




Basic information	
1994/0242(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Directive	Procedure completed
Cross-border bank transfers Repealed by 2005/0245(COD) Subject 2.50.04.02 Electronic money and payments, cross-border credit transfers	

Key players				
European Parliament	Former committee responsible		Former rapporteur	Appointed
	ECON	Economic and Monetary Affairs, Industrial Policy	PEIJS Karla M.H. (PPE)	30/11/1994
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	Former committee for opinion		Former rapporteur for opinion	Appointed
	JURI	Legal Affairs, Citizens' Rights	GEBHARDT Evelyne (PSE)	02/02/1995
	ENVI	Environment, Public Health and Consumer Protection	KUHN Annemarie (PSE)	20/12/1994
Council of the European Union	Council configuration		Meetings	Date
	General Affairs		1922	1996-05-13
	General Affairs		1891	1995-12-04
	Economic and Financial Affairs ECOFIN		1863	1995-07-10
	Economic and Financial Affairs ECOFIN		1867	1995-09-18
	Consumers		1838	1995-03-30
	Fisheries		1983	1996-12-20

Key events			
Date	Event	Reference	Summary
30/09/1994	Additional information		Summary

18/11/1994	Legislative proposal published	COM(1994)0436	Summary
12/12/1994	Committee referral announced in Parliament, 1st reading		
30/03/1995	Debate in Council		
20/04/1995	Vote in committee, 1st reading		Summary
20/04/1995	Committee report tabled for plenary, 1st reading	A4-0089/1995	
16/05/1995	Debate in Parliament		Summary
06/06/1995	Modified legislative proposal published	COM(1995)0264 	Summary
10/07/1995	Debate in Council		Summary
04/12/1995	Council position published	11262/1/1995	Summary
14/12/1995	Committee referral announced in Parliament, 2nd reading		
12/02/1996	Vote in committee, 2nd reading		Summary
12/02/1996	Committee recommendation tabled for plenary, 2nd reading	A4-0033/1996	
12/03/1996	Debate in Parliament		Summary
13/05/1996	Parliament's amendments rejected by Council		Summary
10/10/1996	Formal meeting of Conciliation Committee		Summary
06/11/1996	Final decision by Conciliation Committee		
22/11/1996	Joint text approved by Conciliation Committee co-chairs	3632/1996	
19/12/1996	Report tabled for plenary, 3rd reading	A4-0004/1997	
20/12/1996	Decision by Council, 3rd reading		
15/01/1997	Debate in Parliament		Summary
27/01/1997	Final act signed		
27/01/1997	End of procedure in Parliament		
14/02/1997	Final act published in Official Journal		

Technical information	
Procedure reference	1994/0242(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Directive
Amendments and repeals	Repealed by 2005/0245(COD)
Legal basis	EC Treaty (before Amsterdam) E 100A
Stage reached in procedure	Procedure completed
Committee dossier	CODE/4/07872

Documentation gateway





European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0089/1995 OJ C 151 19.06.1995, p. 0002	20/04/1995	
Text adopted by Parliament, 1st reading/single reading		T4-0262/1995 OJ C 151 19.06.1995, p. 0358-0370	19/05/1995	Summary
Committee recommendation tabled for plenary, 2nd reading		A4-0033/1996 OJ C 078 18.03.1996, p. 0003	12/02/1996	
Text adopted by Parliament, 2nd reading		T4-0117/1996 OJ C 096 01.04.1996, p. 0012-0074	13/03/1996	Summary
Report tabled for plenary by Parliament delegation to Conciliation Committee, 3rd reading		A4-0004/1997 OJ C 033 03.02.1997, p. 0023	19/12/1996	
Text adopted by Parliament, 3rd reading		T4-0010/1997 OJ C 033 03.02.1997, p. 0058-0077	16/01/1997	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position	11262/1/1995 OJ C 353 30.12.1995, p. 0052	04/12/1995	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(1994)0436 OJ C 360 17.12.1994, p. 0013	18/11/1994	Summary
Modified legislative proposal	COM(1995)0264  OJ C 199 03.08.1995, p. 0016	06/06/1995	Summary
Commission communication on Council's position	SEC(1995)1976 	11/12/1995	Summary
Commission opinion on Parliament's position at 2nd reading	COM(1996)0172 	19/04/1996	Summary
Follow-up document	COM(2002)0663 	29/11/2002	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0573/1995 OJ C 236 11.09.1995, p. 0001	31/05/1995	Summary
EESC	Economic and Social Committee: opinion, report	CES0962/1995 OJ C 301 13.11.1995, p. 0001	13/09/1995	Summary
CSL/EP	Joint text approved by Conciliation Committee co-chairs	3632/1996	22/11/1996	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Directive 1997/0005
OJ L 043 14.02.1997, p. 0025

[Summary](#)

Cross-border bank transfers

1994/0242(COD) - 10/07/1995

The Council considered the main problem regarding this proposal for a directive on cross-border credit transfers, i.e. defining the scope of the directive. This proposal was presented by the Commission in November 1994 after it had become apparent that the banking sector's 'voluntary' approach had failed to produce progress towards a rapid and efficient system of transfers and the elimination of abusive charges. It was in line with both the completion of the internal market and the implementation of EMU, and was part of a broader policy advocated by the Commission to put the system of cross-border payments within the EU on a par with the best national systems. The question regarding the scope is whether to limit it by setting a ceiling for all provisions of the directive. It proved impossible to find a solution on this basis in view of Member States' widely divergent positions. In these circumstances the Presidency proposed a dual-ceiling compromise - with a relatively modest amount for the guarantee required from banks for refunding customers in the event of non-execution of transfers, and - a substantially higher amount for the other obligations stemming from the directive. Some progress was made on this basis but no definitive outcome was reached. The Council concluded by instructing Coreper to continue work in order to submit a solution that might be adopted.

Cross-border bank transfers

1994/0242(COD) - 11/12/1995 - Commission communication on Council's position

The Commission felt that the common position did not change the essence of its initial proposal. As regards the scope of the directive, the Commission would have preferred the figure to be set at the highest level possible. It thus decided to include a unilateral declaration in the Council's minutes. This declaration stressed the need to ensure that the directive was as broad as possible. The Commission would reconsider the matter of the adequacy of the proposed threshold in order to assess the situation and put forward appropriate proposals in light of the report to be provided in accordance with Article 9.

Cross-border bank transfers

1994/0242(COD) - 13/03/1996 - Text adopted by Parliament, 2nd reading

In adopting the report by Mrs Karla PEIJS (EPP, NL), the European Parliament amended the common position of the Council as follows: - Enlargement of the scope of the directive: the EP believes that any transfer of no more than ECU 50 000 must be taken into account by the legislation, whilst the Council considered that only transfers of no more than ECU 25 000 (ECU 30 000 two years after the entry into force of the directive) should be covered by the directive; - obligation to refund in the case of a non-completed transfer: whereas the Council provided that the obligation to refund should be made up to ECU 10 000, the EP fixes the amount at ECU 20 000. It also provides for the possibility of Member States and/or institutions deciding on a total refund; - With regard to the conditions of refund, the EP believes that: .the obligation to refund should apply whatever the reason for the non-completed transfer; .redress and complaints procedures must be introduced; .if a decision has not been taken on a complaint within four weeks, complainants may approach one of the complaints offices, a list of addresses of which shall be available at all institutions carrying out cross-border payments. Finally, the report gives the Member States eighteen months (as opposed to thirty by the Council) to comply with the directive.

Cross-border bank transfers

1994/0242(COD) - 04/12/1995

Following its agreement in principle on 18 September 1995, the Council formally adopted - unanimously, with Sweden and the United Kingdom abstaining - the common position on the amended proposal for a directive on cross-border transfers. This common position will be forwarded to the European Parliament under the codecision procedure.

Cross-border bank transfers

1994/0242(COD) - 29/11/2002 - Follow-up document

The Commission has presented its report on the application of the on the application of Directive 97/5/EC on cross-border credit transfers. This report describes the way in which the provisions of the Directive are implemented in the Member States: both, the legal transposition of the Directive into national legislation as well as the actual application of these provisions by the banking industry in the Member States are dealt with. The report states that in general, Directive 97/5/EC has been adequately transposed in all Member States. However, there are some specific cases of concern: e.g. certain Member States have not fully reflected the prior and subsequent information requirements of the Directive, some Member States have also failed to adequately transpose the provisions obliging them to ensure the existence of adequate and effective complaints and redress procedures. All in all, the legal transposition of the Directive into national legislation is, however, quite satisfactory. As regards the actual situation of cross-border credit transfers in each Member State, the situation is, however, far from satisfactory. Whereas execution times for the transfers are acceptable (this had been a particularly concern addressed in Article 12), the persistent practice of double charging, the lack of customer information and the unwillingness of some credit institutions to compensate for late payments or to refund for lost payments or unlawful deductions is alarming. In conclusion, the report proposes lines for possible action to be taken in order to further improve the performance of cross-border credit transfers. The principle of nondiscrimination between cross-border credit transfers and credit transfers at national level has already been achieved by the Regulation on cross-border payments in euro (2560/2001/EC). However, having in mind the overall objective of "Better Regulation", the report proposes to work towards a more coherent and comprehensive legislation for payments and to integrate the proposals for amending the Directive into a consolidated framework for payments in the Internal Market. Such an initiative would contain all legislative measures regarding retail payments in the Internal Market, thus abandoning the present piece-meal approach and aiming at establishing a single legal act in this field. The Commission intends to propose to shorten the default maximum execution time from presently 6 bank working days to a much shorter period. Furthermore, the Commission promised to raise the threshold of the "money-back guarantee" to EUR 50.000, in order to align it with the general scope of the Directive. The Commission's services, in the spirit of the Communication on Better Regulation, have already widely circulated in an informal discussion document in order to collect ideas and suggestions for such a possible framework. On the basis of those contributions the Commission will establish a Consultative Paper which will present its assessment on possible future provisions for a legislative proposal afterwards to the Council and Parliament in 2003.

Cross-border bank transfers

1994/0242(COD) - 04/12/1995 - Council position

The common position takes over a large number of the amendments (16) accepted by the Commission in its amended proposal. The Council text: - excludes credit transfers ordered by large professional financial establishments; - does not explicitly define the scope of the directive with reference to credit transfer within the European Union; - applies the directive to credit transfers of less than ECU 25 000 for a period of two years after the date of implementation and to transfers of less than ECU 30 000 after this period; - limits the scope to cross-border credit transfers in the currencies of the Member States and in ecus. - merges the definitions of the terms 'payment', 'crossborder payment' and 'credit transfer' into the single term 'crossborder credit' transfer, which has implications for the entire directive; - amends the definition of the term 'reference interest rate' to cover a more flexible rate; - introduces a definition of the term 'financial institution'; - keeps the basic definition of the term 'intermediary institution'. - with regard to transparency, the common position maintains all the essential features of the amended Commission proposal, whilst indicating the obligations of the institutions in a more precise manner. The common position further stipulates that the information to be given subsequent to the credit transfer must include, in all cases, the original amount of the cross-border credit transfer and an indication of the exchange rate used, where any amount has been converted; - regarding the minimum obligations of institutions, the common position maintains the fundamental features of the Commission proposal, but treats separately the obligations of the originator, the intermediate institution and the beneficiary; - a new Article 5 obliges the institution to give an undertaking to the customer regarding the terms applicable to a specific cross-border credit transfer; - the beneficiary's institution must compensate the beneficiary if the funds have not been credited to his account within the time limit set out in the directive unless the delay is attributable to the beneficiary; - a ceiling of ECU 10 000 is fixed for reimbursement, dependent on a request by the originator. The deadline for reimbursement is fixed at fourteen banking days after the request is made. The refund is limited to the amount of the transfer in case of defective instructions given by the originator; - the common position also includes a separate article relating to 'force majeure' and the settlement of disputes; - the date of implementation of the directive by reference to the date of its entry into force (thirty months). The date of presentation of the Commission's report is brought forward by one year, to no later than two years after the date of implementation of the directive.

Cross-border bank transfers

1994/0242(COD) - 13/05/1996

Noting that it was not possible to take over the fourteen amendments to the common position as voted for by Parliament at second reading during its sitting of March 1996, the Council decided to convene the Conciliation Committee under the terms of Article 189b(3) of the Treaty.

Cross-border bank transfers

1994/0242(COD) - 06/06/1995 - Modified legislative proposal

The amended proposal took over in full or in part most of the European Parliament's amendments (19 of 21). The main amendments related to the following points: - the term "cross-border transfer" was replaced by the term "EU credit transfer"; - the directive should apply to all credit transfers in the currencies of the Member States and in ecus (the proposal thus continued to apply to all transfers, irrespective of the amount involved); - the establishment of an independent complaints and redress procedure to afford the consumer better protection; such procedures should exist at Member State level with respect to EU credit transfers; - the introduction of a new definition of "interest", based on the rate which the institution would apply to its customer's account if the account was overdrawn; - clarification of the fact that an intermediary institution could only be an institution that participated in the execution of EU credit transfers; - more precise and transparent methods of presenting information to customers (electronic means, details of the costs involved, reference to the applicable exchange rate, information on redress procedures); - clarification with regard to the default arrangements to be implemented, that is, in the absence of an agreement between the institution and its customer; - establishment of a mechanism between institutions whereby an institution that had compensated its customer for late payment was authorised to claim the interest paid out from the institution that caused the delay; - clarification of the principle whereby the beneficiary was compensated by its institution by the payment of interest, where a delay in the availability of funds was attributable to that institution; - authorisation to make deductions when authorised by the originator; - the procedure for the repayment of unauthorised deductions was reversed; - a shorter time limit for payment: 15 days after the request was made by the originator; - in cases where an institution recovered the funds and refunded the originator, the institution was not obliged to refund the charges and interest accruing; - institutions were not bound by their obligations where they could invoke reasons of force majeure. The Commission did not take over the amendments concerning: - the limitation of the scope of the directive to transfers not exceeding ECU 50 000; - the definition of the "completion" of a transfer: this should mean the "acceptance" of the payment by the beneficiary's institution, rather than its "receipt", as proposed by the EP.

Cross-border bank transfers

1994/0242(COD) - 13/09/1995 - Economic and Social Committee: opinion, report

On 31 May 1995 the Economic and Social Committee unanimously adopted an Opinion (ESC 573/95) on 'EU Funds Transfers: Transparency, Performance and Stability', which followed on from a Council consultation. On 6 June 1995 the Commission had presented an 'Amended proposal for a European Parliament and Council Directive on EU credit transfers', which, as the Commission itself stated, 'takes largely into account the proposals of the Committee'. The ESC considered, however, that the directive could gain in precision and in balance if two amendments suggested in the earlier Opinion were adopted (the Commission did not adopt them in the amended proposal). This Opinion therefore sought to reiterate the ESC's proposals on the obligation to execute transfers in good time (Article 5) and the obligation of institutions to refund in cases of non-completed credit transfers (Article 7).

Cross-border bank transfers

1994/0242(COD) - 27/01/1997 - Final act

OBJECTIVE: to improve the cross-border credit transfer services and, therefore, to assist the European Monetary Institute (EMI) in its task of promoting the efficiency of cross-border payments with a view to the preparation of the third stage of monetary union. COMMUNITY MEASURE: Directive 97/5/EC of the European Parliament and of the Council on cross-border credit transfers. SUBSTANCE: the directive will apply to cross-border transfers in the currencies of the Member States and in ecus up to ECU 50 000. Its main provisions are: - prior information to customers on conditions for cross-border credit transfers and information subsequently on the execution and receipt of a transfer; - the time limits within which the originator's institution and the beneficiary's institution are required to complete the transfer (five and one banking business day respectively), subject to payment of compensation; - the obligation to execute the transfer in accordance with the instructions appearing on the order, in particular as regards the allocation of costs; - in the event of non-execution of a cross-border transfer the obligation to reimburse up to ECU 12 500 the total sum together with interest and the charges, in principle within 14 banking business days. The institutions participating in the execution of a cross-border credit transfer will be released from their obligations in the event of force majeure. Lastly, the Member States must ensure that there are adequate and effective complaints and redress procedures for the settlement of any disputes. Two years after its implementation the Commission shall submit to the Council a report on its application. ENTRY INTO FORCE: 14/02/1997 DEADLINE FOR TRANSPOSITION: 14/08/1999

Cross-border bank transfers

1994/0242(COD) - 19/04/1996 - Commission opinion on Parliament's position at 2nd reading

The Commission accepted all of the EP's amendments to the Council's common position, with the exception of Amendment No 13, which had a two-fold objective: - ensuring that the redress and complaints procedures applied if the institution involved had not taken a decision on a complaint within four weeks; - stipulating that a list of addresses should be available in all the institutions carrying out cross-border payments. As regards the first point, the Commission felt that the introduction of a uniform maximum time period was not compatible with the need to deal quickly with customers' complaints. As far as the second point was concerned, this requirement was already satisfied through a similar provision in the directive.

Cross-border bank transfers

1994/0242(COD) - 18/11/1994 - Legislative proposal

The objective of the proposal for a directive is to improve cross-border credit transfer services and, therefore, to assist the EMI in carrying out its task of promoting the efficiency of cross-border payments with a view to the preparation of the third stage of Economic and Monetary Union. The proposal for

a directive, which applies to all credit transfers, irrespective of amount, defines the general obligations of transparency which institutions offering cross-border credit transfers are required to comply with in order to ensure that customers receive an adequate level of information. Institutions must provide customers with accurate written information before and after a credit transfer is executed or received (indication of the time needed to clear the funds in the payee's account, basis for calculating commission and charges payable by the customer, reference to redress procedures, reference allowing the customer to identify the payment, value date etc). The proposal also sets out the minimum quality of execution requirements with which institutions offering cross-border credit transfer services must comply. Thus, these institutions have an obligation to: - execute the credit transfer within a reasonable period of time; - execute the credit transfer in accordance with the instructions on the payment order; - pay a refund if credit transfers are not completed, although Member States may be granted a derogation from this obligation for payments of sums in excess of ECU 10,000. Although detailed, these minimum obligations give institutions almost carte blanche in drafting the terms and conditions attached to their services.

Cross-border bank transfers

1994/0242(COD) - 19/05/1995 - Text adopted by Parliament, 1st reading/single reading

Although it approved of the principle of a restrictive directive concerning cross-border transfers, the European Parliament amended the Commission proposal. The main amendment adopted by the EP aimed to clarify that the directive would apply to transfers in the currencies of the Member States and in ecus up to a value of ECU 50 000. The EP also proposed the following: - the institution should provide its customers with information, including by electronic means; - the information should be supplied to customers in standardised format in order to facilitate the comparison of costs; - where the originator's institution was not responsible for the delay, it could claim the costs incurred plus corresponding interest from the institution responsible; - an independent complaints and redress procedure should be established at Member State level, at minimum cost, to afford consumers better protection; - institutions were not bound by the provisions of the directive where they could invoke reasons of force majeure; - any institution involved in an EU payment should take a decision without delay on complaints by its customers.

Cross-border bank transfers

1994/0242(COD) - 16/01/1997 - Text adopted by Parliament, 3rd reading

Parliament adopted the report by Mrs Karla PEIJS (PPE, NL) on the joint text for a Directive on cross-border credit transfers. The compromise between Parliament and the Council within the Conciliation Committee fixes at ECU 12.500 the obligation to refund (amount refunded in the case of a non-completed transfer). In this way Parliament seeks to ensure optimum protection for consumers. The other subject of compromise concerns the scope of the Directive and its implementation by the Member States. The EP delegation succeeded in winning over the Council's members to a position close to its own. The Directive will apply to transfers up to ECU 50.000, whereas the common position of the Council provided for a procedure in two stages (ECU 26 000 during the first two years of application and ECU 30 000 thereafter). Regarding the date for implementation, the EP delegation accepted the common position of the Council. The period for implementation of the Directive will be thirty months after its entry into force (instead of the eighteen months called for by Parliament). In a statement, however, the Council undertook to ensure that the Member States did their utmost to have it implemented by not later than 1 January 1999.

Cross-border bank transfers

1994/0242(COD) - 31/05/1995 - Economic and Social Committee: opinion, report

The proposal for a directive, which sought to regulate intra-Community (rather than cross-border) transfers, was linked to the problem of competition. The ESC appreciated the Commission's efforts to improve the transparency and quality of the implementation of these transfers, by providing a minimum frame of reference and general rules in accordance with the principles of the internal market. It noted, however, that in one respect the draft Directive differed significantly from the plans repeatedly expressed by the Commission: whereas it had been repeatedly stated that the rules were intended to assist consumers and SMEs to transfer funds easily in the internal market, the document under review aimed to improve cross-border transfer services for 'citizens and businesses', which implied that the directive should extend to all payments, and especially high-value and urgent transfers. The Opinion also highlighted an inconsistency between the declared aim of the proposal for a directive, which was to prepare the way for economic and monetary union, and its scope, which included credit transfers denominated in third-country currencies, which would not be absorbed by the single currency. The ESC thus called for the scope of the directive to be confined to the currencies of the EU countries, including the ecu, and to transfers sent from one EU country to another EU country. As regards the draft communication, the ESC noted that in various parts of the document terms and concepts were used which were too vague and likely to give rise to doubts, not certainty. It thus recommended reviewing the text to make it clearer and allow minimum scope for interpretation by the parties concerned. It also stressed that the provisions should cover not only banks but also any other institution offering payment services to the public.