

**MEMORANDUM**

## **Statement on order issued to Sydbank A/S – termination of use of the NemID code card**

It is the assessment of the Danish FSA that the NemID code card does not meet the requirements as regards strong customer authentication which must be used when users access their payment accounts online (eg through netbank or mobile bank) and initiate electronic payments, eg within e-commerce, cf section 128(1)(1) and section 128(1)(2) of the Danish Act on Payments (hereinafter the Payments Act). The reason is that the NemID code card is not protected from being copied or photographed, which is a requirement according to Article 7(2) of Commission Delegated Regulation (EU) 2018/389, which supplements the rules of the Payments Act. These rules came into effect on 14 September 2019.

To ensure a smooth transition from NemID to MitID the Danish FSA accepted a plan of migration by Finance Denmark according to which the transition to MitID – and as a result termination of the use of the NemID code card – would be completed on 31 December 2021. At the request of Finance Denmark the Danish FSA subsequently agreed to a postponement of the deadline to 30 June 2022. In this regard the Danish FSA emphasised that the deadline could not be extended further.

Finance Denmark has informed the Danish FSA that it does not anticipate that all users in Danish banks will have migrated to MitID by the agreed deadline on 30 June 2022. As a result the Danish FSA finds it necessary to order Sydbank A/S to stop using the NemID code card in connection with strong customer authentication no later than on 30 June 2022.

This means that the customers of Sydbank A/S will not be able to use the NemID code card after 30 June 2022 to access their netbank or to initiate payments. Instead other solutions, eg MitID, the NemID app or the NemID code token, must be used.

In this connection the Danish FSA will not order Sydbank A/S to stop using the NemID code card to carry out strong customer authentication as regards a limited group of users after 30 June 2022.

This concerns users who:

- are in their 30-day migration period
- have been granted an individual extension by Sydbank A/S from their 30-day migration period
- have not yet begun migration as they have not used their NemID within the period during which they could be selected for migration.

Nonetheless all use of the NemID code card must have stopped by 31 October 2022 and users who migrate to MitID after 30 June must not be able to use the NemID code card once they have migrated to MitID.

In this connection Sydbank A/S must also draw up a plan to migrate the remaining users and submit on a regular basis progress reports to the Danish FSA.