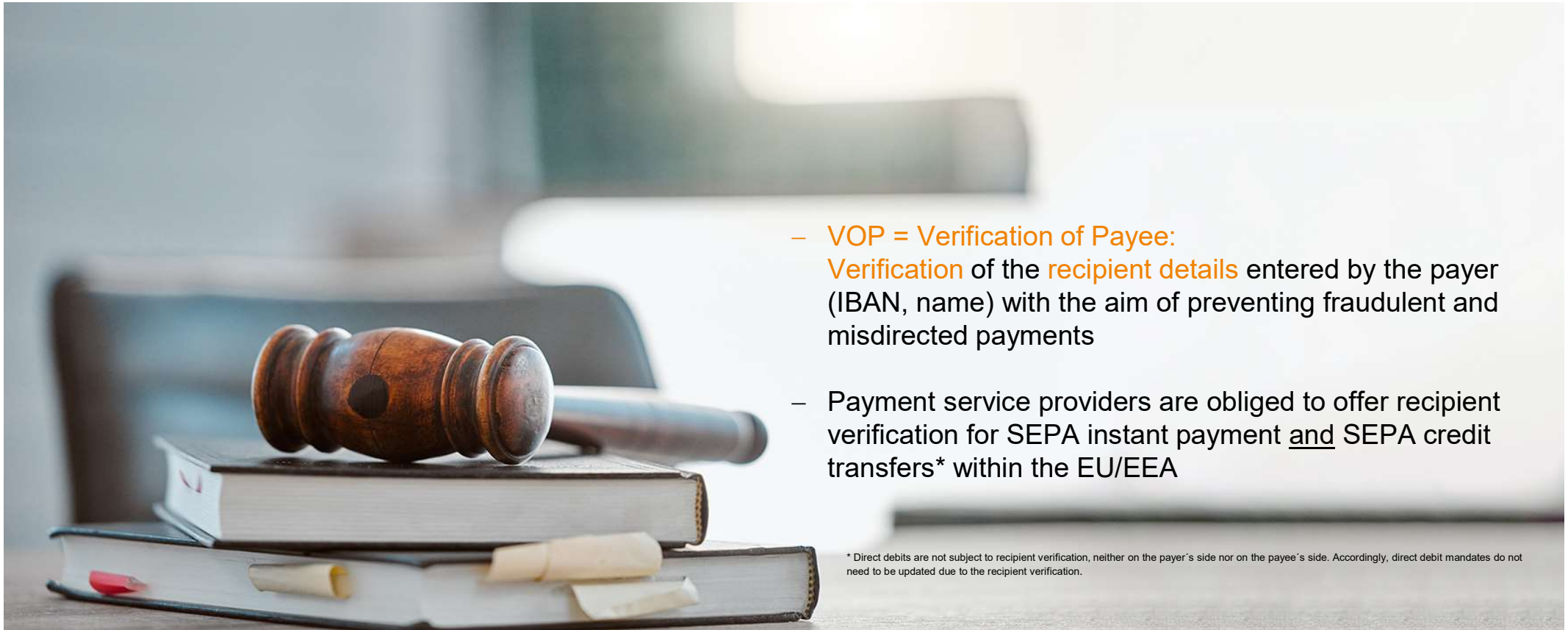


Verification of Payee (VOP) – the recipient check

The new regulations now require you to act

What is Verification of Payee (VOP)?

Regulatory background



- VOP = Verification of Payee:
Verification of the recipient details entered by the payer (IBAN, name) with the aim of preventing fraudulent and misdirected payments
- Payment service providers are obliged to offer recipient verification for SEPA instant payment and SEPA credit transfers* within the EU/EEA

* Direct debits are not subject to recipient verification, neither on the payer's side nor on the payee's side. Accordingly, direct debit mandates do not need to be updated due to the recipient verification.

Why is VOP relevant for me as a corporate clients?

... and by when do I have to act?

Because it leads to a change in processes for payers and may result in delayed receipt of payments for payees!

In concrete terms, this means:

- In contrast to private individuals, corporate clients with **collectors involving more than one transaction** have the choice of whether to use recipient verification (**Opt-In**) or not (**Opt-Out**)
- When submitting via Opt-in: Processes must be adjusted by October 5, 2025
- **When receiving payments**, play it safe today: Ensure minimal confusion in the authorization decision by the payer and inform the payers of the correct recipient details at an early stage

How can I prepare today?

Consider outgoing and incoming payments separately

Outgoing payments



- ✓ Check whether internal guidelines (e.g. Compliance*) require the submission of transactions via Opt-In
 - ✓ Pay attention to the changed processes, as at least individual transactions must be submitted via Opt-In and authorized using the distributed electronic signature (VEU)
- Opt-Out as a choice when submitting collectors with more than one transaction: no process adjustment necessary
- Opt-In mandatory for collectors with only one transaction (Alternative: Euro express transfer CCU)

Incoming payments



The following applies to your incoming payments:

- ✓ Your private customers liable for payment cannot opt out of the payee verification
 - ✓ Your corporate customers liable for payment can decide whether to use the recipient verification.
- Therefore, inform your debtors/payers today about how the **name registered as the account holder** according to the **(commercial) register** must be stated and raise awareness among your payers (text suggestion on the next page)

* Further criteria in our VOP decision aid

Early notification to clients seems sensible

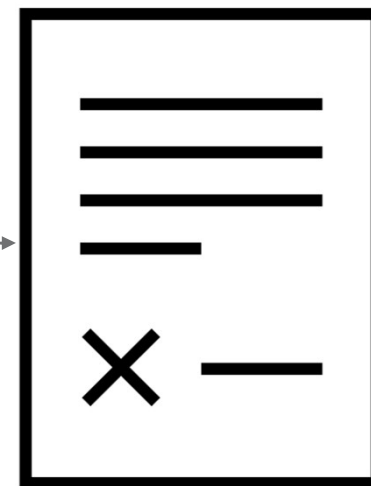
Suggested text for your invoices before the deadline of October 9

Before using it for your payers, insert your **name** as listed in the public directory where your company is registered (usually the commercial register or comparable register) or **alternatively your commercial name*** in the following text suggestion below:

>> Please use the exact wording **[please enter your own name - My name according to the register or commercial name]** as the recipient name for future transfers to us, and adjust your transfer templates in online banking/in your ERP system accordingly to this recipient name <<

Due to a new legal requirement for fraud prevention, every bank must conduct a recipient check when entering SEPA credit transfers and SEPA instant paymentys within the EU/EEA starting from October 5, 2025.

To ensure a smooth processing, the name of the payment recipient must exactly match **[please enter your own name - My name according to the register or Commercial Name]**.



*exact rules for the commercial name are not yet known, new information regularly at <https://corporates.dzbank.com/verificationofpayee>