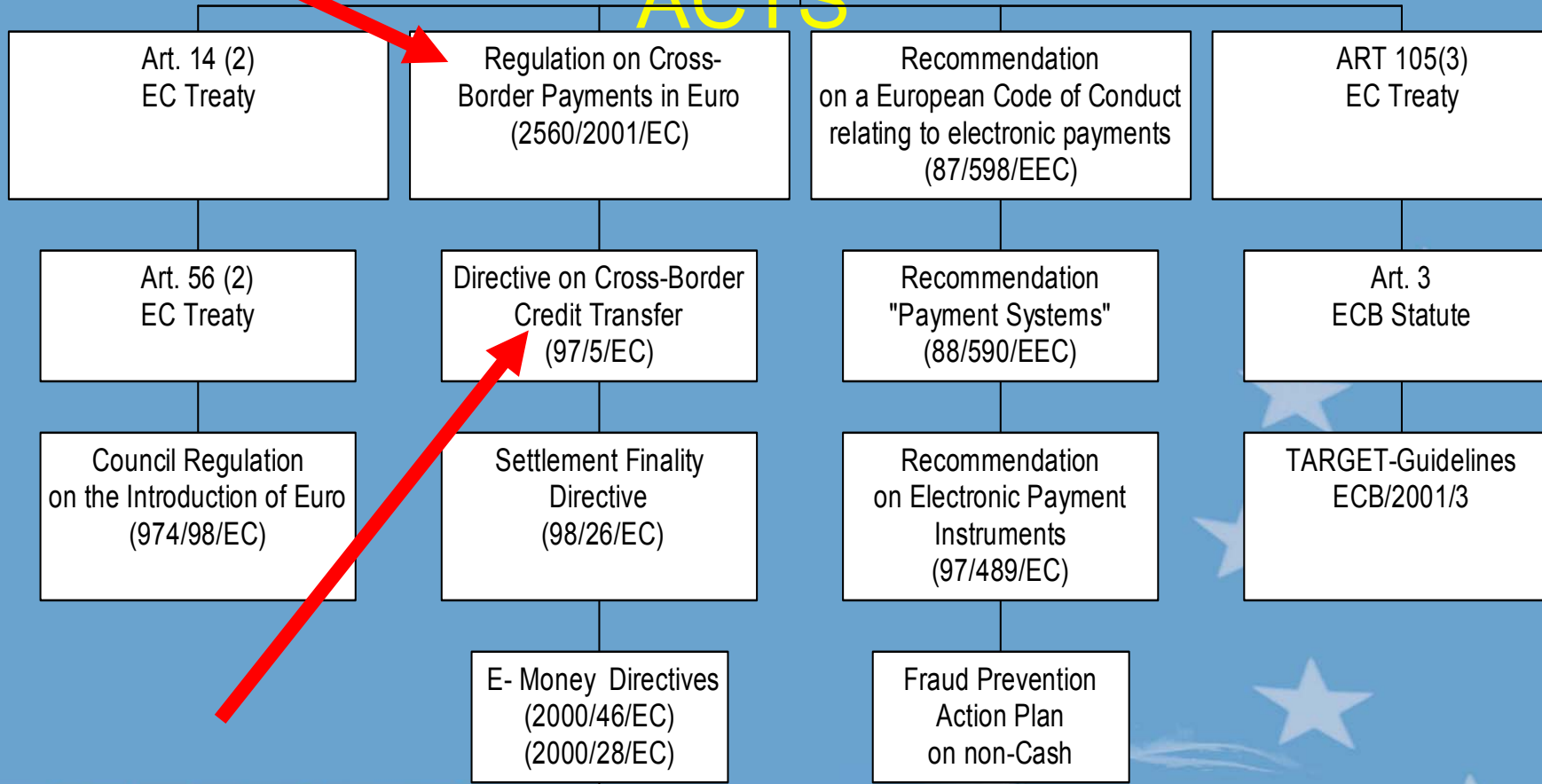


EU-LEGISLATION ON PAYMENTS AND OTHER RELEVANT LEGAL ACTS

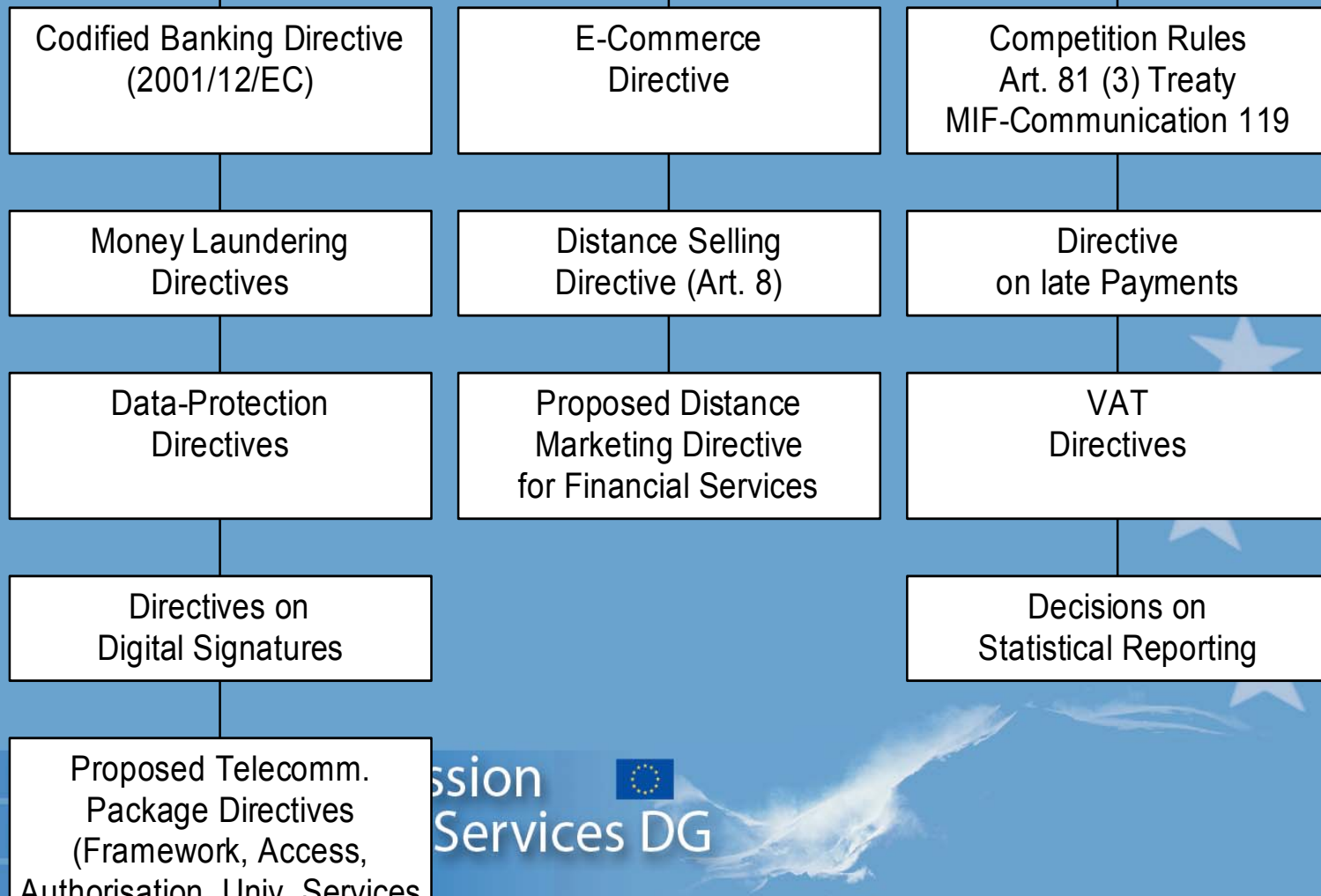
PAYMENT LEGISLATION



EU-LEGISLATION ON PAYMENTS AND OTHER RELEVANT LEGAL

OTHER LEGISLATION RELEVANT TO PAYMENTS

ACTS



Cross-border Credit Transfers

Directive: objective

- Ensure that funds can be transferred rapidly, reliably, inexpensively
- minimum information & performance requirements for cross-border credit transfers within the EEA up to 50.000€

Directive 97/5

Scope : Cross-border credit transfers

Two legs inside the EU

Information

OUR/BEN/SHARE

Intermediaries

Refund

Settlement of disputes



Payment Service Provider



Payment Service Provider



Credit transfer

Direct debit



Payer

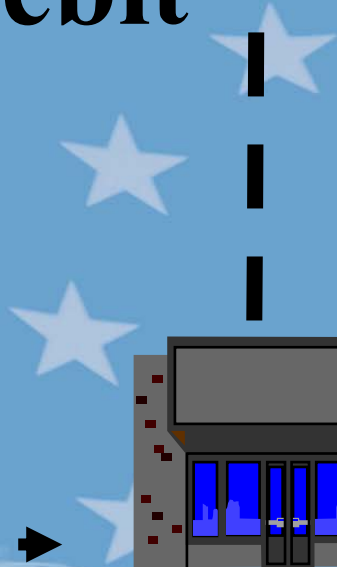


card

cheque



Payee



European Commission
Internal Market & Services DG

Cross-Border Credit Transfers Directive: Content

- Provisions on customer information
 - before and after a transaction
- Provisions on performance
 - execution time
 - distribution of charges
 - money back guarantee
- Provisions on complaint and redress schemes

Customer information prior to and after a transaction

- Before
 - time for execution
 - calculation of charges
 - indication of redress procedures
- after
 - indication to identify the transaction
 - original amount transferred
 - charges paid

Time for execution

- Default is the time agreed with its customer
- In the absence of agreement, execution in 5 + 1 days
- Interests are due in case of failure

Prohibition of unauthorised charges

- No undue deductions, unless specifically allowed by originator
- As general rule, originator bears the costs
- Unauthorised charges must be reimbursed

Money-back guarantee

- In case of failure, originator's bank reimburses originator, up to 12 500€
- No derogation
- No fault liability

Redress Procedures

- Member States to ensure that adequate and effective procedures exist to settle disputes between bank and customer
- Establishment of out-of-court redress schemes in the EU Member States and in the Accession Countries

Regulation 2560/2001

- N°1 subject matter and scope
- N°2 définitions
- N°3 charges
- N°4 transparency of charges
- N°5 automation
- N°6 obstacles
- N°7 compliance
- N°8 review clause
- N°9 entry into force



Domestic ?



European Commission
Internal Market & Services DG



Article 1

- **Subject matter and scope**

- This Regulation lays down rules on cross-border payments **in euro** in order to ensure that charges for those payments are the same as those for payments **in euro** within a Member State.



Cross-border or national article 3

- Credit transfer
01/07/2003
- Payment by card
01/07/2002
- Withdrawal in ATM
01/07/2002

**IDENTICAL
CHARGES**



Article 5 : Facilitating cross-border transfers

- An institution shall, where applicable, communicate to each customer upon request his International Bank Account Number (IBAN) and that institution 's Bank Identifier Code (BIC).



Article 6 : withdraw obstacles

- Member States shall remove with effect from 1 July 2002 at the latest any national reporting obligations for cross-border payments up to 12.500 EUR for balance-of-payment.



Article 7 sanctions

- Compliance with this Regulation shall be guaranteed by effective, proportionate and deterrent sanctions
- Litigations
 - Recital 15



Article 8 Review clause

- Not later than 1 July 2004, the Commission shall submit to the European Parliament and to the Council a report on the application of this Regulation, in particular on:
 - changes in infrastructures
 - competition
 - charges for payments within a Member
 - Reporting statistics



Legal basis (article 9)

This Regulation shall also apply to cross-border payments made in the currency of another Member State when the latter notifies the Commission of its decision to extend the Regulation 's application to its currency. The notification shall be published in the Official Journal by the Commission. The extension shall take effect 14 days after the said publication.

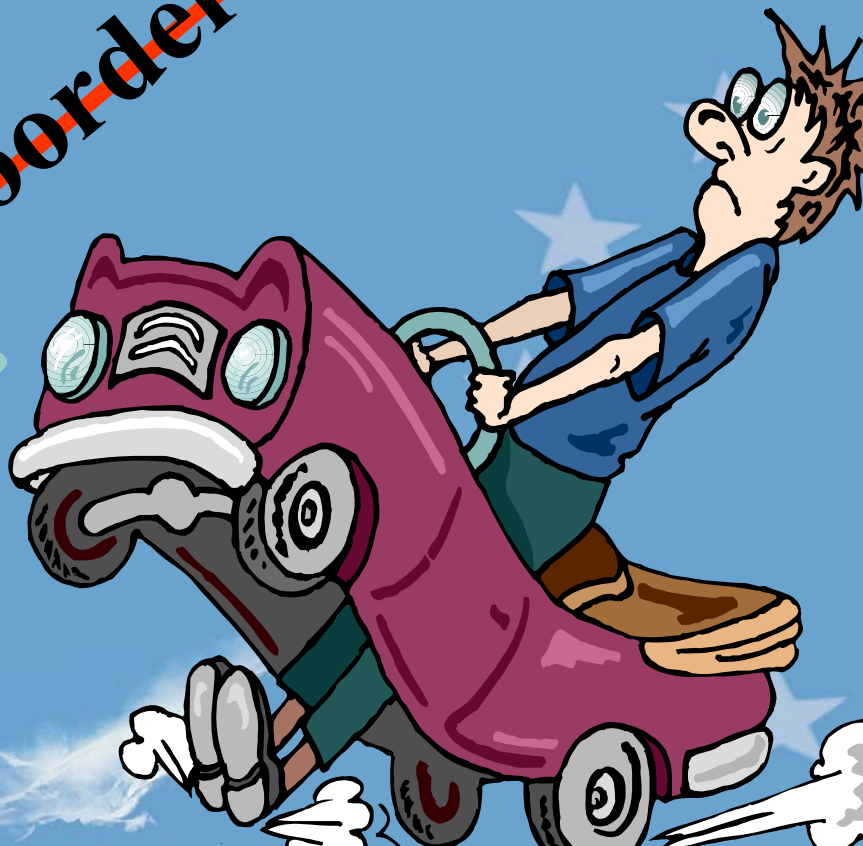
questions

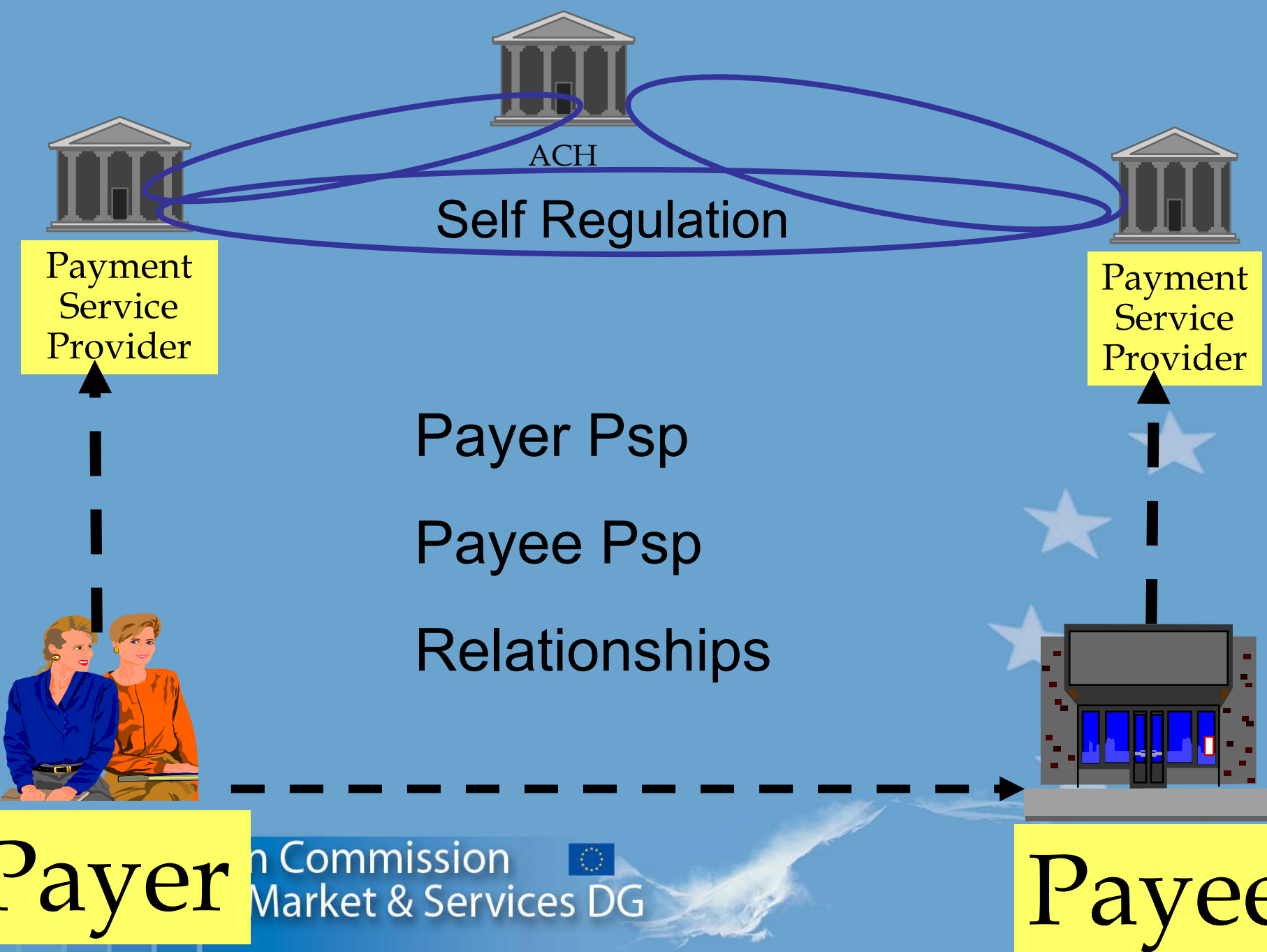
http://europa.eu.int/comm/internal_market/en/finances/payment/index.htm

Jean.allix@europa.eu.int



No cross-border direct debit





ACH

Self Regulation



Payment Service Provider



Payment Service Provider

Payer Psp

Payee Psp

Relationships



Payer

European Commission
Market & Services DG



Payee

