Cross-border payments in euro: reducing bank charges

2001/0174(COD) - 19/12/2001 - Final act

PURPOSE: To establish common rules on cross-border transfers in euros. COMMUNITY MEASURE: Regulation 2560/2001/EC of the European Parliament and the Council on cross-border payments in euro. CONTENT: Responding to a number of reports highlighting the continuing high-costs of cross-border money transfers the Community has completed legislation obliging banks to charge the same costs for cross-border payments as they do for national transfers.Such measures are deemed necessary in order to boost consumer confidence and to realise the objective of a "domestic payment area". The Regulation lays down the ensuing provisions: - The following terms are defined: i) cross-border credit transfer, ii) cross-border electronic payment transactions, iii) cross-border cheques, iv) electronic payment instruments, v) electronic payment instrument, vi) remote access payment instrument, vii) electronic money instrument, viii) institution, ix) charges levied. - Charges for cross-border electronic payment transactions and credit transfers will be as follows: - From 1 July 2002 charges levied on cross-border electronic payments up to EUR 12 5000 will be the same as national transfer charges. - From 1 July 2003 at the latest, charges levied on cross-border transfers up to EUR 12 5000 will be the same as national transfer charges. - From 1 January 2006 the amount EUR 12 500 will be raised to EUR 50 000. - Banks and institutions will be obliged to publish their charges in a transparent manner, easily accessible to consumers. - Measures on the International Bank Account Number (IBAN) and the Bank Identifier Code (BIC) have been strengthened in order to facilitate cross-border transfers. - Member States will be obliged to remove, from 1 July 2002 any national reporting obligations for cross-border payments up to EUR 125 000 for balance of payment statistics. - No later than 1 July 2004 the Commission will submit a report to the European Parliament and the Council on the application of this Regulation. - Other Member States not yet part of the euro, such as the United Kingdom, Sweden or Denmark, may opt to participate in the measures outlined in this Regulation. Prior to doing so they must notify the Commission. ENTRY INTO FORCE: 31/12/01.