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PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2020) 323 final
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on cross-border payments in the Union (codification)

Delegations will find herewith attached the Commission codification proposal referred to in the subject (COM(2020) 323 final and Annexes 1 to 2).

Delegations are invited to send their comments on the codification proposal by Friday 16 October 2020 to the following addresses:

Codification@consilium.europa.eu **AND** sj-codification@ec.europa.eu

Delegation's attention is drawn to the Practical Guide on Codification (doc. 14722/14 + COR1).

Encl.: COM(2020) 323 final

EUROPEAN
COMMISSION

Brussels, 17.7.2020
COM(2020) 323 final

2020/0145 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on cross-border payments in the Union (codification)

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. In the context of a people's Europe, the Commission attaches great importance to simplifying and clarifying the law of the Union so as to make it clearer and more accessible to citizens, thus giving them new opportunities and the chance to make use of the specific rights it gives them.

   This aim cannot be achieved so long as numerous provisions that have been amended several times, often quite substantially, remain scattered, so that they must be sought partly in the original instrument and partly in later amending ones. Considerable research work, comparing many different instruments, is thus needed to identify the current rules.

   For this reason a codification of rules that have frequently been amended is also essential if the law is to be clear and transparent.

2. On 1 April 1987 the Commission decided[1] to instruct its staff that all acts should be codified after no more than ten amendments, stressing that this is a minimum requirement and that departments should endeavour to codify at even shorter intervals the texts for which they are responsible, to ensure that their provisions are clear and readily understandable.

3. The Conclusions of the Presidency of the Edinburgh European Council (December 1992) confirmed this[2], stressing the importance of codification as it offers certainty as to the law applicable to a given matter at a given time.

   Codification must be undertaken in full compliance with the normal procedure for the adoption of acts of the Union.

   Given that no changes of substance may be made to the instruments affected by codification, the European Parliament, the Council and the Commission have agreed, by an interinstitutional agreement dated 20 December 1994, that an accelerated procedure may be used for the fast-track adoption of codification instruments.

4. The purpose of this proposal is to undertake a codification of 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[3]. The new Regulation will supersede the various acts incorporated in it[4]; this proposal fully preserves the content of the acts being codified and hence does no more than bring them together with only such formal amendments as are required by the codification exercise itself.

5. The codification proposal was drawn up on the basis of a preliminary consolidation, in 24 official languages, of Regulation (EC) No 924/2009 and the instruments amending it, carried out by the Publications Office of the European Union, by means of a data-processing system. Where the Articles have been given new numbers, the

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1 COM(87) 868 PV.
2 See Annex 3 to Part A of the Conclusions.
3 Entered in the legislative programme for 2020.
4 See Annex I to this proposal.

correlation between the old and the new numbers is shown in a table set out in Annex II to the codified Regulation.

↓ 924/2009 (adapted)

2020/0145 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on cross-border payments in the ⌦ Union ⌫ (codification)

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty ⌦ on the Functioning of the European Union ⌫, and in particular Article ⌦ 114 ⌫(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Central Bank[5],

Having regard to the opinion of the European Economic and Social Committee[6],

Acting in accordance with the ordinary legislative procedure,

Whereas:

↓

(1) Regulation (EC) No 924/2009 of the European Parliament and of the Council[7] has been substantially amended several times[8]. In the interests of clarity and rationality, that Regulation should be codified.

↓ 924/2009 recital 1 (adapted)

(2) For the proper functioning of the internal market and in order to facilitate cross-border trade within the ⌦ Union ⌫ it is essential that the charges for cross-border payments in euro are the same as for corresponding payments within a Member State.

5 OJ C […], […], p. […].

6 OJ C […], […], p. […].

7 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 (OJ L 266, 9.10.2009, p. 11).

8 See Annex I.

↓ 924/2009 recital 5 (adapted)

(3) It is not advisable to apply the principle of equality of charges for payment instruments which are mainly or exclusively paper-based, such as cheques, since, by their very nature, they cannot be processed as efficiently as electronic payments.

↓ 924/2009 recital 6 (adapted)

(4) The principle of equality of charges should apply to payments initiated or terminated on paper or in cash which are processed electronically in the course of the payment execution chain, excluding cheques, and to all charges linked directly or indirectly to a payment transaction, including charges linked to a contract. Indirect charges include charges for setting up a permanent payment order, or fees for using a payment card, or debit or credit card, which should be the same for national and cross-border payment transactions within the ⌦ Union ⌫.

↓ 924/2009 recital 7

(5) In order to prevent the fragmentation of payment markets, it is appropriate to apply the principle of equality of charges. For that purpose, a national payment having the same characteristics as, or very similar characteristics to, the cross-border payment should be identified for each category of cross-border payment transaction. It should be possible, inter alia, to use the following criteria to identify the national payment corresponding to a cross-border payment: the channel used to initiate, execute and terminate the payment, the degree of automation, any payment guarantee, customer status and relationship with the payment service provider, or the payment instrument used, as defined in point (14) of Article 4 of Directive (EU) 2015/2366 of the European Parliament and of the Council[9]. Those criteria should not be considered to be exhaustive.

↓ 924/2009 recital 8 (adapted)

(6) Competent authorities should issue guidelines to identify corresponding payments where they consider it necessary. The Commission, assisted, where appropriate, by the Payments Committee ⌦ established in accordance with Article 85(1) of Directive 2007/64/EC of the European Parliament and of the Council[10] ⌫, should provide adequate guidance and assist the competent authorities.

↓ 2019/518 recital 4 (adapted)

(7) In order to facilitate the functioning of the internal market and to ⌦ avoid ⌫ inequalities between payment service users in the euro area and non-euro area Member

[9] Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35).

[10] Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC (OJ L 319, 5.12.2007, p. 1).

States in respect of cross-border payments in euro, it is necessary to ensure that charges for cross-border payments in euro within the Union are aligned with charges for corresponding national payments made in the national currency of the Member State in which the payment service provider of the payment service user is located. A payment service provider is considered to be located in the Member State in which it provides its services to the payment service user.

↓ 2019/518 recital 5 (adapted)

(8) Currency conversion charges represent a significant cost of cross-border payments when different currencies are in use in the Member State of the payer and the Member State of the payee. Article 45 of Directive (EU) 2015/2366 requires charges and the exchange rate used to be transparent, Article 52(3) of that Directive specifies information requirements with regard to payment transactions covered by a framework contract and Article 59(2) of that Directive covers the information requirements for parties offering currency conversion services at an automated teller machine (ATM) or at the point of sale. It is necessary to ⌦ lay down ⌫ additional measures in order to protect consumers against excessive charges for currency conversion services and ensure that consumers are given the information they need to choose the best currency conversion option.

↓ 2019/518 recital 6 (adapted)

(9) ⌦ Those ⌫ measures should be appropriate, adequate and cost-effective. At the same time, in situations in which the payer is confronted with different currency conversion options at an ATM or at the point of sale, the information provided should enable comparison, to allow the payer to make an informed choice.

↓ 2019/518 recital 7

(10) To achieve comparability, currency conversion charges for all card-based payments should be expressed in the same way, namely as percentage mark-ups over the latest available euro foreign exchange reference rates issued by the European Central Bank (ECB). A mark-up might have to be based on a rate derived from two ECB rates in the case of a conversion between two non-euro currencies.

↓ 2019/518 recital 8 (adapted)

(11) In accordance with the general information requirements on currency conversion charges laid down in Directive (EU) 2015/2366, providers of currency conversion services must disclose information on their currency conversion charges prior to the initiation of the payment transaction. Parties that offer currency conversion services at an ATM or at the point of sale should provide information on their charges for such services in a clear and accessible manner, for example by displaying their charges at the counter or digitally on the terminal, or on-screen in the case of online purchases. In addition to the information referred to in Article 59(2) of Directive (EU) 2015/2366, those parties should provide, prior to the initiation of the payment, explicit information on the amount to be paid to the payee in the currency used by the payee and the total amount to be paid by the payer in the currency of the payer's account. The amount to be paid in the currency used by the payee should express the price of the goods

⌦ or ⌫ services to be bought and might be displayed at the check-out rather than on the payment terminal. The currency used by the payee is in general the local currency, but according to the principal of contractual freedom might in some cases be another Union currency. The total amount to be paid by the payer in the currency of the payer's account should consist of the price of the goods or services and the currency conversion charges. In addition, both amounts should be documented on the receipt or on another durable medium.

↓ 2019/518 recital 9

(12) With regard to Article 59(2) of Directive (EU) 2015/2366, where a currency conversion service is offered at an ATM or at the point of sale, it should be possible for the payer to refuse that service and to pay in the currency used by the payee instead.

↓ 2019/518 recital 10

(13) In order to enable payers to compare the charges of currency conversion options at an ATM or at the point of sale, the payers' payment service providers should not only include fully comparable information on the applicable charges for currency conversion in the terms and conditions of their framework contract, but should also make that information public on a broadly available and easily accessible electronic platform, in particular on their customer websites, on their home-banking websites and on their mobile banking applications, in an easily understandable and accessible manner. This would cater for the development of comparison websites to make it easier for consumers to compare prices when travelling or shopping abroad. In addition, payers' payment service providers should remind payers about the applicable currency conversion charges when a card-based payment is made in another currency, through the use of broadly available and easily accessible electronic communication channels, such as SMS messages, e-mails or push notifications through the payer's mobile banking application. Payment service providers should agree with payment service users on the electronic communication channel through which they will provide the information on currency conversion charges, taking into consideration the most effective channel for reaching the payer. Payment service providers should also accept requests from payment service users to opt out of receiving the electronic messages containing information on the currency conversion charges.

↓ 2019/518 recital 11 (adapted)

(14) Periodic reminders are appropriate in situations in which the payer stays abroad for longer periods of time, for example where the payer is posted or studies abroad, or where the payer regularly uses a card for online purchases in the local currency. An obligation to provide such reminders would ensure that the payer is informed when considering the different currency conversion options.

↓ 924/2009 recital 9 (adapted)

(15) It is important to facilitate the execution of cross-border payments by payment service providers. In that respect, standardisation should be promoted as regards, in particular, the use of the international ⌦ payment ⌫ account number ⌦ identifier ⌫ (IBAN)

and the ⌦ business ⌫ identifier code (BIC).]It is therefore appropriate that payment service providers provide payment service users with the IBAN and the BIC for the account in question.

↓ 924/2009 recital 10 (adapted)

(16) In order to guarantee the continuous, timely and efficient provision of balance-of-payments statistics ⌦ in the framework of the Single Euro Payments Area (SEPA) ⌫, it is desirable to ensure that it remains possible to collect readily available payments data such as the IBAN, the BIC and the amount of the transaction or basic, aggregated payments data for different payment instruments if the collection process does not disrupt the automated payments processing and could be fully automated. This Regulation does not affect reporting obligations for other policy purposes, such as for the prevention of money laundering or terrorist financing, or for fiscal purposes.

↓ 924/2009 recital 14

(17) Competent authorities should be empowered to fulfil their monitoring duties efficiently and to take all necessary measures to ensure that payment service providers comply with this Regulation.

↓ 924/2009 recital 15 (adapted)

(18) In order to ensure that redress is possible where this Regulation has been incorrectly applied, Member States should ⌦ provide for ⌫ adequate and effective complaint and redress procedures for settling any dispute between the payment service user and the payment service provider. It is also important that competent authorities and out-of-court complaint and redress bodies are appointed.

↓ 924/2009 recital 16 (adapted)

(19) It is essential to ensure that the competent authorities and out-of-court complaint and redress bodies, within the ⌦ Union ⌫, actively cooperate for the smooth and timely resolution of cross-border disputes under this Regulation. It should be possible for such cooperation to take the form of an exchange of information regarding the law or legal practice in their jurisdictions, or a transfer or takeover of complaint and redress procedures if appropriate.

↓ 924/2009 recital 17

(20) It is necessary that Member States lay down effective, proportionate and dissuasive penalties in national law for failure to comply with this Regulation.

↓ 924/2009 recital 18 (adapted)

(21) Extending the application of this Regulation to currencies other than the euro would have clear benefits, especially in terms of the number of payments covered. In order to allow Member States which do not have the euro as their currency to extend the

application of this Regulation to cross-border payments denominated in their national currency, a notification procedure should therefore be ⌦ provided for ⌫.

↓ 2019/518 recital 12

(22) The Commission should submit to the European Parliament, to the Council, to the ECB and to the European Economic and Social Committee a report on the application of the rule equalising the cost of cross-border payments in euro with the cost of national transactions in national currencies and on the effectiveness of the information requirements on currency conversion set out in this Regulation. The Commission should also analyse further possibilities – and the technical feasibility of those possibilities – of extending the equal charges rule to all Union currencies and of further improving the transparency and comparability of currency conversion charges, as well as the possibility of disabling and enabling the option of accepting currency conversion by parties other than the payer's payment service provider.

↓ 924/2009 recital 22 (adapted)

(23) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States ⌦ but ⌫ can ⌦ rather ⌫, by reason of the scale or effects of the action, be better achieved at ⌦ Union ⌫ level, the ⌦ Union ⌫ may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty ⌦ on European Union ⌫. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

↓ 924/2009

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter and scope

↓ 2019/518 Art. 1.1(a)

1. This Regulation lays down rules on cross-border payments and on the transparency of currency conversion charges within the Union.

↓ 924/2009

2. This Regulation shall apply to cross-border payments, in accordance with the provisions of Directive (EU) 2015/2366, which are denominated in euro or in the national currencies of the Member States which have notified their decision to extend the application of this Regulation to their national currency, in accordance with Article 13.

↓ 2019/518 Art. 1.1(b)

Notwithstanding the first subparagraph of this paragraph, Articles 4 and 5 shall apply to national and cross-border payments that are denominated either in euro or in a national currency of a Member State other than the euro and that involve a currency conversion service.

↓ 924/2009 (adapted)

3. This Regulation shall not apply to payments made by payment service providers for their own account or on behalf of other payment service providers.

Article 2

Definitions

For the purposes of this Regulation, the following definitions shall apply:

(1) 'cross-border payment' means an electronically processed payment transaction initiated by a payer or by or through a payee where the payer's payment service provider and the payee's payment service provider are located in different Member States;

(2) 'national payment' means an electronically processed payment transaction initiated by a payer, or by or through a payee, where the payer's payment service provider and the payee's payment service provider are located in the same Member State;

(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;

(4) 'payee' means a natural or legal person who is the intended recipient of funds which have been the subject of a payment transaction;

(5) 'payment service provider' means any of the categories of legal ⌦ persons ⌫ referred to in Article 1(1) of Directive (EU) 2015/2366 and the natural or legal persons referred to in Article 32 of that Directive, but excludes those institutions listed in points (4) to (23) of Article 2(5) of Directive 2013/36/EU of the European Parliament and of the Council[11] benefiting from a Member State waiver exercised under Article 2(5) of Directive (EU) 2015/2366;

(6) 'payment service user' means a natural or legal person making use of a payment service in the capacity of either payer or payee, or both;

[11] Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

(7) ‘payment transaction’ means an act, initiated by a payer or by or through a payee, of placing, transferring or withdrawing funds, irrespective of any underlying obligations between the payer and the payee;

(8) ‘payment order’ means an instruction by a payer or payee to ⌦ its ⌫ payment service provider requesting the execution of a payment transaction;

↓ 2019/518 Art. 1.2

(9) ‘charge’ means any amount levied on a payment service user by a payment service provider that is directly or indirectly linked to a payment transaction, any amount levied on a payment service user by a payment service provider or a party providing currency conversion services in accordance with Article 59(2) of Directive (EU) 2015/2366 for a currency conversion service, or a combination thereof;

↓ 260/2012 Art. 17.1

(10) ‘funds’ means banknotes and coins, scriptural money and electronic money as defined in Article 2(2) of Directive 2009/110/EC of the European Parliament and of the Council [12];

↓ 924/2009

(11) ‘consumer’ means a natural person acting for purposes other than his or her trade, business or profession;

(12) ‘micro-enterprise’ means an enterprise, which, at the time of conclusion of the payment service contract, is an enterprise, as defined in Article 1 and Article 2(1) and (3) of the Annex to Commission Recommendation 2003/361/EC [13];

(13) ‘interchange fee’ means a fee paid between the payment service providers of the payer and of the payee for each direct debit transaction;

(14) ‘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 given to the payee, to the payee’s payment service provider or to the payer’s own payment service provider;

(15) ‘direct debit scheme’ means a common set of rules, practices and standards agreed between payment service providers for the execution of direct debit transactions.

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[12] 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 institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC (OJ L 267, 10.10.2009, p. 7).

[13] Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36).

Article 3

Charges for cross-border payments and corresponding national payments

↓ 2019/518 Art. 1.3(a)

1. Charges levied by a payment service provider on a payment service user in respect of cross-border payments in euro shall be the same as the charges levied by that payment service provider for corresponding national payments of the same value in the national currency of the Member State in which the payment service provider of the payment service user is located.

↓ 2019/518 Art. 1.3(b)

2. Charges levied by a payment service provider on a payment service user in respect of cross-border payments in the national currency of a Member State that has notified its decision to extend the application of this Regulation to its national currency in accordance with Article 13 shall be the same as the charges levied by that payment service provider on payment service users for corresponding national payments of the same value and in the same currency.

↓ 924/2009

3. When assessing, for the purpose of complying with paragraph 1, the level of charges for a cross-border payment, a payment service provider shall identify the corresponding national payment.

The competent authorities shall issue guidelines to identify corresponding national payments where they consider it necessary to do so. The competent authorities shall actively cooperate within the Payments Committee established in accordance with Article 85(1) of Directive 2007/64/EC to ensure the consistency of guidelines for corresponding national payments.

↓ 2019/518 Art. 1.3(d)

4. Paragraphs 1 and 2 shall not apply to currency conversion charges.

↓ 2019/518 Art. 1.4

Article 4

Currency conversion charges related to card-based transactions

1. With regard to the information requirements on currency conversion charges and the applicable exchange rate, as set out in Articles 45(1), 52(3) and 59(2) of Directive (EU) 2015/2366, payment service providers, and parties providing currency conversion services at an automated teller machine (ATM) or at the point of sale, as referred to in Article 59(2) of that Directive, shall express the total currency conversion charges as a percentage mark-up over the latest available euro foreign exchange reference rates issued by

the European Central Bank (ECB). That mark-up shall be disclosed to the payer prior to the initiation of the payment transaction.

2. Payment service providers shall also make the mark-ups referred to in paragraph 1 public in a comprehensible and easily accessible manner on a broadly available and easily accessible electronic platform.

3. In addition to the information referred to in paragraph 1, a party providing a currency conversion service at an ATM or at the point of sale shall provide the payer with the following information prior to the initiation of the payment transaction:

(a) the amount to be paid to the payee in the currency used by the payee;

(b) the amount to be paid by the payer in the currency of the payer's account.

4. A party providing currency conversion services at an ATM or at the point of sale shall clearly display the information referred to in paragraph 1 at the ATM or at the point of sale. Prior to the initiation of the payment transaction, that party shall also inform the payer of the possibility of paying in the currency used by the payee and having the currency conversion subsequently performed by the payer's payment service provider. The information referred to in paragraphs 1 and 3 shall also be made available to the payer on a durable medium following the initiation of the payment transaction.

5. The payer's payment service provider shall, for each payment card that was issued to the payer by the payer's payment service provider and that is linked to the same account, send to the payer an electronic message with the information referred to in paragraph 1, without undue delay after the payer's payment service provider receives a payment order for a cash withdrawal at an ATM or a payment at the point of sale that is denominated in any Union currency that is different from the currency of the payer's account.

Notwithstanding the first subparagraph, such a message shall be sent once every month in which the payer's payment service provider receives from the payer a payment order denominated in the same currency.

6. The payment service provider shall agree with the payment service user on the broadly available and easily accessible electronic communication channel or channels through which the payment service provider will send the message referred to in paragraph 5.

The payment service provider shall offer payment service users the possibility of opting out of receiving the electronic messages referred to in paragraph 5.

The payment service provider and the payment service user may agree that paragraph 5 and this paragraph do not apply in whole or in part where the payment service user is not a consumer.

7. The information referred to in this Article shall be provided free of charge and in a neutral and comprehensible manner.

↓ 2019/518 Art. 1.5

Article 5

Currency conversion charges related to credit transfers

1. When a currency conversion service is offered by the payer's payment service provider in relation to a credit transfer, as defined in point (24) of Article 4 of Directive (EU) 2015/2366, that is initiated online directly, using the website or the mobile banking application of the payment service provider, the payment service provider, with regard to Articles 45(1) and 52(3) of that Directive, shall inform the payer prior to the initiation of the payment transaction, in a clear, neutral and comprehensible manner, of the estimated charges for currency conversion services applicable to the credit transfer.

2. Prior to the initiation of a payment transaction, the payment service provider shall communicate to the payer, in a clear, neutral and comprehensible manner, the estimated total amount of the credit transfer in the currency of the payer's account, including any transaction fee and any currency conversion charges. The payment service provider shall also communicate the estimated amount to be transferred to the payee in the currency used by the payee.

↓ 924/2009 (adapted)

Article 6

Measures for facilitating the automation of payments

1. A payment service provider shall, where applicable, communicate to the payment service user the payment service user's ⌦ international payment account number identifier ⌫ (IBAN) and the payment service provider's ⌦ business identifier code ⌫ (BIC).

In addition, where applicable, a payment service provider shall indicate the payment service user's IBAN and the payment service provider's BIC on statements of account, or in an annex thereto.

A payment service provider shall provide the information required under this paragraph to the payment service user free of charge.

↓ 260/2012 Art. 17.3(b) (adapted)

2. The payment service provider may levy charges additional to those levied in accordance with Article 3(1) on the payment service user where that user instructs the payment service provider to execute ⌦ a ⌫ cross-border payment without communicating ⌦ the ⌫ IBAN and, where appropriate and in accordance with Regulation (EU) No 260/2012 of the European Parliament and of the Council [14], the related BIC for the payment account in the other

[14] Regulation (EU) No 260/2012 of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro and amending Regulation (EC) No 924/2009 (OJ L 94, 30.3.2012 p. 22).

Member State. Those charges shall be appropriate and in line with the costs. They shall be agreed between the payment service provider and the payment service user. The payment service provider shall inform the payment service user of the amount of the additional charges in good time before the payment service user is bound by such an agreement.

↓ 924/2009 (adapted)

3. Where appropriate, with regard to the nature of the payment transaction concerned, for all invoicing of goods and services in the ⌦ Union ⌫, a supplier of goods and services that accepts payments covered by this Regulation shall communicate its IBAN and the BIC of its payment service provider to its customers.

Article 7

Balance of payments reporting obligations

↓ 260/2012 Art. 17.4 (adapted)

1. Member States shall ⌦ not provide for ⌫ settlement-based national reporting obligations on payment service providers for balance of payments statistics relating to payment transactions of their customers.

↓ 924/2009 (adapted)

2. Without prejudice to paragraph 1, Member States may collect aggregated data or other relevant readily available information, provided that such collection has no impact on the straight through processing of the payments and can be fully automated by payment service providers.

Article 8

Competent authorities

Member States shall designate the competent authorities responsible for ensuring compliance with this Regulation.

Member States shall notify the Commission without delay of any change concerning ⌦ the competent ⌫ authorities ⌦ notified in accordance with the second paragraph of Article 9 of Regulation (EC) No 924/2009 ⌫.

Member States shall require the competent authorities to monitor compliance with this Regulation effectively and take all necessary measures to ensure such compliance.

Article 9

Complaint procedures for alleged infringements of this Regulation

1. Member States shall ⌦ provide for ⌫ procedures which allow payment service users and other interested parties to submit complaints to the competent authorities with regard to alleged infringements of this Regulation by payment service providers.

2. Where appropriate, and without prejudice to the right to bring proceedings before a court in accordance with national procedural law, the competent authorities shall inform the party that has submitted a complaint of the existence of the out-of-court complaint and redress procedures ⌦ provided for ⌫ in accordance with Article 10.

Article 10

Out-of-court complaint and redress procedures

1. Member States shall ⌦ provide for ⌫ 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 service providers. For those purposes, Member States shall designate ⌦ the competent ⌫ bodies.

2. Member States shall notify the Commission without delay of any change concerning ⌦ the ⌫ bodies ⌦ notified in accordance with Article 11(2) of Regulation (EC) No 924/2009 ⌫.

3. Member States may provide that this Article applies only to payment service users which are consumers or micro-enterprises. In ⌦ that ⌫ event Member States shall inform the Commission accordingly.

Article 11

Cross-border cooperation

The competent authorities and the bodies responsible for ⌦ the ⌫ out-of-court complaint and redress procedures of the different Member States, referred to in Articles 8 and 10, shall actively and expeditiously cooperate in solving cross-border disputes. Member States shall ensure that such cooperation takes place.

Article 12

Penalties

Member States shall lay down ⌦ the ⌫ rules on penalties applicable to infringements ⌦ of ⌫ this Regulation and shall take all measures necessary to ensure that they are implemented. ⌦ The ⌫ penalties ⌦ provided for ⌫ shall be effective, proportionate and dissuasive. Member States shall ⌦ , without delay, ⌫ notify the Commission of any amendment affecting ⌦ the rules and measures notified in accordance with Article 13 of Regulation (EC) No 924/2009 ⌫.

Article 13

Application to currencies other than the euro

A Member State that does not have the euro as its currency and that decides to extend the application of this Regulation to its national currency shall notify the Commission accordingly. That notification shall be published in the *Official Journal of the European Union*. The extended application of this Regulation shall take effect 14 days after such publication.

↓ 2019/518 Art. 1.6 (adapted)

Article 14

Review

1. By 19 April 2022, the Commission shall present to the European Parliament, the Council, the ECB and the European Economic and Social Committee a report on the application and impact of this Regulation, which shall contain, in particular:

(a) an evaluation of the way payment service providers apply Article 3 of this Regulation;

(b) an evaluation of the development of volumes and charges for national and cross-border payments in national currencies of Member States and in euro since the ⌦ date of ⌫ adoption of Regulation (EU) 2019/518 of the European Parliament and of the Council[15] ⌦ , namely, 19 March 2019 ⌫;

(c) an evaluation of the impact of Article 3 of this Regulation on the development of currency conversion charges and other charges related to payment services, both to payers and payees;

(d) an evaluation of the estimated impact of amending Article 3(1) of this Regulation to cover all currencies of Member States;

(e) an evaluation of how providers of currency conversion services apply the information requirements laid down in Articles 4 and 5 of this Regulation and the national legislation implementing Articles 45(1), 52(3) and 59(2) of Directive (EU) 2015/2366, and whether those rules have enhanced the transparency of currency conversion charges;

(f) an evaluation of whether and to what extent providers of currency conversion services have faced difficulties with the practical application of Articles 4 and 5 of this Regulation and the national legislation implementing Articles 45(1), 52(3) and 59(2) of Directive (EU) 2015/2366;

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15 Regulation (EU) 2019/518 of the European Parliament and of the Council of 19 March 2019 amending Regulation (EC) No 924/2009 as regards certain charges on cross-border payments in the Union and currency conversion charges (OJ L 91, 29.3.2019, p. 36).

(g) a cost-benefit analysis of communication channels and technologies that are used by, or are available to, providers of currency conversion services and that can further improve the transparency of currency conversion charges, including an evaluation of whether there are certain channels which payment service providers should be required to offer for the sending of the information referred to in Article 4; that analysis shall also include an assessment of the technical feasibility of disclosing the information ⌦ referred to ⌫ in Article 4(1) and (3) of this Regulation simultaneously, prior to the initiation of each transaction, for all currency conversion options available at an ATM or at the point of sale;

(h) a cost-benefit analysis of introducing the possibility for payers to block the option of currency conversion offered by a party other than the payer's payment service provider at an ATM or at the point of sale and to change their preferences in this regard;

(i) a cost-benefit analysis of introducing a requirement for the payer's payment service provider, to apply, when providing currency conversion services in relation to an individual payment transaction, the currency conversion rate applicable at the moment of initiation of the transaction when clearing and settling the transaction.

2. The report referred to in paragraph 1 shall cover at least the period from 15 December 2019 until 19 October 2021. It shall take account of the specificities of various payment transactions, distinguishing in particular between transactions initiated at an ATM and at the point of sale.

When preparing its report, the Commission may use data collected by Member States in relation to paragraph 1.

↓ 924/2009 (adapted)

Article 15

Repeal

Regulation (EC) No ⌦ 924/2009 ⌫ is repealed.

References to the repealed Regulation shall be construed as references to this Regulation ⌦ and shall be read in accordance with the correlation table in Annex II ⌫.

Article 16

Entry into force

This Regulation shall enter into force on ⌦ 20 April 2021 ⌫.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*