

# EIOPA consults on the draft Opinion on the supervision of remuneration principles in the insurance and reinsurance sector

The European Insurance and Occupational Pension Authority (EIOPA) launched today [a consultation on the draft Opinion on the supervision of remuneration principles in the insurance and reinsurance sector](#).

The remuneration principles set out in Article 275 of the European Commission Delegated Regulation (EU) 2015/35 are high level and leave considerable discretion to the undertakings and supervisory authorities. Therefore, divergent practices have emerged across the European Union.

EIOPA's task is to ensure an effective and consistent level of supervision to guarantee a similar level of protection for policyholders and beneficiaries at the European level. Its goal is to build a common supervisory culture through the convergence of national supervisory practice.

Therefore, this draft Opinion addressed to national supervisory authorities aims to enhance supervisory convergence by focussing on a set of remuneration principles. It provides guidance on how to challenge the application of the principles and focuses on a reduced scope of staff identified as potential higher profile risk-takers to promote a proportionate approach. The Opinion also identifies benchmarks that should trigger the supervisory dialogue and should not be seen as hard targets for the practical implementation of the remuneration principles.

EIOPA's intention is not to add requirements or to create administrative burden. Risk-based supervision of the remuneration policy means that the national supervisory authorities should have a two-dimensional approach when assessing the risk: the first dimension being the undertakings' overall risk profile and the second dimension being the design of the concrete remuneration policy which might be identified as being more risky than others. National supervisory authorities may adopt a proportionate and more flexible approach in the supervision of the remuneration principles when undertakings are categorized as 'low risk'.

Due to the importance of the issue EIOPA is seeking stakeholders' views.

## **Consultation process**

For responding to this consultation please use this [link](#). The deadline for

submission of feedback is **Monday, 30 September 2019 at 23.59 hrs CET**.

Unless requested otherwise, all contributions received will be published after the deadline for submission.

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## **Commission takes Hungary to Court for criminalising activities in support of asylum seekers and opens new infringement for non-provision of food in transit zones**

Today, the European Commission decided to **refer Hungary to the Court of Justice** of the EU concerning legislation that criminalises activities in support of asylum applications and further restricts the right to request asylum. The Commission has also decided to send a **letter of formal notice to Hungary** concerning the non-provision of food to persons awaiting return who are detained in the Hungarian transit zones at the border with Serbia. Another decision taken today concerns the **referral of Hungary to the Court of Justice** of the EU for excluding non-EU nationals with long-term resident status from exercising the veterinary profession.

### **Court referral for criminalising activities in support of asylum and residence applications**

In July 2018, the Commission sent a [letter of formal notice](#) to Hungary concerning the so-called “Stop Soros” legislation – which criminalises activities that support asylum and residence applications and further restricts the right to request asylum. In view of the unsatisfactory response, the Commission followed-up with a [reasoned opinion](#) in January 2019. After analysing the Hungarian authorities’ reply, the Commission considered that the majority of the concerns raised have still not been addressed and has decided to refer Hungary to the Court of Justice of the EU. Specifically, the Commission finds that Hungarian legislation is incompatible with EU law in the following respects:

- **Criminalisation of support to asylum applicants:** The Hungarian legislation curtails asylum applicants’ right to communicate with and be assisted by relevant national, international and non-governmental organisations by criminalising support to asylum applications. This is in violation of the [Asylum Procedures Directive](#) and the [Reception Conditions Directive](#).
- **Unlawful limitation of the right to asylum and introduction of new non-admissibility grounds for asylum applications:** The new law and the

constitutional amendment on asylum have introduced new grounds for declaring an asylum application inadmissible, restricting the right to asylum only to people arriving in Hungary directly from a place where their life or freedom are at risk. These additional inadmissibility grounds for asylum applications exclude persons who entered Hungary from a country where they were not persecuted but which does not fulfil the criteria of a safe-third-country. Therefore, these inadmissibility grounds curtail the right to asylum in a way that is not compatible with EU or international law. As such, the national rules are in violation of the EU [Asylum Procedures Directive](#), the [Asylum Qualifications Directive](#) and the [Charter of Fundamental Rights](#) of the European Union.

Letter of formal notice concerning the situation of returnees in the Hungarian transit zones

The European Commission has decided today to send a **letter of formal notice to Hungary** concerning the situation of persons in the Hungarian transit zones at the border with Serbia, whose applications for international protection have been rejected, and who are waiting to be returned to a third country.

In the Commission's view, their compulsory stay in the Hungarian transit zones qualifies as detention under the [EU's Return Directive](#). The Commission finds that the detention conditions in the Hungarian transit zones, in particular the withholding of food, do not respect the material conditions set out in the Return Directive and the Charter of Fundamental Rights of the European Union.

In view of the urgency of the situation, the deadline for Hungary to respond to the Commission's concerns is set to 1 month, after which the Commission may decide to follow-up by sending a reasoned opinion.

The European Court of Human Rights has already granted interim measures in several instances, obliging Hungary to provide food to persons detained in the transit zones. In [July 2018](#), the Commission referred Hungary to the Court of Justice in a case relating to the detention of asylum seekers in the Hungarian transit zones. The case is currently pending before the Court.

### **Court referral for non-compliance with EU long-term residence legislation**

The European Commission has today decided to refer **Hungary** to the Court of Justice of the EU for excluding non-EU nationals with long-term resident status from exercising the veterinary profession, thereby incorrectly implementing certain provisions of the Long-Term Residents Directive ([Council Directive 2003/109/EC](#)). This Directive requires that non-EU nationals who are legally resident in an EU Member State for at least 5 years enjoy equal treatment with nationals in certain areas, including access to employment and self-employed activities. The Commission had addressed a letter of formal notice to Hungary in [July 2018](#) and followed up by sending a reasoned opinion in [January 2019](#).

For More Information

- [Council Directive 2003/109/EC](#) concerning the status of third-country nationals who are long-term residents
  - [Council Directive 2008/115/EC](#) concerning common standards and procedures in Member States for returning illegally staying third-country nationals
  - [Council Directive 2011/95/EU](#) on standards for the qualification of third-country nationals or stateless persons as beneficiaries of international protection, for a uniform status for refugees or for persons eligible for subsidiary protection, and for the content of the protection granted
  - [Council Directive 2013/32/EU](#) on common procedures for granting and withdrawing international protection
  - [Council Directive 2013/33/EU](#) laying down standards for the reception of applicants for international protection
  - On the key decisions in the July 2019 infringements package, see a full MEMO: [INF/19/4251](#).
  - On the general infringements procedures, see [MEMO/12/12](#).
  - On the [EU infringement procedure](#).
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## **Daily News 25 / 07 / 2019**

### **Procédures d'infraction du mois de juillet: la Commission prend des mesures en vue d'une mise en œuvre complète, correcte et en temps utile du droit de l'Union dans l'intérêt des citoyens et des entreprises**

Pour aider les citoyens et les entreprises à tirer pleinement profit du marché intérieur, la Commission européenne noue un dialogue permanent avec les États membres qui ne respectent pas le droit européen et, au besoin, ouvre des procédures d'infraction à leur égard. Les décisions prises aujourd'hui, dans le cadre des décisions régulières d'infraction, comprennent 130 lettres de mise en demeure, 79 avis motivés et 15 renvois à la Cour de justice de l'UE. Elle clôt également 146 dossiers en cours lorsque l'État membre concerné, en coopération avec la Commission, a résolu le problème et assuré le respect du droit de l'Union et que, dès lors, une saisine de la Cour de justice de l'Union européenne n'est pas nécessaire. Un résumé des principales décisions et les références des communiqués de presse correspondants figurent [ici](#). Les aspects essentiels des procédures d'infraction de l'UE sont énoncés [ici](#). (Pour plus d'informations: *Natasha Bertaud – Tél.: +32 229 67456; Uldis Šalajevs – Tél.: +32 229 67560*)

## **EU-U.S. trade talks – one year on, Commission presents progress report**

Today marks the first anniversary of the Joint Statement by President **Juncker** and President Trump, which launched the new phase in the relationship between the United States and the European Union. On this occasion, the Commission has today published a [report](#) on the implementation of the Statement, providing an overview of the progress made and illustrating the depth of the engagement between EU and the U.S. over the past year, both at political and technical level. The President of the European Commission, Jean-Claude **Juncker** said: *"The European Union is delivering on what President Trump and I agreed on this day last year. We want a win-win situation on trade, which is beneficial for both the European Union and the United States. Having one of the most important economic relationships in the world, we want to continue strengthening trade between us based on the positive spirit of last July."* The report covers in detail the progress achieved in the different tracks for cooperation identified in the Joint Statement, including on trade in liquefied natural gas and soya beans, conformity assessment and standards, elimination of tariffs on industrial goods and tackling of unfair market-distorting practices. For more detail, see a [press release](#) and [factsheets](#) available online. (For more information: Daniel Rosario – Tel.: +32 2 295 61 85 ; Kinga Malinowska – Tel.: +32 2 295 13 83 )

## **424 milliards d'euros d'investissements désormais mobilisés sous le Plan Juncker**

Suite à la réunion du conseil d'administration de la Banque européenne d'investissement (BEI) en juillet, le Fonds européen pour les investissements stratégiques du Plan Juncker devrait à présent générer 424 milliards d'euros d'investissements supplémentaires dans l'UE. En juillet, les opérations approuvées sous le Plan Juncker représentaient 76,9 milliards d'euros de financement, dans les 28 États membres. Quelque 967 000 startups et petites et moyennes entreprises (PME) devraient bénéficier d'un meilleur accès au financement. Actuellement, les cinq premiers pays classés par ordre d'investissement par rapport au PIB sont la Grèce, l'Estonie, le Portugal, la Bulgarie et la Pologne. La BEI a approuvé des financements à hauteur de 55,8 milliards d'euros pour des projets d'infrastructure et d'innovation, ce qui devrait générer 256,9 milliards d'euros d'investissements supplémentaires. Le Fonds européen d'investissement (FEI), qui fait partie du groupe BEI, a approuvé quant à lui des accords avec des banques intermédiaires et des fonds pour financer des PME pour un montant total de 21,1 milliards d'euros, ce qui devrait générer 167,1 milliards d'euros d'investissements supplémentaires. Le détail des investissements par pays est disponible sur [le site web du Plan Juncker](#). (Pour plus d'informations: Annika Breidhardt – Tél .: +32 229 56153; Siobhán Millbright – Tél .: +32 229 57361)

## **Juncker Plan backs deal with Italy's CDP to provide €5.8 billion in loans to small businesses**

The European Investment Fund (EIF) and Italy's national promotional bank Cassa Depositi e Prestiti (CDP) have signed a guarantee agreement making available €5.8 billion in new loans to Italian small and medium-sized businesses (SMEs). This sizeable agreement is backed by the Juncker Plan's European Fund for Strategic Investments which allows the European Investment Bank Group to invest in more and often higher risk operations. Today's deal – which was signed under the EU's COSME (Competitiveness of Small and Medium-Sized Enterprises) Programme – will allow the issuance of new loans to enterprises in almost any sector for amounts up to €150,000 and with a maturity above 12 months. Over the next two years, the loans will target more than 65,000 SMEs in Italy. Elżbieta **Bieńkowska**, European Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, said: *"This is excellent news and a step forward to ensure that small and medium-sized businesses have access to the financing they need to grow and innovate. Thanks to the Juncker Plan, already 291,300 SMEs are expected to benefit from improved access to finance in Italy. This latest agreement will increase their development capacity at a large scale."* A press release is available [here](#). As of July 2019, the Juncker Plan has mobilised €424 billion of additional investment, including €66.6 billion in Italy. The Plan is currently supporting 967,000 small and medium businesses across Europe. (For more information: Annika Breidthardt – Tel.: +32 229 56153; Siobhan Millbright – Tel.: +32 229 57361)

## **Ebola: l'UE fournit 30 millions d'euros supplémentaires pour lutter contre l'épidémie en République démocratique du Congo**

L'UE contribue à hauteur de 30 millions d'euros supplémentaires d'aide humanitaire afin de financer l'effort de lutte contre le virus Ebola en [République démocratique du Congo](#). La deuxième épidémie d'Ebola la plus meurtrière jamais enregistrée a jusqu'à présent coûté la vie à plus de 1 700 personnes dans un pays déjà confronté à une situation humanitaire catastrophique. Le financement annoncé aujourd'hui porte le total de [l'aide humanitaire de l'UE dédié à la lutte contre Ebola](#) depuis le déclenchement de l'épidémie actuelle en 2018, à 47 millions d'euros. Christos **Stylianides**, commissaire chargé de l'aide humanitaire et de la gestion de crises, et coordinateur de l'UE pour Ebola, a déclaré : *« La lutte contre l'épidémie en République démocratique du Congo se trouve à un tournant crucial. L'UE intensifie considérablement son aide pour sauver des vies et prévenir de nouvelles infections. Nous apportons un nouveau soutien aux autorités de la République démocratique du Congo, à l'Organisation mondiale de la santé et aux partenaires humanitaires sur le terrain. Nous sommes également pleinement solidaires des intervenants en première ligne qui risquent leur vie pour faire face à l'épidémie. »* La crise d'Ebola en République démocratique du Congo a été déclarée urgence de santé publique de portée internationale par l'Organisation mondiale de la santé le 17 juillet 2019. Le [communiqué de presse](#) complet est disponible en ligne. (Pour plus d'informations : Carlos Martin Ruiz de Gordejuela – Tél.: +32 229 65322; Daniel Puglisi – Tél.: +32 229 69140)



## **Capital Markets Union: New rules on the pan-European personal pension product (PEPP) published in Official Journal**

Following the adoption by the European Parliament and the Council, today the new rules on the pan-European personal pension product (PEPP) were published in the Official Journal of the European Union. PEPP will give EU citizens more choice when saving up money for their retirement. It is a voluntary personal pension scheme that will complement existing public and occupational pension systems, as well as national private pension schemes. Valdis **Dombrovskis**, Vice-President for Financial Stability, Financial Services and Capital Markets Union, said: *"The pan-European personal pension product will contribute to addressing the pension gap, by providing savers across the EU with more quality choice when putting money aside for retirement. I am confident that the new PEPP legislation will also foster long-term investments in capital markets, which will ultimately promote growth and the creation of new jobs in the EU."* By helping to channel more savings to long-term investments in the EU, this [PEPP Regulation](#) represents a key achievement of the [Capital Markets Union](#). The creation of PEPP will contribute to more competition between pension products and stronger consumer protection. More practically, the new rules lay down the foundations for a pan-European personal pension market, by ensuring standardisation of the core product features, such as transparency requirements, investment rules, switching right and type of investment options. PEPP providers will be able to sell the product anywhere in the EU with one single registration. The publication in the Official Journal means providers of pension products can now start to prepare. The new Regulation will become applicable in two years, when the first PEPPs are expected to come on the market. *(For more information: Johannes Bahrke – Tel.: +32 229 58615 ; Guillaume Mercier – Tel.: +32 229 80564)*

## **Commission launches public consultation on the Digital Europe programme**

Today the European Commission launched a consultation on the orientation of the first two years of its proposed [Digital Europe](#) programme. As part of the next long-term EU budget for 2021-2027, the programme would invest €9.2 billion in five key areas: [supercomputing](#), [artificial intelligence](#), [cybersecurity](#), advanced [digital skills](#), and ensuring a wide use of these digital technologies across the economy and society. It will enable European governments and industry to build capacity, test digital technologies, and bring them to market, in order to improve Europe's competitiveness in the global digital economy and increase its technological autonomy. It will also fund the establishment of [Digital Innovation Hubs](#) in Member States. The consultation is open to anyone with an interest in digital technologies and their deployment in Europe, and will ask participants to give their views on the programme's draft '[Orientations](#)', a document that will help the Commission to develop the programme's work plans and calls for proposals for 2021-2022. More information, including a link to the consultation, is available [here](#). *(For more information: Nathalie Vandystadt – Tel.: +32 229 67083; Johannes Bahrke – Tel.: +32 229 58615; Marietta Grammenou – Tel.: +32 229 83583)*

## **EU grants further €9.3 million to help scientists bring their research**

## findings to market

Today the [European Research Council](#) (ERC) is awarding via the 'Proof of Concept' scheme a total of €9.3 million (62 projects of €150,000 each) to top scientists in order to explore the commercial or societal potential of their frontier research discoveries. The 1000th project to receive Proof of Concept funding since the scheme started in 2011 will be run by engineer Miguel González Herráez, based in the Spanish University of Alcalá. His project aims to provide a low-cost, permanent solution for sensing earthquake activity in remote areas of the ocean. It will work by creating a method to retrofit the extensive existing networks of underwater telecommunication fiber optic cables and transform them into powerful seismic sensing arrays. Commissioner for Research, Science and Innovation, Carlos **Moedas**, said: *"Europe excels in turning money into great science, but still has to improve its ability to turn excellent science into money and benefits to society. For the past eight years, ERC Proof of Concept grants have helped top researchers progress in the world of entrepreneurship. I am confident that the new European Innovation Council will also be able to provide follow-up support to help turn proofs of concept into successful innovations."* The ERC 'Proof of Concept' grants awarded today can be used for example to help researchers explore new business opportunities, prepare patent applications or verify the practical viability of scientific concepts. The grants cover research on a variety of topics. Rewarded projects include one to create an application to test children for synaesthesia, another to automate bug removal from computer networks and a third to design personalised doses of medication. The grants, awarded three times a year, are part of the EU's research and innovation programme, [Horizon 2020](#). A full press release and project examples are available on the [ERC website](#). (For more information: Lucía Caudet– Tel.: +32 229 56182; Marietta Grammenou – Tel.: + 32 229 83583)

## State aid: Commission approves limited extension of Irish National Asset Management Agency to manage residual loans

The European Commission has approved under EU State aid rules a limited extension of the Irish National Asset Management Agency (NAMA) [until 31 December 2025](#). NAMA was created by the Irish government in 2009, in the context of the financial crisis, to acquire large portfolios of non-performing commercial loans secured by land and development property from five Irish credit institutions. The purchase of these assets was largely financed by State-guaranteed bonds, which meanwhile have been fully repaid. In [February 2010](#), the Commission approved NAMA's creation and support provided to the five credit institutions as in line with EU State aid rules. The initial expectation was that NAMA would be dissolved by 2021. In June 2019, the Irish authorities notified the Commission of their plan to extend the lifespan of NAMA until 2025. The extension will enable NAMA to wind-down its limited residual loan portfolio in order to obtain the best achievable financial return for the Irish State and taxpayers. Furthermore, the Irish authorities proposed a series of additional commitments to minimise possible distortions of competition caused by the limited extension. These commitments ensure that NAMA continues to act in line with its original mandate and in a commercial manner. On this basis, the



Commission considered that the limited extension of NAMA is in line with EU State aid rules. More information will be available on the Commission's [competition](#) website, in the [public case register](#), under the case number [SA.54724](#). *(For more information: Lucia Caudet – Tel.: +32 229 56182; Maria Tsoni – Tel.: +32 229 90526)*

#### **Antitrust: Commission closes proceedings against Slovak rail company ZSSK related to an inspection**

The European Commission has closed its antitrust proceedings against the Slovak rail company ZSSK, related to an inspection on its premises. On 25 September 2018, the European Commission sent a [Statement of Objections](#) to the Slovak rail company ZSSK. The Commission informed ZSSK about its preliminary view that the company obstructed an inspection conducted in June 2016 under the antitrust [Regulation 1/2003](#), by giving incorrect information and deleting data from a laptop. Following a careful assessment of all the evidence, including ZSSK's reply to the Statement of Objections and the oral hearing, the Commission has decided not to further pursue the case. The full press release is available online in [EN](#), [FR](#), [DE](#) and [SK](#). *(For more information: Lucia Caudet – Tel.: +32 229 56182; Maria Tsoni – Tel.: +32 229 90526)*

#### **Mergers: Commission clears acquisition of senior housing property by PSP, Welltower, and SRG Partners**

The European Commission has approved, under the EU Merger Regulation, the acquisition of Peninsula Del Rey, by the Public Sector Pension Investment Board ("PSP") of Canada, Welltower Inc., and SRG Partners LLC, both of the U.S. Peninsula Del Rey is a senior housing property located in California. PSP is a pension investment manager of several Canadian pension plans that manages a diversified global fixed-securities portfolio investment in various sectors, including real estate. Welltower invests in properties concentrated in major high-growth markets, such as senior housing, post-acute care housing and other properties in the US, Canada and the UK. SRG Partners owns, manages and develops senior housing communities in the U.S. The Commission concluded that the proposed acquisition would raise no competition concerns, because there were no horizontal overlaps or vertical relationships between the business activities of Peninsula Del Rey and those of PSP, Welltower and SRG Partners within the European Economic Area. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.9419](#). *(For more information: Lucia Caudet – Tel.: +32 229 56182; Maria Tsoni – Tel.: +32 229 90526)*

#### **ANNOUNCEMENTS**

**Commissioner Avramopoulos participates in ministerial meetings on migration and security in Athens**

Commissioner **Avramopoulos** will be in Athens tomorrow to participate in a series of ministerial meetings on migration with the Greek Minister of Foreign Affairs, Mr Nikos Dendias and the Minister of Shipping and Island Policy, Mr Giannis Plakiotakis. Topics for discussion include regional cooperation on migration, border management and the operational support of the European Border and Coast Guard Agency in Greece. Following the meetings, Commissioner **Avramopoulos** will visit the operational headquarters of the Agency in Athens. (*For more information: Natasha Bertaud – Tel.: +32 229 67456; Markus Lammert – Tel.: +32 229 80423*)

[Upcoming events](#) of the European Commission (ex-Top News)

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## **Taxation: Commission refers Germany to the Court for its failure to apply EU rules on VAT for farmers**

**Today the Commission has decided to refer Germany to the Court of Justice of the EU for not applying the EU Value Added Tax (VAT) scheme for farmers correctly.**

Under current EU rules, Member States can apply a flat-rate VAT scheme ([Council Directive 2006/112/EC](#)) which allows farmers to charge their customers a standard amount – or ‘flat-rate compensation’ – on their agricultural products and services. In turn, those farmers cannot claim compensation for VAT they have already paid. The scheme is supposed to be used by farmers who are likely to experience administrative difficulties when following normal VAT rules or the simplified rules provided for small companies.

However, Germany applies the flat-rate scheme by default to all farmers, including owners of large farms, regardless of whether they encounter such administrative difficulties. The only farmers who cannot benefit from the scheme are commercial livestock breeders. In addition, according to figures from the German Supreme Audit Institution (*Bundesrechnungshof*), German farmers to whom the flat-rate scheme applies are also being overcompensated for the VAT they have paid. This is not allowed under EU rules and generates major distortions of competition in the internal market, in particular in favour of big farmers who do not encounter difficulties with the normal VAT arrangements.

### **Background**

On [8 March 2018](#), the European Commission opened an EU infringement procedure by sending a formal request to the German authorities to amend its VAT legislation. A reasoned opinion was sent in [January 2019](#) which Germany has

not complied with.

### **For More Information**

- On the key decisions in the July 2019 infringements package, see a full MEMO: [INF/19/4251](#).
- On the general infringements procedures, see [MEMO/12/12](#).
- On the [EU infringement procedure](#).

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## **Taxation: Commission refers Belgium to the Court due to its tax treatment of taxpayers investing in property abroad**

**Today the Commission decided to refer Belgium to the Court of Justice of the EU for its failure to properly implement rules related to the calculation of rental income. This situation can result in different tax treatment and discourage Belgian residents from buying property abroad.**

In its judgment of 12 April 2018 (Commission vs Belgium, [C-110/17](#)), the Court found that Belgian provisions for rental income run contrary to EU law. Rental income of taxpayers in Belgium from immovable property located abroad is calculated on the basis of the actual rental value, while for property located in Belgium it is based on the cadastral value – which is to say, calculated by reference to the property description and valuation. This means that Belgium failed to fulfil its obligations under free movement of capital ([Article 63](#) of [TFEU](#) and Article 40 of [the EEA Agreement](#)).

The legislation means that for tax purposes, Belgium assesses income earned from a Belgian resident owning property located abroad at a higher value than that from comparable property in Belgium. Belgian law therefore favours investments in certain properties located in Belgium and penalises taxpayers who choose to invest in similar property in other EU Member States or the European Economic Area (EEA).

The Commission is calling on the Court of Justice of the EU to impose financial sanctions in the form of a lump sum based on a daily amount of € 4,905.90 per day of continued infringement, i.e. the number of days between the first judgment of the Court under Article 258 TFEU and either compliance by Belgium or the date of delivery of the judgment under Article 260(2) of TFEU, with a minimum lump sum of € 2,029,000.00 and a daily penalty payment of € 22,076.55 from the day of the first judgment until full compliance is reached or until the second Court judgment.

## **Background**

The Court of Justice of the EU had previously established the incompatibility of Belgian legislation with EU law in a preliminary ruling procedure, which gave rise to the judgment of 11 September 2014 (Verest and Gerards, [C-489/13](#)).

In the absence of measures to comply with this judgment, the European Commission decided to open infringement proceedings against Belgium by sending a letter of formal notice in [November 2018](#). Since then, Belgium has not modified the applicable legislation.

With today's decision, the European Commission is enforcing EU legislation in its role as Guardian of the Treaties. The decision to refer the matter to the Court follows Belgium's failure to bring its legislation into line with EU law following the Court's previous judgment.

If the Court finds that Belgium has not complied with its judgement, it may impose a lump sum or penalty payment.

## **For More Information**

- On the key decisions in the July 2019 infringements package, see a full MEMO: [INF/19/4251](#).
- On the general infringements procedures, see [MEMO/12/12](#).
- On the [EU infringement procedure](#).