

Parliament's vote crucial in eradicating Europe's late payment culture

"Today's European Parliament adoption of the recast Late Payment Directive represents an important step in curbing the late payment culture which affects the cash flow of businesses across the EU," said Arnaldo Abruzzini, Secretary General of EUROCHAMBRES. *"Chambers are particularly pleased that the agreement sets a maximum cap for payments by public authorities; this will benefit the many businesses, particularly SMEs, that provide goods and services to public bodies,"* added Mr Abruzzini.

This will come as welcome news to the hundreds of business men and women who gathered in Brussels on 14 October for the European Parliament of Enterprises*, three-quarters of whom voted in favour of stricter payment rules for public authorities.

"We would have preferred business-to-business transactions to have been excluded from the scope of the directive, but the agreement reached is acceptable since it allows businesses to agree on payment periods longer than 60 days, provided it is expressly agreed in the contract and not grossly unfair to the creditor. This broadly respects the fundamental principle of contractual freedom," said Mr Abruzzini.

Swift implementation is now of the essence: Chambers will monitor closely the process over the two-year transposition period.

* The European Parliament of Enterprises, organised by EUROCHAMBRES on 14 October 2010 in the Brussels Hemicycle of the European Parliament, allowed 774 entrepreneurs of all sizes and sectors, coming from 45 European countries, to debate and vote on specific business-related issues.

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