



European  
Commission

# Debt recovery is made faster, cheaper and more efficient with the European Account Preservation Order

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Around 1 million SMEs in the EU face problems with cross-border debts. This is about €600 million lost every year for these small companies.

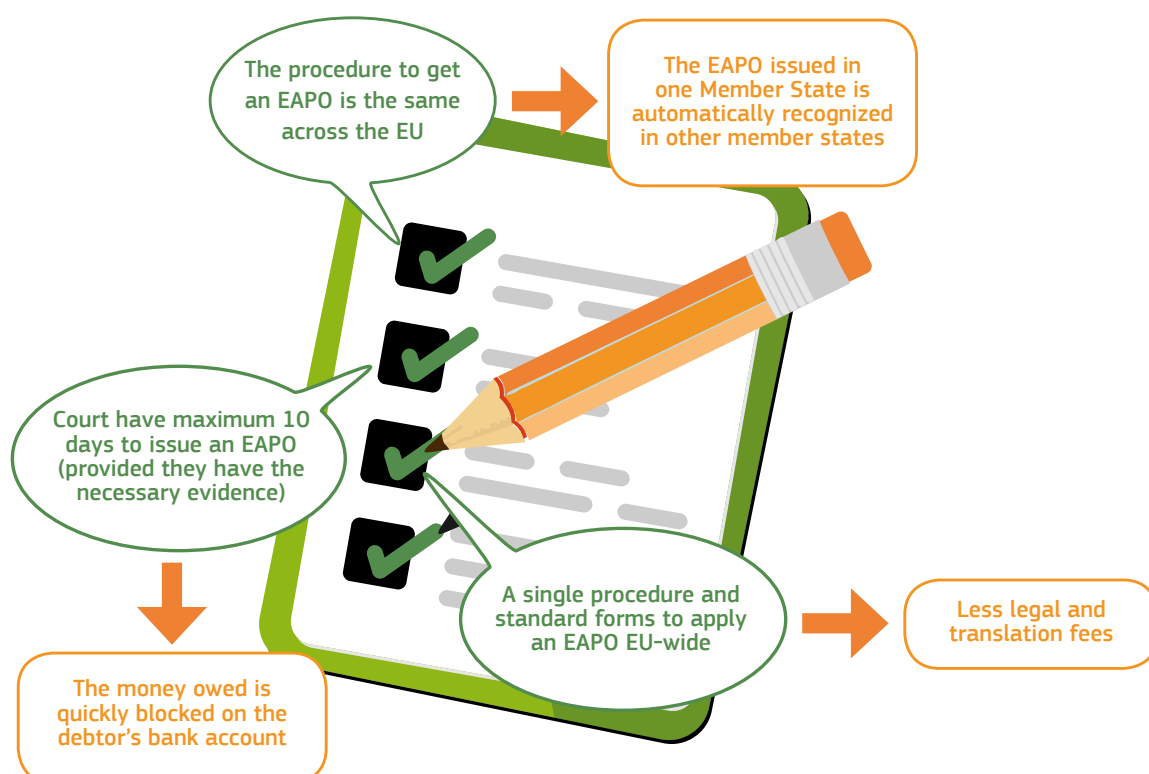
Every Euro counts and companies need quick solutions to recover outstanding debts.

This is exactly what the European Account Preservation Order (EAPO) can help them do, from today on.

## How does it work?

The EAPO is used to earmark on the debtor's bank account the amount they owe to companies or to citizens everywhere in the EU (except in the United Kingdom and in Denmark).

## Recovering a debt becomes faster, cheaper and more efficient!



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## How does it work in practice

Take a small Italian cheese company that delivers mozzarella to a frozen pizza maker in France.

After the French company falls behind on its payments, the Italian firm stops the shipments, but it is stuck with thousands of euros of unpaid bills.

Up to now, what could the Italian company do to get their money back?	What can the Italian company do from now on?
<p>The Italian company could request from a French court that the amount owed be blocked on the debtor's account in France according to the French law.</p> <p>However as the Italian company is not familiar with the French law, it has to hire an international law firm with high legal fees.</p> <p>In case the French company had bank accounts in other Member States, the Italian company could also ask the French court to have the money owed blocked on these accounts. However, this would be based on the French legal procedure, which the Italian company is not familiar with.</p> <p>In order to enforce such an order in the other Member States where the French company has its bank accounts, the Italian creditor would have to apply to the competent authorities in the other EU countries where the assets are located.</p> <p>This would be an expensive and timely procedure for the Italian company.</p>	<p>The Italian company can apply to a single court (in this case, the French court) to have the amount blocked in the bank accounts of the French company, in France and in other EU Member States.</p> <p>The new regulation establishes a uniform procedure, from applying to the courts to having the EAPO enforced. In order to ensure a speedy blocking of the account, there are specific time limits, e.g. the court has a maximum of 10 days to issue the EAPO, in case the necessary evidence is available.</p> <p>There is no need for the Italian company to provide the exact account details of the French company: the name of the debtor's bank and the Member State where it is settled are enough.</p> <p>With the new rules, the French company is not informed that the money they owe is about to be blocked on their bank accounts, to avoid that the money is moved around.</p> <p>Finally because there is only one legal procedure, the lawyer costs and legal fees are limited. The use of standard forms for the application also keeps translation costs down.</p>

**For more information:** Web page: [http://ec.europa.eu/justice/civil/commercial/freeze-accounts/index\\_en.htm](http://ec.europa.eu/justice/civil/commercial/freeze-accounts/index_en.htm)

EAPO Regulation: <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014R0655>