



*The Influence and Effects of EU Business Law
in the Western Balkans*

1st EU Business Law Forum

Maximilian-Andrei Druță:

**The inherent risks of foreign currency
credits and their socio-economic impact**

(abstract)

Széchenyi István University | Faculty of Law and Political Sciences |

Centre for European Studies

15 – 16 June 2017 | Győr | Hungary

The conference is carried out within the research stream of “Jean Monnet Module on EU Business Law” (EUBLAW) funded by the Erasmus+ Programme



THE INHERENT RISKS OF FOREIGN CURRENCY CREDITS AND THEIR SOCIO-ECONOMIC IMPACT

ABSTRACT:

The various lending operations of both individuals and legal entities have always contributed to social progress, to the well-being of individuals and to the investments made by new as well as by old enterprises. However, both legal and economic transactions have two sides, a positive one, which has already been mentioned above, but also a negative one, consisting of the inherent risks that a person accessing a credit of any kind assumes. These risks are more acute in the case of foreign currency loans. This work aims to analyse and synthesize situations where banks in EU member states offer credits in currencies other than the national one, i.e. foreign currency, referring to the implicit currency risks of such legal transactions, with the emphasis on loans in euro and Swiss francs granted in Romania during 2007 - 2008 and their social and economic consequences, including the financing problems Romanian banks had to face as consumers initiated legal actions against them on the ground of the regulation of hardship in the Romanian Civil Code. Last but not least, we will briefly present the private law institutions at national level that may lead to conventional adjustments to the contractual benefits and risks and the possible impact regarding the conventional adjustment and in the case of its failure the constrained judicial adjustment and the contractual risks the banks have to bear in this respect.

Keywords: credit, banks, currency, risk, adaptation, balancing