



FEDERATION BANCAIRE DE L'UNION EUROPEENNE

BANKING FEDERATION OF THE EUROPEAN UNION

## COMMUNIQUE DE PRESSE

## PRESS RELEASE

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**The European Banking Federation regrets the decision of the Internal Market Council to regulate prices for cross-border banking services; "a voluntary commitment by banks, as offered by the EBF, would have been by far better" says EBF President Sella.**

Yesterday, the Council of Ministers for Internal Market/Consumer Affairs adopted a price regulation on cross-border payments in euro which aims, by force of law, to fix prices for cross-border payments in euro at the same levels as those applied to corresponding domestic transactions in Member States.

The Council has slightly delayed the entry into force of the Regulation to July 2002 for electronic payments (cards) and cash withdrawals and to July 2003 for credit transfers.

The EBF notes that, at least, cheques have been excluded from this Regulation. Moreover, as the EBF understands, this Regulation applies only to those transfers which can be processed automatically, i.e. when the customer is able to provide the International Bank Account Number (IBAN) and the Bank Identifier Costs (BIC) of the beneficiary and the bank of the beneficiary, respectively.

The European Banking Federation (EBF) has strongly opposed the adoption of such a regulation since the moment it was first proposed by the Commission in the spring of this year.

The EBF regrets government interference in the determination of prices for banking services to customers. Price fixing is contrary to the fundamental principles of the founding treaties of the European Union, which call for a free market economy where prices are established by the market and not by law.

This is all the more regrettable since the Board of the EBF had recently made a far-reaching proposal of a voluntary price moderation leading over a reasonable period to the same prices for cross-border transfers and cross-border cash withdrawals as for the corresponding domestic transactions.

"I regret to note that the political bodies have not accepted the voluntary commitment of the banking industry and have chosen price regulation instead", declared EBF President Sella, "this unfortunate measure will in the end, run contrary to the laudable objectives it was meant to achieve and is not in the interest of consumers. I am disappointed that only a short delay for the implementation of the regulation was introduced. We have clearly indicated that banks need more time to fully automate the processing of cross-border payments and to put in place the multinational infrastructure connecting the 9000 banks involved".

For further information, please call

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La FBE représente les intérêts de 3.000 banques européennes dans les 15 pays membres de l'Union européenne ainsi qu'en Islande, en Norvège et en Suisse, dont l'ensemble des actifs totalise plus de 10.000 milliards d'euros.

The FBE represents the interests of 3,000 banks in the 15 Member States of the European Union and in Iceland, Norway and Switzerland, with total assets of more than euro 10,000 billion.

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