

Luxembourg, 30 September 2015



Press and Information

Judgment in Case T-450/12 Alexios Anagnostakis v Commission

The General Court of the EU confirms that the European citizens' initiative seeking to allow cancellation of the onerous public debt of countries in a state of necessity such as Greece cannot be registered

The subject matter of such an initiative does not have any basis in the Treaties

According to the EU Treaty, EU citizens, not fewer than one million from at least a quarter of all Member States, may take the initiative of inviting the Commission, within the framework of its powers, to propose to the EU legislature to adopt a legal act for the purpose of implementing the Treaties ('European citizens' initiative'). Before being able to begin collecting the requisite number of signatures, the organisers of the initiative must have it registered with the Commission, which examines in particular its subject matter and objectives. The Commission may refuse to register the initiative, inter alia where the subject matter of the initiative manifestly falls outside the framework of its powers to propose a legal act to the EU legislature.

Mr Alexios Anagnostakis, a Greek national, is behind the European citizens' initiative 'One million signatures for "a Europe of solidarity" which he submitted to the Commission on 13 July 2012. The objective of that initiative is to enshrine in EU legislation the 'the Principle of the "state of necessity" [whereby] [w]hen the financial and the political existence of a State is in danger because of the serving of the abhorrent debt the refusal of its payment is necessary and justifiable'. The initiative proposal cites the economic and monetary policy (Articles 119 to 144 TFEU) as the legal basis for its adoption.

By decision of 6 September 2012¹, the Commission refused to register Mr Anagnostakis' proposal on the ground that it fell manifestly outside the framework of its powers. Mr Anagnostakis then brought proceedings before the General Court to have the Commission's decision annulled.

By today's judgment, the General Court dismisses the action of Mr Anagnostakis and confirms that the Commission is not empowered to propose to the EU legislature to enshrine the principle that it should be possible to cancel the onerous public debt of countries in a state of necessity.

The Court points out first of all that Article 122(1) TFEU, according to which the Council may, in a spirit of solidarity between Member States, adopt measures appropriate to the economic situation, cannot be relied on to justify, as Mr Anagnostakis alleges, the enshrinement of the principle of a state of necessity in EU law. The Court notes that that provision does not imply any EU financial assistance towards Member States experiencing or threatened by severe financing problems. In addition, the measures under that provision must be based on assistance between the Member States and can under no circumstances enable a Member State to decide unilaterally not to repay all or part of its debt on account of the fact that it is faced with serious financing problems.

With regard to the provision in Article 122(2) TFEU, pursuant to which the Council may grant EU financial assistance to a Member State in difficulties caused by natural disasters or exceptional occurrences beyond its control, the Court notes that it may entail only *ad hoc* EU financial

¹ Commission Decision C(2012) 6289 final of 6 September 2012 rejecting the request for registration of the citizens' initiative 'One million signatures for "a Europe of solidarity", submitted to the Commission on 13 July 2012.

assistance to a Member State and not a general and permanent debt cancellation mechanism. Moreover, adoption of the principle of a state of necessity, as articulated by Mr Anagnostakis, is envisaged not only for the debt of a Member State towards the EU, but also for the debts incurred by that State towards other public or private legal or natural persons, which falls outside Article 122(2) TFEU.

Last, the Court considers that the principle of a state of necessity similarly cannot be justified by Article 136 TFEU, pursuant to which the Council adopts measures to strengthen the coordination and surveillance of the budgetary discipline of euro area Member States and to set out economic policy guidelines for those States. There is nothing to suggest that the aim of the adoption of the principle of a state of necessity would be to strengthen the coordination of budgetary discipline or would fall under economic policy guidelines, especially as the ability for a Member State to cancel unilaterally its public debt would conflict with the freedom of the contracting parties under Article 136 TFEU.

NOTE: An appeal, limited to points of law only, may be brought before the Court of Justice against the decision of the General Court within two months of notification of the decision.

NOTE: An action for annulment seeks the annulment of acts of the institutions of the European Union that are contrary to European Union law. The Member States, the European institutions and individuals may, under certain conditions, bring an action for annulment before the Court of Justice or the General Court. If the action is well founded, the act is annulled. The institution concerned must fill any legal vacuum created by the annulment of the act.

Unofficial document for media use, not binding on the General Court. The <u>full text</u> of the judgment is published on the CURIA website on the day of delivery Press contact: Christopher Fretwell **2** (+352) 4303 3355 Pictures of the delivery of the judgment are available from "Europe by Satellite" **2** (+32) 2 2964106