

# Cross-border bank transfers

1994/0242(COD) - 04/12/1995 - Council position

The common position takes over a large number of the amendments (16) accepted by the Commission in its amended proposal. The Council text: - excludes credit transfers ordered by large professional financial establishments; - does not explicitly define the scope of the directive with reference to credit transfer within the European Union; - applies the directive to credit transfers of less than ECU 25 000 for a period of two years after the date of implementation and to transfers of less than ECU 30 000 after this period; - limits the scope to cross-border credit transfers in the currencies of the Member States and in ecus. - merges the definitions of the terms 'payment', 'crossborder payment' and 'credit transfer' into the single term 'crossborder credit' transfer, which has implications for the entire directive; - amends the definition of the term 'reference interest rate' to cover a more flexible rate; - introduces a definition of the term 'financial institution'; - keeps the basic definition of the term 'intermediary institution'. - with regard to transparency, the common position maintains all the essential features of the amended Commission proposal, whilst indicating the obligations of the institutions in a more precise manner. The common position further stipulates that the information to be given subsequent to the credit transfer must include, in all cases, the original amount of the cross-border credit transfer and an indication of the exchange rate used, where any amount has been converted; - regarding the minimum obligations of institutions, the common position maintains the fundamental features of the Commission proposal, but treats separately the obligations of the originator, the intermediate institution and the beneficiary; - a new Article 5 obliges the institution to give an undertaking to the customer regarding the terms applicable to a specific cross-border credit transfer; - the beneficiary's institution must compensate the beneficiary if the funds have not been credited to his account within the time limit set out in the directive unless the delay is attributable to the beneficiary; - a ceiling of ECU 10 000 is fixed for reimbursement, dependent on a request by the originator. The deadline for reimbursement is fixed at fourteen banking days after the request is made. The refund is limited to the amount of the transfer in case of defective instructions given by the originator; - the common position also includes a separate article relating to 'force majeure' and the settlement of disputes; - the date of implementation of the directive by reference to the date of its entry into force (thirty months). The date of presentation of the Commission's report is brought forward by one year, to no later than two years after the date of implementation of the directive.