



ITFA's UPDATE - LATE PAYMENT DIRECTIVE

Contributed by ITFA's Insurance Committee, March 2024

ITFA has continued its discussions with members of the European Parliament and the Council on the ongoing process around the proposal for a new European regulation to replace the Late Payment Directive.

The committee vote on the proposed report and text is postponed until 21st March and the Report may go to Plenary vote in the Parliament in April.

There are now essentially two competing main views: (1) one size fits all, 30 days, etc. vs (2) freedom to contract. Further amendments are likely to be submitted at the Plenary stage.

Work is taking place on finding a compromise on payment terms that would be acceptable to most if not all MEPs, and those in charge of the matter.

In addition, Ministers discussed their views on the Late Payment Regulation in the Competitiveness Council (COMPET) on 7th March. This was the first public expression of opinions from Member States which do not support a blanket 30-day payment period without exceptions.

Members can find a Council briefing note and a table with respective Member State positions on the choice of legal instrument, the 30 day payment period and on new enforcement authorities [HERE](#) and the response of ITFA to the EU Late Payment Directive Consultation by the European Commission [HERE](#).

As these documents show, ITFA is putting during its discussions with key stakeholders strong emphasise on the distinction between abusive late payment and negotiated payment terms, showing additional cost which might be created by strongly reducing the latter for different parties to the value chain creation.

We will continue to engage closely on behalf of our members and the industry.