

Brexit - Effects in payment transactions

The agreed transitional period on the continued application of EU law in the relationship between the European Union (EU) and the United Kingdom (UK) will end on December 31, 2020. The agreement of December 24, 2020 between the European Union and the United Kingdom does not contain any final provisions for the area of financial services. Further negotiations are therefore to be expected in the future for this area between the European Union and the United Kingdom.

As of **01.01.2021**, the **United Kingdom** is to be considered a **third country** in relation to the European Union. This will have the following effects on payment transactions:

The **United Kingdom** will continue to be reachable by means of **SEPA (Single Euro Payments Area)** payments after 01.01.2021. The preferential treatment of payment services between EU member states will no longer apply in relation to the United Kingdom from this date.

What are the consequences?

For SEPA payments to the United Kingdom, the payment orderer is obliged to provide complete originator data and the full name of the beneficiary. For SEPA payments or SEPA direct debits from the United Kingdom, the orders are checked for completeness of the ordering party and recipient data.

There may be delays in the execution of payments in connection with the United Kingdom. Rejections of payments or redirections to the respective UK bank cannot be ruled out.

Payments with **originator or beneficiary accounts** with the IBAN denominated in "GB" (Great Britain and Northern Ireland) and "GI" (Gibraltar) are affected. Please note that the charges for payment transactions for non-EU countries now apply. Please refer to the relevant **notices regarding conditions for "Foreign payment transactions"**.

You can find more information to Brexit here:

Federal Ministry of Finance:

<https://www.bmf.gv.at/public/top-themen/brexit.html>

European Commission:

https://ec.europa.eu/info/european-union-and-united-kingdom-forging-new-partnership_de

European Council:

<https://www.consilium.europa.eu/de/policies/eu-uk-after-referendum/#>

European Payments Council:

<https://www.europeanpaymentscouncil.eu/news-insights/news/brexit-1-january-2021-onwards-get-ready-end-transition-period>