European contract law and the revision of the acquis: the way forward

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The committee adopted the own-initiative report drawn up by Klaus-Heiner LEHNE (EPP-ED, DE) in response to the Commission communication on European contract law and the revision of the *acquis*. The report sought to map out a strategic perspective for the future work of the Commission and the network of interest representatives from consumers' organisations, industry, business and the legal profession set up with a view to the creation of a Common Frame of Reference (CFR) on Community contract law. MEPs were particularly concerned to ensure that Parliament was fully involved in this process.

The report reiterated Parliament's previous assertions that a uniform internal market cannot be fully functional without further steps towards the harmonisation of civil law. It urged the Commission, in its revision of the *acquis* in the field of consumer protection, to use the results of the work carried out by the CFR Network and by academic research groups on the drafting of European contract law with a view to developing a common civil law.

As regards substantive law issues, MEPs highlighted the need to take account of the "fundamental principle of freedom to conclude a contract". They also called on the Commission to ensure that there was systematic separation between the business-to-business and the business-to-consumer sectors. The report noted that over-detailed legal provisions on individual aspects of contract law could lead to a lack of flexibility, and called for the adoption of "general regulations including legal concepts which are not precisely defined", thereby allowing courts the necessary margin of discretion in arriving at their judgments.

On procedural issues, the committee urged the Commission to submit a "clear legislative plan" setting out the future legal instruments by which it intended to bring the results of the research groups and the CFR Network into use in legal transactions. Moreover, MEPs wanted Parliament to be given a greater role in developing the CFR, through more consultation and information. The Commission was urged, on the basis of the researchers' final report, to submit the various possible legal options to Parliament, whose political approval, along with the Council's, was required for the final adoption of the Common Framework of Reference.