



Faster HUF credit transfers

Dear Sir/Madam,

Due to the introduction of a new and more modern clearing system, you can expect favourable changes in the execution of domestic HUF credit transfers as of July 2012.

The main goal of introducing the new system is to accelerate credit transfers to accounts held by other banks. Currently, such transfers are only credited to the beneficiary account the following day. In the future, however, all domestic HUF credit transfer orders initiated electronically (via an electronic banking system or telephone customer service) before the announced cut-off time for same-day settlement will be executed the same workday. It means that, compared to the present operation practice, **the lead time required for the execution of domestic HUF credit transfers will be significantly shorter** (it will generally take 4-5 hours). Thus, not only the beneficiaries of your credit transfers will receive them sooner but you will also get the money transferred to your accounts sooner.

- **advantages of the new system**
 - significantly faster money services for enterprises and companies
 - money credited to your accounts on any given working day can be used for further payments on the very same day
 - a modern, client-friendly service
- **the new system will be launched on 2 July, 2012**

→ the changes in detail

- **the “4-hour rule”**
Pursuant to Decree No. 15/2010 (X.12) of the National Bank of Hungary, in accordance with the so-called “4-hour rule”, payment service providers will ensure as of 2 July, 2012 that **domestic HUF credit transfers initiated electronically by their clients are credited to the beneficiary account managed by the beneficiary’s financial service provider not later than 4 hours from accepting the transfer order.** The decree also guarantees that the amount transferred this way should be available to the beneficiary without delay.

All credit transfer orders submitted by the ordering party to its bank via an electronic banking system or telephone customer service are considered to be electronic orders.

The 4-hour clearing and settlement rule applies to those HUF-denominated domestic HUF credit transfer orders not requiring any conversion between different currencies where both the debtor’s (payer’s) and the beneficiary’s (payee’s) financial service providers operate in Hungary. Considering its type, **a credit transfer can be single, bulk transfer or standing order.**

The “4-hour rule” does not apply to the following order types

- collections: direct debit, business-to-business direct debit, collection related to bills of exchange, cheque clearing, deferred payment and documentary collection
- official transfer and remittance summons
- HUF transfers involving conversion
- Credit transfers submitted in a paper-based format, including orders submitted by fax





- **clearing cycles**

There will be a number of clearing cycles with respect to which “4-hour rule” applies. Consequently, amounts may be credited to your account several times during the day and you may also initiate credit transfers that will be credited to the beneficiary’s (payee’s) account several times during the day. In other words, you may as well transfer the money you receive during the day on the very same day. Obviously, the current overnight settlement will remain in place to clear all those transactions to which the decree does not apply.

In the new system, **incoming items** received in the first cycle are expected to be credited at around 10 a.m.; whilst the last ones are expected to be credited at around 6 p.m. **Outgoing items** are expected to be accepted from the morning hours until 4 p.m. the latest. The exact submission deadlines will be defined later.

- **extended data content**

Simultaneously with the introduction of same-day clearing and settlement, the **HCT standard** (Hungarian Credit Transfer) developed on the basis of the so termed SEPA standard will also be implemented in domestic payment services. **You can learn more** about the HCT customer-to-bank credit transfer order standard **on the website of GIRO Zrt.** (http://www.giro.hu/dokumentumtar_hct.php)

The new HCT format will offer a higher number of data input fields compared to the data content of the present HUF credit transfer orders. As a result, the data content of orders and bank account statements can be complemented with optional fields.

The extending data content offers several advantages for the development and enhancement of the automatic communication between various corporate booking and banking account management systems.

The data content of bulk transfers and their data structure regarding the relation between customer and bank will not change, even though the ‘4-hour rule’ applies to them.

- **expected consequences**

In the future it will suffice to initiate electronic credit transfers on the due date of payment obligations (bearing in mind the new final submission cut-off time).

In order to take advantage of the benefits offered by the same-day clearing system to the fullest possible extent, it may be useful and necessary to review and revise the existing invoicing and accounting processes and systems of the company. With the optimisation of your liquidity management you will be able to save costs.

We will make all regularly updated information relating to same-day clearing available on our web site. If you have any questions relating to the above, please, do not hesitate to contact your relationship manager or our banking advisors.

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