

European Report

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JUSTICE AND HOME AFFAIRS: PARLIAMENT APPROVES SMALL CLAIMS REPORT

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The European Parliament approved, in first reading, a new European procedure for cross-border small claims up to E2,000. As opposed to the European Payment Order (EPO) for uncontested claims, adopted in second reading on 25 October, the small claims procedure applies solely to contested cross-border claims.

Presented by the European Commission in March 2005, the proposal will speed up and sink costs for litigation. Following Parliament's adoption on 14 December, the regulation will enter into force in January 2009 in all member states except Denmark, which has an opt-out. The procedure is written with a specific form, available in all official EU languages, with easier enforcement due to the elimination of intermediate measures.

The major change as to the original proposal is the narrowing to only cross-border cases due to opposition in the Council. MEPs included the provision of a report by 2014, to be drawn up by the Commission and member states, for assessment of whether the new regulation needs to be revised, especially as regards the procedure's speed, court costs and the E2,000 financial threshold - too high for new member states. Greater use of new technology was also added by MEPs with the possibility of holding video conferences and e-mail exchange of documents.

"An important further implication is that the translation of forms is to be done by a single person in each member state authorised to do so. This excludes expensive legal certification and the necessity of going to a notary," said rapporteur **Hans-Peter Mayer** (EPP, Germany). The procedure does not apply to a range of disputes, for example, as to arbitration, bankruptcy, defamation, employment law, social security as well as property rights arising from marriage, wills and succession.

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