

Directive (EU) 2020/1828 of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the collective interests of consumers and repealing Directive 2009/22/EC (Text with EEA relevance)

CHAPTER 2

REPRESENTATIVE ACTIONS

Article 10

Funding of representative actions for redress measures

1 Member States shall ensure that, where a representative action for redress measures is funded by a third party, insofar as allowed in accordance with national law, conflicts of interests are prevented and that funding by third parties that have an economic interest in the bringing or the outcome of the representative action for redress measures does not divert the representative action away from the protection of the collective interests of consumers.

2 For the purposes of paragraph 1, Member States shall in particular ensure that:

- a the decisions of qualified entities in the context of a representative action, including decisions on settlement, are not unduly influenced by a third party in a manner that would be detrimental to the collective interests of the consumers concerned by the representative action;
- b the representative action is not brought against a defendant that is a competitor of the funding provider or against a defendant on which the funding provider is dependent.

3 Member States shall ensure that courts or administrative authorities in representative actions for redress measures are empowered to assess compliance with paragraphs 1 and 2 in cases where any justified doubts arise with respect to such compliance. To that end, qualified entities shall disclose to the court or administrative authority a financial overview that lists sources of funds used to support the representative action.

4 Member States shall ensure that, for the purposes of paragraphs 1 and 2, courts or administrative authorities are empowered to take appropriate measures, such as requiring the qualified entity to refuse or make changes in respect of the relevant funding and, if necessary, rejecting the legal standing of the qualified entity in a specific representative action. If the legal standing of the qualified entity is rejected in a specific representative action, that rejection shall not affect the rights of the consumers concerned by that representative action.