

Rome I: EP Rapporteur's Compromise Amendments and Council's Working Text

In the first meeting held by the **European Parliament's JURI Committee** after the summer break (10/11 September), the Rapporteur for Rome I, *Cristian Dumitrescu*, presented a **new set of 43 compromise amendments** to the initial Commission's Proposal, to be discussed within the Committee in order to adopt a final text of the Report for the Parliament's plenary session. While taking into account the previous works of the JURI Committee on Rome I (see our post here), the Rapporteur drafted these new amendments in view of the final text of the Rome II Regulation and the current discussion on Rome I in the Council (see below). As he states in the justification to amendment n. 2,

[t]he proposed compromise amendments set out in this paper have several aims. First, they are intended to bring the Regulation more closely into line with Rome II as adopted. Secondly, they seek to introduce changes already accepted in the Council working group and hence aim at reaching an agreement with the Council. Thirdly, they propose solutions in areas where the Council has not yet been able to reach agreement. Fourthly, they are designed to facilitate ecommerce by positing solutions lying outside the area of private international law to difficulties which conflict-of-laws rules cannot resolve in themselves. Lastly, the amendments are intended to bring into the public domain, and hence make available for public debate in a democratic assembly, technical changes discussed so far only within the Council. The rapporteur has presented them in order to foster debate within the Committee and negotiations with the Council.

As regards the conflict rules, see compromise amendments n. 21 (Art. 3), n. 22 (Art. 4), n. 23 (**new Art. 4a on contracts of carriage**), n. 26 (a new, complex **Art. 5a dealing with insurance contracts**) and n. 27 (Art. 6 on individual employment contracts). **Art. 7 on contracts concluded by an agent is deleted** (see amendment n. 28).

Consumer contracts (Art. 5) are dealt with in the new package only as regards

the scope of the exclusions (Art. 5(3): see amendments nn. 24 and 25), but the whole provision was redrafted by the Rapporteur in a separate compromise amendment presented in June (compromise amendment n. 1: see our post here). However, the Rapporteur remains quite sceptical as regards the effectiveness of the protection afforded by a conflict rule, and he states in new Recital 10a (compromise amendment n. 14) that

[w]ith [...] reference to consumer contracts, recourse to the courts must be regarded as the last resort. Legal proceedings, especially where foreign law has to be applied, are expensive and slow. The introduction of a mechanism to deal with small claims in cross-border cases is a step forward. However, the protection afforded to consumers by conflict-of-laws provisions is largely illusory in view of the small value of most consumer claims and the cost and time consumed by bringing court proceedings. It is therefore considered that, particularly as regards electronic commerce, the conflicts rule should be backed up by easier and more widespread availability of appropriate online alternative dispute resolution (ADR) systems. The Member States are encouraged to promote such systems, in particular mediation complying with Directive .../..., and to cooperate with the Commission in promoting them.

As it was the case for Rome II, some controversial issues have been moved by the Rapporteur in the Recitals accompanying the Regulation: see for instance compromise amendments nn. 5 and 6 (new Recitals 7a and 7b) on the choice of non-State bodies of law as the applicable law, and compromise amendment n. 19 (Recital n. 15) on the relationship between the Regulation and Community law.

On the Council's side, a complete text of the Rome I Regulation has been recently made publicly available in the Register (doc. n. 11150/07 of 25 June 2007). It was drafted in June by the outgoing German Presidency and the Portuguese Presidency on the basis of the meetings of the Committee on Civil Law Matters during the first semester 2007 and the comments made by delegations.

It contains the text of the compromise package agreed by the Council in April 2007 (doc. n. 8022/07 ADD 1 REV 1: see our post here) and a proposed wording for the provisions that were left over. The latter include Art. 4a on contracts of carriage - three options are proposed as regards carriage of passengers -, Art. 5

on consumer contracts, Art. 5a dealing with insurance contracts, Art. 8 on overriding mandatory provisions, Art. 13 on voluntary assignment and contractual subrogation.

For better readability, the compromise package is presented in italics; a number of footnotes completes the text, highlighting doubts raised by the delegations and provisions which need further discussion or clarification.

The adoption of the Report on the Rome I Proposal is expected in the EP's JURI Committee in one of the forthcoming meetings. According to current forecasts (subject to frequent changes: please refer to the Rome I OEIL page), the vote at first reading in the Parliament's plenary session is scheduled on 28 November 2007; a political agreement on common position is expected in the Council in the last JHA session under the Portuguese Presidency, on 6 December 2007.