Basic information

2023/0323(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Awaiting Council's 1st reading position
Commercial transactions: combating late payment **Subject** 3.45.02 Small and medium-sized enterprises (SME), craft industries 3.45.03 Financial management of undertakings, business loans, accounting **Legislative priorities** Joint Declaration 2023-24	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
IMCO Internal Market and Consumer Protection	IJABS Ivars (Renew)	03/10/2024
	Shadow rapporteur DOHERTY Regina (EPP) PENKOVA Tsvetelina (S&D) MARTÍN FRÍAS Jorge (PfE) POZŅAKS Reinis (ECR) VAN LANSCHOT Reinier (Greens/EFA)	

Former committee responsible	Former rapporteur	Appointed
IMCO Internal Market and Consumer Protection	THUN UND HOHENSTEIN Róża (Renew)	23/08/2023

Former committee for opinion	Former rapporteur for opinion	Appointed
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
JURI Legal Affairs	The committee decided not to give an opinion.	

Council of the

European Union	
European Commission	Commission DG: Internal Market, Industry, Entrepreneurship and SMEs — Commissioner: BRETON Thierry
European Economic and Social Committee	

Key events

Date	Event	Reference	Summary
12/09/2023	Legislative proposal published	COM(2023)0533	Summary
02/10/2023	Committee referral announced in Parliament, 1st reading		
20/03/2024	Vote in committee, 1st reading		
25/03/2024	Committee report tabled for plenary, 1st reading	A9-0156/2024	
23/04/2024	Decision by Parliament, 1st reading	T9-0299/2024	Summary
23/04/2024	Results of vote in Parliament		
13/11/2024	Resumption of business from the previous parliamentary term		

Technical information

Procedure reference	2023/0323(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Treaty on the Functioning of the European Union TFEU 114
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Awaiting Council's 1st reading position
Committee dossier	IMCO/9/13225

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE756.002	14/11/2023	
Amendments tabled in committee		PE757.363	15/12/2023	
Amendments tabled in committee		PE757.130	18/12/2023	
Committee report tabled for plenary, 1st reading/single reading		A9-0156/2024	25/03/2024	
Text adopted by Parliament, 1st reading/single reading		T9-0299/2024	23/04/2024	Summary

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2023)0533	12/09/2023	Summary
Document attached to the procedure	SEC(2023)0313	13/09/2023	
Document attached to the procedure	SWD(2023)0312	13/09/2023	
Document attached to the procedure	SWD(2023)0313	13/09/2023	
Document attached to the procedure	SWD(2023)0314	13/09/2023	
Commission response to text adopted in plenary	SP(2024)394	08/08/2024	

National parliaments

Document type	Parliament/Chamber	Reference	Date	Summary
Contribution	IT_SENATE	COM(2023)0533	01/12/2023	
Contribution	IE_HOUSES-OF-OIREACHTAS	COM(2023)0533	20/12/2023	
Contribution	PT_PARLIAMENT	COM(2023)0533	20/12/2023	
Contribution	RO_SENATE	COM(2023)0533	04/01/2024	
Reasoned opinion	IT_CHAMBER	PE757.362	09/01/2024	
Reasoned opinion	SE_PARLIAMENT	PE757.364	09/01/2024	
Contribution	CZ_SENATE	COM(2023)0533	26/01/2024	
Contribution	CZ_CHAMBER	COM(2023)0533	09/02/2024	
Contribution	MT_PARLIAMENT	COM(2023)0533	07/03/2024	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES3705/2023	17/01/2024	
CofR	Committee of the Regions: opinion	CDR4941/2023	31/01/2024	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	**Role**	**Committee**	**Date**	**Interest representatives**
MARTÍN FRÍAS Jorge	Shadow rapporteur	IMCO	15/01/2025	CONPYMES
MARTÍN FRÍAS Jorge	Shadow rapporteur	IMCO	11/12/2024	ANGED
IJABS Ivars	Rapporteur	IMCO	05/12/2024	Permanent Representation of Poland to the EU
IJABS Ivars	Rapporteur	IMCO	03/12/2024	BUSINESSEUROPE
IJABS Ivars	Rapporteur	IMCO	03/12/2024	Kreab Worldwide
IJABS Ivars	Rapporteur	IMCO	15/11/2024	EUROCHAMBRES – Association of European Chambers of Commerce and Industry
IJABS Ivars	Rapporteur	IMCO	15/11/2024	Permanent Representation of Hungary to the EU
IJABS Ivars	Rapporteur	IMCO	18/10/2024	German Permanent Representation to the EU Austrian Permanent Representation to the EU
IJABS Ivars	Rapporteur	IMCO	26/09/2024	Latvian Chamber of Trade
JURZYCA Eugen	Shadow rapporteur	IMCO	06/03/2024	Fleishman-Hillard
THUN UND HOHENSTEIN Róża	Rapporteur	IMCO	30/11/2023	CONFEDERACION ESPAÑOLA DE LA PEQUEÑA Y MEDIANA EMPRESA
JURZYCA Eugen	Shadow rapporteur	IMCO	30/11/2023	CONFEDERACION ESPAÑOLA DE LA PEQUEÑA Y MEDIANA EMPRESA
THUN UND HOHENSTEIN Róża	Rapporteur	IMCO	23/11/2023	Polish Confederation Lewiatan
THUN UND HOHENSTEIN Róża	Rapporteur	IMCO	21/11/2023	BUSINESSEUROPE
TOVAGLIERI Isabella	Committee chair	ITRE	21/11/2023	Confartigianato Imprese
THUN UND HOHENSTEIN Róża	Rapporteur	IMCO	16/11/2023	European Construction Industry Federation
THUN UND HOHENSTEIN Róża	Rapporteur	IMCO	26/10/2023	European & International Booksellers Federation Federation of European Publishers
THUN UND HOHENSTEIN Róża	Rapporteur	IMCO	25/10/2023	BFF Banking Group
THUN UND HOHENSTEIN Róża	Rapporteur	IMCO	25/10/2023	BUSINESSEUROPE
THUN UND HOHENSTEIN Róża	Rapporteur	IMCO	24/10/2023	SMEunited aisbl
THUN UND HOHENSTEIN Róża	Rapporteur	IMCO	23/10/2023	European DIY Retail Association
THUN UND HOHENSTEIN Róża	Rapporteur	IMCO	23/10/2023	EuroCommerce

Other Members

Transparency		
Name	**Date**	**Interest representatives**
BALLARÍN CEREZA Laura	18/09/2024	ANGED ASEDAS
KIRCHER Sophia	17/09/2024	EuroCommerce Wirtschaftskammer Österreich
TÓTH Edina	19/03/2024	Egészségügyi Technológia és Orvostechnikai Szállítók Egyesülete
SAILLIET Laurence	19/03/2024	Auchan Retail France
SAILLIET Laurence	18/03/2024	Confédération des petites et moyennes entreprises
SAILLIET Laurence	14/03/2024	BUSINESSEUROPE
SAILLIET Laurence	14/03/2024	Fédération du commerce et de la distribution
RINZEMA Catharina	12/03/2024	Vereniging VNO-NCW
SAILLIET Laurence	08/03/2024	BUSINESSEUROPE
COMI Lara	01/03/2024	Federazione Italiana dell'Industria Alimentare
COMI Lara	28/02/2024	Unione Italiana Vini
KOKALARI Arba	22/02/2024	Svensk Handel
BALLARÍN CEREZA Laura	21/02/2024	Cámara de Comercio de España
HAHN Svenja	21/02/2024	AIM - European Brands Association Afore Consulting Allianz SE Anheuser-Busch InBev nv/sa Association des grandes entreprises françaises / Association of large French companies Aurubis AG BUSINESSEUROPE Bundesverband Großhandel, Außenhandel, Dienstleistungen e. V. Börsenverein des Deutschen Buchhandels e.V. Bundesverband Kooperierender Mittelstand Deutsche Industrie- und Handelskammer Deutsche Sozialversicherung Europavertretung Deutscher Anwaltverein (German Bar Association) Deutsches Aktieninstitut EDEKA ZENTRALE Stiftung & Co. KG EUROCHAMBRES – Association of European Chambers of Commerce and Industry EuroCommerce European & International Booksellers Federation European Builders Confederation Federation of European Publishers Gesamtverband der Deutschen Versicherungswirtschaft e.V. Handelsverband Deutschland Hauptverband der Deutschen Bauindustrie Henkel AG & Co. KGaA Independent Retail Europe (formerly UGAL - Union of Groups of Independent Retailers of Europe) International Credit Insurance & Surety Association Kellanova SMEunited aisbl Siemens AG Zentralverband des Deutschen Handwerks e.V. F & P Danish Insurance & Pension Association libri Libri GmbH Markant Penguin Random House Verlagsgruppe GmbH Thalia Hesse Vertreter des hessischen Handwerks bei der EU

COMI Lara	20/02/2024	Confartigianato Imprese
COMI Lara	20/02/2024	CONFCOMMERCIO - IMPRESE PER L'ITALIA
COMI Lara	20/02/2024	Confederazione Generale dell'Industria Italiana
COMI Lara	19/02/2024	Associazione Nazionale Costruttori Edili
SAILLIET Laurence	19/02/2024	Mouvement des Entreprises de France
TÓTH Edina	16/02/2024	Magyar Medikai Gyártók és Szolgáltatók Orvostechnikai Szövetség Egészségügyi Technológia és Orvostechnika Szállítók Egyesülete
SCHWAB Andreas	15/02/2024	Alliance du Commerce
BENIFEI Brando	15/02/2024	UniCredit
ARIAS ECHEVERRÍA Pablo	14/02/2024	CEPYME
COMI Lara	14/02/2024	Confartigianato Imprese
HAHN Svenja	14/02/2024	Börsenverein des Deutschen Buchhandels e.V. Libri GmbH
BOURGEOIS Geert	13/02/2024	Vereniging VBO
SCHWAB Andreas	09/02/2024	AIM - European Brands Association
SCHWAB Andreas	08/02/2024	Confindustria
SCHWAB Andreas	07/02/2024	Gesamtverband der Deutschen Versicherungswirtschaft e.V.
RINZEMA Catharina	05/02/2024	Vereniging VNO-NCW
YON-COURTIN Stéphanie	02/02/2024	Mouvement des Entreprises de France
DANTI Nicola	01/02/2024	Confederazione Nazionale dell'Artigianato e della Piccola e Media Impresa
BENIFEI Brando	01/02/2024	Confederazione Nazionale dell'Artigianato e della Piccola e Media Impresa
YON-COURTIN Stéphanie	01/02/2024	French Publishers Association (Syndicat National de l'Edition)
BALLARÍN CEREZA Laura	01/02/2024	PIMEC
BENIFEI Brando	01/02/2024	Confederazione Nazionale dell'Artigianato e della Piccola e Media Impresa
YON-COURTIN Stéphanie	01/02/2024	Association des grandes entreprises françaises / Association of large French companies
SAILLIET Laurence	30/01/2024	Association française des sociétés Financières
BALLARÍN CEREZA Laura	30/01/2024	European & International Booksellers Federation
COMI Lara	24/01/2024	Confederazione Generale dell'Industria Italiana
COMI Lara	24/01/2024	CONFCOMMERCIO - IMPRESE PER L'ITALIA
BALLARÍN CEREZA Laura	22/01/2024	Cepyme
COMI Lara	11/01/2024	CONFCOMMERCIO - IMPRESE PER L'ITALIA
COMI Lara	12/12/2023	Confederazione Generale dell'Industria Italiana
COMI Lara	07/12/2023	EURALIA
CLUNE Deirdre	07/12/2023	EuroCommerce
COMI Lara	06/12/2023	Confartigianato Imprese
PELLETIER Anne-Sophie	06/12/2023	LA POSTE
RINZEMA Catharina	06/12/2023	Vereniging VNO-NCW
SAILLIET Laurence	06/12/2023	Association des grandes entreprises françaises / Association of large French companies
SCHWAB Andreas	05/12/2023	CONFCOMMERCIO - IMPRESE PER L'ITALIA
COMI Lara	05/12/2023	Confederazione Generale dell'Industria Italiana

YON-COURTIN Stéphanie	05/12/2023	Association des grandes entreprises françaises / Association of large French companies
YON-COURTIN Stéphanie	05/12/2023	Les Entrepreneurs
COMI Lara	04/12/2023	CONFCOMMERCIO - IMPRESE PER L'ITALIA
CAÑAS Jordi	01/12/2023	Asociación de Distribuidores de Ferretería y Bricolaje
BALLARÍN CEREZA Laura	30/11/2023	Cepyme
ARIAS ECHEVERRÍA Pablo	30/11/2023	EuroCommerce
YON-COURTIN Stéphanie	30/11/2023	Union des entreprises de proximité
KOKALARI Arba	29/11/2023	Svenskt Näringsliv
SAILLIET Laurence	29/11/2023	Fédération du commerce et de la distribution
AGUILERA Clara	28/11/2023	Grupo Vall Companys
VANDENKENDELAERE Tom	21/11/2023	Anheuser-Busch InBev nv/sa
BALLARÍN CEREZA Laura	21/11/2023	Ferretería y Bricolaje de España (ADFB)
ARIAS ECHEVERRÍA Pablo	16/11/2023	Pequeña y Mediana Empresa de Cataluña
HAHN Svenja	15/11/2023	EDEKA ZENTRALE Stiftung & Co. KG
COELHO Carlos	15/11/2023	Jerónimo Martins, SGPS, S.A.
ARIAS ECHEVERRÍA Pablo	15/11/2023	Asociación Española de Distribuidores, Autoservicios y Supermercados
PELLETIER Anne-Sophie	11/11/2023	French Publishers Association (Syndicat National de l'Edition)
ARIAS ECHEVERRÍA Pablo	08/11/2023	Dolby Laboratories, Inc.
ARIAS ECHEVERRÍA Pablo	08/11/2023	Asociación Española de Distribuidores de Ferretería y Bricolaje (ADFB)
CAÑAS Jordi	06/11/2023	CONFEDERACION ESPAÑOLA DE LA PEQUEÑA Y MEDIANA EMPRESA
BOURGEOIS Geert	06/11/2023	PIMEC
RASMUSSEN Bergur Løkke	31/10/2023	Confederation of Danish Industry
DE MEO Salvatore	26/10/2023	CONFCOMMERCIO - IMPRESE PER L'ITALIA
ARIAS ECHEVERRÍA Pablo	24/10/2023	ANGED
BALLARÍN CEREZA Laura	24/10/2023	ANGED
BALLARÍN CEREZA Laura	19/10/2023	PIMEC
BALLARÍN CEREZA Laura	18/10/2023	ASEDAS
BALLARÍN CEREZA Laura	29/09/2023	PIMEC
BALLARÍN CEREZA Laura	21/09/2023	PIMEC

Commercial transactions: combating late payment

2023/0323(COD) - 23/04/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 459 votes to 96, with 54 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on combating late payment in commercial transactions.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amends the proposal as follows:

Scope and application

The aim of this Regulation is to combat late payment in commercial transactions, in order to ensure the proper functioning of the internal market, thereby fostering the competitiveness of undertakings and in particular SMEs.

Members wish to specify that the Regulation should not apply to payments resulting from purchases, sales, deliveries, commissions or agency operations contributing to the manufacture of books, as well as for the supply of paper and other consumables dedicated to the printing, binding or

publishing of books in their special position as slow-moving, cultural products, where the payment terms are defined by agreement between the concerned parties.

Payment periods

In commercial transactions, the payment period should not exceed **30 calendar days**, from the date of the receipt of the invoice or an equivalent request for payment by the debtor, provided that the debtor has received the goods or services in accordance with contractual agreement. Where the date of the receipt of the invoice or the equivalent request for payment is uncertain, the payment period should not exceed 30 calendar days from the date of receipt of the goods or services. This period should apply both to the transactions between undertakings and between public authorities and undertakings.

In commercial transactions between undertakings, where expressly agreed in the contract, the payment period may be extended **up to 60 calendar days** . In transactions between undertakings for the purchase of slow moving or seasonal goods, the payment period may be extended up to **120 calendar days** from the date of the receipt of the invoice or an equivalent request for payment by the debtor, provided that the debtor has received the goods.

Member States should introduce appropriate measures to improve public authorities payment practices towards undertakings by introducing measures to ensure that an undertaking which is a creditor is able to obtain upon request to the public authority, which has not paid the amount due within the maximum payment period, the **offsetting** of the amount due against any outstanding amount that the creditor has towards the same public authority.

Interest for late payment

It should not be possible for the creditor to waive its right to obtain interest for late payment when the debtor is a public authority or a large undertaking. Where the conditions are satisfied, interest for late payment should start accruing from the day following the expiry of contractual or statutory payment period.

Compensation for recovery costs

Members considered that where interest for late payment becomes payable, a flat fee compensation for recovery costs should be automatically due by the debtor to the creditor and should amount to a fixed sum of EUR 50, per every single commercial transaction of a value between 0 and EUR 1 500, EUR 100 per every single commercial transaction of a value between 1 501 and EUR 15 000, and EUR 150 per every single commercial transaction above EUR 15 000.

Null and void contractual terms and practices

The following contractual terms and practices should be null and void, and in any case should be prohibited: (i) excluding or limiting the right of the creditor to make assignments of the credit to third parties for the purpose of accessing financing services; make use of an executive order of payments issued by a court; (ii) preventing or postponing the moment of sending the invoice by the debtor; (iii) prohibiting, excluding or limiting the assignment of receivables to relevant financial institution; (iv) using means of payment altering payment terms.

Transparency and awareness raising

Member States should, where appropriate, use professional publications, promotion campaigns or any other functional means to increase awareness of the remedies for late payment among undertakings.

Recovery procedures for unchallenged claims

Creditors should obtain an enforceable title, including through an expedited procedure and irrespective of the amount of debt, within **60 calendar days** of the lodging of the action or application at the court or other competent authority, provided that the debt and the procedure are not disputed.

Complaints

The complainant may submit a complaint to the enforcement authority anonymously or identify any information for which it requests confidentiality. Where an enforcement authority considers that there are sufficient grounds for acting on a complaint, it should initiate, conduct and conclude an investigation of the complaint within **90 days** after the receipt of the complaint.

The Commission should make a standard EU complaint form available for the enforcement authorities of the Member States.

Reporting obligations

Contracting authorities, as referred to Directive 2014/24/EU, should report on a yearly basis on their payment practices.

European Observatory of late payments

Members proposed that the Commission should set up an Observatory of Late Payment at the latest by the date of application of this Regulation. The Observatory should monitor payment as well as late payment practices within the Union in order to collect and share expertise, best practices and identify potential harmful practices, as well as effectiveness of enforcement authorities in carrying out their tasks. The Observatory should be chaired by the Commission and should be composed of representatives of relevant experts and stakeholders.

Commercial transactions: combating late payment

2023/0323(COD) - 12/09/2023 - Legislative proposal

PURPOSE: to combat late payment in commercial transactions, in order to ensure the proper functioning of the internal market.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: every year, around 18 billion invoices are issued in the EU, more than 500 every second. Goods and services are often supplied on deferred payments: the supplier (the creditor) grants the client (the debtor) a payment term to pay the invoice (trade credit), after the goods are delivered or the service agreed on in the contract is provided.

Many payments in commercial transactions between economic operators or between economic operators and public authorities are made later than agreed in the contract or laid down in the general commercial conditions or by law.

Late payments directly affect liquidity and predictability of cash flows. This affects competitiveness, reduces productivity, leads to redundancies, increases the likelihood of insolvencies and bankruptcies and is a critical barrier for growth. Small and medium sized enterprises (SMEs), who rely on regular and predictable streams of cash, are heavily affected by those negative consequences.

For debtors, paying late is an attractive form of finance that costs the debtor nothing but does have a cost for the creditor. This is compounded by the inadequacy of the current EU legal framework, Directive 2011/7/EU (the Late Payment Directive), which lacks sufficient preventive measures and suitable deterrents, and whose enforcement and redress mechanisms are insufficient.

The revision of the Late Payment Directive addresses these shortcomings, with the ultimate aims of improving the payment discipline of all concerned actors (public authorities, large companies and SMEs) and protecting companies from the negative effects of payment delays in commercial transactions.

CONTENT: the proposed regulation will apply to payments made in transactions between undertakings or between undertakings and public authorities, where the public authority is the debtor, which lead to the delivery of goods or the provision of services for remuneration.

The regulation will not apply to payments for transactions with consumers; payments made as compensation for damages, including payments from insurance companies; payments resulting from obligations that can be cancelled, postponed, or waived under or in relation to insolvency proceedings or restructuring proceedings.

The proposed revision of the Late Payments Directive:

- limits the payment period and the duration of the procedure of acceptance or verification to a **maximum of 30 days**;

- eliminates any reference to the concept of grossly unfair practices and clauses;

- removes exceptions for a maximum payment period of 60 days for healthcare and public authorities carrying out economic activities;

- supports that payments are passed down the supply chain in contracts for public works, by requiring the main contractor to prove that direct subcontractors have been paid;

- clarifies that **interest for late payment** is automatically due when the necessary conditions are satisfied, requires also that the debtor give the creditor all the information they need to ensure an invoice can be accepted and clarifies that interest for late payment accrues until payment of the principal;

- states that the interest for late payment will be equal to the reference rate plus 8 percentage points;

- provides that a flat fee **compensation for recovery costs** will be automatically due by the debtor to the creditor and will amount to a fixed sum of EUR 50, per every single commercial transaction;

- states that Member States are obliged to designate **national authorities** responsible for enforcing the Regulation, who are to cooperate with the Commission and with other relevant national enforcement authorities;

- sets out the conditions under which creditors and associations of creditors can **complain** about late payments, as well as the obligations of the enforcement authorities in relation to complaints;

- promotes the voluntary use of effective and independent **alternative dispute resolution mechanisms** for a quicker settlement of disputes between creditors and debtors, without damaging their commercial relationship;

- ensures the use of **digital tools** for enforcing the Regulation and the promotion of credit management tools and financial literacy training for SMEs, to reduce late payment.