

**Question for written answer E-004127/2021/rev.1
to the Commission**

Rule 138

Clare Daly (The Left)

Subject: French leaseback scheme – follow-up to the Commission’s response to Written Question E-003030/2021

In response to Written Question E-003030/2021, the Commission said that ‘the contracts in question ... are considered as contracts between professionals under French commercial law. The EU Directive ... excludes contracts between persons acting for purposes relating to their trade, business or profession.’

However, for the following reasons, it is clear that these contracts were concluded with consumers:

The parties who signed the contracts were individual consumers with no relation to the property profession;

The tax incentive scheme in question – French leaseback – is directed at consumers;

The scheme used by the consumers involved to pay tax on the rental of these properties is Loueur Meublé Non Professionnel, a French tax designation meaning ‘non-professional lessor of a furnished property’;

The French Government knows the right of the tenant operator company to ‘eviction compensation’ to end a contract is not clear to those signing the contracts and responded to complaints by consumers in France with the Novelli Law. But if you inspect any marketing document for leaseback properties, you will not find any reference to this ‘hidden term’ in the contract, or if you do, the reference will be in such small print that the prospective purchaser will not understand its significance.

1. Therefore, how can Commissioner Reynders conclude that Council Directive 93/13/EEC does not apply in these cases?
2. Why is the Commission not prepared to take action against France, despite having acted previously to protect consumers in Spain against a breach of the directive?