

Cross-border payments in the Community

2008/0194(COD) - 11/02/2009

The Committee on Economic and Monetary Affairs adopted the report drawn up by Margarita STARKEVICIUTE (ALDE, LT) amending, under the first reading of the codecision procedure, the proposal for a regulation of the European Parliament and of the Council on cross-border payments in the Community.

The main amendments are as follows:

Scope: the committee clarified that the payments covered by the Regulation must be identical to those covered by the Directive on payment services. Interbank services should not fall within the scope of this Regulation, which deals solely with the payment service providers' policies as regards the charges they impose on their customers.

Definitions: the definition of 'cross-border payments' simplified and further aligned with the Payment Services Directive, so that the decisive factor is where a payment service provider is located. The definition of "charges" is amended and the committee inserted a definition for funds'

Guidelines to identify corresponding national payments: the competent authorities shall issue guidelines to identify corresponding national payments where they consider it necessary. They shall actively cooperate to ensure the compatibility of guidelines for corresponding national payments.

Criteria to identify national payment: a new recital notes that it should be possible to use the following criteria to identify the national payment corresponding to a cross-border payment: the currency used, the channel used to initiate, execute and terminate the payment, the degree of automation, the value of the transaction, any payment guarantee, the customer status, the relationship with the payment service provider, the form of consent or the payment instrument used, as defined in Directive 2007/64/EC. This set of criteria should not be regarded as exhaustive.

Extension to non-euro Member States: where a Member State, has notified the extension of the application of the Regulation to its currency, a national payment in the currency of that Member States may be considered as corresponding to a cross-border payment which is denominated in euro.

Uniform charges: the committee noted that it is essential that the provisions of this Regulation relating to uniform charges should be clearly stated in the contract. This Regulation applies to electronic payments, including payments initiated or terminated on paper or in cash, if the transaction is electronically processed. The Regulation applies to all charges linked to a framework contract and the associated payment transactions. Charges such as for setting up a permanent payment order or for using a payment card shall be the same for national and cross-border payment transactions within the Community.

The Regulation does not apply to currency conversion charges.

Consistency with Directive on Payment Services (PSD): the reference to IBAN and BIC in the Regulation on Cross-Border Payments are replaced by a reference to the unique identifiers. Also, in order to align the Regulation with the Payment Services Directive, it should be clarified that the provision of this information to the payment service user is free of cost.

Time frame: with effect from 1 January 2015 (rather than 1 January 2012), Member States shall remove settlement-based national reporting obligations on payment service providers for balance of payments statistics

Compliance: Member States shall require the competent authorities to monitor compliance with this Regulation effectively and to take all necessary measures to ensure such compliance. Member States may appoint existing institutions to act as competent authorities. Member States may utilise or extend existing procedures for this purpose.

Report: the Commission must report by 31 December 2012 rather than 31 December 2015.

Lastly, Members note in a new recital that Member States should address the uncertainty regarding the applicability of a Multilateral Interchange Fee (MIF). In the absence of a bilateral agreement between the payment service providers of the payee and the payer, the level of the default interim MIF for a direct debit should be set at EUR 0,088 for a transitional period until 31 October 2012. At the end of that transitional period, it should be possible for MIFs to be maintained provided that they respect Commission guidelines. Those Commission guidelines should be adopted by 31 March 2010 and should be based on the observation of costs of and charges for the services rendered between the payment services providers.