



EUROPEAN PARLIAMENT

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Committee on Economic and Monetary Affairs

2010/0373(COD)

30.3.2011

*****I**

DRAFT REPORT

on the proposal for a regulation of the European Parliament and of the Council establishing technical requirements for credit transfers and direct debits in euros and amending Regulation (EC) No 924/2009 (COM(2010)0775 – C7-0434/2010 – 2010/0373(COD))

Committee on Economic and Monetary Affairs

Rapporteur: Sari Essayah

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

In amendments by Parliament, amendments to draft acts are highlighted in ***bold italics***. Highlighting in *normal italics* is an indication for the relevant departments showing parts of the draft act which may require correction when the final text is prepared – for instance, obvious errors or omissions in a language version. Suggested corrections of this kind are subject to the agreement of the departments concerned.

The heading for any amendment to an existing act that the draft act seeks to amend includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend. Passages in an existing act that Parliament wishes to amend, but that the draft act has left unchanged, are highlighted in **bold**. Any deletions that Parliament wishes to make in such passages are indicated thus: [...].

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council establishing technical requirements for credit transfers and direct debits in euros and amending Regulation (EC) No 924/2009 (COM(2010)0775 – C7-0434/2010 – 2010/0373(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2010)0775),
 - having regard to Article 294(2) and Article 114 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0434/2010),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of ... 2011¹,
 - having regard to Rule 55 of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs (A7-0000/2011),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Amendment 1

Proposal for a regulation
Title 1 – title

¹ OJ C ...

Text proposed by the Commission

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing technical requirements for credit transfers and direct debits in *euros* and amending Regulation (EC) No 924/2009

Amendment

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing technical **and business** requirements for credit transfers and direct debits in *euro* and amending Regulation (EC) No 924/2009

Or. en

Amendment 2

Proposal for a regulation
Recital 1

Text proposed by the Commission

(1) The creation of an integrated market for electronic payments in *euros*, with no **basic** distinction between national and cross-border payments is necessary for the proper functioning of the *Internal Market*. To this end, the Single Euro Payments Area (hereinafter 'SEPA') project aims to develop common Union-wide payment **instruments** to replace current national payment **instruments**. As a result of the introduction of open, common payment standards, rules and practices, and through integrated payment processing, SEPA should provide Union citizens and businesses with secure, competitively priced, user-friendly, and reliable payment services in *euros*. Completing SEPA should also create favourable conditions for increased competition in payment services and for the unhindered development and swift, Union-wide implementation of payments-related innovations. Consequently, **as a result of** improved economies of scale, increased operating efficiency and strengthened competition, electronic payment services in *euros* **should create** a best-of-breed basis

Amendment

(1) The creation of an integrated market for electronic payments in *euro*, with no distinction between national and cross-border payments is necessary for the proper functioning of the *internal market*. To this end, the Single Euro Payments Area (hereinafter 'SEPA') project aims to develop common Union-wide payment **services** to replace current national payment **services**. As a result of the introduction of open, common payment standards, rules and practices, and through integrated payment processing, SEPA should provide Union citizens and businesses with secure, competitively priced, user-friendly, and reliable payment services in *euro*. Completing SEPA should also create favourable conditions for increased competition in payment services and for the unhindered development and swift, Union-wide implementation of payments-related innovations. Consequently, improved economies of scale, increased operating efficiency and strengthened competition **should lead to a downward price pressure in** electronic payment services in *euro* **on** a best-of-

downward price pressure. The effects of this should be significant, in particular in Member States where payments are, **comparatively speaking**, relatively expensive. The transition to SEPA should therefore not be accompanied by overall price increases for payment service users in general and for consumers, in particular.

breed basis. The effects of this should be significant, in particular in Member States where payments are, **compared to other Member States**, relatively expensive. The transition to SEPA should therefore not be accompanied by overall price increases for payment service users in general and for consumers, in particular.

Or. en

Amendment 3

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) Regulation (EC) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001¹⁹ also provides a number of facilitating measures for the success of SEPA such as the extension of the principle of equal charges to cross-border direct debits.

Amendment

(4) Regulation (EC) No 924/2009 of the European Parliament and of the Council of 16 September 2009 on cross-border payments in the Community and repealing Regulation (EC) No 2560/2001 also provides a number of facilitating measures for the success of SEPA such as the extension of the principle of equal charges to cross-border direct debits **and reachability for direct debits.**

Or. en

Amendment 4

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) In addition, self-regulatory efforts of the European banking sector through the SEPA initiative have not proven sufficient to drive forward concerted migration to Union-wide schemes for credit transfers and direct debits on both the supply and

Amendment

(5) In addition, self-regulatory efforts of the European banking sector through the SEPA initiative have not proven sufficient to drive forward concerted migration to Union-wide schemes for credit transfers and direct debits on both the supply and

demand sides. *Moreover, this self-regulatory process has not been subject to appropriate governance mechanisms, which may partly explain the slow uptake on the demand side.* Only rapid and comprehensive migration to Union-wide credit transfers and direct debits will generate the full benefits of an integrated payments market, so that the high costs of running both ‘legacy’ and SEPA products in parallel can be eliminated.

demand sides. Only rapid and comprehensive migration to Union-wide credit transfers and direct debits will generate the full benefits of an integrated payments market, so that the high costs of running both ‘legacy’ and SEPA products in parallel can be eliminated.

Or. en

Amendment 5

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) Rules should therefore be laid down to cover the execution of all credit transfers and direct debit transactions denominated in *euros* within the Union. However, it is not appropriate at this stage to cover card transactions, since common standards for Union card payments are still under development. Money remittance, internally processed payments, large-value payment transactions between payment service providers and payments via mobile phone should not fall under the scope of those rules since these payment services are not comparable to credit transfers and direct debits.

Amendment

(6) Rules should therefore be laid down to cover the execution of all credit transfers and direct debit transactions denominated in *euro* within the Union. However, it is not appropriate at this stage to cover card transactions, since common standards for Union card payments are still under development. Money remittance, internally processed payments, large-value payment transactions between payment service providers and payments via mobile phone should not fall under the scope of those rules since these payment services are not comparable to credit transfers and direct debits. ***In addition, the rules should not cover payment transactions which customers have specifically requested to be processed through large-value payments systems. Customers should be clearly informed by their service providers at the transaction initiation phase as to which of their transactions will be processed via a large value payment channel and will thereby fall outside the scope of this Regulation. In the absence***

of such information credit transfers and direct debit transactions within the Union will be deemed to be processed according to the requirements of this Regulation.

Or. en

Amendment 6

Proposal for a regulation

Recital 7

Text proposed by the Commission

(7) Several payment *instruments* currently exist, mostly for payments through the internet, which also use the international *banc* account number (IBAN) and the bank identifier code (BIC) and are based on credit transfers or direct debits but which have additional features. Those *schemes* are foreseen to expand beyond their current national borders and could fulfil a consumer demand for innovative, safe and cheap payment *instruments*. In order not to foreclose such *schemes* from the market, the regulation on end dates for direct debit and credit transfer should only apply to the credit transfer or direct debit underlying *the transaction*.

Amendment

(7) Several payment *services* currently exist, mostly for payments through the internet, which also use the international *bank* account number (IBAN) and the bank identifier code (BIC) and are based on credit transfers or direct debits but which have additional features. Those *services* are foreseen to expand beyond their current national borders and could fulfil a consumer demand for innovative, safe and cheap payment *services*. In order not to foreclose such *services* from the market, the regulation on end dates for direct debit and credit transfer should only apply to the credit transfer or direct debit underlying *those transactions*.

Or. en

Amendment 7

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) For a credit transfer to be executed, the payee's account must be reachable. Therefore, in order to encourage the successful take-up of *these* payment

Amendment

(8) For a credit transfer to be executed, the payee's account must be reachable. Therefore, in order to encourage the successful take-up of *this* payment *service*,

instruments, a reachability obligation should be established Union-wide. To improve transparency, it is furthermore appropriate to consolidate that obligation and the reachability obligation for direct debits already established under Regulation (EC) No 924/2009 in one single act.

a reachability obligation should be established Union-wide. To improve transparency, it is furthermore appropriate to consolidate that obligation and the reachability obligation for direct debits already established under Regulation (EC) No 924/2009 in one single act.

Or. en

Amendment 8

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) Technical interoperability is a prerequisite for competition. In order to create an integrated market for electronic payments systems in *euros*, it is essential that the processing of credit transfers and direct debits are not hindered by technical obstacles and are carried out under a scheme whose basic rules are adhered to by a majority of payment services providers from a majority of Member States and be the same both for cross-border and for purely national credit transfer and direct debit transactions. Where *more than one such scheme is developed or where* there is more than one payment system for the processing of such payments, these *schemes and* systems should be interoperable so that all users and payment service providers can enjoy the benefits of seamless euro payments across the Union.

Amendment

(9) Technical interoperability is a prerequisite for competition. In order to create an integrated market for electronic payments systems in *euro*, it is essential that the processing of credit transfers and direct debits are not hindered by technical obstacles and are carried out under a scheme whose basic rules are adhered to by a majority of payment services providers from a majority of *the* Member States and be the same both for cross-border and for purely national credit transfer and direct debit transactions. Where there is more than one payment system for the processing of such payments, these systems should be interoperable so that all users and payment service providers can enjoy the benefits of seamless euro payments across the Union. *Given the specific characteristics of the business market, whilst any business-to-business direct debit or credit transfer scheme needs to comply with all other provisions in this Regulation, including having the same rules for cross-border and national transactions, the requirement to have participants representing a majority of payment service providers in the majority of Member States need not apply but to*

the extent that payment service providers providing business-to-business direct debit or credit transfer services need to have participants representing a majority of payment service providers in the majority of Member States providing such services.

Or. en

Amendment 9

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) It is crucial to identify technical requirements which unambiguously determine the features which Union-wide payment schemes to be developed under appropriate governance arrangements have to respect in order to ensure interoperability. Such technical requirements should not restrict flexibility and innovation but should be open to and neutral towards potential new developments and improvements in the payments market. They should be designed taking into account the special characteristics of credit transfers and direct debits, in particular with regard to the data elements contained in the payment message. They should also contain, especially for direct debits, measures to strengthen the confidence of payment service users in the use of such instruments.

Amendment

(10) It is crucial to identify technical requirements which unambiguously determine the features which Union-wide payment schemes to be developed under appropriate governance arrangements have to respect in order to ensure interoperability. Such technical requirements should not restrict flexibility and innovation but should be open to and neutral towards potential new developments and improvements in the payments market. They should be designed taking into account the special characteristics of credit transfers and direct debits, in particular with regard to the data elements contained in the payment message. They should also contain, especially for direct debits, measures to strengthen the confidence of payment service users in the use of such instruments. ***Payers should be allowed to request their payment service provider to carry out mandatory checks on the frequency or amount of the direct debit and to establish 'white' or 'black' lists of payees.***

Or. en

Amendment 10

Proposal for a regulation Recital 11

Text proposed by the Commission

(11) Technical standardisation is a cornerstone for the integration of networks, such as the Union payments market. The use of standards developed by international or European standardisation bodies should be mandatory as of a given date for all relevant transactions. In the payment context, these would be the IBAN, BIC, and the financial services messaging standard 'ISO 20022 XML'. The use of those standards by all payment service providers is therefore a requirement for full interoperability throughout the Union. In particular, the mandatory use of IBAN and BIC where necessary should be promoted through comprehensive communication and facilitating measures in Member States in order to allow a smooth and easy transition to *pan-European* credit transfers and direct debits, in particular for consumers.

Amendment

(11) Technical standardisation is a cornerstone for the integration of networks, such as the Union payments market. The use of standards developed by international or European standardisation bodies should be mandatory as of a given date for all relevant transactions. In the payment context, these would be the IBAN, BIC, and the financial services messaging standard 'ISO 20022 XML'. The use of those standards by all payment service providers is therefore a requirement for full interoperability throughout the Union. In particular, the mandatory use of IBAN and BIC where necessary should be promoted through comprehensive communication and facilitating measures in Member States in order to allow a smooth and easy transition to *Union-wide* credit transfers and direct debits, in particular for consumers.

Or. en

Amendment 11

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) *Separate migration dates* should be set *in order to take into account the differences between credit transfers and direct debits*. Union-wide credit transfers and direct debits *do not have the same level of maturity, since a direct debit is a more complex instrument than a credit transfer and, consequently, migration to*

Amendment

(13) *A single migration date* should be set *for* Union-wide credit transfers and direct debits *in order to allow a concerted transition process*.

Union-wide direct debits requires significantly more resources than migration to Union-wide credit transfers.

Or. en

Amendment 12

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) Regulation of multilateral interchange fees (MIF) for direct debits is essential to create neutral conditions of competition between the payment service providers and so to permit the development of a single market for direct debits. Per transaction MIF for direct debit restrict competition between payees banks and inflate the charges such banks impose on payees and thus lead to hidden price increases to payers. Whilst no or limited objective efficiencies have been demonstrated for per transaction MIF, such fees for transactions which are rejected, refused, returned or reversed because they cannot be properly executed (R-transactions) could help to allocate costs efficiently within the single market. Therefore, it would appear beneficial for the creation of an effective European direct debit market to **prohibit** per transaction MIF. *Nevertheless*, R-transaction should be allowed, provided that they comply with certain conditions. In any event, rules should be without prejudice to the application of Articles 101 and 102 of the TFEU to *multilateral interchange fees* for R-transactions.

Amendment

(14) Regulation of multilateral interchange fees (MIF) for direct debits is essential to create neutral conditions of competition between the payment service providers and so to permit the development of a single market for direct debits. Per transaction MIF for direct debit restrict competition between payees banks and inflate the charges such banks impose on payees and thus lead to hidden price increases to payers. Whilst no or limited objective efficiencies have been demonstrated for per transaction MIF, such fees for transactions which are rejected, refused, returned or reversed because they cannot be properly executed (R-transactions) could help to allocate costs efficiently within the single market. Therefore, it would appear beneficial for the creation of an effective European direct debit market to **provide for a phasing-out period prior to prohibiting** per transaction MIF. R-transaction **MIF** should be allowed, provided that they comply with certain conditions. In any event, rules should be without prejudice to the application of Articles 101 and 102 of the TFEU to *MIF* for R-transactions.

Or. en

Amendment 13

Proposal for a regulation Recital 16

Text proposed by the Commission

(16) In some Member States, there are certain legacy payment *instruments* which are credit transfers or direct debits but which have very specific functionalities, often due to historical or legal reasons. The transaction volume of such products is usually marginal; they could therefore be classified as niche products. A transitional period for such niche products, sufficiently long to minimise the impact of the migration on payment service users, should help both sides of the market to focus first on the migration of the bulk of credit transfers and direct debits, thereby allowing the majority of the potential benefits of an integrated payments market in the Union to be reaped earlier.

Amendment

(16) In some Member States, there are certain legacy payment *services* which are credit transfers or direct debits but which have very specific functionalities, often due to historical or legal reasons. The transaction volume of such products is usually marginal; they could therefore be classified as niche products. A transitional period for such niche products, sufficiently long to minimise the impact of the migration on payment service users, should help both sides of the market to focus first on the migration of the bulk of credit transfers and direct debits, thereby allowing the majority of the potential benefits of an integrated payments market in the Union to be reaped earlier. ***In some Member States specific direct debit instruments exist which seem very similar to payment card transactions given that the payer uses a card at the point of sale to initiate the payment transaction. However, the underlying payment scheme is a direct debit. The card is only used for a read-out in order to facilitate an electronic generation of the mandate, which has to be signed by the payer at the point of sale. Although such a payment service cannot be classified as a niche product, there is a need for a transitional period because of the substantial transaction volume.***

Or. en

Amendment 14

Proposal for a regulation Recital 20

Text proposed by the Commission

(20) In order to ensure that redress is possible where this Regulation has been incorrectly applied, Member States should establish adequate and effective out-of-court complaint and redress procedures for settling any dispute *arising therefrom*.

Amendment

(20) In order to ensure that redress is possible where this Regulation has been incorrectly applied, Member States should establish adequate and effective out-of-court complaint and redress procedures for settling any dispute *between payment service users and payment service providers*.

Or. en

Amendment 15

**Proposal for a regulation
Recital 22 and Recital 22 a (new)**

Text proposed by the Commission

(22) The *Commission should be empowered* to adopt *delegated* acts in accordance with Article 290 of the *Treaty* in respect of the update of the technical requirements for credit transfers and direct debits.

Amendment

(22) The *power* to adopt acts in accordance with Article 290 of the *TFEU should be delegated to the Commission* in respect of the update of the technical requirements for credit transfers and direct debits. *It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.*
(22a) In the Declaration on Article 290 TFEU, annexed to the Final Act of the Intergovernmental Conference which adopted the Treaty of Lisbon, the Conference took note of the Commission's intention to continue to consult experts appointed by the Member States in the preparation of draft delegated acts in the financial services area, in accordance with its established practice. The Commission is also expected

to consult all relevant stakeholders.

Or. en

Amendment 16

Proposal for a regulation Article 1 – paragraph 1

Text proposed by the Commission

1. This Regulation lays down rules for **the execution of** credit transfer and direct debit transactions denominated in *euros* within the Union where both the payer's payment service provider and the payee's payment service provider are **situated** within the Union, or where the sole payment service provider in the payment transaction is located in the Union.

Amendment

1. This Regulation lays down rules for credit transfer and direct debit transactions denominated in *euro* within the Union where both the payer's payment service provider and the payee's payment service provider are **located** within the Union, or where the sole payment service provider in the payment transaction is located in the Union.

Or. en

Amendment 17

Proposal for a regulation Article 1 – paragraph 2 – point a

Text proposed by the Commission

(a) payment transactions **carried out internally** within **payment service providers as well as payment transactions between** payment service providers for their own account

Amendment

(a) payment transactions **between and** within payment service providers for their own account;

Or. en

Amendment 18

Proposal for a regulation Article 1 – paragraph 2 – point b

Text proposed by the Commission

(b) payment transactions processed and settled through large value payment systems for which both the original initiator and the final recipient of the payment is a payment service provider

Amendment

(b) payment transactions processed and settled through large value payment systems for which both the original initiator and the final recipient of the payment is a payment service provider ***and customer initiated payment transactions routed via large value payment systems regarding which the initiating customers have been explicitly informed by their service provider of the transactions processed outside the scope of this Regulation. In the absence of the information referred to in this point, transactions processed via large value payments systems shall be deemed to fall within the scope of this Regulation;***

Or. en

Amendment 19

Proposal for a regulation

Article 1 – paragraph 2 – point c

Text proposed by the Commission

(c) payment transactions through a payment card, including cash withdrawals from a payment account, ***if they do not result*** in a credit transfer or direct debit to ***or*** from a payment account identified by the basic bank account number (BBAN) or the international *banc* account number (IBAN)

Amendment

(c) payment transactions through a payment card, including cash withdrawals from a payment account, ***unless such payment transaction is generated at the point of sale through a payment card and results*** in a credit transfer or direct debit to ***and*** from a payment account identified by the basic bank account number (BBAN) or the international *bank* account number (IBAN);

Or. en

Amendment 20

Proposal for a regulation

Article 1 – paragraph 2 – point d

Text proposed by the Commission

(d) payment transactions through means of any telecommunication, digital or IT device, if **they** do not result in a credit transfer or direct debit to **or** from a payment account identified by BBAN or IBAN

Amendment

(d) payment transactions through means of any telecommunication, digital or IT device, if **such payment transactions** do not result in a credit transfer or direct debit to **and** from a payment account identified by BBAN or IBAN;

Or. en

Amendment 21

Proposal for a regulation

Article 1 – paragraph 2 – point e

Text proposed by the Commission

(e) money remittance transactions where funds are received from a payer, without any payment accounts being created in the name of the payer or the payee, for the sole purpose of transferring a corresponding amount to a payee or to another payment service provider acting on behalf of the payee, and/or where such funds are received on behalf of and made available to the payee.

Amendment

(e) money remittance transactions where funds are received from a payer, without any payment accounts being created in the name of the payer or the payee, for the sole purpose of transferring a corresponding amount to a payee or to another payment service provider acting on behalf of the payee, and/or where such funds are received on behalf of and made available to the payee; **and**

Or. en

Amendment 22

Proposal for a regulation

Article 1 – paragraph 2 – point e a (new)

Text proposed by the Commission

Amendment

(ea) payment transactions where electronic money as defined in point (2) of

Article 2 of Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions¹ is transferred, unless such transactions result in a credit transfer or direct debit.

¹ OJ L 267, 10.10.2009, p. 7.

Or. en

Amendment 23

Proposal for a regulation

Article 2 – paragraph 1 – point 1

Text proposed by the Commission

(1) ‘credit transfer’ means a payment service for crediting a payee’s payment account, where a payment transaction or a series of payment transactions is initiated by the payer on the basis of the consent given to his payment service provider

Amendment

(1) ‘credit transfer’ means a ***national or cross-border*** payment service for crediting a payee’s payment account, where a payment transaction or a series of payment transactions is initiated by the payer on the basis of the consent given to his payment service provider;

Or. en

Amendment 24

Proposal for a regulation

Article 2 – paragraph 1 – point 2

Text proposed by the Commission

(2) ‘direct debit’ means a payment service for debiting a payer’s payment account, where a payment transaction is initiated by the payee on the basis of the payer’s consent

Amendment

(2) ‘direct debit’ means a ***national or cross-border*** payment service for debiting a payer’s payment account, where a payment transaction is initiated by the payee on the basis of the payer’s consent;

Or. en

Amendment 25

Proposal for a regulation

Article 2 – paragraph 1 – point 3

Text proposed by the Commission

(3) ‘payer’ means a natural or legal person who holds a payment account and allows a payment order from that payment account

Amendment

(3) ‘payer’ means a natural or legal person who holds a payment account and allows a payment order from that payment account **or, where there is no payment account, a natural or legal person who gives a payment order;**

Or. en

Amendment 26

Proposal for a regulation

Article 2 – paragraph 1 – point 7

Text proposed by the Commission

(7) ‘payment scheme’ means a set of rules, practices and standards for making payments between the scheme participants, and which is separated from any infrastructure or payment system that supports its operation across and within Member States

Amendment

(7) ‘payment scheme’ means a **single** set of rules, practices and standards **and implementation guidelines** for making payments between the scheme participants **across and within Member States**, and which is separated from any infrastructure or payment system that supports its operation across and within Member States;

Or. en

Amendment 27

Proposal for a regulation

Article 2 – paragraph 1 – point 12

Text proposed by the Commission

(12) ‘interchange fee’ means a fee paid

Amendment

(12) ‘interchange fee’ means a fee paid

between the payment service providers of the payer and of the payee for *each* direct debit transaction

between the payment service providers of the payer and of the payee for *a* direct debit transaction;

Or. en

Amendment 28

Proposal for a regulation Article 2 – paragraph 1 – point 13

Text proposed by the Commission

(13) ‘multilateral interchange fee’ means an interchange fee which is subject to a collective agreement between payment service providers

Amendment

(13) ‘**MIF**’ means an interchange fee which is subject to a collective agreement between payment service providers;

Or. en

Amendment 29

Proposal for a regulation Article 2 – paragraph 1 – point 14

Text proposed by the Commission

(14) ‘BBAN’ means a *payment* account number identifier, which uniquely identifies an individual account with a payment service provider in a Member State and *can only be* used for national transactions

Amendment

(14) ‘BBAN’ means a *basic bank* account number identifier, which uniquely identifies an individual account with a payment service provider in a Member State and *which is* used for national transactions;

Or. en

Amendment 30

Proposal for a regulation Article 2 – paragraph 1 – point 15

Text proposed by the Commission

(15) 'IBAN' means an international **payment** account number identifier, which uniquely identifies an individual account with a unique payment service provider in a Member State, the elements of which are specified by ISO 13616, set by the International Organization for Standardisation (ISO)

Amendment

(15) 'IBAN' means an international **bank** account number identifier, which uniquely identifies an individual account with a unique payment service provider in a Member State, the elements of which are specified by ISO 13616 **or its successor**, set by the International Organization for Standardisation (ISO);

Or. en

Amendment 31

Proposal for a regulation Article 2 – paragraph 1 – point 16

Text proposed by the Commission

(16) 'BIC' means a code that unambiguously identifies a payment service provider, the elements of which are specified by ISO **13616**, set by the International Organization for Standardisation (ISO)

Amendment

(16) 'BIC' means a code that unambiguously identifies a payment service provider, the elements of which are specified by ISO **9362 or its successor**, set by the International Organization for Standardisation (ISO);

Or. en

Amendment 32

Proposal for a regulation Article 2 – paragraph 1 – point 17

Text proposed by the Commission

(17) 'ISO 20022 XML standard' means a standard for the development of electronic financial messages as defined by the International Organisation for Standardisation (ISO), encompassing the physical representation of the payment transactions in XML syntax, in accordance

Amendment

(17) 'ISO 20022 XML standard' **or its successor** means a standard for the development of electronic financial messages as defined by the International Organisation for Standardisation (ISO), encompassing the physical representation of the payment transactions in XML

with business rules and implementation guidelines of Union-wide schemes for payment transactions in scope of this Regulation.

syntax, in accordance with business rules and implementation guidelines of Union-wide schemes for payment transactions in scope of this Regulation;

Or. en

Amendment 33

Proposal for a regulation

Article 2 – paragraph 1 – point 17 a (new)

Text proposed by the Commission

Amendment

(17a) 'large value payment system' means a payment system which is designed primarily to process large-value and/or urgent payments related to important financial market activities such as money market or foreign exchange transactions as well as commercial transactions and is regarded as essential to the proper functioning of the financial system;

Or. en

Amendment 34

Proposal for a regulation

Article 2 – paragraph 1 – point 17 b (new)

Text proposed by the Commission

Amendment

(17b) 'SEPA' means the area where citizens, companies and other economic participants can make and receive payments in euro, within the Union, whether within or across national boundaries under the same basic conditions, rights and obligations, regardless of their location;

Or. en

Amendment 35

Proposal for a regulation

Article 2 – paragraph 1 – point 17 c (new)

Text proposed by the Commission

Amendment

(17c) 'settlement date' means a date on which obligations with respect to the transfer of funds are discharged between the payer's payment service provider and the payee's payment service provider;

Or. en

Amendment 36

Proposal for a regulation

Article 2 – paragraph 1 – point 17 d (new)

Text proposed by the Commission

Amendment

(17d) 'collection' means a part of a direct debit transaction starting from the initiation made by the payee until its end through the debiting of the payer's account or until completion by a rejection, return or refund;

Or. en

Amendment 37

Proposal for a regulation

Article 2 – paragraph 1 – point 17 e (new)

Text proposed by the Commission

Amendment

(17e) 'direct debit mandate' means the expression of consent and authorisation given by the payer to the payee to allow the payee to initiate a collection for debiting the payer's specified payment

account and to allow the payer's bank to comply with such instructions.

Or. en

Amendment 38

Proposal for a regulation Article 3 – paragraph 1

Text proposed by the Commission

A payment service provider reachable for a national credit transfer *or a direct debit* transaction, *or both* denominated in euro on a given payment account shall be reachable, in accordance with the rules *of the* payment scheme, for credit transfer *and direct debit* transactions initiated through a payment service provider located in any Member State.

Amendment

A payment service provider reachable for a national credit transfer transaction denominated in euro on a given payment account shall be reachable, in accordance with the *single set of* rules *under one Union-wide* payment scheme *applicable to national and cross-border payments*, for credit transfer transactions *denominated in euro* initiated through a payment service provider located in any Member State.

Or. en

Amendment 39

Proposal for a regulation Article 3 – paragraph 1 a (new)

Text proposed by the Commission

A payment service provider reachable for a national direct debit transaction denominated in euro on a given payment account shall be reachable, in accordance with the single set of rules under one Union-wide payment scheme applicable to national and cross-border payments, for direct debit transactions denominated in euro initiated by a payee through a payment service provider located in any Member State.

Amendment 40

Proposal for a regulation

Article 4 – paragraph 1 – introductory part

Text proposed by the Commission

1. Payment service providers *shall carry* out credit transfers and direct debits *under a payment scheme which complies* with the following conditions:

Amendment

1. Payment *schemes to be used by payment* service providers *for the purpose of carrying* out credit transfers and direct debits *shall comply* with the following conditions:

Or. en

Amendment 41

Proposal for a regulation

Article 4 – paragraph 1 – point a

Text proposed by the Commission

(a) *its* rules are the same for national and cross-border credit transfer *and* direct debit transactions across and within Member States

Amendment

(a) *their* rules are the same for national and cross-border credit transfer *or* direct debit transactions across and within Member States; *and*

Or. en

Amendment 42

Proposal for a regulation

Article 4 – paragraph 1 – point b

Text proposed by the Commission

(b) the participants in the scheme represent a majority of payment service providers within a majority of Member States.

Amendment

(b) the participants in the scheme represent a majority of payment service providers *across and* within a majority of Member States.

Amendment 43

Proposal for a regulation

Article 4 – paragraph 1 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

Where neither the payer nor the payee is a consumer, the payment schemes referred to in paragraph 1 shall represent the majority of payment service providers providing such services across and within a majority of Member States where such services are available. Paragraph 1(b) need not apply to such payment schemes.

Or. en

Amendment 44

Proposal for a regulation

Article 4 – paragraph 1 – subparagraph 1 b (new)

Text proposed by the Commission

Amendment

The first subparagraph shall apply where a new scheme emerges and the Commission shall assess whether the criteria set out therein are met.

Or. en

Amendment 45

Proposal for a regulation

Article 4 – paragraph 2

Text proposed by the Commission

Amendment

2. Payment systems ***and, where applicable, payment schemes*** shall be technically

2. Payment systems shall be technically interoperable through the use of standards

interoperable through the use of standards developed by international or European standardisation bodies.

developed by international or European standardisation bodies.

Or. en

Amendment 46

Proposal for a regulation

Article 4 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. With the exception of payment services benefiting from a waiver under Article 17, interoperability under this Article shall be effective by ...*.

**** OJ please insert date: 24 months after entry into force of this Regulation.***

Or. en

Amendment 47

Proposal for a regulation

Article 4 a (new)

Text proposed by the Commission

Amendment

Essential requirements

1. The payment service providers shall carry out credit transfer and direct debit transactions in accordance with the following requirements:

(a) payment service providers and payment service users must use the IBAN for the identification of payment accounts regardless of whether both the payer's payment service provider and the payee's payment service provider are or the sole payment service provider in the payment transaction is, located in the same

Member State or whether one of the payment service providers is located in another Member State;

(b) payment service providers shall use message formats based on ISO 20022 XML standard or its successor when transmitting payment transactions to another payment service provider or a payment system;

(c) where a payment service user initiates or receives individual transfers of funds which are transmitted via a process-to-process dialogue or a bundled batch file, message formats based on ISO 20022 XML standard or its successor must be used;

(d) payment service providers must, by the date mentioned in Article 5 for the relevant payment service, accept to receive initiations from the payment service user in the format referred to in point (c) when the payment user so requests;

(e) payment service providers must, by ..., send or make available payment transaction information to the payment service user in the format mentioned in point (c) where the payment user so requests.

2. In addition to the requirements referred to in paragraph 1, the following requirements shall apply to direct debit transactions:

(a) only once before the first direct debit transaction, a payer must communicate its IBAN and, where applicable, the BIC of its payment service provider to its payee;

(b) with the first direct debit transaction and one-off direct debit transactions and with each subsequent direct debit transaction, the payee must send the mandate-related information to his or her payment service provider and the payee's payment service provider must transmit such mandate related information to the payer's payment service provider with

each direct debit transaction.

(c) payers may:

(i) instruct their payment service provider to limit a direct debit collection to a certain amount or periodicity, or both;

(ii) request their payment service provider, where the agreement between the payer and the payee excludes the right to a refund, to verify each direct debit transaction, and to check whether the amount of the submitted direct debit transaction is equal to the amount agreed in the mandate, before debiting their account, based on the mandate-related information;

(iii) instruct their payment service provider to block any direct debits to the payer's account or to block any direct debits coming from one or more specified payees and to authorise direct debits only coming from one or more specified payees;

(d) consent must be given both to the payee and to the payment service provider of the payer (directly or indirectly via the payee) and the mandates, together with later modifications and/or cancellation, shall be stored by the payee or by a third party on behalf of the payee, the procedure for giving such consent to a direct debit shall be agreed between the payer and the payer's payment service provider.

3. In addition to the requirements referred to in paragraph 1, in relation to credit transfer transactions, a payee accepting credit transfers shall communicate its IBAN and the BIC of its payment service provider to its payers, every time a credit transfer is requested.

4. In addition to paragraphs 1, 2 and 3 of this Article, further technical requirements in the Annex shall apply to credit transfer and direct debit transactions. The Commission shall be

empowered to adopt delegated acts in accordance with Article 12 to amend the Annex in order to take account of technical progress and market developments.

Where in the case of an imminent threat to the stability and proper functioning of payment systems imperative grounds of urgency so require, the procedure provided for in Article 15 shall apply to delegated acts adopted pursuant to this Article.

** OJ please insert date: 24 months after entry into force of this Regulation.*

Or. en

Amendment 48

Proposal for a regulation Article 5 – paragraph 1

Text proposed by the Commission

1. By *[insert concrete date 12 months after entry into force of this Regulation]* at the latest, credit transfers shall be carried out in accordance with the technical requirements set out in points 1 and 2 of the Annex.

Amendment

1. By ...*, credit transfers shall be carried out in accordance with the technical requirements set out in **Article 4a(1) and (3) and** points 1 and 2 of the Annex.

** OJ please insert date: 24 months after entry into force of this Regulation.*

Or. en

Amendment 49

Proposal for a regulation Article 5 – paragraph 2

Text proposed by the Commission

2. By *[insert concrete date 24 months after entry into force of this Regulation]* at the latest, direct debits shall be carried out in accordance with Article 6 and the **technical** requirements set out in points 1 and 3 of the Annex.

Amendment

2. By ...*, direct debits shall be carried out in accordance with Article 6 and the requirements set out in **Article 4a(1) and (2) and** points 1 and 3 of the Annex.

* OJ please insert date: 24 months after entry into force of this Regulation.

Or. en

Amendment 50

Proposal for a regulation
Article 5 – paragraph 3

Text proposed by the Commission

3. Notwithstanding paragraphs 1 and 2, Member States may set earlier dates than those referred to in paragraphs 1 and 2.

Amendment

3. Notwithstanding paragraphs 1 and 2, Member States may set, **the payment service providers in a Member State may agree on**, earlier dates than those referred to in paragraphs 1 and 2.

Or. en

Amendment 51

Proposal for a regulation
Article 6 – paragraph 1

Text proposed by the Commission

1. Without prejudice to paragraph 2, no *multilateral interchange fee* per direct debit transaction or other agreed remuneration with an equivalent object or effect shall apply to direct debit transactions.

Amendment

1. Without prejudice to paragraph 2, **by ...***, **the maximum MIF shall be 6,6 eurocents per direct debit transaction. By ...****, **that maximum level shall be 4,4 eurocents per transaction and by ...*** it shall be 2,2 eurocents per transaction.** No MIF per direct debit transaction or other agreed

remuneration with an equivalent object or effect shall apply to direct debit transactions *after ...*****.

** OJ please insert date: 24 months after entry into force of this Regulation.*

*** OJ please insert date: 48 months after entry into force of this Regulation.*

**** OJ please insert date: 60 months after entry into force of this Regulation.*

***** OJ please insert date: 84 months after entry into force of this Regulation.*

Or. en

Amendment 52

Proposal for a regulation

Article 6 – paragraph 2 – subparagraph 1 – introductory part

Text proposed by the Commission

For direct debit transactions which cannot be properly executed by a payment service provider because the payment order is rejected, refused, returned or reversed (R-transactions) *carried out by payment service providers*, a *multilateral interchange fee* may be applied provided that the following conditions are complied with:

Amendment

For direct debit transactions which cannot be properly executed by a payment service provider because the payment order is rejected, refused, returned or reversed (R-transactions), a *MIF* may be applied *after ...* * provided that the following conditions are complied with:

** OJ please insert date: 24 months after entry into force of this Regulation.*

Or. en

Amendment 53

Proposal for a regulation

Article 6 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The Commission shall monitor the R-transaction MIFs referred to in paragraph 2 across the Member States. The Commission shall ensure that the R-transaction MIFs do not vary across Member States to an extent that there is no level playing field and that Member States' R-transaction MIFs converge.

Or. en

Amendment 54

Proposal for a regulation Article 7

Text proposed by the Commission

Amendment

Waiver

deleted

1. Member States may allow their competent authorities to waive all or some of the requirements set out in paragraphs 1, 2 and 3 of Article 5 until [insert concrete date 36 months after entry into force of this Regulation] for those credit transfer or direct debit transactions with a cumulative market share, based on the official payment statistics published annually by the European Central Bank, of less than 10 % of the total number of credit transfer or direct debit transactions respectively, in that Member State.

2. Member States may allow their competent authorities to waive all or some of the requirements set out in paragraphs 1, 2 and 3 of Article 5 until [insert concrete date) 60 months after entry into force of this Regulation] for those payment transactions initiated through a payment card at the point of sale which result in direct debit from a payment account identified by BBAN or IBAN.

3. Where a Member State allows its competent authorities to apply the waiver provided for in paragraphs 1 and 2, it shall notify the Commission accordingly by [insert concrete date 6 months after entry into force of this Regulation]. The Member State shall notify the Commission forthwith of any subsequent change.

Or. en

Amendment 55

Proposal for a regulation Article 9 – paragraph 2

Text proposed by the Commission

2. Member States shall notify the Commission of the competent authorities referred to in paragraph 1 by *[insert concrete date 6 months after entry into force of this Regulation]*. They shall notify the Commission without delay of any subsequent change concerning those authorities.

Amendment

2. Member States shall notify the Commission of the competent authorities referred to in paragraph 1 by ...*. They shall notify the Commission without delay of any subsequent change concerning those authorities.

** OJ please insert date: 12 months after entry into force of this Regulation.*

Or. en

Amendment 56

Proposal for a regulation Article 10 – paragraph 1

Text proposed by the Commission

Member States shall, by *[insert concrete date 6 months after entry into force of this Regulation]*, lay down rules on the penalties applicable to infringements to this Regulation and shall take all measures

Amendment

Member States shall, by ...*, lay down rules on the penalties applicable to infringements to this Regulation and shall take all measures necessary to ensure that they are implemented. Such penalties shall

necessary to ensure that they are implemented. Such penalties shall be effective, proportionate and dissuasive. Member States shall notify the Commission of those provisions by *[insert concrete date 12 months after entry into force of this Regulation]* and shall notify it without delay of any subsequent amendment affecting them.

be effective, proportionate and dissuasive. Member States shall notify the Commission of those provisions by ...* and shall notify it without delay of any subsequent amendment affecting them.

* *OJ please insert date: 12 months after entry into force of this Regulation.*

** *OJ please insert date: 18 months after entry into force of this Regulation.*

Or. en

Amendment 57

Proposal for a regulation Article 10 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

The penalties referred to in the first paragraph shall not be applied to consumers.

Or. en

Amendment 58

Proposal for a regulation Article 11 – paragraph 1

Text proposed by the Commission

Amendment

1. Member States shall establish adequate and effective out-of-court complaint and redress procedures for the settlement of disputes arising under this Regulation between payment service users and their payment service providers. For those

1. Member States shall establish adequate and effective out-of-court complaint and redress procedures for the settlement of disputes ***concerning rights and obligations*** arising under this Regulation between payment service users and their payment

purposes, Member States shall designate existing bodies, where appropriate, or set up new bodies.

service providers. For those purposes, Member States shall designate existing bodies, where appropriate, or set up new bodies.

Or. en

Amendment 59

Proposal for a regulation Article 11 – paragraph 2

Text proposed by the Commission

2. Member States shall notify the Commission of the bodies referred to in paragraph 1 by *[insert concrete date 6 months after entry into force of this Regulation]*. They shall notify the Commission without delay of any subsequent change concerning those bodies.

Amendment

2. Member States shall notify the Commission of the bodies referred to in paragraph 1 by ...*. They shall notify the Commission without delay of any subsequent change concerning those bodies.

** OJ please insert date: 12 months after entry into force of this Regulation.*

Or. en

Amendment 60

Proposal for a regulation Article 12 – paragraph 1

Text proposed by the Commission

1. The **powers** to adopt **the** delegated acts **referred to in Article 5(4) shall be** conferred on the Commission **for an indeterminate period of time. Where imperative grounds of urgency so require, Article 15 shall apply.**

Amendment

1. The **power** to adopt delegated acts **is** conferred on the Commission **subject to the conditions laid down in this Article.**

Or. en

Amendment 61

Proposal for a regulation

Article 12 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The delegation of power referred to in Article 4a(4) and Article 5(4) shall be conferred on the Commission for a period of five years from the date of entry into force of this Regulation. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

Or. en

Amendment 62

Proposal for a regulation

Article 12 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. The delegation of power referred to in Article 4a (4) and Article 5(4) may be revoked at any time by the European Parliament or by the Council. A decision of revocation shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

Or. en

Amendment 63

Proposal for a regulation Article 12 – paragraph 2

Text proposed by the Commission

2. As soon as it adopts a delegated act, the Commission shall *simultaneously* notify the European Parliament and the Council *of that act*.

Amendment

2. As soon as it adopts a delegated act, the Commission shall notify *it simultaneously to* the European Parliament and *to* the Council.

Or. en

Amendment 64

Proposal for a regulation Article 12 – paragraph 3

Text proposed by the Commission

3. *The powers to adopt delegated acts are conferred on the Commission subject to the conditions laid down in Articles 13 and 14.*

Amendment

3. *A delegated act adopted pursuant to Article 4a(4) and Article 5(4) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of three months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by three months at the initiative of the European Parliament or the Council.*

Or. en

Amendment 65

Proposal for a regulation Article 13

Text proposed by the Commission

Amendment

Revocation of the delegation

deleted

1. The delegation of power referred to in Article 5(4) may be revoked at any time by the European Parliament or by the Council.

2. The institution which has commenced an internal procedure for deciding whether to revoke the delegation of power shall endeavour to inform the other institution and the Commission within a reasonable time before the final decision is taken, indicating the delegated powers which could be subject to revocation and the reasons for a revocation.

3. The decision of revocation shall put an end to the delegation of the powers specified in that decision. It shall take effect immediately or at a later date specified therein. It shall not affect the validity of the delegated acts already in force. It shall be published in the Official Journal of the European Union.

Or. en

Amendment 66

**Proposal for a regulation
Article 14**

Text proposed by the Commission

Amendment

Objections to delegated acts

deleted

1. The European Parliament and the Council may object to the delegated act within a period of two months from the date of notification. At the initiative of the European Parliament or the Council this period shall be extended by one month.

2. If, on expiry of that period, neither the European Parliament nor the Council has

objected to the delegated act, it shall be published in the Official Journal of the European Union and shall enter into force on the date stated in its provisions.

The delegated act may be published in the Official Journal of the European Union and enter into force before the expiry of that period if the European Parliament and the Council have both informed the Commission of their intention not to raise objections.

3. If the European Parliament or the Council objects to the adopted delegated act, it shall not enter into force. The institution which objects shall state the reasons for objecting to the delegated act.

Or. en

Amendment 67

Proposal for a regulation Article 15 – paragraph 1

Text proposed by the Commission

1. *A delegated act* adopted under *the urgency procedure* shall enter into force without delay and apply as long as no objection is expressed in accordance with paragraph 2. The notification of *the* act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.

Amendment

1. *Delegated Acts* adopted under *this Article* shall enter into force without delay and *shall* apply as long as no objection is expressed in accordance with paragraph 2. The notification of *a delegated* act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.

Or. en

Amendment 68

Proposal for a regulation Article 15 – paragraph 2

Text proposed by the Commission

2. The European Parliament and the Council may within a period of six weeks from the date of notification object to the delegated act. In such a case, the act shall cease to be applicable. The institution which objects shall state the reasons for objecting to the delegated act.

Amendment

2. Either the European Parliament or the Council may object to a delegated act in accordance with the procedure referred to Article 12(3). In such a case, the Commission shall repeal the act without delay following the notification of the decision to object by the European Parliament or the Council.

Or. en

Amendment 69

Proposal for a regulation Article 16 – paragraph 1

Text proposed by the Commission

By [*insert concrete date 3 years after entry into force*], the Commission shall present to the European Parliament, the Council, the European Economic and Social Committee and the European Central Bank a report on the application of this Regulation accompanied, if appropriate, by a proposal.

Amendment

By ... *, the Commission shall present to the European Parliament, the Council, the European Economic and Social Committee and the European Central Bank a report on the application of this Regulation accompanied, if appropriate, by a proposal.

** OJ please insert date: 5 years after entry into force of this Regulation.*

Or. en

Amendment 70

Proposal for a regulation Article 17 – paragraph 1

Text proposed by the Commission

1. Payment service providers located in a Member State which does not have the euro as its currency shall comply with

Amendment

1. Payment service providers located in a Member State which does not have the euro as its currency shall comply with

Article 3 by 31 October 2014. If, however, the euro is introduced as the currency of any such Member State before **1 November 2013**, the payment service provider located in that Member State shall comply with Article 3 within one year of the date on which the Member State concerned joined the euro area.

Article 3 by 31 October 2014. If, however, the euro is introduced as the currency of any such Member State before **that date**, the payment service provider located in that Member State shall comply with Article 3 within one year of the date on which the Member State concerned joined the euro area.

Or. en

Amendment 71

Proposal for a regulation Article 17 – paragraph 2

Text proposed by the Commission

2. Payment service providers located in a Member State which does not have the euro as its currency shall comply with the requirements set out in Article 4 and in points 1 and 2 of the Annex for credit transfers denominated in *euros* and with the requirements set out in Article 4 and in points 1 and 3 of the Annex for direct debit transactions denominated in *euros* by *[insert concrete date month) 4 years after entry into force of this Regulation]*. If, however, the euro is introduced as the currency of any such Member State before *[insert concrete date 3 years after entry into force of this Regulation]*, the payment service provider located in that Member State shall meet those requirements within one year of the date on which the Member State concerned joined the euro area.

Amendment

2. Payment service providers located in a Member State which does not have the euro as its currency shall comply with the requirements set out in Article 4 and in points 1 and 2 of the Annex for credit transfers denominated in *euro* and with the requirements set out in Article 4 and in points 1 and 3 of the Annex for direct debit transactions denominated in *euro* by ...*. If, however, the euro is introduced as the currency of any such Member State before ...*, the payment service provider located in that Member State shall meet those requirements within one year of the date on which the Member State concerned joined the euro area.

* OJ please insert date: **4 years** after entry into force of this Regulation.

* OJ please insert date: **2 years** after entry into force of this Regulation.

Or. en

Amendment 72

Proposal for a regulation Article 17 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Member States may allow their competent authorities to waive all or some of the requirements referred to in Article 5(1) and (2) for credit transfers and for direct debits for those credit transfer or direct debit transactions with a cumulative market share, based on the official payment statistics published annually by the European Central Bank, of less than 10 % of the total number of credit transfer or direct debit transactions respectively, in that Member State until ...*.

**** OJ please insert date: 36 months after entry into force of this Regulation.***

Or. en

Amendment 73

Proposal for a regulation Article 17 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. Member States may allow their competent authorities to waive all or some of the requirements referred to in Article 5(1) and (2) for those payment transactions generated using a payment card at the point of sale which result in direct debit to and from a payment account identified by BBAN or IBAN until ...*.

**** OJ please insert date: 36 months after entry into force of this Regulation.***

Amendment 74

Proposal for a regulation

Article 17 – paragraph 2 c (new)

Text proposed by the Commission

Amendment

2c. Where a Member State allows its competent authorities to apply the waivers provided for in paragraphs 2a and 2b, it shall notify the Commission thereof by ...* for credit transfers and for direct debits. The Member State shall notify the Commission forthwith of any subsequent changes to the application of those waivers.

**** OJ please insert date: 12 months after entry into force of this Regulation.***

Amendment 75

Proposal for a regulation - amending act

Article 18 – point -1(new)

Regulation (EC) Number 924/2009

Article 5 – paragraph 1

Text proposed by the Commission

Amendment

-1. In Article 5, paragraph 1 is replaced by the following:

"1. With effect from 1 January 2010, Member States shall remove settlement-based national reporting obligations on payment service providers for balance of payments statistics related to payment transactions of their customers [...]."

Amendment 76

Proposal for a regulation Annex 1 – point 1 – introductory part

Text proposed by the Commission

(1) The following technical requirements shall apply to both credit transfer and direct debit transactions:

Amendment

(1) ***In addition to the essential requirements set out in Article 4a***, the following technical requirements shall apply to both credit transfer and direct debit transactions:

Or. en

Amendment 77

Proposal for a regulation Annex 1 – point 1 –point a

Text proposed by the Commission

(a) Payment service providers and payment service users shall use the IBAN for the identification of payment accounts regardless of whether both the payer's payment service provider and the payee's payment service provider are or the sole payment service provider in the payment transaction is, located in the same Member State or whether one of the payment service providers is located in another Member State.

Amendment

deleted

Or. en

Amendment 78

Proposal for a regulation Annex 1 – point 1 –point b

Text proposed by the Commission

(b) Payment service providers shall use message formats based on ISO 20022

Amendment

deleted

XML standard when transmitting payment transactions to another payment service provider or a payment system.

Or. en

Amendment 79

Proposal for a regulation Annex 1 – point 1 –point c

Text proposed by the Commission

Amendment

(c) Where a payment service user initiates or receives individual transfers of funds which are bundled together for transmission, message formats based on ISO 20022 XML standard shall be used.

deleted

Or. en

Amendment 80

Proposal for a regulation Annex 1 – point 1 – point f

Text proposed by the Commission

Amendment

(f) Once data is available in electronic form payment transactions must allow for a fully automated, electronic processing in all process stages throughout the payment chain (end-to-end straight through processing), enabling the entire payment process to be conducted electronically without the need for re-keying or manual intervention. This shall also apply to exceptional handling of credit transfer and direct debit transactions, whenever possible.

(f) Once *the required* data is available in electronic form payment transactions must allow for a fully automated, electronic processing in all process stages throughout the payment chain (end-to-end straight through processing), enabling the entire payment process to be conducted electronically without the need for re-keying or manual intervention. This shall also apply to exceptional handling of credit transfer and direct debit transactions, whenever possible.

Or. en

Amendment 81

Proposal for a regulation Annex 1 – point 1 –point g

Text proposed by the Commission

(g) Payment schemes shall not set any minimum threshold for the amount of the payment transaction allowing for credit transfers and direct debits.

Amendment

(g) Payment schemes shall not set any minimum threshold for the amount of the payment transaction allowing for credit transfers and direct debits ***but they are not obliged to process transactions with zero amount.***

Or. en

Amendment 82

Proposal for a regulation Annex 1 – point 2 –point a

Text proposed by the Commission

(a) A payee accepting credit transfers shall communicate its IBAN and the BIC of its payment service provider to its payers, every time a credit transfer is requested.

Amendment

deleted

Or. en

Amendment 83

Proposal for a regulation Annex 1 – point 2 – point b – point i

Text proposed by the Commission

(i) the name of the payer and/or the IBAN of the payer's account

Amendment

(i) the IBAN of the payer's account and/or the name of the payer

Or. en

Amendment 84

Proposal for a regulation

Annex 1 – point 2 – point b – point v a (new)

Text proposed by the Commission

Amendment

(va) the beneficiary identification code, if any

Or. en

Amendment 85

Proposal for a regulation

Annex 1 – point 2 – point b – point v b (new)

Text proposed by the Commission

Amendment

(vb) the name of the beneficiary reference party, if any

Or. en

Amendment 86

Proposal for a regulation

Annex 1 – point 2 – point b – point v c (new)

Text proposed by the Commission

Amendment

(vc) the purpose of the credit transfer, if any

Or. en

Amendment 87

Proposal for a regulation

Annex 1 – point 2 – point b – point v d (new)

Text proposed by the Commission

Amendment

(vd) the category of the purpose of the credit transfer, if any

Or. en

Amendment 88

Proposal for a regulation Annex 1 – point 3 – point a

Text proposed by the Commission

Amendment

(a) Only once before the first direct debit transaction, a payer shall communicate its IBAN and, where applicable, the BIC of its payment service provider to its payee.

deleted

Or. en

Amendment 89

Proposal for a regulation Annex 1 – point 3 – point b

Text proposed by the Commission

Amendment

(b) With the first direct debit transaction and one-off direct debit transactions and with each subsequent direct debit transaction, the payee shall send the mandate-related information to his or her payment service provider. The payee's payment service provider shall transmit such mandate related information to the payer's payment service provider with each direct debit transaction.

deleted

Or. en

Amendment 90

Proposal for a regulation Annex 1 – point 3 – point c

Text proposed by the Commission

Amendment

(c) A payer shall have the possibility to instruct his or her payment service provider to limit a direct debit collection to a certain amount or periodicity, or both. **deleted**

Or. en

Amendment 91

Proposal for a regulation Annex 1 – point 3 – point d

Text proposed by the Commission

Amendment

(d) Where the agreement between the payer and the payee excludes the right to a refund, the payer's payment service provider shall, at the payer's request, check each direct debit transaction, to see whether the amount of the submitted direct debit transaction is equal to the amount agreed in the mandate, before debiting the payer's account, based on the mandate-related information. **deleted**

Or. en

Amendment 92

Proposal for a regulation Annex 1 – point 3 – point e

Text proposed by the Commission

Amendment

(e) The payer shall have the option of instructing his or her payment service provider to block any direct debits to the payer's account or to block any direct **deleted**

debits coming from one or more specified payees or to authorise direct debits only coming from one or more specified payees.

Or. en

Amendment 93

Proposal for a regulation Annex 1 – point 3 – point f

Text proposed by the Commission

Amendment

(f) Consent shall be given both to the payee and to the payment service provider of the payer (directly or indirectly via the payee) and the mandates, together with later modifications and/or cancellation, shall be stored by the payee or by a third party on behalf of the payee.

deleted

Or. en

Amendment 94

Proposal for a regulation Annex 1 – point 3 – point g – point xii a (new)

Text proposed by the Commission

Amendment

(xii a) the purpose of the collection, if any

Or. en

Amendment 95

Proposal for a regulation Annex 1 – point 3 – point g – point xii b (new)

Text proposed by the Commission

Amendment

(xiib) the category of the purpose of the collection, if any

Or. en

EXPLANATORY STATEMENT

The Commission published its proposal for this Regulation on 16 December 2010. The proposal aims at establishing an Internal Market for payment services in euro (Single Euro Payments Area or SEPA) in which there is no difference of regime between cross-border and national payments. Integrating European payment markets should offer substantial economic benefits by increasing competition and innovation, contributing to lower payment costs for consumers and firms and making cross-border payments as easy as domestic ones. The impact assessment notes that possible benefits to the European economy could amount to 100-300 billion euros in six years time.

SEPA was originally put forward as a primarily market-driven project. At the same time, it represents a major policy initiative which has been consistently supported in particular by the European Parliament, the Commission and the European Central Bank. Union-wide schemes for credit transfers and direct debits were designed and implemented by the European Payments Council (EPC), a coordination and decision making body set up by the European banking sector. On 28 January 2008, the SEPA Credit Transfer (SCT) was launched, followed by the SEPA Direct Debit (SDD) on 2 November 2009. However, migration to the new schemes has turned out to be slow: in October 2010, two years after the launch of SCT, the share of SCTs among all transactions processed by clearing and settlement mechanisms stood at only 9.3 %. The share of SDD was around one percent.

In order to ensure timely transition, setting a migration end-date in legislation has been called for. In particular, the EP has called for "a clear, appropriate and binding end-date, which should be no later than 31 December 2012 for migrating to SEPA instruments" in two resolutions in March 2009 and March 2010. Your rapporteur has responded to this call by promoting a rather rapid end-date, since otherwise the situation would be unfair to early movers.

The regulation proposed by the Commission stipulates that national credit transfer and direct debit electronic payment schemes should be phased out 12 and 24 months respectively after the entry into force of the regulation. They would be replaced by the Union-wide schemes. The regulation requires the use of certain common standards and technical requirements such as the use of international bank account numbers (IBAN), bank identifier codes (BIC) and a financial services messaging standard (ISO 20022 XML) for all bank account payments in euro in the EU. Your rapporteur is of the opinion that there should be only one end-date in order to allow for an easier migration. This end-date should be 2 years after the entry into force of the regulation in order to provide enough time for migration also in those Member States where the migration process has been slow. One end-date would also make it simpler to inform the public and the necessary information campaigns could be made more effective.

It is appropriate that the Commission should have delegated powers to change the technical requirements, but your rapporteur has moved many requirements considered essential from the annex into the regulation and thus limited the scope of delegation. When using the delegated powers it should be expected that the Commission consults the relevant stakeholders, like the SEPA Council, or the SEPA experts group and others.

Due to the requirement for a scheme to have the majority of payment service providers participating in the scheme in the majority of Member States, one may expect that multiple competing schemes, which all payment service providers would have to comply with, would not come to exist in parallel.

The new consumer protection clauses concerning direct debits actually result from choosing the basic model that the payee and creditor's bank have the mandates and not the payer's or debtor's bank. Your rapporteur is of the opinion that this basic choice was wrong, but as the choice has already been made, consumers need to feel properly protected when shifting from a Debtor Mandate flow to a Creditor Mandate flow system.

The issue of MIFs (multilateral interchange fees) is a complex one. The Commission proposes only cost-based R-transaction fees when the payment is rejected, refused, returned or reversed and hence a ban on MIFs per transaction. Your rapporteur has tried to find a compromise by introducing a continuation of MIFs per transaction for a long transition period, so that default MIFs would be uniform in all Member States and they would be steadily decreasing. It is to be expected that strictly cost-based R-transaction MIFs would also converge so that they would finally be the same throughout the Member States and a level playing field amongst payment service providers would be ensured.

There is a need for some transition periods, but your rapporteur is of the opinion that they should be kept as short as possible. For example the German ELV is a one-off direct debit payment which is generated by using a card to give the basic information for the mandate. Actually many consumers may not be aware that by using their card in a shop they are actually generating a direct debit payment. Your rapporteur is confident that competition will increase in the payments sector also through this regulation and this will bring down the prices of payments, so that it is possible in three years time either to make both the niche and ELV payment services SEPA-compliant or to find an adequate SEPA-substitute.

This regulation is concerned not with how the payments are initiated but with the underlying credit transfer or direct debit. However, it is clear that large value payments should be excluded from the regulation but at the same time one should take care that payments, which should be processed as normal SEPA transactions would not be processed through large value payment systems.