Basic information

1996/0055(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Consumer credit: annual percentage rate of charge APR (amend. Directive 87/102/EEC) **Subject** 4.60.06 Consumers' economic and legal interests	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
JURI Legal Affairs, Citizens' Rights	MOSIEK-URBAHN Marlies (PPE)	26/06/1996

Former committee responsible	Former rapporteur	Appointed
JURI Legal Affairs, Citizens' Rights	MOSIEK-URBAHN Marlies (PPE)	26/06/1996

Former committee for opinion	Former rapporteur for opinion	Appointed
ENVI Environment, Public Health and Consumer Protection	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	2023	1997-07-07
Consumers	1997	1997-04-10
Consumers	1969	1996-11-25
Fisheries	2063	1997-12-18

Key events

Date	Event	Reference	Summary
12/04/1996	Legislative proposal published	COM(1996)0079	Summary
08/05/1996	Committee referral announced in Parliament, 1st reading		
29/10/1996	Vote in committee, 1st reading		Summary

29/10/1996	Committee report tabled for plenary, 1st reading	A4-0345/1996	
25/11/1996	Debate in Council		
19/02/1997	Debate in Parliament		Summary
21/03/1997	Modified legislative proposal published	COM(1997)0127	Summary
24/07/1997	Council position published	07496/1/1997	Summary
18/09/1997	Committee referral announced in Parliament, 2nd reading		
27/10/1997	Vote in committee, 2nd reading		
27/10/1997	Committee recommendation tabled for plenary, 2nd reading	A4-0329/1997	
18/12/1997	Act approved by Council, 2nd reading		
16/02/1998	Final act signed		
16/02/1998	End of procedure in Parliament		
01/04/1998	Final act published in Official Journal		

Technical information

Procedure reference	1996/0055(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	EC Treaty (before Amsterdam) E 100A
Stage reached in procedure	Procedure completed
Committee dossier	JURI/4/09096

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		A4-0345/1996 OJ C 362 02.12.1996, p. 0005	29/10/1996	
Text adopted by Parliament, 1st reading/single reading		T4-0050/1997 OJ C 085 17.03.1997, p. 0099-0108	20/02/1997	Summary
Committee recommendation tabled for plenary, 2nd reading		A4-0329/1997 OJ C 358 24.11.1997, p. 0004	27/10/1997	
Text adopted by Parliament, 2nd reading		T4-0547/1997 OJ C 371 08.12.1997, p. 0044-0058	19/11/1997	Summary

Council of the EU

Document type	Reference	Date	Summary

Council position	07496/1/1997 OJ C 284 19.09.1997, p. 0001	24/07/1997	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(1996)0079 OJ C 235 13.08.1996, p. 0008	12/04/1996	Summary
Modified legislative proposal	COM(1997)0127 OJ C 137 03.05.1997, p. 0009	21/03/1997	Summary
Commission communication on Council's position	SEC(1997)1122	09/06/1997	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES1091/1996 OJ C 030 30.01.1997, p. 0094	26/09/1996	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Directive 1998/0007
OJ L 101 01.04.1998, p. 0017 Summary

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.

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

1996/0055(COD) - 12/04/1996 - Legislative proposal

OBJECTIVE: guarantee the use of a single method for calculating the annual percentage rate of charge (APR) for consumer credit throughout the Community. SUBSTANCE: the Commission proposal, accompanied by a report which will make it possible, in the light of experience, to apply a single Community mathematical formula for calculating the annual percentage rate of charge, includes the following provisions: - acceptance and definitive introduction throughout the Member States of the mathematical formula laid down in Directive 90/88/EEC; - as regards the elements of cost to be included in the calculation of the APR, no change to the list of exceptions in Article 1a(2) of Directive 90/88/EEC. Accordingly, the proposal for a directive makes the following changes to Directive 90/88/EEC: - requirement to use, in addition to the expression 'annual percentage rate of charge', a symbol which will be identical in all the Member States; - deletion of Article 1a(5), which granted those Member States which wished to retain a different method for calculating the APR a derogation until 31 December 1995 (used by Germany and Finland); - deletion of Article 1a(3), which allowed Member States which had national laws in force on 1 March 1990 imposing maximum limits on the APR and which excluded costs other than those referred to in Article 1a(2) to continue to apply those provisions (no Member State made use of the possibility); - insertion in Annex II of a stipulation that accuracy to two decimal places should be required; - insertion in Annex II of a stipulation that a year should have 365 or 366 days; - linguistic changes and in the English and Greek versions.

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.

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

1996/0055(COD) - 19/11/1997 - Text adopted by Parliament, 2nd reading

In adopting the recommendation for second reading by Mrs Marlies MOSIEK-URBAHN (PPE, D), the European Parliament has approved the common position of the Council without making any amendments.

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

1996/0055(COD) - 20/02/1997 - Text adopted by Parliament, 1st reading/single reading

In adopting the report by Mrs Marlies MOSIEK-URBAHN (EPP, D) Parliament approved the amendment of the 1987 directive on the approximation of provisions on consumer credit. With its amendments Parliament calls for: - calculation of the annual percentage rate of charge to be based on a uniform 365 day year (and not 365 or 366 as proposed by the Commission); - deletion of the requirement of accuracy to two decimal places in the annual percentage rate of charge; - deletion of the symbol which should accompany the use of the term 'annual percentage rate of charge'; - extension of the deadline for transposition of the directive (1 January 1999 instead of 31 December 1996).

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

1996/0055(COD) - 09/06/1997 - Commission communication on Council's position

The Commission noted that the common position agreed with Parliament in rejecting the idea of a logo for the Annual Percentage Rate of Charge (APR) for consumer credit and that it understood the reasons for Parliament's amendments on the harmonization of the cost elements and on the intervals for calculating the APR. The Council was more in line with the Commission on the number of decimals (at least one), whereas it wanted an even longer transposition period than that proposed by Parliament (two years). The Commission believed that the Council's solutions were well-balanced. It hoped that the Directive would come into effect as soon as possible and, therefore, supported the common position.

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

1996/0055(COD) - 24/07/1997 - Council position

The Council's common position was similar to the Commission's amended proposal, except that it took over the substance of the amendments proposed by Parliament. It only excluded the point on the transposition period. The Commission had preferred a period of two years after the entry into force rather than a fixed date, in order to enable the competent authorities and business operators to make the necessary adjustments. The key points of the common position were: - adoption of 'the EC formula'; - introduction of an additional recital recommending that immediate consideration be given to the need for further harmonization of the cost elements of consumer credit; - rejection of the proposal for a symbol (logo) accompanying the Annual Percentage Rate of Charge (APR) for consumer credit; - definition of the intervals between dates used in the calculations in years or fractions of a year, a year being presumed to have 365 days or 365.25 days or (for leap years) 366 days, 52 weeks or 12 equal months of 30.41666 days, i.e. 365 divided by 12; - accuracy of the calculation of the APR to at least one decimal.

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

1996/0055(COD) - 07/07/1997

The Council adopted unanimously the common position. The Member States will transpose this Directive no later than two years after its entry into force.

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

1996/0055(COD) - 21/03/1997 - Modified legislative proposal

The Commission accepted, either in full or in part, six of the eight amendments adopted by Parliament at first reading and amended its original proposal accordingly. The changes are as follows: - abandonment of the idea of a symbol to accompany the use of the term 'annual percentage rate of charge'; - expression of the period between the dates used in making the calculation in calendar or standard years (twelve months of equal length, i.e. 30.41666 days); - transposition of the directive by 1 January 1999 at the latest. The Commission did not accept the amendment concerning the need to adopt a standard definition of the components of the APR alongside the harmonization of the methods of calculation.