# Consumer credit: annual percentage rate of charge APR (amend. Directive 87/102/EEC)

1996/0055(COD) - 26/09/1996 - Economic and Social Committee: opinion, report

The proposal is the logical and scheduled follow-up to previous work on the revision of the first Directive on consumer credit. Accordingly, the Committee supports the proposal's aim to introduce a uniform method of calculating the annual percentage rate of charge (APR) and thus establish a basis for comparing the interest rates used in all EEA countries. The Committee notes, however, that the objective has only been achieved in part: there are still considerable discrepancies in the definitions and items used in calculating the APR for a single market for consumer credit which has still to see the light of day. The Committee calls on the Commission to alert consumers to the dangers of simply comparing the rates without taking into consideration the currency or the economy of the Member States, and of taking the European symbol printed beside the APR as a sign of official approval. The Committee recommends extending the scope given to some Member States to use a different APR formula until the Directive is adopted, and would point out the costs involved in adapting software. Accordingly, and in view of the basically marginal impact of the proposed changes, the Committee calls for the entry into force of the Directive to be deferred to coincide with the switch to the single currency.