

European Family Businesses position on the Revision of the Late Payment Directive

The announcement of a review to the Late Payment Directive of 2011/7/EU on the 14th of September 2022 by the European Commission's President Ursula von Der Leyen, was welcomed by European Family Businesses (EFB).

Family businesses come in all sizes: from micro to large, and they are often providers for a larger part of a supply chain. So, to ensure that these businesses can survive the economic turbulent times, payments need to be made on time. A plethora of businesses in the single market suffer each year due to late payments. So much so that it is said that, "1 in 4 bankruptcies are due to invoices not being paid on time."¹

Micro businesses and SMEs are at particular risk. Family businesses seek to take care of their providers and clients which is why the review of the Late Payment Directive is crucial. It is extremely important that Europe's businesses are able to survive and grow. In order to achieve this, it is vital, now more than ever, that companies respect the payment rules and do not delay payments beyond what is stated by the Late Payment Directive. This will help boost the overall competitiveness of Europe's businesses.

EFB is of the opinion that the review of the Late Payment Directive is very timely and we thank the European Commission for doing this.

¹ https://ec.europa.eu/commission/presscorner/detail/en/speech_22_5493