European order for payment procedure

2004/0055(COD) - 13/10/2015

In accordance with the requirements of Regulation (EC) No 1896/2006, the Commission presents a report on the application of Regulation (EC) 1896/2006 of the European Parliament and of the Council creating a European Order for Payment Procedure, which is an optional procedure that can be used in cross-border cases as an alternative to domestic payment orders.

General assessment of the Regulation: overall, the **objectives of the Regulation** to simplify, speed up and reduce the costs of litigation in cases concerning uncontested claims and to permit the free circulation of European payment orders in the EU without exequatur was **broadly achieved**, though in most Member States the procedure was only applied in a relatively small number of cases. From the studies and consultation carried out, it appears that there have been **no major legal or practical problems** in the use of the procedure or in the fact that exequatur is abolished for the recognition and enforcement of the judgments resulting from the procedure. The report reviews the existing case-law.

Between **12,000 and 13,000 applications for European orders for payment are received** by the courts of Member States per year. The highest numbers of applications (more than 4,000 annually) are in Austria and Germany where also most European orders for payment are issued. Between 300 and 700 applications are received annually in Belgium, the Czech Republic, France, Hungary, the Netherlands, Portugal and Finland. In the other Member States, the procedure has been taken up to a more limited extent.

The Commission considers that the application of the Regulation has generally improved, simplified and accelerated the handling of uncontested pecuniary claims in cross-border disputes. In the light of this, it is therefore considered **not appropriate at this time to change the fundamental parameters of the European procedure.**

Awareness of the existence and operation of the procedure: a 2010 Eurobarometer showed that awareness and use of the European procedures including the European order for payment procedure among citizens is **relatively low: only 6 %** of those asked had heard about the European order for payment procedure. The Commission states that **further awareness-raising is necessary**, both at European and at Member State level. Efficient and active promotion of the Regulation should take place, providing the general public and professionals with information on the European order for payment procedure.

Electronic submission of the application: many Member States allow the electronic submission of the application (Czech Republic, Germany, Estonia, France, Lithuania, Austria, Slovenia, Slovak Republic, Finland, Sweden, UK, Cyprus) or envisage developing electronic processing in the future in all courts having jurisdiction to deal with the European order for payment procedure (Ireland, Italy, Malta, Portugal) . Following a Commission study on the feasibility of electronic application for European payment orders, a **pilot project** on this issue is being co-funded by the Commission. Nine Member States are participating in the e-CODEX pilot for the European order for payment procedure.

In addition, **the operation of the Regulation may be improved through non-legislative and implementation measures.** The Commission will use the cooperation mechanism of the **European Judicial Network in Civil and Commercial Matters** in a proactive manner to improve the implementation and promote the take-up of this useful instrument.

Merits of a centralised system: five Member States have concentrated jurisdiction to handle European orders for payment in a single specific court/authority. In the other Member States, district and regional

courts (or notaries for instance in Hungary) are competent for issuing European orders for payment. Overall, the data on the use of the procedure as to whether a centralised system leads to a more frequent use of the procedure are inconclusive. Nevertheless, in the light of the written and non-adversarial nature of the procedure, where no debate on the substance of the claim takes place, and which is thus particularly suited for electronic processing, the European order for payment procedure does appear better suited for centralised court handling than other procedures which require a debate on the substance and consideration of evidence and therefore may call for closer proximity of the court to the litigants.