

IBAN and BIC: Erste Bank und Sparkassen Offer Changeover Service

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Automatic conversion of account number to IBAN for payments by standing order and templates saved in Netbanking – no action required on the part of customers

From 1 February 2014 account numbers and bank codes are history

The transition period to an international payments system is underway since 2009, as of 1 February 2014 account numbers and bank codes will be discontinued. From this point in time onward, payments can only be effected with IBAN and BIC. Erste Bank und Sparkassen are converting account numbers automatically to the new system for customers.

In order to make use of SEPA instruments, adjustments have to be implemented both by banks and their customers. Erste Bank und Sparkassen therefore offer a changeover service: payments by standing order and all templates saved in Netbanking are converted automatically to the payee's IBAN. "Precondition is that the payee's bank makes the IBAN available. Customers don't need to take any action, the data are going to be downloaded by us centrally", explains Manfred Bartalszky, head of product management at Erste Bank Oesterreich. By mid January the changeover of account data should be finalized. "In the event that a company doesn't let the bank know its IBAN in time, the customer will be notified directly by us", Bartalszky adds.

New Payment Order Form

The new payment order form is a uniform voucher for Austria for payments and replaces all types of forms that have been used hitherto, such as payment slips and transfer forms. These won't be valid anymore and can no longer be employed after 1 February 2014. "From this cut-off date onward, customers need to fill in IBAN on their payment orders, and for transfers abroad within the SEPA area BIC as well. It will no longer be possible to credit payment slips containing account numbers and bank codes," Bartalszky informs us. In connection with direct debit authorizations (e.g. for utilities, telephone), customers don't need to take any action. The companies concerned should actively pursue this themselves.



Where can IBAN and BIC be found?

Customers of Erste Bank und Sparkassen find their IBAN and BIC on their account slips, bank cards resp. ATM cards, and at Netbanking. Every IBAN is globally unique and contains precise information about country, banking institution and account number. An Austrian IBAN consists of 20 digits and contains the country designation (AT for Austria), a double-digit verification number, the bank code and the eleven digit account number. Transfers abroad require adding the international bank code BIC (business identifier code) as well. It is not permitted to calculate IBAN and BIC on one's own. Customers should only employ the official account data from the bank concerned.

About SEPA: SEPA is a EU-wide project and stands for Single Euro Payments Area. The goal is to standardize payments within the member nations in such a way as to eliminate the differences between domestic and cross-border payments for customers. That permits money transfers, direct debit payments and payments by card to be booked in a uniform manner – faster, simpler and more secure. SEPA includes 33 countries: the 28 EU member states as well as Liechtenstein, Norway, Iceland, Switzerland and Monaco. Therefore all domestic transfers and direct debit payments are replaced by the new SEPA methods as of 1 February 2014 at the latest. The SEPA directive requires the account identifiers: IBAN (international bank account number) as well as BIC (business identifier code). From 1 February 2016 BIC will no longer be necessary for international payments. For domestic payments this regulation is already in force from 1 February 2014.