

Payment Terms Legislation In The European Union



European Union

Please see below for a summary of payment terms in the European Union and the various industries across which payment term legislation appears.

Industries	Laws	Codes	Notes
Construction	✓		
Manufacturing	✓		
Retail/Agriculture	✓		

LAWS

EU Late Payment Directive of 16 Feb 2011 required member states to implement laws by 16 Mar 2013. Maximum terms from public entities are capped at 30 days. Commercial terms cannot be longer than 60 days unless expressly agreed by both parties and not grossly unfair. Where no terms are specified the default is 30 days. Individual states can enact provisions that are more favourable to the supplier. *See EU member states for local details

Construction

Manufacturing

Retail/Agriculture

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On 30 April 2019 the EU adopted legislation on unfair trading practices in business-to-business relationships in the food supply chain. Among other things terms are capped at 30 days for perishable goods and 60 days for other agricultural and food products. A stricter enforcement mechanism is also required in each member state. EU countries now have two years to transpose the directive into national laws.

[Retail/Agriculture](#)

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CODES

The Supply Chain Initiative (SCI) is a joint initiative launched by several EU level associations with the aim of increasing fairness in commercial relations along the food supply chain.

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