Reports of Cases

JUDGMENT OF THE COURT (Seventh Chamber)

23 January 2025 *

(Reference for a preliminary ruling – Consumer protection – Credit agreements for consumers – Directive 2008/48/EC – Requirements relating to information to be included in such a credit agreement – Duty to provide information – Duration of the agreement – Annual percentage rate of charge (APRC) – Assumptions used in order to calculate the APRC)

In Case C-677/23,

REQUEST for a preliminary ruling under Article 267 TFEU from the Krajský súd v Prešove (Regional Court, Prešov, Slovakia), made by decision of 12 October 2023, received at the Court on 14 November 2023, in the proceedings

**A. B.,**

**F. B.**

v

**Slovenská sporiteľňa a.s.,**

THE COURT (Seventh Chamber),

composed of F. Biltgen, President of the First Chamber, acting as President of the Seventh Chamber, M.L. Arastey Sahún (Rapporteur), President of the Fifth Chamber, and J. Passer, Judge,

Advocate General: A.M. Collins,

Registrar: A. Calot Escobar,

having regard to the written procedure,

after considering the observations submitted on behalf of:

– A. B. and F. B., by I. Šafranko, advokát,

– Slovenská sporiteľňa a.s., by M. Dubovský, advokát,

– the Slovak Government, by E.V. Larišová, acting as Agent,

* Language of the case: Slovak.

– the European Commission, by P. Ondrůšek and A. Tokár, acting as Agents,

having decided, after hearing the Advocate General, to proceed to judgment without an Opinion,

gives the following

## Judgment

1 This request for a preliminary ruling concerns the interpretation of 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 2005 L 149, p. 22), and of 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 2008 L 133, p. 66 and corrigenda OJ 2009 L 207, p. 14, OJ 2010 L 199, p. 40 and OJ 2011 L 234, p. 46), as amended by Commission Directive 2011/90/EU of 14 November 2011 (OJ 2011 L 296, p. 35) ('Directive 2008/48').

2 The request has been made in proceedings between A. B. and F. B., two consumers, and Slovenská sporiteľňa a.s., a bank, concerning an application for a declaration that certain terms of a credit agreement ('the agreement at issue in the main proceedings') are void, and for a declaration that the credit concerned is interest-free and free of charges.

### Legal context

#### *European Union law*

*Directive 2005/29*

3 Article 3 of Directive 2005/29, headed 'Scope', provides in paragraph 1 thereof:

'This Directive shall apply to unfair business-to-consumer commercial practices, as laid down in Article 5, before, during and after a commercial transaction in relation to a product.'

*Directive 2008/48*

4 Recital 31 of Directive 2008/48 states:

'In order to enable the consumer to know his rights and obligations under the credit agreement, it should contain all necessary information in a clear and concise manner.'

5 Article 5 of that directive, entitled 'Pre-contractual information', provides in paragraph 1 thereof:

'In good time before the consumer is bound by any credit agreement or offer, the creditor and, where applicable, the credit intermediary shall, on the basis of the credit terms and conditions offered by the creditor and, if applicable, the preferences expressed and information supplied by the consumer, provide the consumer with the information needed to compare different offers in order to take an informed decision on whether to conclude a credit agreement. …

The information in question shall specify:

…

(g) the annual percentage rate of charge [(APRC)] 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 preferred credit, such as the duration of the credit agreement and the total amount of credit, the creditor shall take those components into account; if a credit agreement provides different ways of drawdown with different charges or borrowing rates and the creditor uses the assumption set out in point (b) of Part II of Annex I, he shall indicate that other drawdown mechanisms for this type of credit agreement may result in higher annual percentage rates of charge;

…'

6 Article 6 of that directive, entitled 'Pre-contractual information requirements for certain credit agreements in the form of an overdraft facility and for certain specific credit agreements', states:

'1. In good time before the consumer becomes bound by any credit agreement or offer concerning a credit agreement as referred to in Article 2(3), (5) or (6), the creditor and, where applicable, the credit intermediary shall, on the basis of the credit terms and conditions offered by the creditor and, if applicable, the preferences expressed and information supplied by the consumer, provide the consumer with the information needed to compare different offers in order to take an informed decision on whether to conclude a credit agreement.

The information in question shall specify:

…

(f) the [APRC], illustrated by means of representative examples mentioning all the assumptions used in order to calculate that rate;

…'

7 Article 10 of the directive, entitled 'Information to be included in credit agreements', reads as follows:

'1. Credit agreements shall be drawn up on paper or on another durable medium.

All the contracting parties shall receive a copy of the credit agreement. This Article shall be without prejudice to any national rules regarding the validity of the conclusion of credit agreements which are in conformity with Community law.

2. The credit agreement shall specify in a clear and concise manner:

…

(c) the duration of the credit agreement;

…

(g) the [APRC] and the total amount payable by the consumer, calculated at the time the credit agreement is concluded; all the assumptions used in order to calculate that rate shall be mentioned;

(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;

…'

8 Article 14 of Directive 2008/48, entitled 'Right of withdrawal', provides in paragraph 1 thereof:

'The consumer shall have a period of 14 calendar days in which to withdraw from the credit agreement without giving any reason.

That period of withdrawal shall begin

(a) either from the day of the conclusion of the credit agreement, or

(b) from the day on which the consumer receives the contractual terms and conditions and information in accordance with Article 10, if that day is later than the date referred to in point (a) of this subparagraph.'

9 Under Article 19 of that directive, entitled 'Calculation of the [APRC]':

'…

3. The calculation of the [APRC] 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 allowing variations in the borrowing rate and, where applicable, charges contained in the [APRC] but unquantifiable at the time of calculation, the [APRC] 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 Annex I may be used in calculating the [APRC].

If the assumptions set out in this Article and in Part II of Annex I do not suffice to calculate the [APRC] in a uniform manner or are not adapted any more to the commercial situation at the market, the [European] Commission may determine the necessary additional assumptions for the calculation of the [APRC], or modify existing ones. …'

10 Article 22(1) of Directive 2008/48, entitled 'Harmonisation and imperative nature of this Directive', reads as follows:

'In so far 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.'

11 Article 23 of that directive, headed 'Penalties', provides:

'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 must be effective, proportionate and dissuasive.'

12 Annex I to Directive 2008/48 lists, in Part II(a) to (j), the additional assumptions for the calculation of the APRC.

### *Slovak law*

13 The zákon č. 129/2010 Z. z. o spotrebiteľských úveroch a o iných úveroch a pôžičkách pre spotrebiteľov a o zmene a doplnení niektorých zákonov (Law No 129/2010 on consumer credit and other forms of credit and loans for consumers, amending certain other laws) of 9 March 2010 (No 129/2010 Z. z), in the version applicable to the dispute in the main proceedings ('Law No 129/2010'), was intended to transpose Directive 2008/48 into Slovak law.

14 Pursuant to Paragraph 9 of Law No 129/2010:

'1. A consumer credit agreement must be drawn up in written form. Every party to the agreement shall receive at least one copy in documentary form or on another durable medium accessible to the consumer.

2. A consumer credit agreement must, in addition to the general requirements set out in the Občiansky zákonník [(Civil Code)], contain the following:

…

(f) the duration of the consumer credit agreement and the date of the final repayment of the consumer credit,

(g) the total amount and specific currency of the consumer credit and the conditions governing the drawdown of the credit,

…

(i) the consumer credit interest rate, the conditions governing the application thereof, the index or reference rate to which the consumer credit interest rate is linked, and also the periods during which the consumer credit interest rate is changed and the conditions and arrangements for that adjustment; if different consumer credit interest rates apply in different circumstances, the abovementioned information shall be provided in respect of all the different consumer credit interest rates applicable,

(j) the [APRC] and the total amount the consumer is required to pay, calculated on the basis of current data at the time the consumer credit agreement is concluded; all the assumptions used in calculating the [APRC],

(k) the amount, number and dates of payments of capital, interest and other charges and, where appropriate, the order in which payments will be allocated to different outstanding balances charged at different consumer credit interest rates for the purposes of reimbursement,

…

(m) a concise statement showing the periods and conditions for the payment of the interest and any associated recurrent and non-recurrent charges, where the charges and interest are to be paid without capital amortisation,

(n) where applicable, the charges for maintaining one or several accounts recording both payment transactions and drawdowns, if the opening of an account is obligatory, together with the charges for using a means of payment for both payment transactions and drawdowns, and other charges deriving from the consumer credit agreement and the conditions under which those charges may be changed,

…

(r) the amount of the charges payable by the consumer for notarial acts, in so far as they are known to the creditor.

…’

15 Paragraph 11(1) of Law No 129/2010 states:

‘Any consumer credit granted shall be deemed to be interest-free and free of charges if:

…

(b) the consumer credit agreement does not contain the information referred to in Paragraph 9(2)(a) to (k), (r) and (y).’

16 Paragraph 122 of the Civil Code provides that time limits must be expressed, inter alia, in months and years.

## The dispute in the main proceedings and the questions referred for a preliminary ruling

17 On 29 October 2014, A. B. and F. B. concluded the agreement at issue in the main proceedings with Slovenská sporiteľňa; the capital was transferred to their bank account on the same day. The agreement at issue in the main proceedings was concluded for a fixed period, the applicants in the main proceedings having undertaken to repay the credit concerned in 108 monthly instalments of EUR 54.20. Each monthly instalment was to be paid by the twentieth day of the month. The first instalment was to be paid by 20 December 2014 and it was agreed that the last instalment would be paid on 20 November 2023.

18 The agreement at issue in the main proceedings provided for an APRC of 17.93% and a total amount to be repaid of EUR 5 858.98. The section of that agreement, entitled 'Assumptions used in order to calculate the APRC', was worded as follows: 'The credit has been granted immediately, in full; the borrower shall fulfil his or her obligations under the terms and conditions and within the time limits set out in the credit agreement; the interest rate shall apply until the end of the credit relationship'. Paragraph 12 of Part III of that agreement stipulated: 'The agreement shall be concluded for a … fixed period until the full settlement of all relationships arising in connection with the credit granted'.

19 The applicants in the main proceedings took the view that the latter provision was 'unclear' and replaced the mandatory specification of the duration of the credit agreement. In addition, they noted that the agreement at issue in the main proceedings did not specify its duration or the assumptions used in order to calculate the APRC.

20 Taking the view that the agreement at issue in the main proceedings breached their rights as consumers, the applicants in the main proceedings brought an action before the Okresný súd Prešov (District Court, Prešov, Slovakia) seeking a declaration that the terms of that agreement were void and that the credit was interest-free and free of charges.

21 Hearing an appeal brought by the applicants in the main proceedings against the judgment of that court, the Krajský súd v Prešove (Regional Court, Prešov, Slovakia), which is the referring court, considers that the dates on which the first and last instalments for repayment of the credit are due do not necessarily correspond to the actual duration of an agreement. According to the referring court, it would be 'extremely problematic' to determine the precise time frame for the provision of the credit, its duration and the date on which all the obligations under the credit agreement had actually been performed in full.

22 However, according to the referring court, the provisions of Directive 2008/48 and, in particular, Article 10(2) thereof require that the duration of the credit agreement be specified in that agreement, the mere possibility that the consumer may calculate that period taking into account the credit repayment instalments being insufficient in that regard.

23 Furthermore, since Paragraph 122 of the Civil Code provides that time limits must be expressed, inter alia, in months and years, the determination of the duration of the agreement at issue in the main proceedings could be regarded as explicit and, therefore, as satisfying the requirement of clarity and concision laid down by Directive 2008/48.

24 As regards Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts (OJ 1993 L 95, p. 29) and Directive 2005/29, and notwithstanding the fact that the referring court has not referred a question on the interpretation of those directives, that court considers, first,

that it is necessary to take account of Directive 93/13 in order to interpret the requirement of precision of contractual terms, in accordance with Directive 2008/48, and, second, finds that the question whether the assumptions used in order to calculate the APRC are essential is linked to the examination of the possible existence of a misleading commercial practice. In that regard, the question arises whether, in the present case, the period after the end of the provision of the credit service, which could extend beyond the duration of the agreement at issue in the main proceedings, corresponds to the period after the commercial transaction concerned, within the meaning of Article 3(1) of Directive 2005/29.

25 In addition, the referring court raises the question as to why Directive 2008/48 requires not only that the APRC be stated in the credit agreement, but also that all the assumptions used in order to calculate that rate be included in that agreement, given that all the assumptions necessary for that calculation are mandatory elements of that agreement which must be specifically mentioned in it.

26 The referring court considers that the requirement, laid down in that directive, to set out in the credit agreement the assumptions used in order to calculate the APRC is justified by the fact that an average consumer cannot be regarded as being able to identify all those assumptions himself or herself.

27 In those circumstances, the Krajský súd v Prešove (Regional Court, Prešov) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:

‘(1) Must Article 10(2)(c) of [Directive 2008/48] be interpreted as meaning that the specification of the duration of the credit agreement in a clear and concise manner in the contractual terms:

– requires the duration of the credit agreement to be specified expressly, for example by stating the date of the conclusion and expiry of the agreement (from … to …) or, alternatively, by using calendar units of time such as, for example, months or years (e.g. for a period of one year)[;] or

– is it sufficient if it is done in such a way that the consumer is to calculate the duration of the agreement or determine it in some other way on the basis of the contractual terms, for example on the basis of the number of monthly instalments or the time at which the credit is repaid in full?

(2) Must Article 10(2)(c) of [Directive 2008/48] be interpreted as meaning that the specification in a credit agreement of the duration of that agreement corresponds to a period defined as “during … a commercial transaction” within the meaning of Article 3(1) of [Directive 2005/29]?

(3) Must Article 10(2)(g) of Directive 2008/48, in the sections stating “in a clear and concise manner” and “all the assumptions used in order to calculate that rate”, be interpreted as meaning that:

– the assumptions used in order to calculate the [APRC] must be expressly identified in the agreement as the assumptions used in order to calculate the APRC[;] or

– the consumer is [himself] or herself to determine the relevant assumptions used in order to calculate the APRC on the basis of the contractual terms?’

## Consideration of the questions referred

### *The first question*

28 By its first question, the referring court asks, in essence, whether Article 10(2)(c) of Directive 2008/48 must be interpreted as meaning that a credit agreement must specify the duration of that agreement expressly or whether it is sufficient, in the light of that provision, that the terms of that agreement enable the consumer to determine that duration without difficulty and with certainty.

29 As a preliminary point, it should be recalled that, under that provision, the credit agreement is to specify in a clear and concise manner the duration of the credit agreement.

30 As is apparent from Article 10(2) of Directive 2008/48, read in the light of recital 31 of that directive, the requirement to include the information referred to in that provision in a credit agreement drawn up on paper or on another durable medium in a clear and concise manner is necessary in order to ensure that the consumer is aware of his or her rights and obligations (judgments of 9 November 2016, *Home Credit Slovakia*, C-42/15, EU:C:2016:842, paragraph 31, and of 9 September 2021, *Volkswagen Bank and Others*, C-33/20, C-155/20 and C-187/20, EU:C:2021:736, paragraph 70 and the case-law cited).

31 Knowledge and good understanding, on the part of the consumer, of the information that must be mandatorily included in the credit agreement, in accordance with Article 10(2) of Directive 2008/48, are necessary for the proper performance of the agreement (judgment of 9 September 2021, *Volkswagen Bank and Others*, C-33/20, C-155/20 and C-187/20, EU:C:2021:736, paragraph 71 and the case-law cited).

32 That requirement contributes to attaining the objective pursued by Directive 2008/48, which consists in providing, as regards consumer credit, full and mandatory harmonisation in a number of key areas, which is regarded as necessary in order to ensure that all consumers in the European Union enjoy a high and equivalent level of protection of their interests and to facilitate the emergence of a well-functioning internal market in consumer credit (judgments of 9 November 2016, *Home Credit Slovakia*, C-42/15, EU:C:2016:842, paragraph 32, and of 9 September 2021, *Volkswagen Bank and Others*, C-33/20, C-155/20 and C-187/20, EU:C:2021:736, paragraph 72 and the case-law cited).

33 The Court has also given a more specific ruling on the scope of that requirement as regards the specification, in a credit agreement, of the amount, number and frequency of payments to be made by the consumer, in accordance with Article 10(2)(h) of that directive.

34 In that regard, the Court has held that the objective of that provision is to ensure that the consumer knows the date on which each payment to be made falls due. Accordingly, where the terms of the agreement allow the consumer to ascertain the dates of those payments without difficulty and with certainty, that objective is attained (judgment of 9 November 2016, *Home Credit Slovakia*, C-42/15, EU:C:2016:842, paragraphs 48 and 49).

35 On the basis of those considerations, the Court concluded that Article 10(2)(h) of Directive 2008/48 must be interpreted as meaning that a credit agreement need not indicate the specific date on which every payment to be made by the consumer falls due, provided that the terms of

the agreement allow the consumer to ascertain the dates of those payments without difficulty and with certainty (judgment of 9 November 2016, *Home Credit Slovakia*, C-42/15, EU:C:2016:842, paragraph 50).

36 The reasoning followed in that judgment must be applied in the present case for the purpose of interpreting Article 10(2)(c) of Directive 2008/48.

37 As is apparent from the case-law referred to in paragraphs 30 and 31 of the present judgment, the consumer's knowledge of the time at which the agreement comes to an end is of fundamental importance for the consumer's exercise of his or her rights and obligations and for the proper performance of that agreement.

38 In addition, as the Court has held, the performance of an agreement constitutes the natural mechanism for extinguishing contractual obligations (see, to that effect, judgment of 21 December 2023, *BMW Bank and Others*, C-38/21, C-47/21 and C-232/21, EU:C:2023:1014, paragraph 279).

39 The extinguishing of contractual obligations marks the end of the agreement and thus determines its duration.

40 The Court has held that, in the event of the complete performance of the credit agreement, the obligation to provide the information stipulated in Article 10(2) of Directive 2008/48 is no longer, in principle, capable of attaining the objective pursued by that provision, which is to enable the consumer to obtain all the information necessary for the proper performance of the agreement and, in particular, for the exercise of his or her rights, including his or her right of withdrawal, so as to enable him or her to ascertain the extent of his or her rights and obligations. It follows that those obligations no longer have the same degree of usefulness once the agreement has been performed in full (judgment of 21 December 2023, *BMW Bank and Others*, C-38/21, C-47/21 and C-232/21, EU:C:2023:1014, paragraph 277).

41 In the present case, the agreement at issue in the main proceedings does not expressly specify its duration, but indicates the number of monthly instalments to be paid by the applicants in the main proceedings and the dates on which the first and last of those monthly instalments fall due.

42 In the light of the considerations set out in paragraphs 37 to 40 of the present judgment, it must be held that the duration of a credit agreement such as the agreement at issue in the main proceedings is closely linked to the performance in full of the obligations of each of the parties to that agreement and therefore, essentially, to the disbursement of the capital by the creditor and the repayment in full of the credit by the borrower.

43 Therefore, the indication of the duration of the credit agreement, in accordance with Article 10(2)(c) of Directive 2008/48, does not necessarily have to be made by means of a formal indication of the precise date on which that agreement begins and ends, provided that its terms enable the consumer to determine that duration without difficulty and with certainty.

44 It will be for the referring court to take into account all of the terms included in the agreement at issue in the main proceedings, in particular those indicating the number of monthly instalments to be paid and the dates on which the first and last monthly instalments for repayment of the credit

fall due, and any other terms providing for the parties' obligations, in order to ascertain whether all of those terms enable the consumer, in the present case, to determine without difficulty and with certainty the duration of that agreement.

45 In the light of all of the foregoing considerations, the answer to the first question is that Article 10(2)(c) of Directive 2008/48 must be interpreted as meaning that a credit agreement need not necessarily specify the duration of that agreement expressly, provided that the terms of that agreement enable the consumer to determine that duration without difficulty and with certainty.

### *The second question*

46 By its second question, the referring court asks, in essence, whether Article 10(2)(c) of Directive 2008/48 must be interpreted as meaning that the indication, in a credit agreement, of the duration of that agreement determines the period 'during' the transaction concerned, within the meaning of Article 3(1) of Directive 2005/29.

47 As a preliminary point, it should be recalled that, under the latter provision, Directive 2005/29 is to apply to unfair business-to-consumer commercial practices, as laid down in Article 5 thereof, 'before, during and after a commercial transaction in relation to a product'.

48 It should be added that it is true that the Court has previously taken account of the provisions of Directive 2005/29 in interpreting Directive 2008/48 (see, to that effect, judgment of 10 June 2021, *Ultimo Portfolio Investment (Luxembourg)*, C-303/20, EU:C:2021:479, paragraphs 42 to 45).

49 In the present case, however, it should be noted that, by their action, the applicants in the main proceedings seek, in the first place, a declaration that the terms of the agreement at issue in the main proceedings are void on account of an infringement of the provisions of Directive 2008/48 and the national legislation transposing that directive and, in the second place, a declaration that the credit concerned is interest-free and free of charges.

50 The mere indication, in a credit agreement, that the duration of that agreement falls within the period 'during' the transaction concerned, within the meaning of Article 3(1) of Directive 2005/29, has, a priori, no bearing on the interpretation of Article 10(2)(c) of Directive 2008/48.

51 Moreover, the order for reference does not contain any information that would make it possible to determine the assumption on which the second question is based and does not set out the reasons why an answer to that question is, in the present case, necessary for the resolution of the dispute in the main proceedings.

52 In those circumstances, the second question is hypothetical and is therefore inadmissible.

### *The third question*

53 By its third question, the referring court asks, in essence, whether Article 10(2)(g) of Directive 2008/48 must be interpreted as meaning that the assumptions used in order to calculate the APRC must be expressly mentioned in a credit agreement, or whether it is sufficient that the consumer may himself or herself identify them by examining the terms of that agreement.

54 As a preliminary point, it should be recalled that, under that provision, the credit agreement is to specify in a clear and concise manner the APRC and the total amount payable by the consumer, calculated at the time the credit agreement is concluded, and all the assumptions used in order to calculate that rate are also required to be mentioned.

55 As regards those assumptions, it should be noted that Article 19 of Directive 2008/48 provides, first, in paragraph 3 thereof, that the calculation of the APRC is to 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. Second, under paragraph 4 of that article, in the case of credit agreements containing clauses allowing variations in the borrowing rate and, where applicable, charges contained in the APRC but unquantifiable at the time of calculation, that APRC is to 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. Third, paragraph 5 of that article provides that, where necessary, the additional assumptions set out in Annex I to that directive may be used in calculating the APRC. Fourth, Part II(a) to (j) of that annex sets out the various additional assumptions for the calculation of the APRC.

56 It should be added that the obligation to mention the assumptions used in order to calculate the APRC by means of a representative example is also laid down in Article 5(1)(g) and Article 6(1)(f) of Directive 2008/48 as a pre-contractual information requirement.

57 Reference, in the pre-contractual stage, to the various assumptions used in order to calculate the APRC makes it possible to implement the objective referred to in Article 5(1) of Directive 2008/48 relating to the information needed to compare different offers in order to enable the consumer to make an informed decision on whether to conclude a credit agreement, where that comparison must be made taking into account the APRC according to the different durations of the offers at his or her disposal (see, to that effect, judgment of 16 July 2020, *Soho Group*, C-686/19, EU:C:2020:582, paragraph 48).

58 As regards the obligation to mention those various assumptions in the credit agreement, in accordance with Article 10(2)(g) of Directive 2008/48, it is apparent from the case-law referred to in paragraph 30 of the present judgment that that obligation is intended to ensure that the consumer is aware of his or her rights and obligations.

59 That reference must thus enable the consumer to verify whether the APRC has been calculated correctly by the trader and, if not, to assert his or her rights, in particular the right of withdrawal provided for in Article 14 of Directive 2008/48, the period for exercising that right of withdrawal being extended in the event of infringement of the requirements laid down in Article 10 of that directive, and the withdrawal of the other rights provided for in national legislation, as a penalty adopted in accordance with Article 23 of that directive.

60 In that regard, the Court has held that the obligation to include, in a credit agreement, inter alia, information such as the APRC, referred to in Article 10(2)(g) of Directive 2008/48, constitutes a vitally important obligation (judgment of 9 November 2016, *Home Credit Slovakia*, C-42/15, EU:C:2016:842, paragraph 70).

61 In accordance with that case-law, it must be held that the inclusion, in a credit agreement, of the assumptions used in order to calculate the APRC is also vitally important for the consumer, in particular for the reasons set out in paragraphs 58 and 59 of the present judgment.

62 In so far as failure to include such information in a credit agreement may compromise the ability of a consumer to assess the extent of his or her liability, the penalty laid down under national law of forfeiture by the creditor of entitlement to interest and charges must be considered to be proportionate within the meaning of Article 23 of Directive 2008/48 (see, to that effect, judgment of 9 November 2016, *Home Credit Slovakia*, C-42/15, EU:C:2016:842, paragraph 71).

63 Given that, as recalled in paragraph 55 of the present judgment, the assumptions used in order to calculate the APRC may be complex, it is necessary to specify them in a clear, concise and express manner in a credit agreement, since the mere possibility that the consumer may identify them by reading the various terms of that agreement is not sufficient.

64 In the light of all of the foregoing considerations, the answer to the third question is that Article 10(2)(g) of Directive 2008/48 must be interpreted as meaning that the assumptions used in order to calculate the APRC must be expressly mentioned in the credit agreement and that it is not sufficient in that regard that the consumer may himself or herself identify them by examining the terms of that agreement.

## Costs

65 Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the referring court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Seventh Chamber) hereby rules:

1. **Article 10(2)(c) of 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, as amended by Commission Directive 2011/90/EU of 14 November 2011,**

   **must be interpreted as meaning that a credit agreement need not necessarily specify the duration of that agreement expressly, provided that the terms of that agreement enable the consumer to determine that duration without difficulty and with certainty.**

2. **Article 10(2)(g) of Directive 2008/48, as amended by Directive 2011/90,**

   **must be interpreted as meaning that the assumptions used in order to calculate the annual percentage rate of charge (APRC) must be expressly identified in the credit agreement and that it is not sufficient in that regard that the consumer may himself or herself identify them by examining the terms of that agreement.**

[Signatures]