

Half-yearly adjustment of the interest rate for payment arrears in commercial transactions

Long payment arrears and payment delays are harmful for your company. The law on the battle against payment arrears in commercial transactions creates a clear legal framework for payments between companies and between companies and the government. The half-yearly adjustment of the interest rate for payment arrears in commercial transactions amounts to 8,50% for the second semester of 2015.

For supplies, services and works

Since 16 March 2013 the regime of payment arrears in commercial transactions is applicable on every transaction for consideration in cash:

- between companies mutually (also between liberal professions, independents or non for profit companies); or
- between companies and the government (e.g. communities, provinces, ..), whereby the government is the debtor and it concerns 'smaller assignments'. For smaller assignments the amount due is estimated as less than 8.500€, or less than 17.000€ in the water, post, energy or transport sector.

The transaction must lead to the supply of goods, the supply of services or the design and execution of public works and building works.

In case payment is not made within the legal period of 30 days, the legal interest is due provided that parties did not contractually agree another interest rate.

The 30 days period starts:

- upon receipt on the invoice;
- upon receipt of the goods or services or execution of the works, or
- upon acceptance or verification thereof, and at the latest on expiration of the verification period.

Contractual agreements on longer payment periods are possible, unless these agreements are clearly harmful for the creditor. On the basis of the usual commercial habits in a number of sectors a payment period of 60 days is acceptable. Provisions excluding interest are considered as clearly unfair.

The creditor who is faced with late payment has automatically right to a lump sum allowance of 40€ for recovery expenses. By right and without proof of default.

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Interest rates first semester 2015

The half-yearly adjustment of the interest rate for payment arrears in commercial transactions is published in the Belgian Official Gazette.

Due to changes on the law of 2 August 2002 on the battle against payment arrears in commercial transactions on 22 November 2013, two different interest rates apply during a transitional period of two years, depending on whether it concerns a payment following a contract entered into before 16 March 2013 or following a contract entered into, renewed or prolonged as from 16 March 2013. This double interest rate wants to avoid that indefinite contracts or contracts for very long periods which were closed before the law came into force, escape from the application of the new (higher) interest rates.

For the first semester of 2015 a double interest rate for payment arrears in commercial transactions was defined:

- for contracts closed before 16 March 2013: 7,50% as from 1 January 2015 until 15 March 2015 and 8,50% as from 16 March 2015;
- for contracts closed, renewed or prolonged as from 16 March 2013: 8,50% as from 1 January 2015 until 30 June 2015.

Interest rates second semester 2015

As from the second semester of 2015, again only one interest rate applies. The interest rate applicable to payment arrears in commercial transactions amounts as from 1 Juli 2015 until 31 December 2015 (second semester 2015) up to 8,50%.