

## Legal regulation of instant payment service according to subjects

Provisions of Decree No. 35/2017. (XII.14.) of the Governor of the Magyar Nemzeti Bank on Execution of Payment Transactions (hereinafter referred to as Decree) being in force from 2nd March 2020, except Article 55/B, which will come into force on 1st September 2020.

Subjects regulated	Comments	Legal text
<b>Regulation of basic service</b>		
Place of definition and detailed rules of instant credit transfer	As several rules are included in the Decree, under its relevant titles in respect of execution instant credit transfer, instant credit transfer is defined as an individual sub-type of payment methods, the range of transactions, certain detailed rules of execution (e.g. forwarding positive or negative feedback) as well as provisions concerning request to pay appear – in the same way as in the case of other sub-types of payment methods - under the title of detailed rules of payment methods.	Article 31 of the Decree  “d) instant credit transfer.”  Detailed rules of execution are specified under Articles 35 and 36 of the Decree.
Definition of range of payment orders falling under instant processing obligation	<p>This sphere includes single domestic HUF credit transfer orders, not requiring manual processing, initiated from a HUF payment account up to a value limit of HUF 10 million, with the exception of standing orders or credit transfer orders indicating a debit date.</p> <p>According to the definition of the Decree the debit date means the day on which the payer’s payment account is debited, it is necessary to define unambiguously that debit date can mean only a date after the receipt of the payment order. Thus, if the debit date indicated in the payment order is identical with the date of its receipt and the payment order complies with the other criteria, it is to be considered an instant credit transfer order.</p> <p>In respect of determining the condition „...way that does not require any human intervention”, besides specifying the most typical ways of submission (IT, telecommunication) it is useful to allow that the parties may agree upon other means for the submission of instant credit transfer orders in the framework contract.</p>	<p>Article 35(1) of the Decree</p> <p>„(1) A single credit transfer order for an amount in forint shall qualify as an instant credit transfer order if</p> <p>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.”</p>

	With the exception of credit transfer orders initiated by consumers, single credit transfer orders submitted in batches do not qualify as instant credit transfer orders.	Article 35(2) of the Decree  „(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.”
Definition of batch order	For the sake of uniform interpretation it is essential to specify that in respect of instant credit transfer only those single payment orders qualify as submitted in batches which are received at the same time by the payer’s payment service provider or where the payer gives its consent to more payment orders at the same time.	Point 9 of Article 2(1) of the Decree  „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;”
Modification of the general rules of credit transfer regarding the possibility of submission with a later debit date	As according to point c) of Article 35(1) the instant credit transfer order cannot indicate a debit date following the date of its receipt by the payment service provider, at the general rules of credit transfer allowing the submission with a later debit date instant credit transfer order is to be defined as an exception to this rule.	Article 30(3) of the Decree  „(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.”
Specifying the time of receipt relevant for the purpose of calculating the execution time of 5 seconds laid down for the payer’s payment service provider	By specifying the starting point of the execution time laid down for payer’s payment service provider, consideration is to be taken to the requirements of authentication, especially to strong customer authentication introduced by PSD2, which process may require the acknowledgement of the payer during the authentication procedure, however the payer’s payment service provider has no effect on the length of time needed.  At the same time it may occur that the payment service provider accomplishes the authentication at the time when the payer logs in the internet bank, thus before submission of the payment order, in which case the payment order or more payment orders are submitted later, without another authentication. In such a case the	Article 7(4) of the Decree  „(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.”

	<p>payment orders are considered to have been received at the time when they arrived at the payment service provider.</p> <p>Therefore, the calculation of the execution time commences when both conditions, i.e. arrival of the payment order at the payer's payment service provider and the authentication have been accomplished, depending on which condition occurred later.</p>	
Recording the time of receipt of instant credit transfer orders	<p>As in the case of instant credit transfers not only the time of arrival of the payment order at the payer's payment service provider but also the time of authentication may qualify as the time of receipt of the payment order in respect of calculating the execution time of 5 seconds, depending on which event occurred later [see Article 7(4)], there should be a general rule for recording the time of receipt in both possible cases. Considering the execution time of 5 seconds, the accuracy of recording the time of receipt is to be thousandth of a second.</p>	<p>Article 7(8) of the Decree</p> <p>„(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.“</p>
Forwarding the time of receipt of instant credit transfer orders between payment service providers	<p>As according to the operational model of instant payment service the execution of instant credit transfer is to be refused by any payment service provider in the payment chain if on basis of the data forwarded to it more than 20 seconds have elapsed counted from the time of receipt recorded, the time of receipt of the payment order by the payer's payment service provider is to be forwarded to all payment service providers participating in the execution of payment transaction.</p>	<p>Article 7(9) of the Decree</p> <p>„(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.“</p>
Order of executing payment orders	<p>As a basic rule of the Decree the payment service provider is required to execute the payment orders for debiting payment accounts in the order of their receipt, unless otherwise provided for by law or instructed by the account holder.</p> <p>In view of the execution time of 5 seconds, submission of an instant credit transfer order is to be considered as a dif-</p>	<p>Article 7(12) of the Decree</p> <p>„(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</p>

	fering instruction given by the payer compared to the previously received payment orders which are not subject to instant execution.	transfer order shall be considered as a different instruction given by the account holder.”
Execution time of 5 seconds specified for the payer’s payment service provider	If the payer’s and the payee’s payment service providers are different, the payer’s payment service provider is required to ensure that the payee’s payment service provider should receive amount of the payment transaction at the latest within 5 seconds counted from the time of the arrival of the payment order at the payer’s payment service provider or the authentication i.e. after the time of receipt if the instant credit transfer order by the payer’s payment service provider.	Article 17(3) of the Decree  „(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).”
	If the payer’s and the payee’s payment service provider is the same (inside payment transaction), the payment service provider is required to make available the amount of the payment transaction on the payee’s payment account at the latest within 5 seconds counted from the time of the arrival of the payment order or the authentication in such a way that the payee should be able to dispose over the amount immediately. An exception to this rule is the case where the credit needs such a conversion where any of the currencies is that of a non-EEA state [see Article 26(5)].	Point a) of Article 23 of the Decree  „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,”
	Codifying modification: in view of the execution time of 5 seconds, instant credit transfer should be mentioned as an exception to the so-called „4 hours” rule.	Point a) of Article 17(2) of the Decree  „(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;”
Forwarding the data content of the instant credit transfer order to the payee’s payment service provider	Within the execution time of 5 seconds the payer’s payment service provider is required to forward not only the amount of payment transaction but also the data content of the instant credit transfer order to the payee’s payment service provider in order that this latter could comply with its information obligations specified in Article 35(7).	Article 35(3) of the Decree  „(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).”
Forwarding any other data related to the payment transaction given beyond the data content of the instant credit transfer order during the execution of the payment order between payment service providers	In order to facilitate the spread of new, innovative services built on the basic instant payment service it is important, that together with the data content of the payment order other information (e.g. identifier of a payment situation) given not by the payer should be forwarded to the other payment service providers participating in the payment chain, just up to the payee’s payment service provider.	Article 35(4) of the Decree  „(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.”
Obligation of the intermediary payment service provider for execution	The intermediary payment service provider is required to ensure that its corresponding payment service provider could fulfil its obligation concerning the execution time prescribed for it, i.e. that the amount of the payment transaction should be credited within 5 seconds on the account of the payee’s payment service provider.	Article 17(4) of the Decree  „(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.”
Definition of the business day for the execution of instant credit transfer	The instant payment service means provision of services continuously 7 x 24 hour long, therefore in respect of credit transfer each calendar day is a 24-hour long business day and at the same time the value date for the calculation of interest.	Article 6(2) of the 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.”
Maintenance break	In certain cases, it is necessary and justified for the payment service providers to have maintenance breaks, during which period customers cannot submit instant credit transfer orders. Therefore it is possible for the payer’s payment service provider to restrict the submission of instant credit transfer orders in justified cases by way of maintenance breaks on condition that it occurs only in a period of lowest payment traffic and the customers have been notified of it previously.	Article 6(3) of the Decree  „(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.”
Uniform end of the business day concerning instant credit transfer	Because of the continuous 7 x 24-hour long service, a uniform end of the business day is to be applied in order to ensure uniform value-dating as well as debiting/crediting on payment accounts within the whole payment service sector.  According to the model of instant payment services the amount of the payment transaction is at first only blocked on the payer’s payment account, while the payment account is effectively debited after the positive feedback of the payee’s payment service provider. Therefore, value dating and debit - credit on the payment account is to be aligned with the exact business day on which the debit – credit occurred in real time.  Otherwise it may occur that considering the exact time of receipt based on the time-stamp the debit value date is on the day before the uniform end of the business day (T day), but the real time of debiting the payment account is on the day after the uniform end of the business day (T+1 day). Such a case, however, would be contradictory to Article 20(1) of the Decree based on PSD2, according to which the debit value date for the payer’s payment account should not be earlier than the business day on which the payer’s payment account is debited.	Article 6(8) of the Decree  „(8) For the execution of instant credit transfers, the end of the business day shall be 24:00 on each calendar day.”
Cut-off time allowed in respect of instant credit transfer order	Because of the continuous 7 x 24-hour long service and the uniform end of the business day, in the case of instant	Article 6(6) of the Decree

	credit transfer orders cut-off time other than the end of the business day is not allowed to set by the payment service provider.	„(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.”
Opening time and end of the business day allowed for the execution of payment orders other than instant credit transfer	<p>For the sake of uniform debit – credit on the payment accounts, preparing statement of accounts, as well as book-keeping in the ledger, the payment service provider is required not to apply later end of the business day or earlier opening time of the next business day in the case of payment transactions other than instant credit transfer than those uniform point of times set for instant credit transfer.</p> <p>In this way it is preventable that value dating and debit – credit on the payment account is completed on the next business day in the case of instant credit transfer while on the previous business day in the case of other payment transactions because of the later end of the business day or value dating and debit – credit on the payment account is completed on a certain business day in the case of instant credit transfer while on the following business day in the case of other payment transactions because of the earlier opening time of the business day.</p>	<p>Article 6(9) of the Decree</p> <p>„(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</p> <p>a) an earlier date as the opening time of the next business day; and</p> <p>b) a later date as the end of the business day.”</p>
Application of debit and credit value dates in the case where the payer’ and the payee’s payment service provider is the same (interim payment transactions) because of the uniform end of the business day	In the case of interim payment transactions it may occur that the debit value date is on the day before the uniform end of the business day (T day), while the credit value date will fall on the day after the uniform end of the business day (T+1 day) considering that the instant credit transfer order is to be executed within 5 seconds counted from its receipt by the payer payment service provider. Consequently, the application of different debit and credit value date is to be allowed.	<p>Article 20(4) of the Decree</p> <p>„(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.”</p>
Credit on the payee’s payment account immediately	In respect of requirements to credit the amount of the payment transaction immediately to the payee’s payment account as provided for in Article 21(1) of the Decree, the legislative intention is that the payee should get the amount transferred in its favour applying a same day value date for the calculation of interest and at the same time should dispose of the amount immediately, as soon as its	<p>Article 21(2) of the Decree</p> <p>„(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</p>

	<p>account servicing payment service provider has received the funds. There are no rules, however, neither in the PSD2 nor in the Decree, in which account keeping system the effective book-keeping of the credit entry should be completed.</p> <p>Due to this fact it is acceptable if in the case of instant credit transfer the payee's payment service provider meets its obligation when it applies a value date to the payment transaction amount, makes the amount of the payment transaction available in such a way that the payee can immediately dispose over it in full and the payee's claims against the payment service provider has been irrevocably increased with the amount of the payment transaction.</p>	<p>a) value dating the amount of the payment transaction;</p> <p>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</p> <p>c) increasing irrevocably the payee's receivables from the payment service provider by the amount of the payment transaction."</p>
<p>Codifying modifications related to the uniform end of the business day</p>	<p>As the instant payment service means providing a continuous 7 x 24-hour long service, every calendar day is a business day of 24 hours, in the case of instant credit transfer the relevant rules are not interpretable.</p>	<p>Article 21(3) of the Decree</p> <p>„(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."</p> <p>Point a) of Article 22 of the Decree</p> <p>„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</p> <p>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</p>



		..... by enabling the payee's payment service provider to meet its obligations specified in Article 21(1) on the same business day."
Refusal of an instant credit transfer order towards the payer	If an instant credit transfer order cannot be executed due to some reason, the payer's payment service provider, at which the reason for refusal has occurred, is required to refuse the payment order immediately towards the payer. In the case of instant payment service, due to its character, interest of the payer requires that the payer should be notified of the refusal of the payment order and - unless otherwise provided for by legal regulation – of its reason.	Article 9(9) of the Decree  „(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."
Management of instant credit transfer order with insufficient funds	In the case of instant credit transfer order with insufficient funds there are no queuing or partial execution, but it must be refused immediately to the payer by its account servicing payment service provider. The essence of instant credit transfer is that the payment order should be executed within 5 seconds counted from its receipt i.e. from the time of its arrival at the payer's payment service provider or of the authentication. Therefore, it is in the interest of the payer to get information about insufficient funds in the form of refusal immediately instead of queuing or partial execution.	Article 10(3) of the Decree  „(3) An instant credit transfer order that cannot be executed due to insufficient funds shall not be queued."  Article 10(6) of the Decree  „(6) Partial execution shall not be allowed in the case of instant credit transfer orders, batch credit transfer orders and batch direct debit orders."
Refusal to execute a payment transaction due to the exceeding the time limit of 20 seconds	After 20 seconds counted from the time of authentication by the payer's payment service provider or of arrival of the payment order at the payer's payment service provider, i.e. from the time of receipt, any payment service provider participating in the payment chain is required to refuse the payment order and notify immediately the payer's payment service provider of the refusal.	Article 35(5) of the Decree  „(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 Article7(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."

	<p>In the case of interim payment transactions, the payment service provider is required to refuse the instant credit transfer order after 20 seconds from its receipt as specified above, if the payment transaction could not be executed within this time limit.</p>	<p>Article 35(6) of the Decree</p> <p>„(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.”</p>
<p>Feedback (negative or positive response) about the result of the execution of the payment transaction to the payer’s payment service provider</p>	<p>Upon receipt of notice of the payment transaction the payee’s payment service provider is required to send immediately positive response (it executes the payment transaction) or negative response (it refuses to execute the payment transaction for some reason) to the payer’s payment service provider, in the latter case indicating the reason of the refusal.</p> <p>The payee’s payment service provider is required to ensure the arrival of this response at the payer’s payment service provider within 5 seconds.</p> <p>These feedbacks, refusals are interpretable only in respect of the payer’s account servicing payment service provider even if the payment order was submitted through payment initiation service provider as on the basis of the response sent by the payee’s payment service provider the funds blocked on the payer’s payment account is released (negative response) or the payer’s payment account is debited (positive response), furthermore the settlement in the instant payment system also depends on the feedback.</p>	<p>Article 35(7) and (8) of the Decree</p> <p>„(7) Upon receipt of notice on the payment transaction, the payee’s payment service provider shall immediately notify 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.</p> <p>(8) The payee’s payment service provider shall send forward the notification specified in paragraph (7) in such a way that by ensuring that after being notified of the payment transaction the notification arrivals of the notification at the payer’s account servicing payment service provider within five seconds after having been notified of the payment transaction.”</p>
<p>Codifying modifications related to the refusal of payment orders, payment transactions between payment service providers</p>	<p>The rules on refusal to executed instant credit transfer specified under Article 35(5), (7) and (8) is to be considered as a different provision of the Decree in respect of Article 8.</p>	<p>Article 8 of the Decree</p> <p>„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</p>

		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,..... ”
Notifying the payer of the refusal of the payment transaction because of exceeding the time limit of 20 seconds as well as of the negative feedback received from the payee’s payment service provider	The payer’s payment service provider is required to notify immediately the payer of the refusal of the payment transaction because of exceeding the time limit of 20 seconds as well as of the negative feedback received from the payee’s payment service provider unless it is prohibited by law (e.g. AML), as the payer should be notified as soon as possible of the non-execution of its instant credit transfer order and of its reason.	Article 35(9) of the Decree  „(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.”
Notifying the payer and the payee of the positive feedback received from the payee’s payment service provider	The obligation to notify payee of the execution of a payment transaction is provided for in the Act LXXXV of 2009 on providing payment services based on Article 58 of PSD2.  To notify the payee of the positive feedback received from the payee’s payment service provider is optional, it depends on the agreement between the parties thus it does not need a regulation.	
<b>Open data input solutions</b>		
Definition of data input solution	The data input solutions enable the automated transmission of payment data to the cash-substitute payment instrument provided for by the payment service provider.	Point 1 of Article 2(1) of the Decree  „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;”
Making data input solutions open	For the sake of interoperability of input data solutions, the payment service providers are required to use only such open data input solutions for receiving their customers’ instant credit transfer orders, which are interpretable by anybody.	Article 14(12) of the Decree  „(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.”
<b>Secondary account identifiers</b>		
Definition of secondary account identifier	Considering the liability rules under Article 48, 49 and 50 of Act LXXXV of 2009 on providing payment services based on Articles 88 and 89 of PSD2 the secondary identified is to be qualified as unique identifier.	Point 12 of Article 2(1) of the Decree  „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;”
Definition of central database	The central database serves for registering the name, account number of the account holder and the secondary account identifier specified by the party having the right of disposal.	Point 10 of Article 2(1) of the Decree  „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;”
Specifying the range of secondary account identifiers to be registered	In order to ensure the central database and the uniform application the range of secondary account identifiers, the assignment of which to the payment account must not be denied by payment service providers, is to be specified. At the launch of the system these may be mobile phone number given in an EEA State, e-mail address, domestic tax identification code or tax number. Except as provided for in Article 4(2) payment service providers are required to provide services in respect of these secondary account identifiers.	Article 4(1) of the Decree  „(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.”
Way of assigning the secondary account identifier to the payment account	Customers are not allowed to make independently, direct contact with the central database, because the input of the data into the central database is completed in a uniform structure specified in advance. Therefore the party having the right of disposal is allowed to assign the secondary account identifier to the payment account of the account holder, to modify or cancel it through the account servicing payment service provider of the account holder. The party having the right of disposal other than the account holder	

	is entitled to take these measures until it is prohibited by the account holder.	
Providing service in respect of secondary account identifiers by agreement	The payment accounts opened in accordance with Government Decree 76/2018. (IV.20.) on Széchenyi Holiday Card are of limited function as only the employers can initiate credit transfers in favour of these payment accounts, while the account holders cannot submit credit transfer orders to the debit of their balances at all. The account holder cannot initiate credit transfers freely to the debit of those payment accounts as well which are used to place funds removed from the free disposal of the account holder. Therefore, it is reasonable that in the case of these types of payment account the payment service providers should not be obliged to provide service in respect of secondary account identifiers, but only by agreement between the parties.	Article 4(2) of the Decree  „(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.”
Time limit set for the notification of secondary account identifiers	The payment service providers are not required to provide services for the notification of secondary account identifiers continuously 7 x 24 hour long and regarding their checking obligation which may need the personal presence of the customer, a continuous service should not be possible in all cases. Therefore the party having the right of disposal may assign, modify or delete the secondary account identifier only within the time limit set by the account servicing payment service provider of the account holder, which period is to be disclosed to the customers by the payment service provider.	Article 4(3) of the Decree  „(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.”
Number of the secondary account identifiers and the payment accounts to be linked together	More than one secondary account identifier may be linked to a payment account, in order to enable the payer to decide on which secondary account identifier of the payee should be used when submitting an instant credit transfer order, depending on the given payment situation. At the same time a given secondary account identifier is to be assigned only to one payment account in order to ensure the unambiguous connection between the secondary account identifier and the payment account number as the pay-	Article 4(4) of the Decree  „(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.”

	ment transaction which is received by the payee's payment service provider, will include the name and the payment account number of the payee.	
Mandatory content of the notification in respect of secondary account identifier	<p>Taking into consideration data protection aspects (provisions of GDPR) in the notification of the secondary account identifier the natural person account holder is compelled to make a declaration of consent that his/her data included in the notification in respect of his/her account number, secondary account identifier together with his/her name are allowed to be transmitted to the entity operating the central database and these data are allowed to be handled by the central database until this consent is withdrawn by the account holder or the annual data check is ended unsuccessfully.</p> <p>Furthermore consent is given for the entity operating the central database to transmit the data for the purpose of executing payment orders and forwarding requests to pay within the framework of the provision of payment services, and the processing, clearing and settlement of payment transactions and requests to pay to financial institutions and payment service providers other than financial institutions participating in the processing, clearing and settlement of payment transactions.</p>	<p>Article 4(5) of the Decree</p> <p>„(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</p> <p>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;</p> <p>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.”</p>
Handling of secondary account identifier belonging not to the natural person account holder	In the case when the natural person account holder links not his/her own secondary account identifier but that of another natural person to the payment account, it is necessary to obtain this latter natural person's consent to the processing of his/her personal data and the account servicing payment service provider.	<p>Article 4(6) of the Decree</p> <p>„(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</p>

		entitled party's consent specified in paragraph (5) regarding the secondary account identifier."
Checking the entitlement for registering, modifying and deleting a secondary account identifier	As the party having the right of disposal may assign not only the account holder's secondary account identifier to the account holder's payment account, the payment service provider is required to check whether the secondary account identifier is registered, modified or deleted by the person entitled to do so.	Article 4(7) of the Decree  „(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."
Refusal to accept the notification regarding secondary account identifier	The payment service provider is required to refuse the notification for assigning, modifying or deleting a secondary identifier if it cannot authenticate the entitlement for the use, modification or deletion of the secondary account identifier as e.g. the customer was not cooperative.	Article 4(8) of the Decree  „(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."
Forwarding the secondary account identifier to and entering it in the central database	In order to ensure the use of the secondary account identifier as soon as possible the payment service provider it required to forward the data content of the notification concerning the registration of a secondary account identifier received from the party having the right of disposal within one hour after having completed the necessary checks. The entity operating the central database is required to enter the data immediately in the central database.	Article 4(9) of the Decree  „(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."
Handling request for modification of a secondary account identifier	Modification of secondary account identifiers is to be handled in the same way as the registration i.e. the rules of checks, in the case of natural persons the request for declaration of consent, etc. are to be applied.	Article 4(10) of the Decree  „(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."
Deletion of a secondary account identifier from the central database	In order to avoid the further use of the secondary account identifier the payment services provider is required to have the secondary account identifier deleted from the central database within one hour after having completed	Article 4(11) of the Decree  „(11) Within one hour of meeting the requirements set out in paragraph (7), the payment service

	<p>the necessary checks, and the entity operating the central database is required to complete the deletion immediately.</p>	<p>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.”</p>
<p>Regular check of the secondary account identifiers</p>	<p>It is necessary to have the account holder check the validity of the secondary account identifiers linked to the account holder’s payment account regularly, on a yearly basis. It is important especially in the case of mobile phone numbers, as the unused mobile phone numbers returned by the account holder are again given out by the mobile service providers. The reconciliation of data is to be initiated by the payment service provider, because the account holders, at least most of them, would not complete it by themselves.</p> <p>The payment service provider is required to notify the account holder of the next reconciliation of data in due time and to call the account holder’s attention of the consequences if the reconciliation of data fails.</p> <p>If the reconciliation of data is not completed until the annual due date as the account holder does not respond to the notification of the payment service provider regarding the reconciliation of data, the secondary account identifier becomes invalid and in order to prevent its further use it is to be deleted immediately from the central database.</p>	<p>Article 4(12) and (13) of the Decree</p> <p>„(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).</p> <p>(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.”</p>



Deletion of a payment account terminated from the central database	Immediate arrangements are to be taken for the deletion of a payment account terminated from the central database in order to ensure that the secondary account identifier linked to it can be assigned to a new payment account.	Article 4(14) of the Decree  „(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.”
Usability of secondary account identifiers	The purpose of introducing secondary account identifiers is to simplify the submission of instant credit transfers in certain payment situations, therefore the use of secondary identifier is to be allowed instead of the payee’s name and account number.	Article 14(3) of the Decree  „(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.”
	As the purpose of introducing secondary account identifiers is to simplify the submission of instant credit transfers in certain payment situations, the payment service provider is not allowed to refuse an instant credit transfer order submitted using the payee’s secondary account identifier, solely for this reason.	Article 14(6) of the Decree  „(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.”
Indicating the secondary account identifier on the statement of account	In order to protect the payee’s other personal data the payer’s payment service provider is allowed to indicate only the payee’s secondary account identifier given in the instant credit transfer order as a reference to the payee in the subsequent information (statement of account) provided for by the Payment Service Act.	Article 35(10) of the Decree  „(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.”
<b>Request to pay</b>		
Definition of request to pay	The request to pay is a message sent to the payer by the payee in order to initiate a payment. The request to pay must include at least all the data required to initiate an instant credit transfer order by the payer, if its consent is given.	Point 5 of Article 2(1) of the Decree  „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;”
Definition of batch request to pay	For the sake of uniform interpretation it is essential to specify that only those requests to payment qualify as batch ones which are arrived at the same time at the payee’s payment service provider or where the payee submits more than one request to pay at the same time.	Point 8a of Article 2(1) of the Decree  „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;”
Initiating a request to pay	The purpose of the request to pay is that the payer could initiate an instant credit transfer order with minimal manual intervention, only by giving the consent. The request to pay may be initiated by the payee through its account servicing payment service provider, when the latter provides such a service for its customers.	Article 36(1) of the Decree  „(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.”
Validity and data content of the request to pay	In order to avoid the accumulation of outstanding requests to pay at the payer, the request to pay is to be submitted indicating a validity by the payee. The length of the validity may be maximum 2 months. The handling of the expired requests to pay by the payer’s payment service provider depends on the agreement concluded with its customer, thus this question does not need regulation. All the data necessary to initiate an instant credit transfer order is to be indicated in the request to pay by the payee.	Article 36(2) of the Decree  „(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.”
Indicating the payee’s secondary account identifier	The payee is not allowed to indicate its own secondary account identifier instead of its name and account number in the request to pay.	Article 36(3) of the Decree  „(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.”
Indicating the payer’s secondary account identifier	If the request to pay is submitted through the payee’s account servicing payment service provider, among the data required to initiate an instant credit transfer order the payer’s secondary account identifier is also allowed to be	Article 36(4) of the Decree  „(4) The payee may also submit a request to pay to the account servicing payment service provider so

	indicated instead of the payer's name and account number.	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."
Refusal to accept a request to pay by the payee's payment service provider	In order to reach the purpose mentioned previously the payee's payment service provider must not accept a request to pay with no validity or with a longer validity or if it does not contain all the data necessary to initiate an instant credit transfer order.	Article 36(5) of the Decree  „(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."
Forwarding the request to pay to a payer, execution time of the payment service providers participating in the forwarding process	The payee's payment service provider is required to forward the request to pay received within 5 seconds to the payer's payment service provider.	Article 36(6) and (7) of the Decree  „(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.
	The payer's payment service provider is required to forward the request to pay received immediately to the payer, when it provides such a service for the payer. The way and form of forwarding the data depends on the agreement between the parties.	(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."
Refusal to forward a request to pay by the payer's payment service provider	Payment service providers are not obliged to provide services relating to request to pay, therefore the payer's payment service provider may refuse to forward the request to pay to the payer in lack of such an agreement, an obligation to refuse, however, does not seem useful to be imposed.	Article 36(8) of the Decree  „(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."
Information sent to the payee's payment service provider by payer's payment service provider	In order to notify the payee, the payer's payment service provider is requested to inform the payee's payment service provider about the forwarding the request to pay to the payer or its refusal within 5 seconds.	Article 36(9) of the Decree  „(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."
Information sent to the payee	The payee's payment service provider is required to inform the payee immediately about the refusal of the request to pay in order that the payer could make arrangements in	

	another way for the payment in its favour. Giving information about the forwarding of the request to pay is optional, it depends on the agreement between the payee and its payment service provider, therefore this subject does not need regulation.	
<b>Transactions that are allowed to be forwarded into the instant payment system</b>		
Range of payment orders allowed to be forwarded into the instant payment system before 1st September 2020	In order to ensure the smooth start of the system on the 2nd March 2020 and to hinder the overload of payment service providers receiving payment transactions, it is necessary to limit the forwarding of such transactions into the instant payment system that do not qualify as instant credit transfers. Therefore beyond instant credit transfer orders only such single credit transfer orders denominated in forint are allowed to forward into the instant payment system, which are submitted to the debit of payment accounts denominated in foreign exchange and/or the amount of which exceeds 10 million forints and/or the procession of which requires some manuality. This means at the same time that other payment orders, including those specifying a debit date or submitted in batches by payers other than consumers are not allowed to forward into the instant payment system at all.	Article 55/A(1) of the Decree  „(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).”
Range of payment orders allowed to be forwarded into the instant payment system from 1st September 2020	In addition to the payment orders specified under Article 55/A(1) from 1st September 2020 any type may be forwarded into the instant payment system but only with limited speed, i.e. only one payment order per second is allowed to be forwarded to the payee’s payment service provider.	Article 55/B(1) of the Decree  „(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.”
		Article 55/A(2) of the Decree

<p>Range of requests to pay allowed to be forwarded into the instant payment system before 1st September 2020</p>	<p>Due to the reasons specified in respect of payment orders batch requests to pay submitted by payees other than consumers are not allowed to be forwarded into the instant payment system.</p>	<p>„(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.”</p>
<p>Range of requests to pay allowed to be forwarded into the instant payment system from 1st September 2020</p>	<p>From 1st September 2020 also batch requests to pay submitted by payees other than consumers are allowed to be forwarded into the instant payment system after having unbundled, but only with a limited transmitting speed, i.e. only one request to pay per second is allowed to be forwarded to the payer’s payment service provider. This speed limit is independent from the speed limit defined under Article 55/B(1).</p>	<p>Article 55/B(2) of the Decree</p> <p>„(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.”</p>