Council Directive of 1 February 1971 on harmonisation of the basic provisions in respect of guarantees for short-term transactions (political risks) with public buyers or with private buyers (71/86/EEC)

COUNCIL DIRECTIVE

of 1 February 1971

on harmonisation of the basic provisions in respect of guarantees for short-term transactions (political risks) with public buyers or with private buyers

(71/86/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community and in particular Article 113 thereof;

Having regard to the proposal from the Commission;

Whereas export credit is of primary importance in international trade and is an important instrument of commercial policy;

Whereas the various systems of export credit insurance in force in the Member States may give rise to distortions in competition between Community undertakings in markets in third countries;

Whereas harmonisation of the various systems of export credit insurance could facilitate co-operation between undertakings in the various Member States;

Whereas harmonisation can be achieved, according to the different types of transaction, either by means of common policies or by means of common provisions relating to those elements which are basic as far as competition is concerned;

Whereas at present guaranteed transactions represent, by and large, a smaller percentage of exports in the short-term field than they do in the medium-term field;

Whereas, moreover, this is a sector in which private credit insurance companies operate, and whereas it therefore seems appropriate to confine harmonisation solely to cover of political risks;

Whereas it therefore seems appropriate to reject the idea of drawing up a common policy and to confine harmonisation to those elements which are basic as far as competition is concerned;

HAS ADOPTED THIS DIRECTIVE:

Article 1

Subject to the provisions of Annex D to Council Directives Nos 70/509/EEC and 70/510/EEC[(1)] of 27 October 1970, Member States shall adopt such measures by law, regulation or administrative action as may be necessary to put into force the harmonised provisions on short-term transactions set out in the Annex to this Directive.

Status: *EU Directives are being published on this site to aid cross referencing from UK legislation. After exit day no further amendments will be applied to this version.*

Article 2

Member States shall ensure that credit insurance organisations guaranteeing for the account or with the support of the State insure transactions that fall within the scope of the harmonised provisions, in accordance with the terms laid down in those provisions and such specific rules as are adopted by the Council.

Article 3

1 Whatever the type of policy used, the harmonised provisions shall apply to transactions which:

— include either a credit risk of less than twenty-four months, or a credit risk and a guaranteed manufacturing risk where the cumulative period is less than twenty-four months; the manufacturing risk, however, must be of less than twelve months;

— are concluded with a public buyer or with a private buyer;

— are on a supplier credit basis.

2 The provisions harmonised by this Directive concern only the guarantee in respect of political risks.

3 The definitions of ‘public buyer’ and ‘private buyer’ contained in Article 3 of Directive No 70/509/EEC and in Article 4 of Directive No 70/510/EEC respectively shall apply.

Article 4

The Advisory Committee for Export Credit Insurance, set up under Article 4 of Directive No 70/509/EEC, may be consulted by the Commission on any problem relating to the uniform application of this Directive.

Article 5

This Directive is addressed to the Member States.

Done at Brussels, 1 February 1971.

For the Council

The President

M. SCHUMANN