

**Question for written answer E-010081/2015
to the Commission**
Rule 130
Ivan Jakovčić (ALDE)

Subject: Default interest cut

Last week the Croatian Government moved to cut default interest for private individuals and businesses by means of an amendment to the Obligations Act, which regulates the interest rate applied in the event of late payment. The idea is to help those whose living conditions are becoming increasingly more precarious, as well as helping the economy. The Croatian Banking Association has sharply criticised the Government's proposed rate cut, calling it a pre-election manoeuvre, and complained to the Commission. It has also warned that the Commission is sure to respond to the proposal to lower the maximum interest allowed, given that this will affect market prices.

How well-founded is this threat from the Croatian Banking Association, or, to put it another way, is there any legal basis for possible Commission action?