



March infringements package: key decisions

Brussels, 7 March 2019

Overview by policy area

In its monthly package of infringement decisions, the European Commission ('Commission') is pursuing legal action against Member States for failing to comply with their obligations under EU law. These decisions, covering various sectors and EU policy areas, aim to ensure the proper application of EU law for the benefit of citizens and businesses.

The key decisions taken by the Commission are presented below and grouped by policy area. The Commission is also closing 103 cases in which the issues with the Member States concerned have been solved without the Commission needing to pursue the procedure further.

For more information on the EU infringement procedure, see the full [MEMO/12/12](#). For more detail on all decisions taken, consult the [infringement decisions' register](#).

1. Digital Single Market

(For more information: Nathalie Vandystadt - tel.: +32 229 67083, Marietta Grammenou - tel.: +32 229 83583)

Reasoned opinions and closures

Commission urges BELGIUM and LUXEMBOURG to ensure the transposition of the Cybersecurity rules into national law

The Commission decided today to send a reasoned opinion to **Belgium** and **Luxembourg** regarding their failure to transpose the first EU-wide legislation on [cybersecurity rules](#) (the Directive on Security of Network and Information Systems, [Directive \(EU\)2016/1148/EU](#)) into their national legislation by 9 May 2018. The objective of the Directive is to achieve a higher level of security of network and information systems across the EU through the development of national cybersecurity capabilities. It also aims at increasing EU-level cooperation as well as introducing security and incident reporting obligations for operators of essential services and digital service providers. In July 2018, the Commission opened an EU infringement procedure by calling on the Member States concerned to complete the transposition process. The infringement proceedings against **Greece** and **Poland** have just been closed as they have informed the Commission of the transposition of the EU rules. The Commission will continue to look at the open infringements for lack of full transposition of the Directive and expects to have a more in-depth overview of the transposition across the EU in the coming months. Belgium and Luxembourg have two months to take the necessary measures to comply; otherwise, the Commission may decide to bring them before the Court of Justice of the EU on this matter. For more information on how Member States are building up their cybersecurity capacities see the [state-of-play of the transposition](#) of the Directive and [Questions and Answers](#). See also a [Factsheet](#) on all the EU actions aiming to increase cybersecurity.

2. Energy

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A referral to the Court of Justice of the European Union

Commission refers SPAIN to Court for heat and hot water metering in multi-apartment buildings

Today, the European Commission decided to refer **Spain** to the Court of Justice of the EU for not ensuring that the requirements on individual metering in multi-apartment and multi-purpose buildings laid down in the [Energy Efficiency Directive \(Directive 2012/27/EU\)](#) are complied with. The Directive requires the installation of individual meters for heating, cooling and domestic hot water for all multi-apartment and multi-purpose buildings where occupants are supplied with these services from a

collective installation (such as a common boiler). This applies - where technically feasible and cost efficient - for all existing buildings. However, the Spanish national transposition measures impose this requirement only with regard to new buildings (built after 2007). In buildings where heat meters are not a technically feasible or cost-effective solution for space heating, so-called heat cost allocators mounted on each radiator must instead be used. This requirement has also not been correctly transposed by Spain. The respective EU rules had to be implemented into national law by 5 June 2014. For more information, please refer to the full [press release](#).

Reasoned opinions:

Radiation protection: Commission calls on IRELAND to transpose the EU radiation protection rules

Today, the Commission decided to send a reasoned opinion to **Ireland** for not having notified transposition measures required under the revised Basic Safety Standards Directive ([Council Directive 2013/59/Euratom](#)). The Directive provides for the protection of workers, members of the public and patients against the dangers arising from ionising radiation while modernising and consolidating the European radiation protection legislation. The Directive had to be transposed into national legislation by 6 February 2018. By that time, the Irish authorities had not notified the Commission of any transposition measures and, therefore, received a letter of formal notice in May 2018. In July 2018 the Irish authorities responded to the letter of formal notice and informed that the transposition of the Directive into national law will soon be completed, without however providing the Commission with any transposition measures or with a concrete timeline for the adoption of such measures. To date, Ireland has not notified any final transposition measures. Ireland has now two months to reply to the reasoned opinion and to adopt and communicate all the necessary measures to ensure full and correct transposition of the Directive, failing which the Commission may refer the case to the Court of Justice of the EU.

Nuclear safety: Commission calls on POLAND to completely transpose EU nuclear safety rules

Today, the Commission decided to send a reasoned opinion to **Poland** for not having notified complete transposition measures required under the amendment to the Nuclear Safety Directive ([Council Directive 2014/87/Euratom](#)). The Directive further enhances the nuclear safety legal framework at EU level. The amendment to the Nuclear Safety Directive had to be transposed by Member States into national legislation by 15 August 2017. By that time, the Polish authorities had not notified the Commission of all their transposition measures and, therefore, received a letter of formal notice in [June 2018](#). In August 2018, the Polish authorities replied to the letter of formal notice. In their reply, inter alia, the authorities informed that the identified gaps in transposing certain specific requirements laid down in the Directive will be addressed in the framework of an upcoming legislative amendment. However, to date, Poland has not notified any final transposition measures corresponding to these specific requirements of the Directive. Poland has now two months to reply to the reasoned opinion and to adopt and communicate all the necessary measures to ensure full and correct transposition of the Directive, failing which the Commission may refer the case to the Court of Justice of the EU.

Letters of formal notice:

Commission reminds LUXEMBOURG and PORTUGAL of their obligations as regards energy-efficient buildings

The Commission has decided to send letters of formal notice to **Luxembourg** and **Portugal** to remind them of their reporting obligations regarding the communication to the European Commission of their second cost-optimal report. According to EU rules on the energy performance of buildings ([Directive 2010/31/EU](#)), Member States have to set minimum energy performance requirements for buildings, with a view to achieving the best combination between investments and savings, also known as 'cost-optimal levels'. Calculating the cost-optimal levels is key for Member States to fully exploit the energy efficiency and renewable energy potential of the national buildings stock and to avoid citizens spending more money than necessary on efficiency improvements to their housing and offices. The Member States concerned have now two months to reply; otherwise, the Commission may send a reasoned opinion.

Internal energy market: Commission calls on ROMANIA to correctly transpose EU rules

Today, the Commission decided to send a letter of formal notice to **Romania** for failing to correctly implement certain requirements of the Gas Directive ([Directive 2009/73/EC](#)) and the Security of Gas Supply Regulation ([Regulation \(EU\) 2017/1938](#)). These instruments aim at ensuring the competitiveness in the EU gas markets while guaranteeing the secure supply to households and other customers requiring special protection. After analysing legislative measures adopted by Romania in December 2018, the Commission found that the system of regulated wholesale prices newly introduced

in the Romanian gas market goes against the EU legal requirements. The Commission also considers that these measures are not adequate to sustainably achieve the objective of protecting household customers from excessive price increases.

3. Environment

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Referrals to the Court of Justice of the European Union

Commission takes CYPRUS to the Court of Justice for failure to properly treat urban waste water

The European Commission is today referring **Cyprus** to the Court of Justice of the EU over its failure to ensure that all agglomerations with a population of more than 2 000 inhabitants have adequate collection and treatment systems for urban waste water as required under EU rules ([Council Directive 91/271/EEC](#)). **Cyprus** has failed to provide a collecting system for a number of agglomerations and has also failed to ensure that the urban waste water entering collecting systems is subject to appropriate treatment. Although some progress has been made, Cyprus still fails to ensure that, in 31 agglomerations, all waste water is collected or that urban waste water entering collecting systems is subject to appropriate treatment before being discharged. As, in some cases, full compliance is not expected by the Cypriot authorities before 2027, the Commission has decided to refer the case to the Court of Justice of the EU. The Commission opened the infringement proceedings by sending a letter of formal notice to the Cypriot authorities in [July 2017](#) and a reasoned opinion in [June 2018](#). For more information, please refer to the full [press release](#).

Nitrates: Commission decides to refer GREECE to the Court of Justice and asks for financial sanctions

In April 2015, the Court of Justice of the EU ruled that **Greece** violated EU law by failing to protect its waters against pollution caused by nitrates from agricultural sources ([C-149/14](#)). Four years later, the problem is still not fully resolved. Therefore, the Commission is calling on the Court of Justice of the European Union to impose financial sanctions in the form of a lump sum of € 2,639.25 per day and a daily penalty payment of € 23.753,25 from the day of the judgement until full compliance is reached. In 2011, Greece had not designated a number of areas as Nitrates Vulnerable Zones and had not established action programmes for these areas. As a result, by sending a letter of formal notice to the Greek authorities, the Commission opened infringement proceedings in October 2011. Since the Court [ruling](#) against Greece in April 2015, Greece has established 12 new Nitrate Vulnerable Zones; however, the Greek authorities have not established action programmes for these new zones. As a result, the Commission further pursued proceedings by sending a letter of formal notice under Article 260(2) of [TFEU](#) in [October 2017](#). In addition to the failure to establish such action programmes, Greece has not provided any calendar of compliance or target date. By failing to adopt these action programmes Greece has still not complied with Court ruling of 24 April 2015 (in case [C-149/14](#), Commission vs Greece). Hence, the procedure to establish the programmes remains at an initial stage. The Commission has, therefore, decided to refer the case back to the Court of Justice and ask for financial sanctions. For more information, please refer to the full [press release](#).

Commission takes ITALY to Court over air pollution and failure to properly treat urban waste water

The European Commission decided today to refer **Italy** to the Court of Justice of the EU in two separate cases regarding environment legislation. The first case concerns air pollution, and a failure to protect citizens against the effects of nitrogen dioxide (NO₂). The Commission is calling on Italy to respect agreed air quality limit values and take appropriate measures to cut pollution levels in ten agglomerations covering around 7 million people. The limit values for NO₂ set out under EU legislation on ambient air quality ([Directive 2008/50/EC](#)) had to be met in 2010. The second Court case against Italy is regarding **water** pollution. Italy is failing to ensure that all agglomerations with a population of more than 2 000 are provided with collecting systems for urban waste water and that urban waste water entering collecting systems is adequately treated before discharge, as required by the Urban Waste Water Treatment Directive ([Council Directive 91/271/EEC](#)). The Commission considers that 620 agglomerations in 16 Regions (Abruzzo, Basilicata, Calabria, Campania, Friuli-Venezia Giulia, Lazio, Liguria, Lombardia, Marche, Puglia, Sardegna, Sicilia, Toscana, Umbria, Valle d'Aosta, and Veneto) are in breach of EU rules on collection or treatment of urban waste water. For more information, please refer to the full [press release](#).

Reasoned opinion:

Biodiversity: Commission calls on BELGIUM to implement EU rules on access to genetic

resources

The Commission is calling on **Belgium** to step up its efforts to implement the EU rules (so-called '[EU Access and Benefit Sharing' Regulation \(EU\) No 511/2014](#)) designed to ensure that genetic resources accessed in other countries and utilised in the EU were accessed in compliance with these requirements set up by these countries, in line with the [Nagoya Protocol](#). Genetic resources refer to genetic material of plant, animal, or microbial origin, such as medicinal plants, agricultural crops and animal breeds, of actual or potential value. The Nagoya Protocol establishes a legally binding framework to ensure that the benefits arising from the utilisation of this genetic material are shared fairly and equitably, including the possibility for countries to establish conditions to regulate access to their genetic materials. Thus, the Nagoya Protocol also contributes to the conservation and sustainable use of biodiversity. In 2014, EU countries agreed to designate competent authorities responsible for the application of the Regulation, and inform the Commission. They also agreed to introduce rules on penalties for failing to abide by the legislation. To date, Belgium has failed to notify all the required legislation measures to the Commission. Belgium has now two months to remedy the situation; otherwise, the Commission may decide to refer Belgium to the Court of Justice of the EU.

Commission urges BULGARIA to correctly adopt laws relating to EU rules on waste from extractive industries

The Commission urges **Bulgaria** to correctly enact EU rules on the management of waste from extractive industries into national law. The Extractive Waste Directive ([Directive 2006/21/EC](#)) aims to prevent or reduce the adverse effects of waste from extractive industries on the environment, and in particular water, air, soil, fauna and flora and landscape, and reduce any risks to human health resulting from its management. In March 2006, Member States agreed to ensure that information on safety measures and the action required in the event of an accident related to extractive waste is reviewed and updated every 3 years, and to provide the public with information on the waste facility permits and their application as it becomes available. Bulgarian law is currently failing to reflect these provisions. As there has been insufficient progress made since April 2017, the Commission decided today to send an additional reasoned opinion. If Bulgaria fails to act within two months, the case may be referred to the Court of Justice of the EU.

Environmental impact: Commission urges POLAND to fully comply with EU rules on reviewing environmental decisions

The Commission is calling on **Poland** to take action over a breach of EU legislation on the environmental impact assessment of certain public and private projects ([Directive 2011/92/EU](#)). The Directive provides for public access to a review procedure on environmental decisions which are also subject to public participation. The right to apply for injunction is considered essential for effective access to justice. For certain projects, Poland does not allow environmental organisations to ask a court to grant interim relief - temporary suspension of the execution of the disputed project - or to challenge the final permit as regards its non-conformity with EU rules. In addition, for certain infrastructure projects, such as road construction or airports, the effects of the judicial review are limited. The courts in Poland can state that the decision infringes the law, but court rulings will not affect the permit and will have no consequences on the implementation of the project rendering the review procedure ineffective. Having previously sent letters of formal notice to Poland in April 2016 and [January 2018](#), the Commission is now issuing a reasoned opinion. If Poland fails to act within two months, the case may be referred to the Court of Justice of the EU.

Water: Commission urges SLOVENIA to ensure that urban waste water is adequately collected and treated

The Commission calls on **Slovenia** to take action regarding its failure to ensure that all agglomerations with more than 10 000 inhabitants have adequate collection and treatment systems for urban waste water as required under EU rules (the Urban Waste Water Directive, [Council Directive 91/271/EEC](#)). The Directive aims to protect health and the environment from the adverse effects of urban waste water. The Commission considers that 11 agglomerations in Slovenia (Celje, Domžale, Kamnik, Kočevje, Ljubljana, Loka, Maribor, Postojna, Ptuj, Škofja Loka, and Trbovlje) are in breach of several provisions of the Directive. Slovenia also needs to specify requirements for collecting systems, discharges from treatment plants, industrial waste water and reference methods for monitoring and evaluation of results. The Commission opened the infringement proceedings by sending a letter of formal notice to the Slovenian authorities in February 2017. Since there is not sufficient progress to remedy the situation, the Commission decided today to send a reasoned opinion. Slovenia now has two months to remedy the situation; otherwise, the case may be referred to the Court of Justice of the EU.

Waste: Commission calls on SWEDEN to ensure the effective application of EU law on waste

The Commission is urging **Sweden** to ensure that waste is correctly managed according to EU rules on waste ([Waste Framework Directive, Directive 2008/98/EC](#)). This Directive lays down measures to

protect the environment and human health by preventing or reducing the adverse impact of the generation and management of waste and by reducing the overall impact of resource use and improving the efficiency of such use. The Directive also forms the basis for the wide-ranging effort to turn Europe into a circular economy where waste is systematically recovered, re-used or recycled. The Commission opened the infringement proceedings by sending a letter of formal notice to the Swedish authorities in December 2016. Although some progress has been made, the Swedish law is not yet sufficiently precise in relation to the content of permits for waste treatment installations, the responsibility of the waste holder and the assessment of hazardous properties in waste. As a result, the Commission decided today to send a reasoned opinion. If Sweden fails to act within two months, the case may be referred to the Court of Justice of the EU.

A reasoned opinion and a letter of formal notice:

Waste: Commission calls on POLAND and SLOVAKIA to comply with EU rules on landfills

The Commission decided today to send a letter of formal notice to **Poland** and a reasoned opinion to **Slovakia** over a breach of EU legislation regarding [landfills](#) (the Landfill Directive, [Council Directive 1999/31/EC](#)). The Directive aims to prevent or reduce the pollution of surface water, groundwater, soil and air, as well as adverse impacts on the global environment, including the greenhouse effect, and any resulting risk to human health, from landfilling of waste. Under these EU rules, Member States had to close landfills by 16 July 2009 which did not comply with the requirements of the Directive unless they provided appropriate 'site conditioning plans' which would allow them to continue to accept waste for disposal. **Poland** has failed to ensure the definitive closure and rehabilitation of 6 municipal landfills which do not conform to these requirements, and which should have been definitively closed by 2012. In **Slovakia**, 21 existing landfills are currently still in operation, but lack a sufficient conditioning plan. In addition, 14 landfills are out of operation but they still have not been closed as required by the Directive. The Commission opened the infringement case by sending a letter of formal notice to the Slovak authorities in April 2017. Since there is insufficient progress to resolve the situation, the Commission decided today to send a reasoned opinion. Both EU countries now have two months to remedy the situation. Otherwise, the Commission may decide to send a reasoned opinion to the Polish authorities, or refer the Slovak case to the Court of Justice of the EU.

Letters of formal notice:

Marine environment: Commission calls on 9 Member States to protect their marine waters

The European Commission urges **Bulgaria, Croatia, Cyprus, Denmark, Lithuania, Malta, Slovenia, Spain**, and the **United Kingdom** to comply with the reporting obligations on the environmental status of marine waters under the Marine Strategy Framework [Directive \(Directive 2008/56/EC\)](#). The Directive provides a holistic framework to protect the EU's seas and oceans, and ensures that their resources are managed sustainably. In June 2008, Member States agreed to review and update their assessment of the environmental status of the waters concerned, the environmental impact of human activities, their determination of good environmental status and their environmental targets by 15 October 2018. The countries concerned failed to submit reports to the Commission by the required deadline. As a result, the Commission decided today to open the infringement proceedings by sending a letter of formal notice to these Member States. They now have two months to reply; otherwise, the Commission may decide to send a reasoned opinion.

Environmental Impact Assessment: Commission calls on 5 EU countries to improve domestic rules

The Commission is calling on **Bulgaria, Croatia, France**, the **Netherlands**, and **Poland** to bring their Environmental Impact Assessment (EIA) legislation in line with new European norms (the EIA Directive, [Directive 2011/92/EU](#)). The Directive ensures that public and private projects are assessed for their impact on the environment before authorisation. In 2014, Member States updated the EU legislation by reducing the administrative burden and improving the level of environmental protection, while making business decisions on public and private investments more sound, predictable and sustainable. The Commission has found a number of shortcomings in the updates submitted by the Member States concerned. In **Bulgaria**, certain elements regarding screening decisions, Environmental Impact Assessment reports and information to the public do not adequately reflect EU standards, and the monitoring of projects with significant adverse effects falls short of requirements. In **Croatia**, some requirements on public participation are absent, there are limitations on judicial reviews of development consent, and no penalties are specified for breaches. In **France**, domestic legislation appears to exclude certain types of projects from Environmental Impact Assessment procedures, to set inadequate thresholds for exempting projects and there are insufficient provisions for consideration of other relevant assessments. In the **Netherlands**, certain quality assurance requirements seem absent, and the Dutch legislation targets only projects with significant negative impacts, when the requirement is to target all significant impacts of a project. In **Poland**, domestic legislation appears to exclude

certain types of projects from Environmental Impact Assessment and screening, fails to include the impact of project during the construction phase, and omits consultation of certain authorities during the Environmental Impact Assessment procedure. The Commission is, therefore, sending letters of formal notice to all Member States concerned, giving them two months to reply. Otherwise, the Commission may decide to send a reasoned opinion.

Environmental reporting: Commission urges 4 EU Countries to share spatial information

The Commission is requesting **Bulgaria, Latvia, Lithuania, and Poland** to share information about their environment, in line with European requirements under the Directive establishing an Infrastructure for Spatial Information in the European Community (INSPIRE, [Directive 2007/2/EC](#)). The Directive aims to create a Europe-wide set of spatial data to facilitate EU environmental policy and activities that have an impact on the environment, to be shared with citizens and public-sector organisations. The Directive also covers 34 spatial data themes, from geographical features and transport networks to vulnerable natural areas and the geographical prevalence of various diseases. These EU rules came into force in 2007 and full implementation is required by 2021. The 4 Member States have not provided any spatial data sets and have not fulfilled obligations regarding metadata and download services, depriving citizens from information that should be freely available. The Commission is, therefore, sending to the four countries letters of formal notice, giving them two months to reply. Otherwise, the Commission may decide to send the countries concerned a reasoned opinion.

Water: Commission calls on CROATIA to update legislation on drinking water and groundwater

The Commission has decided to send two letters of formal notice to **Croatia** over shortcomings in its legislation on EU drinking water (the Drinking Water Directive, [Council Directive 98/83/EC](#)) and on groundwater rules (the Groundwater Directive, [Directive 2006/118/EC](#)). According to the first Directive, drinking water must be free from micro-organisms, parasites and various substances that are potentially dangerous for human health. Croatian legislation seems less stringent than EU norms, omitting a reference to a "potential" danger to human health, and failing to provide for strict safeguards for water quality at schools, hospitals and restaurants. Provisions on informing the public in the event of potential dangers to human health are also lacking. Shortcomings have also been identified in the Croatian legislation on groundwater rules. Under the Groundwater Directive, Member States must take wide-ranging measures to protect this resource from deterioration and chemical pollution. Croatian legislation appears to exclude geothermal waters and mineral waters from these requirements, and the national standards for assessing groundwater chemical status are not fully compliant with European norms. Therefore, the Commission is sending letters of formal notice, giving the Croatian authorities two months to reply. Otherwise, the Commission may decide to send reasoned opinions.

Waste: Commission urges GREECE to address waste problems in Corfu Island

The Commission is calling on **Greece** to ensure that EU waste legislation is implemented on the ground in Corfu Island. In July 2018, the Commission began to receive complaints that waste is no longer being collected or treated on the island, and is abandoned on the streets or sent to undisclosed locations. Corfu's only functioning landfill has reached saturation and a proposed replacement at Lefkimi town is facing strong local opposition. In November 2008, Member States agreed to protect human health and the environment from any negative effects of waste, with adequate measures to manage and treat their waste when adopting the EU [Waste Framework Directive \(Directive 2008/98/EC\)](#). The Directive also encourages a move away from landfilling towards recycling and reuse. As the lack of measures to manage the waste situation in Corfu Island in Greece is a clear breach of EU law, the Commission decided today to open the infringement proceedings by sending a letter of formal notice to the Greek authorities. Greece has two months to reply. Otherwise, the Commission may decide to send reasoned opinion.

E-waste: Commission calls on IRELAND and SWEDEN to improve management of electric and electronic waste

The Commission has decided to send letters of formal notice to **Ireland** and **Sweden** over shortcomings in its enactment of EU rules on waste electrical and electronic equipment (the Waste Electrical and Electronic Equipment, WEEE; [Directive 2012/19/EU](#)). The waste electrical and electronic equipment such as computers, TV-sets, fridges and cell phones, is one of the fastest growing waste streams in the EU and is expected to grow to more than 12 million tonnes by 2020. If not properly managed, this can cause major environmental and health problems because of their hazardous content. Various problems have been identified in **Irish** legislation, which does not contain an obligation to gather all specific information related to the waste electrical and electronic equipment collection rate, is imprecise about shipment requirements, and lacks provisions on recovery targets of

these products. Various problems have also been identified in **Swedish** legislation, which is also imprecise about waste electrical and electronic equipment shipment requirements, registration requirements for producers and on the manner how to calculate the achievement of targets. Both Member States now have two months to remedy the situation. Otherwise, the Commission may decide to send reasoned opinions.

4. Financial Stability, Financial Services and Capital Markets Union

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Reasoned opinions:

Financial services: Commission requests CYPRUS, LATVIA, and SPAIN to apply new EU rules on insurance distribution

The Commission has requested that **Cyprus, Latvia, and Spain** comply with their obligation to implement the EU rules on insurance distribution (Insurance Distribution Directive, [Directive \(EU\) 2016/97](#)). The Directive lays down rules on the way insurance products are sold within the EU, including requirements for information to be given to consumers before they sign insurance contracts, conduct of business standards for distributors, and rules for cross-border insurance distribution. Member States committed to implement EU rules into national legislation by 1 July 2018, and to apply the new national rules from 1 October 2018 at the latest. However, the 3 Member States have not yet put the required national measures into force. The Commission's request takes the form of a reasoned opinion. If the measures to enact this Directive are not notified within two months, the Commission may decide to refer these Member States to the Court of Justice of the EU.

Financial services: Commission urges ROMANIA to apply rules on payment services

Today, the Commission decided to send formal requests to **Romania** to fully enact the [second Payment Services Directive \(Directive \(EU\) 2015/2366\)](#). The Directive modernises the legislative framework for payments in the EU, for instance by introducing strict security requirements for electronic payments and for the protection of consumers' financial data as well as opening the EU payment market to companies offering payment services. Furthermore, the Directive prohibits surcharging - additional charges for payments with consumer credit or debit cards, both in shops or online. To date, Romania has not transposed this Directive into national law, although Member States agreed to do so by 13 January 2018. As a result, the Commission is issuing a reasoned opinion to Romania, requesting it to bring its legislation in line with EU law. If it fails to act within two months, the case may be referred to the Court of Justice of the EU.

Letters of formal notice:

Financial services: Commission requests GREECE, LATVIA and POLAND to correctly implement the SEPA rules for payment services

The Commission decided to send a letter of formal notice to **Greece, Latvia, and Poland** regarding the application of the Single Euro Payment Area ([SEPA](#) regulation, [Regulation \(EU\) No 260/2012](#)) rules. The Commission requests that the Member States concerned put in place a competent authority capable of addressing infringements of this Regulation by payment services users. The Regulation establishes technical and business requirements for credit transfers and direct debits in euro, underpinning the functioning of the single market for the processing of payment transactions in euro. If Greece, Latvia, and Poland do not act within the next two months, the Commission may send reasoned opinions on this matter.

5. Internal Market, Industry, Entrepreneurship and SMEs

(For more information: Lucia Caudet – tel.: +32 229 56182, Mirna Talko – tel.: +32 229 87278)

A referral to the Court of Justice of the European Union

Public procurement: Commission refers AUSTRIA to the Court for failure to comply with EU rules

The Commission decided today to refer **Austria** to the Court of Justice of the EU regarding a contract concluded by the municipality of Vienna for the construction of a new office building. The Commission considers that by awarding this high value contract directly instead of organising a call for tenders, the municipality breached EU public procurement rules ([Directive 2004/18/EC](#)). These rules help obtain better value for taxpayer money by ensuring that public contracts are awarded through competitive, open, transparent and well-regulated tender procedures. The Commission considers that the contract in question is a mixed construction and rental contract, which qualifies as a public works contract that

has as its main purpose the construction of the building, so that the organisation of a public tender giving other potentially interested economic operators the opportunity to present competitive bids would have been required. The Commission also believes the contract cannot be considered as a simple rental contract, given that the decision to rent the building was taken before it was built and that the municipality had a decisive impact on the requirements of the construction. The Commission opened the infringement proceedings against Austria by sending a letter of formal notice in July 2016. The letter was followed by a reasoned opinion in [May 2018](#), where the Commission urged Austria to comply with EU procurement rules. Since the Austrian authorities have not taken any steps to remedy the situation and presently continue to rent the building, the Commission has now decided to refer the case to the Court of Justice of the EU. For more information, please refer to the full [press release](#).

Reasoned opinions:

Prescription medicines: Commission urges GERMANY to comply with EU rules on free movement of goods

The Commission decided today to send a reasoned opinion to **Germany** regarding its rules on fixed prices for prescription medicines which negatively affect the sale of products by pharmacies established in other EU Member States. The system of fixed prices under the German legislation (Law on Medicinal Products) reduces pharmacies' ability to offer discounts and therefore restricts trade among EU countries. Therefore, the Commission considers that such national rules violate the principle of the free movement of goods (Article 34-36 of [TFEU](#)). In November 2013, the Commission launched an infringement case by sending a letter of formal notice to German authorities. In the meantime, a judgement delivered by the Court of Justice of the EU in the Deutsche Parkinson Vereinigung case ([C-148/15](#) of 19 October 2016) confirmed the Commission's assessment and called on Germany to amend the legislation to bring it in line with EU rules without delay. In the absence of measures taken by Germany, the Commission has decided to send a reasoned opinion. Germany now has two months to remedy the situation; otherwise, the Commission may decide to refer Germany to the Court of Justice of the EU of the EU.

Reasoned opinions and letters of formal notice:

Construction products: Commission calls on GERMANY and CZECHIA to comply with EU rules on free movement of goods

The Commission decided today to send a reasoned opinion to **Germany** and an additional letter of formal notice to **Czechia**, requesting them to comply with EU rules on the marketing of construction products (Construction Products Regulation, [Regulation \(EU\) No 305/2011](#)). Both Germany and Czechia impose additional requirements on road safety barriers that have already been assessed under the Regulation and CE-marked accordingly. The Commission considers that by imposing additional requirements on already EC-marked products in their tendering procedures, the two countries are creating a barrier to trade in the internal market and are, therefore in breach of EU law. Germany and Czechia now have two months to reply to the concerns raised by the Commission. Without satisfactory responses, the European Commission may decide to refer Germany to the Court of Justice of the EU, and send a reasoned opinion to Czechia.

Commission takes further action to ensure professionals can fully benefit from the Single Market

Today, the Commission has taken further steps in infringement procedures against 26 Member States to ensure the full implementation of EU rules on the recognition of professional qualifications. The Commission decided today to send reasoned opinions to 24 Member States (**Austria, Belgium, Bulgaria, Croatia, Cyprus, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom**) and complementary letters of formal notice to 2 Member States (**Estonia and Latvia**) regarding the non-compliance of their national legislation and legal practice with EU rules on the recognition of [professional qualifications](#) ([Directive 2005/36/EC](#) as amended by [Directive 2013/55/EU](#)). All Member States concerned have now two months to respond to the arguments put forward by the Commission. Without a satisfactory response, the Commission may decide to address a reasoned opinion to Estonia and Latvia, and to refer the other 24 Member States to the Court of Justice of the EU. For more information, please refer to the full [press release](#).

Letters of formal notice

Hydroelectric power concessions: Commission calls on 8 Member States to comply with EU law

The Commission decided today to send letters of formal notice to seven Member States (**Austria, France, Germany, Poland, Portugal, Sweden and United Kingdom**) and a second complementary letter of formal notice to **Italy** to ensure that public contracts in the hydroelectric power sector are

awarded and renewed in conformity with EU law. The Commission considers that the legal frameworks and practices in Member States addressed by these infringement procedures do not fully comply with the Services Directive ([Directive 2006/123/EC](#)), EU rules on public procurement ([Directive 2014/23/EU](#) on the award of concession contracts) or the freedom of establishment and the freedom to provide services ([Articles 49](#) and [56 of TFEU](#)). The infringement procedures concern: **Austria, Germany, Poland, Sweden, and the United Kingdom**. The Commission is sending letters of formal notice to these Member States for awarding new authorisations for the construction and operation of hydropower installations without transparent and impartial selection procedures. The Commission is sending a complementary letter of formal notice to **Italy** as it considers that the Italian authorities have failed to organise transparent and impartial selection procedures for the attribution of hydropower authorisations that have expired. The Commission is sending letters of formal notice to **France** and **Portugal** as it considers that both the legislation and the practice of French and Portuguese authorities is contrary to EU law. French and Portuguese legislation allows some hydropower concessions to be renewed or extended without the use of tender procedures. The 8 Member States concerned now have two months to respond to the arguments raised by the Commission; otherwise, the Commission may decide to send them reasoned opinions. For more information, please refer to the full [press release](#).

Single market: Commission opens infringement procedures against 15 Member States for not complying with EU harmonised product rules

The Commission decided today to launch infringement procedures against 15 Member States (**Croatia, Cyprus, Denmark, Estonia, Finland, France, Hungary, Ireland, Italy, Malta, Poland, Portugal, Slovenia, Spain** and the **United Kingdom**) for failing to fulfil their obligations under EU harmonised rules for cableway installations, personal protective equipment and appliances burning gaseous fuels. Under the Regulations on cableways (Article 45 of [Regulation \(EU\) 2016/424](#)) personal protective equipment (Article 45 of [Regulation \(EU\) 2016/425](#)) and appliances burning gaseous fuels (Article 43 of [Regulation \(EU\) 2016/426](#)), Member States had to set up penalties systems to deter economic operators from violating the harmonised rules and notify the penalty provisions to the Commission by 21 March 2018. The Commission is now addressing letters of formal notice to 15 Member States for failure to lay down rules on penalties and notify them to the Commission. The Commission is addressing **Croatia, Malta and Portugal** for breaching [Regulation \(EU\) 2016/424](#), [Regulation \(EU\) 2016/425](#) and [Regulation \(EU\) 2016/426](#); **Cyprus, Estonia, Ireland, Poland, Spain, and the United Kingdom** for [Regulation \(EU\) 2016/424](#); **Denmark** for [Regulation \(EU\) 2016/426](#); **Finland** for [Regulation \(EU\) 2016/424](#) and [Regulation \(EU\) 2016/425](#); **France** and **Italy** for [Regulation \(EU\) 2016/425](#); **Hungary** and **Slovenia** for [Regulation \(EU\) 2016/424](#) and [Regulation \(EU\) 2016/426](#). The Member States now have two months to respond to the arguments put forward by the Commission; otherwise, the Commission may decide to send a reasoned opinion.

Services: Commission calls on FRANCE to comply with EU law on services

Today, the Commission decided to send a letter of formal notice to **France** regarding its national rules for the provision of certain services related to energy efficiency. In France, providers of these services, such as the installation of heating or isolation materials, need to get special certification (*Reconnu Garant de l'Environnement*) to be eligible for national subsidies. The Commission considers that the certification scheme imposes excessively restrictive conditions on service providers, while disproportionately affecting service providers coming from other Member States. The scheme fails to take into account that service providers from other Member States may wish to provide these services in France on a temporary basis, while having already complied with controls or requirements in other Member States. In addition, the Commission also finds the conditions for certification, such as previous experience in the field, as well as the limited duration of the certification, to be in breach of EU rules on services. The Commission, therefore, considers that this certification scheme does not comply with the Services Directive ([Directive 2006/123/EC](#)). Furthermore, the Commission also considers that France has failed to notify this scheme as required under this Directive. France now has two months to reply to the arguments put forward by the Commission; otherwise, the Commission may decide to send a reasoned opinion.

Closures

Defence procurement: Commission closes cases against POLAND and PORTUGAL

Today, the Commission decided to close infringement cases against **Poland** and **Portugal** concerning their application of EU defence procurement rules ([Directive 2009/81/EC](#)). The Commission opened the infringement proceedings against Poland and Portugal in [January 2018](#). In the letters of formal notice sent to Poland and Portugal, the Commission expressed its concerns about the direct awards of a number of defence contracts, which the Commission considered to be in breach of this Directive. Further to a constructive dialogue between the Commission, these two Member States and in light of the additional information and commitments received, the Commission decided to close the cases.

6. Migration, Home Affairs and Citizenship

(For more information: *Natasha Bertaud* – tel.: +32 229 67456, *Markus Lammert* - tel.: +32 229 80423)

Reasoned opinions

Security Union: Commission urges FINLAND, and the NETHERLANDS to fully implement the new rules on Passenger Name Record (PNR) data

Today, the Commission decided to send reasoned opinions to **Finland**, and the **Netherlands** for failing to notify any national measures taken to implement the new EU rules on the use of Passenger Name Record (PNR) data ([Directive \(EU\) 2016/681](#)). The EU PNR Directive, which Member States had to implement until [25 May 2018](#), is a key element of the European Agenda for Security and an essential building block towards an effective and genuine Security Union. This Directive also sets out the rules on transfer of PNR data (i.e. information provided by passengers to airlines when booking and checking-in for flights) from airlines to Member States' authorities and the processing of this data for law enforcement purposes, in full respect of data protection safeguards. The processing of PNR data is a vital tool in the fight against terrorism and serious crime, helping to trace suspicious travel patterns and identify potential criminals and terrorists, including those previously unknown to law enforcement authorities. However, for the PNR framework to reach its full potential, it is crucial that all Member States have their systems up and running as soon as possible. Today's reasoned opinions, follow the letters of formal notice sent to these Member States on [July 2018](#). The Member States concerned now have two months to notify the Commission of all measures taken to ensure the full implementation of the Directive; otherwise, the Commission may refer the cases to the Court of Justice of the EU.

Legal migration: Commission calls on POLAND to fully transpose and implement EU rules on non-EU students and researchers

Today, the Commission decided to send a reasoned opinion to **Poland** for failing to notify any national measures taken to implement EU rules on the conditions of entry and residence of third-country nationals for the purposes of research, studies, training, voluntary service, pupil exchange schemes or educational projects and au pairing ([Directive \(EU\) 2016/801](#)). Member States had to bring their national legislation in line with this Directive until 23 May 2018 and to inform the Commission accordingly. The Commission addressed a letter of formal notice to Poland in [July 2018](#) and is now following up with a reasoned opinion. Poland now has two months to ensure the full implementation of the Directive; otherwise, the Commission may refer this case to the Court of Justice of the EU.

A reasoned opinion and a closure

Security Union: Commission requests LUXEMBOURG to ensure full implementation of rules on freezing and confiscation of criminal assets, and closes a case against POLAND

Today, the European Commission decided to send a reasoned opinion to **Luxembourg** for failing to notify national measures taken to implement the EU rules on the freezing and confiscation of criminal assets ([Directive 2014/42/EU](#)). The Directive makes it easier for national authorities to confiscate and recover the profits that criminals make from cross-border serious and organised crime. It seeks to deprive criminals of the financial incentives which drive crime, protect the economy against criminal infiltration and corruption and return criminal profits to public authorities providing services for citizens. The Directive also introduces specific safeguards and judicial remedies to guarantee the fundamental rights of persons affected. In April 2014, Member States agreed to implement the rules into their national legislation until 4 October 2016. The Commission's reasoned opinion follows the letter of formal notice sent to Luxembourg in November 2016. Luxembourg has still not notified the Commission of measures taken to ensure the full implementation of the Directive. Luxembourg now has two months to notify the Commission; otherwise, the case may be referred to the Court of Justice of the EU. In addition, the Commission also decided to close the infringement procedure against **Poland** on the same issue.

7. Justice, Consumers and Gender Equality

(For more information: *Christian Wigand* – tel.: +32 229 62253, *Melanie Voin* - tel.: +32 229 58659)

A referral to the Court of Justice of the European Union

Protection for tourists: Commission refers IRELAND to the Court of Justice for failing to provide EU rules on package travel

The European Commission decided to refer **Ireland** to the Court of Justice of the EU for failing to

transpose EU rules on package travel into national law. The European Commission decided today to refer Ireland to the Court of Justice of the EU for failing to transpose [EU package travel rules \(Directive \(EU\) 2015/2302\)](#). The Commission will call on the Court to impose the payment of the lump sum based on a daily amount of € 3,808.80 with the minimum lump sum of € 1,181,000 and a daily penalty of € 15.996,96. The amount of the penalties are calculated taking into account the seriousness and the duration of the infringement, as well as the Member State's capacity to pay and its institutional weight. The modernised package travel rules ensure clearer information for travellers, including an obligation to indicate its price and any additional charges when booking package holidays. The EU rules also ensures stronger cancellation rights, clearer rules on liability, refunds and repatriation in case organisers go bankrupt. There are also clearer and easier rules for businesses when doing cross-border activities. In November 2015, Member States agreed to transpose EU rules into national law by 1 January 2018 and should enter into application on [1 July 2018](#). In March 2018, the Commission opened the infringement proceedings by sending a letter of formal notice to Ireland, followed by a reasoned opinion in [November 2018](#). To date, Ireland has still not notified the full transposition of the Directive into its national law. Therefore, the Commission has decided to refer the case to the Court of Justice of the EU. For more information, please refer to the full [press release](#).

Reasoned opinions

Rights: Commission calls on 13 Member States to implement the EU victims' rights

The Commission decided today to send reasoned opinions to **Austria, Belgium, Bulgaria, Croatia, Cyprus, Finland, France, Greece, Latvia, Lithuania, Luxembourg, the Netherlands and Slovakia** to urge them to fully implement the EU rules on the [rights](#), support and protection of victims of crime (EU Victims' Rights Directive, [Directive 2012/29/EU](#)). The Directive applies to victims of all crimes regardless of their nationality and regardless of where in the EU the crime happens. The rules give victims clear rights to access information, to participate in criminal proceedings and to receive support and protection adapted to their needs. It also ensures that vulnerable victims can obtain additional protection during criminal proceedings. In October 2012, Member States agreed to transpose these rules into national law by 16 November 2015. The Commission's assessment shows that the 13 Member States have incompletely implemented EU rules. The Member States concerned now have two months to take appropriate action. Should they fail to do so, their cases may be referred to the Court of Justice of the EU.

Reasoned opinions and letters of formal notice

Commission calls on 8 Member States to fully transpose EU anti-money laundering and terrorist financing rules

Today, the Commission decided to send a reasoned opinion to **Austria** and the **Netherlands** and a letter of formal notice to **Czechia, Hungary, Italy, Slovenia, Sweden**, and the **United Kingdom** for failing to completely transpose EU anti-money laundering and terrorism financing rules (the 4th Anti-Money Laundering Directive, [Directive \(EU\) 2015/849](#)) into national law. Despite these Member States having declared their transposition completeness, after assessing the notified measures, the Commission concluded that some provisions are missing. Transposing the rules timely and correctly is crucial for an effective fight against money laundering and terrorism financing. Gaps in one Member State can have an impact on all others. In May 2015, Member States agreed to transpose these EU rules into national law by 26 June 2017. The Member States concerned now have two months to respond and take the relevant action; otherwise, the Commission may pursue the next infringement steps.

Reasoned opinions and a closure

Consular protection: Commission urges AUSTRIA and ROMANIA to implement the EU consular protection legislation, and closes a case against GREECE

The Commission decided today to send reasoned opinions to **Austria** and **Romania** for failing to implement [EU consular protection rules \(Council Directive \(EU\) 2015/637\)](#). EU citizens are entitled to seek help from the embassy or consulate of another EU country if they find themselves in a situation where they need advice or assistance outside the EU with no embassy or consulate from their own country. The Directive sets out rules on when and how EU citizens in a country outside the EU have the right to seek assistance from other EU Member States' embassies or consulates, how EU Member States should coordinate their assistance, and who should pay for any arising costs. In April 2015, Member States agreed to transpose the Directive into their national law by 1 May 2018. As Austria and Romania failed to transpose EU rules into national legislation, the Commission sent a letter of formal notice to the respective authorities in July 2018. Both countries now have two months to respond and take the relevant action; otherwise, the cases may be referred to the Court of Justice of the EU. At the same time, the Commission closes its case against **Greece**.

8. Mobility and Transport

(For more information: Enrico Brivio – tel.: +32 229 56172, Stephan Meder - tel.: +32 229 13917)

Reasoned opinions

Aviation: Commission calls on BELGIUM to comply with rules on the flexible use of airspace

The Commission decided today to send a reasoned opinion to **Belgium** for failing to comply with its obligations under EU rules on the flexible use of airspace ([Regulation \(EU\) No 2150/2005](#)). This Regulation sets out EU rules to ensure better cooperation between civil and military entities responsible for air traffic management that operate in the airspace under the responsibility of Member States. According to this Regulation, the coordination between civil and military authorities must be organised at strategic, pre-tactical and tactical levels through the establishment of agreements and procedures in order to increase safety and airspace capacity, and to improve efficiency and flexibility of aircraft operations. Member States also must appoint or establish an airspace management cell to allocate strategic airspace in accordance with the defined conditions and procedures. Until now, Belgium has failed to establish an airspace management cell that would take on these tasks. Belgium has two months to inform the Commission of the measures taken to remedy the situation, following which the Commission may decide to refer the case to the Court of Justice of the EU.

Roadworthiness: Commission urges BULGARIA and CYPRUS to transpose vehicle-testing rules increasing road safety

The Commission requested today **Bulgaria** and **Cyprus** to fully transpose EU rules on technical roadside inspections for commercial vehicles ([Directive 2014/47/EU](#)), which was part of the '[Roadworthiness Package](#)' adopted in 2014. These rules aim to improve vehicle testing in the EU, and, therefore, road safety. In 2014, Member States agreed to transpose these rules by 20 May 2017. To date, however, **Bulgaria** and **Cyprus** have only partially done so. The Commission considers that both Member States have not communicated to the Commission the national measures ensuring the complete transposition of the updated regime for the technical roadside inspection of commercial vehicles. This Directive provides common rules for the technical roadside inspection of trucks, buses, heavy-trailers and speed tractors. Both Member States now have two months to reply; otherwise, the Commission may decide to refer them to the Court of Justice of the EU.

Alternative fuels: Commission urges GERMANY to fully implement EU rules on the deployment of alternative fuels infrastructure

The Commission urged **Germany** today to fully transpose the European rules on alternative fuels infrastructure ([Directive 2014/94/EU](#)). These rules, which concern inter alia harmonised standards for alternative fuels infrastructure and basic provisions to enable electric mobility, play an important role for the functioning of the EU internal market. They also aim to reduce the dependence of transport on oil and to mitigate its environmental impact. In 2014, Member States agreed to notify their transposition measures by 18 November 2016. Germany now has two months to respond; otherwise, the Commission may decide to refer the case to the Court of Justice of the EU.

Letters of formal notice

Road transport: Commission calls on GREECE to carry out more checks on compliance with the social legislation in road transport

The European Commission decided today to send a letter of formal notice to **Greece** regarding the non-respect of the obligation to carry out minimum checks on social legislation in the road transport sector ([Directive 2006/22/EC](#)). The Directive requires Member States to carry out a minimum number of checks at the roadside and at the premises of road transport undertakings to verify compliance of drivers and operators with the rules on driving and resting times (as set out in Regulation (EC) No 561/2006), and the provisions on the use of tachographs (established in Regulation (EU) No 165/2014). At least 3% of days worked by drivers, falling in scope of the Regulations, should be checked. Based on the information submitted by the Greek authorities over the past years, Greece has continuously failed to comply with this control obligation. Controls of compliance with the road transport social rules are of utmost importance to ensure fair working conditions for drivers, prevent their fatigue and contribute to road safety of all road users. By sending a letter of formal notice to Greece, the Commission officially launched the infringement procedure. Greece now has two months to address the Commission's concerns; otherwise, the Commission may decide to send a reasoned opinion.

Road safety: Commission urges ITALY to fully deploy the eCall emergency call centres infrastructure

The Commission decided today to send a letter of formal notice to **Italy** for not having fully deployed

the emergency call centres infrastructure necessary to receive and handle the 112 eCalls as required by EU rules ([Directive 2010/40/EU](#)). The eCall system automatically dials Europe's single emergency number 112 in the event of a serious road accident and communicates by use of Europe's satellite navigation system Galileo the vehicle's location to the emergency services. It is estimated that eCall will cut response time by up to 40-50%, thereby saving hundreds of lives every year. The Italian authorities now have two months to respond to the arguments raised by the Commission; otherwise, the Commission may decide to send a reasoned opinion.

9. Taxation and Customs Union

(For more information: Vanessa Mock – tel.: +32 229 56194, Patrick Mc Cullough – tel.: +32 229 87183)

A reasoned opinion:

Taxation: Commission requests that GERMANY eliminate the discrimination on housing premium to cross-border workers

The European Commission decided today to send a reasoned opinion to **Germany** for denying a housing premium ('*Wohnungsbau-Prämie*') to cross-border workers. Tax payers who work in Germany and are subject to German personal income tax, but reside in another Member State or EEA country, are treated less favourably than domestic taxpayers with regard to this premium. In particular, the yearly housing premium on savings is, in principle, granted only to residents and can only be used for the acquisition or construction of an owner-occupied dwelling located in Germany. These rules are therefore likely to dissuade taxpayers from exercising their Treaty rights relating to the free movement of workers and the freedom of establishment ([Article 49](#) of [TFEU](#) and Article 31 of [the EEA Agreement](#)). If Germany does not act within the next two months, the Commission may decide to bring the case before the Court of Justice of the EU.

Letters of formal notice:

Taxation: Commission calls on FINLAND to bring its rules on tax deductibility of group contributions in line with EU law

The Commission decided today to send a letter of formal notice to **Finland** asking it to amend its legislation on tax deductibility of group contributions between affiliated domestic companies. The current Finnish legislation does not allow tax deductibility for contributions made to affiliated companies in other EU/EEA states to the extent that these cover definitive losses (as defined by the CJEU) incurred by the latter. This different treatment of companies resident in Finland and other EU/EEA states is contrary to the freedom of establishment ([Article 49](#) of [TFEU](#) and Article 31 of [the EEA Agreement](#)). If Finland does not act within the next two months, the Commission may send a reasoned opinion to the Finnish authorities

Taxation: Commission asks HUNGARY to bring its property acquisition duty in line with EU rules

The Commission decided today to send a letter of formal notice to **Hungary** asking it to change its rules on property acquisition duty for foundations. Currently, Hungarian legislation exempts inheritances, gifts and quid pro quo transfer of property for domestic foundations, while comparable foundations registered in other EU/EEA states and non-EU countries are taxed. The different treatment of Hungarian and non-Hungarian foundations creates a higher tax burden for comparable foundations registered in other EU/EEA states or non-EU countries and is contrary to the free movement of capital ([Article 63](#) of [TFEU](#)). If Hungary does not act within the next two months, the Commission may send a reasoned opinion to the Hungarian authorities.

Taxation: Commission requests that SPAIN eliminate discrimination on taxation of non-resident individuals' rental income

The Commission decided today to send a letter of formal notice to **Spain** asking it to eliminate a discriminatory tax treatment for non-residents on income derived from the letting of dwellings. For income tax purposes, resident individuals enjoy a reduction of 60% of the net income obtained from the letting of property used by the tenant as dwelling. However, this reduction is not available for non-resident individuals. Thus, investors from other EU or EEA states are subject to a different treatment that unduly restricts the free movement of capital ([Article 63](#) of [TFEU](#)). If Spain does not act within the next two months, the Commission may send a reasoned opinion to the Spanish authorities.

Taxation: Commission requests that SPAIN eliminate discrimination on capital gains taxation

The Commission decided to send a letter of formal notice to **Spain** requesting it to ensure equal

treatment of capital gains from shares for taxpayers resident in Norway, Iceland and Liechtenstein. Spanish legislation exempts from taxation capital gains derived from the transfer of shares under certain conditions for tax residents in Spain and other EU Member States. However, tax residents in EFTA States participating in the EEA cannot benefit from that exemption. The Commission considers that the Spanish legislation restricts the freedom of establishment and the free movement of capital ([Article 63 of TFEU](#) and Article 40 of [the EEA Agreement](#)). If Spain does not act within the next two months, the Commission may send a reasoned opinion to the Spanish authorities.

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