INTRODUCTION OF INSTANT PAYMENTS IN HUNGARY
BASIC OPERATIONAL RULES OF THE HUNGARIAN MODEL

- Mandatory for credit transfers under EUR 30,000 (instant processing of corporate batches, value date and standing order transactions are optional)
- Continuous operation (24/7/365) with no planned downtime
- 5 seconds maximum execution time
- Instant clearing and settlement on a per-transaction basis
- Prefunding at the MNB & Automated credit line during night and weekend
- Main rules appear in legislation or in standards
- Open standards and interoperability
- Additional services (Secondary IDs and Request-to-pay messages)

INSTANT PAYMENTS COULD BE USED WIDELY DUE TO THE BASIC RULES OF THE SERVICE
Continuous and immediate clearing and settlement

Banks will prefund their estimated liquidity needs for instant payments to a main account in MNB’s RTGS (VIBER)

Legally MNB is responsible for settlement, however technically this task is done by the ACH (GIRO) on behalf of the MNB

For the periods outside the operating hours of VIBER (during the night or at weekends) automated collateralised credit is available to banks

The prefunded liquidity in IPS can be included in the fulfilment of the credit institutions’ minimum reserve requirement
PROJECT TIMELINE

12/2016
MNB FSB decision about the main rules and the national scope of the project

07/2017
Country-wide project has started;
Project timeline has been announced

01/2019
Beginning of the voluntary test period

06/2019
Pilot period for the live systems;
Banks had the opportunity to test their live infrastructure

07/2019
Test run on the live core infrastructure;
Mandatory participation from 09/2019 with high requirements

03/2017
MNB BoD decision about the development of the central infrastructure

12/2017
Publication of the related modifications of the MNB Decree on Execution of Payment Transactions

04/2019
Mandatory tests started;
GIRO launched its 24/7 operation

01/07/2019
Original go-live date;
However, in line with the request of the Hungarian Banking Association, MNB FSB announced an 8-month delay due to some participants’ inadequate preparation

02/03/2020
Revised go-live date

Original timeline has been consulted with the banking community:
half-year preparation + 1-year development + half-year test period + 8-month additional live test run
35 participants with very different infrastructures have to finish their developments by the same deadline.

Core systems cannot be changed so quickly (integration of a middleware (shadow balance) layer).

Main challenge is to ensure continuous (24/7/365) operation with no planned downtime.

The lack of available IT-development resources is a bottleneck.

The handling of batched corporate transactions is a challenge (regulation or central load-balancer is needed).
THANK YOU FOR YOUR ATTENTION!