

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

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ANNEX I

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_l	is the amount of a repayment or payment of charges,
—	s_l	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. An equal month is presumed to have 30,41666 days (i.e. 365/12) regardless of whether or not it is a leap 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 k , expressed in years, i.e.:

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

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

II. Additional assumptions for the calculation of the annual percentage rate of charge

- (a) if 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) if a credit agreement provides different ways of drawdown 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 this type of credit agreement;
- (c) if a credit agreement gives the consumer freedom of drawdown in general but imposes, amongst the different ways of drawdown, a limitation with regard to the amount and period of time, the amount of credit shall be deemed to be drawn down on the earliest date provided for in the agreement and in accordance with those drawdown limits;
- (d) if there is no fixed timetable for repayment, it shall be assumed:
- (i) that the credit is provided for a period of one year; and
 - (ii) that the credit will be repaid in 12 equal instalments and at monthly intervals;
- (e) if there is a fixed timetable for repayment but the amount of such repayments is flexible, the amount of each repayment shall be deemed to be the lowest for which the agreement provides;
- (f) unless otherwise specified, where the credit agreement provides for more than one repayment date, the credit is to be made available and the repayments made on the earliest date provided for in the agreement;
- (g) if the ceiling applicable to the credit has not yet been agreed, that ceiling is assumed to be EUR 1 500;
- (h) 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 credit agreement is not known the annual percentage rate of charge shall be calculated on the assumption that the duration of the credit is three months;
- (i) if different interest rates and charges are offered for a limited period or amount, the interest 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 in relation to 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 annual percentage rate 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 annual percentage rate, based on the value of the agreed indicator at that time.

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ANNEX II

STANDARD EUROPEAN CONSUMER CREDIT INFORMATION

1. Identity and contact details of the creditor/credit intermediary

Creditor	[Identity]
Address Telephone number ^a E-mail address ^a Fax number ^a Web address ^a	[Geographical address to be used by the consumer]
If applicable	
Credit intermediary	[Identity]
Address Telephone number ^a E-mail address ^a Fax number ^a Web address ^a	[Geographical address to be used by the consumer]
a	This information is optional for the creditor.

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

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

2. Description of the main features of the credit product

The type of credit	
The total amount of credit <i>This means the ceiling or the total sums made available under the credit agreement.</i>	
The conditions governing the drawdown <i>This means how and when you will obtain the money.</i>	
The duration of the credit agreement	
Instalments and, where appropriate, the order in which instalments will be allocated	You will have to pay the following: [The amount, number and frequency of payments to be made by the consumer] Interest and/or charges will be payable in the following manner:
The total amount you will have to pay <i>This means the amount of borrowed capital plus interest and possible costs related to your credit.</i>	[Sum of total amount of credit and total cost of credit]

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If applicable 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 Name of good/service Cash price	
If applicable	
Sureties required	[Kind of sureties]
<i>This is a description of the security to be provided by you in relation to the credit agreement.</i>	
If applicable <i>Repayments do not give rise to immediate amortisation of the capital.</i>	

[^{x13}]. Costs of the credit

The borrowing rate or, if applicable, different borrowing rates which apply to the credit agreement	[% — fixed, or — variable (with the index or reference rate applicable to the initial borrowing rate), — periods]
Annual Percentage Rate of Charge (APR) <i>This 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>	[% A representative example mentioning all the assumptions used for calculating the rate to be set out here]
Is it compulsory, in order to obtain the credit or to obtain it on the terms and conditions marketed, to take out	
— an insurance policy securing the credit, or	Yes/no [if yes, specify the kind of insurance]
— another ancillary service contract?	Yes/no [if yes, specify the kind of ancillary service]
<i>If the costs of these services are not known by the creditor they are not included in the APR.</i>	
Related costs	
If applicable Maintaining one or more accounts is required for recording both payment transactions and drawdowns	
If applicable	

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Amount of costs for using a specific means of payment (e.g. a credit card)	
If applicable Any other costs deriving from the credit agreement	
If applicable Conditions under which the abovementioned costs related to the credit agreement can be changed	
If applicable Obligation to pay notarial fees	
Costs in the case of late payments <i>Missing payments could have severe consequences for you (e.g. forced sale) and make obtaining credit more difficult.]</i>	You will be charged [... (applicable interest rate and arrangements for its adjustment and, where applicable, default charges)] for late payments.

Editorial Information

- X1** Substituted by [Corrigendum to 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 \(Official Journal of the European Union L 133 of 22 May 2008\)](#).

4. Other important legal aspects

Right of withdrawal	Yes/no
<i>You have the right to withdraw from the credit agreement within a period of 14 calendar days.</i>	
Early repayment <i>You have the right to repay the credit early at any time in full or partially.</i>	
If applicable	
The creditor is entitled to compensation in the case of early repayment	[Determination of the compensation (calculation method) in accordance with the provisions implementing Article 16 of Directive 2008/48/EC]
Consultation of a database <i>The creditor must inform you immediately and without charge of the result of a consultation of 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 European Community law or is contrary to objectives of public policy or public security.</i>	

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Right to a draft credit agreement <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 the request unwilling to proceed to the conclusion of the credit agreement with you.</i>	
If applicable	
The period of time during which the creditor is bound by the pre-contractual information	This information is valid from ... until ...

If applicable

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

(a) concerning the creditor	
If applicable	
Representative of the creditor in your Member State of residence	[Identity]
Address	[Geographical address to be used by the consumer]
Telephone number ^a E-mail address ^a Fax number ^a Web address ^a	
If applicable	
Registration	[The trade register in which the creditor is entered and his registration number or an equivalent means of identification in that register]
If applicable The supervisory authority	
(b) concerning the credit agreement	
If applicable	
Exercise of the right of withdrawal	[Practical instructions for exercising the right of withdrawal indicating, <i>inter alia</i> , the period for exercising the right, the address to which notification of exercise of the right of withdrawal should be sent and the consequences of non-exercise of that right]
If applicable	
^a This information is optional for the creditor.	

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The law taken by the creditor as a basis for the establishment of relations with you before the conclusion of the credit contract	
If applicable	
Clause stipulating the governing law applicable to the credit agreement and/or the competent court	[Relevant clause to be set out here]
If applicable	
Language regime	Information and contractual terms will be supplied in [specific language]. With your consent, we intend to communicate in [specific language/languages] during the duration of the credit agreement.
(c) concerning redress	
Existence of and access to out-of-court complaint and redress mechanism	[Whether or not there is an out-of-court complaint and redress mechanism for the consumer who is party to the distance contract and, if so, the methods of access to it]
a This information is optional for the creditor.	

ANNEX III

EUROPEAN CONSUMER CREDIT INFORMATION FOR

1. Identity and contact details of the creditor/credit intermediary

Creditor	[Identity]
Address Telephone number ^a E-mail address ^a Fax number ^a Web address ^a	[Geographical address to be used by the consumer]
If applicable	
Credit intermediary	[Identity]
Address Telephone number ^a E-mail address ^a Fax number ^a Web address ^a	[Geographical address to be used by the consumer]
a This information is optional for the creditor.	

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Wherever 'if applicable' is indicated, the creditor must fill in the box if the information is relevant to the credit product or delete the respective information or the entire row if the information is not relevant for the type of credit considered.

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

2. Description of the main features of the credit product

The type of credit	
The total amount of credit <i>This means the ceiling or the total sums made available under the credit agreement.</i>	
The duration of the credit agreement	
If applicable You may be requested to repay the amount of credit in full on demand at any time.	

3. Costs of the credit

The borrowing rate or, if applicable, different borrowing rates which apply to the credit agreement	[% — fixed or, — variable (with the index or reference rate applicable to the initial borrowing rate)],
If applicable	
The annual percentage rate of charge (APR) ^a <i>This 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.</i>	[% A representative example mentioning all the assumptions used for calculating the rate to be set out here]
If applicable	
Costs If applicable The conditions under which those costs may be changed	[The costs applicable from the time the credit agreement is concluded]
Costs in the case of late payments	[^{X2} You will be charged [..... (applicable interest rate and arrangements for its adjustment and, where applicable, default charges)] for late payments.]

^a Not applicable to European Consumer Credit Information for overdrafts in those Member States which decide on the basis of Article 6(2) of Directive 2008/48/EC that the APR need not be provided for overdrafts.

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Editorial Information

- X2** Substituted by [Corrigendum to 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 \(Official Journal of the European Union L 133 of 22 May 2008\)](#).

4. Other important legal aspects

Termination of the credit agreement	[The conditions and procedure for terminating the credit agreement]
Consultation of a database <i>The creditor must inform you immediately and without charge of the result of a consultation of 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 European Community law or is contrary to objectives of public policy or public security.</i>	
If applicable	
The period of time during which the creditor is bound by the pre-contractual information	This information is valid from ... until...

If applicable

5. Additional information to be given where the pre-contractual information is provided by certain credit organisations (Article 2(5) of Directive 2008/48/EC or relates to a consumer credit for debt conversion

Instalments and, where appropriate, the order in which instalments will be allocated	You will have to pay the following: [Representative example of an instalment table including the amount, number and frequency of payments to be made by the consumer]
The total amount you will have to pay	
Early repayment <i>You have the right to repay the credit early at any time in full or partially.</i> If applicable	
The creditor is entitled to compensation in the case of early repayment	[Determination of the compensation (calculation method) in accordance with the provisions implementing Article 16 of Directive 2008/48/EC]

If applicable

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

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(a) concerning the creditor	
If applicable	
Representative of the creditor in your Member State of residence	[Identity]
Address Telephone number ^a E-mail address ^a Fax number ^a Web address ^a	[Geographical address to be used by the consumer]
If applicable	
Registration	[The trade register in which the creditor is entered and his registration number or an equivalent means of identification in that register]
If applicable The supervisory authority	
(b) concerning the credit agreement	
Right of withdrawal	Yes/no
<i>You have the right to withdraw from the credit agreement within a period of 14 calendar days.</i> If applicable Exercise of the right of withdrawal	[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 non-exercise of that right]
If applicable The law taken by the creditor as a basis for the establishment of relations with you before the conclusion of the credit contract	
If applicable	
Clause stipulating the law applicable to the credit agreement and/or the competent court	[Relevant clause to be set out here]
If applicable	
Language regime	Information and contractual terms will be supplied in [specific language]. With your consent, we intend to communicate in [specific language/languages] during the duration of the credit agreement.
(c) concerning redress	
Existence of and access to out-of-court complaint and redress mechanism	[Whether or not there is an out-of-court complaint and redress mechanism for the consumer who is party to the distance
a This information is optional for the creditor.	

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contract and, if so, the methods of access to it]

a This information is optional for the creditor.
