

PRESS RELEASE No 97/24

Luxembourg, 11 June 2024

Judgment of the Court in Case C-221/22 P | Commission v Deutsche Telekom

The Commission must pay interest on fines it has unduly imposed in competition matters and which it has provisionally collected

That interest is intended to compensate, at a standard rate, the undertaking concerned for the loss of enjoyment of the amount in question

Where the General Court or the Court of Justice cancels or reduces a fine imposed by the Commission on an undertaking for infringement of the competition rules, the Commission must not only repay all or part of the amount of the fine provisionally paid by the undertaking, but it must also pay interest for the period from the date of provisional payment of that fine to the date of repayment. This is not a question of default interest', but interest intended to compensate the undertaking at a standard rate for loss of enjoyment of the amount at issue.

On 15 October 2014, the European Commission imposed on Deutsche Telekom AG a fine of approximately €31 million for abuse of a dominant position on the Slovak market for broadband telecommunications services.

Deutsche Telekom brought an action for annulment of that decision before the General Court of the European Union, while provisionally paying the fine on 16 January 2015.

The General Court upheld that action in part and reduced the amount of the fine by approximately €12 million ¹. Therefore, the Commission repaid that amount to Deutsche Telekom on 19 February 2019.

Next, Deutsche Telekom asked the Commission to pay it default interest on that amount for the period from the date of payment of the fine to the date of repayment of that amount, that is to say, for a period of over four years.

The Commission refused, and Deutsche Telekom again brought an action before the General Court, which ordered the Commission to pay the sum of approximately €1.8 million to Deutsche Telekom ².

The Commission brought an appeal against that judgment of the General Court before the Court of Justice.

By its judgment delivered today, the Court of Justice dismisses the appeal and thus upholds the General Court's judgment.

According to well-established case-law which need not be reviewed, in the event of annulment or reduction with retroactive effect, by a Court of the European Union, of a fine imposed by the Commission for infringement of the competition rules, that institution must repay all or part of the fine provisionally paid, together with interest for the period from the date of provisional payment of that fine to the date of its repayment ³. That obligation continues even where the financial returns on the investment by the Commission of the amount of that fine during that period were zero, or even negative. The issue does not concern default interest, but interest intended to compensate the undertaking at a standard rate for loss of enjoyment of the amount at issue.

Furthermore, the General Court was right to hold that the rate applicable to the interest which the Commission is

required to pay to Deutsche Telekom is at the European Central Bank (ECB) refinancing rate increased by 3.5 percentage points ⁴.

NOTE: An appeal, on a point or points of law only, may be brought before the Court of Justice against a judgment or order of the General Court. In principle, the appeal does not have suspensive effect. If the appeal is admissible and well founded, the Court of Justice sets aside the judgment of the General Court. Where the state of the proceedings so permits, the Court of Justice may itself give final judgment in the case. Otherwise, it refers the case back to the General Court, which is bound by the decision given by the Court of Justice on the appeal.

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

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

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

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¹ Judgment of the General Court of 13 December 2018, Deutsche Telekom v Commission, <u>T-827/14</u> (see also Press Release <u>No 196/18</u>).

² Judgment of the General Court of 19 January 2022, Deutsche Telekom v Commission, <u>T-610/19</u> (see also Press Release <u>No 7/22</u>).

³ The Court emphasises more generally that, where sums of money have been received in breach of EU law (whether by a national authority or an institution, body, office or agency of the European Union), those sums of money must be repaid and that refund must bear interest covering the entire period from the date of payment of those sums of money to the date of their repayment.

⁴ By analogy with Article 83(2)(b) of Commission <u>Delegated Regulation No 1268/2012</u> of 29 October 2012, on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union.

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