

Note



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To European Commission
DG Internal Market & Services

From Rosalind Sellers
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DISCUSSION PAPER ON AMENDMENT OF REGULATION 2560/2001 - 28 MAY 2008 RESPONSE FROM THE PAYMENTS COUNCIL

1. INTRODUCTION

The Payments Council is pleased to have another opportunity to comment on the Commission's updated Discussion Paper on amendment of Regulation 2560/2001. The Payments Council was established by the UK payments industry in March 2007 and is the organisation that sets strategy for UK payments.

We are broadly supportive of the Commission's overall objectives in reviewing Regulation 2560, in particular around the need to align with the Payment Services Directive and for the Regulation to be supportive of SEPA. We are pleased to see that our comments and suggested amendments to the previous version of the Discussion Paper have largely been accepted. Our comments on this version (dated 28/05/2008) were raised at the PSMG meeting on 12 June and this submission is to support the points and arguments raised at that meeting.

2. ARTICLE 1 – SUBJECT MATTER AND SCOPE

We support the changes to paragraph 1 with the addition of points (i) and (ii), but do have a concern with the first sentence now that "in euro" has been deleted. Whilst we support the deletion of specific reference to the euro, it does now take away the clarity that it refers to payments in the same currency. Therefore, we would suggest that the first sentence should read as follows: "The Regulation lays down rules on cross-border payments in order to ensure that charges for those payments are the same as those for payments in the same



currency within a Member State.” We note that when this concern was raised at the PSMG meeting, the Commission accepted that this clarity is required in the Article text.

3. ARTICLE 2 – DEFINITIONS

We urge the Commission to ensure consistency in definitions between this Regulation and the Payment Services Directive, where appropriate and without the risk of unintended consequences.

4. ARTICLE 3 – CHARGES FOR CROSS-BORDER PAYMENTS AND CORRESPONDING NATIONAL PAYMENTS

We would like confirmation that the second sentence of the first paragraph provides a valid means – but not the only one - of complying with the requirement of the first sentence.

We are very pleased to see that reference to ‘corresponding payments’ has been reinstated. We recognise that the criteria list is not intended to be exhaustive, however we do believe that an important omission from the examples given is that of ‘currency’. We note that in the PSMG meeting the Commission indicated that they are considering moving much of the detail included in this article to a recital; we would strongly support such a change.

5. ARTICLE 4 – MEASURES FOR FACILITATING CROSS-BORDER TRANSFERS

We have two comments on paragraph 2. Firstly that the second sentence “If a customer does not communicate any information or wrong information, additional charges...” should be amended to make it clear that it is not any information – the customer needs to communicate the correct specified information (i.e. the “unique identifier”). Secondly that the last sentence “Such charges should be appropriate and shall not exceed payment service provider’s actual costs” should be amended to bring it in line with the PSD (see Articles 32(3) and 52(1) of the PSD) – to say “Such charges should be appropriate and in line with the payment service provider’s actual costs”.

We note that when these points were raised during PSMG, the Commission was amenable to both.

6. ARTICLE 5 – BALANCE OF PAYMENTS REPORTING OBLIGATIONS



Paragraph 3(iii) refers to “more costs for customers”. Firstly we would like clarity over what is meant by “customers” and secondly, that “more costs” should not be incurred for the PSPs or their customers.

7. CLOSING COMMENTS

If you have any questions regarding the issues raised in this response, please do not hesitate to get in contact. Payments Council would be very happy to engage in any further discussion over the amendment to Regulation 2560/2001.