



EUROPEAN COMMISSION

*Brussels, 18.9.2018
C (2018) 6021 final*

*Mr Ondřej BENEŠÍK
Chair of the Committee for
European Affairs of the
Poslanecká sněmovna
Sněmovní 4
CZ – 118 26 PRAGUE 1*

*cc Mr Radek VONDRÁČEK
President of the Poslanecká
sněmovna
Sněmovní 4
CZ – 118 26 PRAGUE*

Dear Chair,

The Commission would like to thank the Poslanecká sněmovna for its Opinion on the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 924/2009 as regards certain charges on cross-border payments in the Union and currency conversion charges {COM (2018) 163 final}.

This proposal follows up on the Commission's Green Paper from 2015 on retail financial services¹ and the subsequent Action Plan setting out a strategy to strengthen the Single Market for consumer financial services².

It aims at extending the benefit of Regulation 924/2009 to all Member States, ensuring that cross-border payments in euro cost the same as domestic payments in the local currency of a Member State (whether the euro or another currency) from which the cross-border payment originates. The proposal also seeks to increase the transparency of currency conversion charges, ensuring that consumers receive sufficient information about conversion rates and related cost.

In proposing this measure, the Commission is making good on the promise in its 2018 Work Programme to propose new rules on cross-border payments to ensure that all Europeans pay the same low fees for their money transfers abroad or cash withdrawals during their holidays, as they pay at home for similar transactions.

¹ COM(2015) 630 final

² COM(2017) 139

Regulation 924/2009 on cross-border payments equalised, across the European Union, fees for cross-border payments in euro within the Union with domestic payments in euro (i.e. payments in euro within the same Member State). Non-euro area Member States, although covered by the Regulation, did not benefit from the effects of that Regulation: in these Member States, domestic payments in euro are either very expensive or simply do not exist. As a consequence, people and businesses in these non-euro area Member States pay high fees whenever a payment crosses the border of their country or when people travel and pay abroad. These high costs are an impediment to the completion of the Single Market and create two categories of payment service users in the European Union.

The objective of this proposal is to bring the benefits of Regulation 924/2009 to people and businesses in Member States outside the euro area, and put an end to the high cost of intra-European Union cross-border transactions in euro in these Member States. The proposal would ensure that citizen or companies transferring euros from non-euro area Member States pay the same as for domestic transactions, as is the case within the euro area. The proposed amendments would also establish specific transparency requirements for currency conversion practices.

The Commission welcomes the Poslanecká sněmovna's broad support for the aims of the proposal but notes its doubts relating to possible unintended, negative consequences in the form of rising fees for domestic payments in domestic currencies. The Commission is pleased to have this opportunity to provide some clarifications in this regard.

As stated in the impact assessment accompanying the proposal, the cost of achieving the objective set out above is low. This is because European Union's payment service providers have access to efficient euro clearing and settlement infrastructures. These allow any bank of the European Union to reach any other bank of the European Union for payments in euro. The costs of these infrastructures are very low³. Aligning cross-border euro-transaction fees with fees charged for domestic transactions in the national currency of the Member State takes account of the level of development and efficiency of local payment systems and banks (infrastructure and processes). Therefore, the Commission's proposal would not generate additional investment costs for payment service providers.

The Opinion of the Poslanecká sněmovna has been made available to the Commission's representatives in the ongoing negotiations with the co-legislators and will inform these discussions. Discussions between the Commission and the co-legislators concerning the proposal are now underway and the Commission remains hopeful that an agreement will be reached in the near future.

³ Less than EUR 0.01 per transaction for euro transactions, independent of volumes.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Poslanecká sněmovna and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Pierre Moscovici
Member of the Commission*