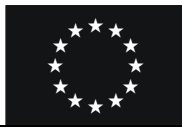


EUROPEAN PARLIAMENT

2004



2009

Committee on Legal Affairs

14.11.2007

FINAL COMPROMISE AMENDMENTS

Text proposed by the Commission

Amendments by Parliament

Compromise amendment 45

Recital 1

(1) The **Union** has set itself the objective of **establishing** an area of freedom, security and justice. **To that end** the Community **must** adopt measures relating to judicial cooperation in civil matters with a cross-border impact to the extent necessary for the proper functioning of the internal market, **including measures promoting the compatibility of the rules applicable in the Member States concerning the conflict of laws.**

(1) The **Community** has set itself the objective of **maintaining and developing** an area of freedom, security and justice. **For the progressive establishment of such an area,** the Community **is to** adopt measures relating to judicial cooperation in civil matters with a cross-border impact to the extent necessary for the proper functioning of the internal market.

Or. en

Compromise amendment 46

Recital 1a (new)

(1a) According to Article 65(b) of the Treaty, these measures are to include those promoting the compatibility of the rules applicable in the Member States

Compromise amendment 47

Recital 2

(2) *For the purposes of effectively implementing the relevant provisions of the Amsterdam Treaty, the Council (Justice and Home Affairs) on 3 December 1998 adopted a plan of action on how best to implement the provisions of the Treaty of Amsterdam on an area of freedom, security and justice,¹ stressing the importance of promoting the compatibility of conflict-of-law rules in order to attain the objective of mutual recognition of judgments and calling for the revision, where necessary, of certain provisions of the Convention on the Law applicable to contractual obligations, taking into account special provisions on conflict-of-law rules in other Community instruments.* *deleted*

Compromise amendment 48

Recital 3

(3) The *Tampere* European Council on 15 and 16 October 1999 *approved* the principle of mutual recognition of judgments *as a priority matter in the establishment of a European judicial area. The programme of measures for implementation of the principle of mutual recognition of decisions in civil and commercial matters² specifies that the accompanying measures relating to harmonisation of conflict-of-law rules actually do help facilitate the mutual recognition of judgments. In the Hague* (3) The European Council *meeting in Tampere* on 15 and 16 October 1999 *endorsed* the principle of mutual recognition of judgments *and other decisions as the cornerstone of judicial cooperation in civil matters and invited the Council and the Commission to adopt a programme of measures to implement the principle of mutual recognition.*

¹ OJ C 19, 23.1.1999, p. 1.

² OJ C 12, 15.1.2001, p. 1.

Programme,¹ the European Council restated that work on the conflict of laws regarding contractual obligations should be actively pursued.

Or. en

Compromise amendment 49
Recital 3 a (new)

(3a) On 30 November 2000, the Council adopted a joint Commission and Council programme of measures for implementation of the principle of mutual recognition of decisions in civil and commercial matters.² The programme identifies measures relating to the harmonisation of conflict-of-law rules as those facilitating the mutual recognition of judgments.

Or. en

Compromise amendment 50
Recital 3 b (new)

(3b) The Hague Programme³, adopted by the European Council on 5 November 2004, called for work to be pursued actively on the rules of conflict of laws regarding contractual obligations ("Rome I").

Or. en

Compromise amendment 51
Recital 4

(4) The proper functioning of the internal market creates a need, in order to improve the predictability of the outcome of litigation, certainty as to the law and the free movement of judgments, for the **rules of**

(4) The proper functioning of the internal market creates a need, in order to improve the predictability of the outcome of litigation, certainty as to the law and the free movement of judgments, for the **conflict-of-**

¹ Annex 1 to Presidency Conclusions, 5.11.2004.

² OJ C 12, 15.1.2001, p. 1.

³ OJ C 53, 3.3.2005, p. 1.

conflict of laws in the Member States to designate the same national law irrespective of the country of the court in which an action is brought. ***For the same reasons there is a need to achieve the greatest harmony between three instruments – this Regulation, Council Regulation (EC) No 2001/44 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (“Brussels I”)¹ and Parliament and Council Regulation (EC) No [...] on the law applicable to non-contractual obligations (“Rome II”).***

law rules in the Member States to designate the same national law irrespective of the country of the court in which an action is brought.

Or. en

Compromise amendment 52
Recital 6

(6) The scope of *the* Regulation ***must*** be ***determined in such a way as to*** be consistent with Regulation (EC) No 44/2001 ***and Parliament and Council Regulation (EC) No [...] on the law applicable to non-contractual obligations (“Rome II”).***

(6) The ***substantive*** scope ***and the provisions*** of *this* Regulation ***should*** be consistent with **Council** Regulation (EC) No 44/2001 ***of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (“Brussels I”)² and Council Regulation (EC) No 864/2007 of 11 July 2007 on the law applicable to non-contractual obligations (“Rome II”).³***

Or. en

Compromise amendment 53
Recital 6 a (new)

(6a) Family relationships should cover parentage, marriage, affinity and collateral relatives. The reference in Article 1(2) to relationships having comparable effects to marriage and other family relationships should be interpreted in accordance with

¹ OJ L 12, 16.1.2001, p. 1. Regulation as last amended by Regulation (EC) No 2245/2004 (OJ L 381, 28.12.2004, p. 10).

² OJ L 12, 16.1.2001, p. 1. Regulation as last amended by Regulation (EC) No 1791/2006 (OJ L 363, 20.12.2006, p. 1).

³ OJ L 199, 31.7.2007, p. 40.

the law of the Member State in which the court is seised.

Or. en

Compromise amendment 54

Recital 6 b (new)

(6b) Obligations arising out of dealings prior to the conclusion of a contract are covered by Article 12 of Regulation (EC) No 864/2007. Therefore such objectives should be excluded from the scope of this Regulation.

Or. en

Compromise amendment 55

Recital 7 d (new)

(7d) Where a choice of law is made and all other elements relevant to the situation are located in a country other than the country whose law has been chosen, the choice of law should not prejudice the application of provisions of the law of that country which cannot be derogated from by agreement. This rule should apply whether or not the choice of law was accompanied by a choice of court or tribunal. Whereas no substantial change is intended as compared with Article 3(3) of the Rome Convention, the wording has been aligned as far as possible with Article 14 of Regulation (EC) No 864/2007.

Or. en

Compromise amendment 56

Recital 8

(8) To contribute to the general objective of the instrument – certainty as to the law in the European judicial area – the conflict rules must be highly foreseeable. But the courts must retain a degree of discretion to

(8) To contribute to the general objective of the instrument – legal certainty in the European judicial area – the conflict of law rules should be highly foreseeable. The courts should, however, retain a degree of

determine the law that is most closely connected to the situation *in a limited number of hypothetical cases*.

discretion *to determine the law that is most closely connected to the situation*.

Or. en

Compromise amendment 57
Recital 8a (new)

(8a) An agreement of the parties to confer exclusive jurisdiction on one or more courts or tribunals of a Member State to determine disputes under the contract should be one of the factors to be taken into account in determining whether a choice of law was clearly demonstrated.

Or. en

Compromise amendment 58
Recital 8b (new)

(8b) This Regulation does not preclude parties from incorporating by reference into their contract a non-State body of law or an international convention.

Compromise amendment 59
Recital 8c (new)

(8c) Should the Community adopt in an appropriate legal instrument rules of substantive contract law, including standard terms and conditions, such instrument may provide that the parties may choose to apply those rules.

Or. en

Compromise amendment 60
Recital 8 d (new)

(8d) As far as the applicable law in the absence of choice is concerned, the concepts of "provision of services" and "sale of goods" should be interpreted in the same way as when applying Article 5(1)(b) of Council Regulation (EC) No 44/2001 in so far as goods and services are covered by that Regulation. Although franchise and distribution contracts are contracts for services, they are the subject of specific rules.

¹ OJ L 12, 16.1.2001, p. 1. Regulation as last amended by Regulation (EC) No 1791/2006 (OJ L 363, 20.12.2006, p. 1).

Or. en

Compromise amendment 61
Recital 8e (new)

(8e) As far as the applicable law in the absence of choice is concerned, multilateral systems should be those where trading is conducted, such as regulated markets and multilateral trading facilities as referred to in Article 4(1) (14) and (15) of Directive 2004/39/EC, regardless of whether or not they rely on a central counterparty.

Or. en

Compromise amendment 62
Recital 8 f (new)

(8f) Where there has been no choice of law, the applicable law should be determined in accordance with the rule specified for the particular type of contract. Where the contract cannot be categorised as being one of the specified types or where its elements fall within more than one of the specified types, it should be governed by the law of the country where the party required to effect the characteristic performance has his habitual residence. In the case of a contract consisting of a bundle of rights

and obligations capable of being categorised as falling within more than one of the specified types of contract, the characteristic performance of the contract should be determined having regard to its centre of gravity.

Or. en

Compromise amendment 63
Recital 8 g (new)

(8g) Where the contract is manifestly more closely connected with a country other than that indicated in Article 4(1) or (2), an escape clause in those provisions provides that the law of that country should apply. In that event, account should be taken, inter alia, of whether the contract in question has a very close relationship with another contract or other contracts.

Or. en

Compromise amendment 64
Recital 8 h (new)

(8h) In the absence of choice, where the applicable law cannot be determined either on the basis of the fact that the contract can be categorised as one of the specified types or as being the law of country where the party required to effect the characteristic performance has his habitual residence, the contract should be governed by the law of the country with which it is most closely connected. In order to determine that country, account should be taken, inter alia, of whether the contract in question has a very close relationship with another contract or other contracts.

Or. en

Compromise amendment 65
Recital 8i (new)

(8i) The term "consignor" should refer to any person who enters into a contract of carriage with the carrier and the term "the carrier" should mean the party to the contract who undertakes to carry the goods, whether or not he performs the carriage himself.

As regards the interpretation of contracts of carriage of goods, no change in substance is intended with respect to Article 4(4), third sentence, of the 1980 Convention on the law applicable to contractual obligations.¹ Consequently single-voyage charter parties and other contracts whose main purpose is the carriage of goods should be treated as contracts for the carriage of goods.

Or. en

Compromise amendment 66
Recital 10 a (new)

(10a) With further reference to consumer contracts, recourse to the courts must be regarded as the last resort. Legal proceedings, especially where foreign law has to be applied, are expensive and slow. The introduction of a mechanism to deal with small claims in cross-border cases is a step forward. However, the protection afforded to consumers by conflict-of-laws provisions is largely illusory in view of the small value of most consumer claims and the cost and time consumed by bringing court proceedings. It is therefore considered that, particularly as regards electronic commerce, the conflicts rule should be backed up by easier and more widespread availability of appropriate on-line alternative dispute resolution (ADR) systems. The Member States are encouraged to promote such systems, in particular mediation complying with Directive .../..., and to cooperate with the

¹ OJ C 334, 20.12.2005, p. 1;

Commission in promoting them.

Or. en

Compromise amendment 67

Recital 10b (new)

(10b) Investment services and activities and ancillary services, as referred to in sections A and B of Annex I of Directive 2004/39/EC of the European Parliament and the Council, as amended by Directives 2006/31/EC and 2007/44/EC, should be subject to the general rule applicable to consumer contracts.

Or. en

Compromise amendment 68

Recital 10c (new)

(10c) For the purposes of the provisions determining the applicable law to contracts concluded by consumers, natural persons categorised as professional clients on request in accordance with the criteria and the procedure set out in Annex II of Directive 2004/39/EC of the European Parliament and the Council, as amended by Directives 2006/31/EC and 2007/44/EC should not be considered as consumers when concluding contracts involving an investment service, transaction or type of transaction or product for which they are treated as a professional client.

Or. en

Compromise amendment 69

Recital 10d (new)

(10d) Various exceptions should be made to the general choice of law rule for consumer contracts. Under one such exception the general rule is not to apply to contracts relating to rights in rem in immovable

property or tenancies of such property, unless the contract relates to the right to use immovable property on a timeshare basis within the meaning of Directive 94/47/EC of 26 October 1994. Contracts falling within this exception include for example mortgages and other contracts which directly involve the taking of security in relation to immovable property

Or. en

Compromise amendment 70
Recital 10f (new)

(10f) It is also important to ensure that rights and obligations which constitute a financial instrument are not covered by the general rule applicable to consumer contracts, as that could lead to the applicability of different laws to each of the instruments issued, therefore changing their nature and preventing their fungible trading and offering. Likewise, whenever such instruments are issued, the contractual relationship established between the issuer and the subscriber should be subject to one single law. The same rationale should apply with regard to the multilateral systems covered by Article 4(1)(j1) and the settlement systems covered by Directive 98/26/EC, where it should be ensured that the law of the habitual residence of the consumer will not interfere with the rules applicable to contracts concluded within those systems or with the operator of such systems.

Or. en

Compromise amendment 71
Recital 11a (new)

(11a) The employee should not be deprived of the protection of provisions which cannot be derogated from or which

can only be derogated from to his benefit.

Or. en

Compromise amendment 72

Recital 11 b (new)

(11b) As regards employment contracts, work carried out in another country is to be regarded as temporary if the employee is expected to resume working in the country of origin after carrying out his tasks abroad. The conclusion of a new contract of employment with the original employer or an employer belonging to the same group of companies as the original employer should not preclude the employee from being regarded as carrying out his work in another country temporarily.

Or. en

Compromise amendment 73

Recital 12

(12) Regarding contracts concluded by agents, conflict rules should be laid down to govern the three legal relationships between the principal, the agent and the third party. A contract concluded between the principal and the third party would remain subject to the general rules of this Regulation.

deleted

Or. en

Compromise amendment 74

Recital 13

(13) Respect for the public policy (ordre public) of the Member States requires specific rules concerning mandatory rules and the exception on grounds of public policy. Such rules must be applied in a manner compatible with the Treaty.

(13) Considerations of public interest justify giving the courts of the Member States the possibility, in exceptional circumstances, of applying exceptions based on public policy and overriding mandatory provisions. The understanding of overriding mandatory provisions in this

Regulation should correspond to the understanding of this term in Council Regulation (EC) No 864/2007. The concept of "overriding mandatory provisions" should be distinguished from the expression "provisions which cannot be derogated from by agreement" referred to for example in Article 3(4) and should be construed more restrictively.

Or. en

Compromise amendment 75
Recital 13a (new)

(13a) In the context of voluntary assignment, the term “relationship” should clarify that Article 13(1) also applies to the property aspects of an assignment as between assignor and assignee in legal orders where such aspects are treated separately from the aspects under the law of obligations. However, the term “relationship” should not be understood as relating to any relationship between assignor and assignee that might exist. In particular, it should not comprise preliminary questions as regards a voluntary assignment or a contractual subrogation. The term should strictly be limited to the aspects which are directly relevant to the voluntary assignment/contractual subrogation in question.

Or. en

Compromise amendment 76
Recital 15

(15) The relationship between this Regulation and certain other provisions of Community law should be spelled out.

(15) A situation where conflict-of-law rules are dispersed among several instruments and where there are differences between those rules should be avoided. This Regulation, however, does not exclude the possibility of inclusion of conflict-of-law rules relating to contractual obligations in

provisions of Community law with regard to particular matters.

This Regulation should not prejudice the application of other instruments laying down provisions designed to contribute to the proper functioning of the internal market in so far as they cannot be applied in conjunction with the law designated by the rules of this Regulation. The application of provisions of the applicable law designated by the rules of this Regulation should not restrict the free movement of goods and services as regulated by Community instruments, such as Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce)¹.

¹ OJ L 178, 17.7.2000, p. 1.

Or. en

Compromise amendment 77
Recital 16

(16) Respect for international commitments entered into by the Member States means that this Regulation should not affect conventions relating to specific matters to which the Member States are parties. *However, where at the time of conclusion of the contract material aspects of the situation are located in one or more Member States, the application of certain international conventions to which only some of the Member States are Parties would be contrary to the objective of a genuine European judicial area. The rule set out in this Regulation should accordingly be applied. To make the rules easier to read, the Commission will* publish the list of the relevant conventions in the *Official Journal of the European Union* on the basis of information supplied by the

(16) Respect for international commitments entered into by the Member States means that this Regulation should not affect *international* conventions to which *one or more* Member States are parties **at the time this Regulation is adopted. To make the rules more accessible, the Commission should** publish the list of the relevant conventions in the *Official Journal of the European Union* on the basis of information supplied by the Member States.

Compromise amendment 78
Recital 16b (new)

(16b) The Commission will make a proposal to the European Parliament and the Council concerning the procedures and conditions according to which Member States would be entitled to negotiate and conclude on their own behalf agreements with third countries in individual and exceptional cases, concerning sectoral matters, containing provisions on the law applicable to contractual obligations.

Compromise amendment 79
Recital 17

(17) Since the objective of ***the proposed action, namely better foreseeability of court judgments requiring genuinely uniform rules on the law applicable to contractual obligations determined by a mandatory and directly applicable Community legal instrument***, cannot be ***adequately attained by the Member States, who cannot lay down uniform Community rules***, and can therefore, by reason of ***its effects throughout the Community***, be better achieved at Community level, the Community ***can take*** measures, in accordance with the ***subsidiarity*** principle set out in Article 5 of the Treaty. In accordance with the ***proportionality*** principle set out in that Article, ***a*** Regulation, ***which increases certainty in the law without requiring harmonisation of the substantive rules of domestic law***, does not go beyond what is necessary to attain ***that*** objective.

(17) Since the objective of ***this Regulation*** cannot be ***sufficiently achieved*** by the Member States and can therefore, by reason of ***the scale and effects of this Regulation***, be better achieved at Community level, the Community ***may adopt*** measures, in accordance with the principle of ***subsidiarity*** set out in Article 5 of the Treaty. In accordance with the ***principle of proportionality*** set out in that Article, ***this*** Regulation does not go beyond what is necessary to attain ***its*** objective.

Compromise amendment 80
Recital 18

(18) In accordance with Article 3 of the Protocol on the position of the United Kingdom and Ireland, annexed to the Treaty on European Union and the Treaty establishing the European Community, these *Member States have stated their intention of participating in the adoption and application of this Regulation. / In accordance with Articles 1 and 2 of the Protocol on the position of the United Kingdom and Ireland, annexed to the Treaty on European Union and the Treaty establishing the European Community, these Member States are not participating in the adoption of this Regulation, which will accordingly not be binding on those Member States.*

(18) In accordance with Article 3 of the Protocol *on the position of the United Kingdom and Ireland*, annexed to the Treaty on European Union and ~~to~~ the Treaty establishing the European Community, *Ireland has given notice of its wish to take part in the adoption and application of this Regulation.*

Compromise amendment 81
Recital 18a (new)

(18a) The United Kingdom has not given notice in accordance with Article 3 of the Protocol on the position of the United Kingdom and Ireland, annexed to the Treaty on European Union and to the Treaty establishing the European Community, and the United Kingdom does therefore not take part in the adoption of this Regulation and is not bound by it or subject to its application.

Compromise amendment 82
Recital 19

(19) In accordance with Articles 1 and 2 of the Protocol on the position of Denmark,

(19) In accordance with Articles 1 and 2 of the Protocol on the position of Denmark,

annexed to the Treaty on European Union and the Treaty establishing the European Community, *that Member State is not participating* in the adoption of this Regulation, *which will accordingly not be binding on that Member State*,

annexed to the Treaty on European Union and to the Treaty establishing the European Community, *Denmark does not take part* in the adoption of this Regulation, *and is not bound by it or subject to its application*.

Or. en

Compromise amendment 83
Article 1

1. This Regulation shall apply, in *any situation* involving a conflict of laws, to contractual obligations in civil and commercial matters.

It shall not *extend*, in particular, to revenue, customs or administrative matters.

2. The Regulation shall not apply to:

(a) questions involving the status or legal capacity of natural persons, without prejudice to Article 12;

(b) *contractual* obligations *relating to a family relationship or a relationship which, in accordance with the law applicable to it, has similar* effects, including maintenance obligations;

(c) obligations arising out of *a* matrimonial *relationship or a property ownership scheme which, under the law applicable to it, has similar* effects to a marriage, wills and *successions*;

(d) obligations arising under bills of exchange, cheques and promissory notes and other negotiable instruments to the extent that the obligations under such other negotiable instruments arise out of their negotiable character;

(e) arbitration agreements and agreements on the choice of court;

(f) questions governed by the law of companies and other bodies corporate or *unincorporate* such as the creation, by registration or otherwise, legal capacity, internal organisation or winding up of companies and other bodies corporate or

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It shall not *apply*, in particular, to revenue, customs or administrative matters.

2. The Regulation shall not apply to:

(a) questions involving the status or legal capacity of natural persons, without prejudice to Article 12;

(b) obligations *arising out of family relationships and relationships deemed by the law to have comparable* effects, including maintenance obligations;

(c) obligations arising out of matrimonial *property regimes*, property *regimes of relationships deemed by the law applicable to such relationships to have comparable* effects to a marriage, *and* wills and *succession*;

(d) obligations arising under bills of exchange, cheques and promissory notes and other negotiable instruments to the extent that the obligations under such other negotiable instruments arise out of their negotiable character;

(e) arbitration agreements and agreements on the choice of court;

(f) questions governed by the law of companies and other bodies corporate or *unincorporated* such as the creation, by registration or otherwise, legal capacity, internal organisation or winding up of companies and other bodies corporate or

unincorporate, the personal liability of officers and members as such for the obligations of the company or body **and the question whether a management body of a company or other body corporate or unincorporated can bind the company or body in relation to third parties**;

- (g) the constitution of trusts and the relationship between settlers, trustees and beneficiaries;
- (h) evidence and procedure, without prejudice to Article 17;
- (i) obligations arising out of **a pre-contractual relationship**.

3. In this Regulation, the term “Member State” shall mean Member States with the exception of Denmark [, **Ireland** and the United Kingdom].

unincorporated, **and** the personal liability of officers and members as such for the obligations of the company or body;

(fa) the question whether an agent is able to bind a principal or an organ to bind a company or body corporate or unincorporated, in relation to a third party;

- (g) the constitution of trusts and the relationship between settlers, trustees and beneficiaries;
- (h) evidence and procedure, without prejudice to Article 17;
- (i) obligations arising out of **dealings prior to the conclusion of a contract**.

3. In this Regulation, the term “Member State” shall mean Member States with the exception of Denmark and the United Kingdom. **However, in Article 3(5) the term shall mean all the Member States.**

Or. en

Compromise amendment 84 Article 3

1. **Without prejudice to Articles 5, 6 and 7, a** contract shall be governed by the law chosen by the parties.

The choice **must be expressed or** demonstrated **with reasonable certainty** by the terms of the contract **behaviour of the parties** or the circumstances of the case. **If the parties have agreed to confer jurisdiction on one or more courts or tribunals of a Member State to hear and determine disputes that have arisen or may arise out of the contract, they shall also be presumed to have chosen the law of that Member State.**

By their choice the parties can select the law applicable to the whole or a part only of the contract.

2. The parties may also choose as the

1. A contract shall be governed by the law chosen by the parties.

The choice **shall be made expressly or clearly** demonstrated by the terms of the contract or the circumstances of the case.

By their choice the parties can select the law applicable to the whole or a part only of the contract.

applicable law the principles and rules of the substantive law of contract recognised internationally or in the Community. However, questions relating to matters governed by such principles or rules which are not expressly settled by them shall be governed by the general principles underlying them or, failing such principles, in accordance with the law applicable in the absence of a choice under this Regulation.

3. The parties may at any time agree to subject the contract to a law other than that which previously governed it, whether as a result of an earlier choice under this Article or of other provisions of this Regulation. Any change in the law to be applied that is made after the conclusion of the contract shall not prejudice its formal validity under Article 10 or adversely affect the rights of third parties.

4. *The fact that the parties have chosen a foreign law in accordance with paragraphs 1 or 2, whether or not accompanied by the choice of a foreign tribunal, shall not, where all the other elements relevant to the situation at the time of the choice are connected with one country only, prejudice the application of rules of the law of that country which cannot be derogated from by contract, hereinafter called “mandatory rules”.*

5. Where *the parties choose the law of a non-member State, that choice shall be without prejudice to the application of such mandatory rules of Community law as are applicable to the case.*

6. The existence and validity of the consent of the parties as to the choice of the applicable law shall be determined in accordance with the provisions of Articles 9, 10 and 12.

3. The parties may at any time agree to subject the contract to a law other than that which previously governed it, whether as a result of an earlier choice under this Article or of other provisions of this Regulation. Any change in the law to be applied that is made after the conclusion of the contract shall not prejudice its formal validity under Article 10 or adversely affect the rights of third parties.

4. *Where all other elements relevant to the situation at the time of the choice are located in a country other than a country whose law has been chosen, the choice of the parties shall not prejudice the application of provisions of the law of that country which cannot be derogated from by agreement.*

5. Where *all other elements relevant to the situation at the time of the choice are located in one or more Member States, the parties' choice of applicable law other than that of a Member State shall not prejudice the application of provisions of Community law, where appropriate, as implemented in the Member State of the forum, which cannot be derogated from by agreement.*

6. The existence and validity of the consent of the parties as to the choice of the applicable law shall be determined in accordance with the provisions of Articles 9, 10 and 12.

Or. en

Compromise amendment 85
Article 4

1. To the extent that the law applicable to the contract has not been chosen in accordance with Article 3, ***the contract shall be governed by the law determined as follows:***

(a) a contract ***of*** sale shall be governed by the law of the country ***in which*** the seller has his habitual residence;

(b) a contract for the provision of services shall be governed by the law of the country ***in which*** the service provider has his habitual residence;

(c) a contract of carriage shall be governed by the law of the country in which the carrier has his habitual residence;

(d) a contract relating to a right in rem or ***right of user in*** immovable property shall be governed by the law of the country ***in which*** the property is situated;

(e) notwithstanding point (d), ***a lease for the temporary personal use of immovable property*** for a period of no more than six consecutive months shall be governed by the law of the country ***in which the owner*** has his habitual residence, provided the tenant is a natural person and has his habitual residence in the same country;

(f) a contract relating to intellectual or industrial property rights shall be governed by the law of the country in which the person who transfers or assigns the rights has his habitual residence;

(g) a franchise contract shall be governed by the law of the country ***in which*** the ***franchised person*** has his habitual residence;

(h) a distribution contract shall be governed by the law of the country in which the distributor has his habitual residence.

1. To the extent that the law applicable to the contract has not been chosen in accordance with Article 3 ***and without prejudice to Articles 4a to 6***, the law ***governing the contract shall be*** determined as follows:

(a) a contract ***for the*** sale ***of goods*** shall be governed by the law of the country ***where*** the seller has his habitual residence;

(b) a contract for the provision of services shall be governed by the law of the country ***where*** the service provider has his habitual residence;

(d) a contract relating to a right in rem ***in immovable property*** or ***to a tenancy of*** immovable property shall be governed by the law of the country ***where*** the property is situated;

(e) notwithstanding point (d), ***a tenancy of immovable property concluded for temporary private use*** for a period of no more than six consecutive months shall be governed by the law of the country ***where the landlord*** has his habitual residence, provided ***that*** the tenant is a natural person and has his habitual residence in the same country;

(g) a franchise contract shall be governed by the law of the country ***where*** the ***franchisee*** has his habitual residence;

(h) a distribution contract shall be governed by the law of the country ***where*** the distributor has his habitual residence;

(ha) a contract for the sale of goods by auction shall be governed by the law of the country where the auction takes place, if such

a place can be determined;

(hb) a contract concluded within a multilateral system which brings together or facilitates the bringing together of multiple third-party buying and selling interests in financial instruments, as defined by Article 4(1)(17) of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments¹, in accordance with non-discretionary rules and governed by a single law, shall be governed by that law.

2. Contracts not specified in paragraph 1 shall be governed by the law of the country in which the party who is required to perform the service characterising the contract has his habitual residence at the time of the conclusion of the contract. Where that service cannot be identified, the contract shall be governed by the law of the country with which it is most closely connected.

2. Where the contract is not covered by paragraph 1 or where the elements of the contract would be covered by more than one of points (a) to (hb) of paragraph 1, the contract shall be governed by the law of the country where the party who is required to effect the performance of the contract which is characteristic of the contract has his habitual residence.

2a. Where it is clear from all the circumstances of the case that the contract is manifestly more closely connected with a country other than that indicated in paragraphs 1 or 2, the law of that other country shall apply.

2b. Where the law applicable cannot be determined pursuant to paragraphs 1 or 2, the contract shall be governed by the law of the country with which it is most closely connected.

¹ OJ L 145, 30.4.2004, p. 1. Directive as amended by Directive 2006/31/EC (OJ L 114, 27.4.2006, p. 60).

Or. en

Compromise amendment 86
Article 4 a (new)

Article 4a

Contracts of carriage

1. To the extent that the law applicable to a contract for the carriage of goods has not

been chosen in accordance with Article 3, the law applicable to such contracts shall be the law of the country of the habitual residence of the carrier, provided that the place of receipt or the place of delivery or the habitual residence of the consignor is also situated in that country. If those requirements are not met, the law of the country where the place of delivery as agreed by the parties is situated shall apply.

2. To the extent that the law applicable to the contract for the carriage of passengers has not been chosen by the parties in accordance with the second subparagraph, the law applicable shall be the law of the country where the passenger has his habitual residence, provided that either the place of departure or the place of destination is situated in that country. If these requirements are not met, the law of the place where the carrier has his habitual residence shall apply.

The parties may choose as the law applicable to the contract for the carriage of passengers in accordance with Article 3, only the law of the country where:

(a) the passenger has his habitual residence or;

(b) the carrier has his habitual residence or;

(b1) the carrier has his place of central administration] or;

(c) the place of departure is situated or;

(d) the place of destination is situated.

3. Where it is clear from all the circumstances of the case that the contract, in the absence of a choice of law, is manifestly more closely connected with a country other than that indicated in paragraphs 1 or 2, the law of that other country shall apply.

Or. en

Article 5

Consumer contracts

1. Consumer contracts within the meaning and in the conditions provided for by paragraph 2 shall be governed by the law of the Member State in which the consumer has his habitual residence.

2. Paragraph 1 shall apply to contracts concluded by a natural person, the consumer, who has his habitual residence in a Member State for a purpose which can be regarded as being outside his trade or profession with another person, the professional, acting in the exercise of his trade or profession.

It shall apply on condition that the contract has been concluded with a person who pursues a trade or profession in the Member State in which the consumer has his habitual residence or, by any means, directs such activities to that Member State or to several States including that Member State, and the contract falls within the scope of such activities, unless the professional did not know where the consumer had his habitual residence and this ignorance was not attributable to his

Article 5

Consumer contracts

1. A contract concluded by a natural person for a purpose which can be regarded as being outside his trade or profession ("the consumer"), with another person acting in the exercise of his trade or profession ("the professional") shall be governed by the law of the country where the consumer has his or her habitual residence provided that:

a) the professional pursues his commercial or professional activities in the country where the consumer has his habitual residence or,

b) by any means, directs such activities to that country or to several countries including that country,

and the contract falls within the scope of such activities.

2. Notwithstanding paragraph 1, the parties may choose the law applicable to a contract to which this article applies in accordance with Article 3. Such a choice may not, however, have the result of depriving the consumer of the protection afforded to him by such provisions that cannot be derogated from by contract by virtue of the law which, in the absence of choice, would have been applicable on the basis of paragraph 1.

negligence.

3. Paragraph 1 shall not apply to:

- (a) a contract for the supply of services where the services are to be supplied to the consumer exclusively in a country other than that in which he has his habitual residence;
- (b) **contracts** of carriage other than **contracts** relating to package travel within the meaning of Directive 90/314/EEC of 13 June 1990;
- (c) **contracts** relating to a right in rem **or** right **of user** in immovable property other than **contracts** relating to a right **of user** on a timeshare basis within the meaning of Directive 94/47/EC of 26 October 1994.

3. **Paragraphs 1 and 2** shall not apply to:

- (a) a contract for the supply of services where the services are to be supplied to the consumer exclusively in a country other than that in which he has his habitual residence;
- (b) **a contract** of carriage other than **a contract** relating to package travel within the meaning of Directive 90/314/EEC of 13 June 1990;
- (c) **a contract** relating to a right in rem in **immovable property or a tenancy of** immovable property other than **a contract** relating to the right **to use immovable properties** on a timeshare basis within the meaning of Directive 94/47/EC of 26 October 1994;
- (d) **rights and obligations which constitute a financial instrument, as defined by Article 4(1)(17) of Directive 2004/39/EC;**
- (e) **a contract to subscribe for or purchase a new issue of transferable securities, as defined by Article 4(1)(18) of Directive 2004/39/EC, or rights and obligations to subscribe for or redeem units in collective investment undertakings;**
- (f) **a contract concluded within the type of system falling within the scope of Article 4(1)(j1) of this Regulation.**

Or. en

Compromise amendment 88
Article 6

1. **Notwithstanding the provisions of Article 3, in a contract of employment a choice of law made by the parties shall not** have the result of depriving the employee of the protection afforded him by **the mandatory rules of the law which would be applicable under this Article in the absence of choice.**

1. **An individual contract of employment contract shall be governed by the law chosen by the parties in accordance with Article 3. Such a choice of law may not, however,** have the result of depriving the employee of the protection afforded to him by **such provisions that cannot be derogated from by contract under the law that, in the absence of choice, would have been**

2. A contract of employment shall, in the absence of choice in accordance with Article 3, be governed:

(a) by the law of the country in or from which the employee habitually carries out his work in performance of the contract. ***The place of performance*** shall not be deemed to have changed if he is temporarily employed in another country. ***Work carried out in another country shall be regarded as temporary if the employee is expected to resume working in the country of origin after carrying out his tasks abroad. The conclusion of a new contract of employment with the original employer or an employer belonging to the same group of companies as the original employer does not preclude the employee from being regarded as carrying out his work in another country temporarily;***

(b) ***if the employee does not habitually carry out his work in or from any one country, or he habitually carries out his work in or from a territory subject to no national sovereignty, by the law of the country in which the place of business through which he was engaged is situated.***

3. The law designated by paragraph 2 may be excluded where it appears from the circumstances as a whole that the contract is more closely connected with another country, in which case the contract shall be governed by the law of that country.

applicable pursuant to paragraphs 2, 2a and 3.

2. To the extent that the law applicable to the individual employment contract has not been chosen by the parties, the contract shall be governed by the law of the country in ***which*** or, ***failing that***, from which the employee habitually carries out his work in performance of the contract. ***The country where the work is habitually carried out*** shall not be deemed to have changed if he is temporarily employed in another country.

2a. Where the law applicable cannot be determined pursuant to paragraph 2, the contract shall be governed by the law of the country where the place of business through which he was engaged is situated.

3. Where it appears from the circumstances as a whole that the contract is more closely connected with ***a country other than that indicated in paragraphs 2 or 2a, the law of that other country shall apply.***

Compromise amendment 89
Article 7

Article 7

deleted

Contracts concluded by an agent

1. In the absence of a choice under Article 3, a contract between principal and agent shall be governed by the law of the country in which the agent has his habitual residence, unless the agent exercises or is to exercise his main activity in the country in which the principal has his habitual residence, in which case the law of that country shall apply.

2. The relationship between the principal and third parties arising out of the fact that the agent has acted in the exercise of his powers, in excess of his powers or without power, shall be governed by the law of the country in which the agent had his habitual residence when he acted. However, the applicable law shall be the law of the country in which the agent acted if either the principal on whose behalf he acted or the third party has his habitual residence in that country or the agent acted at an exchange or auction.

3. Notwithstanding paragraph 2, where the law applicable to a relationship covered by that paragraph has been designated in writing by the principal or the agent and expressly accepted by the other party, the law thus designated shall be applicable to these matters.

4. The law designated by paragraph 2 shall also govern the relationship between the agent and the third party arising from the fact that the agent has acted in the exercise of his powers, in excess of his powers or without power.

Compromise amendment 90
Article 8

Mandatory rules

1. ***Mandatory rules*** are ***rules*** ~~the~~ respect for which is regarded as crucial by a country for safeguarding its political, social or economic organisation to such an extent that they are applicable to any situation falling within their scope, irrespective of the law otherwise applicable to the contract under this Regulation.
2. Nothing in this Regulation shall restrict the application of the ***rules*** of the law of the forum ***in a situation where they are mandatory***.
3. ***Effect may be given to the mandatory rules of the law of another country with which the situation has a close connection. In considering whether to give effect to these mandatory rules, courts shall have regard to their nature and purpose in accordance with the definition in paragraph 1 and to the consequences of their application or non-application for the objective pursued by the relevant mandatory rules and for the parties.***

Overriding mandatory provisions

1. ***Overriding mandatory provisions*** are ***provisions*** respect for which is regarded as crucial by a country for safeguarding ***its public interests, such as*** its political, social or economic organisation to such an extent that they are applicable to any situation falling within their scope, irrespective of the law otherwise applicable to the contract under this Regulation.
2. Nothing in this Regulation shall restrict the application of the ***overriding mandatory provisions*** of the law of the forum.
deleted

Or. en

Compromise amendment 91 Article 10

-1. A contract concluded between persons who or whose agents are in the same country at the time of conclusion is formally valid if it satisfies the formal requirements of the law which governs it in substance under this Regulation or of the law of the country where it is concluded.

1. A contract is formally valid if it satisfies the formal requirements of the law which governs it in substance under this Regulation or the law of the ***country in which one or other*** of the parties or ***his agent*** is when ***it is concluded*** or the law of the country ***in which one or other*** of the parties ***has*** his habitual residence at that time.
 2. A unilateral act intended to have legal effect
1. A contract ***between persons who or whose agents are in different countries*** is formally valid if it satisfies the formal requirements of the law which governs it in substance under this Regulation, or ***of*** the law ***either*** of the ***countries where either*** of the parties or ***either of their agents*** is ***present at the time of conclusion***, or ***of*** the law of the country ***where either*** of the parties ***had*** his habitual residence at that time.
 2. A unilateral act intended to have legal effect

relating to an existing or contemplated contract is formally valid if it satisfies the formal requirements of the law which governs or would govern the contract in substance under this Regulation or of the law of the country in which the act *is performed* or the law of the country in which the person who *drafted* it *has* his habitual residence at that time.

3. Paragraphs 1 and 2 of this Article shall not apply to contracts that fall within the scope of Article 5. The form of such contracts shall be governed by the law of the country where the consumer has his habitual residence.

4. Notwithstanding paragraphs *1* to 3 of this Article, a contract the subject matter of which is a right in immovable property or a *right to use* immovable property shall be subject to the mandatory requirements of form of the law of the country where the property is situated if by that law those requirements are *mandatory provisions within the meaning of Article 8*.

relating to an existing or contemplated contract is formally valid if it satisfies the formal requirements of the law which governs or would govern the contract in substance under this Regulation or of the law of the country in which the act *was done* or the law of the country in which the person who *effected* it *had* his habitual residence at that time.

3. Paragraphs *-1*, 1 and 2 of this Article shall not apply to contracts that fall within the scope of Article 5. The form of such contracts shall be governed by the law of the country where the consumer has his habitual residence.

4. Notwithstanding paragraphs *-1* to 3 of this Article, a contract the subject matter of which is a right *in rem* in immovable property or a *tenancy of* immovable property shall be subject to the requirements of form of the law of the country where the property is situated if by that law those requirements are *imposed irrespective of the country where the contract is concluded and irrespective of the law governing the contract, and cannot be derogated from by agreement*.

Or. en

Compromise amendment 92 Article 13

1. The *mutual obligations of* assignor and assignee under a voluntary assignment or contractual subrogation of a *right* against another person shall be governed by the law which under this Regulation applies to the contract between the assignor and assignee.

2. The law governing the *original contract* shall determine the effectiveness of contractual limitations on assignment as between the assignee and the debtor, the relationship between the assignee and the debtor, the conditions under which the assignment can be invoked against the debtor *and* whether the debtor's obligations have been discharged.

1. The *relationship between* assignor and assignee under a voluntary assignment or contractual subrogation of a *claim* against another person ("*the debtor*") shall be governed by the law which under this Regulation applies to the contract between the assignor and assignee.

2. The law governing the *assigned or subrogated claim* shall determine *the following matters*:

(a) *the assignability of the claim, including the effectiveness as against the assignee of contractual and legal limitations on assignment or subrogation* as between the assignee and the debtor;

(b) the relationship between the assignee and the

debtor;

(c) the conditions under which the assignment can be invoked against the debtor;

(d) whether the debtor's obligations have been discharged, *and*

(e) whether the assignee is entitled to the claim, including the proceeds thereof, as against other assignees of the same claim, creditors of the assignor and other third parties.

3. The question whether the assignment or subrogation may be relied on against third parties shall be governed by the law of the country in which the assignor or the author of the subrogation has his habitual residence at the material time.

Or. en

Compromise amendment 93
Article 14

Statutory subrogation

Where a person has a contractual claim *upon* another and a third person has a duty to satisfy the creditor, the law which governs the third person's duty to satisfy the creditor shall determine whether the third person is entitled to *proceed* against the debtor.

Legal subrogation

Where a person ("*the creditor*") has a contractual claim *against* another ("*the debtor*") and a third person has a duty to satisfy the creditor, *or has in fact satisfied the creditor in discharge of that duty*, the law which governs the third person's duty to satisfy the creditor shall determine whether *and to what extent* the third person is entitled to *exercise* against the debtor *the rights which the creditor had against the debtor under the law governing their relationship*.

Or. en

Compromise amendment 94
Article 15

Multiple *liability*

Where a creditor has a claim *upon* several debtors who are *jointly* liable and one of *those* debtors has *in fact* satisfied the *creditor*, the law *of the* obligation *of this*

Multiple *debtors*

If a creditor has a claim *against* several debtors who are liable *for the same claim*, and one of *the* debtors has *already* satisfied the *claim in whole or in part*, the law

debtor towards the creditor ***governs*** the ***right of this debtor*** to claim ***against*** the other debtors. ***Where the law applicable to a debtor's obligation to the creditor provides for rules to protect him against actions to ascertain his liability, he may also rely on them against other debtors.***

governing the debtor's obligation towards the creditor ***shall also govern*** the ***debtor's right*** to claim ***recourse from*** the other debtors. ***The other debtors may rely on the defences they had against the creditor to the extent allowed by the law governing their obligations towards the creditor.***

Or. en

Compromise amendment 95
Article 16

Statutory offsetting

Statutory offsetting shall be governed by the law applicable to the ***obligation in relation to*** which the right to ***offset*** is asserted.

Set-off

Where the right to set-off is not agreed by the parties, set-off shall be governed by the law applicable to the ***claim against*** which the right to ***set-off*** is asserted.

Or. en

Compromise amendment 96
Article 17, paragraph 1

1. The law governing ***the contract*** under this Regulation shall apply to the extent that it contains, ***in the law of contract***, rules which raise presumptions of law or determine the burden of proof.

1. The law governing ***a contractual obligation*** under this Regulation shall apply to the extent that, ***in matters of contractual obligations***, it contains rules which raise presumptions of law or determine the burden of proof.

Or. en

Compromise amendment 97
Article 18

Assimilation to habitual residence

1. For companies ***or firms*** and other bodies ***or incorporate or unincorporate, the principal establishment shall be considered to be the habitual residence for the purposes of this Regulation.***

Habitual residence

1. For ***the purposes of this Regulation, the habitual residence of*** companies and other bodies, ***corporate or unincorporated, shall be the place of central administration.***

The habitual residence of a natural person acting in the course of his business activity

Where the contract is concluded in the course of operation of *a subsidiary*, a branch or any other establishment, or if, under the contract, performance is the responsibility of such an establishment, *this* establishment shall be *considered the* habitual residence.

2. For the purposes of this Regulation, where the contract is concluded in the course of the business activity of a natural person, that natural person's establishment shall be considered the habitual residence.

shall be his principal place of business.

1a. Where the contract is concluded in the course of operation of a branch, *agency* or any other establishment, or if, under the contract, performance is the responsibility of such an establishment, *the place where the branch, agency or any other* establishment *is located* shall be *treated as the place of* habitual residence.

2. When determining the habitual residence the relevant point of time shall be the time of the conclusion of the contract.

Or. en

Compromise amendment 98
Article 20

Ordre public

The application of a *rule* of the law of any country specified by this Regulation may be refused only if such application is manifestly incompatible with the public policy ("ordre public") of the forum.

Public policy of the forum

The application of a *provision* of the law of any country specified by this Regulation may be refused only if such application is manifestly incompatible with the public policy ("ordre public") of the forum.

Or. en

Compromise amendment 99
Article 21

Where a State comprises several territorial units each of which has its own rules of law in respect of contractual obligations, each territorial unit shall be considered as a country for the purposes of identifying the law applicable under this Regulation.

1. Where a State comprises several territorial units, each of which has its own rules of law in respect of contractual obligations, each territorial unit shall be considered as a country for the purposes of identifying the law applicable under this Regulation.

2. A Member State where different territorial units have their own rules of law in respect of contractual obligations shall not be required to apply this Regulation to conflicts solely between the laws of such

units.

Compromise amendment 100
Article 22

This Regulation shall not prejudice the application *or adoption of acts of the institutions of the European Communities which:*

(a) in relation to particular matters, lay down choice-of-law rules relating to contractual obligations; a list of such acts currently in force is provided in Annex 1; or

(b) govern contractual obligations and which, by virtue of the will of the parties, apply in conflict-of-law situations; or

(c) lay down rules to promote the smooth operation of the internal market, where such rules cannot apply at the same time as the law designated by the rules of private international law.

This Regulation shall not prejudice the application *of provisions of Community law which, in relation to particular matters, lay down conflict-of-law rules relating to contractual obligations.*

Or. en

Compromise amendment 101
Article 22 a (new)

Article 22a

1. This Regulation shall replace the Rome Convention in the Member States, except as regards the territories of the Member States which fall within the territorial scope of that Convention and to which this Regulation does not apply pursuant to Article 299 of the Treaty.

2. Insofar as this Regulation replaces the provisions of the Rome Convention, any reference to the Convention shall be understood as a reference to this Regulation.

Or. en

Compromise amendment 102
Article 23

1. The Member States shall notify the Commission, no later than six months after the entry into force of this Regulation, of the list of multilateral conventions governing conflicts of laws in specific matters relating to contractual obligations to which they are Parties. The Commission shall publish the list in the Official Journal of the European Union within six months thereafter.

After that date, the Member States shall notify the Commission of all denunciations of such conventions, which the Commission shall publish in the Official Journal of the European Union within six months after receiving them.

2. This Regulation shall not prejudice the application of international conventions referred to in paragraph 1. However, where, at the time of conclusion of the contract, material aspects of the situation are located in one or more Member States, this Regulation shall take precedence over the following Conventions:

- the Hague Convention of 15 June 1955 on the law applicable to international sales of goods;

- the Hague Convention of 14 March 1978 on the law applicable to agency.

3. This Regulation shall take precedence over bilateral international conventions concluded between Member States and listed in Annex II if they concern matters governed by this Regulation.

1. This Regulation shall not prejudice the application of international conventions to which one or more Member States are parties at the time when this Regulation is adopted and which lay down conflict-of-laws rules relating to contractual obligations.

2. However, this Regulation shall, as between Member States, take precedence over conventions concluded exclusively between two or more of them in so far as such conventions concern matters governed by this Regulation.

Or. en

Compromise amendment 103
Article 23 a (new)

Article 23a
List of Conventions

1. By*, Member States shall notify the Commission of the conventions referred to in Article 23(1). After that date, Member States shall notify the Commission of all denunciations of such conventions.

2. The Commission shall publish in the Official Journal of the European Union within six months of receipt:

(i) a list of the conventions referred to in paragraph 1;

(ii) a list of the denunciations referred to in paragraph 1.

**** 12 months after the date of adoption of this Regulation.***

Or. en

Compromise amendment 104
Article 23 b (new)

Article 23b

Review clause

1. Not later than ...*, the Commission shall submit to the European Parliament, the Council and the European Economic and Social Committee a report on the application of this Regulation. If necessary, the report shall be accompanied by proposals to adapt this Regulation. The report shall be preceded, not later than ...**, by:

(i) a study on the effects of Article 5 of this Regulation which will consider in particular:

(a) the effects on consumer contracts concluded by electronic means;

(b) the effects of the application of more than one law to the same contract and

(c) consistency with Article 15 of Regulation No 44/2001;

(ii) a study on the promotion of ADR in the field on electronic commerce and how it

might usefully be fostered and promoted by legislative and other means; that study will also consider to what extent on-line ADR schemes might be used in combination with trust marks in order to increase consumer confidence in electronic commerce and obviate the need for court proceedings;

(iii) such proposals as the Commission may consider appropriate within the framework of the contract law project in order to introduce standard contract terms and conditions for use in particular in cross-border electronic transactions between businesses and consumers.

(iv) a review of the provisions on applicable law contained in Community legislation on insurance.

** Two years after the date of application of this Regulation.*

*** One year after the date of entry into force of this Regulation.*

Or. en

Compromise amendment 105
Article 23 c (new)

Article 23c

Application in time

This Regulation shall apply to contracts concluded after its date of application.

Or. en

Compromise amendment 106
Article 24

Entry* into force and application *in time

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

This Regulation shall apply from [*one year*

***Date of entry* into force and application**

This Regulation shall enter into force on the twentieth day following its publication in the *Official Journal of the European Union*.

This Regulation shall apply from [*eighteen*

after entry into force].

It shall apply to contractual obligations arising after its entry into application. However, for contractual obligations arising before its entry into application, this Regulation shall apply where its provisions have the effect of making the same law applicable as would have been applicable under the Rome Convention of 1980.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

months after entry into force] except for Article 24 which shall apply from [12 months after the date of adoption].

This Regulation shall be binding in its entirety and directly applicable in all Member States *in accordance with the Treaty establishing the European Community.*

Or. en