



NATIONAL BANK OF ROMANIA

Unofficial translation

Regulation regarding the usage of the IBAN codes in Romania

Having regard to the provisions of Article 2, paragraph (2) and Article 23 of the Law no. 101/1998 regarding the statute of the National Bank of Romania, as subsequently amended,

Having regard to the provisions of Article 38, paragraph (1) of Law no. 58/1998 – Law on banking activity, as subsequently amended,

Having regard to the provisions of Article 164 and Article 285 of the Government Emergency Ordinance no. 97/2000 regarding the credit cooperatives, approved and amended by Law no. 200/2002,

Based on Article 50, paragraph (1) of the Law no. 101/1998 regarding the statute of the National Bank of Romania, as subsequently amended,

The National Bank of Romania issues this *regulation*.

CHAPTER I General provisions

Art. 1

For the purpose of this regulation, the terms and expressions below have the following meanings:

(1) *IBAN code* (acronym of *International Bank Account Number*) means a string of characters that uniquely identify at international level the account of a client at an institution, this account being used for processing payments within the payment systems or via correspondent banking schemes;

(2) *Institution* means any of the following:

- credit institution licensed by the National Bank of Romania;
- the State Treasury;
- the National Bank of Romania;

(3) *Generation of IBAN codes* refers to the one time process of creating a unique IBAN code for an account.

CHAPTER II

Generation of IBAN codes

Art. 2

(1) Institutions shall generate and use the IBAN codes, according to the provisions of this regulation, for the accounts of their clients that are used for performing payments, in ROL or in any other currency, via the payment systems or correspondent banking schemes.

(2) In order to perform payments through the payment systems or correspondent banking schemes, the institutions shall notify their clients about the IBAN codes assigned according to the provisions of this regulation; the codes are to be mentioned in the statements of accounts and in all other reports regarding the relevant accounts, which are to be provided by institutions to their clients.

(3) Each institution is responsible for accurately generating the IBAN codes corresponding to its clients and for transmitting the IBAN code to them.

(4) The National Bank of Romania is expelled from the obligation to generate, use and notify the IBAN codes for the accounts of their clients, credit institutions and the State Treasury, which is stipulated in paragraphs (1) and (2).

Art. 3

The IBAN code shall be transferred completely among intermediary institutions in a processing chain, at least until the entry point in the country of the payment beneficiary.

CHAPTER III

The structure of the IBAN code

Art. 4

The structure of the IBAN codes assigned by the institutions in Romania to their clients is set out in Appendix 1 and it is made out of a string of 24 alphanumeric characters that, if considered from left to right, have the following meaning:

No. of characters	Type of characters	Meaning
2	Alpha characters	The Romania country code (i.e. RO).
2	Numeric characters	IBAN code check digits.
4	Alpha characters	Characters that uniquely identify the institution, i.e. the first four characters of the BIC code (Bank Identifier Code) assigned to the

		institution.
16	Alphanumeric characters	Characters that uniquely identify the branch of the institution and the client's account held with that branch.

Art. 5

(1) The characters used within the structure of the IBAN codes may only be upper case letters of the Latin alphabet (from A to Z) and Arabic digits (from 0 to 9).

(2) In electronic format, the IBAN code shall not contain separators or blank spaces.

(3) The paper format of the IBAN code is similar to the electronic format, except that the string of characters of the code in paper format shall be split up in groups of 4 characters, separated by a blank space.

Art. 6

The IBAN code check digits are calculated using the MOD 97-10 algorithm as set out in detail in Appendix 2 to this regulation.

Art. 7

(1) The method for the unique identification at the institution's level, through the last 16 characters of the IBAN code, of the branch of the institution and the client's account held with that branch is set up by the institution and notified to the Banking Supervision Department within the National Bank of Romania and to the administrators of the payment systems in which that particular institution is a participant, together with the list of their branches identification codes.

(2) With regard to the headquarters of the credit cooperatives, the set of identification characters of the branch and of the client's account held with that branch, incorporated within the IBAN code, may also be used for identifying both the secondary site of the headquarters of the credit cooperative and the credit cooperative associated to that particular headquarters, where the relevant account is held.

(3) Whenever the information mentioned at paragraph (1) is changed, the particular institution has the obligation to inform both the Banking Supervision Department within the National Bank of Romania and the administrators of the payments systems in which it is a participant about the changes at least one banking day before the changes are applied.

CHAPTER IV

Validation of IBAN codes

Art. 8

Any institution which, with a view to process payment instructions, takes over IBAN codes submitted in electronic format by its clients or converts IBAN codes in paper format to electronic format

in order to process payment instructions shall validate the IBAN codes of all accounts mentioned in the payment instructions processed using the validation method laid down in Appendix 3 to this regulation.

Art. 9

If the IBAN code is ascertained as inaccurate following the validation procedure, the institution shall refuse the processing of that particular payment instruction, observing the regulations in force.

CHAPTER V

Transitory and final provisions

Art. 10

(1) As from September 1st 2004, all payment instructions received or initiated by institutions shall contain the accounts' codes, which are mandatory to be mentioned in accordance with the regulations in force, represented exclusively in IBAN format, in accordance with the provisions of this regulation.

(2) As from the date mentioned at paragraph (1), all cross-border payment instructions in euro or in any other currency that has been notified to the European Commission, initiated towards the member states of the European Economic Area shall contain the codes of the beneficiaries' accounts represented exclusively in IBAN format.

Art. 11

Institutions will accept until September 1st 2004 both payment instructions that specify accounts with IBAN codes and accounts with other codification.

Art. 12

As from September 1st 2004, the institutions which receive from their clients payment instructions shall refuse the processing of any payment instruction that either does not contain the accounts' codes, which are mandatory to be mentioned in accordance with the regulation in force, represented in IBAN format, or contain an invalid IBAN code based on the validation method laid down in Appendix 3 of this regulation.

Art. 13

In all payment instructions, the BIC code will also be required alongside the necessary IBAN codes.

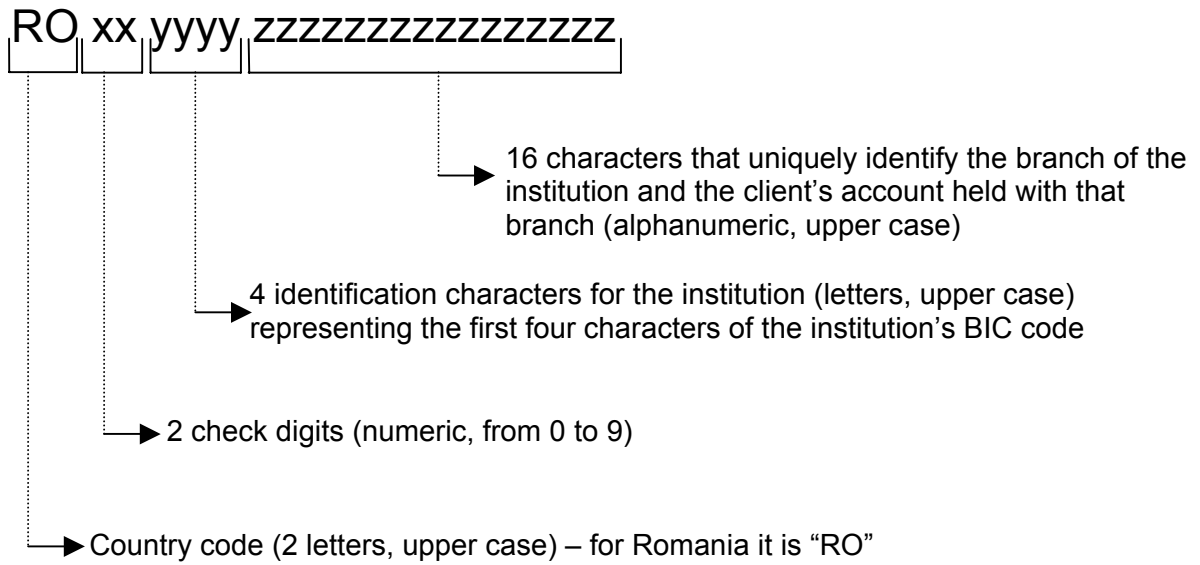
Art. 14

Appendices no 1-3 are part of this regulation.

Art. 15

The present regulation shall enter into force in 3 days after its publication in the Official Journal of Romania.

The structure of the IBAN code in Romania



Method of calculating the check digits

Preliminary step: An artificial IBAN code is created based on the country code, the bank code and the client account's code, inserting "00" instead of the check digits.

Example: RO00AAAA1B31007593840000

Step 1: The first four characters (country code and the false check code) are moved to the right of the IBAN code.

Example: RO00AAAA1B31007593840000 becomes AAAA1B31007593840000RO00

Step 2: Letters are converted into numeric according to the conversion table below:

A = 10	G = 16	M = 22	S = 28	Y = 34
B = 11	H = 17	N = 23	T = 29	Z = 35
C = 12	I = 18	O = 24	U = 30	
D = 13	J = 19	P = 25	V = 31	
E = 14	K = 20	Q = 26	W = 32	
F = 15	L = 21	R = 27	X = 33	

Example: AAAA1B31007593840000RO00 becomes 1010101011131007593840000272400

Step 3: The MOD 97-10 algorithm is applied (according to ISO 7064). The result is divided by 97 and the remainder is subtracted from 98. If the result is one digit, then a leading zero will be inserted

Example: The remainder of dividing 1010101011131007593840000272400 by 97 is 49.

By subtraction we have: $98 - 49 = 49$, which are the check digits for that particular IBAN code, which thus becomes: RO**49**AAAA1B31007593840000.

Method of validating the check digits

Preliminary step: If the IBAN code is represented in paper format, the paper format is converted to electronic format by deleting all separators.

Example: An IBAN code such as **RO49** AAAA 1B31 0075 9384 0000 becomes **RO49AAAA1B31007593840000**.

Step 1: The first four characters (standing for the country code and the check digits) are moved to the right of the IBAN code.

Example: **RO49AAAA1B31007593840000** becomes **AAAA1B31007593840000RO49**.

Step 2: Letters are converted into numeric according to the conversion table laid down in Appendix 2

Example: **AAAA1B31007593840000RO49** becomes **1010101011131007593840000272449**

Step 3: The MOD 97-10 algorithm is applied (according to ISO 7064). In order that the two check digits should be correct (the IBAN code should be correct), the remainder of dividing the result by 97 must be 1.

Example: The remainder of dividing **1010101011131007593840000272449** by 97 is 1.