

Charges on cross-border payments in the Union and currency conversion charges

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Opinion of the European Central Bank (ECB) on a proposal for a regulation on certain charges on cross-border payments in the Union and currency conversion charges.

As a reminder, the proposed Regulation intends to provide all citizens and companies in the Union transferring euro cross-border, whether between euro area and non-euro area Member States or between non-euro area Member States, with the low levels of fees which are currently available in respect of domestic payments made in the official currency of a Member State.

The ECB's remarks concern the following points:

Scope of provisions relating to currency conversion charges

The ECB recommended specifying that these provisions shall apply to cross-border payments in euro only where the currency of the payment account is not euro or where the PSPs of the payer and the payee, or of the payee only, are located outside the euro area.

As the proposed regulation addresses payments through PSPs only, it does not include the possibility of a merchant providing the currency conversion service independently of a PSP. The ECB suggested that this point should be clarified in the proposed regulation.

Alternative currency services and options

The proposed Regulation does not contain an article on definitions, although it introduces new and important concepts into Regulation (EC) No 924/2009 of the European Parliament and of the Council. For instance, the terms 'alternative currency conversion services' or 'alternative currency conversion options' could be combined in one term, which could usefully be defined. The ECB also recommended clarifying that currency conversion services could be offered by non-regulated providers.

Rules applicable to currency conversion costs and transitional period

For the benefit of consumer protection, the ECB suggested that the transitional period for compliance with transparency obligations in respect of the full cost of currency conversion services should be reduced to 12 months from the proposed regulation's entry into force.