

Instant payments in euro

To ensure affordable, secure instant payments in euro that conform to rules on sanctions and financial crime, the European Commission proposed a regulation in October 2022. The new rules would mean citizens and businesses would pay standard transfer prices for instant money transfers. A provisional political agreement reached between the Parliament and Council is scheduled for vote during the February I plenary session.

Background

[Instant payments](#) allow payments to be sent or received within a few seconds, at any time. However, the Commission [estimates](#) that only 11 % of all money transfers in euro are instant. One in three EU payment service providers (PSPs) does not offer them. Some 70 million payment accounts in the euro area do not allow their holders to use instant transfers. When they are allowed, they often cost more than standard money transfers, and availability and fees vary greatly across EU countries. According to the Commission, money transfer latency temporarily locks up nearly €200 billion in payments each day. If released, this sum could result in an economic benefit of up to €1.8 billion per year.

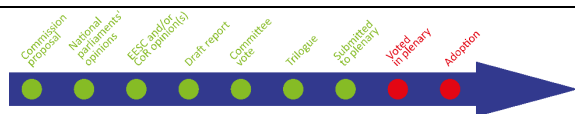
European Commission proposal

On 26 October 2022, the Commission made a [proposal](#) for a regulation on instant credit transfers in euro (also known as 'instant payments'), amending the 2012 [SEPA](#) and 2021 [Cross-border Payments](#) Regulations. It aims to make instant payments in euro universally available and affordable, increase trust, and remove friction in their processing. Those PSPs that already offer credit transfers in euro would be obliged to offer their instant version within a defined period, and with a price not exceeding that charged for non-instant credit transfers in euro. Providers would verify the match between the bank account number (IBAN) and the name of the beneficiary provided by the payer, in order to alert the payer of a possible mistake or fraud, as well as verifying that their clients comply with rules on sanctions and financial crime.

European Parliament position

On 12 July 2023, Parliament confirmed the decision to enter into interinstitutional negotiations, taking the Committee on Economic and Monetary Affairs (ECON) [report](#) as its position. Parliament insists on ensuring that: a) PSPs do not increase their fees with the aim of evading the obligation to charge no more for instant credit transfers than traditional ones; b) PSPs provide verification of the match between the IBAN and the beneficiary name free of charge, including for non-instant payments. Parliament and Council negotiators reached a [provisional agreement](#) on 7 November 2023. Under the [agreed text](#), PSPs should: 1) **offer instant credit transfers**, if already providing standard credit transfer services; 2) process the transfer **within 10 seconds**, regardless of the day or hour; 3) apply **charges not higher** than those for standard credit transfers; 4) **convert the transaction amount** into euro if the payment is submitted from a non-euro denominated account; 5) implement robust and up-to-date **fraud detection**; 6) **prevent erroneous transfers** being sent to the wrong person; 7) **prevent criminal activities** such as money laundering or terrorist financing. Following a **transition period**, the new rules would also **apply to EU countries outside the euro area**, where accounts already offer euro transactions. The ECON committee approved the [agreed text](#) on 11 December 2023. Parliament is set to vote on adoption during the February I plenary session.

First-reading report: [2022/0341\(COD\)](#); Committee responsible: ECON; Rapporteur: Michiel Hoogeveen (ECR, the Netherlands).



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