

Questionnaire in preparation of the Experts' Group meeting of 7 to 10 February 2022 on international transfers of maintenance funds

Survey response 1

Identification

For follow-up purposes. This information will not be published as part of the questionnaire response. The term "State" in this Questionnaire includes a territorial unit, where relevant. [Name of State or territorial unit:]
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Germany

Questionnaire

a. Developments in general regarding the international transfer of maintenance funds
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As already pointed out at the second meeting of the Experts' Group, the German Reserve Bank (Deutsche Bundesbank) will only be processing cheques from abroad until 31/12/2022.

Therefore, the German Central Authority (Federal Office of Justice) cannot accept cheques from 2023 on.

If the maintenance funds could be transferred via the system "United Postal Union" cannot be estimated at the moment.

b. Elimination of the use of cheques (see C&R 2019 No 1; aide-mémoire 2021, paras 11-14)
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Is being considered.

Please explain:

The only countries cheques are still used with are Canada, South Africa, Australia, New Zealand and the USA. However, the US States Virginia, California and Ohio mostly make use of electronic transfers.
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Following up on the discussions at the first meeting of the Experts' Group, Germany and the Canadian Province of Ontario entered into a first test of electronic payments. On 27/01/2020 the German CA received a test transfer made by Ontario in the amount of 1 CAD converted into the amount of 0.68 EUR. Obviously, no major bank fees (transfer and currency conversion) were deducted. Due to other priorities during the pandemic, the testing period has been interrupted. Germany would like to continue testing with Ontario.
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Following up on the discussions at the second meeting of the Experts' Group, Germany and USA considered solutions for the elimination of cheques. While considering a federal solution in the long-term, OCSE recently encouraged US States to send child support payments by wire (SWIFT). The German CA is now in close contact with the US States Pennsylvania and Georgia in order to prepare first tests. However, other US States have stated that they are not able to send child support payments without the federal solution.

Therefore, Germany would prefer a solution on the federal level.
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With all other countries Germany uses exclusively electronic payment systems.

c. Solutions with regard to increased transparency and cost reduction of transfers and currency conversion (see C&R 2019 Nos 2 and 10; aide-mémoire 2021, paras 24-25)
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Is being considered.

Please explain:

Regarding electronic payments with Virginia, California, Ohio and Ontario, apparently no major costs (around 1 %) arise as far as the German CA can compare the sent and the received amounts. Currently, the exchange rate used for the currency conversion of the amount transferred is not transmitted to the German CA. This is only possible for the Federal Treasury ("Bundeskasse", the holder of the bank account of the German CA). It could not be clarified so far whether it can also be given the opportunity to see the exchange rate used for currency conversion.

d. Solutions where creditors would not bear the costs related to the transfer of funds (see C&R 2019 No 2; aide-mémoire 2021, paras 26-29)
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Has already been implemented.

Please explain:

Only partially. The German CA has an arrangement with the German Reserve Bank respectively the Federal Treasury to cover own transfer fees (see question f.).

As regards third-party fees, the situation is as follows:

Electronic payments

At present, the German CA is not aware of any fees being charged in Germany if payments are forwarded to the recipients via the German CA (SEPA). The German Reserve Bank does not charge own fees to the German CA for transfers (see question e.).

It is not certain whether extra fees are charged in the case of payments made directly to the creditor living in Germany (this may differ depending on the country the payment was sent from and/or the banks involved).

Cheques

Incoming cheques are credited to the bank account of the German CA (held by the Federal Treasury/Bundeskasse) for a fee of 2.00 EUR per check. Therefore, checks should be at least 5.00 USD. This fee is paid by the recipient because it is deducted by the bank from the amount transferred.

Outgoing cheques are issued on behalf of the German CA via the German Reserve Bank (Bundesbank) by the latter's correspondence bank in the respective country. The currency conversion is done by the German Reserve Bank/Bundesbank. The transfer fees are paid by the recipient. In both cases, the fees are third-party fees. The German CA's house bank (German Reserve Bank/Deutsche Bundesbank) does not charge own fees for transfers (see also question e.).

e. Requested Central Authority arrangements with their bank to cover transfer fees or other arrangements to that effect (see C&R 2019 No 3; aide-mémoire 2021, para. 32)

Has already been implemented.

Please explain:

With regard to the fees of the German CA's house bank (German Reserve Bank/Deutsche Bundesbank), such an arrangement already exists, whereby the bank does not charge own fees for transfers.

f. Requesting Central Authority providing confirmation to the requested Central Authority that the amounts received are the same as the amounts sent and, where applicable, information on the reasons for any difference (see C&R 2019 No 3; aide-mémoire 2021, paras 15-17)

Has already been implemented.

Please explain:

In cases where debtors make electronic payments to the bank account of the German CA (held by the Federal Treasury/Bundeskasse) and the German CA forwards the payments to the recipients abroad, the recipients are informed in writing (by letter or email) of the first payment being made. In most cases, the recipients are asked to confirm receipt of the first payment by letter or email upon the transfer being made. Where recurring payments are in place, the caseworkers of the German CA request confirmation of payments by letter or email from the recipients every few months to ensure that these are in fact being received. Furthermore, the recipients and the other CA are informed that the relevant date for the currency conversion is the day the German CA receives the payment from the debtor. Discrepancies are clarified with the other Central Authority and the recipient.

g. Establishment of a centralised point (e.g., bank account, central bank) for international transfers dedicated to both incoming and outgoing transfer of funds (see C&R 2019 Nos 4 and 5; aide-mémoire 2021, paras 33-35)

Has already been implemented.

Please explain:

Regarding electronic payments: Most of the payments to creditors in Germany are made by electronic transfer. The majority of those electronic payments go straight to the creditor. A much smaller number of payments is made to the German CA which then forwards the payment to the creditor.

Where electronic payments are made by the debtor to the German CA, the Federal Treasury, holding the CA's banking account provides an electronic payment receipt. The electronically provided payment receipt is necessary for automatic processing of the payment.

Regarding cheques: Incoming cheques are credited to the bank account of the German CA (held by the Federal Treasury/Bundeskasse) until 31/12/2022.

Outgoing cheques are issued on behalf of the German CA via the German Reserve Bank/Bundesbank by the latter's correspondence bank in the respective country. In the USA this is JP Morgan Chase, New York Branch, in Canada it is the National Bank of Canada/Banque National du Canada.

h. Provision of payment transfer services to any debtors transferring payments within the scope of the HCCH 2007 Child Support Convention (see C&R 2019 No 5; aide-mémoire 2021, para. 18)

Has already been implemented.

Please explain:

As mentioned above (question h.) the German CA provides the opportunity for any debtor to make electronic payments to the bank account of the German CA (Federal Treasury/Bundeskasse). The German CA forwards these payments to the creditors abroad.

i. Implementation of payment transfer monitoring systems (see C&R 2019 No 6; aide-mémoire 2021, paras 36-37)
Has already been implemented.

Please explain:
As far as the payments are processed via the German CA, the monitoring of the payments is possible. That concerns many incoming cases (e.g. outgoing payments), because the debtor is asked to send his payments to the bank account of the German CA (Bundeskasse/Federal Treasury).
Especially in outgoing cases mainly with EU member states (i.e. incoming payments) the payments cannot be monitored as the debtors / other Central Authorities / bailiffs regularly pay directly (via SEPA) to the creditors in Germany. One exception in the group of incoming payments concerns cheques from the US/CAN which can be monitored.

j. Implementation of unique case references, known to both the requesting and requested State, attached to each transfer of funds (see C&R 2019 No 7; aide-mémoire 2021, para. 20)
Has already been implemented.

Please explain:
Allocation and automatic procession of electronic payments is already possible if the payment reference number ("Kassenzeichen") is attached to the payment and remains unchanged throughout the transfer.
In incoming cases (i.e. outgoing payments) it seems possible to exchange our case reference number for the iSupport ID. The iSupport ID should be compatible with banking reference conventions (e.g., no special characters).

k. Implementation of currency conversion of payments done by the relevant authority in the requested State at the time of transfer (see C&R 2019 No 8; aide-mémoire 2021, paras 21-23)
Has already been implemented.

Please explain:
Where debtors make electronic payments via the German CA (Federal Treasury/Bundeskasse), the full payments are forwarded to the recipients. The relevant date for the currency conversion is the day the German CA receives the payment from the debtor.

l. Implementation of bundled payments to reduce costs of transfers (see C&R 2019 No 11; aide-mémoire 2021, paras 38-40)
Not being considered.

Please explain:
For outgoing payments bundled payments are not being considered so far due to the disadvantages mentioned below. Bundled payments may help reduce costs of transfer. However, the processing of bundled payments may involve time and cost intensive manual work for the receiving CA/body. For example the processing of bundled payments from the USA would entail for the German CA that around 220,000 EUR per month needed to be divided up into about 560 different cases. At worst this work would have to be done manually delaying the payment and tying up resources.

m. Any other developments including bilateral solutions put in place between States and ongoing trials between States: