# Internal market: small value or retail cross-border payments

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PURPOSE : to urge the need for efficient, secure and inexpensive retail payment services in the internal market accompanied by the introduction of the Euro. CONTENT : this Communication urges the need for efficient, secure and inexpensive retail payment services in the internal market accompanied by the introduction of the Euro. The Commission acknowledges that retail payment services and the conditions governing them are important in assuring consumer confidence in e-commerce. Some issues addressed in this Communication are relevant in that context. However, the role of payment services for the development of e-commerce is not yet covered by this Communication but will be dealt with separately. The main focus needs to be on small value credit transfers. The implementation of the Cross-Border Credit Transfers Directive is a major step. Common technical standards will also help and banks should commit themselves fully to implement the existing standards on international account numbering and payment instructions by 01/01/2002. The Commission will also propose the introduction of a common minimum exemption threshold for balance of payment statistics, below which cross-border payments need not be reported, to take effect no later than 01/01/2002. However, an improvement in the efficiency of cross-border retail credit transfers ultimately depends on establishing efficient cross-border transfer linkages. Banks or groups of banks are invited to put forward proposals by the end of September 2000. The Commission will examine them, in cooperation with the ESCB, and will hold an annual Round Table in the autumn of 2000 to consider the various options. The Commission may also reconsider further reducing the maximum execution time for cross-border transfers to bring them more into line with domestic transfers. The difference between the charges for the cross-border and domestic use of payments cards is much less marked than for credit transfers. Nevertheless, banks are strongly encouraged to phase out the differences that remain. Banks also need to improve the information that they give out to customers on general conditions, fees, charges and (non euro) exchange rates. The Commission intends to issue a competition notice outlining the scope for, and limits to, cooperation among banks on payment cards. Banks are also strongly encouraged to ensure interoperability for electronic means of payment, and in particular that electronic purses can be used across borders by 01/01/2002. The difference between the charges for the crosss-border use of cheques as opposed to domestic transactions is more marked than those for any other payment instrument. Banks are urged to consider how to meet the needs of the public for the type of cross-border distance payment facility currently met by the eurocheque system. The Commission continues to be concerned about the level of charges levied on the exchange of the euro area national banknotes across borders, and has asked banks and bureaux de change to publicly display information about the level of their charges. The Commission repeats its call to banks to re-examine their charges, particularly for small valuetransactions. In addition, a new Communication on fraud prevention is under preparation. The Commsion will monitor the payment of industry's effort to achieve a secure environment, and the Communication will also focus on other preventative actions, notably the exchange of information, training programmes and educational material.