

Brussels, 24 April 2009

European Commission welcomes the European Parliament's adoption of two proposals in the area of payments (on e-money and cross-border payments)

Today the European Parliament adopted two legislative proposals revising the current rules governing cross-border payments and the conditions for issuing electronic money in the EU. Both legal texts will now be forwarded to the EU Council for final adoption. The new Regulation on cross-border payments will apply as from 1st November 2009, the final deadline for the transposition of the Payment Services Directive. As for the new E-Money Directive, the Member States should transpose the Directive by 2011 at the latest into national law.

Commissioner McCreevy said: "We are just a few months away from the final deadline for the transposition of the Payment Services Directive into the domestic law of the Member States. These two measures, alongside the noteworthy efforts of the payments industry to develop SEPA products, will be a crucial and timely step towards the completion of the single market for payments. They will, together with the PSD, complete the legal basis which is indispensable to provide clarity, certainty and stability to the market".

The new e-money directive

The new E-Money Directive aims at providing the market with a clear and balanced prudential and legal framework hereby removing unnecessary or disproportionate barriers to market entry (see [IP/08/1491](#) and [MEMO/08/616](#)), ensuring greater consistency with the Payment Services Directive (see [IP/07/1914](#)).

A fundamental change in the new Directive concerns the introduction of proportionate prudential requirements facilitating market access to newcomers. This includes a reduction of initial capital from the current EUR 1 million to EUR 350.000 and new rules on the calculation of own-funds. In combination with the abolition of the exclusivity principle, the new rules will make it easier for electronic money institutions engaged in other business activities, such as telecommunications, to develop innovative services into the payments market. The Directive sets high standards of consumer protection, both in terms of protection and redemption of consumer funds.

The new rules will offer a second chance to the e-money market to take off. Its expected volume could reach up to EUR 10 billion by 2012.

The revised cross-border payments regulation

The new Regulation on cross-border payments in the Community extends the principle of equal charges for national and cross-border payments to direct debits, in addition to credit transfers, electronic payments (including card transactions) and ATM cash withdrawals, which are already covered by the current version of the Regulation. It strengthens the supervisory and complaint-solving role of the competent national authorities and provides for the establishment of out-of-court redress procedures. It also removes, up to EUR 50.000, the payments-based statistical reporting obligations that hinder the smooth flow of cross-border transactions.

In order to facilitate the launch of the SEPA direct debit scheme on 1st November 2009, the Regulation introduces temporary rules on multilateral interchange fees and reachability for direct debit transactions. These temporary rules will give to the payments industry enough time to come forward with a long-term business model for direct debits in full respect of the competition rules.

More information on both files is available at:

http://ec.europa.eu/internal_market/payments/framework/index_en.htm