

Order N 44/01
of the President of the National Bank of Georgia

March 17, 2010, Tbilisi

**On Approval of Regulations on the Use of International Bank Account
Number in Banking Institutions of Georgia**

In accordance with sub-paragraph “g” of p.1 of the Article 15 and Article 63 of the Organic Law of Georgia “On the National Bank of Georgia”, **I ORDER:**

1. The Regulations on the Use of International Bank Account Number in Banking Institutions of Georgia together with the attached Annex.
2. This Order shall come into force immediately upon publication.

G. Kadagidze

**Regulations on the Use of International Bank Account Number in Banking Institutions of
Georgia**

Article 1. General Provisions

1. The purpose of these Regulations is to define the principles and procedure for the use of international bank account number in banking institutions of Georgia, standardization of bank accounts, facilitation of cashless settlement of accounts through using international bank account number and increase of the level of accuracy of the information required for performance of international transfers.
2. These Regulations determine the structure and format of international bank account number, method of generation and validation (checking of reliability), as well as the requirements for the reflection of international bank account number in electronic and materialized documents.

Article 2. The Scope of the Regulations

Accounts of the bank clients (in national and foreign currency), used in international settlement operations, as well as internal bank accounts (in national and foreign currency) participating in inter-bank settlements shall be subject to using in the format of international bank account number.

Article 3. Definition of Terms

1. The terms used in these Regulations shall have the following meanings:

- a) International Bank Account Number (IBAN) – unique identification number generated according to the rule under the present Regulations and ISO 13616 Standard, representing the combination of 22 (twenty two) units of Latin letters and Arabic numerals, used for denomination of bank account;
- b) Other account number – bank account number, other than IBAN;
- c) IBAN generation – the process of formation of International Bank Account Number for bank account in accordance with the procedure described in Annex #1;
- d) IBAN validation – the process of checking IBAN, which includes determination of conformity of IBAN format based on procedures described in the Article 7 of the Present Regulations and Annex #1;
- e) Country code – two Latin symbols denominating the country determined by ISO 3166-1 standard, appearing in IBAN, generated by the banking institution (hereinafter – the Bank);
- f) Bank code – the combination of two Latin symbols, assigned to the Bank by the National Bank of Georgia (hereinafter – the National Bank), which represents the part of IBAN and shall be used for identification of the bank, where the account is opened;
- g) Control key – two-digit number, generated in accordance with Annex #1 to these Regulations, represents part of IBAN and ensures verification of correctness of IABN in the process of validation.

2. Other terms used in these Regulations shall have the meanings, defined by the Rules approved by the Order #166 dated June 26, 2007 of the President of the National Bank of Georgia “On Approval of the Rule of Cashless Settlement of Accounts in Georgia”.

Article 4. IBAN Structure

1. IBAN generated in Georgia shall consist of 22 (twenty two) characters and include the following components:
 - a) Country code;
 - b) Control key;
 - c) Bank code;
 - d) Combination of Arabic numerals assigned to the account by the Bank.
2. It is prohibited to use any symbol except for Arabic numerals from 0 to 9 and Latin large size symbols from A to Z in IBAN.
3. IBAN is integral and separated use of any of its parts in the course of settlement or in documents related to banking operations is inadmissible.

Article 5. Registration of IBAN Format

1. The National Bank shall perform registration of IBAN format to be used by the Bank in the Society for Worldwide Interbank Financial Telecommunications (SWIFT).
2. The National Bank shall assign a code to the Bank and ensure its registration in the Society for Worldwide Interbank Financial Telecommunications (SWIFT).
3. The National Bank shall ensure maintenance, publication and service of reference-book of the bank codes on the Bank’s web-site - www.nbg.gov.ge.

Article 6. Use of IBAN by the Bank

1. According to the conditions, specified in these Regulations, the Bank shall be obliged to:
 - a) Ensure the use of IBAN in regard to accounts of the Bank's clients (in national and foreign currency) as well as internal bank accounts (in national and foreign currency) used for interbank settlements;
 - b) Ensure the use of IBAN in any electronic as well as materialized document related to the accounts, specified in sub-paragraph "a" of p.1 of the present Article;
 - c) Ensure the use of IBAN in electronic payment notifications related to the accounts, specified in sub-paragraph "a" of p.1 of the present Article and while performing any banking operation related to these accounts;
 - d) Ensure IBAN validation in accordance with the procedure established by these Regulations;
 - e) Perform IBAN generation for the accounts denominated by other account numbers and ensure notification of the account holder on the above mentioned within the time limits set by the present Regulations.
2. The Bank shall be obliged to perform IBAN generation according to the procedure described in Annex #1. The account number, principle of generation of which doesn't conform to these Regulations, shall be regarded as other account number.
3. The Bank shall be obliged to ensure the preparedness of its internal banking systems for the use of IBAN in time limits established by the present Regulations.

Article 7. Validation of IBAN by the Bank

1. IBAN validation is the process of verification of conformity of IBAN format in accordance with Annex #1 to the present Regulations.
2. Validation process includes the following steps:
 - a) Verification of country code;
 - b) Control of the number of symbols in the format according to the country code;
 - c) Verification of 2-digit numeric control key;
 - d) Control of the structure of alphabetic and numeric symbols comprising the format (only for IBAN, generated by Georgian banks);
 - e) Control of the code denoting the Bank in IBAN (only for IBAN, generated by Georgian banks).

Article 8. Transitional Provisions

1. From May 3, 2010, the Bank shall be obliged to assign IBAN to the accounts specified in sub-paragraph "a" of p.1 of the Article 6 of the present Regulations, when opening them. *(26.03.2010 N 47/01)*
2. The Bank shall be obliged to present the numbers of accounts of other types specified in sub-paragraph "a" of p.1 of the Article 6 of the present Regulations, existing in the Bank, in IBAN format, before January 1, 2013.
3. After expiration of time limit specified in p.2 of this Article, the Bank will be prohibited to provide service related to the of accounts of other types specified in sub-paragraph "a" of p.1 of the Article 6 of the present Regulations by using account number of other type.

4. Till January 1, 2013, the Bank shall have the right to use IBAN, as well as other type account number for the accounts specified in sub-paragraph “a” of p.1 of the Article 6 of the present Regulations.

5. In the process of adjustment of other type accounts with these Regulations, the Bank shall be obliged to notify clients about assigning IBAN to their bank accounts. The Bank shall be authorized to determine the procedure of adjustment of other type accounts with the present Regulations and notification of clients by itself.

Article 9. Responsibility

Violation by the Bank of the obligations provided in the present Regulations shall lead to imposition of sanctions envisaged by Georgian legislation.

Annex N 1

IBAN Structure and the Method of Generation and Validation of Control Key

1. The length of IBAN generated by Georgian banks shall be 22 symbols, whereof positions 1-2 will denote country code, 3-4 – control key, 5-6 – bank code, symbols 7-22 (16) shall be used for combination of digits for account by the Bank, where the symbols in positions 7-22 shall always be Arabic numerals. Besides, only numerals and capital Latin letters shall be used in the mentioned format, the example of the format: GE29NB0000000101904917
2. When transforming the account to hard copy, it could be represented in the following form: GE29 NB00 0000 0101 9049 17
3. Detailed technical characteristics:
 - a) Total length of account numbers represented in IBAN format: 22!c;
 - b) Structure of IBAN format: GE2!n2!a16!n (Table N 1);
 - c) GE – country code according to ISO 3166-1 standard, expressed in 2-character Latin alphabetic symbols;
 - d) Control key – the digits, combination of 2 symbols represent the number, which shall be determined based on the value of all the other symbols of the format. The key shall be calculated in accordance with ISO/IEC 7064 (MOD97-10). Transformation of alphabetic symbols into numeral symbols shall be performed based on the Table (see Table #2).
4. Control key shall be generated as follows:
 - a) Let's assume that control key to be calculated is 00 (zeros) and insert in the format GE00NB0000000101904917
 - b) The first four symbols shall be moved to the end of the account number NB0000000101904917GE00
 - c) According to the given Table (Table #2) alphabetic symbols shall be replaced by numeral symbols (A=10, B=11, ... Z=35)
NB0000000101904917GE00 (N=23, B=11, G=14, E=16,)
23110000000101904917161400
Let's denote this figure conventionally by Latin symbol - n

d) To receive control key, we'll calculate MOD 97-10 of this figure, which shall be calculated based on the following formula:

$\text{MOD}(n; 97) = n - 97 * \text{INT}(n/97)$, where INT is integral part of the figure.

Control key of the given account number will be 98 minus this figure. in the case of receiving of one-digit figure, 0 (zero) shall be added before it.

If we insert the example of the account number, used by us, in the given formula, we'll receive:

$98 - \text{MOD}(23110000000101904917161400; 97) =$

$98 - (23110000000101904917161400 - 97 * \text{INT}(23110000000101904917161400/97)) =$

$98 - 69 = 29$

Control key of the account number is 29

GE29NB0000000101904917

5. Validation of control key shall be performed based on the following method:

The following method shall be used for determining of conformity of the key:

a) The first four symbols shall be moved to the end of the account number

NB0000000101904917GE29

b) According to the given Table (Table #2), alphabetic symbols shall be replaced by numeral symbols (A=10, B=11, ... Z=35)

NB0000000101904917GE29 (N=23, B=11, G=14, E=16,)

23110000000101904917161429

c) For determination of conformity of the control key, MOD 97-10 of this figure shall be calculated. If the received balance equals to 1, the control key is correct.

Table N 1. Definitions of the used symbols

N	Numerals (0 to 9)
A	Letters from Latin alphabet (symbols A-Z)
C	Capital and small size Latin alphabet or numeric symbols (A-Z, a-z and 0-9)
!	Means fixed number of symbols (e.g.: 2!n)

Table N 2. Table for transformation of Latin symbols for calculation of control key into digital symbols

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	