

# **International Bank Account Number (IBAN) in payments**

**Guide for software producers  
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# **INTERNATIONAL BANK ACCOUNT NUMBER (IBAN) IN PAYMENTS**

## **1. International standard into use**

Automation of cross-border payments (Straight-through processing, STP) and the implementation of Single European Payments Area (SEPA) require the use of International Bank Account Number (IBAN) and Bank Identifier Code (BIC). These are required for transfers within Finland as well as transfers across country borders.

Other international (non-SEPA) payments can be transferred as before.

IBAN is generated by combining the local bank account number, the bank's country code (ISO-standard) and a two-digit checksum. It can always be verified in the same way, and it does not require knowledge on how bank account numbers are generated and verified in each country. The IBAN standard is published by the European Committee for Banking Standards (ECBS).

## **2. IBAN and BIC are provided by the bank**

The IBAN standard replaces domestic bank account numbers in invoices. The customer can obtain his or her IBAN from the bank the account is in. In Finland, an IBAN can be recognized by the first two characters, FI, always followed by two numbers. These are Finland's country code and the checksum. Domestic account numbers do not have similar structure in any other country.



IBAN is printed on an invoice as follows:

FI2112345600000785	electronic format
FI21 1234 5600 0007 85	paper format

The bank also provides the customer's BIC code.

### **3. Finnish IBAN in incoming payments**

Instead of a domestic bank account number, a Finnish company may use IBAN and BIC in their invoices.

Finnish IBAN examples

FI2112345600000785

FI = Country code of Finland (ISO)  
21 = checksum  
123456 = Nordea Bank code, office number and account type  
78 = unique part of the account number  
5 = checksum of the account number

FI5542345670000081

FI = Country code of Finland (ISO)  
55 = checksum  
423456 = Savings Bank code and office number  
78 = unique part of the account number  
1 = checksum of the account number

IBAN checksum verification is explained in part 5 of this guide.

Finnish BIC examples

NDEAFIHH = Nordea Bank  
HELSFIHH = Aktia Bank  
OKOYFIHH = Pohjola Bank  
AABAFI22 = Bank of Åland  
DABAFIHH = Sampo Bank  
HANDFIHH = Handelsbanken  
ESSEFIHX = Skandinaviska Enskilda Banken  
DABAFIHX = Danske Bank  
DNBAFIHX = DnB NOR Bank  
TAPIFI22 = Tapiola Bank  
SWEDFIHH = Swedbank  
SBANFIHH = S-Bank



#### **4. IBAN in outgoing payments**

When paying invoices within SEPA, companies, communities and consumers use IBAN provided by the invoicer. The IBAN is entered in electronic format, in the field reserved for account number. The beneficiary's BIC is also entered.

International IBAN examples

SE35500000005491000003

SE = Country code of Sweden (ISO)  
35 = checksum  
500 = SEB Bank code and office number  
549100000 = account number  
3 = checksum

DK5000400440116243

DK = Country code of Denmark (ISO)  
50 = checksum  
0040 = bank and office number  
44011624 = account number  
3 = checksum

DE89370400440532013000

DE = Country code of Germany (ISO)  
89 = checksum  
37040044 = bank code  
532013000 = account number

NL39RABO0300065264

NL = Country code of the Netherlands (ISO)  
39 = checksum  
RABO = bank identifier  
0300065264 = account number



## **5. Verifying IBAN**

### **5.1 Converting characters into numbers**

Before verifying an IBAN, each alphabetical character is converted into a number as follows.

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	

### **5.2 Verifying checksum**

- The country code and checksum are moved to the end of the account number  
Example 1 (Finland): 12345600000785FI21  
Example 2 (Netherlands): RABO0300065264NL39
- Alphabetical characters are converted into numbers, as explained above  
Example 1: 12345600000785151821  
Example 2: 271011240300065264232139
- The resulting number is divided by 97. If remainder from this division is 1, the IBAN is formed correctly.

## **6. Additional information**

Additional information is available from banks. Documents produced by ECBS are available on the ECBS website at [www.ecbs.org](http://www.ecbs.org)

- EBS204 “IBAN: The International Bank Account Number”, ISO-standard 13616
- SIG203 ”IBAN: The Standard Implementation Guidelines”
- TR 201 “Register of European Bank Account Numbers”

Country codes: ISO-standard 31661

BIC codes: ISO-standard 9362



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