

PRESS RELEASE No 87/24

Luxembourg, 29 May 2024

Judgment of the General Court in Cases T-200/22 and T-314/22 | Poland v Commission

The General Court maintains Poland's obligation to pay the daily penalty imposed in the case concerning the Turów mine

The Commission could legitimately offset the amounts payable in respect of that periodic penalty payment against amounts owed to Poland by the European Union

In February 2021, the Czech Republic brought an action against Poland before the Court of Justice. It claimed that the extension and continuation of lignite mining activities at the open-cast mine in Turów (Poland) was contrary to EU law ¹.

During the proceedings, the Court of Justice ordered Poland, by way of an interim measure, immediately to cease mining activities at that mine, pending delivery of the judgment closing that case ². Since Poland failed to comply with that order, it was ordered, on 20 September 2021, to pay the European Commission a daily penalty of \leq 500 000 until that interim measure is complied with in full ³.

On 3 February 2022, Poland concluded a settlement agreement with the Czech Republic and the case was therefore removed from the register of the Court of Justice.

Poland failed to pay the amounts payable in respect of the periodic penalty. For that reason, in five consecutive decisions ⁴, the Commission informed Poland that it was offsetting its debt against various amounts owed to Poland by the European Union. The principal sum thus recovered amounts to \in 68 500 000 for the period from 20 September 2021 until 3 February 2022.

Poland claimed that the General Court should annul the decisions to offset. It relied, in particular, on the settlement agreement which, according to Poland, had the result that the financial effects of the measures ordered by the Court of Justice had ceased retroactively. Poland submitted that the Commission's offsetting is therefore unlawful.

The General Court has dismissed the actions brought by Poland in their entirety.

The General Court finds that the daily penalty was payable from 20 September 2021 until the removal of the case from the register of the Court of Justice on 4 February 2022 ⁵. Accordingly, **the removal of the case from the register does not relieve Poland of the obligation to settle the amount payable in respect of the periodic penalty payment**. Otherwise, the objective of the periodic penalty payment, namely to guarantee the effective application of EU law, such application being an essential component of the rule of law, would not be attained.

In addition, the General Court finds that **the Commission complied with its obligation to state reasons for the contested decisions** since their content enabled Poland to identify the claims offset and to understand the reasons why the Commission had continued the procedure for recovery by way of offsetting. **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.

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 and ten days of notification of the decision.

Unofficial document for media use, not binding on the General Court.

The <u>full text and, as the case may be, an abstract</u> of the judgment is published on the CURIA website on the day of delivery.

Press contact: Jacques René Zammit ⊘ (+352) 4303 3355.

Pictures of the delivery of the judgment are available from 'Europe by Satellite' @ (+32) 2 2964106.

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¹ Case <u>C-121/21</u> Czech Republic v Poland (Turów mine).

² Order of the Vice-President of the Court of Justice of 21 May 2021 in Case C-121/21 R, Czech Republic v Poland (see press release No 89/21).

³ Order of the Vice-President of the Court of Justice of 20 September 2021 in Case <u>C-121/21 R</u>, Czech Republic v Poland (see press release No <u>159/21</u>). The daily penalty payments lapsed with effect from 4 February 2022, the date of the order removing Case C-121/21 from the register of the Court of Justice.

⁴ Poland sought the annulment, in Case T-200/22, of the Commission's decisions of 7 and 8 February 2022 and of 16 and 31 March 2022 and, in Case T-314/22, the Commission's decision of 16 May 2022.

⁵ Order of the President of the Court of Justice of 4 February 2022 in Case <u>C-121/21</u>, Czech Republic v Poland.

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