

Cross-border payments in the Community

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OPINION OF THE EUROPEAN CENTRAL BANK on a proposal for a Regulation of the European Parliament and of the Council on cross-border payments in the Community.

On 31 October 2008, the European Central Bank (ECB) received a request from the Council of the European Union for an opinion on a proposal for a Regulation on cross-border payments in the Community, replacing and repealing Regulation (EC) No 2560/2001.

The ECB notes that the scope of the proposed regulation covers not only cross-border electronic payment transactions and credit transfers but also cross-border direct debits. This is in line with efforts to achieve the Internal Market for payment services and with the launch of the Single Euro Payment Area (SEPA).

However, the proposed regulation also raises some issues which require careful consideration, namely:

Provisions on the balance of payments (b.o.p.) reporting: a solution must be found that puts at risk neither the essential user needs for euro area and national b.o.p. statistics nor the timely emergence of SEPA. It should also be ensured that b.o.p. statistics can continue to be compiled with the **high reliability, frequency and timeliness** that are required for ECB monetary policy-making. Moreover, the ECB welcomes the proposal to increase the **exemption threshold** for b.o.p. reporting to EUR 50 000, as well as the introduction of an article clarifying that statistical requirements which have no impact on the straight through processing of SEPA payments by payment service providers, should not be subject to any exemption threshold. In addition, in order to further **alleviate the reporting burden** of both financial and non-financial agents, the ECB supports all initiatives that facilitate the exchange of information between b.o.p. compilers, for statistical purposes only. Lastly, the ECB highlights the need for an interim solution for Member States still relying on **settlement-based reporting** until a fully harmonised pan-European solution has emerged, and has presented a proposal in this regard.

Review clause - use of the Bank Identifier Code (BIC): the ECB would support the possible abolition of the need for retail customers to use the BIC if the use of IBAN only is technically possible, as this would ease the burden of providing two different identifiers.

Charges for cross-border payments and corresponding national payments: the proposed regulation provides for the principle of equality of charges in respect of cross-border payments and corresponding domestic payments 'of the same value'. The only criterion for identifying the corresponding domestic payment is the reference to the value of such equivalent payments. The ECB is concerned that this provision might not provide payment service providers with adequate interpretation guidelines with regard to the notion of the corresponding domestic payments.

Scope of application: the proposed regulation would apply to cross-border payments up to EUR 50 000 made by the ECB or NCBs when they are acting outside the scope of their capacity as monetary authorities and when such transactions are not made for their own account. The ECB welcomes the extended scope of the proposed regulation in this respect.

The ECB also makes a number of **legal comments**.