### EU-LEGISLATION ON PAYMENTS AND OTHER RELEVANT LEGAL

PAYMENT LEGISLATION

Art. 14 (2) **EC Treaty** 

Regulation on Cross-Border Payments in Euro (2560/2001/EC)

Recommendation on a European Code of Conduct relating to electronic payments (87/598/EEC)

ART 105(3) **EC Treaty** 

Art. 3

**ECB Statute** 

Art. 56 (2) **EC Treaty** 

**Council Regulation** on the Introduction of Euro (974/98/EC)

Directive on Cross-Border Credit Transfer (97/5/EC)

> **Settlement Finality** Directive (98/26/EC)

E- Money Directives (2000/46/EC) (2000/28/EC)

Recommendation "Payment Systems" (88/590/EEC)

Recommendation on Electronic Payment Instruments (97/489/EC)

**TARGET-Guidelines** ECB/2001/3

Fraud Prevention Action Plan on non-Cash

European Commission
Internal Market & Fraud Framework G

Decision on non Cook

# EU-LEGISLATION ON PAYMENTS AND OTHER RELEVANT LEGAL

OTHER LEGISLATION RELEVANT TO PAYMENTS

Codified Banking Directive (2001/12/EC)

E-Commerce Directive

Competition Rules
Art. 81 (3) Treaty
MIF-Communication 119

Money Laundering Directives

Distance Selling Directive (Art. 8)

Directive on late Payments

Data-Protection
Directives

Proposed Distance Marketing Directive for Financial Services VAT Directives

Directives on Digital Signatures

Decisions on Statistical Reporting

Proposed Telecomm.

Package Directives
(Framework, Access,
Authorisation, Univ. Services

Services DG

# 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

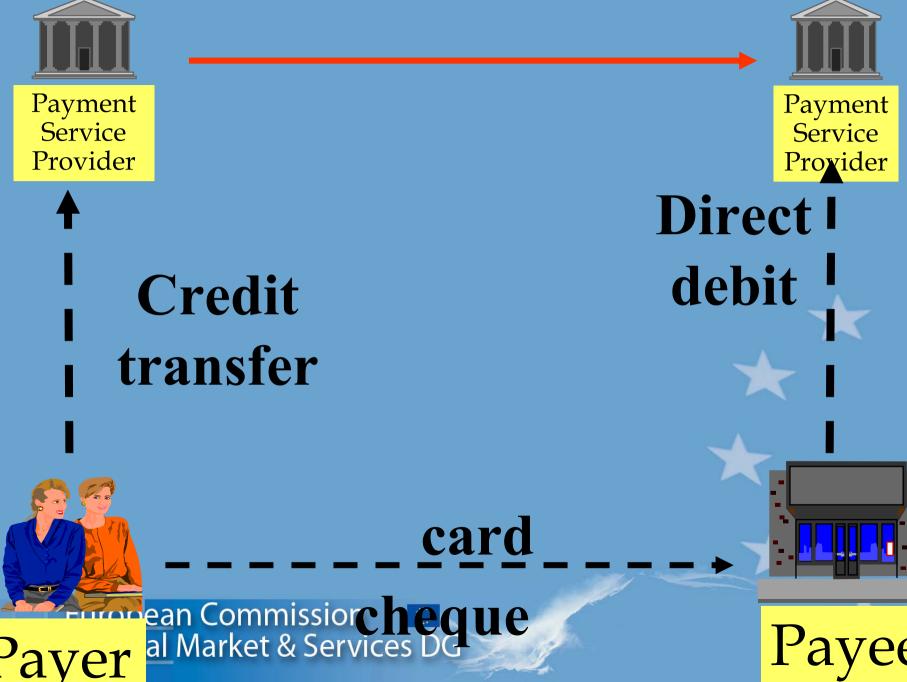
**OUR/BEN/SHARE** 

Intermediaries

Refund

Settlement of disputes





# 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



# 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 paidEuropean CommissionInternal Market & Services DG

#### 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? Genova Nizza European Commission Palerm Internal Market & Services DG Palermo

#### 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 Mem State.

Cross-border or national article 3

 Credit transfer 01/07/2003

 Payment by card 01/07/2002

Withdrawal in ATM 01/07/2002



# Article 5 : Facilitating crossborder 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 fro 1 July 2002 at the latest any national reporting obligations for cross-border payments up to 12.500 EUR for balanceof-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)

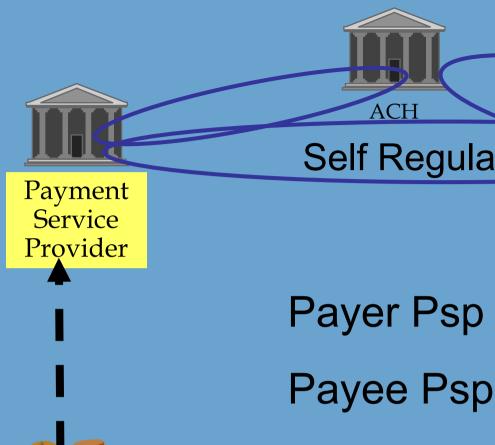
This Regulation shall also apply to crossborder payments made in the currency of another Member State when the latter notifies the Commission of its decision to extend the Regulation 's application to its currency. The notification shall be published in the Official Journal by the Commission. The extension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

## questions

http://europa.eu.int/comm/internal\_market/en/finances/payment/index.htm

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Relationships



n Commission

Market & Services DG

