



Plenary sitting

26.8.2015

B8-0869/2015

MOTION FOR A RESOLUTION

pursuant to Rule 133 of the Rules of Procedure
on the definitive abolition of compound interest

Gianluca Buonanno

Motion for a European Parliament resolution on the definitive abolition of compound interest

The European Parliament,

- having regard to Rule 133 of its Rules of Procedure,
- A. whereas compound interest is the practice pursued by banks of calculating interest upon interest, which can easily become an instrument of usury;
- B. whereas, despite having been declared illegitimate in Italy, by Judgment No 21095 of 2004 of the Joint Chambers of the Court of Cassation, there are regular attempts to reintroduce this practice surreptitiously to varying degrees;
- C. whereas the Bank of Italy has recently revived it for contracts relating to the opening of current account credit facilities and credit card loan agreements;
- D. whereas the Commission Director-General for Financial Stability, Financial Services and Capital Markets Union, Jonathan Faull, himself has criticised this, regarding it as an *'unjustified obstacle to the provision of banking services'*;
- E. whereas the Commission has to take action not only to guarantee freedom of establishment and the free movement of services, as previously pointed out, but also, and above all, to protect consumers;
- 1. Calls on the Commission to take necessary and urgent measures to ensure that the prohibition of compound interest is extended to all EU Member States, by laying down clear rules which leave no room for legislative ambiguities that enable such interest to be furtively reintroduced.