

Retail and wholesale: EP attempt to fix Late Payments proposal still misses the mark

Today, the European Parliament's IMCO committee adopted its position on the Late Payments Regulation. The MEPs agreed in the end on capping payment terms at 30 days, extendable to 60 days if parties expressly agree so in the contract. Additionally, payment terms for slow-moving and seasonal goods payment terms may be up to 120 days.

Commenting on the outcome of the vote, EuroCommerce Director General, Christel Delberghe, said:

"Trying to achieve the valiant aim of creating a culture of prompt payment should not come at any cost. The solution the IMCO Committee has chosen will cause huge legal uncertainty with vague definitions that guidance is unlikely to clarify. We welcome the attempt to address the problems faced by retailers selling slow-moving or seasonal products, but capping payment terms remains the wrong solution to the problem of non-compliance with contracts."

EuroCommerce, the European association representing small and large retailers and wholesalers, remains concerned that the 'solution' tabled is irrespective of the desire of companies to negotiate payment terms that enable them to continue their mutually beneficial business relationships and will not solve the problem of late payments.

The EuroCommerce #FlexNotFixed campaign shows that trying to set bespoke payment terms top-down and removed from business reality creates more complexity and threatens the existence of some, such as small bookshops. The proposed 'solution' will also deny access to supplier credit that wholesalers offer as an alternative source of finance for their customers, leaving a financial gap. It will also continue to expose any business holding an inventory to competition that will come from online intermediaries and raise market entry barriers.

EuroCommerce remains hopeful that a more sensible approach is taken by the European Parliament plenary and the Council that reinstates freedom of contract without changes that should be thoroughly impact assessed.

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Note to the editor

EuroCommerce Late Payment page: [Late Payments - EuroCommerce](#)

Video testimonials from SMEs: [Late Payment - #FlexNotFixed \(youtube.com\)](#)

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EuroCommerce is the principal European organisation representing the retail and wholesale sector. It embraces national associations in 27 countries and 5 million companies, including leading global players and many small businesses. Over a billion times a day, retailers and wholesalers distribute goods and provide an essential service to millions of business and individual customers. The sector generates 1 in 7 jobs, offering a varied career to 26 million Europeans, many of them young people. It also supports millions of further jobs throughout the supply chain, from small local suppliers to international businesses. EuroCommerce is the recognised European social partner for the retail and wholesale sector.