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EUROPEAN PARLIAMENT BACKS NEW SMALL CLAIMS PROCEDURE FOR CROSS BORDER CASES

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The European Union's European Parliament issued the following press release:

The European Parliament backed on Thursday the creation of a European Small Claims Procedure to speed up litigation in cross-border cases. The new procedure would concern claims up to ?2000 and be enforceable in all Member States. The rapporteur **Hans-Peter MAYER** (EPP-ED, DE), before the vote, called on MEPs to support the European small claims procedure, "a simple, cheap and citizens-friendly procedure."

The proposed measure would allow EU citizens to resolve contested claims in a simpler and cheaper way than through existing national systems. It would concern amounts of up to ?2000. Unlike the European Payment Order, which concerns uncontested payment claims and which had its second reading vote in the plenary session on Wednesday, the European Small Claims Procedure (ESCP) deals with payments subject to legal controversy in another Member State.

In adopting the first reading report, MEPs approved the scheme, subject to a number of amendments. A notable change is that the procedure should apply only to cross-border cases, rather than be available also for claims within individual Member States as originally proposed by the Commission. This amendment reflects discussions with the Council on what would be acceptable to Member States.

The ESCP will be a written procedure. The Regulation provides for a specific form, available in all EU official languages, to be used to submit a claim under the ESCP. It would also facilitate the recognition and the enforcement of an ESCP judgment in all Member States by eliminating any intermediate measures required by a Member State to enforce the decision. There are some exceptions to the use of the procedure - it would not apply, for instance, to property rights arising from a marriage.

MEPs voted for the Commission and Member States to present an assessment report by 2014 to allow the Regulation to be revised if necessary on matters such as the threshold, court costs and the speed of the procedure. The European Small Claims Procedure is due to enter force in January 2009. An opt-out means it will not apply to Denmark.

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