

## 20 May 2009: Payment timeframes

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The *Autorité de la concurrence* has issued five new favorable opinions regarding derogating agreements in the industries of stationery, canned foods, tires, pets and two-wheeled vehicles

> **Version française** 

The *Autorité de la concurrence* is continuing its analysis<sup>(1)</sup> relative to derogating agreements regarding the new rules for payment timeframes established by the law on the modernization of the economy (LME)<sup>(2)</sup> and has issued five new favorable opinions.

The *Autorité* considers that there are sufficient objective and specific economic reasons justifying to grant more time to the companies in these five sectors to comply with the new provisions.

It also considers that the challenges for reducing the payment timeframes, that have sometimes been reviewed at its request, will reach the objective set up by the law by 2012. The most notable case for the review of the reduction calendar related to the tire industry.

It also recommended, with regard to the sectors of stationery and pets, that these agreements should be extended to all companies in the sectors in question, with the exception of food mass retail distribution. The *Autorité* considers that excluding generalist mass retail distribution from these two agreements entails no risk for competition given the specific nature of the sales of these products in hypermarkets (residual nature of the sales, predominant share of quick rotation products, limited range).

The *Autorité* will very shortly be examining 23 other derogating agreements.

(1) The *Autorité* has already expressed itself regarding the agreements in the following industries : DIY ([09-A-02](#)), toy ([09-A-03](#)), jewellery ([09-A-04](#)), building

and civil engineering ([09-A-06](#)), plumbing, heating and electrical equipment ([09-A-07](#)), and books ([09-A-08](#)).

(2) The LME reduced the payment timeframes to 45 days from month end, or 60 days as of the issuing of the invoice, in order to ease the financial constraints that normally weigh on SMEs. To allow certain economic sectors some time to adapt, it provided the possibility for the setting, by means of an inter-professional agreement, of timeframes that would depart from the legal payment timeframe for a transition period of three years at most. The opinion of the *Autorité de la concurrence* relative to these sector specific dispensations is then mandatory, in view of the potential risks of distorting competition.

For more details, the complete opinions [09-A-10](#), [09-A-11](#), [09-A-12](#), [09-A-13](#) and [09-A-14](#) are available for consultation on the Internet site of the Autorité de la concurrence ([www.autoritedelaconcurrence.fr](http://www.autoritedelaconcurrence.fr))