Cross-border payments in euro: reducing bank charges

2001/0174(COD) - 07/12/2001 - Council position

In general, the Council has followed most of the European Parliament's amendments, accepting them in whole or in substance. Like the European Parliament, the Council considered that the deadline of 1 January 2002 for electronic payment transactions should be put back to avoid possible interference with the introduction of euro notes and coins. In view of the adjustment periods and extra workload relating to the period during which two currencies are in circulation, the Council considered it appropriate to put the deadline back to 1 July 2002. The deadline for cross-border credit transfers was put back to 1 July 2003, in order to allow the implementation of the necessary infrastructure and conditions. The main innovations introduced by the Council are the following: - taking account of other currencies: in response to concerns of certain Member States, which were anxious to ensure the proper functioning of the internal market, provision was made for the Member States that so wished to extend the application of the Regulation to cross-border payments made in the currency of another Member State. - increased transparency: article 4 has been strengthened to ensure better information for consumers, particularly in relation to the cross-border use of checks. - amounts: in view of the fact that the great majority of cross-border payments of less than EUR 50 000 are also less than EUR 12 500, and that the latter also serves as a reference amount for the purposes of balance-of-payments statistics, the Council considered that only transactions of less than EUR 12 500 should be covered initially. Provision was made for raising the threshold to EUR 50 000 on 1 January 2006. - review clause: to respond to the concerns expressed by some Member States, the points to which the Commission will need to pay special attention in the report provided for in Article 8 have been stipulated. These points are changes in infrastructures for cross-border payment systems, the advisability of improving consumer services by strengthening the conditions of competition in the provision of cross-border payment services, and the advisability of removing the obligation for a national declaration for amounts up to EUR 50 000, taking the possible consequences for companies into account. Moreover, the essence of the idea underlying European Parliament amendment 4 was reflected in the indent on the impact of the aplication of the Regulation on charges levied for payments made within a Member State. Lastly, an in-depth study of these questions should enable the Commission to accompany the report, where appropriate, by proposals for amendments.