



Directive 2011/7/EU on combating late payment in commercial transactions

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Reminder: MAIN PROVISIONS OF THE DIRECTIVE

- 1) **Harmonisation** of payment period by **public authorities** to businesses
- 2) **Contractual freedom** in **businesses'** transactions subject to several conditions
- 3) **Automatic entitlement** to **interest** for late payment and €40 minimum as **compensation** for recovery costs
- 4) **Statutory interest** of at least **8%** above the European Central Bank's reference



1. TRANSPOSITION

- Deadline for transposition: **16 March 2013**
- All transposition measures notified by **July 2014**
- **Recurring issues** encountered in the transposing national measures
- Provisions which are **more favourable to the creditor** adopted in few cases



TRANSPOSITION: State of Play

- **21 Member States** have **correctly transposed** the Directive
- **2 more Member States' cases** are **on hold** awaiting the adoption of amended laws
- The Commission **maintains a dialogue** with **2 other MS** on detailed issues related to their transposition measures
- **Infringement proceedings for incorrect transposition** launched against **3 Member States**



2. APPLICATION

- There are **2 open infringements** for bad application of the Directive
- Both Member States correctly transposed the Directive but are **not correctly applying the law**
- The launching of infringement procedures for bad application normally stems from **complaints**
- Complaints received from **other MS** under investigation



3. THE EVALUATION OF THE DIRECTIVE: Objectives

- To evaluate the **first results of the implementation** of the Directive in the EU-28
- To determine whether the **needs of the debtors** in commercial transactions are being adequately addressed
- To identify factors that are **preventing the correct implementation** of the Directive and consider options that could help to overcome this problem



3. THE EVALUATION OF THE DIRECTIVE: Rationale

- The study will contribute to the **Regulatory Fitness and Performance Programme (REFIT) 2015/2016** under which the Late Payment Directive (LPD) is included.
- The study will contribute to a **report** to the European Council and the European Parliament (March 2016) on the implementation of the Late Payment Directive.



THE EVALUATION OF THE DIRECTIVE: Scope

- **Legislation:** Directive 2011/7/EU
- **Time period:** since adoption of national law in each MS
- **Geography:** EU-28
- **Sectors:** All, particularly **construction, health and food**
- **Stakeholders:** businesses, particularly SMEs established in the EU and their representatives + public authorities



THE EVALUATION OF THE DIRECTIVE: Methodology

– Inception phase

- Initial desk research
- Scoping interviews
- Design of the survey and interview guide

– Data collection

- Desk research
- Survey with companies
- Interviews with stakeholders in 28 EU MS
- Follow-up interviews



THE EVALUATION OF THE DIRECTIVE: Methodology

- **Data analysis**
 - Qualitative analysis
 - Quantitative analysis
 - Findings and recommendations
- **Results:** September 2015



Thank you for your attention.