

## EU Regulation aligns charges for cross-border transfers in euros

*As from 1 July 2003, cross-border bank transfers in euros within the EU will cost the same as domestic transfers, bringing significant savings for customers. This measure is being introduced in accordance with Regulation (EC) No 2560/2001 on cross-border payments in euros, which establishes the principle of equal charges for domestic and cross-border payments. The rule came into force in July 2002 for bank card payments and withdrawals from cash machines (see [IP/02/941](#) and [MEMO/02/154](#)); it will now apply from 1 July 2003 onwards to bank transfers. In recent years, a €100 transfer has cost the customer on average €24 in charges (see [IP/01/1293](#) and [MEMO/01/294](#)). For more details on the Regulation, see also Frequently Asked Questions – [MEMO/03/140](#).*

Commission President Romano Prodi welcomed this development: "The advantages of the single currency should benefit everyone: that is the aim of the Regulation. Since July 2002 our citizens have been able to withdraw cash and make bank card purchases throughout the euro area without incurring extra costs in comparison with what they would pay in their own country. Now they will also be able to make bank transfers in euros to other countries without losing money through excessive charges. With the creation of the single payments area, the benefits of European integration can be seen in daily life."

Single Market Commissioner Frits Bolkestein added: "This Regulation is essential for the efficient functioning of the Single Market. When goods or services are sold across a border, payments cross the same border in the opposite direction. If the cross-border payment generates extra costs, the Single Market is not functioning properly. The high level of charges for cross-border transfers has been a real barrier to free movement."

### Payments concerned

The principle of equal charges will apply to transfers in euros of up to €12 500 made between two euro accounts within the EU.

In order to qualify for equal charges, customers must provide their bank with the beneficiary's IBAN (International Bank Account Number) and BIC (Bank Identifier Code).

From 1<sup>st</sup> July 2003, all bank statements will show the account holder's IBAN and BIC. Firms engaged in cross-border business are likewise required to indicate these particulars on their invoices. It will therefore be easier for the originator of the payment to find the necessary information.

The full text of the Regulation may be consulted at the following Internet address:

[http://www.europa.eu.int/comm/internal\\_market/fr/finances/payment/area/index.htm](http://www.europa.eu.int/comm/internal_market/fr/finances/payment/area/index.htm)