



European Commission

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CHEAPER EURO TRANSFERS AND FAIRER CURRENCY CONVERSIONS

Consumers and businesses in the euro area have enjoyed cross-border payments at the same cost as domestic payments for years.



Under the new Commission proposal, cross-border payments in euro become as cheap as domestic payments for consumers and businesses **outside** the euro area.

WHICH EURO PAYMENTS ARE CONCERNED?



BANK TRANSFERS
(sending abroad or receiving from abroad)



CASH MACHINE WITHDRAWALS ABROAD



CARD PAYMENTS ABROAD

SIGNIFICANT BENEFITS

Today's amendments will extend the benefits of cheap cross-border euro transfers currently enjoyed by euro area citizens and businesses to non-euro area residents and businesses.

ALREADY COVERED

- ✓ 360 million consumers
- ✓ 16.3 million businesses
- ✓ 2.8 billion transactions a year

WILL BE COVERED

- additional 150 million consumers
- 6 million more businesses
- extra 1.8 billion transactions a year



Estimated savings for consumers and businesses of 1 billion a year



"With today's proposal we are granting citizens and businesses in non-euro area countries the same conditions as euro area residents when making cross-border payments in euro. All Europeans will be able to transfer money cross-border, in euro, at the same cost as they would pay for a domestic transaction. Today's proposal will also require full transparency in currency conversion when consumers are paying by card in a country which does not have the same currency as their own."

VALDIS DOMBROVSKIS

Vice-President in charge of Financial Stability, Financial Services and Capital Markets Union

CURRENT COSTS OF CROSS-BORDER BANK TRANSFERS

Transfers in euro from non-euro area countries to another EU Member State (transfers of EUR 10 to EUR 1000)

MEMBER STATE	MIN	MAX
Bulgaria	15.00	24.03
Croatia	4.05	10.80
Czech Republic	7.48	9.59
Denmark	2.69	6.72
Hungary	4.62	12.38
Poland	1.19	1.90
Romania	9.86	14.90
UK	4.55	11.37

Source: Deloitte study 2017 for the European Commission - Fees publicly communicated for top 3 to 7 banks in each Member State

WHAT WILL CHANGE?

to... \ Sending Euros from...	EURO AREA	NON-EURO AREA
EURO AREA	ZERO/LOW FEES	HIGH FEES
NON-EURO AREA	ZERO/LOW FEES FOR THE SENDER HIGH FEES FOR RECEIVER	HIGH FEES



IN FUTURE



to... \ Sending Euros from...	EURO AREA	NON-EURO AREA
EURO AREA	ZERO/LOW FEES	ZERO/LOW FEES
NON-EURO AREA	ZERO/LOW FEES	ZERO/LOW FEES

CURRENCY CONVERSION PROPOSAL FOR THE WHOLE EU

When consumers make card payments or withdraw cash while abroad, they can choose whether to pay in the local currency or their home currency. Currently, consumers do not know what fees apply when making this choice. After the proposal, fees will need to be transparent.

Adoption of
Commission proposal

3-year transitional period

- Cap on fees that can be charged
- Payment services providers (e.g. banks) have time to adapt software and equipment

When adopted

- Consumer must be informed of the cost of currency conversion options **before** card payment
- Consumer can make an informed choice and choose the cheapest offer