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**Resolution number: H-PIF-I-184/2020.**

**Dated: Budapest, 25<sup>th</sup> November, 2020.**

Based on the conclusion of the inspection procedure at **OTP Bank Plc.** (registered office: 1051 Budapest, Nádor utca 16.,; company registration number: 01 10 041585) ("the Bank") by the National Bank of Hungary (registered office: 1054 Budapest, Szabadság tér 8-9.)("MNB"), the MNB passes the following

### **R e s o l u t i o n**

I. obliges the Bank to perform by 28 February, 2021 and to provide it on an ongoing basis thereafter:

1. - in order to comply with Section 17 § paragraph (3) of 35/2017(XII. 14.) of the MNB (hereinafter: MNBr.) on the execution of payment transactions, as the payment service provider of the paying party - that in the case of an immediate transfer order, at the latest within five seconds of receiving the payment order in accordance with Section 7 (4) of MNBr, the amount of the payment transaction shall be credited to the account of the beneficiary kept at the payment service provider;

2. - in order to comply with Section 35 (7) of MNBr., as the payment service provider of the beneficiary, - that, upon notification of a payment transaction (information addressed to the payment service provider holding the payment account of the payer) the refusal to execute the payment transaction and the reasons therefor or on the execution of the payment transaction is sent without delay;

3. - in order to comply with Section 35 (8) of MNBr., as the payment service provider of the beneficiary, - that it shall send information according to Section 35 (7) of MNBr. in such a way, which ensures that the information reaches the payment service provider holding the payment account of the payer within a maximum of five seconds of being informed of the payment transaction.

II. requires the Bank to report (by way of extraordinary reporting) until 15 March, 2021 on the measures taken in a documented manner in order to verify the full fulfillment of the obligations set out in Section I of the operative part of the decision.

MNB shall inspect the fulfillment of the obligations prescribed in Section I. preliminary based on the weekly data supply of GIRO Zrt. concerning the data regarding period of 1-15<sup>th</sup> March 2021 (through identification code P57 data supply prescribed in the MNB Decree on the reporting obligations to be fulfilled in order to perform the tasks of the Hungarian National Bank), as well as based on those obligations prescribed in Section II. (extraordinary reporting).

The Bank is obliged to provide MNB the data and documents in course of the extraordinary reporting prescribed in Section II. by way of providing MNB with the form to be found at:

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within the MNB's information system supporting electronic administration (ERA E-administration system), / within submenu "Cash flow and settlement" service "Cash flow control" / "Cash flow" menu where the "General form for introduction of immediate transfer" (PIF\_1022\_v1) is to be found. The condition for submission is that the Bank has an approved registration for the "Payment Control", "Data Provision" and "Payment and Settlement" services. The compressed size of files attached to one form can not exceed 12 MB, however the form can be submitted in unlimited number.

In case the Bank wishes to send large data files [larger than 12 Mbytes, up to five Gigabytes in size, compressed (.zip, extension)], it must do so via the Large Files Management (hereinafter: NAK) service available in the ERA system, and to which an associated client application must be installed. To use the application that supports uploading and submitting data files in compressed form, there is a guide in the ERA system under the menu item Large Files Management Service and a process description for registered and logged in users in to ERA, that could be found here: <https://era.mnb.hu/ERA.WEB/Services/Current?code=NAK>

MNB draws the Bank's attention to the fact that, on the form indicated above in section "NAK package / file selection" it is necessary to attach the package pre-uploaded in the NAK client.

The availability of the ERA system is ensured via a link placed on the MNB's Internet portal: <https://era.mnb.hu/>. ERA User Guides can be found under ERA Help: <https://era.mnb.hu/ERA.WEB/contents/sugo>.

In case of non-fulfillment of the obligations prescribed under Section I. and II. above, in due time, or in case of repeated violation of the legal acts within the control competence of the MNB and the MNB resolution, the MNB could, based on Section 75 of Act CXXXIX of 2013 on the Hungarian National Bank (hereinafter: MNB Act) and based on Section 183-198 of the Act CCXXXVII of 2013 on Credit Institutions and Financial Undertakings (hereinafter: Hpt.), impose further action, could apply exceptional action, as well as could impose fine. Based on MNB Act Section 76 (1) and (2) the amount of the fine could range from one hundred thousand to two billion Hungarian forints, or up to two hundred percent of the annual supervision fee (the sum of the basic fee and the variable fee) set for the Bank, if the latter amount exceeds 2 billion Hungarian Forint.

No procedural charges have incurred during the MNB procedure.

No appeal can be made against the resolution, at the same time, the Bank may initiate administrative proceeding against the resolution within 30 days of the publication of the decision citing violation of law.

Legal representation is mandatory. The application shall be submitted to the MNB addressed to the Budapest-Capital Regional Court. (The assistance service of form's submission: <https://www.mnb.hu/letoltes/mnb-k01.jar>.)

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The submission of the application has no suspensory effect on the entry into force of the decision, however the Bank can request immediate legal protection.

The court will, in principle, decide the trial out of court. The hearing will be taken, if the Bank requests in the application. There is no place for excuse, if the request is not be taken.