

Corporate Bank

Verification of Payee

Euro Powerhouse

Deutsche Bank

In April 2024, the EU Instant Payment Regulation 2024/886 (IPR) came into force, allowing real-time transfers. With the introduction of this regulation, in October 2025, clients will be able to avail of Verification of Payee (VoP) service – which from October 2025 is applicable to all real-time and SEPA credit transfers within EU/EEA countries in Euro currency.

What is Verification of Payee?

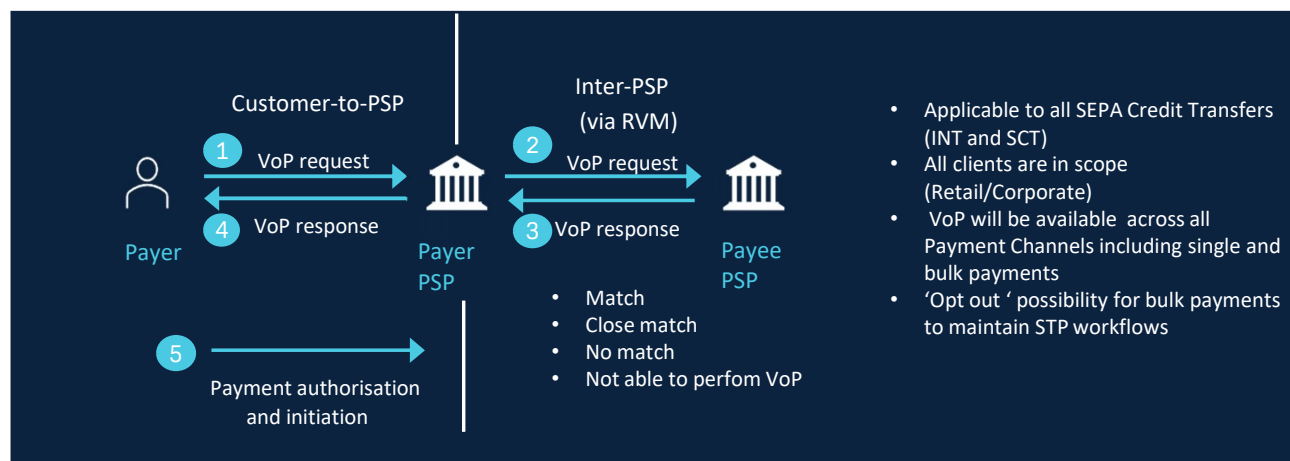
VOP is the verification of the recipient data contained in a payment and is primarily intended to counter-act fraud that affect the immediate and irrevocable execution of real-time transfers, but also classic SEPA transfers. EPC published a new set of rules for the VoP scheme, which sets out rules, obligations, rights and standards for checking the IBAN and recommendations for name matching.

How does Verification of Payee work?

The aim of the VoP is to ensure that before the payment is authorised, a verification check will take place whereby the recipient IBAN and recipient name are forwarded to the recipient bank for verification. The Bank shall verify that the name matches the account and then reports back to the requesting bank. Hence, fundamentally VoP is a comparison of whether the payee's IBAN and their name is compatible with the corresponding information stored with the recipient bank. The test result (VOP Status) must be known by the payer before authorisation. The results of VoP check will be one of the following

- Match: Name matches the name on the beneficiary account
- Close Match: Name is very similar, as part of VoP status, the real name is also advised
- No Match: Given name does not match
- None: No bank accessibility/ No account found/VoP service temporarily unavailable due to the technical reasons

VoP is an information service, and the payer can then decide, based on the VoP status whether the payment is addressed to the right beneficiary before authorising the payment and is to be executed or not. Even in case of 'No Match' or 'Close Match' client will be able to initiate the payment assuming in this case the liability risk in case of a fraud.





VoP considerations for Corporate Clients

There are a number of areas which a client needs to consider in order to be ready to avail of VoP Service for bulk files from October 2025 :

- There is no agreed industry standard or universal approach for handling VoP checks on Bulk files - clients may need to implement different changes according to their different payment providers.
- The authorisation process for a payment file will change - which was previously considered a fully authorised payment file would in the future require an additional authorisation or rejection step after the VoP validation. Payment teams will need to ensure they are available after they have submitted their payment run to handle any VoP feedback.
- Where a client uses a software provider (TMS/ERP) to generate their payment files – they will be required to update their current payment processing procedures/functionality by introducing authorisers to act on the VoP feedback.
- Some clients have segregation between vendor master data management and the teams responsible for managing and authorising the payment runs. As a result, a dedicated process would need to be implemented to validate the information with the responsible teams and clients will need to implement a response procedure as part of bulk processing that will operate within their own risk appetite.

How will VoP work at Deutsche Bank?

- For those clients who use our online channels directly for individual SEPA or real-time payments, you will be presented with VoP results prior to authorising these individual payments on this online channel.
- For corporate customers who submit payment files, you will be either able to avail of VoP checking on these files, or alternatively you will have the option to 'opt-out' of this VoP service.
- In case the client wishes to avail of a VoP for their bulk files, they will need to submit their payment files with an indicator - file name for H2H / GVO for EBICS, which activates the VoP check for the file.
- To "opt-out" and to send the files without VoP service, the client has to submit their payment files without a VoP indicator - no change on file name or GVO and files will continue to be executed as today.
- For EBICS channel clients you will receive this response via their EBICS portal for action – either authorisation / reject their file – undertaken on a full file basis only.
- For all other channels - feedback will be a new UI via CB Portal for the client to view summary of VoP results and to download detailed results using pain.002 v.10
- Once all the transactions in the file have been 'processed' via VoP service, a pain.002 file will be available (only the latest version of pain.002 v.10 will be supported for download). Client must then perform an action in this UI to either authorise / reject their file – undertaken on a full file basis only.
- If authorised, the file will be routed for onward processing, if rejected no further action will be taken by Deutsche Bank and you will need to resubmit a new file.

VoP requests to Deutsche Bank?

- Independent to our clients' decision to avail of VoP service, Deutsche Bank as PSP will receive incoming VoP requests for client accounts. The EPC have provided general guidelines on matching, it is at the discretion of each bank to apply its own matching logic.
- Deutsche Bank are developing VoP matching algorithm, with the most appropriate logic for VoP requests received including where feasible use of clients' legal names, aliases, trade names as appropriate. Specific rules will be also included for VIBAN matching to support OBO / IHB clients.
- Our objective is to minimise 'partial match' or 'no match' responses, ensuring as little possible disruption to clients' payment receipts.

What to expect next?

- Further communications will be issued between now and the regulation date about the changes we are making for this VoP introduction.
- Changes required for our clients who wish to avail of the VoP service will be provided in a VoP-Guide covering file naming convention of H2H / GVO upload Types for EBICS, VoP feedback specifications (pain.002) and User Guidelines for VoP result authorisation.
- Existing channel reference guides will be updated to reflect changes as required.

As your payment service provider, we are looking forward to supporting and working with you on this new scheme.

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