

# Procedure file

Basic information		
CNS - Consultation procedure	<a href="#">1998/0906(CNS)</a>	Procedure lapsed or withdrawn
Fight against crime and fraud: use of payment cards, information required for the offences		
Subject 7.30.30.06 Action to combat economic fraud and corruption		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>LIBE</b> Civil Liberties and Internal Affairs		19/03/1998
		PSE <a href="#">SCHMID Gerhard</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy	The committee decided not to give an opinion.	
	<b>JURI</b> Legal Affairs, Citizens' Rights	The committee decided not to give an opinion.	
	<b>ENVI</b> Environment, Public Health and Consumer Protection	The committee decided not to give an opinion.	
Council of the European Union			

Key events			
03/02/1998	Legislative proposal published	<a href="#">05683/1998</a>	Summary
09/03/1998	Committee referral announced in Parliament		
27/04/1998	Vote in committee		Summary
27/04/1998	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0164/1998</a>	
15/05/1998	Debate in Parliament		
15/05/1998	Decision by Parliament	T4-0304/1998	Summary
01/05/1999	End of procedure in Parliament		

Technical information	
Procedure reference	1998/0906(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation

Legal basis	Treaty on the European Union (after Amsterdam) M K.1-p9; Treaty on the European Union (after Amsterdam) M K.3-p2
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	LIBE/4/09825

### Documentation gateway

Legislative proposal	<a href="#">05683/1998</a>	03/02/1998	CSL	Summary
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0164/1998</a> <a href="#">OJ C 167 01.06.1998, p. 0004</a>	27/04/1998	EP	
Text adopted by Parliament, 1st reading/single reading	T4-0304/1998 <a href="#">OJ C 167 01.06.1998, p. 0289-0306</a>	15/05/1998	EP	Summary

## Fight against crime and fraud: use of payment cards, information required for the offences

**OBJECTIVE:** to promote and facilitate the exchange of information concerning payment card crime by establishing a network of contact points in Member States. **SUBSTANCE:** organized fraud by means of payment cards is the source of considerable profit for fraudsters and encourages the development of organized crime. This proposal for a joint action seeks to establish a new type of cooperation between the law enforcement agencies of the Member States and bodies issuing payment cards. The joint action makes provision in particular for the establishment of a system for the exchange of information between these authorities and services when information is required for investigations into crimes committed in this field. To this end each Member State will designate or create a national contact point to forward or receive requests for information on the use or suspected use of payment cards in the furtherance of international organized crime. These national contact points so designated shall be points for liaison between Member States' competent agencies and agencies issuing payment cards and shall be linked to each other through a network. The nature of information which can be forwarded or requested relates to: - the identity of the issuer of the card, - the identity of the card holder or the account to which it relates, - in the event of fraudulent use, details concerns the fraudulent transactions, - the account number used by the fraudster, - information on the payment card system. There are provisions with regard to the confidentiality of the information exchanged and on respect for privacy and human rights in the context of the joint action. ?

## Fight against crime and fraud: use of payment cards, information required for the offences

The Committee has endorsed the report by its rapporteur, Gerhard SCHMID (PES, D), on payment card crime. The committee unanimously recommended that Parliament should approve the joint action on the involvement of organised crime in the use of payment cards. As this matter which comes under the 3rd pillar (justice and home affairs), Parliament is simply being consulted. The proposal for a joint action put forward by the Council was drawn up by the British Presidency. This is an area in which the EU has so far taken little action, However, its options are limited because Article K.3 does not provide for harmonisation but for Member States to "establish collaboration between the relevant departments of their administrations". The draft joint action adopted by the Council is designed to ensure better exchange of information on payment card crime between Member States' law enforcement agencies and the payment card industry. Worldwide losses as a result of the various types of payment card fraud are of the order of several billion ecus. A broad range of fraudulent activities are covered by this term: misuse of stolen cards, modification of data recorded on cards, transfer of data on the magnetic strip, use of blank plastic cards and complete counterfeiting. Most payment card crime takes place on an organized basis. The amendments adopted by the Committee call for a specific definition of the acts to be covered. The joint action should, it says, spell out how they can be prevented. Law enforcement agencies should provide card issuers only with strategic information containing precise details on fraudulent transactions. Similarly, the law enforcement agencies should not pass on to card issuers any data of a personal nature. The committee also called for the deletion of one provision allowing each Member State ultimately to decide on the type and scope of information to be forwarded. This, it believes, would render the "joint action" approach valueless. Lastly, the tasks covered by the draft joint action should, in the medium term, be the responsibility of Europol. In a related area, Parliament adopted a resolution on 20th February designed to increase consumer confidence in electronic means of payment (report by Astrid THORS, ELDR, Fin).?

## Fight against crime and fraud: use of payment cards, information required for the offences

In adopting the report by Mr Gerhard SCHMID (PSE, D) Parliament approved the joint action on payment cards in the context of action against organized crime, with the following amendments: - clearer definition of the acts covered by the joint action: the Member States should designate a point of contact responsible for forwarding and receiving requests concerning counterfeiting or misuse of payment cards or the misuse of information stored thereon; - in the course of their activities the law enforcement agencies could forward to the issuers of payment cards only strategic information comprising precise data on fraudulent transactions. These services might not pass on any personal data. Parliament also called for deletion of the provision that each Member State would decide on the nature and extent of information supplied which would change the nature of the aim of the joint action which sought to strengthen cooperation in this sector. Lastly, the tasks envisaged by this draft joint action should be assumed in the medium term by Europol following the entry into force of the Europol Convention. ?