

Cross-border payments in the Community

2008/0194(COD) - 24/04/2009 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 396 votes to 2 with 8 abstentions a legislative resolution 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 amendments are the result of a compromise agreement between Parliament and Council.

The main amendments are as follows:

Scope: the text states that the Regulation applies to cross-border payments, in accordance with the provisions of Directive 2007/64/EC, which are denominated in euro or in the national currencies of the Member States which have notified their intention to extend the application of the Regulation to their national currency,

Furthermore, interbank services will 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. The Regulation does not apply to currency conversion charges.

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'

Charges for cross-border payments and corresponding national payments: charges levied by a payment service provider on a payment service user in respect of cross-border payments up to **EUR 50 000** shall be the same as the charges levied by that payment service provider on payment service users for corresponding national payments of the same value and in the same currency .

The competent authorities shall issue guidelines to identify corresponding national payments where they consider it necessary. They shall actively cooperate within the Payments Committee to ensure the compatibility of guidelines for corresponding national payments. Where a Member State has notified the extension of the application of this Regulation to its national currency in accordance with the text (see below), a national payment that is denominated in the currency of that Member State may be considered as corresponding to a cross-border payment that is denominated in euro.

Measures for facilitating the automation of payments: with regard to the provision of details on IBAN and BIC, the text states that a payment service provider shall not charge the payment service user for providing the information required.

The payment service provider may levy charges additional charges on the payment service user where that user instructs the payment service provider to execute the payment transaction without communicating the IBAN and BIC. Those charges shall be appropriate and in line with costs, and must be agreed between the payment service provider and the payment service user. The payment service provider shall inform the payment service user of the amount of the additional charges in good time before the payment service user is bound by such an agreement.

Interchange fee for cross-border direct debit transactions : a new clause states that in the absence of any bilateral agreement between the payment service providers of the payee and of the payer, a multilateral interchange fee of EUR 0,088, payable by the payment service provider of the payee to the

payment service provider of the payer, shall apply for each cross-border direct debit transaction executed before 1 November 2012 unless a lower multilateral interchange fee has been agreed upon between the payment service providers concerned.

Reachability for direct debit transactions: these provisions apply only to direct debit transactions which are available to consumers under the direct debit scheme. Payment service providers shall comply with the requirements by 1 November 2010. However, payment service providers located in a Member State which does not have the euro as its national currency shall comply with the requirements for direct debit transactions denominated in euro by 1 November 2014. If, however, the euro is introduced as the national currency of any such Member State before 1 November 2013, the payment service provider located in that Member State shall comply with the requirements within one year of the date on which the Member State concerned joined the euro area.

Out-of-court redress procedures: Member States may provide that this Article applies only to payment service users which are consumers or micro-enterprises.

Application to national currencies other than the euro: with the exception of the articles on direct debit transactions, a Member State that does not have the euro as its national currency and that decides to extend the application of this Regulation to its national currency shall notify the Commission accordingly. A Member State that does not have the euro as its national currency and that decides to extend the application of any or any combination of the articles on direct debit transactions to its national currency shall notify the Commission.

Review: by 31 October 2011, the Commission shall present a report on the appropriateness of removing settlement-based national reporting obligations, accompanied, where appropriate, by a proposal.