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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Competitiveness and Growth (Internal Market - Late payment)
Subject:	Proposal for a Regulation on combating late payment in commercial transactions - Comments by delegations

Delegations will find in the Annex comments by AT, BE, CZ, EL, FI, FR, IT, PL at the meeting of the Working Party on Competitiveness and Growth (Internal Market) held on 7 October 2025.

AT

AT does not consider that continuing work on a text proposal would lead to a successful outcome. The current Directive already provides for flexible rules that respect the freedom of contract and are consistent with national civil law. Where the Commission would, after withdrawal of the proposal and a thorough reassessment, still identify necessary changes, a recast may be considered.

Furthermore, other voluntary policy measures that support businesses and in particular SMEs can be considered. These could be trainings on financial literacy, information on the availability of alternative dispute resolution, or support on the uptake of the use of e-invoicing by SMEs. It should also be seen what effects the VAT in the Digital Age (ViDA) package has on late payments in practice, and the Commission should continue to monitor such effects, in particular in view of the Commission's plans to submit a new proposal on the e-Invoicing Directive 2014/55/EU.

BE

1. Would you be interested in continuing work on a Presidency compromise text based on the current Commission proposal or,

No, Belgium calls for a recast of the directive and thus invites the Commission to re-examine all previously submitted feedback to present a new proposal.

2. In the alternative, what other policy measures would you propose in order to combat late payment in commercial transactions?

In this regard, Belgium refers to the responses sent to the Polish Presidency on 11 April 2025, which were the following:

- The “one-size-fits-all” approach lacks flexibility and fails to take into account the diversity of situations in which companies operate. It would be appropriate to introduce a flexibility mechanism based on sectors (e.g. the diamond sector in Belgium) or types of products (e.g. slow-moving goods). To avoid fragmentation of the Single Market, such exceptions should be decided at the European level. In this respect, the Commission could identify these sectors or products through a delegated act. The verification procedure must be maintained and should not be considered exceptional. It is essential in some sectors, such as construction. A general processing time of 60 days, including both payment and verification operations, is acceptable — particularly in light of electronic invoicing, which helps to speed up payment procedures.
- While a legal approach is necessary, it should be complemented by market-based initiatives. In this regard, the European Payment Observatory is a key source of information, highlighting best practices applied in other Member States. Drawing inspiration from these practices could prove useful at national level (e.g. sectoral codes of conduct, transparency regarding payment behaviour, etc.). Differentiation based on company size is not desirable, as it could have adverse effects on SMEs. Large companies might choose to do business exclusively with other large companies to avoid constraints. Moreover, under the current European definition, over 99% of companies are SMEs, which would significantly reduce the impact of such differentiation. Additionally, having to consider company size would result in added administrative burdens for all businesses — large and small.
- Belgium is not opposed to discussing a revised legislative text that could address the shortcomings of the current directive and help reduce payment delays. Belgium understands the Commission's intention in its proposal to list clauses that are null and void, and considers that a mixed system — combining the current directive's provisions on unfair

clauses with the Commission's proposed approach — could offer a solution to help small companies deal with disadvantageous terms imposed by larger partners. Promoting the use of alternative dispute resolution mechanisms at EU level could also encourage better payment practices while preserving sound contractual relations.

CZ

1. We are of the opinion that the Presidency compromise text based on the current Commission proposal is not a suitable base for further discussion. In this regard, we refer to our position expressed in the joint comments on the Presidency text from 7 June 2024 (WK 8460/2024 INIT).
2. We currently have no concrete proposals for other political options. We should be cautious when it comes to adopting new legislation. Any further measures should be based on an in-depth analysis and should have clear added value so as not to create an unnecessary burden on businesses or the state.

EL

From our perspective, the adoption of Union legislation to combat late payments is essential for the integration of the internal market, the protection of small and medium-sized enterprises (SMEs), and the establishment of fair competition conditions. We consider the Commission's proposal to be a solid foundation, offering a well-balanced solution that addresses both policy and regulatory needs.

Regarding the choice of legal instrument, we continue to support the adoption of a Regulation, as it ensures immediate applicability and uniform implementation across all Member States. This approach helps prevent distortions in the internal market and inequalities in competition that could arise from divergent national transpositions of a Directive. The experience with the current 2011 Directive has demonstrated that excessive flexibility and insufficient enforcement have failed to effectively address the persistent "late payment culture," which remains a significant barrier to market efficiency.

Any further refinement of the proposal should carefully consider the asymmetry in bargaining power between contracting parties (debtor-creditor), while also preserving the ability of Member States to designate their own administrative enforcement authorities for the measures provided. With regard to additional measures to combat late payments, we believe that such initiatives can enhance the effectiveness of the legislation. However, they should not replace or interrupt the ongoing negotiations on Union-level legislation. For instance, requiring large enterprises to periodically disclose data on late payments to SMEs, and establishing registries of companies that comply with payment deadlines—or those that systematically breach their obligations—can serve as complementary tools. Nevertheless, these measures cannot substitute the need for comprehensive Union legislation.

FI

Finland would like to respond to the questions as follows:

Finland is not in favour of continuing work on a Presidency compromise text based on the current Commission proposal.

We would rather see the Commission present a recast of the current directive, with targeted and proportionate amendments that duly take into account the concerns voiced by Member States in the

working group, are based on a thorough analysis and transparent impact assessment, while also avoid creating unnecessary administrative burdens.

FR

In view of the lack of effectiveness of the current directive, in particular because of the absence of a mandatory ceiling on payment periods in B2B transactions and the absence of tools for monitoring compliance with the rules it lays down, its revision seems to me to be appropriate.

On the one hand, a better framework for payment periods at European level would make it possible to establish harmonised conditions of competition between European companies, ensuring a level playing field. Payment deadlines must be strictly regulated, at the risk of the most powerful players imposing excessive deadlines on their weaker partners, which would *ultimately* undermine the proper functioning of the economy. Several EU countries, including France, have introduced stricter national rules than the current directive.

On the other hand, strengthening the means of combating late payments made it possible to protect more effectively virtuous businesses, particularly the smallest ones, which are often the first to pay and the last to pay. In this respect, we support the provisions on the establishment of supervisory authorities. Those authorities have a complementary role to that of courts or mediation systems and have already been established to monitor the application of similar provisions in the agricultural and food sector in the context of the Unfair Commercial Practices between Traders Directive.

However, the French authorities, like many Member States, considered that the European Commission's initial proposal contained too strict provisions which could have a deleterious impact on the cash flow of many companies, including SMEs.

The European Commission planned to set a maximum payment period of 30 days for all transactions, between traders (B2B) or under public procurement (G2B).

However, in B2B transactions, such a general reduction would risk, contrary to the objective pursued, undermining the liquidity of many VSEs and SMEs, in particular in the commercial sector or in sectors in which the disposal times of stocks are particularly long (e.g.: seasonal sectors or the book sector) and have a negative impact on import-export (more imports from third countries in which payment periods are more flexible) since the proposal for a regulation is intended to govern only transactions between European operators.

Should negotiations continue on this text, far-reaching changes to it would be necessary in order for France to be able, if necessary, to subscribe to it:

- The maximum common business-to-business payment period should be maintained at 60 days. We strongly oppose both the reduction of the deadline to 30 days and its mandatory and non-flexible nature for the reasons mentioned above.
- The French authorities argue for the introduction of an alternative contractual payment period of 45 days at the end of the month, in addition to the 60-day period, as this alternative period corresponds to the practice of many French companies and would allow them to group all their payments at the end of the month, which would reduce their administrative burden.
- Payment periods derogating from the ordinary time limit must be provided for at national level (after any opinion of the Competition Authority) to take account of seasonal sectors and/or where the time-limits for disposing of stocks are particularly long in order to distribute the financial effort among the various players. The book sector should be completely excluded

from the scope of the Directive to avoid weakening the network of bookstores and restricting access to a diverse editorial offer, which would ultimately undermine cultural diversity.

Alternatively, if these developments were not taken into account, the French authorities would argue for the retention in the text of a possibility to allow undertakings to agree on longer payment periods by express contractual stipulation provided that this does not constitute a manifest abuse vis-à-vis the creditor. In the absence of such an inflection, the French authorities would not oppose the withdrawal of the text.

IT

1. *Would you be interested in continuing work on a Presidency compromise text based on the*

Italy does not deny the necessity to address the issue of “late payment”. We believe, however, that a **regulation setting mandatory, non-negotiable terms of payment is not a solution** and may even worsen the situation. Mandatory, non-negotiable terms of payment would indeed lack the flexibility to adapt to specific market needs.

In general, we consider it necessary to distinguish between payment delays, which should be addressed with more effective tools, and **the setting of payment terms, which should remain within the discretion of the parties**. SMEs require effective protection as creditors, but also flexibility as debtors.

2. *In the alternative, what other policy measures would you propose in order to combat late payment in commercial transactions?*

We believe that the best way forward would be to review the current directive while maintaining the existing exceptions. Such a review should be carried out through targeted amendments to promote better enforcement and provide greater protection for SMEs, especially when they find themselves in the position of creditors in commercial agreements with larger companies.

We also believe that it would be appropriate to work on voluntary facilitating measures, such as guidelines, the promotion of the exchange of best practices, and codes of conduct.

Based on our experience, mandatory electronic invoicing, monitoring systems, and penalties have greatly contributed to reducing the average payment times of public administrations from 2019 to 2023 (they have now decreased by an average of 33%). According to the latest monitoring report that Italy sent to the Commission on 11 July 2025, for the year 2024 the average payment time stands at 29.6 days, corresponding to a negative average delay of -14.6 days.

Regarding B2B transactions, while private autonomy should remain the general rule, we are open to considering a mechanism to safeguard SMEs when large companies impose unjustifiably lengthy payment terms. This could be achieved, for instance, by establishing support bodies and tools as alternatives to ordinary judicial proceedings.

PL

1. *Would you be interested in continuing work on a Presidency compromise text based on the current Commission proposal or,*

Poland is keen to keep working on a compromise text prepared the DK PRES, which would be based on the Commission's current proposal, because it's important for improving market transparency and it shows support for SMEs in unequal commercial relationships.

2. *In the alternative, what other policy measures would you propose in order to combat late payment in commercial transactions?*

Poland considers that alternative measures may support the effectiveness of regulations, but do not constitute a solution to late payments in commercial transactions and are not competitive in relation to the proposed Regulation. Alternatively, measures could only reduce payment delays, e.g.:

- public registers of unreliable payers - creation of a publicly accessible database of companies that are notoriously late with payments. Entries in the register could be made by creditors after certain conditions have been met (e.g. a court judgement),
- compulsory insurance of receivables from large contractors - large companies would be required to insure their receivables from smaller suppliers. In the event of a delay, the payment would be taken over by the insurer, who would then pursue the claim,
- ethical payer certificates - certificates for companies that meet high payment standards - could be taken into account in public tenders,
- tax incentives for timely payers who hold ethical payer certificates.