

ORAL QUESTION WITH DEBATE O-0078/07

pursuant to Rule 108 of the Rules of Procedure

by Arlene McCarthy, on behalf of the Committee on the Internal Market and Consumer Protection  
to the Council

Subject: Misleading 'Directory companies' (e.g. 'European City Guides')

Over the past years, a number of so-called 'Directory companies' (for instance 'European City Guides') have been operating cross-border in several EU Member States applying misleading and fraudulent business practices. The consequence of such scams is usually the unwanted 'registration' of professionals and small companies in rogue 'directories' for several years, at a cost of up to € 1000 per year. These amounts are then rigorously collected through specialised agencies, leaving the victims with a substantial financial loss and possibly also legal costs. When spotted and closed down, these companies have frequently managed to relocate and take up their fraudulent practices as before.

IMCO Committee Members have received numerous complaints from citizens and the business community about such cases. The Committee therefore feels immediate and coordinated action by Member States is needed to prevent these 'directory companies' from operating and causing further damage to the European business community.

The Committee therefore asks the Council of the European Union the following questions.

1. Are Member States aware of the magnitude of this problem for the European business community, and particularly for SMEs? What action have they taken to close down these rogue 'directory companies'?
2. Are Member States prepared to exchange information with other Member States' market surveillance authorities in order to warn them about fake 'directory companies' operations as well as their managers/owners?
3. What steps are being undertaken to close loopholes created in the transposition of the Misleading Advertising Directive 84/450/EEC<sup>1</sup>?
4. What measures have Member States put in place to warn the business community about the threat of fake 'directory companies' and to assist those companies who are victims of these fraudulent practices?
5. Do Member States agree that the Directive 2005/29/EC on unfair commercial practice (UCP)<sup>2</sup>, which also applies to advertising and aspects of misleading advertising directed at consumers, should be extended to business-to-business (B2B) transactions?

Tabled: 03.12.2007

Forwarded: 04.12.2007

Deadline for reply: 25.12.2007

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<sup>1</sup> OJ L 250, 19.9.1984, p. 17.

<sup>2</sup> OJ L 149, 11.6.2005, p. 22.