

2025 Rule of Law Report - additional consultation on single market dimension

Fields marked with * are mandatory.

Introduction

The annual Rule of Law Report lies at the centre of the Annual Rule of Law Cycle, which acts as a preventive tool, deepening multilateral dialogue and joint awareness of rule of law issues. So far, five editions of the Rule of Law Report have been published since 2020.

As announced in the Political Guidelines for the 2024-2029 Commission, a Single Market dimension will be added to the Rule of Law Report to report to address rule of law issues affecting companies, especially SMEs, operating across borders.

Therefore, in addition to the regular stakeholder consultation for the 2025 Rule of Law report which was launched on 29 November 2024 (available [here](#)), **the Commission is now launching an additional targeted stakeholder consultation on the single market dimension of the rule of law**. This short questionnaire covers additional topics that are not yet included in the Report's scope which the Commission considers of particular relevance under this angle. The questionnaire is in particular directed to business stakeholders, but all interested parties are invited to contribute.

Under the questions below, you are invited to provide information both on the **relevant legal framework** as well as information on any relevant developments since January 2024. Under each question, the following types of information may be relevant:

A) Legislative developments

- Newly adopted legislation
- legislative drafts currently discussed in Parliament
- legislative plans envisaged by the Government

B) Policy developments

- Implementation of legislation
- evaluations, impact assessment, surveys
- white papers/strategies/actions plans/consultation processes
- follow-up to reports/recommendations of Council of Europe bodies or other international organisations
- important administrative measures
- generalised practices

C) Developments related to the judiciary / independent authorities

- important case law by national courts
- important decision/opinions from independent bodies/authorities
- state of play on terms, nominations and expired mandates for high-level positions (e.g. Supreme Court, Constitutional Court, Council for the Judiciary, Prosecutor General, heads of independent authorities included in the scope of the questionnaire)

D) Any other relevant developments

About you

* I am giving my contribution as

Civil society organisation/NGO

* Organisation name

250 character(s) maximum

Please insert an URL towards your organisation's main online presence or describe your organisation briefly:

500 character(s) maximum

Transparency Register Number

Check if your organisation is in the transparency register. It's a voluntary database for organisations seeking to influence EU decision-making

* Country of origin

Austria

First Name

Surname

* Email Address of the organisation

* Publication of your contribution and privacy settings

You can choose whether you wish for your contribution to be published and whether you wish your details to be made public or to remain anonymous.

- ☒ Anonymous - Only your type of respondent, country of origin and contribution will be published. Organisation name, URL, transparency register number, first name and surname given above will not be published. **To maintain anonymity, please refrain from mentioning the name of your organisation and any details from which your organisation can be identified in the rest of your contribution.**
- ☐ Public - Your personal details (name, organisation name, transparency register number, country of origin will be published with your contribution).
- ☐ No publication - Your contribution will not be published. Elements of your contribution may be referred to anonymously in documents produced by the Commission based on this consultation.

☒ I agree with the personal data protection provisions.

[Specific privacy statement targeted stakeholder consultation 2025 rule of law report.pdf](#)

Topics for input on the single market dimension of the Rule of Law Report

* Country covered in your contribution [only one choice possible]

If you wish to submit information concerning several countries, please fill in the questionnaire separately for each country. There is no limit to the number of contributions submitted by a single participant.

Austria

Specialisation (of judges/specific courts/chambers within courts) and training for the judiciary to deal with commercial cases.

*This question complements the questions in the original questionnaire related to quality and efficiency of justice
5000 character(s) maximum*

The Commercial Court of Vienna is a specialized regional court focusing on business law matters in Austria's capital. Its jurisdiction includes:

Contractual Disputes: Cases against entrepreneurs registered in the commercial register with a dispute value exceeding €15,000.

Specialized Areas: Cases involving unfair competition and copyright law.

Insolvencies: Handling insolvency proceedings for companies.

Commercial Register: Managing the commercial register, which contains essential information about companies.

Trademarks, Designs, and Patents: Nationwide jurisdiction over cases in these areas of intellectual property.

Judges – General Training

After completing a law degree, prospective judges undergo a period of judicial practice as legal trainees.

This is followed by their appointment as judicial candidates, during which they complete a four-year preparatory service. This training includes practical assignments at various courts, such as district and regional courts, and theoretical education. Candidates also gain experience through rotations at the public prosecutor's office and correctional facilities.

Assignment to the Commercial Court

The assignment of judges to specific courts, including the Commercial Court, is typically determined through internal distribution of duties. No additional formal training or special qualifications are required to serve at the Commercial Court. However, judges can enhance their expertise in commercial law through practical experience and specialized training programs.

Expert Lay Judges (Kommerzialräte)

It is notable that cases at the Commercial Court often involve expert lay judges, known as Kommerzialräte. These individuals are business professionals who provide specialized industry knowledge to support judicial decision-making. They are appointed based on recommendations from the Chamber of Commerce and the personnel council of the respective court.

Summary

In conclusion, serving as a judge at the Commercial Court does not require additional qualifications beyond general judicial training. Assignments are managed through the regular distribution process, and judges can deepen their expertise in commercial law through experience and continued professional development. The involvement of expert lay judges further enhances the quality of decision-making in commercial cases.

Alternative dispute resolution and mediation

This question complements the questions in the original questionnaire on quality and efficiency of justice

5000 character(s) maximum

Mediation is an alternative dispute resolution method regulated by the Civil Law Mediation Act (ZivMediatG) in Austria. While it is gaining traction, particularly in family and business disputes, its image and public awareness face challenges.

To become a mediator, candidates must complete a training program of at least 365 training units (approximately 273 hours) over 12 to 18 months, usually on a part-time basis. While no specific academic qualifications are required, a background in fields like law, psychology, or business is beneficial. Key personal qualities include empathy, strong communication skills, and impartiality. Training costs range between €5,000 and €7,000. After completing the program, mediators can apply for registration in the official mediator list maintained by the Federal Ministry of Justice. Registered mediators must have liability insurance and complete at least 50 hours of professional development every five years.

Mediation is particularly encouraged or legally required in areas such as family law (e.g., custody disputes, visitation rights), neighborhood conflicts, employment disputes, environmental law (e.g., impact assessments), and commercial law, where it is used for contractual issues, business succession, and internal disputes.

However, the image of mediation in Austria—especially business mediation—faces significant obstacles. Studies suggest it lacks public recognition, with some perceiving it as unserious or confusing due to terminological misunderstandings, such as confusing "mediation" with "meditation." The low number of successful case studies and the insufficient communication of its benefits, such as cost savings or opportunity costs, further contribute to its unclear value. Professionalism concerns also arise due to the absence of standardized titles, guidelines, or access criteria.

Despite these challenges, mediation is valued for its confidentiality, cost-efficiency, and its ability to preserve relationships. Addressing issues like public awareness, transparency, and marketing could enhance its perception and role as a viable alternative to litigation in Austria.

Measures for the prevention of corruption in relation to the issuing of official permits (e.g. related to environment, energy and various types of construction)

This question complements the questions in the original questionnaire on the prevention of corruption

5000 character(s) maximum

Corruption in the areas of building permits and public procurement represents a significant issue in Austria, particularly at the municipal level, where mayors and local authorities are key decision-makers. The proximity between decision-makers and applicants, combined with opaque processes, creates an environment prone to corruption.

Economic Importance and Corruption Vulnerability of Public Procurement

Public procurement has tremendous economic importance in Austria. Up to a quarter of total government expenditures by federal, state, and municipal authorities are allocated to procuring buildings, goods, and services. At the same time, this sector is highly vulnerable to corruption.

Corruption practices, such as awarding contracts without fair competition or based on bribes instead of the best or most cost-effective offer, cause significant economic harm. Studies indicate that such practices can increase public costs by up to 50%. Furthermore, they compromise the quality of services and erode public trust in government and administration. This erosion of trust often outweighs the direct financial damages, which are estimated to amount to billions of euros annually.

Transparency Deficits in Austria

According to the Index Transparent Municipality 2024 by Transparency International – Austrian Chapter (TI-Austria), the level of transparency in Austria is particularly low in the following categories (index Transparente Gemeinde)

Public Procurement

Sale of Public Assets

This lack of transparency creates ideal conditions for conflicts of interest and corrupt practices, as decision-making processes are often unclear and difficult to trace.

Construction Sector and Antitrust Violations

The Austrian construction sector has been the focus of multiple investigations by the Federal Competition Authority (BWB) in recent years for violations of antitrust laws. For example, in March 2023, a fine of €27.15 million was imposed on Swietelsky AG for participating in price-fixing and market-sharing agreements in the construction industry. Such cases highlight systematic violations of competition laws, not only in permit-related processes but also within the construction sector itself, exacerbating challenges in public procurement.

Reporting on the use of digital technologies to enhance transparency and oversight in public procurement

This question complements the questions in the original questionnaire on the prevention of corruption

5000 character(s) maximum

Use of Electronic Systems in Public Procurement in Austria

Austria has embraced the use of electronic systems in public procurement to enhance transparency, efficiency, and accessibility. These systems are critical for modernizing procurement processes and minimizing corruption risks.

Mandatory Use of E-Procurement

Since the implementation of the Federal Procurement Act (BVerG 2018), electronic procurement has been mandatory for public contracts above EU thresholds:

Construction contracts: €5,548,000 (excluding VAT).

Supply and service contracts: €221,000 (excluding VAT).

For smaller contracts, electronic procurement is not obligatory but increasingly adopted due to its advantages.

Key Platforms for E-Procurement

Austria employs several electronic platforms to facilitate public procurement:

ANKÖ Procurement Portal: A paid platform offering comprehensive tender listings and submission tools.

E-Beschaffung.at (VEMAP): A free portal providing access to tenders and electronic submission options.

BBG E-Procurement Portal: Managed by the Federal Procurement Agency for centralized tender management.

@-AVA-Online®: Used by ÖBB and ASFINAG for specialized procurement needs.

State and Municipal Portals: Vienna, Lower Austria, and cities like Innsbruck and Salzburg operate their own procurement platforms.

Safeguards to ensure legal certainty, the stability of the legal framework and non-discrimination.

This question complements the question in the original questionnaire on rules and use of fast-track and emergency procedures, linked to the overall process for preparing and enacting laws

5000 character(s) maximum

The law implementing the EU Whistleblower Directive, known as the HinweisgeberInnenschutzgesetz (HSchG), has finally been introduced in Austria, albeit with significant delays. However, strong doubts remain as to whether the HSchG will achieve its intended purpose—namely, to encourage lawful behavior and protect whistleblowers from retaliation when reporting misconduct. Criticism from the opposition, interest groups, and NGOs has been widespread. A key concern is the limited scope of the law, which notably excludes the HR sector—despite the fact that most whistleblowing reports typically concern issues within this area, such as bullying, discriminatory behavior, and similar workplace misconduct.

Safeguards to ensure the effective independence of supervisory and regulatory authorities with a direct impact on economic operators

This question complements the questions in the original questionnaire on the independence, resources and powers of national human rights institutions, ombudspersons, equality bodies and supreme audit institutions

5000 character(s) maximum

Respect of the good administration principle (including the obligation of the administration to give reasons for decisions)

This question complements the question in the original questionnaire on transparency of administrative decisions

In Austria, the principle of good administration is supported by various measures and institutions:
Ombudsman Board (Volksanwaltschaft): This institution ensures that all individuals are treated fairly and justly by the administration and that human rights are upheld.

Source: Volksanwaltschaft

E-Government Initiatives: Austria has been an early adopter of e-government solutions, digitizing administrative processes to improve citizens' access to public services. These efforts enhance transparency and efficiency in public administration.

Safeguards (other than judicial review) regarding decisions or inaction of administrative authorities, including remedies

This question complements the question in the original questionnaire on judicial review of administrative decisions

5000 character(s) maximum

Any other points you would like to raise related to the single market dimension in the context of the Rule of Law Report

5000 character(s) maximum

A key demand is the introduction of an independent supervisory authority for public prosecutors to prevent political influence and ensure the independence of the judiciary. Additionally, strengthening the whistleblower protection framework is proposed to incentivize the disclosure of corruption cases. TI Austria also advocates for transparent media funding to enhance transparency and safeguard media independence.

A comprehensive administrative reform is sought, including stricter regulations on zoning decisions and clear rules for managing conflicts of interest.

Measures against cronyism should be implemented through transparent and competence-based personnel decisions.

If you would like to upload any supplementary document(s), please do so here

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