



“The voice of crafts and SMEs in Europe”

“Common European Sales Law” no panacea for trade in the single market, say SMEs

Brussels, 11 October 2011 – The “Common European Sales Law” proposal presented by the European Commission today (Tuesday) is not a solution for the problems faced by small companies aiming to trade in the single market, according to UEAPME, the European craft and SME employers’ organisation. While supporting the Commission’s aims to improve the functioning of the internal market and ease cross-border transactions, UEAPME stressed that different national contracts are not a major obstacle for SMEs, which face other issues such as language barriers, diverse tax systems and certification requirements. The organisation warned that SMEs will not take up the proposal in its current form, as it falls short of striking a balance between the interests of consumers and the needs of businesses. Therefore, UEAPME called on the European Council to revise the text to ensure a reasonable instrument capable of providing added value and legal certainty for both companies and customers.

Enterprise Policy Director **Luc Hendrickx** offered the following comments:

“We fully share and commend the European Commission’s intentions to stimulate cross-border trade in the single market. However, today’s proposals will do very little in this respect and will actually leave small businesses worse off if confirmed in their current form. SMEs face diverse issues such as language barriers and tax systems when trading cross-border, while the attitude of consumers in relation to buying from another Member State does not depend on legal diversity. The need to adapt and comply with different consumer protection rules in the foreign contract laws was cited as having a ‘large impact’ on cross-border trade only by 7% of the respondents to the Eurobarometer accompanying today’s proposal. Therefore, pretending that the common sales law is a priority and that it will change the status quo is preposterous.”

“In addition, the common sales law as envisaged by the Commission is an imbalanced instrument that fails to take into consideration the business reality. For instance, traders would be obliged to provide an additional information note to consumers on the nature and on the ‘salient features’ of the new regime, as well as to answer to their questions on the applicable law. Failure to comply with these requirements would give consumers the right to terminate the contract without any cost implications. This will increase uncertainty for traders, trigger new administrative burdens and de facto transform sellers into legal advisors. To make matters worse, the Commission will organise training sessions on the common sales law only for legal practitioners and not for SMEs, despite their clear need for guidance and our repeated requests.”

“Although the envisaged common sales law is optional, the alleged freedom for SMEs to take up this new regime can be questioned. If it gains popularity, commercial pressure will force small companies to use an instrument that is not balanced and unclear. We trust that the Council will take the time to look at the fine print and tweak the text to ensure a balanced instrument capable of ensuring consumers’ protection while providing added value and legal certainty for SMEs.”

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EDITORS’ NOTES: UEAPME is the employers’ organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 82 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information: <http://www.ueapme.com/>

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