

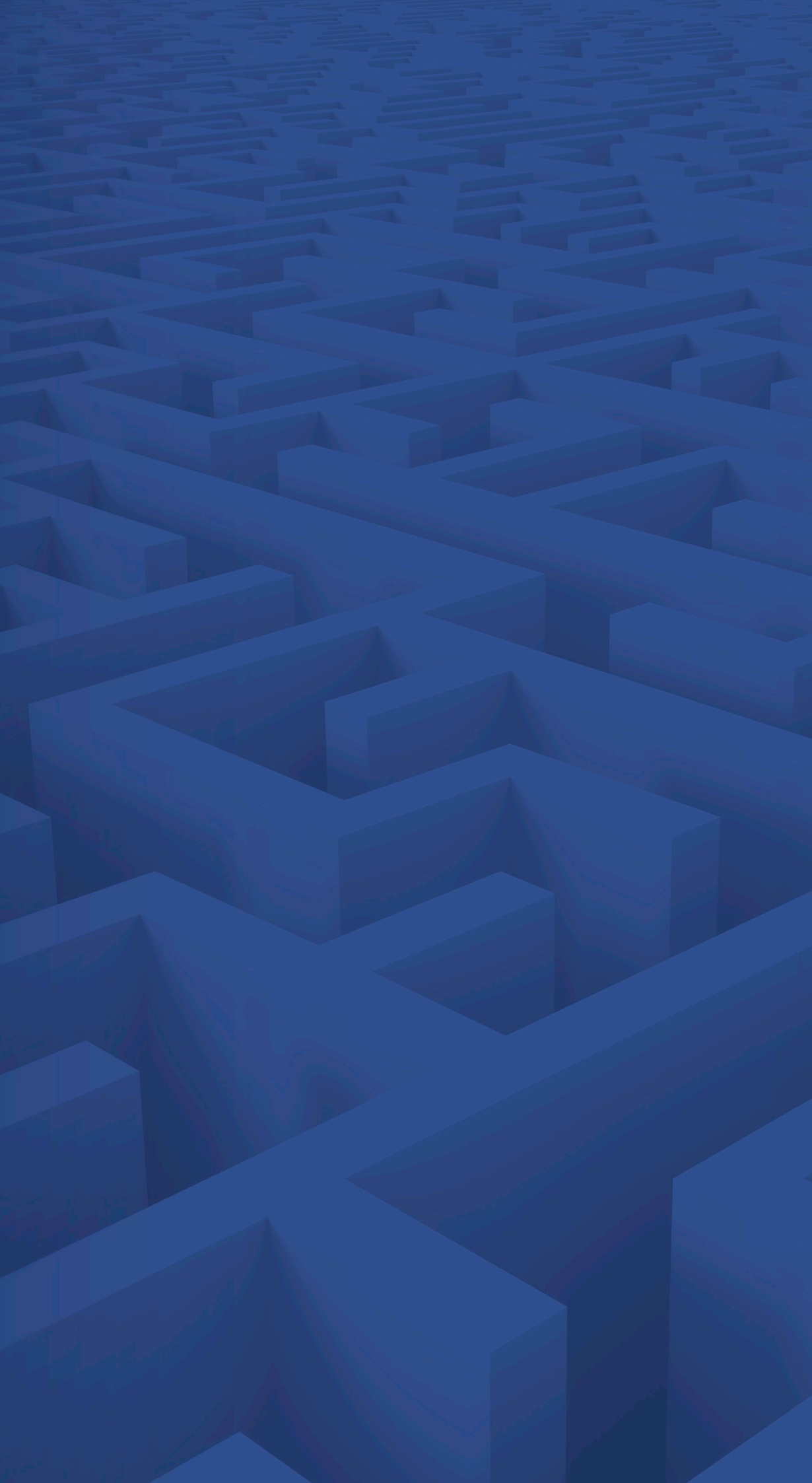


BIERENS

EUROPEAN COLLECTION ATTORNEYS



DEBT RECOVERY IN EUROPE





PREFACE

Working with foreign companies will expose you to a different business practice than what you are used to. There are many upsides to working with foreign companies however, there are also many challenges; one of the biggest being communication. If you and your business partner do not speak the same language, many complications can arise. When it comes to unpaid invoices and debt recovery, you will be faced with different legislation, rules and laws. As a result, debt recovery proceedings may not proceed how you think they should. The differences in legislation, language and business practice often make debt recovery abroad a complex matter. This is why our international lawyers are here to help. This information guide is filled with their knowledge and experience concerning debt collection and conducting business in different European countries. Of course, if you still have questions regarding an outstanding invoice against a foreign customer, then please do not hesitate to contact us. Our international team will be glad to assist you in whichever country you conduct business in.



Sander Bierens

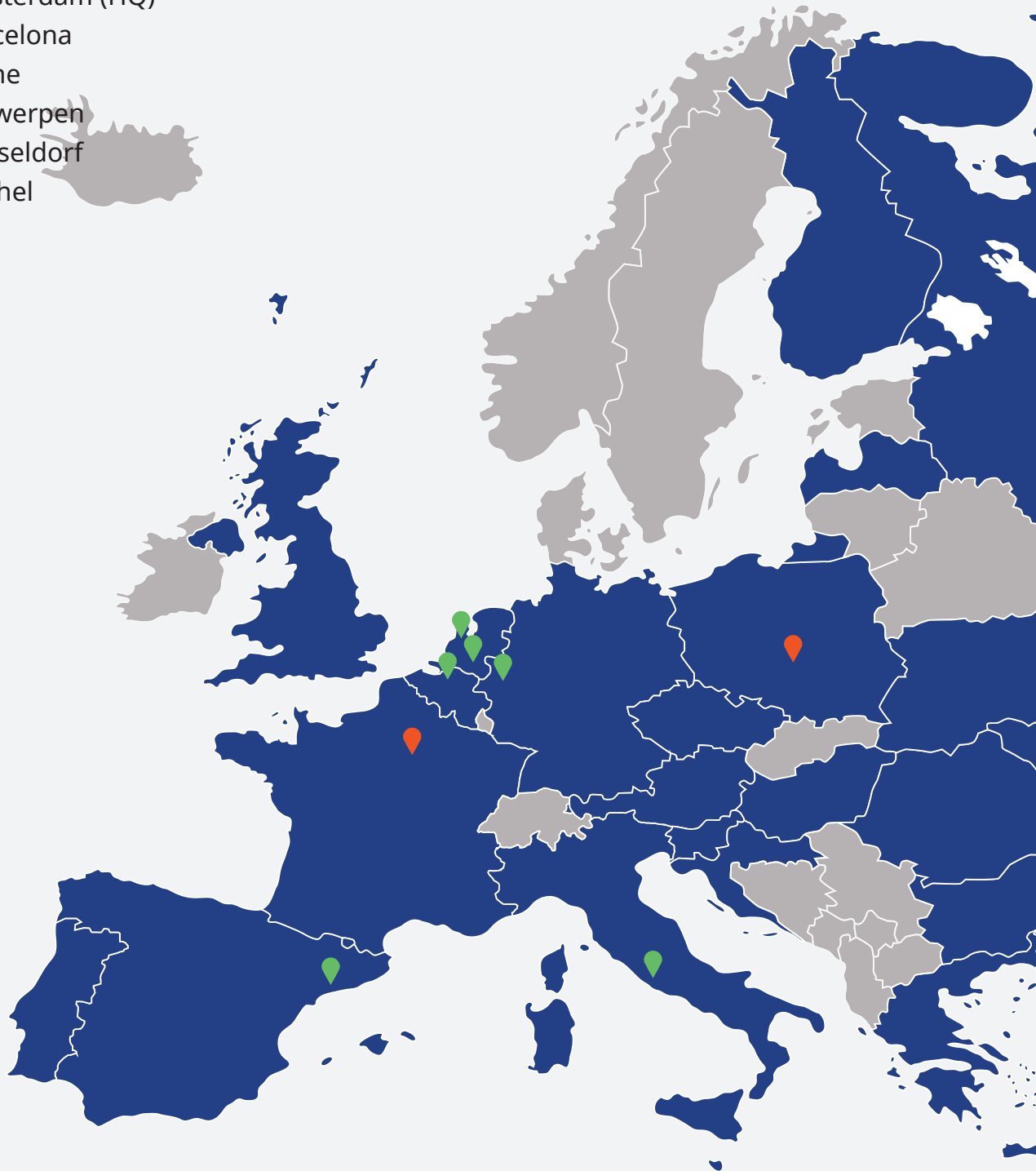


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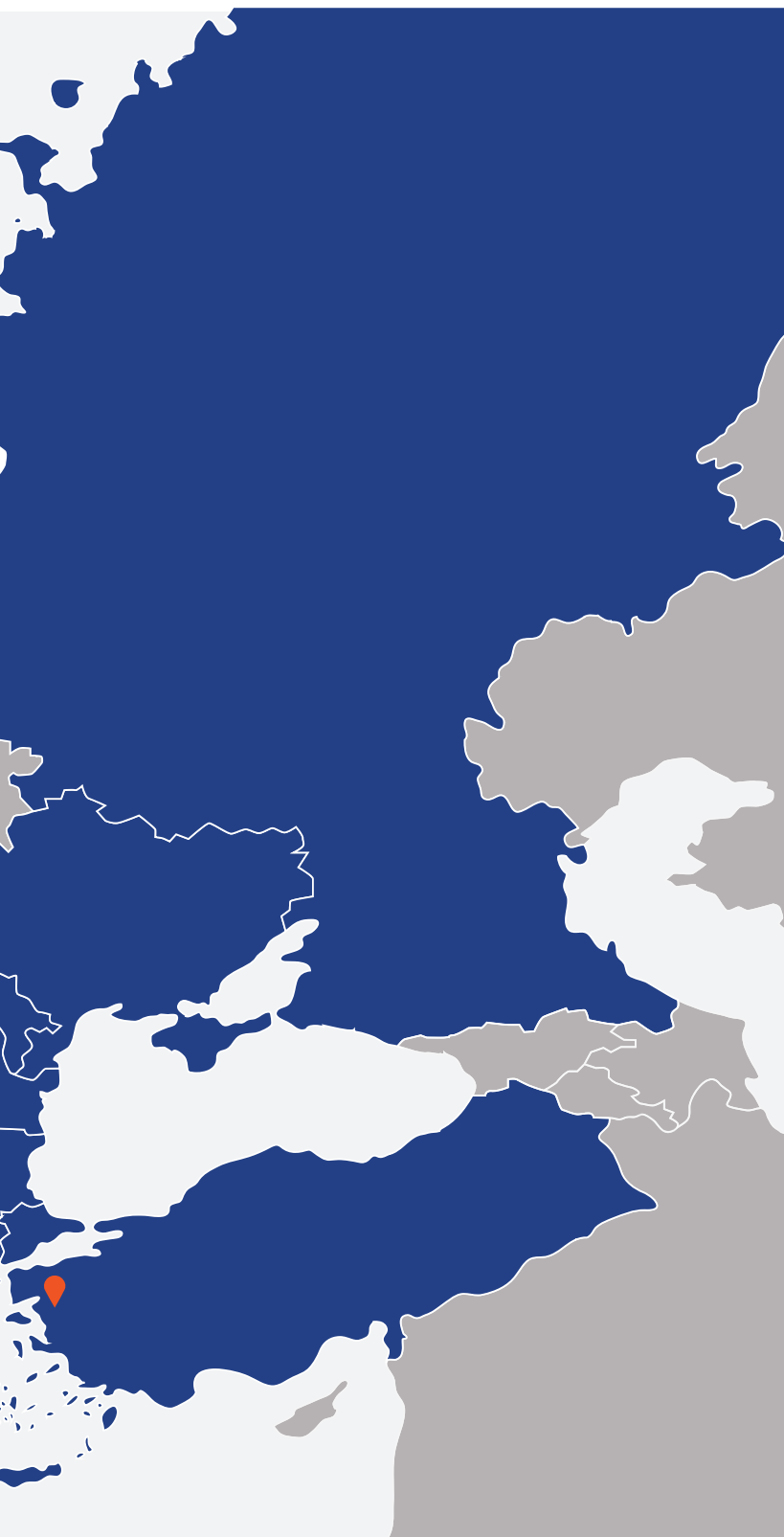


 Current offices

 Future offices

 Countries where Bierens is active and working with its own lawyers and collection specialists

 Countries where Bierens is active and working with partners (for legal proceedings)



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TOP 7 TIPS FOR CONDUCTING SUCCESSFUL BUSINESS IN EUROPE

Respect is paramount when conducting any business however, it is something to be even more aware of when conducting business with a foreign company. Understanding the differences in culture and business etiquette and observing these 7 tips, your chances of success will significantly improve.

1

Do not underestimate the cultural difference

Each country within the EU conducts their business in a manner that is probably different than what you are used to. Do your research to gain some basic knowledge of the countries heritage, social behaviours and business traditions.

2

Speak the same language

In order to conduct business successfully with a foreign company, it is highly recommended that you speak the same language. This will help to avoid any misunderstandings; particularly when it comes to debt collection. Most countries have a varying level of English, however, not all do; Eastern European countries are less likely to speak English and most French companies prefer not to.

3

Use an interpreter

If you are unable to communicate in the native language, ask whether it is necessary to engage the services of an interpreter. It would also be appreciated by your business partner if you can speak a few words of their language such as 'hello', 'how are you', 'thank you' and 'goodbye', as well as how to greet them e.g. 'Frau' or 'Herr' in Germany.

4

Set clear processes and policies

Being clear from the start on what is expected of each other and agreeing on policies, especially when it comes to payment of invoices, will save a lot of time and hassle in the future. It is important to adhere to these processes and policies, acting within the agreed time frame, particularly for debt collection, to ensure respect is maintained.

5

Always send written confirmation

Send written confirmation of agreements and request signatories following meetings where verbal agreements have been made. This ensures clarity for both sides.

6

Clear, concise and professional with all communication

It is important to always remain respectful, clear and concise with all communication but especially when it comes to unpaid invoices and debt collection. For effective negotiation results, it is very important to show understanding to your business partner; this will also be looked upon favourably by the judge.

7

Understand the countries debt collection process

Throughout Europe the debt collection process can be divided into two phases; extrajudicial and judicial. During the extrajudicial phase, collections take place without Court intervention. During the judicial phase, the Court is involved. As we are a law firm, we can assist you during both phases. Most matters in Europe are resolved without Court intervention.

DEBT RECOVERY IN BELGIUM

Does your company have a Belgian customer who is not paying your invoice? When you do business with a Belgian business partner, you need to consider that culturally there may be a considerable difference between the Belgian way of doing business and the way you are accustomed to.



Belgian business practices

Do not underestimate the cultural difference!

Do you do business with a Belgian company? Although we speak the same language, there is a big cultural difference between Belgians and Dutch. There are no two neighboring countries in Europe that are as different from each other as the Netherlands and Belgium. This cultural difference is often underestimated, with all its consequences.



Belgium has a fairly **modest way of doing business**, so display modesty in your actions to prevent resistance.



The Belgians **do not always speak their minds**, so do not immediately jump to conclusions. It may be that your Belgian business partner indicates that he is interested, while he is really politely trying to reject you.



Belgium has a more **hierarchical business practice**, which is why meetings should preferably take place between people who hold similar positions. So please clearly indicate what your position is and which decision-making power you have. You may ask the same from your contact.



Belgium has an **extended lunch**. Lunch is the most important time to gain your business partner's trust. Many deals are discussed in a restaurant, so allow plenty of time for an extended lunch with your Belgian business partner.



The Belgians **highly value a good connection**. They enormously appreciate your investment in a good business relationship, even after the contract has been signed. Your Belgian business partner will then remain loyal to you and will unlikely move to another supplier.



The Belgians are fond of **good manners and etiquette**.

Is a Belgian company leaving your invoices unpaid?

Payment within 30 days

The Belgian statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from these terms of payment, but this period may not be longer than 60 days.

Paying on time?

The payment behaviour of Belgian companies has significantly improved over the past few years. This is primarily a result of an increasingly more professionalised credit management at Belgian businesses. However, a considerable number of invoices are still not paid on time. Almost half of all commercial invoices are paid late.



VIVY KAMSTEEG
LAWYER BELGIUM LAW

The debt collection process in Belgium

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, together with interest and costs.

Draft a payment arrangement: If necessary, we will agree to a payment arrangement with your debtor.

Announcing legal proceedings: Often, announcing legal proceedings motivates your debtor to pay your invoice.

Prejudgment seizure: It may be possible to seize the debtor's assets. Going to Court is not always required for this. It is also possible to seize assets based on a notary deed on an undisputed invoice owed by a third party. Certain conditions do need to be met. Your debtor is not notified of this seizure in advance, but they can appeal.

Solvency research: Your lawyer and the court bailiff can investigate your debtor's solvency. The bailiff will visit your customer to assess the situation there, including looking at the inventory. This provides us with up-to-date information on the financial position of the debtor and we can confront the debtor with this. Based on this investigation, we can provide specific advice regarding any potential further action to be taken.

Judicial phase

Ordinary civil proceedings ("Bodemprocedure"):

To involve the Court in order to collect your claim, our lawyers can summon your debtor to appear before the Court. If the debtor does not agree to pay, then the case becomes disputed. This does not concern a debt recovery where the debtor cannot pay, but rather a debtor who has provided the Court with reasons why they will not pay the invoice (a defense is filed). If a defense is filed, at the request of the parties, the Court will set up a schedule for submitting statements, so that the parties can respond to one another's point of view. However, in most cases, no defense is filed. If this happens, the Court will usually issue a judgment in favor of the creditor (called a judgment in default).

European Payment Order Procedure: Is your company established in an EU member state? When there is an undisputed claim then it is, in some cases, allowed for a European payment to initiate the command procedure. Read more about this on page 56.

DEBT RECOVERY IN BULGARIA

In Bulgaria, invoices are often paid within the payment period. However, a small part of the outstanding invoices ultimately remains unpaid. Bulgarians are among the best payers in Europe, but note that given the opportunity, a Bulgarian company will postpone a payment. With the following tips, you will be able to successfully conduct business in Bulgaria.



Bulgarian business practices

Do not underestimate the cultural difference!



In Bulgaria, **personal and direct contacts** are very important. Take some time to build a good relationship by showing that you are interested in your Bulgarian business partner. Do not dive straight into business as soon as you start a meeting. Instead, start with small talk.



Issues must be discussed **face to face** with your Bulgarian business partner instead of via e-mail or telephone. Therefore, make sure that you regularly visit your Bulgarian customer. Are you unable to meet up? Then pick up the phone, this is preferable to emailing.



It is not customary for Bulgarians to meet with a client in the office. Business meetings take place in a **restaurant**. Bulgarians usually close a deal during lunch or dinner.



Bulgarians are **not very proactive**. Therefore, take the initiative during business agreements and negotiations.



Be punctual. Bulgarians expect you to arrive on time for business appointments. If you have made appointments verbally, then confirm these in writing.

IS A BULGARIAN COMPANY LEAVING YOUR INVOICES UNPAID?

Payment within 30 days

The Bulgarian statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from this term of payment, but this period may not be longer than 60 days.

Good payers

Bulgarian entrepreneurs are among the best payers in Europe. Only 25% of invoices are not paid on time and only 5% remain unpaid. Nevertheless, it is advisable to have a good credit management system for Bulgarian customers. If a Bulgarian debtor can think of a way to postpone payment, he will certainly do it.

Preventing legal proceedings

As a company, it is always better to avoid legal proceedings. Bulgarian companies will try to avoid the intervention of a judge, for legal proceedings can cost a lot of time and money, especially for SMEs that cannot afford them.



The debt collection process in Bulgaria

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, including interest and costs.

Announcing legal proceedings: Bulgarians are very impressed when contacted by a lawyer. Announcing legal proceedings is often enough to make the Bulgarian debtor pay.

Settlement: The Bulgarian Court encourages the creditor to first try to reach a settlement with their debtor before starting any legal proceedings. In most cases, we will try to find an arrangement with your client before calling in a judge.

Extrajudicial phase

Order for payment proceedings (“Изпълнително производство”): If your claim is undisputed (that is to say, there is no disagreement about the invoice), our lawyers in France can commence an “Заповед за изпълнение”. The order for payment proceedings is a relatively cheap and fast way to get your invoices paid. After the court has given its ruling, our lawyer will immediately use the necessary means to execute this judgment together with the bailiff. For example, by seizing the debtor's bank account.

Ordinary civil proceedings (“Изпълнително производство”):

If there is a dispute (your debtor disagrees with your invoice) then our lawyers will sue your debtor (“Искова молба”). Both parties will then have to present their case. A judge may decide immediately or will set a date for a court hearing. Depending on the details of your case, your lawyer will determine whether proceedings are appropriate.

DEBT RECOVERY IN THE CZECH REPUBLIC

Although the influences of the communist era are still present, Czech companies are becoming increasingly similar to the West. Would you like to know more about the Czech business culture, payment behavior and collection procedures? Our Czech lawyers give their suggestions concerning business practices, language and (legal) debt recovery proceedings.



Czech business practices

Do not underestimate the cultural difference!



The Czech Republic has a **fairly modest** way of doing business, therefore, you should reflect this in your actions to prevent resistance or to show cooperation



The Czech Republic has **hierarchical business practices**, which means that discussions are preferred to take place between people who hold similar positions. Therefore, clearly state your position and decision-making authority. You can request the same from your contact person.



Czechs are often **very reserved**, and it takes a while before they feel comfortable.



Personal contact is very important for Czechs. Do not immediately start with business negotiations during the first meeting. In addition, when negotiations are subsequently held, keep in mind that they can take a very long time. **Czech people like to discuss every detail.**



The most common Czech corporate structure is a **public limited company** (společnost s ručením omezeným / s.r.o.). Be careful if this company does not pay your invoice, for it could be difficult to get your money back.



Make sure to always know who you are doing business with. It often happens that a foreign company creates an **empty shell** in the Czech Republic and that this company is used for invoicing. If these invoices remain unpaid, it is usually a long process to get these invoices paid, since the company behind them often has no activity or assets. Invoice the company you are doing business with.



In general, Czechs **prefer email conversations** to telephone conversations. Moreover, it provides more evidence when conflicts arise in the future.

Is a Czech company leaving your invoices unpaid?

Payment within 30 days

The Czech statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from this term of payment, but this period may not be longer than 60 days.

improved payment behaviour

The payment behavior of Czech companies has considerably improved in recent years. This is mainly the result of increasingly professional credit management in companies. However, a significant number of invoices are still not paid on time. Almost half of all commercial invoices are paid late.



The debt collection process in the Czech Republic

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, including interest and costs.

Set up a payment arrangement: If necessary, we will set up a payment arrangement with your debtor.

Announcing legal proceedings: Announcing legal proceedings will often convince your debtor to pay.

Judicial phase

Electronic order for payment procedure: You can use this procedure if your claim is less than CZK 1,000,000 (€ 38,462), is uncontested, and if you have enough evidence. The electronic procedure is a fast procedure. The court issues an electronic payment order within 30 days. The debtor is then given 15 days to pay the debt or to appeal. If the debtor does not lodge an appeal, the order becomes enforceable as a judgment and execution can commence. If the debtor appeals, a regular civil procedure must be started to resolve the case.

Civil procedure: If your claim is disputed or exceeds CZK 1,000,000 (€ 38,462), it is possible to start a civil procedure. If the case has sound documentation and is not disputed, we can request a payment order judgment without litigation. In that case the procedure is similar to an electronic order for payment procedure. However, the court is not obliged to do this, and it is unclear when a decision will be made. The legal system in the Czech Republic is not very efficient. If multiple hearings are required, a procedure can take years.

Enforcement procedure: Do you already have an enforceable judgment? We can start the enforcement procedure in the Czech Republic.

Insolvency proceedings: Is your debtor in a current insolvency proceeding? We can pass on your claim and keep you informed of the procedure. Note that, in this case, very few creditors are paid and that the insolvency proceedings sometimes take years.

DEBT RECOVERY IN FINLAND

Finnish companies are known to be amongst the best payers in Europe. When you do business with them, it is unlikely that your invoice will remain unpaid for a long period of time. Do you want to know more about the Finnish payment behavior and business practices? Our Finnish lawyers give their suggestions and advice concerning business, culture and commercial practices, language and (legal) debt recovery proceedings.



+ Finnish business practices

Do not underestimate the cultural difference!



Equality is very important in Finland. The hierarchy in companies is therefore minimal, however, often it is the manager who has the final say when decisions are made.



Finns are very **modest, honest and straightforward** in the way they do business. Therefore, be honest and open when you do business with a Finnish company.



Make sure you are on time when you meet your Finnish business partner. Punctuality is very important for Finns. Arriving late Being late for a business meeting is considered disrespectful and indicates a lack of respect and interest.



Finns are often **not very talkative** and do not like small talk. Therefore, be to the point when you want to discuss something with your Finnish business partner.



Building a **good relationship** is important when you want to do business with a Finnish company. Finns appreciate it when you invest in a good business relationship, even after the contract has been signed. Your Finnish business partner will then remain loyal to you and will be less likely to switch to another supplier.



Finns often build their business relationship outside of the office; at the **restaurant or at the sauna**.

Is a Finnish company leaving your invoices unpaid?

Payment within 30 days

The Finnish statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from this term of payment, but this period may not be longer than 60 days.

Improved payment behaviour

In general, the payment behavior in Finland is very good. Finnish companies pay faster than other European companies. Therefore, they have a very good reputation in the field of payment. The average term of payment in B2B transactions is 25 days sales outstanding (DSO). The few business transactions that do not meet this deadline often end up in the collections process.



ISHAR AHLUWALIA
LAWYER FINNISH LAW

The debt collection process in Finland

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, together

Set up a payment arrangement: If necessary, we will set up a payment arrangement with your debtor.

Announcing legal proceedings: Announcing legal proceedings will often convince your debtor to pay.

Judicial phase

In Finland, the judicial phase generally consists of two important phases:

Application for a summons : ("Haastehakemus"): To initiate legal proceedings, you must submit a written application for a summons to the court. The debtor is then asked to pay the full principal amount of the debt including the interest and costs. The request is then registered with the court and a summons is sent to the debtor. The whole process is done by mail. After service? the announcement of the legal proceedings?, the debtor is given 14 days to respond to the summons. The debtor can respond in the following ways:

- No response: if the debtor does not respond to the summons, the Court may issue a notice of default in favor of the claimant

- At this stage, the debtor can also contact the creditor or his representative directly in order to pay the debt in full or negotiate a payment plan to avoid legal proceedings
- Accept the debt: In this case the court orders that the debt must be paid in full
- Dispute the claim: If the debtor disputes the claim, they must substantiate this and present it to the court. The proceedings in a disputed case are often lengthy and considerably more expensive.

Attachment ("Ulosotto"): If the debtor does not voluntarily comply with the court's decision, the decision can be enforced by means of an attachment order. The case will not be sent automatically for attachment, as the creditor must request it from a bailiff. After processing the request, the bailiff will send the debtor a notice of initiation. In addition, a letter of formal notice is sent to the debtor, giving them the opportunity to make the payment voluntarily.

Is the claim not paid voluntarily? Then the income or assets of the debtor are seized. It is also possible that the bailiff makes a payment arrangement with the debtor, while taking your interest into account.

DEBT RECOVERY IN FRANCE

Does your company have a customer in France who is not paying your invoice? French companies are among the worse European payers, despite the French economy having remained relatively stable during the credit crisis. Because the French economy relies primarily on SMEs, it is highly likely that your French debtor will be an SME. This makes information on your debtor less accessible, which makes it harder to get your claim paid. Our French lawyers give their suggestions concerning business practice, language and (legal) debt recovery proceedings.



French business practices

Do not underestimate the cultural difference!

Do you conduct business with a French company? Then keep in mind that French business practice may differ from what you are accustomed to. A French customer will, for instance, take you less seriously if you adopt a wait-and-see attitude. Acting quickly, particularly concerning unpaid invoices, is therefore recommended.



The French business culture can be called fairly hierarchical. At meetings and during negotiations, everybody can provide their input, but in the end, it is the director who makes the [decisions](#). This can make some processes prolonged because you do not communicate with the person who has the decision-making power.



French companies will appreciate you taking your time to develop [a good relationship](#) and to build [trust](#). The French consider it important to work in a long-term relationship.



The [business lunch](#) is important. At this lunch, no projects are discussed, nor will there be any negotiating about contracts. Lunch is the moment to get to know one another better. Politics, sports, and travel are topics for conversation at such a business lunch.



Use [a formal form of address](#). Communicating on a first-name basis is not appreciated. So address your French business partner with “vous” which is a formal version of “you”. Do not address a person by their first name but use “monsieur” or “madame”.



The French are very [flexible about time](#), so do not expect your French business partner to arrive exactly on time. Your French business partner, however, will expect you to keep to the agreed upon time.



Negotiations are preferably done [verbally](#). It is presumed that you will send your business partner a written confirmation of the agreements made after this discussion.

Is a French company leaving your invoices unpaid?

Payment within 30 days The French statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from these terms of payment, but this period may not be longer than 60 days.

Paying on time?

The French are among the worse payers in Europe. Only around 40% of French companies pay their invoices on time, which means that more than 60% do not pay on time. So make sure that you put tight credit controls in place on your French customers.



YASSIN JARMOUNI
LAWYER FRENCH LAW

The debt collection process in France

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, together with interest and costs.

Announcing legal proceedings: The French are often very impressed when contacted by a lawyer. Announcing legal proceedings is often sufficient to make the French debtor pay.

Effect a settlement: The French Court requires that you try to settle the matter with your debtor, prior to starting legal proceedings. So in most matters, we will try to effect a settlement with your customer prior to involving the Court.

Involve a bailiff:

A French bailiff will visit your debtor with a comprehensive demand letter in which the debtor is requested to pay your invoice immediately. In addition, the bailiff will investigate why the debtor has remained in default, as well as the existence of any potential other creditors.

Prejudgment charge:

It is possible to register a prejudgment charge on the debtor's assets with permission of the Court. This means that the debtor's assets are frozen the moment the prejudgment charge takes place. The debtor can no longer access his assets; these are "frozen" until the Court makes a final decision. As it often takes a long time for the Court to reach its decision, the prejudgment charge is a good way to guarantee that the debtor will not dispose their assets. If you place a prejudgment charge over a debtor's assets, you are obliged as a creditor to start formal legal

proceedings within 30 days. Otherwise, the prejudgment charge will expire.

Judicial phase

Order for payment proceedings ("Injonction de payer"):

If your claim is undisputed (that is to say, there is no disagreement about the invoice), our lawyers in France can commence an "injonction de payer". The order for payment proceedings is a relatively cheap and fast way to get your invoices paid. The French lawyer will request that the Court makes the debtor pay immediately. If the debtor registers an objection with the bailiff, then more extensive proceedings will be started.

Summary proceedings ("Procédure de référé"):

If the debtor indicates that they disagree with the invoice, the claim is disputed. In a disputed or larger claim, where the debtor cannot provide strong arguments, we advise commencing a "procédure de référé". In these proceedings, your French lawyer will present your debtor with arguments as to why they should effect payment. This takes place through a bailiff. If the debtor indicates that they have made a mistake or if they are unable to counter these arguments properly, the Court will be able to make a quick decision. The judge can make a

European Payment Order Procedure: Is your company established in an EU member state? When there is an undisputed claim then it is, in some cases, allowed for a European payment to initiate the command procedure. Read more about this on page 36.

DEBT RECOVERY IN GERMANY

Do you have an outstanding invoice with a German company? More than 16% of German debtors do not pay on time. Therefore, it is important to have a good credit management system for German customers. After the first demand letter, it is usually already evident whether legal proceedings will be required. However, German legislation may differ from what you are accustomed to. This often makes German debt recovery more complicated. Our German lawyers give their suggestions concerning business practice, language and (legal) proceedings.



German business practices

Do not underestimate the cultural difference!

Do you conduct business with a German company? Then be aware of cultural differences. Germany has a formal business practice, which may be different from the one you are accustomed to. If you keep these differences in mind, you can prevent many misunderstandings.



Germany has a formal business practice. Being on first-name terms during business meetings is highly unusual. In addition, Germans keep **business and personal matters strictly separate**. During a business meeting, the talk is primarily about business. Private matters are not discussed.



Germans are often fairly **conservative**. They are very discerning and initially somewhat skeptical. As a result, they often take more time to make a decision.



Expertise and quality are highly rated by the Germans. So do show up for meetings well-prepared. Show that you are knowledgeable and that you are serious.



The Germans tend to **speak their mind**. Both positive developments and problems are communicated immediately and clearly. Opinions are also easily vented.



Punctuality (Punktlichkeit) is considered of paramount importance by the Germans. Make sure you are on time for your meetings.



Is there a conflict between you and your German business partner? Then consider that a German business person is quicker to **engage the services of a lawyer**. In Germany, disputes are not often resolved in consultation.

Is a German company leaving your invoices unpaid?

Payment within 30 days

The German statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from these terms of payment, but this period may not be longer than 60 days.

Paying on time?

The Germans are among the better payers in Europe. Nevertheless, 16% of German debtors do not pay on time. Because the German legal system protects debtors, putting tight credit controls in place on German debtors is recommended.



VIVIENNE BROEZE
LAWYER GERMAN LAW

The debt collection process in Germany

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, together with interest and costs.

Announcing legal proceedings: The most powerful manner of putting pressure on your German customer is the announcement that you are going to start legal proceedings. Usually, this announcement convinces them to pay immediately. That is why it is advisable to promptly engage the services of a debt recovery lawyer, who can announce such proceedings on your behalf. This way, you prevent an unnecessarily protracted debt recovery process.

Judicial phase

“Mahnverfahren”: The ‘Mahnverfahren’ is an accelerated procedure for undisputed claims. Within a relatively short period of time, you can obtain an Enforcement Order (“Vollstreckungsbescheid”); which orders the debtor to pay both your claim and the costs of the proceedings. Your debtor has only a few weeks to challenge this. If that does not happen, then the order for payment becomes legally binding and we can commence enforcement proceedings, such as seizure of the debtor’s bank account or to send a bailiff to recover the debt.

Ordinary civil proceedings (“Klageverfahren”): This may be the suitable procedure if your claim is disputed, however, our German lawyers will always be able to advise on the best solution for your claim. Both parties must present documentary evidence to support their position. After one or more hearings, the Court will render a decision. If the court enters a judgment in your favor, and the debtor still does not pay, we can use this to enforce your judgment, for example, by seizing the debtor’s bank account. Settling the matter prior to judgment always remains an option.

European Payment Order Procedure: Is your company established in an EU member state? When there is an undisputed claim then it is, in some cases, allowed for a European payment to initiate the command procedure. Read more about this on page 56.

DEBT RECOVERY IN GREECE

Greece has been hard pressed these last few years. Although the country is gently moving in the right direction, it is still dealing with a poor economic situation. There are also restrictions on capital, which often makes debt recovery more complicated. Our Greek lawyers give their suggestions concerning the Greek way of doing business, the language and (legal) debt recovery proceedings.



Greek business practices

Do not underestimate the cultural difference!

When you conduct business with a Greek company, you need to consider that the Greeks have different business traditions from which you are accustomed to in your own country. This often makes communicating and conducting business with the Greeks awkward. However, if you take the suggestions below into account, you will increase your chances of successfully conducting business in Greece.



Greece has a **hierarchical** business practice. Business meetings are preferably conducted between people who hold similar positions. In family-run companies, the older person makes the decisions, regardless of the abilities of the younger employees.



A good connection and a **relationship of trust** are important to successfully doing business with a Greek company. So invest in a good business relationship. **Personal contact** is very important in this.



Make sure that you are **on time** to your appointments. But at the same time, keep in mind that your Greek business partner may not be as punctual.



Greece is very **bureaucratic**. The government, in particular, plays a large role in this and causes some processes to take a long time. But the **decision-making** of Greek companies is also often very **slow**.



The Greeks are very **hospitable**, so it is not unusual to be invited home for dinner by a Greek company.



Business meetings usually take place during **coffee time**. These generally take place in the morning or the afternoon.



The Greeks are true **negotiators**. During negotiations, they will often try to haggle. So make sure that your first offer allows enough room for maneuvering.

Is a Greek company leaving your invoices unpaid?

Payment within 30 days

The Greek statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from these terms of payment, but this period may not be longer than 60 days.

Waiting more than 100 days for your payment?

Greek companies are the worst payers in Europe. Due to the restrictions on capital which are currently in force, the financial administration of your Greek customer often takes more time. As a result of the recession, your Greek customer does not prioritise paying your invoices. Terms of payment of more than 100 days are not unusual in Greece. This is why often an advance payment is requested to ensure that invoices are paid.



The debt collection process in Greece

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, together with interest and costs.

Organise a payment arrangement: In Greece, setting up a payment arrangement is often effective. In order to achieve results in negotiations, it is important to show understanding to your Greek trade partner.

Announcing legal action: If there is no payment, announcing legal proceedings will often convince your Greek customer to pay.

Judicial phase

Order for payment proceedings ("Diatagi Pliromis"):

If your claim is undisputed (there is no disagreement about the invoice), then "Diatagi Pliromis" proceedings can be commenced. These proceedings can lead to an enforceable title relatively quickly and efficiently. After the Court has issued its decision, our lawyer will apply the necessary means to enforce this title. For instance, by putting a charge on your debtor's bank accounts.

Ordinary civil proceedings ("Agogi"):

If the claim is disputed (the debtor states the reasons why they will not pay), then your lawyer can issue a claim ("Agogi") against the debtor. Both parties will then have

to present their case. Sometimes the judge will decide the case summarily, and sometimes they will set a date for a court hearing. Depending on the details of your case, your lawyer will determine whether proceedings are appropriate.

Interim measures ("Asfalistika Metra"):

In urgent matters, for example, to avoid the risk of dissipation of assets, a petition can be submitted for interim legal action, or "Asfalistika Metra". This is a temporary safeguarding of your legal rights, for instance in the form of a prejudgment seizure. Legal proceedings must be commenced within a time set by the judge, to prevent the measure from being lifted.

European Payment Order Procedure: Is your company established in an EU member state? When there is an undisputed claim then it is, in some cases, allowed for a European payment to initiate the command procedure. Read more about this on page 56.

DEBT RECOVERY IN HUNGARY

Is a Hungarian company leaving your invoices unpaid? In Hungary, invoices are rarely paid within the payment period. Hungary underwent severe economic conditions in recent years. In addition, dealing with a Hungarian company means having to face its cultural dichotomy. While business in Budapest is characterized by its fast pace, business beyond the Hungarian capital is more traditional. Companies outside the capital mainly do business with a select group of relatives and sometimes have a somewhat hostile attitude towards outsiders. Be aware of this when you do business with a Hungarian company.



HUNGARIAN BUSINESS PRACTICES



The business world in Budapest is characterized by its speed. Life outside of the capital is a **quiet reflected in the way of doing business**, as companies react more slowly and often pay later. That is not because they want to commit a breach of contract, but simply because life there is slower than we are used to.



Most of the Hungarian business takes place in the city of Budapest. In this hectic city, there are also a **lot of fake businesses and fraudulent entrepreneurs**. Are you planning to do business with a Hungarian company? Always check if this company is registered in this **free register**: <https://www.e-cegjegyzek.hu/>. Does a company have "V.A.", "F.A.", "CS.A." or another extension after the company name? Then this means that the company is currently under a **insolvency procedure**. Therefore, it is not advisable to work with this company



Most Hungarian companies **communicate by email**. Calling can sometimes be considered as intrusive. Therefore, try to contact your Hungarian customer mainly via e-mail.



It is common to conclude **oral agreements** in Hungary. However, general terms and conditions must be clearly communicated, preferably in writing and signed.

Is a Hungarian company leaving your invoices unpaid?

Payment within 30 days

The Hungarian statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from this term of payment, but this period may not be longer than 60 days.

Bad payers

The Hungarian economy has deteriorated considerably in recent years, as well as the payment behavior of Hungarians. It comes to no surprise when your Hungarian customer refuses to pay your invoice on time. Therefore, always make sure to have a good credit management system for Hungarian customers.



THE DEBT COLLECTION PROCESS IN HUNGARY

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, including interest and costs.

Set up a payment arrangement: In Hungary it is effective to draw up a payment arrangement. For effective negotiation results, it is very important to show understanding to your Hungarian business partner.

Announcing legal proceedings: Announcing legal proceedings will often convince your Hungarian debtor to pay.

Judicial phase

Order for payment proceedings ("FMH"): If your claim is undisputed (that is to say, there is no disagreement about the invoice), our lawyers in Hungary can commence an "FMH". The order for payment proceedings is a relatively cheap and fast way to get your invoices paid. After the court has given its ruling, our lawyer will immediately deploy the necessary resources to execute this judgment. If the debtor disputes your claim, then more extensive proceedings will be started.

Ordinary civil proceedings: If there is a dispute (your debtor disagrees with your invoice) then our lawyers will sue your debtor. Both parties will then have to present their case. A judge may decide immediately or will set a date for a court hearing. Depending on the details of your case, your lawyer will determine whether proceedings are appropriate.

DEBT RECOVERY IN ITALY

Italian companies are among the worst payers in Europe. Often, Italian companies operate under exceptionally long terms of payment. A payment period of 100 days is not unusual. Because Italian law protects its debtors, it often takes more effort to substantiate your claim. Does your company have an Italian customer who is not paying your invoice? Our Italian lawyers give their suggestions concerning the Italian way of doing business, the language and (legal) debt recovery proceedings.



Italian business practices

Do not underestimate the cultural difference!

The Italian economy relies primarily on SMEs. Most of these small and medium enterprises are operated by a family. These family-run companies have often been around for generations, which makes continuity and maintaining business relationships very important. If you keep the Italian way of conducting business in mind, you will vastly improve your chances of success.



Italy has a **hierarchical business practice**. The head of the family is often also the company director. The director decides everything, the other employees usually only have limited decision-making power. So make sure that you are aware of the company's hierarchy.



Italy has a **formal way of doing business**. Although Italians may appear informal sometimes, that does not apply to the way they conduct business. Being on a first-name basis at a business meeting is uncommon. People address one another usually with a title such as "dottore" or "dottorressa", even if that person does not really carry that title.



Italians **highly appreciate a personal contact**. Conducting business starts with forming a connection. Italians will not easily do business with a mere phone call or contact by email. Trust is very important. So always try to invest in a good relationship first.



A good opportunity to get to know your Italian business partner is during a **business lunch**. At such a business lunch, not only business is discussed but personal matters are also brought into the conversation. A good atmosphere is important. So do not criticise the country during such a discussion, but compliment your business partner.



Italians highly value a **smart appearance**. So make sure you look your best. Leisurewear is not appreciated. Wear a smart business outfit.



Italians often speak **loudly and with large gestures**. Non-verbal communication is very important in this. So do not merely pay attention to what is being said but also to the surrounding aspects. In addition, keep in mind that talk may be filled with emotion, while an Italian may not take something quite as seriously as he is making it appear.

Is a Italian company leaving your invoices unpaid?

Payment within 30 days

The Italian statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from these terms of payment, but this period may not be longer than 60 days.

Your invoice paid within 100 days?

Italian companies are among the worst payers in Europe. The maximum term of payment of 30 or 60 days is regularly exceeded. In Italy, it is not uncommon for you to receive your money after 80 days. However, in Italy, a payment period of 100 days is also not unusual. So put tight credit controls on your Italian debtors.



ENRICA BIGAZZI
LAWYER ITALIAN LAW

The debt collection process in Italy

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, together with interest and costs.

Set up a payment arrangement: Agreeing to a payment arrangement is often advisable. Once your customer has signed a payment arrangement, they have already acknowledged the debt. This can be useful at a later stage. However, when entering into a payment arrangement, it is important to engage the services of an Italian lawyer who speaks fluent Italian and is familiar with Italian negotiation tactics.

Announcing legal proceedings: When no payment takes place, announcing legal proceedings will often convince your Italian customer to pay. They do not want to run the risk of a legal procedure being commenced against them.

Judicial phase

Order for payment ("Ingiunzione di pagamento"):

The Italian order for payment proceedings take place between the creditor and the Court, without the debtor's involvement. These proceedings allow you, the creditor, to request that the Court delivers a judgment which is provisionally enforceable. The debtor has only 40 days to respond to the order. If the debtor opts to put forward a defense, then automatically, ordinary civil proceedings are commenced.

Ordinary civil proceedings ("Agogi"):

If your debtor has filed a defense against the order for payment, or your claim is disputed, then ordinary civil proceedings can be commenced. To do so, the claim needs to be justified and substantiated. Several hearings will follow, as stipulated by the Court. It is possible that witnesses need to be provided in order to substantiate your claim. These proceedings can sometimes take longer than a year.

European Payment Order Procedure: Is your company established in an EU member state? When there is an undisputed claim then it is, in some cases, allowed for a European payment to initiate the command procedure. Read more about this on page 56.

DEBT RECOVERY IN THE NETHERLANDS

The Dutch economy is characterized by a strong international aspect, which makes the Netherlands a very attractive trading partner for many foreign companies. However, you should keep in mind that Dutch business practices differ from those of other European countries. This can sometimes complicate the conduct of business, especially regarding unpaid invoices. Our Dutch lawyers give their suggestions concerning business practice, language and (legal) debt recovery proceedings.

Dutch business practices

Do not underestimate the cultural difference!

The Italian economy relies primarily on SMEs. Most of these small and medium enterprises are operated by a family. These family-run companies have often been around for generations, which makes continuity and maintaining business relationships very important. If you keep the Italian way of conducting business in mind, you will vastly improve your chances of success.



The Netherlands has an **informal** business practice. It is common to be on a first-name basis, contrary to many other European countries.



Whereas many countries have a hierarchical business practice, this is not the case in the Netherlands. **Equality** is very important in the Netherlands. All employees can have their say and are involved in decisions. Authority is often considered detestable.



The Dutch usually come **to the point quickly** and are known for acting immediately. In order to conduct business with a Dutch person, it is not required to first gain trust and work in a good relationship.



The Dutch are known for **being direct and communicating clearly**. To you as a non-Dutch person, this may appear blunt. However, do not feel insulted if a Dutch person speaks their mind and gives you unasked advice or feedback. This is usually well-meant.



The Dutch keep their **business and personal lives separate**. The Dutch feel that someone's private life should be respected and that others should not interfere with it.



The Dutch conduct business based on the **"a deal is a deal"** principle. They consider it important that an agreement is adhered to and will expect you to do the same.



The Netherlands does **not really have a lunch culture**. It is quite normal in the Netherlands to have a cheese roll with a glass of milk for lunch.

Is a Dutch company leaving your invoices unpaid?

Payment within 30 days

The Dutch statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from these terms of payment, but this period may not be longer than 60 days.

Your payment quickly?

The Dutch are among the better payers in Europe, however, about one-third of commercial invoices are not paid on time. SMEs, in particular, suffer severely with this. This is why with the aid of the Ministry of Economic Affairs initiative was started (Betaalme.nu) to improve payment to small companies. Various large multinationals have joined this initiative and have agreed to pay smaller companies within 30 days.



FOLKERT TERPSTRA
LAWYER DUTCH LAW

The debt collection process in the Netherlands

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, together with interest and costs.

Draft a payment arrangement: In some cases, we can agree to a brief payment arrangement. The advantage of this is that if the debtor does not adhere to this arrangement, there can be no discussion as to whether your claim is valid or not. After all, if the debtor agrees to a payment arrangement, then the claim is acknowledged by the debtor.

Announcing legal proceedings: When no payment takes place, announcing legal proceedings will often convince your Italian customer to pay. They do not want to run the risk of a legal procedure being commenced against them.

Bankruptcy petition: The most effective debt recovery tool in the Netherlands is threatening to submit a bankruptcy petition. This is a fast, inexpensive means of maximizing the pressure on the debtor.

Judicial phase

Bankruptcy proceedings

("Faillissementsaanvraag"): Bankruptcy proceedings can be started in an undisputed claim. Bankruptcy proceedings are very fast; a hearing will take place at Court within three weeks. During this hearing, the Court determines whether the debtor shall be declared bankrupt. In principle, however, the aim of the bankruptcy petition is to exert pressure on the debtor in order to obtain payment of your claim. Many debtors will pay very quickly. If the debtor is genuinely unable to pay, then they may be declared bankrupt. In that event, a Receiver will be appointed, who will then divide the assets of the debtor fairly among all creditors.

European Payment Order Procedure: For both disputed and undisputed claims, it is possible to commence civil proceedings. This means that legal action is brought against the debtor. The Court may order the debtor to pay your claim. In these proceedings, evidence may be submitted in various ways. The Court may also be an appeal, which adds to the time until the case is finally resolved.

European Payment Order Procedure: Is your company established in an EU member state? When there is an undisputed claim then it is, in some cases, allowed for a European payment to initiate the command procedure. Read more about this on page 56.

DEBT RECOVERY IN POLAND

Poland is one of the fastest growing economies in Europe and has a true business mentality. When you conduct business with a Polish company, you may encounter a different business practice from the one which you are accustomed to. Polish legislation is different than other European countries. This often makes debt recovery more complicated. Our Polish lawyers give their suggestions concerning the Polish way of doing business, the language and (legal) debt recovery proceedings.



Polish business practices

Do not underestimate the cultural difference!

Although Poland is clearly catching up, many Polish companies still have different business traditions from those that you are probably used to. Yet, an increasing number of Polish companies have incorporated a more Western mentality and are certainly open to conducting business with companies abroad. If you consider the suggestions below, you will improve your chances of successfully doing business in Poland.



Poland has a **formal business practice**. Being on a first-name basis is unusual, so do not address your business partners by their first name.



Poland has a strong **culture of regulations**. When you conduct business in Poland, you will undoubtedly encounter many rules and forms. Due to all these rules, conducting business in Poland is often slow and requires patience.



Poland has a **hierarchical business practice**, so meetings preferably take place between people who hold similar positions. There is often quite a distance between the boss who makes the decisions, and the other employees.



The Polish are known for their **hospitality**. Extensive dinners are standard for Polish meetings.



Personal contact and mutual trust are very important when conducting business in Poland. So make sure that you invest in a long-term relationship. This does not mean that you become informal around one another.

The Polish are known for their **direct way of communicating**.

Is a Polish company leaving your invoices unpaid?

Payment within 30 days

The Polish statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from these terms of payment, but this period may not be longer than 60 days.

improved payment behaviour

The payment behaviour of a Polish company has vastly improved over the past few years. This is related to the strong growth of the Polish economy. Despite these positive developments, you need to take into account that a large number of Polish companies do not pay invoices on time. So put tight credit controls on your Polish debtors to get your money on time. companies within 30 days.

The debt collection process in Poland

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, together with interest and costs.

Set up a payment arrangement: In Poland, it is advisable to agree to a payment arrangement. A signed payment arrangement can also serve as an acknowledgment of the debt on the part of the debtor at a later stage. When entering into a payment arrangement, it is important that you engage the services of a Polish lawyer who speaks fluent Polish and is familiar with Polish negotiation tactics.

Blacklist: Our lawyers are in a position to register Polish payment defaulters on a so-called black list, the "Krajowy Rejestr Długów". Companies registered on that list often experience difficulty in finding new trade partners or maintaining existing relationships. As your customer undoubtedly wants to prevent that, this is a good means of exerting pressure.

Announcing legal proceedings: Often, announcing legal proceedings will convince your Polish customer to pay.

Judicial phase

Order for payment ("Nakaz zapłaty"): For undisputed claims, there is an option to bring a legal action by asking the court for an order for payment. The debtor has only fourteen days to respond. The debtor can pay, as stated in the order for payment, or indicate that he wants to put forward a defense against the order. If the debtor submits a defense, ordinary civil proceedings will be started. Order for payment proceedings is very popular, due to their speed, simplicity, and cost-effectiveness. In total, an undisputed order for payment procedure usually takes around 12 weeks.

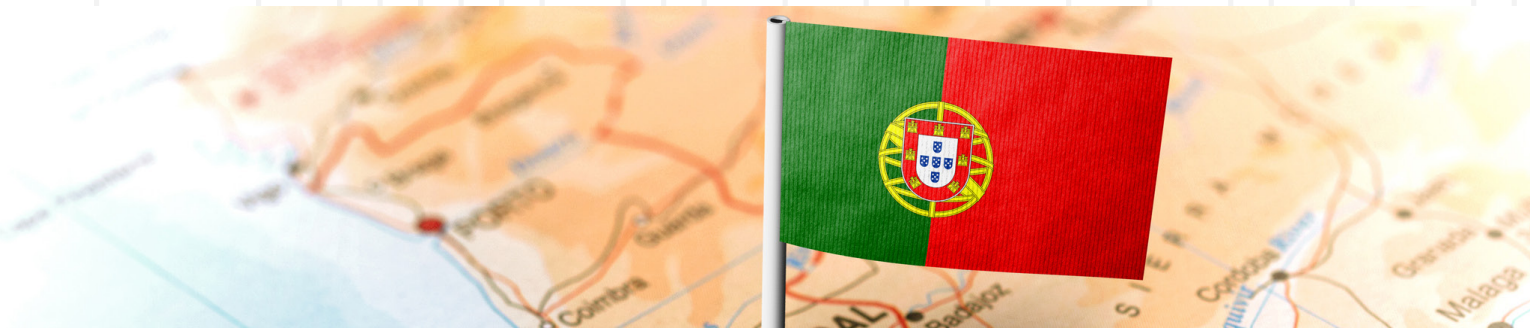
Ordinary civil proceedings ("Postępowanie zwykłe"):

Civil proceedings can be commenced if the debtor puts forward a defense against an order for payment, or when the claim is disputed. In cases that are disputed from the start, the debtor disagrees with your claim and submits their reasons for not paying. Usually, a hearing will take place at the Court. The claim will have to be substantiated with evidence. It is possible that we will have to provide witnesses to substantiate your claim. Civil proceedings in Poland last a minimum of six months but can take longer than a year.

European Payment Order Procedure: Is your company established in an EU member state? When there is an undisputed claim then it is, in some cases, allowed for a European payment to initiate the command procedure. Read more about this on page 56.

DEBT RECOVERY IN PORTUGAL

Like many southern European countries, Portuguese companies are among the worse payers in Europe. Many of the invoices are not paid or are paid too late. Therefore, it is important to have a good credit management system for Portuguese customers. Our Portuguese lawyers give their suggestions concerning business practices, language and (legal) debt recovery proceedings.



Portuguese business practices

Do not underestimate the cultural difference!



Portugal has a **hierarchical business practice**. Be informed about the position of your Portuguese business partner within the organization, and check whether he has decision-making authority. In Portugal, relevant decisions are made at the top of the organization.



Personal relationships and trust are very important when doing business in Portugal. Take the time to get to know your business partner, for Portuguese people prefer to do business with someone they trust. That is why **personal meetings are preferable** to sending e-mails.



When doing business in Portugal, consider the existence of **many informal networks**. A Portuguese partner can help you get to know them.



The Portuguese often dress very conservatively. **Formal business clothes** are worn during business meetings. Moreover, the Portuguese are known for appreciating fashionable elegance. Clothing reflects status and success, so be aware of your clothing.



Portugal is very **bureaucratic**. In addition, **the legal system is very slow**, so always seek the advice of a specialist before you go to court.



Keep in mind that the Portuguese are **not very punctual**, but always try to be on time for meetings. Meetings are often long, because **a lot of attention is put into details**.



The Portuguese are **very sensitive to academic titles**, so address according to their title ("Senhor/Senhora"), followed by their last name, or "Doutor/Doutora" if they have a university degree.



Long lunches and dinners at restaurant are part of a typical working day in Portugal. When being invited to a dinner party by a colleague or business partner, **do not forget to bring a gift for the host or hostess**, such as flowers, chocolates or candy. For the Portuguese, gifts are a sign of respect and it is normal to give these to business partners at the beginning of a business meeting. If you receive a gift wrapped, it is polite to open it immediately and show gratitude.

Is a Portugal company leaving your invoices unpaid?

Payment within 30 days

The Portuguese statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from this term of payment, but this period may not be longer than 60 days.

Long terms of payment

Payment terms in Portugal are usually very long. Many Portuguese companies do not adhere to the agreed terms of payment. Invoices are usually not paid or paid late. The smaller companies are often better payers than larger companies.



MARIA MARQUEZINI CARÁ
LAWYER PORTUGUESE LAW

The debt collection process in Portugal

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, including interest and costs.

Set up a payment arrangement: If necessary, we will set up a payment arrangement with your debtor.

Announcing legal proceedings: Announcing legal proceedings will often convince your debtor to pay.

Judicial phase

Payment procedure: This procedure can be used if the claim is undisputed. The procedure is carried out electronically and is relatively inexpensive and fast. The National Payment Orders Agency, the Balcão Nacional de Injunções, is responsible for this procedure. When a request is made, a brief summary of the case must be provided. Is the claim undisputed by the debtor? Then the National Payment Orders Agency issues a declaration of enforceability. Is the claim disputed? Then this procedure is automatically converted into a normal legal procedure.

Ordinary procedure: Conducting an ordinary procedure is a lot more expensive and time-consuming. In that case, a hearing is planned, and the court will then issue a judgment. If there is a favorable judgment for the creditor, we will proceed with an enforcement procedure. With enforcement proceedings we can prosecute the debtor, seize their assets and ultimately receive payment.

DEBT RECOVERY IN ROMANIA

Romania is one of the fastest growing economies in Europe. Export from this country has increased considerably these past few years. When you conduct business with a Romanian company, you will encounter a different business practice. The formal demands of agreements often lead to payment issues. Romanian legislation probably also differs from the legislation to which you are used to. Our Romanian specialists give their suggestions concerning the Romanian way of doing business, the language and (legal) debt recovery proceedings.



Romanian business practices

Do not underestimate the cultural difference!

When conducting business with a Romanian company, you should keep in mind that Romanians have different business practices to that in your own country. These differences can often make communicating and conducting business with Romanians difficult. However, when you consider the tips below, you can increase your chances of successfully conducting business in Romania.



Romania has an **informal way of doing business**. After a business meeting, it is not uncommon to have an alcoholic drink and have a personal conversation. This adds to a good business relationship.



Romania has a hierarchical **business practice**, so meetings preferably take place between people who hold similar positions.



Personal contact and mutual trust is very important when conducting business in Romania. So make sure you invest in a long-term and trusted business relationship.



When you conduct business in Romania, you will undoubtedly be faced with regulations and forms. It is essential that important documents such as contracts carry stamps and **signatures**.



The Romanian government exerts a lot of influence on business. So make sure you have a good contact with the **local government**.



Arriving on time for appointments is very important in Romania. So **be on time** when you have a business meeting with a potential customer.

Is a Romanian company leaving your invoices unpaid?

Payment within 30 days

The Romanian statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from this term of payment, but this period may not be longer than 60 days.

Late payments not unusual

Despite strict rules pertaining to late payments, late payment of invoices often occur. A delay of more than 25 days is not unusual. It is often large multinationals that pay late. In general, the small and medium-sized companies in Romania are the better payers.



ALEXANDRU BUZAMET
LAWYER ROMANIAN LAW

The debt collection process in Romania

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, together with interest and costs.

Requesting seizure of assets: In Romania, if you have an unpaid claim, it is possible to request seizure of the debtor's movable and immovable assets. This is only an option if legal proceedings have been obtained and an enforcement order has already been started. Under these same conditions, the creditor may also attempt to seize receivables owed to the debtor by third parties.

Announcing legal proceedings: When no payment takes place, we can, in consultation with you, start legal proceedings. Often, announcing legal proceedings will convince your Romanian customer to pay.

Judicial phase

Small claims proceedings ("Procedura privind cereri cu valoare redusă"): Although we advise against it, you can conduct these proceedings without a lawyer. Such proceedings can be started for claims with a principal amount of no more than 10,000 Romanian RON (approximately €2,200). You will need to complete a form with the particulars of the case and send it to the Court. Your debtor will receive a form allowing them to provide evidence to the contrary. On average, the Court will take ninety days to issue a decision. In addition to written

documentation, the Court may also use other forms of evidence, such as calling witnesses or external experts. One requirement of small claims proceedings is that costs are not disproportionate to the size of the debt.

Order for payment proceedings ("Procedura somației de plată"): For a court fee of only forty Euros, together with a lawyer, you can commence order for payment proceedings at the Romanian Court. This is the most effective method of obtaining an enforceable Court decision within three months. There is no cap on the principal amount for these proceedings.

Ordinary civil proceedings: If the agreement on which your claim is based is not documented in writing, it cannot be dealt with by the small claims or order for payment proceedings. Therefore, your claim must proceed in an ordinary civil procedure. Our Romanian debt recovery lawyers will be pleased to advise you on your options.

European Payment Order Procedure: Is your company established in an EU member state? When there is an undisputed claim then it is, in some cases, allowed for a European payment to initiate the command procedure. Read more about this on page 56.

DEBT RECOVERY IN RUSSIA

Is your Russian customer not paying your company's invoice? Non-payment of invoices is common in Russia. This is the result of the country's unstable economic circumstances. In addition, some Russian companies have a ruthless mentality when it comes to doing business with other companies. The Russian legislative system also lags behind, and there is little legislation concerning debt recovery matters. That often makes debt recovery in Russia more complicated. Our Russian lawyers give their suggestions concerning the Russian way of doing business, the language and (legal) debt recovery proceedings.



Russian business practices

Do not underestimate the cultural difference!

For many international companies, Russia is a very interesting business partner. Notwithstanding the current political situation, Russia also offers many opportunities. If you intend to do business in Russia, then keep in mind that the way of doing business differs from what you are used to. In addition to Russia being very bureaucratic, you need to consider the level of corruption. This often leads to exercising plenty of patience when you conduct business with a Russian company.



Russia is a **bureaucratic** country. Official documents and forms need to carry a **signature and a stamp**.



Russians consider a **good relationship and trust** of great importance. So invest in your relationship with your business partner in order to successfully conduct business with a Russian company. Show respect and interest for your Russian business partner.



Russia has a **hierarchical business practice**, which means meetings will preferably take place between people who hold a similar position. In addition, always bring someone along who has decision-making power. Furthermore, an older person is considered a wiser person, which means that an older person is also considered more important than a younger contact.



Russians are **not very direct** and open. Particularly when it concerns negative information. Your Russian business partner will not share this information with their business partners.



Russians will be **on time** and **well prepared** for meetings and will expect the same from you.

Is a Russian company leaving your invoices unpaid?

No statutory term of payment

Russia has no statutory term of payment; this is very different from many European countries. Legislation concerning payment and debt recovery is still in the early stages. Often, a payment term of 30 to 60 days is agreed upon, but a payment period of 90 days is also not unusual. Russian companies often do not adhere to the agreed-upon term of payment.

Payment in advance

It is often difficult to find out whether your Russian business partner is creditworthy. To build in some security that your invoices will be paid, you may ask for an advance payment. It is not unusual in Russia to pay in installments, where 30% is paid when ordering and 70% when the goods are delivered. So always ask for payment in advance from your Russian customer.



ROMAN ZEMTSOVSKIY
LAWYER RUSSIAN LAW

The debt collection process in Russia

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, together with interest and costs.

Set up a payment arrangement: In Russia, it is advisable to agree to a payment arrangement. A signed payment arrangement can also serve as an acknowledgment of the debt on the part of the debtor at a later stage. When entering into a payment arrangement, it is important that you engage the services of a Russian lawyer who speaks fluent Russian and is familiar with Russian negotiation tactics.

Announcing legal proceedings: Often, announcing legal proceedings will convince your Russian debtor to pay.

Judicial phase

Short procedure (“Приказное производство”):

If there is no discussion about the invoice, then it becomes an undisputed claim. If the height of your claim does not exceed a certain amount, then a so-called “Приказное производство” procedure can commence. An executable title is achieved quickly and efficiently with this title. After the judge has made a decision, our attorney can immediately use the necessary resources to carry out this ruling.

Ordinary civil proceedings (“Исковое производство”):

If there is a dispute (your debtor disagrees with your invoice) then our lawyers will sue your debtor (“Иск”). Both parties will then have the opportunity to present their case. A judge may decide immediately or will set a date for a Court hearing. Depending on the details of your case, your lawyer will determine whether proceedings are appropriate.

DEBT RECOVERY IN SLOVENIA

Do you have a customer in Slovenia who is not paying your invoice? Most companies in Slovenia try to pay on time, but there are always exceptions. After the first demand letter, it is usually already evident whether legal proceedings will be required. From your debtor's reaction to your summons, you can usually already conclude whether or not you need to go to court. However, the legal proceedings in Slovenia differ considerably from other European countries. Our Slovenian lawyers give their suggestions concerning business practices, language and (legal) debt recovery proceedings.



SLOVENIAN BUSINESS PRACTICES



Slovenia is a **bureaucratic country** and **lengthy procedures** are **not unusual**.



In Slovenia, people are **punctual**, and your Slovenian business partner will also expect that from you. Therefore, make sure to arrive at **appointments** on time.



Slovenians are **not very direct**. They will usually engage in small talk before getting to the point.



Are you planning to do business with a Slovenian company? Keep in mind that your Slovenian trading partner will always try to **negotiate** the price.



Are you in a conflict with your Slovenian trading partner? Don't be too direct, and **kindly** ask what is going on. Address the issue as if it was a mistake.

IS A SLOVENIAN COMPANY LEAVING YOUR INVOICES UNPAID?

Payment within 30 days

The Slovenian statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from this term of payment, but this period may not be longer than 60 days.

Preventing legal proceedings

Most Slovenian companies will pay your bill on time in order to avoid legal proceedings. Legal proceedings in Slovenia can cost a lot of money, and take a lot of time.

THE DEBT COLLECTION PROCESS IN SLOVENIA

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, including interest and costs.

Set up a payment arrangement: In Slovenia it is effective to draw up a payment arrangement. For effective negotiation results, it is very important to show understanding to your Hungarian business partner.

Announcing legal proceedings: Announcing legal proceedings will often convince your Hungarian debtor to pay.

Judicial phase

Order for payment proceedings ("FMH"): If your claim is undisputed (that is to say, there is no disagreement about the invoice), our lawyers in Slovenia can commence an "FMH". The order for payment proceedings is a relatively cheap and fast way to get your invoices paid. After the court has given its ruling, our lawyer will immediately deploy the necessary resources to execute this judgment. If the debtor disputes your claim, then more extensive proceedings will be started.

Ordinary civil proceedings: If there is a dispute (your debtor disagrees with your invoice) then our lawyers will sue your debtor. Both parties will then have to present their case. A judge may decide immediately or will set a date for a court hearing. Depending on the details of your case, your lawyer will determine whether proceedings are appropriate.

DEBT RECOVERY IN SPAIN

Do you conduct business with a Spanish company or do you intend to do business in Spain?

Spanish companies have a different payment morality than many other European companies. A Spanish person, for instance, will feel less pressure to pay an invoice. The Spanish word for “debt” is “deuda” and does not have the same laden connotation as the word “debt”. So a Spanish national does not feel terribly guilty when he is leaving an invoice unpaid. The word for “guilty” is “culpable,” but the Spanish do not associate that word with unpaid invoices. As a result of that attitude, debt recovery in Spain is often difficult. Our Spanish lawyers give their suggestions concerning the Spanish way of doing business, the language and (legal) debt recovery proceedings.



Spanish business practices

Do not underestimate the cultural difference!

When you conduct business with a Spanish company, you need to consider that the Spanish have different business traditions from those to which you are accustomed to in your own country. This often makes communicating and conducting business with the Spanish more complicated. However, if you keep the suggestions below in mind, you will increase your chances of successfully conducting business in Spain.

Suggestions for doing business with a Spanish company:



Spain has a **formal way of doing business**. Being on a first-name basis is uncommon. Because of the jovial and spontaneous character of the Spanish, this formal way of doing business is often confused with an informal atmosphere.



The Spanish business practice is **hierarchical**. Meetings preferably take place between people who hold similar positions. Often, permission from the manager is required before your contact can close the deal.



Creating a good business relationship and **trust** is important if you want to do business with a Spanish company. This is why at business meetings, a considerable amount of time is spent on getting to know one another personally.



Make sure that you arrive **on time** for your meetings, but also keep in mind that your Spanish contact will not be punctual. The Spanish are known for taking a bit more time to do business.



The Spanish are often a little more **liberal in fulfilling their agreements**. Keep a watchful eye on agreements being carried out.



Verbal contact is considered more pleasant than written communication. Put agreements in writing, but follow up with a phone call or a visit to your Spanish business partner.

Is a Spanish company leaving your invoices unpaid?

Payment within 30 days

The Spanish statutory term of payment is 30 days after the day your debtor received your invoice or 30 days after the day that the goods or services were delivered. You may agree with your business partner to deviate from this term of payment, but this period may not be longer than 60 days.

No pressure to pay invoices on time

The Spanish often have a lackadaisical attitude towards terms of payment. Spanish business partners generally feel little pressure to pay invoices on time. Even the Spanish government is not a good role model in this: the Spanish government is known for being a slow payer. So count on prolonged terms of payment when you conduct business with a Spanish company. It is not unusual for your Spanish customer to pay your invoice after 70 days.



ABOGADO ANTONIO ILLÁN BOX
LAWYER SPANISH LAW

The debt collection process in Spain

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, together with interest and costs.

Registration on the blacklist: Our Spanish team can also register your debtor on a blacklist, (the "ASNEF"). Companies registered on this list often experience difficulty finding new trade partners or maintaining existing relationships. Moreover, it is often difficult for companies on this list to get further credit. As your customer undoubtedly wants to prevent that, this is a good means of exerting pressure.

Judicial phase

Order for payment proceedings ("Proceso monitorio"): In an order for payment procedure, a request is made to the Court, which sends the debtor an order. The debtor then has only twenty days to respond. The debtor can either pay your claim or submit a defense. If a defense is filed, the case is automatically referred to ordinary civil proceedings. If the debtor does not put forward a defense, the order for payment can lead to a judgment relatively quickly.

Summary proceedings ("Juicio verbal") (claims up to €6,000): Ordinary civil proceedings for claims of over €6,000 are extensive and can be time-consuming (on average, one to two years). Again, the creditor files its writ

of summoning and the debtor can file a defense. There is usually a pre-hearing to establish the facts, proof, and witnesses, and then a date is set for the trial.

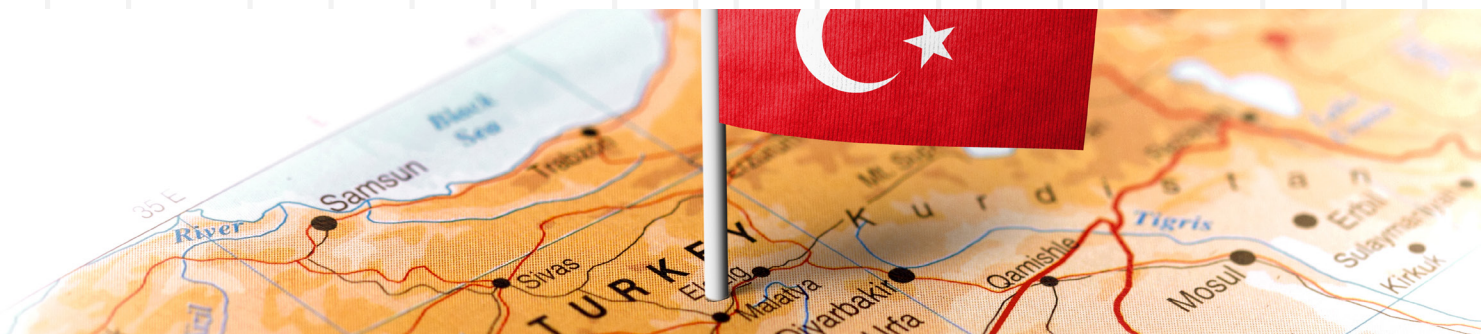
Proceedings from € 6,000, - (Juicio Ordinario): This summons procedure applies to receivables of more than €6,000, with extensive litigation. (On average, one to two years litigation).

Juicio cambiario: If your claim is based on a bounced cheque or bill of exchange, then in Spain there is a separate procedure. Based on these bills of exchange or cheques, the Court orders the debtor to effect payment within ten days. Simultaneously, the Court can levy a prejudgment seizure on goods belonging to the debtor.

European Payment Order Procedure: Is your company established in an EU member state? When there is an undisputed claim then it is, in some cases, allowed for a European payment to initiate the command procedure. Read more about this on page 56.

DEBT RECOVERY IN TURKEY

Does your company have a Turkish customer who is not paying your invoice? Nowadays, it regularly occurs that a Turkish company does not pay on time. Although the economic climate is picking up again, many Turkish companies suffered from the unstable political situation in the country. As a result, the payment behaviour of Turkish companies has dramatically worsened. If you would still like to have your invoices paid, you may encounter a different culture and language barriers. Our Turkish lawyers give their suggestions concerning the Turkish way of doing business, the language and (legal) debt recovery proceedings.



Turkish business practices

Do not underestimate the cultural difference!

Although the business world is increasingly focusing on the West, Turkish business practice differs considerably from the European way of doing business. This can sometimes make conducting business with a Turkish company more complicated. However, if you consider the suggestions below, you will improve your chances of successfully doing business in Turkey.



Personal contact and **mutual trust** are very important in Turkey. Make time to create a good relationship. Be interested and attentive to your Turkish business partner.



Turkey has a **hierarchical business practice**, so meetings preferably take place between people who hold similar positions. A director likes to speak with another director, for instance, not with a representative.



Show that you are serious and **be well-prepared** for a business meeting with your Turkish business partner.



Avoid sensitive subjects such as the political situation in Turkey. In addition, keep in mind that your Turkish business partner may be Islamic and that drinking alcohol is not appreciated.



In Turkey, **status** is very important. Expensive cars and clothing signal that you are creditworthy.



Turkish people like to hold a **meeting during a business dinner**. At such a dinner, topics range from business to family and sports.



Verbal agreements are also common in Turkey. It is recommended that you communicate your general conditions in writing and ask that a signed copy is returned.

Is a Turkish company leaving your invoices unpaid?

Prolonged payment periods

Turkish companies are known for being among the worst European payers. Worldwide even, Turkish companies are ranked among the top worst payers. So take into account that your invoice may not be paid on time. If you subsequently contact your Turkish customer, they may try to drag it out some more. So put tight credit controls on your Turkish debtors.



OMER FARUK CELIK
LAWYER TURKISH LAW

The debt collection process in Turkey

Extrajudicial phase

Written demand letters and phone calls: We send the debtor a written demand letter and contact them by telephone, requesting that they pay your claim within a few days, together with interest and costs.

Set up a payment arrangement: In Turkey it is often effective to draw up a payment arrangement. For effective negotiation results, it is very important to show understanding to your Turkish business partner.

Announcing legal proceedings: Often, announcing legal proceedings will convince your Turkish debtor to pay.

Judicial phase

Short procedure ("Приказное производство"):

Creditors can commence proceedings by registering their claim. This is done by completing a standard form. Then, within three days, an order for payment is issued. As soon as the debtor has received the order for payment, he is obliged to respond within seven days. If the debtor does not enter an objection, then the order for payment becomes final and enforceable. The debtor subsequently has seven days to pay the amount outstanding. If, however, the debtor puts forward a defense within the stated term, then these proceedings are suspended.

Proceedings With a Judgment: These proceedings are similar to proceedings without a judgment. The only difference is that these require a Court judgment from the Turkish Court before the proceedings can commence. Contrary to the proceedings without a judgment, these proceedings are not suspended if the debtor objects to the order for payment. In order to suspend these proceedings, the debtor has to present a bank guarantee or other forms of security. Do you have a foreign judgment? Then you will need to commence an exequatur procedure at the Turkish Court. Only after your judgment has been acknowledged, will you also be able to commence proceedings with a judgment in Turkey.

EUROPEAN ORDER FOR PAYMENT PROCEEDINGS



Is your company based in an eu member state?

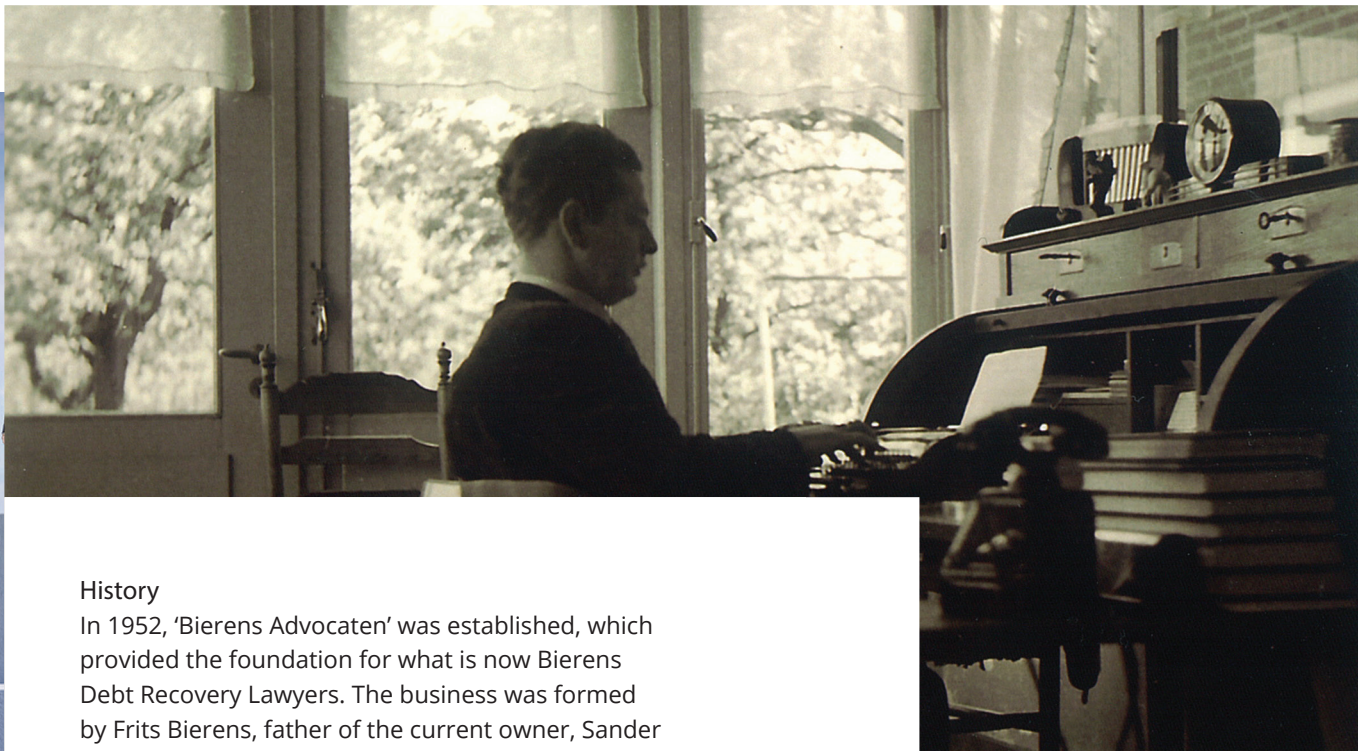
If you have an undisputed international claim, it is possible to commence the European Order for Payment proceeding. The lawyer handling your case can evaluate whether these proceedings are appropriate. In European Order for Payment proceedings, the creditor completes a standard form and submits it to the Court. The Court then issues a European Order for Payment. Subsequently, the debtor has 30 days to respond if they disagree with the financial claim. If no response is received within the stated 30 day period, then the Court can be asked to finalize the order for payment (this is also called an enforceable judgment). This is a valid and enforceable judgment that is accepted in any EU member state.

The european order for payment is not suitable for disputed matters

This procedure cannot be used in matters where there is some discussion about the invoice. The advantages of these proceedings are their speed and low costs. Some member states do not even charge a Court fee. The disadvantage, however, is that if your claim is disputed, these proceedings can no longer be used. Common civil proceedings will then have to be commenced if you, the creditor, want to take legal action against your debtor.



ABOUT US



History

In 1952, 'Bierens Advocaten' was established, which provided the foundation for what is now Bierens Debt Recovery Lawyers. The business was formed by Frits Bierens, father of the current owner, Sander Bierens. In those days, clients received assistance with miscellaneous legal matters, such as landlord and tenant law, construction law, traffic, labour law, real estate, bankruptcy and divorce. But debt recovery matters were also already frequently dealt with in those days. At that time, these were still written by hand in a special debt recovery copy book.



1952

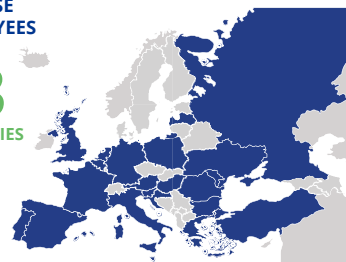
LARGEST

DEBT RECOVERY
LAWYERS IN EUROPE



INHOUSE
EMPLOYEES

23
COUNTRIES



EUROPE

ONLINE
REVIEWS
9.1/10
(255 VOTES)
★★★★★



CSR
LEVEL 4

115+
EMPLOYEES

OUR CLIENTS ARE ACTIVE IN:



FASHION



CONSTRUCTION



SERVICES



AGRI



TRANSPORT



TRADE &
INDUSTRIE



ICTR



RENTAL



1200+

NEW CLIENTS
PER YEAR

CLIENT PORTFOLIO

10.000+

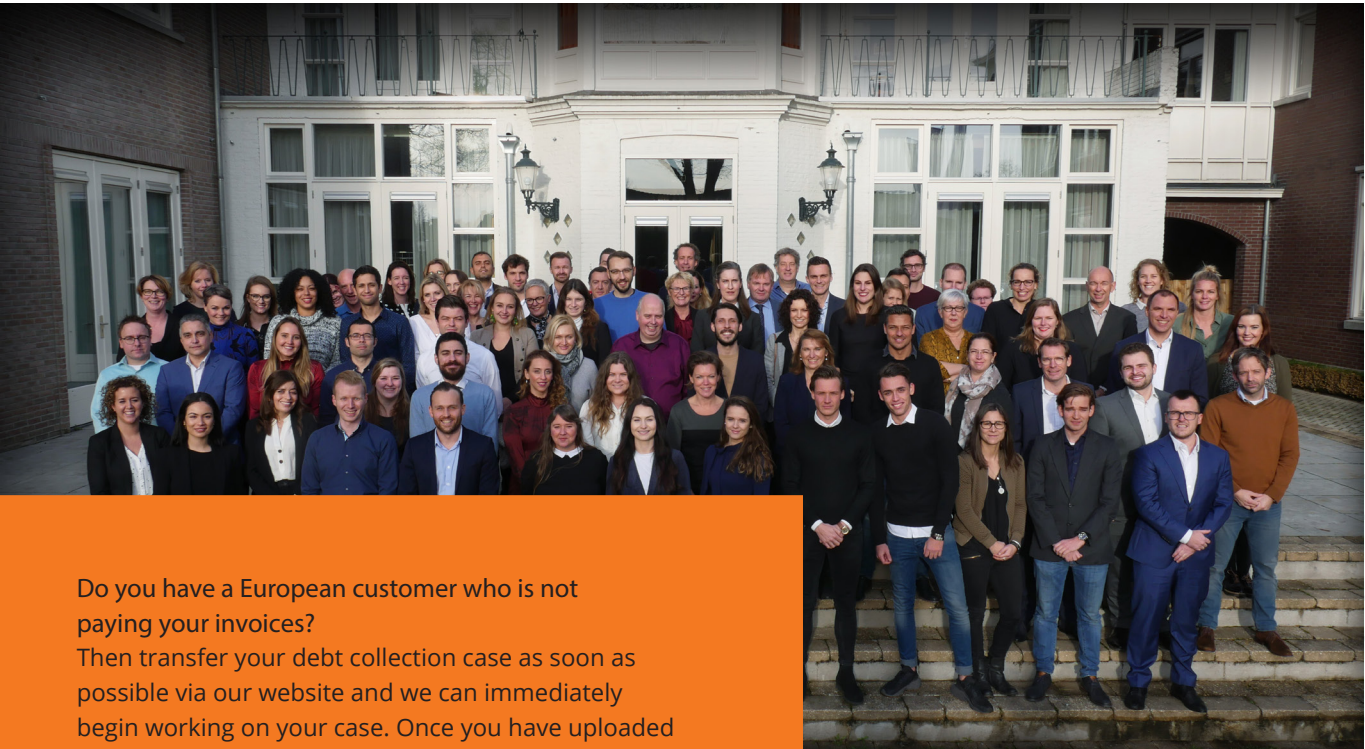


SME'S



MULTINATIONALS

OUR APPROACH



Do you have a European customer who is not paying your invoices?
Then transfer your debt collection case as soon as possible via our website and we can immediately begin working on your case. Once you have uploaded your information and documents, we will send e-mail confirmation that your case has been received. We will then send further communication to confirm if we will handle your case and request any additional information required including details of all contact and correspondence with your debtor relating to the case.



Upload your debt collection case online



We will immediately deal with your case



We will immediately send a summons to your debtor



Together, we will agree which approach to take



Follow the progress of your case 24/7 via our online portal



Questions? Your case handler is always available to you



Your outstanding invoice will be paid

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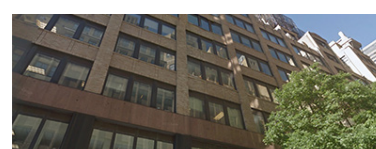
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Our international experts are always on hand to answer your questions. We welcome you to our offices in Amsterdam and Veghel if you wish to discuss your case in person. Alternatively, you can always contact us via telephone, e-mail or WhatsApp. Together, we will agree on the right approach for you and our lawyers will ensure your outstanding invoice is paid.



Call us: +31 20 312 11 00
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