

The Consumer Voice in Europe

Ref.: BEUC-X-2016-118 MGO/LAU/rs

17 November 2016

RE: Consumers demand legal clarity on CETA's compatibility with EU law

Dear Member of the European Parliament,

I write on behalf of The European Consumer Organisation (BEUC) in view of the upcoming vote on the motion for a resolution seeking an opinion from the European Court of Justice on CETA's compatibility with EU law.

BEUC is supportive of free trade, if it results in expanding consumer choice, making services more accessible and less expensive for citizens. Unfortunately, CETA fails the consumer crash test as it notably allows foreign investors to claim compensation from a Member State or the EU if consumer protection measures breach CETA's investor rights. This mechanism could lead to a regulatory chill effect that could water down future ambitious consumer protection measures and public policy objective measures in general. Even a simple threat of a claim from a foreign investor could create such regulatory chilling effect.

Therefore we welcome the Belgian declaration on CETA, notably as it stresses the need to improve the investment protection chapter and to ask the European Court of Justice to verify its compatibility with EU law.

Indeed, very serious legal doubts exist today on the legality of CETA's investment court system. In these sensitive times, where citizens are asking for guarantees to be able to trust trade agreements, it is paramount to at least verify if CETA is compatible with EU law. It is even more urgent now as the EU is about to propose to create a multilateral investment court system.

This is why **we count on you to support this motion for a resolution** requesting an opinion from the European Court of Justice in order to obtain legal clarity and certainty on CETA.

We trust that you will take our views into account and we remain at your disposal for further discussion.

Yours faithfully,

Monique Goyens
Director General