

# The European Parliament draft report on the European Commission draft Regulation on instant credit transfers in euro: how could the content of the Regulation change?



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On 2 March 2023, the European Parliament's Committee on Economic and Monetary Affairs (ECON) adopted its draft report on the proposal for a Regulation on instant payments. The Rapporteur on the file in the ECON Committee is Mr Michiel Hoogeveen MEP (ECR, the Netherlands).

The draft report explains that, even though in some Member States the use of instant payments is already widespread, such as in the Netherlands, Estonia and Spain, at the end of 2021 only 11% of credit transfers in the EU were made via instant payments so a legislative proposal is needed according to the Rapporteur. As far as the content of the European Commission (EC) proposal is concerned, the Rapporteur believes that the European EU-wide approach to cross-border instant payments in euro, including paper and bulk, on a 24/7/365 basis is a good proposition and he would like the European Parliament to support it.

In terms of specific provisions, the Rapporteur supports an International Bank Account Number (IBAN) check that would be provided free of charge, as it does not make sense in his view to provide a security feature for a premium price, particularly when the instant payment service is not meant to cost more than a regular credit transfer. Moreover, regarding sanctions, the Rapporteur encourages the move from a transaction-based approach regarding the check to the client-based approach.

The Rapporteur also identifies several areas that could be tweaked to strengthen the Commission's proposal and proposes some targeted amendments in such areas. For example, in his view, bulk and paper payments are not expected to be immediate, but rather the payment should be made as soon as possible from the moment all the necessary details have been processed. Moreover, he highlights that the sanctions

requirements must be clarified and that there is a need to revisit the Settlement Finality Directive in an effort to broaden the scope of the payment service providers (PSPs) included in the current legislation, thereby reflecting the current payments landscape more accurately.

In terms of the next steps, the draft report will now need to be discussed in the ECON Committee, amendments to its content will be presented next month, and the draft report and the amendment presented are to be voted upon by the ECON Committee Members in June or early July. Following a European Parliament plenary's endorsement, the discussions with the Council on the final form of the legislation may begin immediately as we understand the Council work on the draft proposal has been proceeding quite quickly this far, notably under the current Swedish Presidency of the Council of the European Union. The European Parliament's position during the interinstitutional negotiations will be based on the amendments adopted in ECON in June 2023.



[Monica Monaco](#)

Founder & Managing Director, Trust EU Affairs

Based in Brussels for the past 18 years, Monica is the founder and managing director of TrustEuAffairs. She is a member of the Society of European Affairs Professionals (SEAP) since 2004, and served as a member of the SEAP Board from 2012 to 2015. Monica is a member of the Europol Virtual Currencies Taskforce and also a member of the European Commission Payment Systems Market Expert Group (PSMEG). Monica has been Senior Manager for EU Regulatory Affairs in the Legal Department of Visa Europe for more than ten years, responsible for relations with the European Commission, Parliament and Council, as well as with various national regulators. Before joining Visa Europe she worked as a consultant for both Andersen, Deloitte & Touche and the OECD in Paris, as well as the Council of Europe in Strasbourg, dealing with a variety of financial services matters. Monica can be reached at: [monacom@trusteuaffairs.com](mailto:monacom@trusteuaffairs.com)