

This edition of the newsletter will deal with the following topics:

1. Late Payments Directive
2. Services Directive
3. European Parliament votes on the Energy Performance of Buildings Directive (EPBD)
4. Directive on water savings in buildings
5. European Commission workplan for 2010 and beyond

1. Late Payments Directive

The amendment of the Late Payments Directive was one of four legislative proposals contained in the Small Business Act. Legislation on late payments varies widely across Europe and there is concern about the cash-flow problems which this causes. On 28 April the European Parliament's Committee on Internal Market (IMCO) adopted a report by rapporteur Barbara Weiler relating to the recast of the existing 2000 Directive on combating late payment in commercial transactions. This proposes the imposition of strict payment deadlines on public authorities and private enterprises, 30 days which may be extended to 60 days under certain conditions. The original intention was to limit these changes to the public sector, but the Parliament has insisted on the inclusion of private enterprises. The approved text also abolishes the flat rate compensation of 5% of the invoice total, which would have been required in the event of late payment, plus interest. It is now expected that the proposed recast will have its first reading at a plenary session of the Parliament in mid May.

The report by Barbara Weiler is available at: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-438.475+01+DOC+PDF+V0//EN&language=EN>.

2. Services Directive

The Services Directive was due to be implemented in national law by 28 December 2009. On 27 April MEPs met members of national parliaments to discuss progress. The conclusion was that progress is slow and that problems remain. Only 21 Member States have notified the Commission that they have completed the transposition. In particular problems are being encountered in countries with a federal system with the need to eliminate administrative barriers to the free movement of services.

The new rules are also supposed to make life easier for companies wishing to provide services abroad by the creation of electronic "one-stop shops" for firms to access information and complete formalities quickly. Such facilities have been created in 21 countries but provide limited services. Each country is expected to submit a list of proposals that discriminate against other states and to justify them on public interest grounds. Every country is also expected to examine the discriminatory proposals of the other 26 states.

It is expected that work will begin soon on a report for the European Parliament on the progress and impact of the Directive. Therefore it is important that member associations continue to advise the Secretariat of problems which come to their attention.

3. European Parliament votes on the recast of the EPBD

On 28 April the European Parliament's Committee on Industry (ITRE) formally adopted the compromise reached with the Council on the recast of the EPBD. It is expected that a vote will now take place in a plenary session of the Parliament in mid-May. The revised version of the Directive will require buildings, built from 2021, to comply with "very high energy performance" standards. A working document by rapporteur Silvia-Adriana Ticău which summarises the main changes made to the original draft by the Parliament is available at:

<http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+COMPARL+PE-440.990+01+DOC+PDF+V0//EN&language=EN>

It will be important to follow the implementation of the recast Directive in Member States and the Secretariat will be advising member associations about this in more detail.

4. Directive on Water Savings in Buildings

The European Commission has announced its intention to introduce measures to reduce water consumption in buildings and a draft directive is expected soon. It has been estimated that water efficiency could be improved by nearly 40% via technological improvements alone, with further savings to be made by changing behaviour. Technological and technical changes could include changes to taps, toilets, showers and water-using equipment as well as the harvesting of rainwater. These will be relatively difficult to deal with in older buildings.

At present only a few Member States include water-saving standards in national building regulations. Further information is awaited about these proposals but it is likely that they will be significant for the property sector.

5. European Commission Workplan for 2010 and Beyond

The Commission has published a work programme listing initiatives under consideration for the years to come covering the mandate of the current Commission (2010-2014). There are four main strands in its work programme:

- Tackling the economic crisis and sustaining Europe's social market economy;
- Building a citizens' agenda which puts people at the heart of European action;
- Developing an ambitious and coherent external agenda with global outreach;
- Modernising EU instruments and ways of working.

Proposals are expected on education, climate action, energy, pensions, employment and social inclusion, with the first measures concentrating on the EU single market and reform of the financial sector. Planned legislative proposals concerning the internal market include proposals on the derivatives markets, credit default swaps and capital requirements.

Initiatives of particular interest to the property sector include (for 2010) the Revision of the Capital Requirements Directive (which may contain provisions relative to mortgages) and a communication on European contract law. Later in the term of the Commission initiatives are proposed to include publication of the Energy Action Plan 2011-2010, a Directive on Water Efficiency of Buildings (as already mentioned), a White Paper on the Relaunch of the Single Market, measures on responsible lending and borrowing, a Communication on best practices in mortgages and a report on the implementation of the Services Directive.

A copy of the work programme is available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0135:FIN:EN:PDF>.

If member associations have any questions about any of the topics mentioned, or would like further information, they are invited to contact the Secretariat.