



EUROPEAN COMMISSION

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Today's Justice Council: A good day for citizens and a good day for growth!

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Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Justice Council press conference /Luxembourg
8 June 2012

MAIN MESSAGES OF THE SPEECH

On Brussels I

- Today we achieved a **breakthrough on the reform of the Brussels I regulation** which abolishes the time-consuming and costly 'exequatur' procedure in civil and commercial cases. With the European Parliament's backing we will be able to **have the proposal adopted before the end of this year.**
- Today's agreement paves the way for us to **strengthen Europe's single market** so that **judgements can flow freely** from one Member State to another.

On the Common European Sales Law

- Now that we have resolved the question of whether a common European Sales Law is needed at all and **now that the Council's Legal Service confirmed that the Internal Market legal base (Article 114 TFEU) is the correct one, we can start working on 'the meat of the matter'** - the details of the proposals and move forward swiftly.
- Let us also keep in mind the innovative character of the proposal since we have put on the table **an optional instrument** – in order to respect the principles of subsidiarity and proportionality. I am **pleased that Member States recognise that this is indeed a very 'subsidiarity-friendly' approach.**

On Data protection

- After the first exchange that Justice Ministers had over lunch on data protection, I am confident that we will achieve fast progress on this file as well, which is crucial for businesses and especially for SMEs. **I fully agree with Ireland's goal to conclude the reform under their Presidency in 2013.**

On procedural rights

- The Directive on the **Right to Information** is now law. Anyone arrested or suspected of an offence will now be informed of their rights in a language they understand.
- Today **we also managed to unblock negotiations on the right of access to a lawyer.** We agreed on a **general approach** on this file. **I would like to thank the French Justice Minister, Christiane Taubira, in particular** for this, as she was instrumental in helping the negotiations move forward.

On successions

- Member States gave their **final backing to** the Commission's proposal to simplify the settlement of international successions, clearing the way for it to become law.

On Rome III

I would like to welcome the announcement today that **Lithuania** intends to join the EU's Rome III Regulation – the enhanced cooperation procedure allowing international couples to select which country's law applies to their divorce.

Today's Justice Council was a **very productive** one and I would like to **thank the Danish Presidency** for their hard work both today and over the past five months in helping to move forward our agenda.

It is an agenda for **Justice for Growth**. And it is an agenda for **Justice for Citizens**. We have achieved very concrete progress on both fronts today.

Let me start with the Justice for Growth front.

On Brussels I

Today we achieved a breakthrough on the **reform of the Brussels I regulation which abolishes the time-consuming and costly 'exequatur' procedure in civil and commercial cases**. We have agreed with the Member States on a general approach on this important reform and I would like to congratulate the Presidency for its commitment to finalising this project. With the European Parliament's backing we will be able to have the proposal adopted before the end of this year.

This is important – important for our **single market** and for the European **area of justice**. It is also an important example of how justice can contribute to growth.

Our single market gives businesses access to a market of **500 million consumers**. However, many companies, notably SMEs, are reluctant to make use of the potential of the single market because of obstacles on the legal side. Almost **40 percent of businesses** would be more inclined to trade abroad if court procedures for settling cross-border disputes were simplified.

Removing bureaucratic obstacles that impose extra costs and legal uncertainty on businesses is a key part of my aim to create a European area of justice that makes the single market more attractive.

The abolition of the *exequatur* procedure will save our businesses more than **€47 million per year**. Justice can and should be a tool to stimulate **economic growth**. The removal of this obstacle to cross-border trade will contribute to the **recovery of business** in Europe.

Just look at **the situation across the Atlantic**: In the single market of the United States of America, there is no "exequatur" procedure for judgements issued in one U.S. State which need to be enforced in another U.S. State. Instead, the U.S. Constitution itself ensures that all judgements issued in one State of the U.S have "full faith and credit" across all other U.S. States.

Today's agreement paves the way for us to strengthen Europe's single market so that **judgements can flow freely** from one Member State to another.

On the Common European Sales Law

We have also made good progress in a second key area for growth. Following general discussions, the Council has agreed to start working on the actual content of our proposals for a **Common European Sales Law**. Now that we have resolved the question of whether a common European Sales Law is needed at all and now that the Council's Legal Service confirmed that the Internal Market legal base (Article 114 TFEU) is the correct one, we can **start working on 'the meat of the matter'** - the details of the proposals and move forward swiftly.

The Common European Sales Law will help to further eliminate barriers in our Single Market and thereby support growth. It will in particular benefit **small and medium sized enterprises**. It will allow them to market their products all over Europe **on the basis of one single law**, saving considerable transaction costs.

And it will allow them to expand exports to more EU countries. We have calculated that today it costs around **€10,000 to expand into just one new national market** due to translation costs and the need to hire lawyers. The costs saving potential of the optional common European Sales law is a strong incentive for companies to use it – this is what companies need in economically difficult times.

It is also good for consumers: today, many cross-border online orders fail, among other reasons because of differences in contract law: this happens to **3 million EU consumers per year**.

With the new instrument, consumers would have access to a **wider range of products** which are not currently available in their domestic markets. Consumers would also be able to buy **cheaper products** across borders. And they would have a level of consumer protection which is equal or higher than the one in existing EU legislation.

Let us also keep in mind the innovative character of the proposal since we have put on the table **an optional instrument** – in order to respect the principles of subsidiarity and proportionality. This means that **national sales laws will remain intact** and continue to be used. National legislators can continue to legislate in this area and adopt and amend their own laws.

I am pleased that Member States recognise that this is indeed a very 'subsidiarity-friendly' approach. And that the value of the proposal for the Internal Market has been confirmed by the Council's Legal Service which **supported the Single Market legal base** for the proposal.

On Data protection

After the first exchange that Justice Ministers had over lunch on data protection, I am confident that we will achieve fast progress on this file as well, which is crucial for businesses and especially for SMEs. It will give them the possibility to use our gold mine, the Single Market, **under just one data protection rule** – instead of 27 different and often contradictory ones. The Commission's proposal for modernised and uniform data protection legislation will remove barriers to market entry and lead to savings of about €2.3 billion per year.

I fully agree with Ireland's goal to conclude the reform under their Presidency in 2013.

On procedural rights

On **justice for citizens now**: we also have good news to report on two of our initiatives to **guarantee fair trial rights** for citizens in Europe.

First of all, the Directive on the **Right to Information**, which was adopted by the Council in April and endorsed by the European Parliament last December, has been published in **the EU's Official Journal**. This new law guarantees that anyone arrested or suspected of an offence is informed of their rights in a language they understand.

Secondly, today we also managed to unblock negotiations on the right of **access to a lawyer**. We agreed on a **general approach** on this file – just one year after our proposal was put on the table. This is a remarkable achievement since this is a complex initiative with important implications for national legal systems. I would like to thank the French Justice Minister, Christiane Taubira, in particular for this, as she was instrumental in helping the negotiations move forward.

In 2009, we set out an ambitious agenda to ensure that the EU is a place where the rights of suspected or accused persons are guaranteed. Today is a key moment because it brings us one step closer to creating a **European Area of Justice that works for our 500 million citizens**.

The general approach on the Access to a Lawyer proposal will give the **incoming Cypriot Presidency a clear mandate** to initiate trilogues with the European Parliament so that we can reach a first reading agreement on this **by the end of this year**.

On successions

The second piece of good news for citizens is that, as of yesterday, we are set to have another important law that will ease the life of citizens who move across the Union. Member States gave their **final backing to** the Commission's proposal to simplify the settlement of international successions, clearing the way for it to become law.

This will have a huge impact for citizens across Europe. And we are not talking about peanuts here: there are around 12.3 million Europeans living in another EU country and around **450,000 international successions each year**, valued at more than €120 billion.

This new law will ease the legal burden when a family member with property in another EU country passes away and will bring **legal certainty to the thousands of families** confronted with international successions.

The law provides a **single criterion for determining both the jurisdiction and the law applicable** to a cross-border succession: the deceased's **habitual place of residence**. People living abroad will, however, be able to **opt to have the law of their country of nationality** apply to the entirety of their succession.

The law also paves the way for the introduction of the **European Certificate of Succession**, allowing people to prove that they are heirs or administrators of a succession without further formalities throughout the EU. **The result will be faster and cheaper procedures**.

On Rome III

Finally, I would like to welcome the announcement today that **Lithuania** intends to join the EU's Rome III Regulation – the enhanced cooperation procedure allowing international couples to select which country's law applies to their divorce.

We adopted this first decision under the enhanced cooperation procedure two years ago now, and it remains a **major innovation**. But more importantly, it is an innovation which brings concrete benefits to citizens by bringing more legal certainty to **millions of international couples in Europe**. And it shows that enhanced cooperation works. It is an attractive model which makes it possible for countries to join a cooperation that started in a smaller group.

It is a very encouraging sign that Lithuania has become the **15th Member State to decide to join the new rules, even before they enter into application** at the end of this month (June 2012).

Conclusion

All in all, today was a good day for citizens and a good day for growth. I hope to see many more like it!