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

1996/0055(COD) - 16/02/1998 - Final act

OBJECTIVE: to ensure the application of a single mathematical formula for the purpose of calculating the annual percentage rate of charge for consumer credit. COMMUNITY MEASURE: European Parliament and Council Directive 98/7/EC amending Directive 87/102/EEC for the approximation of the laws, regulations and administrative provisions of the Member States concerning consumer credit. SUBSTANCE: The principal element in the Directive is the obligation to apply a single mathematical formula ("the EC formula") for the purpose of calculating the annual percentage rate of charge for consumer credit. Important points include the following: - the desirability of studying without delay to what extent there is a need to harmonize even further the cost components of consumer credit; - the indication of the intervals between the dates used in calculations in years or fractions of a year, a year being deemed to consist of 365 days or 365.25 days or (in the case of leap years) 366 days, 52 weeks or 12 equal months of 31.41666 days, i.e. 365 divided by 12; - figures calculated for annual percentage rate of charge must be expressed to an accuracy of at least one decimal place. DEADLINE FOR TRANSPOSITION: 16/02/2000.