Combating fraud and counterfeiting: security of the non-cash means of payment

1998/0911(CNS) - 01/07/1998 - Legislative proposal

OBJECTIVE: to propose a framework for action on combating fraud and counterfeiting of non-cash means of payment. CONTENT: the need to find a suitable response to the problem of criminal activities involving payment instruments is particular pressing in the light of current institutional, financial and technological changes, especially the changeover to the single currency and the introduction of the information society, which calls for transparent, safe and efficient electronic payment. This communication contains an evaluation of the problem by the European Commission and sets out a framework of measures which seek to promote a suitably ?safe environment? for payment instruments. It comprises two sections: 1) First, the Commission presents a proposal for a draft joint action. The objective of this action is to ensure that fraud involving any non-cash means of payment is treated as a criminal offence subject to effective, appropriate and deterrent penalties in all Member States and to ensure that suitable cooperation mechanisms are introduced so that these crimes can be effectively prosecuted. The join action deliberately avoids terms which are strictly defined under current criminal legislation because they do not cover the same crimes in all countries. The approach chosen relies rather on a description of acts which should be considered as criminal offences throughout the Union. 2) Secondly, a series of additional actions designed to prevent fraud is brought to the attention of all interested parties (payment sector as a whole, including network operators, issuers and individual users, competent authorities etc.). Comments should be sent to the Commission by 31 December 1998. The Commission also states that: - it is currently working on a proposal for a directive which makes provision for a special prudential to guarantee the financial reliability of issuers of electronic money in order to increase consumer confidence in this new means of payment; - it intends to update a 1987 recommendation in order to ensure that the relationship between buyers and acceptors is clearly defined in the field of electronic payment instruments.