



GROUPEMENT DES CARTES BANCAIRES "CB"

Brussels, 17th December 2004

The Groupement des Cartes Bancaires "CB" and 9 banks heard by the European Commission

On Thursday 16th and Friday 17th December 2004, further to having received a communication from the European Commission containing its observations concerning the new prices applicable to CB members, the Groupement des Cartes Bancaires "CB"* and nine CB banks* were heard at a hearing before the European Commission's Directorate General for Competition.

During the two days of debates and exchanges, the Groupement des Cartes Bancaires "CB" and its members were thus able to present, explain and defend their position on this question.

In particular, the hearing provided them with an opportunity to present the bases and economic effects on which the new pricing procedures were based.

The Groupement des Cartes Bancaires "CB" and the nine CB banks were also able to demonstrate that with respect to the merits of their case and its legality, any **objections concerning an anti-competitive understanding and secret agreements were without foundation**, and that the new pricing procedures were compatible with the provisions of European Law, more specifically with Article 81 § 1 and § 3 of the Treaty. With respect to this it should be borne in mind that the new **pricing system**, known as MERFA, **has so far never been put into application**.

With a view to ensuring the transparency which it has always practiced towards the Commission (19 notifications forwarded since 1988), the Groupement des Cartes Bancaires "CB" and the nine banks concerned will continue to provide the European Commission with all the necessary clarifications. They look forward with confidence to the next stages of the Commission's examination of this file.

** Banque Fédérale des Banques Populaires, BNP Paribas, Caisse Nationale des Caisses d'Epargne, CIC, Crédit Agricole, Crédit Lyonnais, Crédit Mutuel, La Poste, Société Générale*

Proposed modification of the prices applicable to CB members – chronological list of events

Before December 2002: the Groupement des Cartes Bancaires “CB” presented the proposed price changes to the French and European authorities: the European Commission, the Banque de France and the Ministry of the Economy and of Finance, including the treasury department.

December 2002: the Board of Directors of the Groupement des Cartes Bancaires “CB” voted in favour of the introduction of 3 types of measure:

- modification of the membership fees
- modification of the voting keys
- introduction of the Merfa system.

In practice these new measures would not be applicable before 2004, in order to ensure satisfactory transition to the new system on the part of all the members.

December 2002 to January 2003: the Groupement notified the European Commission of the measures in question.

February 3rd 2003: the European Commission said that it considered the notification to be complete.

February 2003: the Groupement met the Competition authorities in Paris (the DGCCRF)

March 2003: the Commission asked the Groupement for further information.

April 2003: the Groupement met the Competition authorities in Brussels.

May 20th and 21st 2003: the Commission conducted checks in the Groupement’s premises and those of the 9 leading CB banks.

July 2003: the Groupement met the Deputy Managing Director of the Directorate General for Competition.

The Groupement filed a recourse action with the Luxembourg Court of First Instance and with France’s Supreme Court of Appeal, the Cour de Cassation, against the European Commission’s decision following the checks carried out.

October-November: the Commission requested further information.

March 29th 2004: the Groupement once more met its interlocutors in Brussels.

June 10th 2004: the Chairman of the Board of Directors of the Groupement des Cartes Bancaires “CB” sent the Directorate General for Competition a letter stating that as things stood, the measures of which the European Commission had been notified would not be implemented.

July 8th 2004: the Groupement and the 9 leading CB banks received a letter informing them of objections. They were given three months in which to study the various points raised and present their arguments to the European Commission.

November 8th 2004: the Groupement and its members forwarded their replies to the Commission.

December 16th and 17th 2004: the Groupement’s hearing before the Directorate General.