

# Recovery of Trade Debts: Overview (France)

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A Practice Note providing an overview of France-specific information on the legal options available to a business creditor looking to recover a trade debt in a business-to-business context, including ordinary legal proceedings, special fast-track procedures (if any), insolvency proceedings, and amicable settlement opportunities.

Most businesses will likely need to pursue an unpaid invoice at some time, regardless of the sector in which they operate.

The process of recovering trade debts can often be tricky when it involves ongoing commercial relationships. Customers are also sometimes reluctant to deal with businesses that are known for approaching debt recovery aggressively, so pursuing a debt may result in the creditor losing goodwill in the market. However, businesses cannot afford to let their long overdue debts accumulate and eventually turn into bad debts, so quick and assertive action is often required. Understanding the pros and cons of the options available to parties is a crucial part of effectively managing and maintaining a healthy business.

This Note is a quick guide discussing the recovery of a trade debt in a business-to-business context in France. It considers the options available to a business creditor seeking payment for goods or services that it has supplied from its customer who refuses to pay despite being legally bound to do so.

It also examines the main options available to a business creditor trying to recover a trade debt in France from a business debtor, including ordinary legal proceedings, special fast-track procedures (if any), insolvency proceedings, and amicable settlement opportunities. For a high-level overview of how to recover an outstanding trade debt and the key considerations that may arise across several jurisdictions, see [Recovery of trade debts: a cross-border overview](#).

## Recovery of Trade Debts

### Main Options

There are several options open to a creditor to recover a trade debt:

- **Pre-action letter.** Correspondence sent by the creditor, the creditor's counsel, or a bailiff (*huissier de justice*) to the debtor.
- **Injonction de payer.** A fast-track proceeding to obtain a judgment compelling the debtor to pay an amount of money arising out of a contract.
- **Référé provision.** A fast-track proceeding to obtain a provisional award of money on a debt that the debtor cannot seriously challenge.
- **Amicable settlement opportunities.** In some businesses, there is an internal or sector-wide mediation process, for example, banking or insurance.
- **Insolvency proceedings.** A receiver is appointed to manage the debtor's company and assets.
- **Sue the defendant on the merits.** The creditor files a claim in court against the debtor.

### Alternative to Legal Options

A pre-action letter to the defendant is usually the creditor's first step in attempting to recover debt. This is a fairly informal procedure. The creditor can draft a letter requesting the debtor to pay the debt within a set time frame.

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However, pre-action letters are usually more effective if drafted by a lawyer, as it appears that the creditor is threatening legal proceedings.

### Whether the Type of Remedy Varies Depending on the Value of the Debt

Since 1 January 2020, the only competent jurisdiction to hear a claim is the *Tribunal Judiciaire*. A specialised chamber of the *Tribunal Judiciaire* composed of a judge called *juge des contentieux de la protection* hears cases where the claim relates to residential leases and consumer credit. There are also *Tribunaux de proximité* which are competent to hear cases where the debt is less than EUR10,000. Claims of less than EUR5,000 can be settled online and without any hearing ([Law no 2019-222 of 23 March 2019](#)).

Law no 2019-222 of 23 March 2019 radically reformed civil proceedings, notably merging the former *Tribunal de grande instance* and the *Tribunal d'instance* to form the new *Tribunal Judiciaire*. The amount due does not have any further effect on the creditor's legal options for recovery.

## Pre-Action Conduct

### Letter Before Claim

The claimant can send a letter before claim before bringing a formal action, but this is not mandatory, except in cases where:

- Parties have agreed otherwise in a contract.
- The debtor requests early reimbursement of the debt.
- A party to a contract files a claim for damages for breach of contract.
- A non-breaching party to a contract wishes to trigger the penalty clause under the contract.

However, the claimant must include in the claim filed with the court all steps taken to settle the matter out of court.

In some courts, the parties must attempt mediation before filing a claim with the court, for example, for claims less than EUR5,000 or claims relating to neighbourhood disputes.

If the contract or agreement between the parties contains a mediation clause, the parties must

participate in amicable settlement proceedings before filing a claim.

### Penalties for Non-Compliance

In most cases, a case is not dismissed if the claimant does not send a pre-action letter. In practice, however, almost every claim is preceded by a pre-action letter.

There are no sanctions under French law if parties fail to specify the steps taken to settle out of court. The judge can only advise the party to settle before the case is heard.

Where mediation is compulsory, either under statute (for claims of less than EUR5,000 or claims relating to neighbourhood disputes) or contract, failure to mediate may lead to dismissal of the action.

### Evaluation of Debtor's Financial Position

The creditor can check a commercial debtor's solvency status. The creditor can use the Commercial Court's register to access a corporation's financial statement and information regarding its solvency (for example, any insolvency proceedings filed).

Alternatively, the creditor can hire a private company specialised in evaluating a debtor's financial strength.

## Limitation Period

The limitation period for filing a claim is five years (Article 2224, [Civil Code](#) (*Code civil*)).

### Extension of Limitation Period

The judge cannot extend the limitation period on the creditor's motion. However, under the [Civil Procedure Code](#) (*Code de procédure civile*), this period can be interrupted or suspended.

The limitation period is interrupted and starts again for a new five-year period when:

- The debtor acknowledges the debt.
- Legal proceedings are filed in court.

(Articles 2240 and 2241, *Civil Code*.)

The limitation period is suspended during a mediation process or when a judge grants an order before any proceeding is filed (Articles 2238 and 2239, *Civil Code*).

### Competent Court

Under Article L. 721-3 of the [Commercial Code](#) (*Code de commerce*), the Commercial Courts have jurisdiction over litigation between merchants (including commercial corporations) and therefore can hear claims for recovery of commercial trade debts.

Otherwise, the competent court to hear a trade debt is the *Tribunal Judiciaire*, regardless of the amount of debt.

### Specialist Courts

An *injonction de payer* (procedure enjoining a debtor to pay a determined sum of money arising out of a contract) must be brought before the President of the Commercial Court if it relates to a dispute between merchants, including commercial corporations (Article 1406, Civil Procedure Code).

The President of the *Tribunal Judiciaire* or the president of the Commercial Court (for commercial debts) has jurisdiction over *référé-provision* proceedings (Articles 835 and 873, Civil Procedure Code) (see *Summary Proceedings and Lower Value Claims: Référé provision proceeding*).

In very specific cases, parties can petition a *juge de l'exécution* (judge in charge of enforcement proceedings) for a specific court order to enforce a debt. A *juge de l'exécution* has jurisdiction after the claimant obtains a judgement on the merits and demands supplementary orders. However, in some cases, the claimant can directly file a request before the *juge de l'exécution*, for example, for the direct seizure of goods that the debtor had an obligation to deliver.

### Court Proceedings

#### Starting Court Proceedings

A trade debt can be recovered through regular proceedings, whether civil or commercial. In both cases, the claimant serves the claim on the defendant then files the claim and proof of service with the court.

A judge is appointed to meet both parties and schedule the time frame of the proceedings, such as when an answer, a response, and reply are due.

### Court Fees

There is no filing fee before a civil court. However, each commercial court sets its own filing fee. For example, the Paris Commercial Court charges a filing fee of EUR67.5 for cases involving only two parties (and EUR19.09 for each additional party).

On an experimental basis for three years and effective 1 January 2025, Decree No. 2024-1225 introduces a tax payable by litigants for claims brought before certain commercial courts, renamed "economic activity courts."

These courts are those of Lyon, Paris, Nanterre, Versailles, Marseille, Nancy, Saint-Brieuc, Avignon, Auxerre, Le Havre, Le Mans, and Limoges.

Under this decree, the claimant (either the party bringing an initial claim exceeding EUR50,000, or an applicant employing more than 250 employees) must pay a higher contribution, calculated based on their ability to pay.

This fee must be paid before the first hearing. Failure to do so will render the claim inadmissible.

### Service

In France, service of claim is effected by the bailiff, who must first attempt to personally serve the defendant. If this is not possible, the bailiff can serve the defendant at its usual place of abode, and if no one is present or willing to accept service, the bailiff's written report is deemed proper service.

Service on the defendant is the first step to file a claim with a court, and failure to properly serve the defendant renders the claim inadmissible. Any procedural error (for example, failure to include the mandatory requirements in the claim) also renders the claim inadmissible, and the case will therefore be dismissed.

Service on the defendant must be performed before filing the claim with the court. The only applicable time limit is between serving the defendants and filing the proof of service.

### Defence

During the first conference with the parties, the judge sets time limits for a defendant to respond to a claim on a case-by-case basis.

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A debtor can admit the claim in its answer or can file an admission and request a delay to pay the debt or to set up a payment schedule (Article 1343-5, Civil Code).

If a debtor disputes the debt, under the general principles of French civil procedure, it must:

- Challenge the evidence submitted by the creditor.
- Submit its own evidence challenging the debt.
- Raise any legal argument on which the defence is based.

Each party must prove the necessary facts in support of their case (Article 9, Civil Procedure Code). The defendant may be entitled to compensation for the claimant's misconduct under Article 1240 of the Civil Code.

The debtor can also request that the creditor bear all costs. Eventually, if the creditor filed the claim in bad faith, the defendant can request indemnification for a wrongful lawsuit.

The debtor can file a counterclaim in any answer or pleading after the claim is filed and before the court issues the trial scheduling order.

If the defendant fails to file any defence, the court may enter a default judgment, which has the same effect as a regular judgment.

In France, there are three types of defence:

- Defence on procedural questions (exceptions), for example, jurisdiction of the court (Articles 73 and 74, Civil Procedure Code).
- Defence on the existence of the action (*fins de non-recevoir*), for example, the statute of limitation (Article 122, Civil Procedure Code).
- Defence on the merits of the claim (Article 71, Civil Procedure Code).

Before the *Tribunal Judiciaire*, where the procedure is based on written filings, a defendant is deemed to have waived a procedural defence if the defendant fails to include exceptions in its first answer. The written submissions and rejoinders are exchanged and contain all arguments and evidence the parties intend to rely on. The defendant can raise a defence on the merits or *fins de non-recevoir* when the claim is deemed ready for trial.

Before the Commercial Court, the defendant can raise all defences at any time. Due to the oral nature

of the proceedings, the parties begin to present their arguments the day of the trial. However, this principle may change in the future and be brought in alignment with defences before the civil courts.

The judge in a civil or commercial court can raise any defences on their own initiative when the matter is of public policy (for example, jurisdiction) (Article 92, Civil Procedure Code).

### Later Stages

The judge decides on case management on a case-by-case basis. Once the defence is filed, the parties exchange pleadings and the judge determines trial readiness, setting a hearing date to hear the claim and issue judgment, where necessary.

### Summary Proceedings and Lower Value Claims

**Injonction de payer proceedings.** The main fast-track proceeding is the *injonction de payer*, which allows a creditor to request recovery of a debt arising out of a:

- Contract.
- Promissory note.
- Bill of exchange.
- Statute.

The claimant can initiate *injonction de payer* proceedings before a bailiff or a judge.

The claimant can initiate proceedings before a bailiff for debts of less than EUR4,000 (including interest for late payment). The creditor must file proof of the trade debt with the bailiff, who notifies the debtor by mail, with an acknowledgment of receipt. If the debtor agrees to participate and acknowledge the debt, the bailiff can issue a writ of execution for the requested amount.

More frequently, the claimant can file a request before a judge in the competent court, depending on the type and amount of the debt. The president of the Commercial Court hears cases concerning commercial debt, while the *Tribunal Judiciaire* hears proceedings relating to civil obligations.

Debt recovery proceedings are technically the same before all courts. The creditor files a request with the competent court, with all supporting evidence. The judge may issue an order for the total amount

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requested (or less), after the creditor appears before the judge or on the creditor's written evidence. The debtor is not informed of the proceedings at this point.

The claimant must serve the order on the debtor, who has one month to challenge it, otherwise it will be deemed a regular judgment.

If the defendant challenges the order, the matter will be heard at a full hearing before a judge.

For transnational commercial debts, a similar procedure exists under the [European Order for Payment Regulation \(1896/2006\)](#). A creditor in any EU member state can send a request for judgment or court ruling to the jurisdiction of another member state. The defendant has 30 days to challenge the order before it becomes an enforceable judgment.

**Référé provision proceeding.** The *référé provision* is a provisional measure ordered by a judge when the debtor cannot raise a serious challenge to the debt. In this case, the debtor cannot file a claim on the merits to have the measure withdrawn, and the provisional measure becomes definitive.

The creditor files a claim with a judge, and a hearing is scheduled in the following months. The creditor must serve the debtor, who can try to raise a defence on the merits.

A request for a *référé provision* can be brought before the *Tribunal Judiciaire* (Article 835, Civil Procedure Code), the Commercial Court (Article 873, Civil Procedure Code), or another court, depending on the nature of the case.

**Assignment à bref délai proceedings.** An *assignation à bref délai* (claim on short notice) is an urgent fast-track judgment on the merits of the case.

Before the Commercial Court, the creditor must first ask the court for authorisation to bring the debtor to court on a specific day in the near future as a matter of urgency, for example, where there is a clear threat to debt recovery.

The court hears the case and may enter a judgment on the merits.

An identical proceeding exists before the *Tribunal Judiciaire*, which is known as *assignation à jour fixe*.

### Duration of Proceedings

The duration of *injonction de payer* proceedings varies from one court to another. The *Tribunal*

*Judiciaire* and the Commercial Court can enter an *ordonnance sur requête*, which is a type of *ex parte* interim order (Articles 493 and 875, Civil Procedure Code). In the *Tribunal Judiciaire* and the Commercial Court, the creditor files the claim, and the judge examines the pleadings and renders a decision at a later date. The duration of proceeding largely depends on the position of the defendant, who may challenge the injunction. These proceedings may last from one month to 18 months.

In *référé provision* proceedings, the hearing is usually scheduled a few months after the claim is filed with the court.

For the *assignation à bref délai*, the court may hear the case a few months after the court order permitting the creditor to use this procedure.

### Interim Measures

Any party can request a court order to preserve evidence in light of legal proceedings (Article 145, Civil Procedure Code). Preservation measures include the seizure of documents or the appointment of a bailiff to take notes at a corporation's general meetings.

There are several proceedings and measures available to a creditor to preserve its interests before any final judgment.

The *référé provision* procedure allows a party to request the judge issue a provisional order including provisional payments towards the debt to the creditor. This procedure allows the parties to settle the claim without a trial where there is no serious dispute to the debt. The *référé provision* procedure is not permanent and remains in place until the court makes a full ruling on the merits of the case. The creditor must serve notice of the *référé provision* hearing on the defendant. See also *Summary Proceedings and Lower Value Claims*.

The creditor can also request a freezing injunction.

A creditor still in possession of goods for which the debtor has not yet paid, or which were the object of the contractual obligation, can keep the goods until the debt is fully satisfied.

### Grounds

The creditor must justify the legitimacy of measures granted under Article 145 of the Civil Procedure Code

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(for example, the creditor fears that the debtor may alter or destroy evidence). The courts are usually free to interpret the grounds for legitimacy.

A judge can issue a court order under the *référé provision* procedure on several grounds, for example:

- In the case of urgency and when the debtor cannot seriously challenge the claim.
- There is pending litigation between the parties.
- The debtor can seriously challenge the claim, but a court order is required to prevent irreparable harm or stop illegal behaviour.

The court can order the debtor to pay a provision to the creditor when there is no serious challenge to the claim.

The court's main ground to issue an attachment order (freezing injunction) is that there is a threat to the recovery of the debt (for example, a risk that the debtor may dispose of assets).

### Final Remedies

Usually, the court renders a judgment granting the creditor:

- The value of the trade debt.
- Any foreseeable damages due to non-payment of the trade debt.
- Any penalties specified in the contract.
- Late payment interest.
- Costs incurred during the legal proceedings.
- Attorney's fees (at the court's discretion).

The creditor can request an *astreinte*. This is a supplementary measure imposing a daily fine for non-payment of the judgment debt after the judgment is entered.

### Late Payment Interest

If a contract or agreement between the parties does not specify otherwise, late payment interest starts running when the creditor sends a pre-action letter (Articles 1231-1 and 1231-6, Civil Code). The interest rate is set by law.

The minister in charge of the economy determines the specific late payment interest rate (Article L313-2, [Monetary and Financial Code](#) (*Code monétaire et financier*)).

For individuals not acting as merchants, the rate is 6.67% for the first semester of 2026, and the rate is 2.62% for other persons (Order of 26 December 2025 relating to the setting of the legal interest rate).

The parties to a contract can set a different late payment interest rate (see for example, [Cassation Court, Commercial Chamber, 11 June 1991, 89-11727](#)).

### Legal Fees and Costs

There are two types of legal costs under French law, as follows:

- **Dépens.** Legal costs that are almost always recoverable from the unsuccessful party, including:

- translation fees;
- indemnification of witnesses;
- expert fees;
- bailiff fees; and
- attorney's fees (when a party must be represented before that court).

(Article 695, Civil Procedure Code.)

- **Frais irrépétibles.** All other costs that the judge may award and evaluate at its discretion to be paid by the unsuccessful party.

### Unsuccessful Party Liability for Costs

Costs under Article 695 of the Civil Procedure Code are recoverable from the unsuccessful party. The court must justify a decision to decline a costs award. The same party may bear the other legal costs (*frais irrépétibles*).

### Court's Discretion on Costs

Courts do not have great discretion on costs listed in Article 695 of the Civil Procedure Code. Only costs that are unnecessary or disproportionate are not recoverable from the unsuccessful party. The French Supreme Court held that a party's expert fees were not recoverable as that party already had several other expert opinions, which rendered that particular expert's opinion irrelevant ([Cassation Court, 2nd Civil Chamber, 26 March 2015, 14-15563](#)).

The judge determines costs based on fairness, taking into consideration the economic situation of the unsuccessful party (Article 700, Civil Procedure Code).

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The courts have no discretion to rule over costs when parties have made a valid agreement on costs.

### Recovery of Legal Costs in Cases Settled Without Court Action

The settlement of a dispute before any legal proceedings are brought is considered a private contract unless it is approved by a judge. While there is no statutory rule regarding costs, it is common to include a clause on the recovery of legal costs. If the parties did not agree on costs in the settlement agreement, they can agree on costs at a later stage or bring a court action on the matter, unless the settlement agreement contains a waiver of the right to bring an action that covers costs issues.

If the settlement agreement is approved by a judge, it is directly enforceable and both parties can request it be enforced by a bailiff.

### Costs-Only Proceedings

Costs-only proceedings do not exist under French law. As a settlement is considered a contract, the rules that apply to private contracts can be used to enforce or interpret the agreement.

Any agreement approved by a judge is directly enforceable.

### Recovery of Legal Costs After Court Proceedings Have Commenced

There are no specific proceedings under French law to recover legal costs after legal proceedings are initiated.

### Recovery of Legal Costs Where Court Proceedings Are Settled During Trial

There are no specific proceedings under French law to recover legal costs after the matter is settled at trial.

## Enforcement of Judgments

Judgment is considered due and enforceable when the time limit for appeal has expired. Judges of the courts of first instance will systematically order a judgment be directly enforced (Article 514, Civil Procedure Code). The judge also has discretion to order direct enforcement of the judgment when an

appeal is filed. However, the judge may also set aside provisional execution.

### Payment in Instalments

A debtor is considered in default for every instalment missed. The creditor can enforce the judgment for the amount of the instalment. When the judge grants a payment schedule, it may also order that the entire debt becomes payable if the debtor fails to make one instalment payment under the schedule.

### Procedure for Enforcement

In France, a bailiff executes the enforcement of a judgment. When a creditor obtains a judgment with a writ of execution (*grosse exécutoire*), which is usually attached to the judgment, the judgment can be sent to the bailiff directly to recover the debt.

### Time Limit

A regular judgment (that is, not a default judgment) can be enforced within ten years of issue.

### Time Taken to Determine and Enforce a Debt Recovery Claim

The duration of debt recovery proceedings varies according to the proceedings brought and the nature of the case. An appeal also affects the duration of the process.

When the court issues an enforceable judgment, the party can start enforcement proceedings immediately with the bailiff. For the seizure of goods, the bailiff must:

- Notify the debtor of the obligation to pay the debt.
- Grant the debtor eight days to perform the obligation under the judgment.

The bailiff can seize assets held by the debtor or third parties if the debtor does not perform the obligation within eight days.

## Appeals

Each district has its own court of appeal that hears any appeal of a judgment entered by a court within that district.

Court of appeal decisions can be appealed as of right before the Court of Cassation (*Cour de cassation*)

(the highest court in France) on legal grounds (*pourvoi en cassation*).

### Grounds for Appeal

Under French law, there are no listed grounds for appeal against a judgment. A party can ask the court of appeal to review the lower court's finding of law, facts, or both. The appellant must specify the specific finding of the lower court's judgment it wants to appeal (Article 901, Civil Procedure Code).

### Time Limit for Filing Appeal

An appellant must bring an appeal:

- Within 30 days of service for a regular judgment.
- Within 15 days for *référé provision* proceedings (see *Summary Proceedings and Lower Value Claims*).
- Within 15 days plus two months for *référé provision* proceedings, and 30 days plus two months for a regular judgment, where the debtor resides in a foreign country (the extension is of one month for persons residing in a French overseas department or territory).

(Article 643, Civil Procedure Code.)

## Insolvency Proceedings

### Effectiveness of Insolvency Proceedings

Insolvency proceedings are considered an effective tool for several reasons. The court appoints a receiver to control strictly the managing director's actions. The threat of lengthy insolvency proceedings, during which the managing director is stripped of most powers, is usually sufficient to encourage the debtor to repay the debt.

If the directors or officers were negligent in managing a corporation, they may be held liable to pay part of the debt from their own personal assets to help restore the corporation's financial health and ability to pay creditors.

### Disadvantages of Issuing Insolvency Proceedings Against Debtors

Regardless of their effectiveness, insolvency proceedings are a very risky tool to recover

commercial debt. During the proceedings, a debtor can only declare its debt to the receiver, who can no longer sue for payment or enforce a judgment against the debtor (Article L. 621-40, Commercial Code).

The receiver also establishes a timetable for repayment of the debts, usually in instalments. Debt recovery may, therefore, take longer.

If the corporation's financial health does not recover, its assets will be divided and sold. It is common that any unsecured creditors (for example, without a lien or mortgage) recover very little or nothing. The insolvent corporation must settle taxes and wages before debts owed to secured creditors.

### Insolvency Proceedings and Disputed Debts

A creditor can file a claim in court to bring insolvency proceedings proving that the debtor cannot pay its debts and the debtor's current liabilities exceed its payable assets. However, a disputed debt cannot be considered a current liability (*Court of Appeal of Montpellier, 12 October 1989, Rev Proc Coll 1991 at page 200*).

However, a debtor may be subject to insolvency proceedings regardless of whether the defendant disputes the amount of the debt or whether the debt exists.

### Insolvent Debtors

A debtor is insolvent when it cannot pay outstanding debts with its payable assets (see *Insolvency Proceedings and Disputed Debts*).

### Insolvency Law

Book VI of the Commercial Code is the primary legislation on insolvency proceedings in France.

EU law regulates international insolvency cases in France. The [Recast Insolvency Regulation \(\(EU\) 2015/848\)](#) governs the recognition and enforcement of orders and judgments issued during insolvency proceedings by a member state's court.

France is only party to one bilateral convention on insolvency proceedings with Monaco, signed on 13 September 1950 ([Convention relative à la faillite et à la liquidation judiciaire](#)).

### Insolvency Proceedings Involving Foreign Companies

A French court only has jurisdiction over insolvency proceedings where the debtor is domiciled in France. In the vast majority of the cases, a corporation's domicile is the location of incorporation. A French court does not have jurisdiction over a foreign company.

However, case law has determined that if the corporation's headquarters are located in a place other than the state of incorporation, that state could be considered the domicile ([Court of Cassation, 1st Civil Chamber, 24 April 1981](#): Gaz. Pal. 1981, 2, p 601, J. Viatte; Court of Appeal Paris, 28 October 1992: Bull. Joly Sociétés 1993, p 84).

### Debt Collection Agencies

Under Article L. 111-8 of the [Code of Civil Enforcement Procedures](#) (*Code des procédures civiles d'exécution*) and Article L.121-21 of the [Consumer Code](#) (*Code de la consommation*), debt collection can be outsourced to a debt collection agency on a no-win no-fee basis.

### Steps to Reduce Legal Costs When Recovering Debts

The creditor should assess the debtor's solvency before starting any recovery proceedings. It is best to evaluate solvency when entering in a business relationship with the debtor.

The creditor may also use any amicable means to recover the debt, including collection letters, first sent by the creditor and then eventually by the creditor's lawyer.

At this stage, the creditor should determine with their attorney how long recovery of the debt is likely to take and the associated costs. The creditor should also consider the consequences of not recovering the debt (for example, other debtors may refuse to pay knowing that the creditor has a history of not bringing insolvency proceedings).

Costs are recoverable from the debtor at the end of proceedings, although attorney's fees are usually only partially recovered. Ascertaining the debtor's solvency is very important when entering into a business contract.

### Alternative Dispute Resolution to Recover Trade Debts

There is a tendency in France to favour alternative dispute resolution (ADR) methods.

In recent years, several statutes indicate a clear intention to develop and increase the use of ADR (for example, [Law no 2015-990 of 6 August 2015 for growth, activity and equal economic opportunities \(Loi Macron\)](#), [Law no 2016-1547 of 18 November 2016 on modernisation of the 21st century justice system](#), and [Decree No. 2025-660 of 18 July 2025, reforming procedural case management and recodifying amicable dispute resolution methods](#)).

Mediation or ADR clauses are common in contracts. The French courts generally enforce these clauses.

ADR is a serious and viable alternative to formal legal proceedings. However, each case is different and the outcome always depends on the good faith of both parties.

The claimant must include every step taken to resolve a dispute outside of court in the claim document. Generally, a letter before action is sufficient to fulfil this requirement.

There are specific cases where the parties must participate in ADR before filing a claim with the court. For example, before the *Tribunal Judiciaire*, conciliation is mandatory for debts of less than EUR5,000 (Article 750-1, Civil Procedure Code) and for cases relating to neighbourhood disputes. The case will be dismissed if the creditor does not provide proof of conciliation. The conciliation procedure is usually organised by the judge or delegated to a conciliator.

In consumer disputes, the consumer can request conciliation and the merchant cannot refuse to engage.

Decree No. 2025-660 of 18 July 2025 establishes common provisions for conciliation and mediation. The activity of the judicial conciliator is voluntary (Article 1530-1, Code of Civil Procedure), while the mediator is "in principle" remunerated (Article 1530-2, para. 1, Code of Civil Procedure).

In addition, the Cassation Court itself can now appoint conciliators (Article 1012, para. 3, Code of Civil Procedure). The decree extends the judge's

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power to invite the parties to meet with a mediator or conciliator. A civil fine of up to EUR10,000 may apply to a party who refuses to meet with the mediator or conciliator without legitimate reason (Articles 1533 to 1533-3, Code of Civil Procedure).

The decree also addresses the standard handling of cases through participatory pre-hearing agreements. Pre-hearing matters are prepared by the parties

themselves (Article 127, Code of Civil Procedure), with judicial involvement occurring only as necessary. The decree also provides that the judge “shall hear any claim relating to the agreement, incidents, procedural exceptions and dismissals and may order any conservatory or provisional measure” (Article 130-3, Code of Civil Procedure).

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