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Subject: Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF
THE COUNCIL on consumer credits
- General approach

I. INTRODUCTION

1. On 30 June 2021, the Commission presented a proposal for a Directive of the European Parliament and of the Council on consumer credits repealing and replacing Directive 2008/48/EC¹. The proposal is based on Article 114 of the Treaty on the Functioning of the European Union (TFEU) and aims to ensure a higher level of consumer protection in the granting of consumer credit and to promote the deepening of the internal market for such credit through a more harmonised legal framework at EU level.

¹ 10382/21 + ADD 1-4.

2. The review of Directive 2008/48/EC was announced in the 2020 New Consumer Agenda¹ as one of the digital transformation initiatives and was supported by the Council in the related conclusions². Indeed, since the adoption of the 2008 Directive, increasing digitalisation has led to significant changes in the consumer credit market. On the one hand, it has introduced new products and new market players offering credit agreements through faster, simplified underwriting procedures, often online. On the other hand, it has profoundly changed the behaviour and preferences of consumers; they are increasingly buying online, in particular following the recent COVID-19 crisis, and can now obtain information in digital format and be targeted by online advertising. The assessment of consumers' creditworthiness by lenders using automated decision-making systems and non-conventional sources of data is also a new reality.
3. The European Economic and Social Committee delivered its opinion on the proposal on 21 October 2021. The European Data Protection Supervisor (EDPS) delivered his opinion on 26 August 2021.
4. In the European Parliament, the committee responsible is the Committee on the Internal Market and Consumer Protection (IMCO) and the rapporteur is Ms Kateřina Konečná (GUE/NGL, Czechia). The IMCO Committee is expected to vote on the report on 15-16 June 2022.

¹ 12976/20.

² 6364/21.

II. DISCUSSIONS IN THE COUNCIL PREPARATORY BODIES

5. Examination of the proposal by the Working Party on Consumer Protection and Information began on 13 July 2021 under the Slovenian Presidency (12 meetings) and has since continued under the French Presidency (nine meetings). At that first meeting, an examination of the impact assessment accompanying the proposal showed that delegations broadly supported the objectives of the proposal as well as the policy options identified by the Commission.
6. At its meeting on 25 November 2021, the Competitiveness Council took note of a progress report¹.
7. The Presidency submitted several compromise proposals to the Working Party for assessment; those proposals were examined in detail at the meetings of the Working Party. The compromise proposals were drawn up on the basis of oral and written comments from delegations and their replies to targeted questionnaires.
8. The compromise text set out in the Annex reflects the continuous efforts of the Presidency and the Member States to strike a balance between the different positions of delegations, while maintaining the objectives of the Commission proposal. Changes compared to the Commission proposal are marked in **bold and underlined** for new text and by [...] for deleted text.
9. At its meeting on 25 May 2022, the Permanent Representatives Committee (Coreper) supported the compromise text², which was approved as it stood. EE and LT are submitting a joint statement as set out in Addendum 1 to this note.

¹ 13574/21.

² 9208/22.

III. MAIN AMENDMENTS TO THE COMMISSION PROPOSAL

10. Exclusions from the scope:

- (a) direct crowdfunding credit services: delegations expressed concerns about the inclusion of direct crowdfunding credit services between private individuals in an act relating to consumer protection (which covers *B2C* relations). The Presidency proposes that this type of credit be taken into account in a separate act and therefore deletes all references to it. As a reminder, crowdfunding credit platforms are already covered by the Directive in cases where they act as creditors or as credit intermediaries.
- (b) deferred payments: this commercial practice allows the consumer to pay for goods or services in instalments, free of interest and without a third party offering credit. In response to requests by Member States where this practice is widespread, the Presidency proposes that it be explicitly excluded and clearly distinguished from the Buy Now Pay Later schemes which are included within the scope of the proposal.
- (c) deferred debit cards: this exclusion is justified by the fact that this payment instrument allows households to better manage their expenditure on the basis of a monthly income. Clarification is provided in the proposal to properly delineate this exclusion and avoid any risk of circumvention.
- (d) hiring or leasing agreements with no obligation or option to purchase: this exclusion is justified as such agreements do not involve a transfer of ownership at the end of the agreement and are more akin to the provision of a service.

11. **Optional partial derogation for four new products:**

For four of the products added to the scope of the new Directive which present a lower risk of over-indebtedness for the consumer, delegations were keen to adapt the obligations incumbent upon creditors in order to avoid information overload for the consumer and bureaucratic overburdening for the creditor. The products in question are:

- credits involving an amount of less than EUR 200;
- credit agreements in the form of an overdraft facility and where the credit has to be repaid on demand or within three months;
- credit agreements free of interest and without any other charges;
- credit agreements with a maximum repayment term of three months and only insignificant charges.

Thus, in respect of one or more of these types of credit, each Member State may choose to opt for a regime that reduces pre-contractual information requirements and disclosure requirements, and removes the provision on early repayment. In order to reduce the fragmentation of national legislation, the provisions which may be adapted under this regime follow a package-type logic.

12. **Clarification of the provisions on pre-contractual information:**

- (a) merging of SECCO and SECCI forms: in order to ensure greater clarity for the consumer and avoid information overload, delegations would prefer to merge the two forms and to display on the first page the key information on the credit product, so as to enable the consumer to quickly compare credit offers. Annexes I to III have been amended accordingly.

- (b) time of provision of pre-contractual information: delegations considered that the original Commission proposal ('at least one day before') was unsuitable for the underwriting of credits at the time of purchase of a good or service. They also regarded as impractical or inappropriate the solution whereby the consumer would be sent a reminder of their right to withdraw if the creditor was unable to comply with that time limit of one day between the provision of the pre-contractual information and the conclusion of the agreement. The compromise text proposes to revert to the wording of the current Directive ('in good time'), and to delete the derogation rule.

13. OTHER IMPORTANT CHANGES:

- (a) Refusal of credit in the case of a negative creditworthiness assessment: for reasons of legal certainty and to prevent over-indebtedness, the Presidency proposes to abolish the possibility for the creditor to make credit available in exceptional circumstances where the result of the creditworthiness assessment is negative.
- (b) Temporal delimitation of the right of withdrawal: to strengthen legal certainty, the Presidency proposes to limit this right of withdrawal in time, specifically to 12 months and 14 days, if the consumer has not received the contractual information in accordance with the requirements laid down by the Directive, except where the consumer has not been informed about the right of withdrawal itself.
- (c) Early repayment limited to the costs imposed by the creditor: delegations thought it important to clarify that the reduction of the total cost of the credit in the event of early repayment concerns the costs imposed by the creditor, and not the charges or dues owed to third parties.

- (d) Amendment to the term ‘capping’: the Presidency proposes a wording which allows account to be taken of national measures equivalent to capping which have proved beneficial and whose aim is likewise to protect consumers from excessively high rates or costs.
- (e) Clarification of the procedure for the admission, registration and supervision of non-credit institutions: the Presidency proposes to clarify that these requirements do not apply to payment institutions already subject to EU rules for their lending activities linked to payment services, and to offer Member States the possibility to exempt suppliers providing credit free of charge in an ancillary capacity to purchase their goods or services or acting as credit intermediaries in an ancillary capacity.
- (f) Penalties: in the absence of any data on cross-border transactions, which are still very limited, the Presidency proposes to abolish the requirement to impose fines of a maximum amount of at least 4 % of the creditor’s annual turnover in the event of a serious cross-border infringement.

IV. CONCLUSIONS

- 14. The Presidency considers that the text, as set out in the Annex, reflects a balanced and fair compromise between the different views expressed by delegations. The Council is therefore invited to agree on a general approach on this basis at the meeting of the Competitiveness Council on 9 June 2022.

Proposal for a

DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on consumer credits

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee⁶,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Directive 2008/48/EC of the European Parliament and of the Council⁷ lays down rules at Union level concerning consumer credit agreements[...].

⁶ ...

⁷ Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers and repealing Council Directive 87/102/EEC (OJ L 133, 22.5.2008, p. 66).

- (2) In 2014, the Commission presented a report on the implementation of Directive 2008/48/EC. In 2020, the Commission presented a second report on the implementation of that Directive and a Commission Staff Working Document to present the results of a REFIT evaluation of the Directive which included broad consultation of relevant stakeholders.
- (3) Those reports and consultations revealed that Directive 2008/48/EC has been partially effective in ensuring high standards of consumer protection and fostering the development of a single market for credit, and that such objectives are still relevant. The reasons why that Directive has been only partially effective stem both from the Directive itself, as for instance imprecise wording of particular articles, and from external factors, such as the developments linked to digitalisation, the practical application and enforcement in Member States as well as from the fact that certain aspects of the consumer credit market are not covered by the Directive.
- (4) Digitalisation has contributed to market developments that were not foreseen at the time when Directive 2008/48/EC was adopted. In fact, the rapid technological developments registered since the 2008 Directive have brought significant changes to the consumer credit market, both on the supply side and on the demand side, such as the emergence of new products and the evolution of consumer behaviour and preferences.
- (5) The imprecise wording of certain provisions of Directive 2008/48/EC, allowing Member States to adopt diverging provisions going beyond those provided in that Directive, resulted in a fragmented regulatory framework across the Union in a number of aspects of consumer credit.
- (6) The *de facto* and *de jure* situation resulting from those national differences in some cases leads to distortions of competition among creditors in the Union and creates obstacles to the internal market. The situation restricts consumers' ability to benefit from a gradually increasing offer of cross-border credit, which is expected to further grow as a result of digitalisation. Those distortions and restrictions may in turn have consequences in terms of reduced demand for goods and services. The situation also leads to an inadequate and non-consistent level of protection for consumers across the Union.

- (7) In recent years, credit offered to consumers has evolved and diversified considerably. New credit products have appeared, in particular in the online environment, and their use continues to develop. This has raised legal uncertainty with regard to the application of the Directive 2008/48/EC to such new products.
- (8) This Directive complements the rules set out in Directive 2002/65/EC of the European Parliament and of the Council⁸ concerning the distance marketing of consumer financial services. In order to ensure legal certainty, it should be clarified that in case of conflict between the provisions, the provision of this Directive as *lex specialis* should apply.
- (9) In accordance with Article 26 of the Treaty on the Functioning of the European Union (TFEU), the internal market comprises an area in which the free movement of goods and services and the freedom of establishment are ensured. The development of a more transparent and efficient legal framework for consumer credit should increase consumer trust and facilitate the development of cross-border activities.
- (10) In order to improve the functioning of the internal market for consumer credits, it is necessary to provide for a harmonised Union framework in a number of core areas. In view of the developing market in consumer credit, in particular in the online environment, and the increasing mobility of European citizens, forward-looking Union legislation which is able to adapt to future forms of credit and which allows Member States the appropriate degree of flexibility in their implementation will help to create a level playing field for businesses.
- (11) Article 169(1) and Article 169(2), point (a), TFEU provide that the Union is to contribute to the attainment of a high level of consumer protection through measures adopted pursuant to Article 114 TFEU. Article 38 of the Charter of Fundamental Rights of the European Union (the ‘Charter’) provides that Union policies are to ensure a high level of consumer protection.

⁸ Directive 2002/65/EC of the European Parliament and of the Council of 23 September 2002 concerning the distance marketing of consumer financial services and amending Council Directive 90/619/EEC and Directives 97/7/EC and 98/27/EC (OJ L 271, 9.10.2002, p. 16).

- (12) It is important that consumers benefit from a high level of consumer protection. Thus, it should be possible for the free movement of credit offers to take place under optimum conditions for both those who offer credit and those who require it, with due regard to specific situations in the Member States.
- (13) Full harmonisation is necessary in order to ensure that all consumers in the Union enjoy a high and equivalent level of protection of their interests and to create a well-functioning internal market. Member States should therefore not be allowed to maintain or introduce national provisions diverging from [...] those laid down in this Directive, unless otherwise provided in this Directive. However, such restriction should only apply where there are provisions harmonised in this Directive. Where no such harmonised provisions exist, Member States should remain free to maintain or introduce national legislation. Accordingly, Member States should have the possibility to maintain or introduce national provisions on joint and several liability of the seller or the service provider and the creditor. Member States should also have the possibility to maintain or introduce [...]national provisions on the cancellation of a contract for the sale of goods or supply of services where the consumer exercises his right of withdrawal from the credit agreement[...]. In this respect, Member States, in the case of open-end credit agreements, should be allowed to fix a minimum period needing to elapse between the time when the creditor asks for reimbursement and the day on which the credit has to be reimbursed.

(14) The definitions contained in this Directive determine the scope of harmonisation. The obligation on Member States to implement this Directive should therefore be limited to its scope as determined by those definitions. However, this Directive should be without prejudice to the application by Member States, in accordance with Union law, of the provisions of this Directive to areas not covered by its scope. A Member State could thereby maintain or introduce national legislation corresponding to this Directive or certain provisions of this Directive on credit agreements outside its scope, for instance on credit agreements upon the conclusion of which the consumer is requested to deposit an item as security in the creditor's safe-keeping and where the liability of the consumer is strictly limited to that pledged item, **or on deferred debit cards or leasing contracts without an obligation or an option to buy**. Furthermore, Member States could also apply this Directive to linked credit which does not fall within the definition of a linked credit agreement in this Directive. Thus, the provisions of this Directive on linked credit agreements could be applied to credit agreements that serve only partially to finance a contract for the supply of goods or provision of a service.

- (15) A number of Member States have applied Directive 2008/48/EC to areas not covered by its scope to enhance the level of consumer protection, **while other Member States have different national rules regulating those areas stemming from market specificities, thereby maintaining certain divergences between national legislation with regard to those types of credits.** In fact, several of the credit agreements not falling within the scope of that Directive can be detrimental for consumers, including short-term high cost loans whose amount is typically lower than the minimum threshold of EUR 200 set out in Directive 2008/48/EC. In this context, and with the aim to ensure a high level of consumer protection and to facilitate the cross-border consumer credit market, the scope of this Directive should cover some agreements that were excluded from the scope of Directive 2008/48/EC[...]. Likewise, other potentially detrimental products, because of the high costs they entail or high fees in case of missed payments, should be covered by this Directive, to ensure increased transparency and better consumer protection, resulting in higher consumer confidence. To this extent[...] **consumer credit agreements below the amount of EUR 200,** credit agreements in the form of an overdraft facility and where the credit has to be repaid within one month, [...] credit agreements where the credit is granted free of interest and without any other charges, [...] and credit agreements under the terms of which the credit has to be repaid within three months and only insignificant charges are payable should not be excluded from the scope of application of this Directive. **Nevertheless, for those credit agreements, Member States should be able to exclude the application of a defined and limited number of provisions of this Directive in order to adapt the obligations imposed on creditors to the nature and the risks of the credit for the consumer taking into account the market specificities and the different characteristics of those credits, while ensuring a higher level of consumer protection.** [*The last 2 sentences moved to new recital (15e)*]

- (15a) In addition, regarding credit agreements in the form of an overdraft facility, only certain provisions of Directive 2008/48 were applicable to those where the credit had to be repaid on demand or within three months. Such type of credit agreements should be maintained in the scope of application of this Directive while Member States should be able to maintain the exclusion of the application of certain limited provisions of this Directive, allowing more generally to strengthen the information provided to consumers and the obligations on creditors for this type of credit agreements.**
- (15b) Buy Now Pay Later schemes, understood as new digital financial tools that let consumers make purchases and pay them off over time, whereby the creditor grants a consumer a credit agreement for the exclusive purpose of purchasing goods or services via the supplier of such goods or services, are often credit granted free of interest and without any other charges, and should therefore be included in the scope of application of this Directive. This should be distinguished from deferred payments, covering the situation where a supplier of goods or services gives time to the consumer to pay for such goods or services, granted free of interest and without any other charges, except for limited charges of non-compliance, without a third party offering credit, which should be excluded from the scope of application of this Directive.**
- (15c) Deferred debit cards, whereby the total amount of transactions is debited or paid from the cardholder's current account at a pre-agreed specific date, usually once a month, without interest to be paid, as described in recital 17 of Regulation (EU) 2015/751, should also be excluded from the scope of application of this Directive as they help households to better adjust their budget to a monthly income. The deferred payments offered as a functionality of those cards should be free of interest, only limited charges linked to the provision of the payment service and charges linked to other non-credit related services should be applicable and the sums should be repaid within 40 days. This exclusion is without prejudice to the application of relevant provisions on overdraft or overrunning, which will apply in case the repayment exceeds the positive balance in the current account.**

(15d) Hiring and leasing agreements where an obligation or an option for the consumer to purchase the object of the agreement is not laid down either by the agreement itself or by any separate agreement, such as pure rental agreements, should not be included in the scope of application of this Directive considering that they do not involve any possible transfer of property by the end of the contract.

(15e) Moreover, all credit agreement up until EUR 100 000 should be included in the scope of application of this Directive. The upper threshold of credit agreements under this Directive should be increased to take into account indexation to adjust for the effects of inflation since 2008 and in coming years. *[Moved from recital (15)]*

(16) [...] ⁹[...]

⁹ [...]

- (17) **Since 2008, crowdfunding has developed as a form of finance available to consumers, typically for small expenses or investments.** A [...] crowdfunding credit [...] **platform** operates a digital platform open to the public in order to match or facilitate the matching of prospective lenders, **acting in the course of their trade, business or profession or not,** with consumers that seek funding. Such funding could **therefore** take the form of [...] credit **agreements to consumers.** Where [...] crowdfunding credit [...] **platforms** directly provide credit to consumers, the provisions of this Directive concerning creditors [...] **should** apply to them. Where [...] crowdfunding credit [...] **platforms** facilitate the granting of credit between creditors acting in the course of their trade, business or profession, and consumers, obligations for creditors under this Directive should apply to those creditors. In such a situation, [...] crowdfunding credit [...] **platforms** act as credit intermediaries, hence obligations for credit intermediaries under this Directive should apply to them.
- (18) [...]
- (19) In the case of specific credit agreements to which only some provisions of this Directive are applicable, Member States should remain free to regulate, in their national law, such types of credit agreements as regards other aspects not harmonised by this Directive.

- (20) Agreements for the provision on a continuing basis of services or for the supply of goods of the same kind, where the consumer pays for them for the duration of their provision by means of instalments, may differ considerably, in terms of the interests of the contractual parties involved, and the modalities and performance of the transactions, from credit agreements covered by this Directive. Therefore, such agreements should not be regarded as credit agreements for the purposes of this Directive. Such agreement includes, for example, an insurance contract where the insurance is paid for in monthly instalments.
- (21) Credit agreements covering the granting of credit secured by **immovable property** [...] and credit agreements the purpose of which is to finance the acquisition or retention of property rights in land or in an existing or projected building **including premises** should be excluded from the scope of this Directive as such agreements are regulated by Directive 2014/17/EC of the European Parliament and of the Council¹⁰. However, [...] credits the purpose of which is the renovation of a residential immovable property[...] involving a total amount of credit above EUR 100 000, **and which are not secured either by immovable property or by a right related to immovable property** should not be excluded from the scope of this Directive.
- (22) This Directive should apply irrespective of whether the creditor is a legal person or a natural person. However, this Directive should not affect the right of Member States to limit the provision of credit for consumers to legal persons only or to certain legal persons.
- (23) Certain provisions of this Directive should apply to natural and legal persons (credit intermediaries) who, in the course of their trade, business or profession, for [...] **remuneration**, present or offer credit agreements to consumers, assist consumers by undertaking preparatory work in respect of credit agreements or conclude credit agreements with consumers on behalf of the creditor.

¹⁰ Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010 (OJ L 60, 28.2.2014, p. 34).

- (24) Information to consumers, such as **adequate explanations**, pre-contractual information, [...] general information[...] **and information on consultation of databases**, should be provided free of charge.
- (25) This Directive respects fundamental rights and observes the principles recognised in particular by the Charter of Fundamental Rights of the European Union ('the Charter'). In particular, this Directive fully respects the rights to the protection of personal data, to property, to non-discrimination, to protection of family and professional life, and to consumer protection pursuant to the Charter. **Regulation 2016/679 applies to any processing of personal data carried out by creditors and credit intermediaries falling within the scope of this Directive.**
- (26) Consumers who are legally resident in the Union should not be discriminated against on ground of their nationality or place of residence, or on any ground as referred to in Article 21 of the Charter when requesting, concluding or holding a credit agreement[...] within the Union. **This is without prejudice to the possibility of providing for differences in the conditions of access to a credit where those differences are directly justified by objective criteria.**
- (27) Consumers should be protected against unfair or misleading practices, in particular with respect to the information provided by the creditor[...] **or** credit intermediary[...], in line with Directive 2005/29/EC of the European Parliament and of the Council¹¹. That Directive continues to apply to credit agreements [...]and works as a "safety net" ensuring that a high common level of consumer protection against unfair commercial practices can be maintained in all sectors, including by complementing other Union law.

¹¹ Directive 2005/29/EC of the European Parliament and of the Council of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market and amending Council Directive 84/450/EEC, Directives 97/7/EC, 98/27/EC and 2002/65/EC of the European Parliament and of the Council and Regulation (EC) No 2006/2004 of the European Parliament and of the Council ('Unfair Commercial Practices Directive') (OJ L 149, 11.6.2005, p. 22).

(28) *[This recital moved to new recital (29a)]*

(29) Specific provisions should be laid down on advertising of credit agreements[...] and certain items of standard information to be provided to consumers in order to enable them, in particular, to compare different offers. Such information should be given in a clear, concise and prominent way by means of a representative example. **The total amount of the credit and the repayment duration chosen by the creditor for its representative example should correspond as much as possible to the characteristics of the credit agreement that the creditor advertises.** The standard information should be shown upfront and saliently, in a clear way and in an engaging format. It should be clearly legible and adapted to take into account the technical constraints of certain media such as mobile telephone screens. **The standard information should also be clearly demarcated from any additional information pertained to the credit agreement.** Temporary promotional conditions, such as a teaser rate with lower interest rate for the initial months of the credit agreement [...], should be clearly identified as such. Consumers should see all essential information at a glance, even when they watch it on the screen of a mobile telephone. The creditor and, where applicable, credit intermediary's[...] telephone number and email address should also be communicated to the consumer to enable him or her to contact the creditor[...] **or** the credit intermediary[...] quickly and efficiently. A ceiling should be provided where it is not possible to indicate the total amount of credit as the total sums made available, in particular where a credit agreement gives the consumer freedom of drawdown with a limitation with regard to the amount. The ceiling should indicate the upper limit of credit which can be made available to the consumer. In specific and justified cases, in order to improve consumer understanding of information disclosed in advertising of credit agreements[...] where the medium used does not allow to visually display it **at all or in an easily legible way**, such as in radio advertising, the amount of information disclosed [...] **should** be reduced. In addition, Member States should remain free to regulate information requirements in their national law regarding advertising of credit agreements[...] which does not contain information on the cost of the credit.

- (29a)** Advertising tends to focus on one or several products in particular, while consumers should be able to make their decisions in full knowledge of the range of credit products on offer. In that respect, general information plays an important role in educating the consumer in relation to the broad range of products and services available and the key features thereof. Consumers should therefore be able at all times to access general information on credit products available. This should be without prejudice to the obligation to provide consumers with personalised pre-contractual information. *[Moved from recital (28)]*
- (30) In order to be able to make their decisions in full knowledge of the facts, consumers should receive adequate **pre-contractual** information, for careful consideration at their own leisure and convenience, [...] **in good time before** the conclusion of the credit agreement [...], including information on the conditions and cost of the credit and on their obligations, as well as adequate explanations thereof, **ensuring that the consumer has sufficient time to read and understand the pre-contractual information and to make an informed decision**. These rules should be without prejudice to Council Directive 93/13/EEC¹².

¹² Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts (OJ L 95, 21.4.1993, p. 29).

- (31) Pre-contractual information should be provided through the Standard European Consumer Credit Information form. To help consumers understand and compare offers, [...] the key element of the credit should be provided [...] **in a prominent way on the first page of** the Standard European Consumer Credit Information form, through which consumers should see all essential information at a glance, even on the screen of a mobile telephone. Information **provided in the Standard European Consumer Credit Information form** should be clear, clearly legible and adapted to the technical constraints of certain media such as mobile telephone screens. It should be displayed in an adequate and suitable way on the different channels, to ensure that every consumer can access information on an equal basis and in line with Directive (EU) 2019/882 of the European Parliament and of the Council¹³.
- (32) To ensure the fullest possible transparency and comparability of offers, pre-contractual information should, in particular, include the annual percentage rate of charge applicable to the credit, determined in the same way throughout the Union. As the annual percentage rate of charge can at this stage be indicated only through an example, such example should be representative. Therefore, it should correspond, for instance, to the average duration and total amount of credit granted for the type of credit agreement[...] under consideration and, if applicable, to the goods purchased. When determining the representative example, the frequency of certain types of credit agreement[...] in a specific market should also be taken into account. As regards the borrowing rate, the frequency of instalments and the capitalisation of interest, creditors should use their usual method of calculation for the consumer credit concerned. [...]

¹³ Directive (EU) 2019/882 of the European Parliament and of the Council of 17 April 2019 on the accessibility requirements for products and services (OJ L 151, 7.6.2019, p. 70).

- (33) The total cost of the credit to the consumer should comprise all the costs, including interest, commissions, taxes, fees for credit intermediaries and any other fees which the consumer has to pay in connection with the credit agreement[...], except for notarial costs. Creditors' actual knowledge of the costs should be assessed objectively, taking into account the requirements of professionalism laid down in this Directive.
- (34) Credit agreements[...] in which a borrowing rate is periodically revised in line with changes occurring in a reference rate referred to in the credit agreement[...] should not be regarded as credit agreements[...] with a fixed borrowing rate.
- (35) Member States should remain free to maintain or introduce national provisions prohibiting the creditor[...] from requiring the consumer, in connection with the credit agreement[...], to open a bank account or conclude an agreement in respect of another ancillary service, or to pay the expenses or fees for such bank accounts or other ancillary services. In those Member States where such combined offers are allowed, consumers should be informed before the conclusion of the credit agreement[...] about any ancillary services which are compulsory in order for the credit to be obtained in the first place or on the terms and conditions marketed. The costs payable in respect of those ancillary services, in particular insurance premiums, should be included in the total cost of the credit. Alternatively, if the amount of such costs cannot be determined in advance, consumers should receive adequate information about the existence of costs at a pre-contractual stage. The creditor[...] should be presumed to have knowledge of the costs of the ancillary services which he or she offers to the consumer himself or herself, or on behalf of a third party, unless the price thereof depends on the specific characteristics or situation of the consumer.

- (36) For specific types of credit agreements, however, it is appropriate, in order to ensure an adequate level of consumer protection without placing an excessive burden on creditors or, where applicable, credit intermediaries, to restrict the pre-contractual information requirements, taking into account the specific character of such types of agreements.
- (37) The consumer should be given comprehensive information before he or she concludes the credit agreement[...], regardless of whether or not a credit intermediary is involved in the marketing of the credit. Therefore, in general, the pre-contractual information requirements should also apply to credit intermediaries. However, where suppliers of goods and services act as credit intermediaries in an ancillary capacity, it is not appropriate to impose on them the legal obligation to provide the pre-contractual information in accordance with this Directive. Suppliers of goods and services may be deemed, for example, to be acting as credit intermediaries in an ancillary capacity if their activity as credit intermediaries is not the main purpose of their trade, business or profession. In those cases, a sufficient level of consumer protection is still achieved since the creditor should be responsible for ensuring that the consumer receives the full pre-contractual information, either from the credit intermediary, where the creditor and the intermediary so agree, or in some other appropriate manner.
- (38) Member States should have the possibility to regulate the potentially binding character of the information to be provided to the consumer prior to the conclusion of the credit agreement[...] and the period of time during which the creditor[...] is to be bound by it.

- (39) Despite the pre-contractual information to be provided, the consumer may still need additional assistance in order to decide which credit agreement[...], within the range of products proposed, are the most appropriate for his or her needs and financial situation. Therefore, Member States should ensure that **before the conclusion of a credit agreement** creditors and, where applicable, credit intermediaries[...] provide such assistance in relation to the credit products which they offer to the consumer, by providing adequate explanations about the relevant information including in particular the essential characteristics of the products proposed to the consumer in a personalised manner so that the consumer can understand the effects which they may have on his or her economic situation. Creditors and, where applicable, credit intermediaries[...] should adapt the way in which such explanations are given to the circumstances in which the credit is offered and the consumer's need for assistance, taking into account the consumer's knowledge and experience of credit and the nature of individual credit products. Such explanations should not in itself constitute a personal recommendation.
- (40) As highlighted in the Commission Proposal for a Regulation laying down harmonised rules on artificial intelligence (Artificial Intelligence Act)¹⁴, artificial intelligence (AI) systems can be easily deployed in multiple sectors of the economy and society, including cross border, and can circulate throughout the Union. In this context, creditors[...] **and** credit intermediaries[...] [...], **when personalising** the price of their offers for specific consumers or specific categories of consumer based on automated decision-making and profiling of consumer behaviour allowing them to assess the consumer's purchasing power, [...] [...] should [...] clearly [...] **inform consumers that** the price presented to them is personalised on the basis of automated processing, so that they can take into account the potential risks in their purchasing decision.

¹⁴ COM/2021/206 final.

- (41) As a general rule, tying practices should not be allowed unless the financial service or product offered together with the credit agreement[...] could not be offered separately as it is a fully integrated part of the credit, for example in the event of an overdraft facility. While, taking into account proportionality considerations, creditors[...] should be able to require the consumer to have a relevant insurance policy in order to guarantee repayment of the credit or to insure the value of the security, the consumer should have the opportunity to choose his or her own insurance provider. This should not prejudice the credit conditions set by the creditor[...], provided that the insurance policy of that provider has an equivalent level of guarantee as the insurance policy proposed or offered by the creditor[...]. Moreover, Member States should have the possibility to standardise, wholly or in part, the cover provided by insurance contracts in order to facilitate comparisons between different offers for consumers who wish to make such comparisons.
- (42) **Credit agreements and ancillary** [...] services should be presented in a clear and transparent manner. [...] **It** should not be possible to infer the consumer's agreement to **conclude** [...] **credit agreements or to purchase** ancillary services, but such agreement should be a clear affirmative act establishing a freely given, specific, informed and unambiguous indication of the consumer's approval. In this context, silence, **inactivity or default option such as** pre-ticked boxes [...] should not constitute agreement.

- (43) Providing advice in the form of a personalised recommendation (‘advisory services’) is an activity which may be combined with other aspects of granting or intermediating credit. Therefore, in order to be in a position to understand the nature of the services provided to them, consumers should be made aware of what constitutes such advisory services and of whether advisory services are being, or can be, provided or not. Given the importance which consumers attach to the use of the terms ‘advice’ and ‘advisors’, Member States should be allowed to prohibit the use of the those terms, or similar terms, when advisory services are being provided to consumers by creditors[...] **or** credit intermediaries[...]. It is appropriate to ensure that Member States impose safeguards where advice is described as independent to ensure that the range of products considered and remuneration arrangements are commensurate with consumers’ expectations of such advice. When providing advisory services, the creditor[...] **or** credit intermediary[...] should provide an indication of whether the recommendation will be based on only their own product range or on a wide range of products from across the market, so that the consumer can understand the basis on which the recommendation is made. Moreover, the creditor[...] **or** credit intermediary[...] should provide an indication of the fee payable by the consumer for the advisory services or, where the amount cannot be ascertained at the time of disclosure, the method used for its calculation.
- (44) [...] **Granting of credit** that [...] **has** not been solicited by the consumers may in some cases be associated with practices that are harmful to the consumer. In this regard, unsolicited [...] **granting** of credit, including non-requested pre-approved credit cards sent to the consumers, or the unilateral increase of a consumers’ overdraft or credit card limit, should be prohibited. **This is without prejudice to the possibility for creditors and credit intermediaries to advertise or to offer credit in the course of a commercial relationship in compliance with Union law on consumer protection and national measures in compliance with Union law.**

- (45) Member States should take appropriate measures to promote responsible practices during all phases of the credit relationship, taking into account the specific features of their credit market. Those measures may include, for instance, the provision of information to, and the education of, consumers, including warnings about the risks attaching to default on payment and to over-indebtedness. In the expanding credit market, in particular, it is important that creditors should not engage in irresponsible lending or give out credit without prior assessment of creditworthiness. Member States should carry out the necessary supervision to avoid such behaviour of creditors and should determine the necessary means to sanction such behaviour. Without prejudice to the provisions on credit risk of Directive 2013/36/EU of the European Parliament and of the Council¹⁵, creditors[...] should bear the responsibility of checking individually the creditworthiness of the consumer. To that end, creditors[...] should be allowed to use information provided by the consumer not only during the preparation of the credit agreement[...] in question, but also during a long standing commercial relationship. Consumers should also act with prudence and respect their contractual obligations.
- (46) It is essential that the consumer's ability and propensity to repay the credit is assessed and verified before a credit agreement[...] is concluded. That assessment of creditworthiness should be done in the interest of the consumer, to prevent irresponsible lending practices and over-indebtedness, and should take into consideration all necessary and relevant factors that could influence a consumer's ability to repay the credit. **In cases where the loan application is submitted jointly by more than one consumer, the creditworthiness assessment could be performed on the basis of the joint repayment capacity.** Member States should be able to issue additional guidance on additional criteria and methods to assess a consumer's creditworthiness, for example by setting limits on loan-to-value or loan-to-income ratios.

¹⁵ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

(47) The assessment of creditworthiness should be based on information on the financial and economic situation, including income and expenses, of the consumer, **which is necessary and proportionate to the nature, the size, the complexity and the risks of the credit for the consumer**. The European Banking Authority Guidelines on loan origination and monitoring (EBA/GL/2020/06) provide guidelines on what categories of data may be used for the processing of personal data for creditworthiness purposes, which include evidence of income or other sources of repayment, information on financial assets and liabilities, or information on other financial commitments. Personal data[...] such as personal data found on social media platforms or health data, including cancer data, should not be used when conducting a creditworthiness assessment. Consumers should provide information about their financial and economic situation in order to facilitate the creditworthiness assessment. [...] **Credit** should only **be** made available to the consumer where the result of the creditworthiness assessment indicates that the obligations resulting from the credit agreement[...] are likely to be met in the manner required under that agreement. **When assessing the consumer's ability to meet his or her obligations under the credit agreement, the creditor should take into account relevant factors and specific circumstances, for example, but not limited to, in the case of loans granted in accordance with this Directive to finance studies or to cover exceptional health care expenses, the existence of sufficient evidence that such loans will bring the consumer future incomes, or the existence of collaterals or other forms of guarantees that the consumer could bring to secure the loan.** [...]

- (48) The Proposal for a Regulation laying down harmonised rules on artificial intelligence (Artificial Intelligence Act), establishes that AI systems used to evaluate the credit score or creditworthiness of natural persons should be classified as high-risk AI systems, since they determine those persons' access to financial resources or essential services such as housing, electricity, and telecommunication services. In view of those high stakes, whenever the creditworthiness assessment involves automated processing, the consumer should have a right to obtain human intervention on the part of the creditor[...] **in accordance with Regulation (EU) 2016/679**. The consumer should also have the right to obtain a meaningful, **comprehensible** explanation of the assessment made and of the functioning of the automated processing used, including among others the main variables, the logic and risks involved, as well as a right to express his or her point of view [...] **on** the assessment of the creditworthiness and the decision. **This is without prejudice to the result of the creditworthiness assessment.**
- (49) To assess the credit status of a consumer, the creditor[...] should also consult credit databases. The legal and actual circumstances may require that such consultations vary in scope. To prevent any distortion of competition among creditors[...], they should have access to private or public credit databases concerning consumers in a Member State where they are not established under non-discriminatory conditions compared with creditors[...] established in that Member State. Member States should facilitate the cross-border access to private or public databases, in compliance with the Regulation (EU) 2016/679 of the European Parliament and of the Council¹⁶. To enhance reciprocity, credit databases should as a minimum hold information on consumers' **relevant** arrears in payment, in accordance with Union and national law.

¹⁶ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).

- (50) Where a decision to reject an application for credit is based on the consultation of a credit database, the creditor[...] should inform the consumer of this fact and of the information about him or her [...] **held** in the database **which was** consulted.
- (51) This Directive does not regulate contract law issues related to the validity of credit agreements[...]. Therefore, in that area, the Member States may maintain or introduce national provisions which are in conformity with Union law. Member States may regulate the legal regime governing the offer to conclude the credit agreement[...], in particular when it is to be given and the period during which it is to be binding on the creditor[...]. If such an offer is made at the same time as the pre-contractual information provided for by this Directive, it should, like any additional information the creditor[...] may wish to give to the consumer, be provided in a separate document. That separate document may be annexed to the Standard European Consumer Credit Information.
- (52) The credit agreement[...] should contain all necessary information in a clear and concise manner to enable the consumer to know his or her rights and obligations under that agreement.

- (53) Without prejudice to Directive 93/13/EEC, and to pre-contractual obligations under this Directive, and in order to ensure a high level of consumer protection, the consumer should be presented, in due time and prior to any modifications to the terms and conditions of the credit agreement[...], with a description of the proposed changes and, where applicable, the need for consumer consent or of the changes introduced by operation of law; the timescale for implementing those changes; the means for complaint available to the consumer as well as the time period for the consumer to lodge a complaint and the name and address of the competent authority where the complaint may be submitted. The modification of a contract should not affect any consumer right, including information rights under this Directive. **This is without prejudice to Union law or national provisions regarding the admissibility, the conditions and the validity of contract modifications.**
- (54) In order to ensure full transparency, the consumer should be provided with information concerning the borrowing rate, both at a pre-contractual stage and when the credit agreement[...] is concluded. During the contractual relationship, the consumer should further be informed of changes to the variable borrowing rate and changes to the payments caused thereby. This is without prejudice to provisions of national law not related to consumer information which lay down conditions for, or prescribe the consequences of, changes, other than changes concerning payments, in borrowing rates and other economic conditions governing the credit, for instance rules providing that the creditor[...] may change the borrowing rate only where there is a valid reason for such change or that the consumer may terminate the contract should there be a change in the borrowing rate or in other specific economic condition concerning the credit.

- (55) In case of a significant overrun exceeding a period of one month, the creditor should present the consumer without delay with information on the overrun, including the amount involved, the borrowing rate and any applicable penalties, charges or interest on arrears applicable. In case of regular overrunning, the creditor should offer to the consumer advisory services, where available, to help consumers identifying less expensive alternatives, or redirect consumers towards debt advisory services.
- (56) Consumers should have a right of withdrawal without penalty and with no obligation to provide justification. However, [...] **in order to increase legal certainty, the withdrawal period should in any case expire 12 months and 14 days after the conclusion of the credit agreement if the consumer has not received the contractual terms and conditions and information in accordance with this Directive. The withdrawal period should not expire if the consumer has not been informed about his or her right of withdrawal.**
- (57) Where a consumer withdraws from a credit agreement[...] in connection with which the consumer has received goods, in particular from a purchase in instalments or from a hiring or leasing agreement providing for an obligation to purchase, this Directive should be without prejudice to any regulation by Member States of questions concerning the return of the goods or any related questions.
- (58) In some cases, national law already provides that funds cannot be made available to the consumer before the expiry of a specific deadline. In those cases, consumers may wish to ensure that they receive the goods or services purchased early. Therefore, in the case of linked credit agreements, Member States should have the possibility to exceptionally provide that, if the consumer explicitly wishes early receipt of the purchased goods or services, the deadline for the exercise of the right of withdrawal could be reduced so that it is the same as the deadline before which funds cannot be made available.

- (59) In the case of linked credit agreements, a relationship of interdependence exists between the purchase of goods or services and the credit agreement[...] concluded for that purpose. Therefore, where the consumer exercises the right of withdrawal in respect of the purchase agreement, based on Union law, the consumer should no longer be bound by the linked credit agreement. This should not affect national law applicable to linked credit agreements in cases where a purchase agreement has been voided or where the consumer has exercised his or her right of withdrawal based on national law. Nor should this affect the rights of consumers granted by national law according to which no commitment may be entered into between the consumer and a supplier of goods or services, nor any payment made between those persons, as long as the consumer has not signed the credit agreement[...] to finance the purchase of the goods or services.
- (60) The contracting parties should have the right to effect a standard termination of an open-end credit agreement. In addition, where agreed in the credit agreement [...], the creditor[...] should have the right to suspend the consumer's right to draw down on an open-end credit agreement for objectively justified reasons. Such reasons may include, for instance, suspicion of an unauthorised or fraudulent use of the credit or a significantly increased risk of the consumer being unable to fulfil his or her obligation to repay the credit. This Directive should not affect national contract law regulating the rights of the contracting parties to terminate the credit agreement on the basis of a breach of contract.

- (61) Under certain conditions, the consumer should be allowed to pursue remedies against the creditor[...] in the event of problems related to the purchase agreement. However, Member States should determine to what extent and under what conditions the consumer is required to pursue the remedies against the supplier, in particular by bringing an action against the supplier, before being in a position to pursue them against the creditor[...]. Consumers should not be deprived of their rights under national law attaching joint and several liability to the seller or supplier of services and to the creditor[...].

(62) The consumer should have the right to discharge his or her obligations before the date agreed in the credit agreement. As [...] **interpreted** by the Court of Justice of the EU [...] ¹⁷ the right of the consumer to a reduction in the total cost of the credit in the event of early repayment of the credit includes all the costs imposed on the consumer. In the case of early repayment the creditor should be entitled to a fair and objectively justified compensation for the costs directly linked to the early repayment, taking into account also any savings thereby made by the creditor. **Taxes and fees applied by and directly paid to a third party and which are not dependant on the duration of the contract should not be taken into consideration when calculating the reduction, as those costs are not imposed by the creditor and cannot therefore be unilaterally increased by the creditor. Fees charged by a creditor to the benefit of a third-party should however be taken into consideration when calculating the reduction.** However, in order to determine the method of calculating the compensation, it is important to respect several principles. The calculation of the compensation due to the creditor should be transparent and comprehensible to consumers already at the pre-contractual stage and in any case during the performance of the credit agreement. In addition, the calculation method should be easy for creditors to apply, and supervisory control of the compensation by the competent authorities should be facilitated. Therefore, and due to the fact that consumer credit is, given its duration and volume, not financed by long-term funding mechanisms, the ceiling for the compensation should be fixed in terms of a flat-rate amount. This approach reflects the specific nature of consumer credits and should not prejudice the approach in respect of other products which are financed by long-term funding mechanisms, such as fixed-rate mortgage loans.

¹⁷ [...]

- (63) Member States should have the right to provide that compensation for early repayment may be claimed by the creditor only on condition that the amount repaid over a 12-month period exceeds a threshold defined by Member States. When fixing that threshold, which should not exceed EUR 10 000, Member States should take into account the average amount of consumer credits in their market.
- (64) In order to promote the establishment and functioning of the internal market and to ensure a high degree of protection for consumers throughout the Union, it is necessary to ensure the comparability of information relating to annual percentage rates of charge throughout the Union.
- (65) The fixing of caps on interest rates, on annual percentage rates of charge and or the total cost of the credit to the consumer is a common practice in a number of Member States. Such capping **system** has proved beneficial [...] **in protecting** consumers **from excessively high rates**. In that context, Member States should be able to maintain their current legal regime. [...] **In** an effort to increase consumer protection without imposing unnecessary limits on Member States, [...] **adequate measures, such as caps or usury rates, should exist to ensure that consumers are not charged with excessively high interest rates, annual percentage rates or total costs of credit**.
- (66) There are substantial differences in the laws of the various Member States with regard to the conduct of business in the granting of credit agreements[...]. While recognising the diversity in the types of actor involved in credit intermediation, certain standards at Union level are essential in order to ensure a high level of professionalism and service.

- (67) The applicable Union framework should give consumers the confidence that creditors[...] **and** credit intermediaries[...] take account of the interests of the consumer **including their possible vulnerability and level of financial literacy**, based on the information available to the creditor[...] **and** credit intermediary[...] at that moment and on reasonable assumptions about risks to the consumer's situation over the term of the proposed credit agreement[...]. A key aspect of ensuring such consumer confidence is the requirement to ensure a high degree of fairness, honesty and professionalism in the industry, appropriate management of conflicts of interest including those arising from remuneration and to require advice to be given in the best interests of the consumer.
- (68) It is appropriate to ensure that the relevant staff of creditors[...] **and** credit intermediaries[...] possess an adequate level of knowledge and competence in order to achieve a high level of professionalism. It should be, therefore, required to prove relevant knowledge and competence at the level of the company, based on the minimum knowledge and competence requirements. Member States should be free to introduce or maintain such requirements applicable to individual natural persons, **and to adapt the minimum knowledge and competence requirements to the different types of creditors and credit intermediaries, in particular when they act in an ancillary capacity**. For the purpose of this Directive, staff directly engaged in activities under this Directive should include both front- and back-office staff, including management **and where appropriate members of the board of creditors and credit intermediaries**, who fulfil an important role in the credit agreement[...] process. Persons fulfilling support functions which are unrelated to the credit agreement[...] process, including human resources and information and communications technology personnel, should not be considered as staff under this Directive. Member States should put in place measures to support raising awareness of the requirements of this Directive in small and medium-sized creditors (SMEs) and facilitating their compliance, such as information campaigns, user guides, employee training schemes.

- (69) In order to increase the ability of consumers to make informed decisions about borrowing and managing debt responsibly, Member States should promote measures to support the education of consumers in relation to responsible borrowing and debt management in particular relating to consumer credit agreements. This obligation could be fulfilled taking into account the financial competence framework developed by the Union together with the Organisation for Economic Co-operation and Development (OECD). It is particularly important to provide guidance for consumers taking out consumer credit for the first time, and especially on digital tools. In that regard, the Commission should identify examples of best practices to facilitate the further development of measures to enhance consumers' financial awareness. The Commission may publish such examples of best practices in coordination with similar reports drawn up in view of other Union legislative acts.
- (70) Given the significant consequences for creditors, consumers and potentially financial stability of enforcement proceedings, it is appropriate to encourage creditors to deal proactively with emerging credit risk at an early stage and to put in place necessary measures to ensure that creditors exercise reasonable forbearance and make reasonable attempts to resolve the situation through other means before enforcement proceedings are initiated. Where possible, solutions should be found which take account, among other elements, of the individual circumstances of the consumer, the consumer's interests and rights, his or her ability to repay the credit and reasonable need for living expenses, and limit costs for consumers in case of default. Member States should not prevent the parties to a credit agreement from expressly agreeing that the transfer to the creditor of goods covered by a linked credit agreement or proceeds from the sale of such goods is sufficient to repay the credit.
- (71) Forbearance measures may include a total or partial refinancing of a credit agreement or a modification of the previous terms and conditions of a credit agreement. Such modification may include, among others: extending the term of the credit agreement; changing the type of the credit agreement; deferring payment of all or part of the instalment repayment for a period; changing the interest rate; offering a payment holiday; partial repayments; currency conversion; and partial forgiveness and debt consolidation.

- (72) Consumers facing difficulties to meet their financial commitments stand to benefit from specialised help on managing their debts. The objective of debt advisory services is to help consumers facing financial problems and guide them to repay, as far as possible, their outstanding debts, while maintaining a decent level of life and preserving their dignity. This personalised and independent assistance [...] may include legal counselling, money and debt management as well as social and psychological assistance. **This assistance should be provided by professional operators from the private or public sector and which are not creditors, credit intermediaries or credit servicers, and are independent from them.** Member States should ensure that debt advisory services provided by independent professional operators are made available, directly or indirectly, to consumers, and that where possible, consumers facing difficulties to repay their debts are referred to debt advisory services before that enforcement proceedings are initiated. Member States remain free to maintain or introduce specific requirements for such services.
- (73) In order to ensure market transparency and stability, and pending further harmonisation, Member States should ensure that appropriate measures for the regulation or supervision of creditors[...] are in place.

- (74) Member States should ensure that non-credit institutions are subject to an adequate admission process including **an authorisation process or** entering the non-credit institution in a register and supervision arrangements by a competent authority. **This obligation should not apply to credit institutions which are already subject to an authorisation process under Directive 2013/36/UE, nor to payment institutions or electronic money institutions which are already subject to an admission process, registration and supervision under Directive (EU) No. 2015/2366 and Directive 2009/110/EC, covering their credit activities related to payment services in accordance with Art. 18(4) of Directive (EU) No. 2015/2366. This is without prejudice to national admission processes and registration or supervision arrangements imposed on payment institutions and electronic money institutions for the purpose of granting credit to consumers and imposed on credit institutions for the purpose of credit intermediaries activities in compliance with Union law.**

(74a) Member States may exempt suppliers of goods and services who act as credit intermediaries in an ancillary capacity and suppliers of goods and services, who grant credit in the form of deferred payment to purchase goods and services offered by them, without any third party offering credit, if the credit is provided free of interest and without any other charges, from the requirements of admission and registration.

- (75) This Directive regulates only certain obligations of credit intermediaries in relation to consumers. Member States should therefore remain free to maintain or introduce additional obligations incumbent on credit intermediaries, including the conditions under which a credit intermediary may receive fees from a consumer who has requested his service.
- (76) Assignment of the creditor's rights under a credit agreement[...] should not have the effect of placing the consumer in a less favourable position. The consumer should also be properly informed when the credit agreement[...] is assigned to a third party. However, where the initial creditor, in agreement with the assignee, continues to service the credit vis-à-vis the consumer, the consumer has no significant interest in being informed of the assignment. Therefore, a requirement at Union level that the consumer be informed of the assignment in such cases would be excessive.
- (77) Member States should remain free to maintain or introduce national rules providing for collective forms of communication where this is necessary for purposes relating to the effectiveness of complex transactions such as securitisations or liquidation of assets that take place in the compulsory administrative liquidation of banks.

- (78) Consumers should have access to adequate and effective alternative dispute resolution procedures for the settlement of disputes [...] **concerning credit agreements** established under this Directive, using existing entities where appropriate. Such access is already ensured by Directive 2013/11/EU of the European Parliament and of the Council¹⁸ in so far as relevant contractual disputes are concerned. However, consumers should also have access to alternative dispute resolution procedures in the event of pre-contractual disputes concerning rights and obligations established by this Directive, for example, in relation to pre-contractual information requirements, advisory services and creditworthiness assessment and also in relation to the information given by credit intermediaries which are remunerated by creditors and therefore have no direct contractual relationship with consumers. Such alternative dispute resolution procedures and the entities offering them should comply with the quality requirements established by Directive 2013/11/EU.
- (79) Member States should designate competent authorities empowered to ensure enforcement of this Directive and ensure that those competent authorities are granted investigation and enforcement powers and adequate resources necessary for the performance of their duties. Competent authorities of different Member States should cooperate with each other whenever necessary for the purpose of carrying out their duties under this Directive.
- (80) Member States should lay down rules on penalties to address infringements of the national provisions adopted pursuant to this Directive and ensure that they are implemented. While the choice of penalties remains within the discretion of the Member States, the penalties provided for should be effective, proportionate and dissuasive.

¹⁸ Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (OJ L 165, 18.6.2013, p. 63).

(81) [...] ¹⁹[...]

(82) To enhance transparency and consumer confidence, competent authority may disclose to the public any administrative penalty that is imposed for infringement of the measures adopted pursuant to this Directive, unless such disclosure would seriously jeopardise the financial markets or cause disproportionate damage to the parties involved.

¹⁹ [...]

- (83) Since the objective of this Directive, namely the establishment of common rules for certain aspects of the laws, regulations and administrative provisions of the Member States concerning consumer credit, cannot be sufficiently achieved by the Member States considering market developments in the light of digitalisation and the goal to facilitate cross-border credit provision but can rather be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Directive does not go beyond what is necessary in order to achieve that objective.
- (84) In order to amend non-essential elements of this Directive, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of additional assumptions for the calculation of the annual percentage rate of charge. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making²⁰. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

²⁰ OJ L 123, 12.5.2016, p. 1

- (85) In accordance with the Joint Political Declaration of 28 September 2011 of Member States and the Commission on explanatory documents²¹, Member States have undertaken to accompany, in justified cases, the notification of their transposition measures with one or more documents explaining the relationship between the components of a directive and the corresponding parts of national transposition instruments. With regard to this Directive, the legislator considers the transmission of such documents to be justified.
- (86) Taking account of the number of amendments that need to be made to Directive 2008/48/EC due to the evolution of the consumer credit sector and in the interests of the clarity of Union legislation, that Directive should be repealed and replaced by this Directive.
- (87) Member States should apply the measures necessary to comply with this Directive from [*OP: please insert date: six months from the transposition deadline*]. [...]
- (88) The European Data Protection Supervisor was consulted in accordance with Article 42(1) of Regulation (EU) 2018/1725²² and delivered an opinion on XX XXXX²³,

HAVE ADOPTED THIS DIRECTIVE:

²¹ OJ C 369, 17.12.2011, p. 14.

²² Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).

²³ ...

CHAPTER I
GENERAL PROVISIONS

Article 1

Subject matter

This Directive lays down a common framework for harmonisation of certain aspects of the laws, regulations and administrative provisions of the Member States concerning [...]credit agreements for consumers [...].

Article 2

Scope

1. This Directive applies to credit agreements.

[...]
2. This Directive does not apply to the following:
 - (a) credit agreements which are secured either by a mortgage, or by another comparable security commonly used in a Member State on [...] immovable property or secured by a right related to [...] immovable property;
 - (b) credit agreements the purpose of which is to acquire or retain property rights in land or in an existing or projected building, **including premises**;
 - (c) credit agreements involving a total amount of credit of more than EUR 100 000;

- (d) credit agreements where the credit is granted by employers to their employees as a secondary activity either free of interest or offered at annual percentage rates of charge which are lower than those prevailing on the market and which are not offered to the general public;
- (e) credit agreements which are concluded with investment firms as defined in Article 4(1), point (1), of Directive 2014/65/EU of the European Parliament and of the Council²⁴ or with credit institutions as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 of the European Parliament and of the Council²⁵ for the purposes of allowing an investor to carry out a transaction relating to one or more of the financial instruments listed in Section C of Annex I to Directive 2014/65/EU, where the investment firm or credit institution granting the credit is involved in that transaction;
- (f) credit agreements which are the outcome of a settlement reached in court or before another statutory authority;

(fa) hiring or leasing agreements where an obligation or an option to purchase the object of the agreement is not laid down either by the agreement itself or by any separate agreement;

(fb) deferred payments whereby the supplier of goods or services, without a third party offering credit, gives the consumer time to pay for the goods or services free of interest and without any other charges, whereby this payment is to be executed within 90 days of the conclusion of the contract for the supply of goods or services, and where only limited charges of non-compliance as set out in the supplier's invoice or the agreement, or as laid down by law, are payable;

²⁴ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173 12.6.2014, p. 349).

²⁵ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

(fc) deferred debit cards provided that the credit has to be repaid within 40 days free of interest and that no fees linked to the provision of the credit and limited charges linked to the provision of the payment service are payable;

- (g) credit agreements which relate to the deferred payment, free of charge, of an existing debt;
- (h) credit agreements where the consumer is requested to deposit an item as security in the creditor's safe-keeping and the liability of the consumer is strictly limited to that deposited item;
- (i) credit agreements which relate to loans granted to a restricted public under a statutory provision with a general interest purpose, and at lower interest rates than those prevailing on the market or free of interest or on other terms which are more favourable to the consumer than those prevailing on the market.
- (j) credit agreements existing on [*OP: please insert date six months from the transposition deadline*]; however, Articles 23 and 24, Article 25(1), second sentence, Article 25(2) and Articles 28 and 39 shall apply to all open-end credit agreements existing on [*OP: please insert date six months from the transposition deadline*].

3. Notwithstanding paragraph 2, point (c), this Directive applies to [...]credit agreements involving a total amount of credit of more than EUR 100 000, **which are not secured either by immovable property or by a right related to immovable property,** where the purpose of those credit agreements is the renovation of a residential immovable property.
4. In the case of credit agreements in the form of overrunning, only Articles 1, 2 [...]3, [...] 25, **31, 37** and Articles[...] **40** to 50 shall apply.

5. Member States may determine that only Articles 1, 2 and 3, Articles 7 and 8, Article 11, Article 19, Article 20, Article 21(1), points (a) to (h) and (l), Article 21(3), Article 23, Article 25, Articles 28 to [...]50 apply to credit agreements which are concluded by an organisation whose membership is restricted to persons residing or employed in a particular location or employees and retired employees of a particular employer, or to persons meeting other qualifications laid down under national law as the basis for the existence of a common bond between the members and which fulfills all of the following conditions:
- (a) it is established for the mutual benefit of its members;
 - (b) it does not make profits for any other person than its members;
 - (c) it fulfils a social purpose required by national law;
 - (d) it receives and manages the savings of, and provides sources of credit to, its members only;
 - (e) it provides credit on the basis of an annual percentage rate of charge which is lower than that prevailing on the market or which is subject to a ceiling laid down by national law.

Member States may exempt from the application of this Directive credit agreements concluded by an organisation referred to in the first subparagraph where the total value of all existing credit agreements entered into by that organisation is insignificant in relation to the total value of all existing credit agreements in the Member State in which the organisation is based and the total value of all existing credit agreements entered into by all such organisations in the Member State is less than 1 % of the total value of all existing credit agreements entered into in that Member State.

Member States shall each year review whether the conditions for the application of any such exemption as referred to in the second subparagraph are still fulfilled and shall take action to withdraw the exemption where they consider that they are no longer met.

6. Member States may determine that only Articles 1, 2 and 3, Articles 7 and 8, Article 11, Article 19, Article 20, Article 21(1), points (a) to (h), (l) and (r), Article 21(3), Article 23, Article 25, Articles 28 to 38 and Articles 40 to 50 shall apply to credit agreements [...]in respect of deferred payment or repayment methods, where the consumer is already in default **or will likely default** on the initial credit agreement and where the following conditions are fulfilled:

- (a) the arrangement is likely to avert the possibility of legal proceedings concerning the default of the consumer;
- (b) the consumer would not by entering into the arrangement be subject to terms less favourable than those laid down in the initial credit agreement.

6a. Member States may determine that articles 8(2) points (d) to (f), 10(3a), 10(8), 11(2a), 21(3) and 29 shall not apply to one or more of the following credit agreements: credit agreements involving a total amount of credit less than EUR 200; credit agreements in the form of an overdraft facility and where the credit has to be repaid on demand or within three months; credit agreements where the credit is granted free of interest and without any other charges; credit agreements under the terms of which the credit has to be repaid within three months and only insignificant charges are payable.

Article 3

Definitions

For the purposes of this Directive, the following definitions shall apply:

- (1) ‘consumer’ means a natural person who acts for purposes which are outside his or her trade, business or profession;
- (2) ‘creditor’ means a natural or legal person who grants or promises to grant credit in the course of his or her trade, business or profession;

- (3) ‘credit agreement’ means an agreement whereby a creditor grants or promises to grant to a consumer credit in the form of a deferred payment, loan or other similar financial accommodation, except for agreements for the provision on a continuing basis of services or for the supply of goods of the same kind, where the consumer pays for such services or goods for the duration of their provision by means of instalments;

(3a) “ancillary service” means a service offered to the consumer in conjunction with the credit agreement;

- (4) [...]
- (5) ‘total cost of the credit to the consumer’ means all the costs, including interest, commissions, taxes and any other kind of fees which the consumer is required to pay in connection with the credit agreement[...] and which are known to the creditor, in the case of credit agreements[...], except for notarial costs; costs in respect of ancillary services relating to the credit agreement[...] **in particular insurance premiums,** are also included in the total cost of the credit to the consumer where, in addition, the conclusion of a contract regarding such ancillary services is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed;
- (6) ‘total amount payable by the consumer’ means the sum of the total amount of credit and the total cost of the credit to the consumer;
- (7) ‘annual percentage rate of charge’ or ‘APR’ means the total cost of the credit to the consumer, expressed as an annual percentage of the total amount of credit **and calculated as set out**[...] in Article 30[...];

- (8) ‘borrowing rate’ means the interest rate expressed as a fixed or variable percentage applied on an annual basis to the amount of credit drawn down;
- (9) ‘fixed borrowing rate’ means the borrowing rate that the creditor[...] and the consumer agree on in the credit agreement[...] for the entire duration of the credit agreement[...], or several borrowing rates that the creditor[...] and the consumer agree on in the credit agreement[...] for partial periods for which the borrowing rates are determined exclusively by a fixed specific percentage. If not all borrowing rates are determined in the credit agreement[...], the borrowing rate shall be deemed to be fixed only for the partial periods for which the borrowing rates are determined exclusively by a fixed specific percentage agreed on the conclusion of the credit agreement[...];
- (10) ‘total amount of credit’ means the ceiling or the total sums made available under a credit agreement[...];
- (11) ‘durable medium’ means any instrument which enables the consumer to store information addressed personally to him or her in a way accessible for future reference for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored;
- (12) ‘credit intermediary’ means a natural or legal person who is not acting as a creditor or notary and not merely introducing, either directly or indirectly, a consumer to a creditor, and who, in the course of his or her trade, business or profession, for [...] **remuneration**, which may take a pecuniary form or any other agreed form of financial consideration:
- (a) presents or offers credit agreements to consumers;

- (b) assists consumers by undertaking preparatory work or other pre-contractual administration in respect of credit agreements other than as referred to in point (a); or
- (c) concludes credit agreements with consumers on behalf of the creditor;
- (13) ‘pre-contractual information’ means the information[...] **which is provided before the consumer is bound by a credit agreement or offer and which** the consumer needs **in order** to be able to compare different credit offers and take an informed decision on whether to conclude the credit agreement[...]
- (14) ‘profiling’ means any form of automated processing of personal data as defined in Article 4, point (4), of Regulation (EU) 2016/679;
- (15) ‘means of distance communication’ mean any means of distance communication as defined in Article 2, point (e) of Directive 2002/65/EC;
- (16) ‘tying practice’ means the offering or the selling of a credit agreement[...] in a package with other distinct financial products or services where the credit agreement[...] **is** not made available to the consumer separately;
- (17) ‘bundling practice’ means the offering or the selling of a credit agreement[...] in a package with other distinct financial products or services where the credit agreement[...] **is** also made available to the consumer separately but not necessarily on the same terms or conditions as when offered bundled with those other products or services;
- (18) ‘advisory services’ means personal recommendations to a consumer in respect of one or more transactions relating to credit agreements[...] and that constitute a separate activity from the granting of a credit [...] and from the activities of **a** credit intermediary as defined in point (12);

- (19) ‘overdraft facility’ means an explicit credit agreement whereby a creditor makes available to a consumer funds which exceed the current balance in the consumer's current account;
- (20) ‘overrunning’ means a tacitly accepted overdraft whereby a creditor makes available to a consumer funds which exceed the current balance in the consumer's current account or the agreed overdraft facility;
- (21) ‘linked credit agreement’ means a credit agreement[...] where
- (a) the credit or services in question serve exclusively to finance an agreement for the supply of specific goods or the provision of a specific service, and
 - (b) those two agreements form, from an objective point of view, a commercial unit; a commercial unit shall be deemed to exist where the supplier or service provider himself or herself finances the credit for the consumer or, if it is financed by a third party, where the creditor[...] use the services of the supplier or service provider in connection with the conclusion or preparation of the credit agreement[...], or where the specific goods or the provision of a specific service are explicitly specified in the credit agreement[...];
- (22) ‘early repayment’ means the full or partial discharge of the consumer’s obligations under a credit agreement[...] **in advance of the date agreed**;

[...]

[...]

(25) ‘debt advisory services’ means personalised assistance of a technical, legal or psychological nature provided by independent professional operators in favour of consumers who experience or might experience difficulties in meeting their financial commitments;

(25a) ‘deferred debit card’ means a payment instrument provided by a credit or a payment institution, which allows to debit or pay the total amount of transactions from the cardholder’s current account at a pre-agreed specific date, usually once a month, without interest to be paid.

(25b) ‘credit granted free of interest and without any other charges’ means a credit granted to consumers free of interest and without charges except for charges of late payments and charges on the consumer arising from a default of payment in compliance with Union and national law.

Article 4

Conversion of amounts expressed in euro into national currency

1. For the purposes of this Directive, those Member States who convert the amounts expressed in euro into their national currency shall initially use in that conversion the exchange rate prevailing on the date of entry into force of this Directive.
2. Member States may round off the amounts resulting from the conversion referred to in paragraph 1, provided that such rounding off does not exceed EUR 10.

Article 5

Obligation to provide information free of charge to consumers

Member States shall require that, when information is provided to consumers in accordance with this Directive, such information is provided without charge to the consumer.

Article 6

[...][...]

CHAPTER II

**INFORMATION TO BE PROVIDED PRIOR TO THE CONCLUSION OF THE CREDIT
AGREEMENT[...]**

Article 7

Advertising and marketing of credit agreements [...]

Without prejudice to Directive 2005/29/EC, Member States shall require that any advertising and marketing communications concerning credit agreements [...] are fair, clear and not misleading.

Wording in such advertising and marketing communications that may create false expectations for a consumer regarding the availability or the cost of a credit shall be prohibited.

Article 8

Standard information to be included in advertising of credit agreements[...]

1. Member States shall require that advertising concerning credit agreements [...] which indicates an interest rate or any figures relating to the cost of the credit to the consumer include standard information in accordance with this Article.

This obligation shall not apply where national law requires the indication of the annual percentage rate of charge in advertising concerning credit agreements [...] which does not indicate an interest rate or any figures relating to any cost of credit to the consumer within the meaning of the first subparagraph.

2. The standard information shall be easily legible or clearly audible, as appropriate, and adapted to the technical constraints of the medium used for advertising and shall specify in a clear, concise and prominent way, [...] all of the following elements:
 - (a) the borrowing rate, fixed or variable or both, together with particulars of any charges included in the total cost of the credit to the consumer;
 - (b) the total amount of credit;
 - (c) the annual percentage rate of charge;
 - (d) where applicable, the duration of the credit agreement [...];

- (e) in the case of a credit in the form of deferred payment for specific goods or services, the cash price and the amount of any advance payment;
- (f) where applicable, the total amount payable by the consumer and the amount of the instalments.

In specific and justified cases where the medium used to communicate the standard information referred to in the first subparagraph does not allow the information to be visually displayed **at all or in an easily legible way**, points (e) and (f) in that subparagraph shall not apply.

2a. The standard information listed in paragraph 2 shall be specified by means of representative example.

- 3. Where the conclusion of a contract regarding an ancillary service relating to the credit agreement[...] is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed, and the cost of that service cannot be determined in advance, the standard information shall, together with the annual percentage rate of charge referred to in paragraph 2, point (c), specify in a clear, concise and prominent way the obligation to enter into that contract.

Article 9

General information

- 1. Member States shall ensure that clear and comprehensible general information about credit agreements[...] is made available to consumers by creditors or, where applicable, by credit intermediaries[...], at all times on [...] **a durable medium or in electronic form.**

2. The general information referred to in paragraph 1 shall include at least the following:
- (a) the identity, geographical address, telephone number and email address of the issuer of the information;
 - (b) the purpose for which the credit may be used;
 - (c) the possible duration of the credit agreements[...];
 - (d) types of available borrowing rate, indicating whether fixed or variable or both, with a short description of the characteristics of a fixed and variable rate, including related implications for the consumer;
 - (e) a representative example of the total amount of credit, the total cost of the credit to the consumer, the total amount payable by the consumer and the annual percentage rate of charge;
 - (f) an indication of possible further costs, not included in the total cost of the credit to the consumer, to be paid in connection with a credit agreement[...];
 - (g) the range of different options available for reimbursing the credit to the creditor, including the number, frequency and amount of the regular repayment instalments;
 - (h) **the absence or existence of a right of early repayment and, where applicable,** a description of the conditions directly relating to early repayment;
 - (i) a description of the right of withdrawal;

- (j) indication of ancillary services the consumer is obliged to acquire in order to obtain the credit or to obtain it on the terms and conditions marketed and, where applicable, a clarification that the ancillary services may be purchased from a provider that is not the creditor; and
- (k) a general warning concerning possible consequences of non-compliance with the commitments linked to the credit agreement[...].

Article 10

Pre-contractual information

1. Member States shall require that the creditor and, where applicable, the credit intermediary[...] provide the consumer with the pre-contractual information needed to compare different offers in order to take an informed decision on whether to conclude a credit agreement[...] on the basis of the credit terms and conditions offered by the creditor [...]and, where applicable, the preferences expressed and information supplied by the consumer. Such pre-contractual information shall be provided to the consumer [...] **in good time** before he or she is bound by any credit agreement or offer[...].

2. In case the pre-contractual information referred to in the first subparagraph is provided less than one day before the consumer is bound by the credit agreement or offer, or by any agreement or offer for the provision of crowdfunding credit services, Member States shall require that the creditor and, where applicable, the credit intermediary or the provider of crowdfunding credit services send a reminder, on paper or on another durable medium, to the consumer of the possibility to withdraw from the credit agreement or crowdfunding credit services and of the procedure to follow for withdrawing, in accordance with Article 26. That reminder shall be provided to the consumer, at the latest, one day after the conclusion of the credit agreement, of the agreement for the provision of crowdfunding credit services, or the acceptance of the credit offer.

2. The pre-contractual information referred to in paragraph 1 shall be provided on [...] **a** durable medium by means of the Standard European Consumer Credit Information form set out in Annex I. [...] The creditor shall be deemed to have fulfilled the information requirements in this paragraph and in Article 3, paragraphs (1) and (2) of Directive 2002/65/EC if he or she has supplied the Standard European Consumer Credit Information.

3. The pre-contractual information referred to in paragraph 1 shall specify all of the following elements, **displayed on the first page of the SECCI and in a prominent way**:

[point (a) moved to new paragraph 3a, point (a)]

[point (b) moved to paragraph 3, point (pa)]

(c) the total amount of credit [...];

(d) the duration of the credit agreement[...];

(da) the annual percentage rate of charge and the total amount payable by the consumer;
[moved from beginning of paragraph 3, point (g)]

(e) in the case of a credit in the form of deferred payment for specific goods or services and in the case of linked credit agreements, the specific goods or services and their cash price;

[points (f) to (h) moved to new paragraph 3a, points (c) to (e)]

(i) the amount, number and frequency of payments to be made by the consumer and, where appropriate, the order in which payments will be allocated to different outstanding balances charged at different borrowing rates for the purposes of reimbursement;

[points (j) to (l) moved to new paragraph 3a, points (f) to (h)]

(m) **costs in the case of late payments, i.e.** the interest rate applicable in case of late payments and the arrangements for its adjustment, and, where applicable, any charges payable for default;

[points (n) and (o) moved to new paragraph 3a, points (i) and (j)]

(p) the existence **or absence** of a right of withdrawal;

(pa) the identity, geographical address, telephone number and email address of the creditor as well as, where applicable, the identity, geographical address, telephone number and email address of the credit intermediary [...]involved; *[moved from paragraph 3, point (b)]*

[points (q) to (v) moved to new paragraph 3a, points (k) to (p)]

[The last subparagraph moved to new paragraph 3a, last subparagraph]

3a. The pre-contractual information referred to in paragraph 1 shall specify all of the following elements starting on the second page of the SECCI:

- (a)** the type of credit; *[moved from paragraph 3, point (a)]*
- (b)** the conditions governing the drawdown; *[moved from paragraph 3, point (c)]*
- (c)** the borrowing rate, or all borrowing rates where different borrowing rates apply in different circumstances, the conditions governing the application of **the borrowing rate or of each borrowing rate when different borrowing rates apply in different circumstances** and, where available, any index or reference rate applicable to each initial borrowing rate, as well as the periods, conditions and procedures for changing each borrowing rate; *[moved from paragraph 3, point (f), with changes]*
- (d)** the annual percentage rate of charge and the total amount payable by the consumer, illustrated by means of a representative example mentioning all the assumptions used in order to calculate that rate; Where the consumer has informed the creditor [...] of one or more components of his or her preferred credit, such as the duration of the credit agreement [...] and the total amount of credit, the creditor [...] shall take those components into account; *[moved from paragraph 3, point (g)]*
- (e)** where a credit agreement[...] **provides** different ways of drawdown with different charges or borrowing rates and the creditor uses the assumption set out in Part II, point (b), of Annex IV, an indication that other drawdown mechanisms for the relevant type of credit agreement[...] may result in higher annual percentage rates of charge; *[moved from paragraph 3, point (h)]*

- (f)** where applicable, the charges for maintaining one or several compulsory accounts recording both payment transactions and drawdowns, the charges for using a means of payment for both payment transactions and drawdowns, any other charges deriving from the credit agreement[...], and the conditions under which any of those charges may be changed; *[moved from paragraph 3, point (j)]*
- (g)** where applicable, any costs payable by the consumer to a notary on conclusion of the credit agreement[...]; *[moved from paragraph 3, point (k)]*
- (h)** the obligation, if any, to enter into an ancillary service contract relating to the credit agreement[...], where the conclusion of such a contract is compulsory in order to obtain the credit or to obtain it on the terms and conditions marketed; *[moved from paragraph 3, point (l)]*
- (i)** a warning regarding the consequences of missing or late payments; *[moved from paragraph 3, point (n)]*
- (i)** where applicable, the sureties required; *[moved from paragraph 3, point (o)]*
- (k)** the right of early repayment, and, where applicable, information concerning the creditor's right to compensation and the way in which that compensation will be determined; *[moved from paragraph 3, point (q)]*
- (l)** the consumer's right to be informed immediately and free of charge, pursuant to Article 19([...]4), of the result of a database consultation carried out for the purposes of assessing his or her creditworthiness; *[moved from paragraph 3, point (r)]*

- (m)** the consumer's right, as set out in paragraph 8, to be supplied, on request and free of charge, with a copy of the draft credit agreement, [...] provided that the creditor at the time of the request is willing to proceed to the conclusion of the credit agreement [...] with the consumer; *[moved from paragraph 3, point (s)]*
- (n)** where applicable, an indication that the price was personalised on the basis of automated processing, including profiling; *[moved from paragraph 3, point (t)]*
- (o)** where applicable, the period of time during which the creditor [...] is bound by the pre-contractual information provided in accordance with this Article; *[moved from paragraph 3, point (u)]*
- (p)** the possibility of having recourse to an out-of-court complaint and redress mechanism for the consumer and the methods for having access to it. *[moved from paragraph 3, point (v)]*

Where the credit agreement [...] references a benchmark as defined in Article 3(1), point (3), of Regulation (EU) 2016/1011 of the European Parliament and of the Council²⁶, the name of that benchmark and of its administrator and its potential implications on the consumer shall be provided by the creditor or, where applicable, the credit intermediary [...], to the consumer in a separate document, which may be annexed to the Standard European Consumer Credit Information form. *[moved from paragraph 3, last subparagraph]*

²⁶ Regulation (EU) 2016/1011, of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).

[...]

5. Information displayed in the Standard European Consumer Credit Information form [...] shall be clearly legible and take into account the technical constraints of the medium on which it is displayed. Information shall be displayed in an adequate and suitable way on the different channels.

Any additional information which the creditor may provide to the consumer shall be given in a separate document which may be annexed to the Standard European Consumer Credit Information form [...].

6. By way of derogation from paragraph 3, in the case of voice telephony communications, as referred to in Article 3(3) of Directive 2002/65/EC, the description of the main characteristics of the financial service to be provided pursuant to Article 3(3), point (b), second indent, of that Directive shall include at least the elements referred to in paragraph 3, points (c), (d), (e), [...] (i) **and paragraph 3a (c)** of this Article, together with the annual percentage rate of charge illustrated by means of a representative example and the total amount payable by the consumer.
7. **By way of derogation from paragraph 1, if [...]** the agreement has been concluded at the consumer's request using a means of distance communication which does not enable the information to be provided in accordance with this article, the creditor and, where applicable, the credit intermediary[...] shall provide the consumer with the Standard European Consumer Credit Information form [...] immediately after the conclusion of the credit agreement[...].
8. Upon request from the consumer, the creditor and, where applicable, the credit intermediary[...] shall, in addition to the Standard European Consumer Credit Information form [...], provide the consumer free of charge with a copy of the draft credit agreement, [...] provided that the creditor at the time of the request is willing to proceed to the conclusion of the credit agreement[...] with the consumer.

9. In the case of a credit agreement[...] under which payments made by the consumer do not give rise to an immediate corresponding amortisation of the total amount of credit, but are used to constitute capital during periods and under conditions laid down in the credit agreement, [...]or in an ancillary agreement, the creditor and, where applicable, the credit intermediary[...] shall in the pre-contractual information referred to in paragraph 1 include a clear and concise statement that such credit agreements[...] do not provide for a guarantee of repayment of the total amount of credit drawn down under the credit agreement[...], unless such a guarantee is given expressly.
10. This Article shall not apply to suppliers of goods or services acting as credit intermediaries in an ancillary capacity. This is without prejudice to the creditor, or where applicable, credit intermediary[...]’ obligation to ensure that the consumer receives the pre-contractual information referred to in this Article.

Article 11

Pre-contractual information with regard to credit agreements referred to in Article 2(5) or (6)

1. For credit agreements referred to in Article 2(5) or (6), the pre-contractual information referred to in Article 10(1) shall, by way of derogation from paragraph 2 of that Article, be provided on [...] **a** durable medium by means of the European Consumer Credit Information form set out in Annex III. [...] The creditor shall be deemed to have fulfilled the information requirements in this paragraph and in Article 3, paragraphs (1) and (2) of Directive 2002/65/EC if he or she has supplied the European Consumer Credit Information.

2. For credit agreements referred to in Article 2(5) or (6), the pre-contractual information referred to in Article 10(1) shall, by way of derogation from paragraph 3 of that Article, [...] **provide** all of the following elements, **displayed on the first page and in a prominent way**:

[point (a) moved to new paragraph 2a, point (a)]

[point (b) moved to paragraph 2, point (ka)]

(c) the total amount of credit;

(d) the duration of the credit agreement;

[point (e) moved to new paragraph 2a, point (b)]

(f) the annual percentage rate of charge **and the total amount payable by the consumer**; *[the text also moves to new paragraph 2a, point (c)]*

(fa) in the case of a credit in the form of deferred payment for specific goods or services and in the case of linked credit agreements, the specific goods or services and their cash price; *[same text as in Art. 10, paragraph 3, point (e)]*

(g) the amount, number and frequency of payments to be made by the consumer and, where appropriate, the order in which payments will be allocated to different outstanding balances charged at different borrowing rates for the purposes of reimbursement;

[points (h) to (j) moved to new paragraph 2a, points (d) to (g)]

(k) **costs in the case of late payments, i.e.** the interest rate applicable in the case of late payments and the arrangements for its adjustment, and, where applicable, any charges payable for default;

(ka) the identity, geographical address, telephone number and email address of the creditor as well as, where applicable, the identity, geographical address, telephone number and email address of the credit intermediary [...]involved; *[moved from paragraph 2, point (b)]*

[points (l) to (o) moved to new paragraph 2a, points (g) to (j)]

2a. For credit agreements referred to in Article 2(5) or (6), the pre-contractual information referred to in Article 10(1) shall, by way of derogation from Article 10(3a), provide all of the following elements starting on the second page of the SECCI:

(a) the type of credit; *[moved from paragraph 2, point (a)]*

(b) the borrowing rate, **or all borrowing rates if different borrowing rates apply in different circumstances**, the conditions governing the application of that **borrowing** rate, any index or reference rate applicable to the initial borrowing rate, the charges applicable from the time the credit agreement is concluded, and, where applicable, the conditions under which those charges may be changed; *[moved from paragraph 2, point (e), with changes]*

(c) the annual percentage rate of charge, illustrated by means of representative examples mentioning all the assumptions used in order to calculate that rate; *[moved from paragraph 2, point (f)]*

(d) the conditions and procedure for terminating the credit agreement; *[moved from paragraph 2, point (h)]*

(e) the right of early repayment, and, where applicable, information concerning the creditor's right to compensation and the way in which that compensation will be determined; *[moved from paragraph 2, point (i)]*

- (f)** where applicable, an indication that the consumer may be requested to repay the amount of credit in full at any time; *[moved from paragraph 2, point (j)]*
- (g)** the consumer's right to be informed immediately and free of charge, pursuant to Article 19(**[...]****4**), of the result of a database consultation carried out for the purposes of assessing his or her creditworthiness; *[moved from paragraph 2, point (l)]*
- (h)** where applicable, an indication that the price was personalised on the basis of automated processing, including profiling; *[moved from paragraph 2, point (m)]*
- (i)** where applicable, the period of time during which the creditor is bound by the pre-contractual information provided in accordance with this Article; *[moved from paragraph 2, point (n)]*
- (i)** the possibility of having recourse to an out-of-court complaint and redress mechanism for the consumer and the methods for having access to it. *[moved from paragraph 2, point (o)]*

3. [...]

4. Information displayed in the European Consumer Credit Information form [...] shall be clearly legible and take into account the technical constraints of the medium on which it is displayed. Information shall be displayed in an adequate and suitable way on the different channels.

5. By way of derogation from paragraph 2, in the case of voice telephony communications, as referred to in Article 3(3) of Directive 2002/65/EC, the description of the main characteristics of the financial service to be provided pursuant to Article 3(3), point (b), second indent, of that Directive shall include at least the elements referred to in paragraph 2, points (c), **(d)**, [...] (f) and [...] **paragraph 2a, points (b) and (g)**, of this Article.

6. Upon request from the consumer, the creditor and, where applicable, the credit intermediary shall, in addition to the European Consumer Credit Information [...], provide the consumer free of charge with a copy of the draft credit agreement, provided that the creditor at the time of the request is willing to proceed to the conclusion of the credit agreement with the consumer.
7. **By way of derogation from paragraph 1, if** [...] the agreement has been concluded at the consumer's request using a means of distance communication which does not enable the information to be provided in accordance with this Article, the creditor shall [...] [...] provide the consumer with the European Consumer Credit Information form [...] immediately after the conclusion of the credit agreement.
8. This Article shall not apply to suppliers of goods or services acting as credit intermediaries in an ancillary capacity. This is without prejudice to the creditor, or where applicable, the credit intermediary's obligation to ensure that the consumer receives the pre-contractual information referred to in this Article.

Article 12

Adequate explanations

1. Member States shall ensure that creditors and, where applicable, credit intermediaries[...] are required to provide adequate explanations to the consumer on the proposed credit agreements[...] and any ancillary services that make it possible for the consumer to assess whether the proposed credit agreements[...] and ancillary services are adapted to his or her needs and financial situation. The explanations shall include the following elements:
 - (a) the information referred to in Article 10, 11 and 38;
 - (b) the essential characteristics of the credit agreement[...]or ancillary services proposed;
 - (c) the specific effects that the credit agreement[...]or ancillary services proposed may have on the consumer, including the consequences of payment default or late payment by the consumer;
 - (d) where ancillary services are bundled with a credit agreement[...], whether each component of the bundle can be terminated separately and the implications for the consumer of such termination.

2. Member States may adapt the requirement referred to in paragraph 1 with regard to the manner in which the explanations shall be given and the extent to which they shall be given to the following:
 - (a) the circumstances of the situation in which the credit is offered;
 - (b) the person to whom the credit is offered;
 - (c) the [...] **type** of the credit offered.

Article 13

Personalised offers on the basis of automated processing

Without prejudice to Regulation 2016/679, Member States shall require that creditors[...] **and** credit intermediaries[...] inform consumers when they are presented with a personalised offer that is based on profiling or other types of automated processing of personal data.

CHAPTER III

TYING AND BUNDLING PRACTICES, INFERRED AGREEMENT [...], ADVISORY SERVICES AND UNSOLICITED GRANTING OF CREDIT [...]

Article 14

Tying and bundling practices

1. Member States [...] **shall** allow bundling practices but shall prohibit tying practices.
2. By way of derogation from paragraph 1 and without prejudice to the application of competition law, Member States may allow creditors[...] to request the consumer to open or maintain a payment or a savings account, where the only purpose of such an account is one of the following:
 - (a) to accumulate capital to repay **or obtain** the credit;
 - (b) to service the credit;
 - (c) to pool resources to obtain the credit;
 - (d) to provide additional security for the creditor in the event of default.

3. By way of derogation from paragraph 1 and without prejudice to the application of competition law, Member States may allow tying practices where the creditor[...] can demonstrate to the competent authority that the tied products or categories of product offered, on terms and conditions similar to each other, result in a clear benefit to the consumers taking due account of the availability and the prices of the relevant products offered on the market.
 4. Member States may allow creditors[...] to require the consumer to hold a relevant insurance policy related to the credit agreement[...], taking into account proportionality considerations. In such cases, Member States shall ensure that the creditor[...] is required to accept the insurance policy from a supplier different to his or her preferred supplier where such insurance policy has a level of guarantee equivalent to the one the creditor[...] has proposed, without modifying the condition of the credit offering to the consumer.
- 4a. By way of derogation from paragraph 1, Member States shall not prohibit the tying of an overdraft facility with the consumer's current account.**

Article 15

Inferred agreement for the conclusion of any consumer credit or the purchase of ancillary services

1. Member States shall ensure that creditors[...] **and** credit intermediaries[...] do not infer the agreement of the consumer for **the conclusion of any consumer credit or** the purchase of ancillary services presented through default options. Default options include pre-ticked boxes.

2. The agreement of the consumer to **the conclusion of any consumer credit or** the purchase of ancillary services presented through boxes shall be given by a clear affirmative act establishing a freely given, specific, informed and unambiguous indication of his or her approval to the content and substance associated to the boxes.

Article 16

Advisory services

1. Member States shall require that the creditor, and where applicable the credit intermediary[...] explicitly inform the consumer, in the context of a given transaction, whether advisory services are being or can be provided to the consumer.
2. Member States shall require that the creditor, and where applicable the credit intermediary[...], before the provision of advisory services or the conclusion of a contract for the provision of such services, provide the consumer with the following information on [...] **a** durable medium:
 - (a) an indication of whether the recommendation will be based on only their own product range or on a wide range of products from across the market in accordance with paragraph 3, point (c).
 - (b) where applicable, an indication of the fee payable by the consumer for the advisory services or, where the amount of such fee cannot be established at the time when the information is provided, the method used for its calculation.

The information referred to in the first subparagraph, points (a) and (b), may be provided to the consumer in the form of additional pre-contractual information in accordance with Article 10(5), second subparagraph.

3. Where advisory services are provided to consumers, Member States shall require that creditors and, where applicable, credit intermediaries[...]:
- (a) obtain the [...] necessary information regarding the consumer’s financial situation, preferences and objectives related to the credit agreement[...], in order for the creditor[...] **or** credit intermediary[...] to recommend credit agreements[...] that are suitable to the consumer.
 - (b) assess the financial situation and the needs of the consumer on the basis of the information referred to in point (a), which shall be up to date at the time of the assessment, taking into account reasonable assumptions as to the risks to the consumer’s financial situation over the term of the recommended credit agreement or credit agreements[...];
 - (c) consider a sufficiently large number of credit agreements[...] in [...] **the** product range and on that basis recommend a credit agreement or several credit agreements,[...] from among that product range that is suitable to the consumer’s needs, financial situation and personal circumstances;
 - (d) act in the best interests of the consumer[...] **by:**
 - (i) informing themselves about the consumer’s needs and circumstances;**
 - and**
 - (ii) recommending suitable credit agreements in accordance with points (a),**
 - (b)**
 - and (c);**
 - (e) give the consumer a record on [...] **a** durable medium of the recommendation provided.

4. Member States may prohibit the use of the terms ‘advice’ and ‘advisor’ or similar terms when the advisory services are being marketed and provided to consumers by creditors or, where applicable, credit intermediaries[...].

Where Member States do not prohibit the use of the terms ‘advice’ and ‘advisor’ or similar terms, they shall impose the following conditions on the use of the term ‘independent advice’ or ‘independent advisor’ by creditors[...] **or** credit intermediaries[...] providing advisory services:

- (a) creditors and, where applicable, credit intermediaries[...] shall consider a sufficiently large number of credit agreements[...] available on the market;
- (b) credit intermediaries shall not be remunerated for the advisory services by one or more creditors.

Point (b) of the second subparagraph shall apply only where the number of creditors considered is less than a majority of the market.

Member States may impose more stringent requirements for the use of the terms ‘independent advice’ or ‘independent advisor’ by creditors and, where applicable, credit intermediaries[...].

5. Member States shall require that creditors and, where applicable, credit intermediaries[...] to warn a consumer when a credit agreement[...] may induce a specific risk for the consumer considering his or her financial situation.

6. Member States shall ensure that advisory services may only be provided by creditors and, where applicable, credit intermediaries[...].

Member States may, by way of derogation from the first subparagraph, allow other persons than those referred to in the first subparagraph to provide advisory services where one of the following conditions is fulfilled:

- (a) the advisory services are provided in an incidental manner in the course of a professional activity that is regulated by legal or regulatory provisions or a code of ethics which do not exclude the provision of those services;
- (b) the advisory services are provided in the context of management of existing debt by insolvency practitioners and that management activity is regulated by legal or regulatory provisions;
- (c) the advisory services are provided in the context of management of existing debt by public or voluntary debt advisory services providers which do not operate on a commercial basis;
- (d) the advisory services are provided by persons that are authorised and supervised by competent authorities.

Article 17

Ban on unsolicited granting of credit [...]

Member States shall prohibit any [...] **granting** of credit to consumers[...] without their prior request and explicit agreement.

CHAPTER IV
ASSESSMENT OF CREDITWORTHINESS AND DATABASE ACCESS

Article 18

Obligation to assess the creditworthiness of the consumer

1. Member States shall require that, before concluding a credit agreement,[...] the creditor [...] makes a thorough assessment of the consumer's creditworthiness. That assessment shall be done in the interest of the consumer, to prevent irresponsible lending practices and over-indebtedness, and shall take appropriate account of factors relevant to verifying the prospect of the consumer to meet his or her obligations under the credit agreement[...].

2. The assessment of creditworthiness shall be carried out on the basis of relevant and accurate information on the consumer's income and expenses and other financial and economic circumstances which is necessary and proportionate **to the nature and the risks of the credit for the consumer. This information may include** [...] evidence of income or other sources of repayment, information on financial assets and liabilities, or information on other financial commitments. The information shall be obtained from relevant internal or external sources, [...] **where appropriate, from** the consumer and, where necessary, on the basis of a consultation of a database referred to in Article 19.

The information obtained in accordance with this paragraph shall be appropriately verified, where necessary through reference to independently verifiable documentation.

3. Member States shall require that the creditor [...]establishes procedures for the assessment referred to in paragraph 1 and that the creditor[...] documents and maintains such procedures.

Member States shall also require that the creditor[...] documents and maintains the information referred to in paragraph 2.

4. Member States shall ensure that the creditor[...] only makes the credit available to the consumer where the result of the creditworthiness assessment indicates that the obligations resulting from the credit agreement[...] are likely to be met in the manner required under that agreement, **taking into account relevant factors as referred to in paragraph 1.**

- [...]5. Member States shall ensure that where a creditor [...] concludes a credit agreement[...] with a consumer, the creditor[...] shall not subsequently cancel or alter the credit agreement[...] to the detriment of the consumer on the grounds that the assessment of creditworthiness was incorrectly conducted. This paragraph shall not apply where it is demonstrated that the consumer knowingly withheld or falsified the information provided to the creditor[...] referred to in paragraph 2.

6. Where the creditworthiness assessment involves the use of profiling or other automated processing of personal data, Member States shall ensure that the consumer has the right to:
 - (a) request and obtain human intervention on the part of the creditor[...] to review the decision;

- (b) request and obtain from the creditor[...] a clear **and comprehensible** explanation of the assessment of creditworthiness, including on the logic and risks involved in the automated processing of personal data as well as its significance and effects on the decision;
 - (c) express his or her point of view [...] **on** the assessment of the creditworthiness and the decision.
7. Member States shall ensure that where the credit application is rejected the creditor[...] is required to inform the consumer without delay of the rejection and, where applicable, of the fact that the assessment of creditworthiness is based on automated processing of data.
8. Where the parties agree to change the total amount of credit after the conclusion of the credit agreement,[...], Member States shall ensure that the creditor[...] is required to reassess the consumer's creditworthiness on the basis of updated information before any significant increase in the total amount of credit is granted.
9. Member States **may require** [...]creditors[...] to assess the creditworthiness of consumers on the basis of a consultation of the relevant database[...].

Article 19

Databases

1. [...] Each Member State shall in the case of cross-border credit ensure access for creditors[...] from other Member States to databases used in that Member State for assessing the creditworthiness of consumers. The conditions for access to such databases shall be non-discriminatory.

2. Paragraph 1 shall apply both to public and private databases.
3. The databases referred to in paragraph 1 shall hold at least information on consumers' **relevant** arrears in payment.
4. Where the credit application is rejected on the basis of a consultation of a database referred to in paragraph 1, Member States shall require that the creditor[...] informs the consumer [...] **without delay** and free of charge of the result of such consultation and of the details of the database consulted.

CHAPTER V
FORM AND CONTENT OF CREDIT AGREEMENTS

Article 20

Form of the credit agreement [...]

1. Member States shall require that credit agreements[...] are drawn up on [...] **a** durable medium and that all the contracting parties are provided with a copy of the credit agreement[...].
2. Member States may introduce or maintain national rules regarding the validity of the conclusion of credit agreements[...] which are in conformity with Union law.

Article 21

Information to be included in the credit agreement[...]

1. Member States shall require that the credit agreement[...] specify in a clear and concise manner all of the following elements:
 - (a) the type of credit;
 - (b) the identities, geographical addresses, telephone numbers and email addresses of the contracting parties as well as, where applicable, the identity and geographical address of the credit intermediary[...] involved;
 - (c) the total amount of credit and the conditions governing the drawdown;
 - (d) the duration of the credit agreement[...];
 - (e) in case of a credit in the form of deferred payment for specific goods or services and in the case of linked credit agreements, the specific goods or services and their cash price;
 - (f) the borrowing rate, or all borrowing rates where different borrowing rates apply in different circumstances, the conditions governing the application of each borrowing rate and, where available, any index or reference rate applicable to each initial borrowing rate, as well as the periods, conditions and procedures for changing each borrowing rate;
 - (g) the annual percentage rate of charge and the total amount payable by the consumer, calculated at the time the credit agreement[...] is concluded and an indication of all assumptions used in that calculation;

- (h) the amount, number and frequency of payments to be made by the consumer and, where appropriate, the order in which payments will be allocated to different outstanding balances charged at different borrowing rates for the purposes of reimbursement;
- (i) where capital amortisation of a credit agreement[...] with a fixed duration is involved, the right of the consumer to receive, on request and free of charge, at any time throughout the duration of the credit agreement[...], a statement of account in the form of an amortisation table;
- (j) where charges and interest are to be paid without capital amortisation, a statement showing the periods and conditions for the payment of the interest and of any associated recurrent and non-recurrent charges;
- (k) where applicable, the charges for maintaining one or several compulsory accounts recording both payment transactions and drawdowns, the charges for using a means of payment for both payment transactions and drawdowns, any other charges deriving from the credit agreement[...], and the conditions under which those charges may be changed;
- (l) the interest rate applicable in the case of late payments as applicable at the time of the conclusion of the credit agreement[...] and the arrangements for its adjustment and, where applicable, any charges payable for default;
- (m) a warning regarding the consequences of missing or late payments;
- (n) where applicable, a statement, that notarial fees will be payable;

- (o) where applicable, the sureties and insurance required;
- (p) the existence or absence of a right of withdrawal, the period during which that right may be exercised and other conditions governing the exercise thereof, including information concerning the obligation of the consumer set out in Article 26(3), point (b) to pay the capital drawn down and the interest, and the amount of interest payable per day;
- (q) **where applicable**, information concerning the rights set out in Article 27 as well as the conditions for the exercise of those rights;
- (r) the right of early repayment set out in Article 29, the procedure for early repayment, as well as, where applicable, information concerning the creditor's right to compensation and the way in which that compensation will be determined;
- (s) the procedure to be followed in exercising the right of termination of the credit agreement[...];
- (t) the possibility of having recourse to an out-of-court complaint and redress mechanism for the consumer and the methods for having access to it;
- (u) where applicable, other contractual terms and conditions;
- (v) [...]the name and address of the competent supervisory authority.

The information referred to in the first subparagraph shall be clearly legible and adapted to take into account the technical constraints of the medium on which it is displayed.

Information shall be displayed in an adequate and suitable way on the different channels.

2. Where paragraph 1, point (i), applies, the creditor [...]shall make available to the consumer, free of charge and at any time throughout the duration of the credit agreement[...], a statement of account in the form of an amortisation table.

The amortisation table referred to in the first subparagraph shall indicate the payments owing and the periods and conditions relating to the payment of such amounts.

The amortisation table shall also contain a breakdown of each repayment specifying the capital amortisation, the interest calculated on the basis of the borrowing rate and, where applicable, any additional costs.

Where the borrowing rate is not fixed or the additional costs may be changed under the credit agreement[...], the amortisation table shall indicate, clearly and concisely, that the data contained in the table will remain valid only until such time as that borrowing rate or those costs are changed in accordance with the credit agreement[...].

3. In the case of a credit agreement[...] under which payments made by the consumer do not give rise to an immediate corresponding amortisation of the total amount of credit, but are used to constitute capital during periods and under conditions laid down in the credit agreement, [...]or in an ancillary agreement, the credit agreement[...] shall, in addition to the information referred to in paragraph 1, include a clear and concise statement that such credit agreements[...] do not provide for a guarantee of repayment of the total amount of credit drawn down under the credit agreement[...], unless such a guarantee is given expressly.

CHAPTER VI
**MODIFICATIONS OF THE CREDIT AGREEMENT AND CHANGES IN THE
BORROWING RATE**

Article 22

Information regarding the modification of the credit agreement[...]

Without prejudice to other obligations foreseen in this Directive, Member States shall ensure that prior to modifying the terms and conditions of the credit agreement[...] the creditor[...]

communicates the following information **on a durable medium** to the consumer:

- (a) a clear description of the proposed changes and, where applicable, the need for consumer consent or **an explanation** of the changes introduced by operation of law;
- (b) the timescale for the implementation of those changes;
- (c) the means for complaint available to the consumer regarding those modifications;
- (d) the time period available for lodging any such complaint;
- (e) the name and address of the competent authority where that complaint may be submitted.

Article 23

Changes in the borrowing rate

1. **Where creditors are allowed to change borrowing rates of existing credit agreements,**

Member States shall require that the creditor[...] **informs** the consumer of any change in the borrowing rate, on [...] **a** durable medium, before the change enters into force.

The information referred to in the first subparagraph shall include the amount of the payments to be made after the entry into force of the new borrowing rate and, where the number or frequency of the payments changes, particulars thereof

2. By way of derogation from paragraph 1, the information referred to in that paragraph may be given to the consumer periodically where all of the following conditions are fulfilled:
 - (a) the parties have agreed on such periodical information in the credit agreement[...];
 - (b) the change in the borrowing rate is caused by a change in a reference rate;
 - (c) the new reference rate is made publicly available by appropriate means;
 - (d) the information concerning the new reference rate is also available at the premises of the creditor[...].

CHAPTER VII OVERDRAFT FACILITIES AND OVERRUNNING

Article 24

Overdraft facilities

1. Where a credit has been granted in the form of an overdraft facility, Member States shall require that the creditor, throughout the duration of the credit agreement, keeps the consumer regularly informed by means of statements of account, on [...] **a** durable medium, containing the following elements:
 - (a) the precise period to which the statement of account relates;
 - (b) the amounts and dates of drawdowns;

- (c) the balance from the previous statement, and the date thereof;
- (d) the new balance;
- (e) the dates and amounts of payments made by the consumer;
- (f) the borrowing rate applied;
- (g) any charges that have been applied;
- (h) where applicable, the minimum amount to be paid by the consumer.

2. Where a credit has been granted in the form of an overdraft facility, Member States shall require that the creditor informs the consumer, on [...] **a** durable medium, of increases in the borrowing rate or in any charges payable, before the change in question enters into force.

By way of derogation from the first subparagraph, the information referred to in that subparagraph may be given periodically in the manner provided for in paragraph 1 where the following conditions are fulfilled:

- (a) the parties have agreed on such periodical information in the credit agreement;
- (b) the change in the borrowing rate is caused by a change in a reference rate;
- (c) the new reference rate is made publicly available by appropriate means;
- (d) the information concerning the new reference rate is also available at the premises of the creditor.

Article 25

Overrunning

1. In the case of an agreement to open a current account, where there is a possibility that the consumer is allowed an overrun, Member States shall require that the creditor includes such information in that agreement, in addition the information referred to in Article 11(2**a**), point ([...]**b**). The creditor shall in any case provide the consumer with that information on [...] **a** durable medium on a regular basis.

2. In the event of a significant overrunning exceeding a period of one month, Member States shall require that the creditor informs the consumer without delay, on [...] **a** durable medium, of all of the following:
 - (a) the overrunning;
 - (b) the amount involved;
 - (c) the borrowing rate;
 - (d) any penalties, charges or interest on arrears applicable;

(da) the repayment date.

In addition, in case of regular overrunning, the creditor shall offer to the consumer advisory services, where available, or redirect consumers towards debt advisory services.

3. This Article shall be without prejudice to any rule of national law requiring the creditor to offer another kind of credit product when the duration of the overrunning is significant.

CHAPTER VIII
WITHDRAWAL, TERMINATION AND EARLY REPAYMENT

Article 26

Right of withdrawal

1. The Member States shall ensure that the consumer may withdraw from the credit agreement[...] without giving any reason within a period of 14 calendar days.

The period of withdrawal referred to in the first subparagraph shall begin either from:

- (a) the day of the conclusion of the credit agreement[...]; or
- (b) the day on which the consumer receives the contractual terms and conditions and information in accordance with Articles 20 and 21, if that day is later than the date referred to in point (a) of this subparagraph.

The deadline referred to in the first subparagraph shall be deemed to have been met if the notification referred to in paragraph 3, point (a), is dispatched by the consumer to the creditor [...]before that deadline expires.

- 1a. If the consumer has not received the contractual terms and conditions and information in accordance with Articles 20 and 21, the withdrawal period shall in any case expire 12 months and 14 days after the conclusion of the credit agreement. This shall not apply if the consumer has not been informed about his right of withdrawal in accordance with Article 21 (1) (p).**

2. Where, in the case of a linked credit agreement, national legislation applicable on [*date of into force of this Directive*] already provides that funds cannot be made available to the consumer before the expiry of a specific period, Member States may, by way of derogation from paragraph 1, provide that the period referred to in that paragraph may be reduced to the same duration as that specific period at the explicit request of the consumer.
3. If the consumer exercises the right of withdrawal, he or she shall take the following measures:
 - (a) notify [...] the creditor[...] in accordance with the information given by the creditor [...]pursuant to Article 21(1), point (p), on [...] **a** durable medium within the deadline set out in paragraph 1;
 - (b) pay [...] to the creditor[...] [...] the capital and the interest accrued thereon from the date on which the credit was drawn down until the date on which the capital is repaid, without any undue delay and no later than 30 calendar days after the dispatch of the notification referred to in point (a).

The interest referred to in the first subparagraph, point (b), shall be calculated on the basis of the agreed borrowing rate. The creditor[...] shall not be entitled to any other compensation from the consumer in the event of withdrawal, except compensation for any non-refundable charges paid by the creditor[...] to any public administrative body.

4. Where an ancillary service relating to the credit agreement[...] is provided by the creditor,[...] or by a third party on the basis of an agreement between that third party and the creditor[...], the consumer shall no longer be bound by the ancillary service contract if the consumer exercises the right of withdrawal from the credit agreement [...]in accordance with this Article.

5. If the consumer has a right of withdrawal under paragraphs 1, 3 and 4 of this Article, Articles 6 and 7 of Directive 2002/65/EC shall not apply.
6. Member States may provide that paragraphs 1 to 4 of this Article shall not apply to credit agreements[...] which under national law are required to be concluded through the services of a notary, provided that the notary confirms that the consumer is guaranteed the rights provided for under Articles 10 and 11, and Articles 20 and 21.
7. This Article shall be without prejudice to any rule of national law establishing a period of time during which the performance of the contract may not begin.

Article 27

Linked credit agreements

1. Member States shall ensure that a consumer who has exercised the right of withdrawal based on Union law, concerning a contract for the supply of goods or services, [...] shall no longer be bound by a linked credit agreement.
2. Where the goods or services covered by a linked credit agreement are not supplied, or are supplied only in part, or are not in conformity with the contract for the supply thereof, the consumer shall have the right to pursue remedies against the creditor[...] if the consumer has pursued remedies against the supplier but has failed to obtain the satisfaction to which he is entitled according to the law or the contract for the supply of goods or services. Member States shall determine to what extent and under what conditions those remedies shall be exercisable.
3. This Article shall be without prejudice to any national rules rendering the creditor[...] jointly and severally liable in respect of any claim which the consumer may have against the supplier where the purchase of goods or services from the supplier has been financed by a credit agreement[...].

Article 28

Open-end credit agreements[...]

1. Member States shall ensure that the consumer may **carry out** [...] standard termination of an open-end credit agreement[...] free of charge at any time, unless the parties have agreed on a period of notice. Such a period shall not exceed one month.

Member States shall ensure that the creditor[...], where agreed in the credit agreement[...], may [...] **carry out** standard termination of an open-end credit agreement[...] by giving the consumer at least two months' notice on [...] **a** durable medium.

2. Member States shall ensure that the creditor[...], where agreed in the credit agreement[...] may, for objectively justified reasons, terminate the consumer's right to draw down on an open-end credit agreement. The creditor[...] shall inform the consumer of the termination and the reasons for it on [...] **a** durable medium, where possible before the termination and at the latest immediately thereafter, unless the provision of such information is prohibited by Union or national law or is contrary to objectives of public policy or public security.

Article 29

Early repayment

1. Member States shall ensure that the consumer is at any time entitled to **full or partial** early repayment. In such cases, the consumer shall be entitled to a **proportionate** reduction in the total cost of the credit **to the consumer**[...] for the remaining duration of the contract. When calculating that reduction, all the costs imposed on the consumer by the creditor shall be taken into consideration.

2. Member States shall ensure that the creditor, in the event of early repayment, is entitled to fair and objectively justified compensation for possible costs directly linked to the early repayment, provided that the early repayment falls within a period for which the borrowing rate is fixed.

The compensation referred to in the first subparagraph may not exceed 1 % of the amount of credit subject to early repayment where the period of time between the early repayment and the agreed termination of the credit agreement exceeds one year. Where that period does not exceed one year, the compensation shall not exceed 0,5% of the amount of credit subject to early repayment.

3. Member States shall ensure that the creditor is not entitled to the compensation referred to in paragraph 2 where one of the following conditions is fulfilled:
 - (a) the repayment has been made under an insurance contract intended to provide a credit repayment guarantee;
 - (b) the credit is granted in the form of an overdraft facility;
 - (c) the repayment falls within a period for which the borrowing rate is not fixed.

4. By way of derogation from paragraph 2, Member States may provide that:
- (a) the creditor is only entitled to the compensation referred to in paragraph 2 on the condition that the amount of the early repayment exceeds the threshold set out in national law, which shall not exceed EUR 10 000 within any period of 12 months;
 - (b) the creditor may exceptionally claim higher compensation if the creditor can prove that the loss suffered due to early repayment exceeds the amount determined in accordance with paragraph 2.

[...]Where the compensation claimed by the creditor exceeds the loss actually suffered due to the early repayment, the consumer shall be entitled to a corresponding reduction.

[...] **In this case**, the loss shall consist of the difference between the initially agreed interest rate and the interest rate at which the creditor can lend out the amount subject to early repayment on the market at the time of that repayment, and shall take into account the impact of the early repayment on the administrative costs.

6. The compensation referred to in paragraph 2 shall not in any case exceed the amount of interest that the consumer would have paid during the period between the early repayment and the agreed date of termination of the credit agreement.

CHAPTER IX
ANNUAL PERCENTAGE RATE OF CHARGE AND CAPS ON RATES AND COSTS

Article 30

Calculation of the annual percentage rate of charge

1. The annual percentage rate of charge shall be calculated in accordance with the mathematical formula set out in Part I of Annex IV. It shall equate on an annual basis, to the present value of all commitments (drawdowns, repayments and charges), future or existing, agreed by the creditor[...] and the consumer.
2. For the purpose of calculating the annual percentage rate of charge, the total cost of the credit to the consumer shall be determined, with the exception of any charges payable by the consumer for non-compliance with any of his or her commitments laid down in the credit agreement[...] and charges other than the purchase price which, for purchases of goods or services, he or she is obliged to pay whether the transaction is effected in cash or on credit.

The costs of maintaining an account recording both payment transactions and drawdowns, the costs of using a means of payment for both payment transactions and drawdowns, and other costs relating to payment transactions shall be included in the total cost of the credit to the consumer unless the opening of the account is optional and the costs of the account have been clearly and separately identified in the credit agreement,[...] or in any other agreement concluded with the consumer.

3. The calculation of the annual percentage rate of charge shall be based on the assumption that the credit agreement[...] is to remain valid for the period agreed and that the creditor[...] and the consumer will fulfil their obligations under the terms and by the dates specified in the credit agreement[...].
4. In the case of credit agreements[...] containing clauses that allow variations in the borrowing rate or variations in certain charges contained in the annual percentage rate of charge which make them unquantifiable at the time of calculation, the annual percentage rate of charge shall be calculated on the assumption that the borrowing rate and other charges will remain fixed in relation to the initial level and will remain applicable until the end of the credit agreement[...].
5. Where necessary, the additional assumptions set out in Part II of Annex IV [...] **shall** be used in calculating the annual percentage rate of charge.

Where the assumptions set out in this Article and in Part II of Annex IV do not suffice to calculate the annual percentage rate of charge in a uniform manner or are no longer adapted to the commercial situations in the market, the Commission is empowered to adopt delegated acts in accordance with Article 45 in order to amend this Article and Part II of Annex IV to add the necessary additional assumptions for the calculation of the annual percentage rate of charge or to modify the existing ones.

Article 31

[...] Measures to limit interest rates, annual percentage rates of charge [...] or total costs of [...] credit to the consumer

1. [...] **Member States shall introduce measures to ensure that consumers cannot be charged with excessively high interest rates, annual percentage rates of charge on loans or total costs of credit.**

[...][...][...][...]CHAPTER X

CONDUCT OF BUSINESS OBLIGATIONS AND REQUIREMENTS FOR STAFF

Article 32

Conduct of business obligations when providing credit to consumers

1. Member States shall require that the creditor[...] **and** the credit intermediary[...] act honestly, fairly, transparently and professionally and take account of the rights and interests of the consumers when carrying out any of the following activities:

- (a) manufacturing credit products;
- (b) granting, intermediating or facilitating the granting of credit;
- (c) providing advisory services with regard to credit;
- (d) providing ancillary services to consumers;
- (e) executing a credit agreement[...].

The activities referred to in the first subparagraph, points [...] (b) and (c), shall be based on information about the consumer's circumstances and any specific requirement communicated by a consumer and on reasonable assumptions about risks to the consumer's situation throughout the duration of the credit agreement[...].

The activities referred to in the first subparagraph, point (c), shall also be based on the information required under Article 16, paragraph 3, point (a).

2. Member States shall ensure that the manner in which creditors remunerate their staff and credit intermediaries and the manner in which credit intermediaries[...] remunerate their staff do not impede compliance with the obligation set out in paragraph 1.
3. Member States shall ensure that, when establishing and applying remuneration policies for staff responsible for the assessment of creditworthiness, creditors comply with the following principles in a way and to the extent that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities:
 - (a) the remuneration policy is consistent with and promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the creditor;

- (b) the remuneration policy is in line with the business strategy, objectives, values and long-term interests of the creditor, and incorporates measures to avoid conflicts of interest, in particular by providing that remuneration is not contingent on the number or proportion of accepted applications for credit.
4. Member States shall ensure that where creditors[...] **or** credit intermediaries[...] provide advisory services the remuneration structure of the staff involved does not prejudice their ability to act in the consumer's best interest and is not contingent on sales targets. In order to achieve that goal, Member States may also ban commissions paid by the creditor to the credit intermediary.
5. Member States may prohibit or impose restrictions on the payments from a consumer to a creditor[...] **or** credit intermediary[...] prior to the conclusion of a credit agreement[...].

Article 33

Knowledge and competence requirements for staff

1. Member States shall ensure that creditors[...] **and** credit intermediaries[...] require their staff to possess and keep up-to-date an appropriate level of knowledge and competence in relation to the manufacturing, the offering and the granting of credit agreements[...], the carrying out of credit intermediation activities[...] **and** the provision of advisory services[...]. Where the conclusion of a credit agreement[...] includes an ancillary service, appropriate knowledge and competence in relation to that ancillary service shall be required.
2. Member States shall establish minimum knowledge and competence requirements for the staff of creditors[...] **and** of credit intermediaries[...].

3. Member States shall ensure that compliance with the requirements set out in paragraph 1 is supervised by the competent authorities, and that the competent authorities have powers to require creditors[...] **and** credit intermediaries[...] to provide the evidence that the competent authority deems necessary to enable such supervision.

CHAPTER XI

FINANCIAL EDUCATION AND SUPPORT TO CONSUMERS IN FINANCIAL DIFFICULTIES

Article 34

Financial education

1. Member States shall promote measures that support the education of consumers in relation to responsible borrowing and debt management, in particular in relation to consumer credit agreements. [...] **Member States shall ensure that clear** and general information on the credit granting process [...] **is** provided to consumers in order to guide them, in particular those who take out a consumer credit for the first time, and especially on digital tools.

Member States shall also [...] **ensure that** information regarding the guidance that consumer organisations and national authorities may provide to consumers **is disseminated**.

[...]

2. The Commission shall assess and publish a report on the financial education available to consumers in the Member States and identify examples of best practices which could be further developed in order to increase the financial awareness of consumers.

Article 35

Arrears and forbearance measures

1. Member States shall require creditors to have adequate policies and procedures so that they make efforts to exercise, where appropriate, reasonable forbearance before enforcement proceedings are initiated. Such forbearance measures shall take into account, among other elements, the consumer's circumstances and may consist in, among other possibilities:
 - (a) a total or partial refinancing of a credit agreement;
 - (b) a modification of the existing terms and conditions of a credit agreement, which may include among others:
 - (i) extending the term of the credit agreement;
 - (ii) changing the type of the credit agreement;
 - (iii) deferring payment of all or part of the instalment repayment for a period;
 - (iv) changing the interest rate;
 - (v) offering a payment holiday;
 - (vi) partial repayments;
 - (vii) currency conversions;
 - (viii) partial forgiveness and debt consolidation.
2. The list of potential measures in paragraph 1, point (b), is without prejudice to rules set out in national law and does not require Member States to provide for all of those measures in national law.

3. Member States may require that, where the creditor is permitted to define and impose charges on the consumer arising from a default, those charges are no greater than is necessary to compensate the creditor for costs it has incurred as a result of the default.
4. Member States may allow creditors to impose additional charges on the consumer in the event of default. In that case Member States shall introduce a cap on those charges.
5. Member States shall not prevent the parties to a credit agreement from expressly agreeing that return or transfer to the creditor of goods covered by a linked credit agreement or proceeds from the sale of such goods is sufficient to repay the credit

Article 36

Debt advisory services

Member States shall ensure that debt advisory services are made available to consumers **who experience or might experience difficulties in meeting their financial commitments.**

CHAPTER XII

CREDITORS AND CREDIT INTERMEDIARIES

Article 37

Admission, registration and supervision of non[...]credit institutions and non-payment institutions

- 1.** Member States shall ensure that creditors[...] **and** credit intermediaries[...] that are [...] **neither** credit institutions as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 **nor payment institutions as defined in Article 4, point (4) of Directive (EU) No. 2015/2366, nor electronic money institutions as defined in Article 2 (1) of Directive 2009/110/EC,** are subject to an adequate admission process and to registration and supervision arrangements set up by an independent competent authority.

2. Member States may decide not to apply admission and registration requirements as referred to in paragraph 1, to:

- (a) suppliers of goods and services acting as credit intermediaries in an ancillary capacity; and/or,**
- (b) suppliers of goods and services, acting as creditors in an ancillary capacity, granting credit in the form of deferred payment to purchase goods and services offered by them, if the credit is provided free of interest and without any other charges.**

Article 38

Specific obligations for credit intermediaries

Member States shall require that credit intermediaries:

- (a) indicate, in advertising and documentation intended for consumers, the extent of their powers and whether they work exclusively with one or more creditors or as an independent intermediary;
- (b) disclose to the consumer any fees payable by the consumer to the credit intermediary for services to be provided;
- (c) reach an agreement with the consumer on any fees referred to in point (b) on [...] **a** durable medium before the conclusion of the credit agreement;
- (d) communicate any fees referred to in point (b) to the creditor, for the purpose of calculation of the annual percentage rate of charge.

CHAPTER XIII
ASSIGNMENTS OF RIGHTS AND DISPUTE RESOLUTION

Article 39

Assignment of rights

1. Member States shall ensure that the consumer, in the event of assignment to a third party of the creditor's rights under a credit agreement[...], or of the agreement itself, is entitled to plead against the assignee any defence which was available to him or her against the original creditor, including set-off where such defence is permitted in the Member State concerned.
2. Member States shall require that the original creditor[...] inform the consumer of the assignment referred to in paragraph 1, except where the original creditor, by agreement with the assignee, continues to service the credit vis-à-vis the consumer.

Article 40

Out-of-court dispute resolution

1. Member States shall ensure that consumers have access to adequate and effective out-of-court dispute resolution procedures for the settlement of disputes between consumers and creditors[...] **or** credit intermediaries[...] concerning[...] **credit agreements** established under this Directive, using existing entities where appropriate. Such out-of-court dispute resolution procedures and the entities offering them shall comply with the quality requirements laid down by Directive 2013/11/EU.

2. Member States shall encourage the entities performing the dispute resolution referred to in paragraph 1 to cooperate in order to resolve cross-border disputes concerning credit agreements[...].

CHAPTER XIV

COMPETENT AUTHORITIES

Article 41

Competent authorities

1. Member States shall designate the national competent authorities empowered to ensure the application and enforcement of this Directive (‘competent authorities’) and shall ensure that they are granted investigating and enforcement powers and adequate resources necessary for the efficient and effective performance of their duties.

The competent authorities shall be either public authorities or bodies recognised by national law or by public authorities expressly empowered for that purpose by national law. They shall not be creditors[...] **or** credit intermediaries[...].

2. Member States shall ensure that competent authorities, all persons who work or who have worked for the competent authorities, as well as auditors and experts instructed by the competent authorities, are bound by the obligation of professional secrecy. No confidential information which they may receive in the course of their duties may be divulged to any person or authority whatsoever, save in summary or aggregate form, [...] **without prejudice to cases covered by criminal law or by this Directive. This shall not, however, prevent the competent authorities from exchanging or transmitting confidential information in accordance with national and Union law.**

3. Member States shall ensure that the competent authorities are either or both of the following:
 - (a) competent authorities as defined in Article 4(2) of Regulation (EU) No 1093/2010 of the European Parliament and of the Council²⁷;
 - ([...]**b**) authorities other than the competent authorities referred to in point (a) provided that national laws, regulations or administrative provisions require those authorities to cooperate with the competent authorities referred to in point (a) whenever necessary in order to carry out their duties under this Directive.
4. Member States shall ensure that the authorities designated as competent for ensuring the application and enforcement of this Directive fulfil the criteria set in Article 5 of Regulation (EU) No 2017/2394.
5. Member States shall inform the Commission of the designation of the competent authorities and any changes thereto, and, where there is more than one competent authority on their territory, indicate any division of the respective duties between those competent authorities. The first such notification shall be made as soon as possible and at the latest on two years from the date the Directive enters into force.
6. The competent authorities shall exercise their powers in conformity with national law either:
 - (a) directly under their own authority or under the supervision of the judicial authorities;or

²⁷ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

- (b) by application to courts which are competent to grant the necessary decision, including, where appropriate, by appeal, if the application to grant the necessary decision is not successful.
7. Where there is more than one competent authority on their territory, Member States shall ensure that their respective duties are clearly defined and that those authorities collaborate closely so that they can discharge their respective duties effectively.
8. The Commission shall publish a list of the competent authorities in the *Official Journal of the European Union* at least once a year, and update it continuously on its website.

CHAPTER XV FINAL PROVISIONS

Article 42

Level of harmonisation

1. Insofar as this Directive contains harmonised provisions, Member States may not maintain or introduce in their national law provisions diverging from those laid down in this Directive unless provided otherwise in this Directive.
2. [...] **Pending further harmonisation, where** a Member State makes use of the regulatory choices provided for in Article 2(5), **Article 2(6), Article 2 (6a), Article 8(1), [...] Article 14(2), Article 14(3), Article 14(4), Article 16(4), Article 18(9), [...] Article 26(2), Article 26(6), [...] Article 29(4), Article 32(5), Article 35(3), Article 35(4) and Article 37(2)** it shall [...] **notify** the Commission **without delay** thereof as well as of any subsequent changes. **The Commission shall make that information public on a website or in another easily accessible way.** Member States shall also take the appropriate measures to diffuse that information amongst national creditors, credit intermediaries[...] and consumers.

Article 43

Imperative nature of this Directive

1. Member States shall ensure that consumers may not waive the rights conferred on them by the national measures transposing this Directive.
2. Member States shall ensure that the provisions adopted in order to transpose this Directive cannot be circumvented as a result of the way in which agreements are formulated.

[...]Article 44

Penalties

1. Member States shall lay down the rules on penalties applicable to infringements of the national provisions adopted pursuant to this Directive and shall take all measures necessary to ensure that they are implemented. The penalties provided for shall be effective, proportionate and dissuasive. Member States shall notify those rules and of those measures to the Commission by [*OP: please insert date - six months from the transposition deadline*] and shall notify it, without delay, of any subsequent amendment affecting them.
2. [...]

3. Member States shall provide that the competent authority may disclose to the public any administrative penalty that is imposed for infringement of the measures adopted pursuant to this Directive, unless such disclosure would seriously jeopardise the financial markets or cause disproportionate damage to the parties involved.

Article 45

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 30(5) shall be conferred on the Commission for a period of five years from xx xx xxxx. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.
3. The delegation of power referred to in Article 30(5) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 30(5) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of three months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 46

Review and monitoring

1. The Commission shall undertake, every five years and for the first time five years from the date of application, an evaluation of this Directive. The evaluation shall include an assessment of the thresholds laid down in Article 2(2), point c, and in Part II of Annex IV, and of the percentages used to calculate the compensation payable in the event of early repayment as referred to in Article 29, in the light of economic trends in the Union and the situation in the market concerned.
2. The Commission shall also, **in particular**, monitor the effect of the existence of the regulatory choices referred to in Article 42 on **the functioning of** the internal market and **on** consumers.
3. The Commission shall report the results of the evaluation and assessment referred to in paragraphs 1 and 2 to the European Parliament and the Council, accompanied, if appropriate, by a legislative proposal.

Article 47

Repeal and transitional provisions

Directive 2008/48/EC is repealed with effect from [*OP: please insert date - six months from the transposition deadline*].[...] ²⁸[...]

Directive 2008/48/EC shall also continue to apply to credit agreements existing on [*OP: please insert date - six months from the transposition deadline*] until [*their termination*].

However, Articles 23 and 24, Article 25(1), second sentence, Article 25(2) and Articles 28 and 39 of this Directive shall apply to all open-end credit agreements existing on [*OP: please insert date - six months from the transposition deadline*].

References to the repealed Directive shall be construed as references to this Directive and shall be read in accordance with the correlation table set out in Annex V.

²⁸ [...]

Article 48

Transposition

1. Member States shall adopt and publish, by [*OP: please insert date - 24 months from the date the Directive is adopted*] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions. They shall apply those measures from [*OP: please insert date - six months from the transposition deadline*].

- [...] When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.

2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.

Article 49

Entry into force

This Directive shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

Article 50
Addressees

This Directive is addressed to the Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

ANNEX I

STANDARD EUROPEAN CONSUMER CREDIT INFORMATION

1. Key elements of the credit

[Some of the text below has been moved from Annex II, with changes]

<p>The total amount of credit</p> <p><i>This means the ceiling or the total sums made available in accordance with the credit agreement[...].</i></p>	
<p>The duration of the credit agreement [...]</p>	
<p>Annual percentage rate of charge (APR) <u>and the total amount you will have to pay</u></p> <p><i>The APR is the total cost expressed as an annual percentage of the total amount of credit. The APR is there to help you compare different offers.</i></p> <p><u>The total amount you will have to pay means the amount of borrowed capital plus interest and possible costs related to your credit.</u></p>	<p>[...]</p> <p><u>[Sum of total amount of credit and total cost of credit]</u></p>
<p>Where applicable</p> <p>The credit is granted in the form of a deferred payment for a good or service or is linked to the supply of specific goods or the provision of a service</p> <p>Name of good/service</p> <p>Cash price</p>	
<p><u>Instalments and, where appropriate, the order in which instalments will be allocated</u></p> <p>_____</p>	<p><u>You will have to pay the following:</u></p> <p><u>[The amount, number and frequency of payments to be made by the consumer]</u></p> <p><u>Interest and/or charges will be payable in the following manner:</u></p>
<p>Costs of late payments</p> <p><i>Missing payments could have severe consequences for you (e.g. forced sale) and</i></p>	<p>You will be charged [... (applicable interest rate and arrangements for its adjustment and, where applicable, default charges)] for late</p>

<i>make it more difficult for you to get credit in the future.</i>	payments.
<u>Existence or absence of right of withdrawal</u>	<u>[Yes / No]</u>
	<u>You have the right to withdraw from the credit agreement within a period of 14 calendar days.</u>
<u>Where applicable - Exercise of the right of withdrawal</u>	<u>[Practical instructions for exercising the right of withdrawal indicating, inter alia, the address to which notification of exercise of the right of withdrawal should be sent and the consequences of not exercising the right of withdrawal]</u>

[...] Identity and contact details of the creditor or [...] credit intermediary [...]

Where applicable	
Creditor	[Identity]
Address	[Geographical address to be used by the consumer]
Telephone number	
Email address	
[...] *	
Web address (*)	
Where applicable	
Credit intermediary	[Identity]
Address	[Geographical address to be used by the consumer]
Telephone number	
Email address	
[...] *	
Web address (*)	
Where applicable	
[...]	[...]

[...][...][...]* [...]*	[...]
(*) This information is optional.	

Wherever ‘where applicable’ is indicated, the creditor [...] must fill in the box if the information is relevant to the credit product, or delete the information or the entire row where the information is not relevant for the type of credit concerned.

Indications between square brackets provide explanations for the creditor [...] and must be replaced with the corresponding information.

The [...] **above-mentioned information** must be displayed on one page [...] **at the beginning** of the Standard European Consumer Credit Information form, be **prominent,** clearly legible and [...] adapted to take into account the technical constraints of media on which it is displayed.

2. Description of the main features of the credit product (in addition to the information displayed on the first page)

The type of credit.	
[...][...]	
The conditions governing the drawdown <i>This means how and when you will obtain the money.</i>	
[...]	
[...]	[...]
[...]	[...]
[...]	

Where applicable Sureties required <i>This is a description of the security to be provided by you in relation to the credit agreement.</i>	[Kind of sureties]
Where applicable Repayments do not give rise to immediate amortisation of the capital.	
Where applicable The price was personalised on the basis of automated decision-making.	

3. Costs of the credit (in addition to the information displayed on the first page)

The borrowing rate or, where applicable, different borrowing rates that apply to the credit agreement[...] <u>The conditions governing the application of the borrowing rate or of each borrowing rate when different borrowing rates apply in different circumstances and, where available, any index or reference rate applicable to each initial borrowing rate, as well as the periods, conditions and procedures for changing each borrowing rate</u>	[% — fixed, or — variable (with the index or reference rate applicable to the initial borrowing rate), periods]
[...]/.../[...] <u>A representative example illustrating the annual percentage rate of charge (APR) and the total amount payable by the consumer, mentioning all the assumptions used for calculating the annual percentage rate of charge</u>	[...] A representative example[...] to be set out here]

<p>Is it compulsory, in order to obtain the credit or to obtain it on the terms and conditions marketed, to take out</p> <ul style="list-style-type: none"> — an insurance policy securing the credit, or — another ancillary service contract? <p><i>If the costs of these services are not known by the creditor[...]they are not included in the APR.</i></p>	<p>Yes/no [if yes, specify the kind of insurance]</p> <p>Yes/no [if yes, specify the kind of ancillary service]</p>
<p>Related costs</p>	
<p>Where applicable</p> <p>Maintaining one or more accounts is required for recording both payment transactions and drawdowns</p>	
<p>Where applicable</p> <p>Amount of costs for using a specific means of payment (e.g. a credit card)</p>	
<p>Where applicable</p> <p>Any other costs deriving from the credit agreement [...]</p>	
<p>Where applicable</p> <p>Conditions under which the abovementioned costs related to the credit agreement [...]can be changed</p>	
<p>Where applicable</p> <p>Obligation to pay notarial fees</p>	
<p>[...][...]</p>	<p>[...]</p>

4. Other important legal aspects

[...][...]	
<p>Early repayment</p> <p><i>You have the right to repay the credit early at any time fully or partially.</i></p>	
<p>Where applicable</p> <p>The creditor is entitled to compensation in the case of early repayment</p>	<p>[Determination of the compensation (calculation method) in accordance with the provisions implementing Article 29 of Directive .]</p>
<p>Consultation of a database</p> <p><i>The creditor[...]must inform you [...] without delay and without charge of the result of consulting a database, if a credit application is rejected on the basis of such a consultation. This does not apply if the provision of such information is prohibited by Union law or contrary to public policy or public security objectives.</i></p>	
<p>Right to a draft credit agreement [...]</p> <p><i>You have the right, upon request, to obtain a copy of the draft credit agreement [...]free of charge. This provision does not apply if the creditor [...]is, at the time of your request, unwilling to proceed to the conclusion of the credit agreement [...]with you.</i></p>	

Where applicable The period of time during which the creditor [...]is bound by the pre-contractual information	This information is valid from ... until ...
Concerning redress <i>You have the right to access an out-of-court complaint and redress mechanism</i>	[The out-of-court complaint and redress mechanism for the consumer and how to access it]

Where applicable

5. Additional information in the case of the distance marketing of financial services

(a) Concerning the creditor [...]	
Where applicable Representative of the creditor [...]in your Member State of residence Address Telephone number Email address [...] * Web address (*)	[Identity] [Geographical address to be used by the consumer]
Where applicable Registration	[The trade register in which the creditor [...]is entered and their registration number or an equivalent means of identification in that register]
Where applicable The supervisory authority	
(b) Concerning the credit agreement [...]	
[...]/[...]	[...]

Where applicable The law taken by the creditor [...]as a basis for the establishment of relations with you before the conclusion of the credit contract	
Where applicable Clause stipulating the governing law applicable to the credit agreement [...]and/or the competent court	[Relevant clause to be set out here]
Where applicable Language regime	Information and contractual terms will be supplied in [specific language]. With your consent, we intend to communicate in [specific language/languages] for the duration of the credit agreement[...].
(c) Concerning redress	
Access to an out-of-court complaint and redress mechanism	[The out-of-court complaint and redress mechanism for the consumer who is party to the distance contract and how to access it]
(*) This information is optional for the creditor[...].	

ANNEX II

[...]*[The text has been moved to Annex I, with changes]*

ANNEX III

EUROPEAN CONSUMER CREDIT INFORMATION

Consumer credit offered by certain credit organisations (Article 2(5) of Directive ...)

Debt conversion

1. Key elements of the credit product

<u>The total amount of credit</u> <i><u>This means the ceiling or the total sums made available in accordance with the credit agreement.</u></i>	
<u>The duration of the credit agreement</u>	
<u>Where applicable</u> <u>The annual percentage rate of charge (APR) and the total amount you will have to pay</u> <i><u>The APR is the total cost of credit expressed as an annual percentage of the total amount of credit. The APR is there to help you compare different offers.</u></i> <i><u>The total amount you will have to pay means the amount of borrowed capital plus interest and possible costs related to your credit.</u></i>	<u>[Sum of total amount of credit and total cost of credit]</u>
<u>Where applicable</u> <u>The credit is granted in the form of a deferred payment for a good or service or is linked to the supply of specific goods or the provision of a service</u> <u>Name of good/service</u> <u>Cash price</u>	
<u>Instalments and, where appropriate, the order in which instalments will be allocated</u>	<u>You will have to pay the following:</u> <i><u>[Representative example of an instalment table including the amount, number and frequency of payments to be made by the consumer]</u></i>

<p><u>Costs of late payments</u></p> <p><u>Missing payments could have severe consequences for you (e.g. forced sale) and make it more difficult for you to get credit in the future.</u></p>	<p><u>You will be charged [... (applicable interest rate and arrangements for its adjustment and, where applicable, default charges)] for late payments.</u></p>
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[...] Identity and contact details of the creditor or credit intermediary

Creditor	[Identity]
Address Telephone number Email address [...] * Web address (*)	[Geographical address to be used by the consumer]
Where applicable	
Credit intermediary	[Identity]
Address Telephone number Email address [...] * Web address (*)	[Geographical address to be used by the consumer]
(*) This information is optional.	

Wherever ‘where applicable’ is indicated, the creditor must fill in the box if the information is relevant to the credit product, or delete the information or the entire row where the information is not relevant for the type of credit concerned.

Indications between square brackets provide explanations for the creditor and must be replaced with the corresponding information.

The above-mentioned information must be displayed on one page at the beginning of the European Consumer Credit Information form, be prominent, clearly legible and adapted to take into account the technical constraints of media on which it is displayed.

2. Description of the main features of the credit product (in addition to the information displayed on the first page)

The type of credit	
[...]/[...]	
[...]	
Where applicable You may be requested to fully repay the amount of credit at any time.	
Where applicable The price was personalised on the basis of automated decision-making.	

3. Costs of the credit (in addition to the information displayed on the first page)

<p>The borrowing rate or, where applicable, different borrowing rates which apply to the credit agreement</p> <p><u>The conditions governing the application of the borrowing rate or of each borrowing rate when different borrowing rates apply in different circumstances and, where available, any index or reference rate applicable to each initial borrowing rate, as well as the periods, conditions and procedures for changing each borrowing rate.</u></p>	<p>[%</p> <p>— fixed or,</p> <p>— variable (with the index or reference rate applicable to the initial borrowing rate)],</p>
<p><u>A representative example illustrating the annual percentage rate of charge (APR), mentioning all the assumptions used for calculating the APR[...][...][...]</u></p>	<p>[[...]A representative example [...]to be set out here]</p>
<p>Where applicable</p> <p>Costs</p> <p>Where applicable</p> <p>The conditions under which those costs may be changed</p>	<p>[The costs applicable from the time the credit agreement is concluded]</p>
<p>[...]</p>	<p>[...]</p>

4. Other important legal aspects

Termination of the credit agreement	[The conditions and procedure for terminating the credit agreement]
<p>Consultation of a database</p> <p><i>The creditor must inform you [...] without delay and without charge of the result of consulting a database, if a credit application is rejected on the basis of such a consultation. This does not apply if the provision of such information is prohibited by EU law or contrary to public policy or security objectives.</i></p>	
Where applicable	
The period of time during which the creditor is bound by the pre-contractual information	This information is valid from ... until...

Where applicable

5. Additional information

[...]	[...][...]
[...]	
<p>Early repayment</p> <p><i>You have the right to repay the credit early at any time fully or partially.</i></p> <p>Where applicable</p> <p>The creditor is entitled to compensation in the case of early repayment</p>	[Determination of the compensation (calculation method) in accordance with the provisions implementing Article 16 of Directive 2008/48/EC]

Concerning redress <i>You have the right to access an out-of-court complaint and redress mechanism</i>	[The out-of-court complaint and redress mechanism for the consumer and how to access it]
---	--

Where applicable

6. Additional information to be given in the case of the distance marketing of financial services

(a) Concerning the creditor	
Where applicable Representative of the creditor in your Member State of residence Address Telephone number Email address [...] * Web address (*)	[Identity] [Geographical address to be used by the consumer]
Where applicable Registration	[The trade register in which the creditor is entered and their registration number or an equivalent means of identification in that register]
Where applicable The supervisory authority	

(b) Concerning the credit agreement	
[...]	[...]
Where applicable The law taken by the creditor as a basis for the establishment of relations with you before the conclusion of the credit contract	
Where applicable Clause stipulating the law applicable to the credit agreement and/or the competent court	[Relevant clause to be set out here]
Where applicable Language regime	Information and contractual terms will be supplied in [specific language]. With your consent, we intend to communicate in [specific language/languages] for the duration of the credit agreement.
(c) Concerning redress Access to an out-of-court complaint and redress mechanism	[The out-of-court complaint and redress mechanism for the consumer who is party to the distance contract and how to access it]
(*) This information is optional for the creditor.	

ANNEX IV

I. The basic equation expressing the equivalence of drawdowns on the one hand and repayments and charges on the other.

The basic equation, which establishes the annual percentage rate of charge (APR), equates, on an annual basis, the total present value of drawdowns on the one hand and the total present value of repayments and payments of charges on the other hand, i.e.:

$$\sum_{k=1}^m C_k (1 + X)^{-t_k} = \sum_{l=1}^{m'} D_l (1 + X)^{-S_l}$$

where:

— X	is the APR,
— m	is the number of the last drawdown,
— k	is the number of a drawdown, thus $1 \leq k \leq m$,
— C _k	is the amount of drawdown k,
— t _k	is the interval, expressed in years and fractions of a year, between the date of the first drawdown and the date of each subsequent drawdown, thus $t_1 = 0$,
— m'	is the number of the last repayment or payment of charges,
— l	is the number of a repayment or payment of charges,

— D ₁	is the amount of a repayment or payment of charges,
— s ₁	is the interval, expressed in years and fractions of a year, between the date of the first drawdown and the date of each repayment or payment of charges.

Remarks

- (a) The amounts paid by both parties at different times shall not necessarily be equal and shall not necessarily be paid at equal intervals.
- (b) The starting date shall be that of the first drawdown.
- (c) Intervals between dates used in the calculations shall be expressed in years or in fractions of a year. A year is presumed to have 365 days (or 366 days for leap years), 52 weeks or 12 equal months. A month is presumed to have 30,41666 days (i.e. 365/12) regardless of whether or not it is a leap year.

Where intervals between dates used in the calculations cannot be expressed as a whole number of weeks, months or years, the intervals shall be expressed as a whole number of one of those periods in combination with a number of days. When using days:

- (i) every day shall be counted, including weekends and holidays;
- (ii) equal periods and then days shall be counted backwards to the date of the initial drawdown;
- (iii) the length of the period of days shall be obtained excluding the first day and including the last day and shall be expressed in years by dividing this period by the number of days (365 or 366) of the complete year counted backwards from the last day to the same day of the previous year.

- (d) The result of the calculation shall be expressed with an accuracy of at least one decimal place. If the figure at the following decimal place is greater than or equal to 5, the figure at that particular decimal place shall be increased by one.
- (e) The equation can be rewritten using a single sum and the concept of flows (A_k), which will be positive or negative, in other words either paid or received during periods 1 to n, expressed in years, i.e.

$$S = \sum_{k=1}^n A_k (1 + X)^{-t_k}$$

where S is the present balance of flows. If the aim is to maintain the equivalence of flows, the value will be zero.

II. The additional assumptions for calculating the APR shall be as follows.

- (a) Where a credit agreement [...] gives the consumer freedom of drawdown, the total amount of credit shall be deemed to be drawn down immediately and in full.
- (b) Where a credit agreement [...] gives the consumer freedom of drawdown in general but imposes, amongst the different ways of drawing down, a limitation with regard to the amount of credit and period of time, the amount of credit shall be deemed to be drawn down on the earliest date fixed in the credit agreement [...] and in accordance with those drawdown limits.
- (c) Where a credit agreement [...] provides different ways of drawing down with different charges or borrowing rates, the total amount of credit shall be deemed to be drawn down at the highest charge and borrowing rate applied to the most common drawdown mechanism for that type of credit agreement [...].

- (d) In the case of an overdraft facility, the total amount of credit shall be deemed to be drawn down in full and for the whole duration of the credit agreement. If the duration of the overdraft facility is not known, the APR shall be calculated on the assumption that the duration of the credit is three months.
- (e) In the case of an open-end credit agreement [...], other than an overdraft facility, it shall be assumed that:

(i) the credit is provided for a period of one year starting from the date of the initial drawdown, and that the final payment made by the consumer clears the balance of capital, interest and other charges, if any;

(ii) the capital is repaid by the consumer in equal monthly payments, starting one month after the date of the initial drawdown. However, in cases where the capital must be repaid only in full in a single payment, within each payment period, successive drawdowns and repayments of the entire capital by the consumer shall be assumed to occur over the period of one year. Interest and other charges shall be applied in accordance with those drawdowns and repayments of capital and as set out in the credit agreement [...].

For the purposes of this point, an open-end credit agreement [...] is a credit agreement [...] without a fixed duration and includes credits that must be repaid in full within or after a period but, once repaid, become available to be drawn down again.

- (f) In the case of credit agreements [...] other than overdrafts and open-end credit agreements [...] as referred to in the assumptions set out in points (d) and (e):

(i) where the date or amount of a repayment of capital to be made by the consumer cannot be ascertained, it shall be assumed that the repayment is made at the earliest date provided for in the credit agreement [...] and is for the lowest amount for which the credit agreement [...] **provides**;

(ii) where the interval between the date of initial drawdown and the date of the first payment to be made by the consumer cannot be ascertained, it shall be assumed to be the shortest interval;

(g) Where the date or amount of a payment to be made by the consumer cannot be ascertained on the basis of the credit agreement [...] or the assumptions set out in points (d), (e) or (f), it shall be assumed that the payment is made in accordance with the dates and conditions required by the creditor [...] and, when those dates and conditions are unknown:

(i) interest charges are paid together with the repayments of capital;

(ii) a non-interest charge expressed as a single sum is paid at the date of the conclusion of the credit agreement [...];

(iii) non-interest charges expressed as several payments are paid at regular intervals, starting with the date of the first repayment of capital, and where the amount of such payments is not known they shall be assumed to be equal amounts;

(iv) the final payment clears the balance of capital, interest and other charges, if any.

(h) Where the ceiling applicable to the credit has not yet been agreed, it is assumed to be EUR 1 500.

- (i) Where different borrowing rates and charges are offered for a limited period or amount, the borrowing rate and the charges shall be deemed to be the highest rate for the whole duration of the credit agreement [...].
- (j) For consumer credit agreements [...] for which a fixed borrowing rate is agreed for the initial period, at the end of which a new borrowing rate is determined and subsequently periodically adjusted according to an agreed indicator, the calculation of the APR shall be based on the assumption that, at the end of the fixed borrowing rate period, the borrowing rate is the same as at the time of calculating the APR, based on the value of the agreed indicator at that time.

ANNEX V

CORRELATION TABLE

Directive 2008/48/EC	This Directive
Article 1	Article 1
Article 2(1)	Article 2(1), first subparagraph
—	Article 2(1), second subparagraph
Article 2(2), points (a), (b), (c)	Article 2(2), points (a), (b), (c)
Article 2(2), points (d), (e), (f)	—
Article 2(2), points (g), (h), (i), (j), (k), (l)	Article 2(2), points (d), (e), (f), (g), (h), (i)
Article 2(2a)	Article 2(3)
Article 2(3)	—
Article 2(4), 2(5), 2(6)	Article 2(4), 2(5), 2(6)
Article 3, points (a), (b), (c)	Article 3, points 1, 2, 3
—	Article 3, points 4, 5
Article 3, points (d), (e), (f)	Article 3, points 13, 20, 21
Article 3, points (g), (h), (i), (j), (k), (l), (m)	Article 3, points 6, 7, 8, 9, 10, 11, 12
Article 3, points (n)	Article 3, point 22
—	Article 3, points 14, 15, 16, 17, 18, 19, 23, 24, 25, 26, 27, 28, 29
—	Article 5

—	Article 6
—	Article 7
Article 4	Article 8
---	Article 9
Article 5(1), first subparagraph	Article 10(1), first subparagraph
—	Article 10 (1), second subparagraph
Article 5(1), second subparagraph, points (a), (b), (c), (d), (e), (f)	Article 10 (3), first subparagraph, points a, b, c, d, e, f
Article 5(1), second subparagraph, point (g), first sentence and third sentence	Article 10 (3), first subparagraph, points g and h
Article 5(1), second subparagraph, point (g), second sentence	Article 10 (3), second subparagraph
Article 5(1), second subparagraph, points (h), (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s)	Article 10(3), first subparagraph, points (i), (j), (k), (l), (m), (n), (o), (p), (q), (r), (s), (u)
—	Article 10 (3), first subparagraph, points (t), (v)
Article 5(1), third subparagraph	Article 10 (3), third subparagraph
Article 5(1), fourth subparagraph	Article 10 (5), second subparagraph
Article 5(2)	Article 10 (6)
Article 5(3)	Article 10 (7)
Article 5(4)	Article 10 (8)
Article 5(5)	Article 10 (9)

Article 5(6)	(partly Article 12)
Article 6	-
-	Article 11
Article 7	Article 10 (10)
—	Article 12
—	Article 13
Article 8	Article 18
—	Article 14
—	Article 15
	Article 16
	Article 17
Article 9	Article 19
Article 10(1)	Article 20
Article 10(2), 10(3) and 10(4)	Article 21
Article 10(5)	-
-	Article 22
Article 11	Article 23
Article 12	Article 24
Article 13	Article 28
Article 14	Article 26
Article 15	Article 27

Article 16	Article 29
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Article 22	Article 42, 43
Article 23	Article 44
Article 24	Article 40
Article 24a	Article 45
Article 26	Article 42(2)
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Article 27(2)	Article 46
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Article 29	Article 47
Article 30	Article 47
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Annex I	Annex IV
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