the Credit Institutions Act.

## Chapter II

### Identification of the payment account and the routing table

#### **3. Payment account number**

##### Article 3

(1) The payment service provider shall identify the payment account serviced by it in a specific currency by the unique payment account number and the account holder’s full or abbreviated name (hereinafter referred to collectively as “name”).

(2) The account servicing payment service provider shall generate the payment account number according to the rules detailed in Annex 1.

(3) At In respect of domestic payments in forint, the payment account number shall be a string of digits consisting of 16 (2×8) or 24 (3×8) numeric characters, which shall be generated by the account servicing payment service provider according to the rules provided in point 1. of Annex 1.

(4) The identification code referred to in point 1.a) of Annex 1, to be used by the payment service provider shall be issued by the MNB at the payment service provider’s request.

(5) The IBAN shall be a string of digits consisting of 28 alphanumeric characters, which shall be generated by the account servicing payment service provider according to the rules provided in point 2. of Annex 1.

#### **4. Secondary account identifier**

##### Article 4

(1) Unless otherwise instructed by the account holder, for the identification of the account holder’s payment account the party having the right of disposal may specify as secondary account identifier a mobile phone number including a country code referring to an EEA State as a geographical area, an electronic mailing address, a tax identification code or a tax number issued by the national tax and customs authority by way of a notification addressed to the payment service provider servicing the account holder’s payment account (assignment of a secondary account identifier). Unless otherwise instructed by the account holder, the party having the right of disposal may – having regard to the provisions of paragraph (3) - at any time

submit a request to the payment service provider servicing the account holder's payment account for the modification or deletion of the secondary account identifier.

(2) By way of derogation from the provisions of paragraph (1), secondary account identifier may be assigned to payment accounts opened in accordance with Government Decree 76/2018. (IV.20.) on the rules of issuing and using Széchenyi Holiday Card and to payment accounts used exclusively to place funds removed from the free disposal of the account holder by a relevant agreement between the account holder and the account servicing payment service provider only.

(3) The party having the right of disposal may assign, modify or delete the secondary account identifier defined in paragraph (1) within the notification time limit set and disclosed to customers by the payment service provider servicing the account holder's payment account.

(4) The party having the right of disposal may assign more than one secondary account identifier to a payment account, but may assign a given secondary account identifier to one payment account only.

(5) Whether the notification referred to in paragraph (1) is given by the account holder or another party having the right of disposal, it shall be accompanied by the natural person account holder's statement of consent in respect that

a) the account holder's name, the IBAN of the notified payment account and the secondary account identifier assigned to it may be transmitted to the entity operating the central database, which entity may process those data until the statement of consent is withdrawn or the data fail to be verified during the payment service provider's annual data check;

b) the entity operating the central database may transmit the account holder's data specified in point a) for the purpose of executing payment orders and forwarding request to pay messages within the framework of the provision of payment services and the processing, clearing and settlement of payment transactions and of requests for the initiation of such transactions, to financial institutions and payment service providers other than financial institutions participating in the processing, clearing and settlement of payment transactions.

(6) Where regarding the secondary account identifier a party other than the natural person account holder is entitled to give the consent specified in paragraph (5), the account holder shall obtain the entitled party's consent specified in paragraph (5) regarding the secondary account identifier.

(7) The payment service provider shall verify whether the party having the right of disposal is entitled to use the secondary account identifier as such, or to modify or delete the notified secondary account identifier.

(8) In the event that the procedure referred to in paragraph (7) fails, the payment service provider shall refuse to accept the notification of the secondary account identifier, as well as any request for the modification or deletion of the notified secondary account identifier.

(9) Within one hour of meeting the requirements set out in paragraph (7), in the case of natural persons subject to the consent specified in paragraph (5), the data content of the notification given according to paragraph (1) by the party having the right of disposal shall be forwarded by the payment service provider to the entity operating the central database, which shall immediately enter the data in the central database.

(10) Requests for the modification of a notified secondary account identifier shall be handled by the payment service provider according to the rules for the notification of secondary account identifiers.

(11) Within one hour of meeting the requirements set out in paragraph (7), the payment service provider shall inform the entity operating the central database of any request for the deletion of a notified secondary account identifier, which entity shall immediately delete the identifier from the central database.

(12) At yearly intervals counted from the receipt of the notification by the party having the right of disposal referred to in paragraph (1), the payment service provider shall consult the account holder or another party having the right of disposal authorised to conduct the consultation to reconcile the validity of the secondary account identifiers assigned to the payment account by obtaining confirmation of the previous notification given by the party having the right of disposal about the assignment of each secondary account identifier, within the appropriate number of days counted from the receipt of the corresponding notification. At least 30 days before the expiry of the time limit for the annual reconciliation, the payment service provider shall notify the account holder about the reconciliation, and the consequences of its failure as set out in paragraph (13).

(13) Where despite notification by the payment service provider referred to in paragraph (12) the reconciliation fails to be completed within the time limit set in the notification, the secondary account identifier shall become invalid as of 00:00 on the day following expiry of the time limit, which fact shall be immediately notified to the entity operating the central database, which shall immediately delete the identifier from the central database.

(14) The termination of the account holder's payment account to which a secondary account identifier has been assigned shall be immediately notified to the entity operating the central database, which shall immediately delete the identifier from the central database immediately receipt of the notification.

## 5. Routing table

### Article 5

(1) In the routing table, the MNB records the following data of each payment service provider:

- a) the routing code specified in point 1.a) of Annex 1 for branches or account servicing units (hereinafter referred to collectively as: "branch");
- b) the name of the branch;
- c) the address of the branch;
- d) the length of the payment account numbers used by the branch;
- e) the data required for forwarding payment messages in the domestic payment systems.

(2) The payment service provider shall notify the MNB of any changes in the routing table data specified in paragraph (1) by the 4<sup>th</sup> business day of the month preceding the date of the change.

## Chapter III

### General rules for execution of payment transactions

## 6. Opening time and end of the business day, cut-off time

### Article 6

(1) The payment service provider shall specify and publish in an accessible manner for the customers the opening time and the end of the business day between which it will receipt payment orders and incoming payment transactions; in particular, the payment service provider shall specify the cut-off time within which it will, on the day concerned, complete its share of the tasks involved in the execution of the payment orders and payment transactions received, unless a later time limit is specified by the customer, or otherwise provided for by law and this Decree.

(2) By way of derogation from the provisions of paragraph (1), unless otherwise provided for by law and this Decree, the payment service provider shall arrange for an uninterrupted 24-hour business day on each calendar day for the completion of its share of the tasks involved in the execution of instant credit transfers, including the debit or credit value dating the amount of the payment transaction concerned.

(3) The payer's payment service provider may restrict the possibility to submit instant credit transfer orders in justified cases by means of maintenance breaks amounting to a total of 24 hours per calendar year, provided that such maintenance is carried out in periods of the lowest traffic, and that it is notified to customers in advance.

(4) Payment orders and payment transactions received by the payment service provider between the cut-off time and the end of the business day, as well as payment orders and payment transactions received on days other than business days shall be considered as received on the next business day, and the payment service provider shall complete its share of the tasks involved in the execution of such payment orders and payment transactions on that business day, unless a later time limit is specified by the customer, or otherwise provided for by this Decree.

(5) The payer's payment service provider shall determine the cut-off time under paragraph (1) so that it precedes the end of the business day by a maximum of two hours.

(6) By way of derogation from the provisions of paragraph (1), for instant credit transfer orders the payer's payment service provider shall not set a cut-off time other than the end of the business day.

(7) Except as provided for in paragraph (8) and (9), the payment service provider may set different times as opening and end of the business day for the receipt of payment orders and incoming payment transactions, and for crediting funds, and may specify different times as the end of the business day according to the criteria set out in the framework contract, such as the subtype of payment method, the currency, the need for conversion.

(8) For the execution of instant credit transfers, the end of the business day shall be 24:00 on each calendar day.

(9) For the execution of payment transactions other than instant credit transfers, compared to the time under paragraph (8), the payment service provider shall not specify

- a) an earlier date as the opening time of the next business day; and
- b) a later date as the end of the business day.

## **7. Receipt and identification of payment orders**

### Article 7

(1) For the purpose of calculating the execution times specified in this Decree, except as provided for in paragraph (2)–(5), a payment order shall be considered to have been received at the time when it was received by the payer's payment service provider on the business day referred to in Article 6(1) and (4).

(2) Where a customer initiating a payment order and the payment service provider agree that the payment service provider starts the execution of the payment order

- a) on a specific day;



- b) at the end of a specific period; or
- c) on the day on which the payer has made available the funds required for execution at the payment service provider's disposal,

the day specified in that agreement shall be considered as the time of receipt. Where the agreed day is not a business day for the payer's payment service provider, the next business day shall be considered as the time of receipt.

(3) Where a payment order is queued by the payer's payment service provider pursuant to law or by agreement with the account holder - except as provided for in paragraph (3a) -, the payment order shall be considered to have been received at the time when the funds required for full or partial execution are available on the payer's payment account on the business day as specified in Article 6(1). Where the funds are made available in the period specified in Article 6(4), the payment order shall be considered to have been received – except as provided for in paragraph (3a) – at the opening time of the next business day specified in Article 6(4).

(3a) Official transfer order and remittance summons being in queue shall be considered to have been received at the time when the funds required for full or partial execution are available on the payer's payment account and the payment system by way of which the official transfer or credit transfer based on remittance summons is executed by the payer's payment service provider, operates.

(4) An instant credit transfer order shall be considered to have been received at the time when the payment order was received by the payer's payment service provider and the authentication was finished.

(5) Remittance summons shall be considered to have been received at the time when the transfer or remittance obligation of the payer's payment service provider takes effect on the basis of the remittance summon.

(6) Prior to the time of receipt of a payment order as specified in paragraphs (1)–(5), the payer's payment service provider

- a) shall not debit the payer's payment account with the amount of the payment order and
- b) shall not block the amount of the payment order on the payer's payment account, except for payment orders initiated through the payee, official transfer orders being in queue and remittance summons.

(7) When the payment order is received, in addition to the details of the order the payment service provider shall also record and store the time (year, month, day, hour, minute) when the payment order was received.

(8) By way of derogation from the provisions of paragraph (7), in the case of instant credit transfer orders, in addition to the details of the order the payment service provider shall record

and store the time when the payment order was received as specified in paragraph (4) in a breakdown by year, month, day, hour, minute, second and thousandth of a second.

(9) In the case of instant credit transfer orders, the details specified in paragraph (8) regarding the time of receipt of the payment order together with the data content of the payment order shall be forwarded by the payment service provider to the other payment service providers involved in the execution of the payment transaction.

(10) The payment service provider shall receive the payment orders in the sequence of their arrival. On business days payment orders shall be received immediately between the opening and cut-off time. Payment orders submitted to the payment service provider between the opening time and end of the business day by means of a collection box used for the receipt of payment orders shall be received by the payment service provider within 60 minutes of submission.

(11) Payment orders may also be submitted in batches where the fact that they belong together can clearly be established.

(12) Unless otherwise provided for by law or instructed otherwise by the account holder, the payment service provider shall execute payment orders for debiting payment accounts in the order of their time of receipt. The order of time of receipt shall be determined on the basis of the payment service provider's records. For the application of this paragraph, the submission of an instant credit transfer order shall be considered as a different instruction given by the account holder.

## **8. Refusal of executing payment orders and payment transactions between payment service providers**

### Article 8

Where a payment service provider is unable to execute a payment order or a payment transaction submitted to it electronically by another payment service provider due to an error in or to the absence of the data identifying the debit or credit or for other reasons, the payment service provider shall notify the payment service provider that submitted the payment order or initiated the payment transaction, stating the reasons for the refusal, unless otherwise provided for in this Decree, at the latest on the business day following the time of receipt of the payment order or the payment transaction,

- a) in the case of domestic payments in forint, by refusing the execution of the payment order or payment transaction;
- b) in the case of other payment orders and payment transactions, by refusing the execution of the payment order or payment transaction, or by other means.

## 9. Refusal of payment orders

### Article 9

(1) Where a payment order fails to comply with the requirements of legal regulations, the payment service provider shall, except as provided for in paragraph (2), refuse the execution of the payment order.

(2) Where a payment order is completed with data content that fails to comply with the rules set out in Annex 2 for the completion of payment orders, the payment service provider may execute the payment order for its own customer that submitted it as long as the payment service provider can ensure compliance with the rules for the completion (data content) of the payment order without refusing it.

(3) Unless otherwise provided for by legal regulation or unless it has been agreed with the account holder to queue the payment order, the payment service provider shall refuse a payment order that cannot be executed due to insufficient funds on the payment account.

(4) Except as provided for in paragraph (9), the payment service provider may accomplish the refusal referred to in paragraph (3) in respect of domestic payments in forint at the earliest following 16:00 on the business day of debit specified in the payment order.

(5) Following expiry of the queuing period without successful execution, the payment service provider shall refuse a payment order queued pursuant to law or by agreement with the account holder.

(6) The payment service provider may refuse a payment order completed and submitted not in compliance with the requirements set out in the framework contract or other agreement with the customer.

(7) Where the payment service provider refuses the execution of a payment order, unless otherwise provided for by law, it shall notify the customer about the fact of refusal and, if possible, unless otherwise provided for by legal regulation, about the reasons for the refusal and the actions required for the correction of the factual errors giving grounds for the refusal.

(8) Unless otherwise provided for by this Decree, the payment service provider shall provide or make available the notification referred to in paragraph (7) to the customer in the manner specified in the framework contract

a) immediately, but at the latest on the business day following the time of receipt of the payment order as specified in Article 6(1) and (4);

b) where a debit date has been specified, at the latest on the business day following the debit date;

c) upon expiry of queuing period, at the latest on the business day following the last day of the queuing period.

In the event of refusing the execution of a paper-based payment order that was countersigned pursuant to legal regulations or based on an agreement, or includes attached documents, the payment service provider shall return the payment order and the document to the customer.

(9) An instant credit transfer payment order that cannot be executed shall be refused immediately by the payer's payment service provider, and by way of derogation from the provisions of paragraph (8), notification about the refusal referred to in paragraph (7) shall be sent immediately or made available to the payer in the manner specified in the framework contract.

(10) Where a direct debit is refused, the payer's payment service provider shall comply with the requirements specified in paragraphs (7) and (8) towards the payee via the payee's account servicing payment service provider, in the same manner as it received the direct debit order.

(11) Where a direct debit order is refused, the payer's payment service provider shall comply with the requirements specified in paragraph (7) towards the payer at the latest simultaneously with the subsequent information provided in accordance with the Payment Services Act.

(12) Where the refusal referred to in paragraph (7) is justified, pursuant to the framework contract charges may be imposed in line with the costs effectively and directly incurred.

(13) Where all of the criteria set out in the framework contract between the payment service provider and the payer have been met, unless otherwise provided for by legal regulation the payer's payment service provider shall not refuse the execution of an authorised payment order, regardless of whether the payment order was initiated by the payer directly with the payer's account servicing payment service provider or via a payment initiation service provider, or by or through the payee.

(14) A refused payment order shall be considered not to have been received for execution.

## **10. Queuing a payment order, partial execution**

### Article 10

(1) A credit transfer order or a direct debit order that cannot be executed due to insufficient funds but is not refused pursuant to law or by agreement with the account holder shall be queued by the payment service provider for the period specified in the agreement. Unless otherwise provided for by law or this Decree, the agreed queuing period shall not exceed 35 days. The queuing period shall be counted from the day following the time of receipt of the payment order.

(2) A batch direct debit order that cannot be executed due to insufficient funds may be queued by agreement with the account holder for a maximum of four business days counted from the debit date.

(3) An instant credit transfer order that cannot be executed due to insufficient funds shall not be queued.

(4) Except in the case of batch direct debit orders, the fact that direct debit orders that cannot be executed due to insufficient funds are to be queued on the payer's payment account shall immediately be notified to the payee by the payer's account servicing payment service provider via the payee's account servicing payment service provider. The notification shall include the data of the original direct debit order and the last date of the queuing period.

(5) Pursuant to law or by agreement with the account holder, except as provided for in paragraph (6), the payment service provider shall partially execute a payment order backed by insufficient funds up to the funds available.

(6) Partial execution shall not be allowed in the case of instant credit transfer orders, batch credit transfer orders and batch direct debit orders.

## **11. Specific rules for official transfer orders and remittance summons**

### Article 11

(1) When the execution of an official transfer order initiated via the payee's own payment service provider is refused, the payer's payment service provider shall proceed as provided for in Article 9(10).

(2) The fact that the execution of a remittance summons or an official transfer order submitted by the payee directly to the payer's account servicing payment service provider is refused, shall be notified to the party submitting the remittance summons, or respectively to the payee directly by the payer's payment service provider, that shall act in accordance with the provisions of Article 9(7) and, subject to the derogation in paragraph (5), with the provisions of Article 9(8).

(3) The fact that official transfer orders or remittance summons that cannot be executed due to insufficient funds are to be queued on the payer's payment account shall be notified to the payee, or respectively to the party submitting the remittance summons, by the payer's account servicing payment service provider at the latest on the first business day of the queuing period. The notification shall include the data of the original payment order and the last date of the queuing period.

(4) When an official transfer order initiated via the payee's own payment service provider is queued, the payer's account servicing payment service provider shall send the notification referred to in paragraph (3) via the payee's payment service provider.

(5) The payer's account servicing payment service provider shall send the notifications in the same manner as the official transfer order or remittance summons was received by it.

## **12. Time of accomplishment of payment orders**

### Article 12

(1) Unless otherwise provided for by law or this Decree, or instructed otherwise by the Parties, a payment order shall be considered accomplished on the day when its amount is credited to the payee's payment account.

(2) Cash withdrawal from a payment account and money remittance shall be considered accomplished when the cash is paid to the payee or when the payment service provider paying out the cash enables the payee to collect the amount paid out.

## **13. Certificate on the availability of funds**

### Article 13

(1) Certificates on availability of funds are issued by the payment service provider at the request of the account holder. The certificate on availability of funds shall include in particular the amount withdrawn from the account holder's free disposal and blocked as coverage, the purpose of the blocking, the name of the payee, the period of blocking the coverage and the manner in which it will be used.

(2) The amounts specified in the certificate on the availability of funds shall be handled separately by the payment service provider.

(3) In connection with the certificate on the availability of funds, the Parties shall also agree on the payment method.

## **14. Standard payment forms and data content of payment orders**

### Article 14

(1) Customers shall submit payment orders in the manner specified in their framework contracts with the payment service providers.

(2) Within the framework of its payment services, in respect of domestic payments the payment service provider shall not refuse to receive a payment order submitted on paper on grounds that the customer

a) used the standard payment forms PFNY 11, PFNY 71, PFNY 41 and PFNY 51 specified in Annex 3 to submit a credit transfer order, official transfer order, direct debit order or deferred direct debit order to be executed in forint; or

b) used the standard payment form PFNY 41 specified in Annex 3 to submit a direct debit order denominated in foreign currency.

(3) By way of derogation from the provisions of paragraph (5), an instant credit transfer order may also be submitted in such a way that instead of the payee's name and payment account number it indicates the secondary account identifier assigned to the payee's payment account.

(4) The technical characteristics and samples of the standard payment forms listed in paragraph (2) are included point I and points II.1–3. and 5–7. of Annex 3.

(5) Standard payment forms or electronically forwarded payment orders other than those specified in points II.1–3. and 7. of Annex 3 may be used if they include at least the data of standard payment forms PFNY 11, PFNY 71, PFNY 41 and PFNY 51, and at least the fields of the same lengths as specified therein.

(6) The payer's payment service provider shall not refuse to receive an instant credit transfer order on grounds that the payer indicated a secondary account identifier instead of the payee's name and payment account number therein.

(7) A standard payment form other than the sample specified in point II.5. of Annex 3 may be used if it includes at least the data content specified in points 1–6 of the standard payment form PFNY 31, as well as the guidelines for completion. The standard payment form PFNY 31 is not required to include the guidelines for completion if the information about its contents has credibly been given to the payer by the party participating in the completion of the standard payment form, or failing that, by the payment service provider or payee receiving the standard payment form from the payer.

(8) A standard payment form other than the sample specified in point II.6. of Annex 3 may be used if it includes at least the data content of the standard payment form PFNY 31/A, including the certification of the payment service provider and the statement of the account holder, as well as the guidelines for completion.

(9) Subject to the limitations provided for in this Decree, the payment service provider shall have discretion as to the specification of the forms for the initiation of paper-based and electronically submitted payment orders.

(10) Subject to the limitations provided for in paragraphs (7) and (8), payment service providers and payees using forms to give mandate for batch direct debit shall have discretion as to the specification of the payment forms for mandating the execution of batch direct debits, for the modification and cancellation of the mandate, furthermore payment service providers shall have discretion as to the specification of the certificate concerning valid mandates for batch direct debit orders.

(11) The rules for the completion of payment orders and of the standard payment forms specified in Annex 3 are set out in Annex 2.

(12) For the purpose of initiating an instant credit transfer order, the payment service provider may only use such a data input solution that enables any party to input, interpret and process the data required for the instant credit transfer order.

#### CHAPTER IV

##### Amounts transferred and made available, execution time and value date

#### **15. Protecting the amount of a payment transaction within the EEA to be executed in the currency of an EEA State**

##### Article 15

(1) The payer's payment service provider shall ensure that the full amount of the payment transaction is made available to the payee's payment service provider, or to the intermediary payment service provider used by the payee's payment service provider without any deductions, including in particular commissions, fees and charges.

(2) Except as provided for in paragraph (3), the payee's payment service provider shall ensure that the amount of the payment transaction received by it, or by the intermediary payment service provider used by it, is made available to the payee without any deductions, including in particular commissions, fees and charges.

(3) The payee and the payee's payment service provider may agree that the payment service provider may deduct its own commission, fee or charge from the amount transferred before the amount is credited to the payee. In that case, the information given to the payee shall specifically include the full amount of the payment transaction and the commission, fee or charge deducted.

(4) Where in addition to what is provided for in paragraph (3) any commission, fee or charge is deducted from the amount transferred, in the case of a payment transaction initiated by the payer the payer's payment service provider shall ensure, and in the case of a payment transaction initiated by or through the payee the payee's payment service provider shall ensure that the full amount of the payment transaction is made available to the payee.



**16. Specific rules in respect of payment transactions to be executed within the EEA, sent to or received from non-EEA states in the currency of an EEA State**

Article 16

(1) The provisions set out in Article 17 shall apply to:

- a) domestic payment transactions in forint where no conversion is required;
- b) payment transactions in euro, whether domestic or between EEA States, where no conversion is required;
- c) domestic payment transaction involving only one conversion between the euro and forint;
- d) payment transactions between EEA States involving only one conversion between the euro and forint carried out domestically, while the transaction itself is executed between EEA States in euro.

(2) The provisions set out in Article 24 shall apply:

- a) domestic payment transactions in forint;
- b) payment transactions in euro.

(3) The provisions set out in Article 25 shall apply:

- a) domestic payment transactions in forint where no conversion is required;
- b) payment transactions in euro where no conversion is required;
- c) domestic payment transaction involving only one conversion between the euro and forint;
- d) payment transactions involving only one conversion between the euro and forint carried out domestically, while the transaction itself is executed in euro.

(4) Subject to the restrictions provided for in Article 18, in the case of payment transactions other than those referred to in paragraphs (1)–(3), to be executed in the currency of an EEA State within the EEA, the account servicing payment service provider and its customer may also agree otherwise, by way of derogation from the provisions of Articles 17, 24 and 25.

(5) In the case of payment transactions other than those referred to in paragraphs (3) and (4), received from a non-EEA state in the currency of an EEA State, the account servicing payment service provider and its customer may also enter into an agreement by way of derogation from the provisions of Article 25.

(6) In the case of a payment transaction to be sent to a non-EEA state in the currency of an EEA State, Article 26(1) shall apply accordingly.

Article 17

(1) Except as provided for in paragraphs (2) and (3), the payer's payment service provider shall ensure that the amount of the payment transaction is credited to the account of the payee's payment service provider at the latest by the end of the business day following time of receipt of the payment order as specified in Article 7. For paper-based payment orders, the execution time limit shall be extended by one business day.

(2) In the case of payment transactions referred to in point a) of Article 16(1), the payer's payment service provider shall ensure that the amount of the payment transaction is credited to the account of the payee's payment service provider at the latest within four hours following the time of receipt of the payment order as specified in Article 7 and the funds required for full or partial execution are available on the payer's payment account, provided that

- a) the payment order is for a credit transfer other than an instant credit transfer, official transfer or a credit transfer based on remittance summons; and
- b) the payer submits the payment order by means other than paper.

(3) In the case of instant credit transfer orders, the payer's payment service provider shall ensure that the amount of the payment transaction is credited to the account of the payee's payment service provider at the latest within five seconds following the time of receipt of the payment order as specified in Article 7(4).

(4) The intermediary payment service provider shall complete its share of the tasks involved in the execution of instant credit transfer transaction as to ensure that the execution time limit referred to in paragraph (3) is met.

Article 18

In the case of payment transactions referred to in Article 16(4), pursuant to the agreement between the payer and the account servicing payment service provider the amount of the payment transaction shall be credited to the account of the payee's payment service provider at the latest by the end of the fourth business day following the time of receipt of the payment order.

Article 19

(1) A payment order initiated by or through the payee shall be forwarded by the payee's payment service provider to the payer's payment service provider within the time limits agreed with the payee.

(2) In the case of direct debit, the time limits referred to in paragraph (1) shall be agreed between the payee and the payee's payment service provider so as to ensure the payer's payment service provider the time required for debiting the payer's payment account on the due date.

#### Article 20

(1) The payer's payment service provider shall not apply a debit value date for the payer's payment account that is earlier than the business day on which the payer's payment account was debited with the amount of the payment transaction.

(2) The payee's payment service provider shall not apply a credit value date for the payee's payment account that is later than the business day on which the amount of the payment transaction was credited to its own account.

(3) Where a payment transaction between the payer and the payee is executed by the same payment service provider, that payment service provider shall execute the debit and credit using the same value date.

(4) By way of derogations from the provisions of paragraph (3), in the case of instant credit transfer the payment service provider shall execute the debit and credit using the value date corresponding to the business day on which the payer's payment account is effectively debited and the payee's payment account is effectively credited.

#### Article 21

(1) When the amount of the payment transaction has been credited to its own account, the payee's payment service provider shall immediately value date the amount of the payment transaction and shall credit the amount to the payee's payment account so that it is immediately at the payee's disposal.

(2) In the case of instant credit transaction, the payee's payment service provider shall meet its obligations set out in paragraph (1) by immediately

- a) value dating the amount of the payment transaction;
- b) making available the amount of the payment transaction to the payee so that it is immediately and fully at the payee's disposal; and
- c) increasing irrevocably the payee's receivables from the payment service provider by the amount of the payment transaction.

(3) In the case of payment transactions referred to in point a) of Article 16(1), excluding instant credit transfers, the payee's payment service provider shall determine the end of the business day by ensuring that the requirements set out in paragraph (1) is met on the business day on

which the amount of the payment transaction was credited to the own account of the payment service provider.

(4) In the case of payment transactions referred to in point b) of Article 16(1), the end of the business day determined by the payee's payment service provider shall not be earlier than 18:00. As a condition for the payee's payment account to be credited on the day concerned, the payee's payment service provider may set a time limit preceding the end of the business day by maximum one hour for receiving the notification about the payment transaction having been credited to its own account.

(5) Where the account of the payee's payment service provider was not credited on a business day, the payment service provider shall immediately make the amount of the payment transaction available to the payee on the next business day.

#### Article 22

The intermediary payment service provider shall credit the amount of the payment transaction to the payment account of the payee's payment service provider, and shall forward the data content of the payment transaction to that payment service provider

- a) in the case of payment transactions referred to in point a) of Article 16(1), excluding instant credit transfers, on the business day on which its own account has been credited;
- b) in the case of payment transactions referred to in point b) of Article 16(1) on the business day on which it is notified that its own account has been credited

by enabling the payee's payment service provider to meet its obligations specified in Article 21(1) on the same business day.

#### Article 23

Where a payment transaction between the payer and the payee is executed between payment accounts serviced by the same payment service provider, that payment service provider shall

- a) in the case of instant credit transfer orders, except as provided for in Article 26(5), make the amount of the payment transaction available on the payee's payment account at the latest within five seconds following the time of receipt of the payment order as specified in Article 7(4) so that the payee can dispose over the amount immediately,
- b) for any other payment transaction, after the payer's payment account has been debited, immediately value date and make available the amount of the payment transaction to the payee, subject to the execution time limit referred to in Article 17(2).

## Article 24

(1) Except as provided for in paragraphs (2) and (3), cash placed with a payment service provider shall immediately be value dated for the same day and credited to the account holder's payment account ensuring the customer's right of immediate disposal, provided that the cash is placed

a) in forint, or

b) to a payment account denominated in the same currency and the account holder a consumer or a microenterprise.

(2) Where the account holder is not a consumer or a microenterprise, and cash is placed to the account servicing payment service provider in the currency of the payment account other than forint, the payment service provider shall meet its obligations specified in paragraph (1) at the latest on the following business day after receipt of the cash.

(3) Where cash is placed by means of an automated teller machine, the payment service provider shall credit the payee's payment account with the amount of the cash placement on the business day on which the cash placement is checked for its amount, to be completed within three business days following the cash placement, as value date using the business day on which the payment account is credited.

## Article 25

(1) Where the payee does not have a payment account with the payment service provider that received, as part of its payment service, the amount sent to the payee, except as provided for in paragraph (2), the payment service provider shall immediately make the amount of the payment transaction received available to the payee, or provide other means for collecting the amount.

(2) Where an outpayment money order referred to in Article 52 or a money remittance referred to in point b) of Article 53(1) is used, in the case of execution by postal delivery the execution time limit shall be extended by two business days.

**17. Specific rules in respect of payment transactions to be executed within the EEA, or sent to or received from non-EEA states other than EEA States in the currency of a non-EEA state**

## Article 26

(1) Unless otherwise agreed, the payer's payment service provider shall complete its duties arising from the execution of a payment order in the currency of a non-EEA state at the latest on the business day following the time of receipt of the payment order, irrespective of whether the payee's payment service provider provides its payment service within or outside the EEA.

(2) Article 20(1) shall also apply to payment transactions in the currencies of non-EEA states, irrespective of whether the payee's payment service provider provides its payment service within or outside the EEA.

(3) The provisions set out in Article 20(2) and, subject to the provisions of paragraph (5), the provisions set out in Article 21(1) and (5) shall also apply to payment transactions in the currencies of non-EEA states, irrespective of whether the payer's payment service provider provides its payment services within or outside the EEA.

(4) Subject to the provisions of paragraph (5), the provisions set out in Article 23 shall also apply to payment transactions in the currencies of non-EEA states.

(5) Where the execution of a payment order or payment transaction requires such a conversion in which either currency is that of a non-EEA state, and where the execution of a payment order to a non-EEA state in any currency requires conversion, the execution time limit shall be extended by two business days.

## Chapter V

### Low value cash-substitute payment instruments

#### Article 27

The parties to a framework contract for low value cash-substitute payment instruments may agree that

- a) by way of derogation from the provisions of Article 9(7), the payment service provider is not required to notify the customer about the refusal of the execution of a payment order if the non-execution is apparent to the customer;
- b) apply execution time limits other than those specified in Articles 17, 19 and 25.

## CHAPTER VI

### Detailed rules for specific payment methods

#### **18. Specific payment methods**

#### Article 28

The payment methods specified in Article 63 of the Payment Services Act as applicable for the execution of payment transactions shall have the following sub-types:

- a) payment methods between payment accounts shall include in particular:

- aa) credit transfer;
- ab) direct debit;
- ac) payment initiated by the payer through the payee;
- ad) documentary credit (letter of credit);

b) cash payment methods linked to payment accounts shall include in particular:

- ba) issue and redemption of cheques for cash payments;
- bb) cash placement on a payment account;
- bc) cash withdrawal from a payment account;

(c) payment method without a payment account shall include in particular money remittance.

#### Article 29

The rules set out in this Chapter for payment methods between payment accounts shall apply in cases where a payment transaction is executed by the payer's payment service provider against the credit line provided to the payer rather than against the balance of the payer's payment account.

### **19. General rules for credit transfers**

#### Article 30

(1) By a payment order for a credit transfer (hereinafter referred to "credit transfer order"), the payer instructs its account servicing payment service provider to transfer (clear) a specific amount to the payee's payment account to the debit of the payer's payment account.

(2) The payer shall submit the credit transfer order to the account servicing payment service provider either directly or through a payment initiation service provider.

(3) By agreement with the account servicing payment service provider, the credit transfer order, with the exception of instant credit transfer orders, may also be submitted by indicating such a debit date that follows the date of receipt by the payment service provider.

(4) Where the day specified as the debit date falls on a day other than a business day or there is no such day in the month concerned, the next business day shall be considered as debit date.

### **20. Specific rules for credit transfers**

#### Article 31

Credit transfers shall include in particular:

- a) batch credit transfer;
- b) standing order;

- c) official transfer order and remittance summons;
- d) instant credit transfer.

#### Article 32

(1) In the case of a batch credit transfer, by agreement with the account servicing payment service provider, the payer may, in the place and manner specified in the framework contract, submit credit transfer orders of the same title in favour of different payees in batches.

(2) The payee's account servicing payment service provider shall notify the payer's account servicing payment service provider about the non-execution of the batch credit transfer order (failure of credit), and the reason for it. The payer's account servicing payment service provider shall forward such notifications (orders that have not been executed) to the payer in the manner specified in the framework contract.

#### Article 33

(1) By means of a standing order, the payer instructs the account servicing payment service provider to transfer a specific amount at specific times (on specific debit dates) on a regular basis.

(2) The account servicing payment service provider shall continue to execute the standing order until it is withdrawn by the payer or the last execution date specified in the order expires.

#### Article 34

(1) In respect of pecuniary claims to be settled in accordance with official transfer orders and remittance summons, Article 64 of the Payment Services Act shall apply with the additions provided for in paragraphs (2)–(6).

(2) When an official transfer order is initiated via the payee's own payment service provider, after the time of receipt of the official transfer order the payee's account servicing payment service provider shall verify that the payee and the payment account number indicated in the official transfer order belong together, and verify the signature of the party having the right of disposal as notified to the payment service provider.

(3) Following the verification specified in paragraph (2), the payee's account servicing payment service provider shall forward the data content of the official transfer order to the payer's account servicing payment service provider.

(4) Upon receipt of the official transfer order or remittance summons, the payer's account servicing payment service provider shall immediately start to verify that the payer and payment account number indicated in the payment order belong together.



(5) The payer's account servicing payment service provider shall not notify the account holder indicated as payer about the official transfer order or remittance summons before the transaction is executed, executed partially, or is queued as provided for by law.

(6) The payer's payment service provider shall notify the payer about the execution, partial execution or queuing of the official transfer order or remittance summons at the same time with the execution, partial execution or queuing by forwarding the data content of the original payment order in writing. Where the start of the queuing period of the official transfer order or remittance summons falls on a day other than a business day, the payment service provider shall meet its notification obligation on the next business day.

#### Article 35

(1) A single credit transfer order for an amount in forint shall qualify as an instant credit transfer order if

- a) it is given to the debit of the payer's forint payment account;
- b) its amount does not exceed 10 million forints;
- c) it does not specify a debit date following the date of receipt by the payment service provider;
- d) it is submitted by the payer by means of information technology, telecommunication or by other means as specified in the framework contract with the payment service provider, and is processed by the payment service provider in a way that does not require any human intervention; and
- e) except as provided for in paragraph (2), it is not submitted in batches.

(2) Where the payer is a consumer, single credit transfer orders submitted in batches and complying with the conditions specified in points a) – d) of paragraph (1) shall be considered an instant credit transfer order.

(3) The payer's payment service provider shall forward the data content of the payment order qualifying as an instant credit transfer order to the payee's payment service provider within five seconds following the time of receipt of the payment order as specified in Article 7(4).

(4) Where in the execution process of the payment order other data related to the payment transaction has also been given beyond the data content of the instant credit transfer order submitted by the payer, these data - given by not the payer - shall also be forwarded together with the data content of the payment order by the payment service provider to the other payment service providers involved in the execution of the payment transaction.

(5) The payment service provider shall immediately refuse the execution of a payment transaction forwarded to it by another payment service provider towards the payer's payment service provider, and indicate the reason of the refusal, in cases where, according to the data

forwarded to it as provided for in Article 7(9), the period counted from the time of receipt of the payment order by the payer's payment service provider recorded as specified in Article 7(8) exceeds 20 seconds.

(6) Where a payment transaction between the payer and the payee is executed between payment accounts serviced by the same payment service provider, the payment service provider shall immediately refuse the execution of the payment transaction in cases where the period counted from the time of receipt of the payment order recorded as specified in Article 7(8) exceeds 20 seconds.

(7) Upon receipt of notice on the payment transaction, the payee's payment service provider shall immediately forward the notification addressed to the payer's account servicing payment service provider about the refusal of the payment transaction indicating its reason, or of the execution of the payment transaction.

(8) The payee's payment service provider shall forward the notification specified in paragraph (7) in such a way that ensure the arrival of the notification at the payer's account servicing payment service provider within five seconds after having been notified of the payment transaction.

(9) The payer's payment service provider shall immediately notify the payer about the information referred to in paragraph (5) and (6) and, unless otherwise provided for by law, in paragraph (7) concerning the refusal of the execution of the payment transaction, following receipt of that information in the manner agreed in the framework contract, indicating the reason of the refusal.

(10) Where the payer submitted the instant credit transfer order by indicating the payee's secondary account identifier, in the subsequent information provided for by the Payment Services Act the payer's payment service provider shall indicate that secondary account identifier as payee's data.

#### Article 36

(1) By agreement with the payee's account servicing payment service provider, the payee may initiate an instant credit transfer with the payer in the form of a request to pay submitted to the payment service provider for forwarding.

(2) In the request to pay the payee shall specify its validity, not exceeding two months following submission of the request to pay and shall indicate all data required for the initiation of the instant credit transfer order.

(3) In the request to pay among the data required for the initiation of an instant credit transfer order, the payee shall not indicate a secondary account identifier assigned to the payee's payment account instead of the payee's own name and payment account number.

(4) The payee may also submit a request to pay to the account servicing payment service provider so that among the data required for the initiation of an instant credit transfer order, instead of the payer's name and payment account number a secondary account identifier assigned to the payer's payment account is indicated.

(5) The payee's account servicing payment service provider shall immediately refuse the acceptance for forwarding any request to pay that fails to comply with the provisions specified in paragraphs (2) or (3) and shall specify the reason of the refusal.

(6) The payee's account servicing payment service provider shall forward the request to pay to the payer's account servicing payment service provider within five seconds of its receipt.

(7) By agreement with the payer, in the manner and form specified in the agreement, the payer's account servicing payment service provider shall immediately forward the request to pay to the payer.

(8) In the absence of an agreement with the payer referred to in paragraph (7), the payer's account servicing payment service provider may refuse forwarding the request to pay to the payer.

(9) Within five seconds of receiving a request to pay, the payer's account servicing payment service provider shall notify the payee's account servicing payment service provider about forwarding the request to pay to the payer or its refusal. In the case of refusal, the payee's account servicing payment service provider shall immediately notify the payee.

## **21. General rules for direct debit**

### Article 37

(1) By means of a direct debit order, the payee instructs its account servicing payment service provider to collect a specific amount from the payer's payment account in favour of the payee's payment account.

(2) The payee shall submit the direct debit order to its account servicing payment service provider.

(3) Following receipt of the direct debit order the payee's account servicing payment service provider shall verify the data pertaining to the payee (where the direct debit order requires the attachment of a document, the payment service provider shall verify that the payee indicated

in the document, the payee and the payment account number indicated in the direct debit order belong together, and verify the signature of the party having the right of disposal as notified to the payment service provider).

(4) Following the verification specified in paragraph (3), the payee's account servicing payment service provider shall forward the data content of the direct debit order to the payer's account servicing payment service provider.

(5) The payment service provider being a payee may also submit a direct debit order directly to the payer's account servicing payment service provider.

(6) Where the direct debit order requires the attachment of a document or to be countersigned by virtue of legal regulations or by agreement, the direct debit order so equipped shall be forwarded to the payer's account servicing payment service provider, either by the payee's account servicing payment service provider or the payee entitled for direct submissions specified in paragraph (5), in a manner allowing delivery to be certified.

## **22. Specific rules for direct debit**

### Article 38

Direct debit shall include in particular:

- a) direct debit based on letter of authorisation;
- b) bill of exchange collection;
- c) cheque collection;
- d) batch direct debit;
- e) deferred direct debit;
- f) documentary collection.

### Article 39

(1) In the letter of authorisation, in the manner notified to the payer's payment service provider, the payer as account holder shall authorise the payee to submit direct debit orders. The letter of authorisation may also include conditions of submission agreed between the payer and the payer's payment service provider.

(2) The letter of authorisation shall include:

- a) the payer's name and the payment account number of the payer's payment account to which the authorisation pertains;
- b) the name of the payee authorised to submit a direct debit order based on the letter of authorisation, and the payment account number of the payee's payment account;
- c) the expiry date of the authorisation;

d) where there is an obligation to attach a document, the precise designation of that document.

(3) The letter of authorisation may also include:

- a) the upper limit of execution;
- b) the frequency of submission;
- c) the queuing period in the event of insufficient funds, the possibility of partial payments and its minimum amount;
- d) the procedure of withdrawal.

(4) Unless otherwise provided for by the letter of authorisation, except as provided for in paragraph (5), the payment service provider shall receive and execute direct debit orders based on letter of authorisation until the relevant authorisation is withdrawn by the payer in writing or by other identified electronic means as specified in the Credit Institutions Act.

(5) Where the framework contract is terminated by the payer under Article 17(1) of the Payment Services Act or by the payer's payment service provider under Article 17(4) of the Payment Services Act, the payer's payment service provider shall execute direct debit orders based on letter of authorisation at the latest on the day on which the termination of the framework contract takes effect.

(6) The payer's payment service provider may also terminate the framework contract before the letter of authorisation expires.

(7) Where the withdrawal of the authorisation requires the payee's consent, the payer's payment service provider shall immediately notify the payee about the termination of the framework contract referred to paragraphs (5) and (6).

(8) A sample letter of authorisation is specified in point II.4. of Annex 3.

#### Article 40

(1) Where a direct debit order is for collection of a claim based on a bill of exchange, and the bill of exchange indicates the direct debtor's payment service provider as the place of payment, the authorisation of the direct debtor of the bill of exchange shall be the bill of exchange itself.

(2) The party submitting a direct debit order based on a bill of exchange shall attach the original of the bill of exchange.

(3) A direct debit order for the collection of a claim based on a bill of exchange against guarantors or underwriters shall be submitted on the basis of a letter of authorisation with the same contents as specified in point II.4. of Annex 3.

(4) Where the payee presents a bill of exchange for payment by submitting a direct debit order, but the order cannot be executed or can only be executed partially due to insufficient funds, the payment service provider indicated in the bill of exchange as the place of payment shall record a statement substituting the act of protest in accordance with the legal regulations for bills of exchange, except where the wording of the bill of exchange includes the drawer's requirement for a protest by a notary public, or an exemption for the holder of the bill of exchange from the obligation to record a protest. Where the holder of the bill of exchange is the payment service provider servicing the payment account to be debited no statement substituting the act of protest shall be recorded.

(5) At the place of redemption referred to in the act on the rules for bills of exchange, a direct debit order may also be submitted for payment even if the bill of exchange indicates a place of payment other than the place of redemption, but also indicates a place of redemption. Where no place of redemption is indicated in the bill of exchange, the direct debit order may be submitted directly to the place of redemption.

(6) In the case of a direct debit order referred to in paragraph (5), no statement substituting the act of protest shall be recorded.

#### Article 41

(1) Where a direct debit order is for the collection of the amount of a cheque, the authorisation of the issuer of the cheque shall be the cheque itself.

(2) The party submitting a direct debit order for cheque collection shall attach the original of the cheque.

(3) At the place of discount as specified by the rules of cheque law, a direct debit order may also be submitted for payment even if the cheque indicates a place of payment other than the place of discount, but also indicates a place of discount. Where no place of discount is indicated in the cheque, the direct debit order may be submitted directly to the place of discount.

(4) Where the payee presents a cheque for payment by submitting a direct debit order, but the order cannot be executed or can be executed only partially due to insufficient funds, the payment service provider indicated in the cheque as place of payment or the place of discount indicated in the cheque shall record a statement substituting the act of protest in accordance with the rules of cheque law, except where in the wording of the cheque the issuer exempted the holder of the cheque from the obligation to record a protest or to have a statement with the same effect drawn up. Where the holder of the cheque is the payment service provider servicing the payment account to be debited no statement substituting the act of protest shall be recorded.

#### Article 42

(1) Pursuant to the authorisation given by the payers concerned, under the agreement with the payee's payment service provider the payee shall submit direct debit orders of the same title and indicating debit date against the payment accounts of different payers in batches.

(2) The payer's account servicing payment service provider shall notify the payee about the authorisation received from the payer to execute batch direct debit orders, as well as of the modification or withdrawal of the authorisation via the payee's account servicing payment service provider within four business days following its receipt. The upper limit of execution shall only be notified by the payment service provider to the payee exclusively with the payer's consent.

(3) The payee shall give notification about the acceptance of the authorisation to the person contracted by the payee and to the payer's account servicing payment service provider. As regards the payer's account servicing payment service provider, the payee's commencement of direct debit shall qualify as the payee's acceptance of the authorisation.

(4) Within four business days following receipt of the notification referred to in paragraph (2), the payee shall give notification to the payer's account servicing payment service provider and, to the extent that identification is possible based on the notification referred to in paragraph (2), to the person contracted by the payee about the rejection of the authorisation.

(5) The payee shall forward the authorisation as well as the modification or withdrawal of the authorisation to the payer's account servicing payment service provider servicing within four business days following its receipt from the payer. In the case of an authorisation accompanied by a contract offer, the payee shall meet its notification obligation immediately after accepting the offer or making a modified offer. The payer's account servicing payment service provider shall handle incoming authorisations as specified in paragraph (2).

(6) The payer's account servicing payment service provider shall, at the payer's request, issue a certificate of the authorisation for the execution of batch direct debit orders affecting the payer's payment account. The payer may submit the certificate to another payment service provider as a new authorisation, but in the absence of the payer's instruction to the contrary, the original authorisation shall nevertheless remain in effect.

(7) Upon the payee's acknowledgement of the new authorisation, the previous authorisation on the same subject shall be considered terminated.

(8) Unless otherwise agreed by the parties, the authorisation shall be completed using the standard payment form PFNY 31 specified in point II.5. of Annex 3, and the certificate referred to in paragraph (6) shall be completed using payment template PFNY 31/A specified in point II.6. of Annex 3.

(1) The payee shall submit a direct debit order in accordance with the framework contract with its account servicing payment service provider at least five business days before the debit date. The payee shall determine the debit date so as to ensure that, with respect to the provisions set out in Article 12(1), the transaction can be executed until the deadline indicated in the invoice or other document. Where the day specified as the debit date falls on a day other than a business day, the next business day shall be considered the debit date.

(2) The payee shall submit the direct debit order for the same amount indicated in the invoice or, in the absence of an invoice, in another document underlying the submission.

(3) The payee's payment service provider shall complete its share of the tasks involved in the execution of the direct debit order at the latest on the business day following the receipt specified in Article 6(1) and (4).

(4) The payee shall notify the person contracted by the payee about the submission of the debit date order by forwarding the invoice or, in the absence of an invoice, other document underlying the direct debit order, at least six business days before the debit date. When using direct debit orders for the same amount on a regular basis, the payee shall meet the notification obligation when the amount of the direct debit order is adjusted, or in the absence of such an adjustment, at least annually.

(5) The payment service provider may notify the payer about a batch direct debit order before its execution.

(6) The payer may block the execution of a batch direct debit with the its account servicing payment service provider by the end of the business day preceding the debit date. A batch direct debit may not be blocked for a part of its amount. The payment service provider shall not assess whether the debit is blocked reasonably or legitimately. Blocking shall not affect the authorisation.

(7) The payer's account servicing payment service provider shall notify the payee's account servicing payment service provider about the execution or the non-execution of the batch direct debit, in the latter case indicating its reasons. The payer's account servicing payment service provider shall forward the notifications and the data of the executed orders to the payee in the manner specified in the framework contract.

#### Article 44

(1) By means of a deferred direct debit order, the payee instructs its account servicing payment service provider to collect a specific amount from the payer, holding an account with the Treasury, in favour of the payee's payment account in order to enforce an agreed payment obligation.



(2) On the deferred direct debit order the payee shall indicate a period for the payer to object to the execution of the order (hereinafter referred to as “objection period”). The earliest date of the last day of the objection period shall be the tenth business day following the payee’s submission of the order to its account servicing payment service provider.

(3) The Treasury shall give prior notification to the payer about the submission of the deferred direct debit order before its execution and shall execute the order as instructed by the payer. In that regard, the payer’s failure to exercise the right to raise an objection within the objection period shall also be considered as an instruction given.

(4) At the latest on the business day preceding the last day of the objection period, the payer may raise an objection with the Treasury to the execution of the deferred direct debit order, whether in full or in part, in the manner and form specified by the Treasury.

(5) The payer’s failure to raise an objection to the execution of the deferred direct debit order shall be considered as the payer’s consent to the execution of the direct debit.

(6) Where an objection is raised, the Treasury shall proceed in compliance with the objection, without assessing whether the objection has been raised reasonably or legitimately.

#### Article 45

When placing an order for documentary collection, the payee (beneficiary) of the principal transaction shall submit the documents underlying the its claim to its account servicing payment service provider with the instruction that the documents are to be released to the payer (recipient) only upon payment, acceptance of a bill of exchange, or fulfilment of other criteria.

### **23. Payment initiated by the payer through the payee**

#### Article 46

(1) In the case of a payment transaction executed domestically by using a payment card, where the currency of the amount on the receipt is identical to the currency of the payment account ensuring the coverage for the use of the payment card, or that of the credit limit linked to the credit card, the amount charged to the payment account or to the credit limit shall be identical to the amount on the receipt.

(2) A payment transaction executed domestically shall be identified by the payer’s payment service provider on the basis of the country code assigned to the payee in the statement sent by the payee’s payment service provider on the details of the payment order in connection with the payment transaction concerned.

## **24. Letter of credit**

### Article 47

(1) In a letter of credit, the payment service provider (opening payment service provider) undertakes, in its own name and as instructed by the payer (obligor) in the principal transaction, an obligation for the payment of the amount specified in the letter of credit to the payee, subject to the payee's submission of the required documents until the expiry date and compliance with other conditions as set out in the letter of credit, provided that the documents are acceptable.

(2) The documents specified in the letter of credit shall be forwarded by the payee to the opening payment service provider together with the relevant letter of utilisation either directly, or via the payee's account servicing payment service provider.

(3) The opening payment service provider shall pay the amount of the letter of credit to the payee by credit transfer to the payee's payment account indicated in the letter of credit or the letter of utilisation.

## **25. Issue and redemption of cheques for cash payments**

### Article 48

(1) The account holder may issue a cheque for cash payment under a cheque agreement with the account holder's account servicing payment service provider.

(2) Unless otherwise agreed, the payment service provider shall redeem (settle) the cheque addressed to it up to the balance of the payment account indicated in the cheque by the issuing account holder.

(3) Upon termination of the account holder's payment account, the account holder shall return any unused cheque forms (cheque books) in its possession to the payment service provider.

(4) When redeeming a cheque for cash payment, the payment service provider shall verify the identity of the bearer (payee) as follows:

(a) when redeeming a cheque made in the name of certain person, unless the cheque has blank endorsement, the payment service provider shall verify whether the bearer is the same person as the payee named on the cheque;

(b) the payment service provider shall pay the amount of a bearer cheque to the person presenting it.

(5) The payment service provider shall have the person named on the cheque as payee or the bearer presenting the cheque sign the back of the cheque for cash payment acknowledging receipt of the money.

## **26. Cash placement on a payment account**

### Article 49

(1) Cash placement into a payment account may be accepted among others by the account servicing payment service provider, as well as other payment service providers by agreement between the payment service providers concerned.

(2) At the cash desk of the payment service provider referred to in paragraph (1), cash may be placed into a payment account by means of a cash deposit form or by signing a cash desk receipt.

(3) The cash deposit form or cash desk receipt shall include at least the name and payment account number of the account holder being the payee, and shall ensure to indicate a reference enabling the payee to identify the payer and to give other comment.

## **27. Cash withdrawal from a payment account**

### Article 50

(1) Cash may be withdrawn from a payment account among others at the account servicing payment service provider as well as at other payment service providers contracted by it for that purpose.

(2) At the cash desk of the account servicing payment service provider, and of another payment service provider under an agreement as referred to in paragraph (1), cash may be withdrawn from a payment account by means of a cash desk receipt (e.g. a payout form or withdrawal form), by signing a cash desk receipt, or by means of a cash withdrawal voucher other than a cheque.

(3) Cash may also be withdrawn from a payment account by post (postal delivery) by means of an outpayment money order.

### Article 51

(1) When a cash withdrawal voucher is used, the account holder and its account servicing payment service provider shall agree on

- a) the method of applying for, making available and revoking cash withdrawal vouchers (voucher books); and
- b) the format and data content of cash withdrawal vouchers, and the rules for their completion and signature.

(2) The customer shall present the cash withdrawal voucher for payment at the cash desk of the payment service provider within eight calendar days following completion. The time limit shall not include the day of completion. Where the last day of the time limit is not a business day, the time limit shall expire on the next business day.

(3) On the cash withdrawal voucher the account holder may name the natural person designated to withdraw cash. In that case the payment service provider shall pay the amount of the cash withdrawal voucher to the designated person. Where on the cash withdrawal voucher no person is designated by the account holder to withdraw cash, the payment service provider shall pay the amount of the cash withdrawal voucher to the person presenting the voucher.

(4) The payment service provider shall have the person designated to withdraw the cash or the person presenting the voucher sign the back of the cash withdrawal voucher acknowledging receipt of the money.

(5) Where the funds required to pay the amount of a cash withdrawal voucher presented within the applicable time limit are not available on the account holder's payment account, the payment service provider shall return the cancelled cash withdrawal voucher to the person presenting it without execution.

(6) In the event that the cash withdrawal voucher is lost, stolen or destroyed, the account holder shall report this immediately to the account servicing payment service provider in writing. Where the cash withdrawal voucher may also be redeemed at the cash desk of another payment service provider, that payment service provider shall also be notified at the same time. The payment service provider shall keep a record of the report for five years, but not later than the termination date of the payment account.

(7) Upon termination of the account holder's payment account, the account holder shall return any unused voucher books (voucher forms) in its possession to the payment service provider.

## Article 52

(1) By completing an outpayment money order, the account holder instructs its account servicing payment service provider to pay a specific amount to the recipient from the account holder's payment account by post.

(2) The account holder, its account servicing payment service provider and the service provider in charge of postal delivery shall agree on

- a) the format and data content of the outpayment money orders as well as any accompanying forms (e.g. mailing register, certificate of funds), and the rules for the completion of such forms;
- b) the procedure for generating, forwarding and processing outpayment money orders and accompanying documents as well as their data contents;
- c) the procedure for making available the required funds;
- d) the procedure and time limit for returning the amount of an outpayment money order to the account servicing payment service in case the amount cannot be delivered or paid;
- e) the procedure raising complaints concerning outpayment money orders, including the blocking of its payment.

(3) In the course of payments by post, the amount indicated in the outpayment money order shall be delivered and paid in application, as appropriate, of the provisions for registered postal consignments as set out in Government Decree 335/2012. (XII. 4.) on the detailed rules of the provision of postal services, postal services related to official documents, the standard terms and conditions of postal service providers and shipments excluded from postal services, as well as conditional shipments.

## **28. Money remittance**

### Article 53

(1) Money remittance means a money transfer without using a payment account where the amount concerned is made available by the payment service provider to the payee (recipient) by means of

- a) payment at the payment service provider's cash desk;
- b) postal delivery.

(2) In the course of payments by post, the amount transferred shall be delivered and paid in application, as appropriate, of the provisions for registered postal consignments as set out in Government Decree 335/2012. (XII. 4.) on the detailed rules of the provision of postal services, postal services related to official documents, the standard terms and conditions of postal service providers and shipments excluded from postal services, as well as conditional shipments.

## Chapter VII

### Provisions for clearing transactions

## **29. Forwarding paper-based payment orders between payment service providers**

### Article 54

The payment service provider shall receive the submitted payment orders together with the attached documents at the branch address indicated in the routing table.

## **30. Forwarding payment orders in domestic payments systems**

### Article 55

(1) Where payment orders are cleared or settled between payment service providers through a domestic payment system, the payment service provider shall forward all numeric and alphanumeric data, as properly indicated in the payment orders submitted by the account holders, including the contents of the “Comment” field, by itemised data transmission separately for each payment order.

(2) Where the payee of a direct debit order is a direct participant of a domestic payment system, it shall forward debit direct orders via the domestic payment system directly to the payer’s account servicing payment service provider, and may, for that purpose, indicate the payee’s technical account as the payee’s payment account.

### Article 55/A

(1) Apart from instant credit transfer orders specified in Article 35(1) and (2), the payer’s account servicing payment service provider is allowed to forward exclusively only such single credit transfer orders denominated in forint into the domestic payment system accomplishing clearing and settlement of instant credit transfer orders, which credit transfer orders comply with the conditions specified in point c) and – with the exception of single credit transfer orders submitted by payers qualifying as consumers – in point e) of Article 35(1).

(2) Apart from single requests to pay, batch requests to pay are allowed to be forwarded into the domestic payment system accomplishing clearing and settlement of instant credit transfer orders exclusively on condition that such batch requests to pay are submitted by payees qualifying as consumers.

### Article 55/B<sup>1</sup>

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<sup>1</sup> will come into force on 1st September 2020.

(1) Apart from credit transfer orders specified in Article 55/A(1), the payer's account servicing payment service provider is allowed to forward other payment orders denominated in forint into the domestic payment system accomplishing clearing and settlement of instant credit transfer orders on condition that exclusively only one payment order – in the case of batch payment orders only one payment order from the unbundled batch - per second is forwarded to each payment service provider of payees indicated in the payment orders.

(2) Apart from batch requests to pay specified in Article 55/A(2), other batch requests to pay – after having unbundled - are allowed to be forwarded into the domestic payment system accomplishing clearing and settlement of instant credit transfer orders exclusively on condition that only one request to pay per second is forwarded to the payer's payment service provider.

## Chapter VIII

### Final provisions

#### **31. Entry into force**

##### Article 56

(1) Except as provided for in paragraphs (2), (3) and (4), this Decree shall enter into force on 13 January 2018.

(2) Article 9(4) and Article 59 shall enter into force on 1 July 2018.

(3) Points 1., 5., 9., 10. and 12. of Article 2(1); Article 4; Article 6(2), (3), (6), (8) and (9); Article 7(4), (8) and (9); Article 9(9); Article 10(3); Article 14(3), (6) and (12); Article 17(3) and (4); Article 20(4); Article 21(2); point d) of Article 31 and Articles 35, 36, 60 and 61 shall come into force on 2<sup>nd</sup> March 2020.

#### **32. Transitional provisions**

##### Article 57

(1) Except as provided for in paragraph (2), this Decree shall apply to payment orders received following its entry into force.

(2) Article 40(5) shall apply to legal relationships based on bills of exchange drawn following the entry into force of the act on the rules for bills of exchange.

(3) Payment orders submitted pursuant to Article 66 of the Payment Services Act shall be subject to the provisions of MNB Decree 21/2006 (XI. 24.) on the execution of payment transactions as in effect on 6 August 2009.

(4) Completed pursuant to MNB Decree 21/2006 (XI. 24.) on the execution of payment transactions, authorisations allowing the submission of batch direct debit orders and letters of authorisation allowing the submission of direct debit orders shall remain valid regardless of changes concerning the indication of the Parties.

### **33. Compliance with EU law**

#### Article 58

In conjunction with Articles 31–67, 89–119, 121 and 125 of Act CXLV of 2017 on the Amendment of Specific Acts for Legislative Alignment Regarding Insurance and Payments, this Decree has been issued to ensure compliance with Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC.

### **34. Amendments**

Articles 59 – 61. are inserted in the consolidated text

### **35. Repealing provision**

#### Article 62

MNB Decree 18/2009 (VIII. 6.) on the execution of payment transactions is hereby repealed.



Dr. György Matolcsy  
Governor of the Magyar Nemzeti Bank