JUDGMENT OF THE COURT

19 February 2002 *

In Case C-309/99,

REFERENCE to the Court under Article 234 EC by the Raad van State for a preliminary ruling in the proceedings pending before that court between

J.C.J. Wouters,

J.W. Savelbergh,

Price Waterhouse Belastingadviseurs BV

and

Algemene Raad van de Nederlandse Orde van Advocaten,

intervener:

Raad van de Balies van de Europese Gemeenschap,

* Language of the case: Dutch.

on the interpretation of Articles 3(g) of the EC Treaty (now, after amendment, Article 3(1)(g) EC), 5 of the EC Treaty (now Article 10 EC), 52 and 59 of the EC Treaty (now, after amendment, Articles 43 EC and 49 EC), and 85, 86 and 90 of the EC Treaty (now Articles 81 EC, 82 EC and 86 EC),

THE COURT,

composed of: G.C. Rodríguez Iglesias, President, P. Jann, F. Macken, N. Colneric, and S. von Bahr (Presidents of Chambers), C. Gulmann, D.A.O. Edward, A. La Pergola, J.-P. Puissochet, M. Wathelet (Rapporteur), R. Schintgen, V. Skouris and J.N. Cunha Rodrigues, Judges,

Advocate General: P. Léger,

Registrar: H. von Holstein, Deputy Registrar,

after considering the written observations submitted on behalf of:

— Mr Wouters, by H. Gilliams and M. Wladimiroff, advocaten,

— Mr Savelbergh and Price Waterhouse Belastingadviseurs BV, by D. van Liedekerke and G.J. Kemper, advocaten,

— the Algemene Raad van de Nederlandse Orde van Advocaten, by O.W. Brouwer, F.P. Louis and S.C. van Es, advocaten,

— the Raad van de Balies van de Europese Gemeenschap, by P. Glazener, advocaat,

— the Netherlands Government, by M.A. Fierstra, acting as Agent,

— the Danish Government, by J. Molde, acting as Agent,

— the German Government, by A. Dittrich and W.-D. Plessing, acting as Agents,

— the French Government, by K. Rispal-Bellanger, R. Loosli-Surrans and F. Million, acting as Agents,

— the Austrian Government, by C. Stix-Hackl, acting as Agent,

— the Portuguese Government, by L. Fernandes, acting as Agent,

— the Swedish Government, by A. Kruse, acting as Agent,

— the Government of the Principality of Liechtenstein, by C. Büchel, acting as Agent,

— the Commission of the European Communities, by W. Wils and B. Mongin, acting as Agents,

having regard to the Report for the Hearing,

after hearing the oral observations of Mr Wouters, represented by H. Gilliams, of Mr Savelbergh and Price Waterhouse Belastingadviseurs BV, represented by D. van Liedekerke and G.J. Kemper, of the Algemene Raad van de Nederlandse Orde van Advocaten, represented by O.W. Brouwer and W. Knibbeler, advocaat, of the Raad van de Balies van de Europese Gemeenschap, represented by P. Glazener, of the Netherlands Government, represented by J.S. van den Oosterkamp, acting as Agent, of the German Government, represented by A. Dittrich, of the French Government, represented by F. Million, of the Luxembourg Government, represented by N. Mackel, acting as Agent, assisted by J. Welter, avocat, of the Swedish Government, represented by I. Simfors, acting as Agent, and of the Commission, represented by W. Wils, at the hearing on 12 December 2000,

after hearing the Opinion of the Advocate General at the sitting on 10 July 2001,

gives the following

Judgment

1 By judgment of 10 August 1999, received at the Court on 13 August 1999, the Raad van State (Netherlands Council of State) referred to the Court for a preliminary ruling under Article 234 EC nine questions on the interpretation of Articles 3(g) of the EC Treaty (now, after amendment, Article 3(1)(g) EC), 5 of the EC Treaty (now Article 10 EC), 52 and 59 of the EC Treaty (now, after amendment, Articles 43 EC and 49 EC), and 85, 86 and 90 of the EC Treaty (now Articles 81 EC, 82 EC and 86 EC).

2 Those questions were raised in proceedings brought by members of the Bar, among others, against the refusal of the Arrondissementsrechtbank te Amsterdam

(Amsterdam District Court, 'the Rechtbank') to set aside the decisions of the Nederlandse Orde van Advocaten (Bar of the Netherlands) refusing to set aside the decisions of the Supervisory Boards of the Amsterdam and Rotterdam Bars prohibiting them from practising as members of the Bar in full partnership with accountants.

The relevant national legislation

3 Article 134 of the Constitution of the Kingdom of the Netherlands deals with the establishment of, and the legal rules governing, public bodies. It provides that:

'(1) Public professional bodies and other public bodies may be established and dissolved by or under statute.

(2) The duties and organisation of such public bodies, the composition and powers of the governing bodies and public access to their meetings shall be governed by statute. Powers to adopt regulations may be granted to the governing bodies by or under statute.

(3) Supervision of the governing bodies shall be governed by statute. Their decisions may be annulled only where they are contrary to law or to the public interest.'

The Advocatenwet

4 Pursuant to that provision, a law was adopted on 23 June 1952 establishing the Bar of the Netherlands and laying down the internal regulations and the disciplinary rules applicable to 'advocaten' and 'procureurs' ('the Advocatenwet', the Law on the Bar).

5 Article 17 of the Advocatenwet provides that:

'(1) The Bar of the Netherlands, based in The Hague, shall be composed of all members of the Bar registered in the Netherlands and shall be a public body within the meaning of Article 134 of the Constitution.

(2) All members of the Bar registered with the same court shall form the Bar of the district concerned.'

6 Articles 18(1) and 22(1) of the Advocatenwet provide that the governing bodies of the Bar of the Netherlands and the District Bars are to be the Algemene Raad van de Nederlandse Orde van Advocaten (General Council of the Bar of the Netherlands, 'the General Council') and the Raden van Toezicht van de Orden in de Arrondissementen (Supervisory Boards of the District Bars, the 'Supervisory Boards') respectively.

7 Articles 19 and 20 of the Advocatenwet regulate the election of the members of the General Council. They are elected by the College van Afgevaardigen (College of Delegates), who are themselves elected at meetings of the various District Bars.

8 Article 26 of the Advocatenwet states that:

'[T]he General Council and the Supervisory Boards shall ensure the proper practice of the profession and have the power to adopt any measures which may contribute to that end. They shall defend the rights and interests of members of the Bar as such, ensure that the obligations of the latter are fulfilled and discharge the duties imposed on them by regulation.'

9 Article 28 of the Advocatenwet provides:

'(1) The College of Delegates may adopt regulations in the interests of the proper practice of the profession, including regulations concerning provision for members of the Bar affected by old age or total or partial incapacity for work, and provision for the next-of-kin of deceased members. Furthermore, the College shall adopt the necessary regulations concerning the administration and organisation of the Bar.

(2) Draft regulations shall be submitted to the College of Delegates by the General Council or by at least five delegates. The General Council may invite the Supervisory Boards to state their views on a draft regulation before submitting it to the delegates.

(3) As soon as they have been adopted, regulations shall be communicated to the Ministry of Justice and published in the Official Gazette.'

10 Article 29 of the Advocatenwet states that:

'(1) Regulations shall be binding on the members of the Bar of the Netherlands and on visiting lawyers ...

(2) They may not contain any provision relating to matters governed by or under statute, nor may they concern matters which, on account of the differing situations in each district, do not lend themselves to uniform regulation.

(3) Any provision in a regulation which applies to a matter governed by or under statute shall by operation of law cease to be valid.'

11 According to Article 16b and 16c of the Advocatenwet, the term 'visiting lawyers' means persons who are not registered as members of the Bar in the Netherlands but who are authorised to carry on their professional activity in another Member State of the European Union under the title of advocate or an equivalent title.

12 Article 30 of the Advocatenwet provides:

'(1) Decisions adopted by the College of Delegates, the General Council or any other organs of the Bar of the Netherlands may be suspended or annulled by royal decree in so far as they are contrary to law or to the public interest.

(2) Such suspension or annulment shall be effected within six months of the communication referred to in Article 28(3) or, where the decision was adopted by the General Council or another body of the Bar of the Netherlands, within six months of its notification to the Minister for Justice, by reasoned decree prescribing, where relevant, the duration of the suspension.

(3) Suspension shall immediately cause the effects of the suspended provisions to lapse. The duration of the suspension may not be greater than one year, even after extension.

(4) If the suspended decision is not annulled by royal decree within the period prescribed it shall be deemed to be valid.

(5) Annulment shall entail annulment of all annullable effects of the annulled provisions, save as otherwise decided by royal decree.'

The Samenwerkingsverordening 1993

13 Pursuant to Article 28 of the Advocatenwet, the College of Delegates adopted the Samenwerkingsverordening 1993 (Regulation on Joint Professional Activity 1993, 'the 1993 Regulation').

14 Article 1 of the 1993 Regulation defines 'professional partnership' (samenwerkingsverband) as being 'any joint activity in which the participants practise their respective professions for their joint account and at their joint risk or by sharing control or final responsibility for that purpose'.

15 Article 2 of the 1993 Regulation provides:

'(1) Members of the Bar shall not be authorised to assume or maintain any obligations which might jeopardise the free and independent exercise of their profession, including the partisan defence of clients' interests and the corresponding relationship of trust between lawyer and client.

(2) The provision contained in subparagraph (1) shall also apply where members of the Bar do not work in professional partnership with colleagues or third parties.'

16 Under Article 3 of the 1993 Regulation:

'Members of the Bar shall not be authorised to enter into or maintain any professional partnership unless the primary purpose of each partner's respective profession is the practice of the law.'

17 Article 4 of the 1993 Regulation provides:

'Members of the Bar may enter into or maintain professional partnerships only with:

(a) other members of the Bar registered in the Netherlands;

(b) other lawyers not registered in the Netherlands, if the conditions laid down in Article 5 are satisfied;

(c) members of another professional category accredited for that purpose by the General Council in accordance with Article 6.'

18 According to Article 6 of the 1993 Regulation:

'(1) The authorisation referred to in Article 4(c) may be granted on condition that:

(a) the members of that other professional category practise a profession, and

(b) the exercise of that profession is conditional upon possession of a university degree or an equivalent qualification; and

(c) the members of that professional category are subject to disciplinary rules comparable to those imposed on members of the Bar; and

(d) entering into partnership with members of that other professional partnership is not contrary to Articles 2 or 3.

(2) Accreditation may also be granted to a specific branch of a professional category. In that case, the conditions set out in (a) to (d) above shall be applicable, without prejudice to the General Council's power to lay down further conditions.

(3) The General Council shall consult the College of Delegates before adopting any decision as mentioned in the preceding subparagraphs of this Article.'

19 Article 7(1) of the 1993 Regulation provides:

'In their communications with other persons members of the Bar shall avoid giving any inaccurate, misleading or incomplete impression as to the nature of any form of joint activity in which they participate, including any professional partnership.'

20 In accordance with Article 8 of the 1993 Regulation:

'(1) Every professional partnership must have a collective name for all communications with other persons.

(2) The collective name must not be misleading.

(3) Members of the Bar who are members of professional partnerships shall be required to supply, on request, a list of the partners' names, their respective professions and place of establishment.

(4) Any written document produced by a professional partnership must include the name, status and place of establishment of the person who signs the document.'

21 Finally, Article 9(2) of the 1993 Regulation provides:

'Members of the Bar shall not set up, or alter the constitution, of a professional partnership until the Supervisory Board has decided whether the conditions on which that partnership is formed or its constitution is altered, including the way in which it presents itself to other parties, satisfy the requirements imposed by or under this Regulation.'

22 According to the recitals of the 1993 Regulation, members of the Bar have already been authorised to enter into partnership with notaries, tax consultants and patent agents and authorisation for those three professional categories remains valid. On the other hand, accountants are mentioned as an example of a professional category with which members of the Bar are not authorised to enter into partnership.

The directives concerning professional partnerships between members of the Bar and other (authorised) practitioners

23 In addition to the 1993 Regulation, the Bar of the Netherlands has adopted directives concerning professional partnerships between members of the Bar and other (accredited) practitioners. Those directives are worded as follows:

'1. Compliance with the rules of ethics and professional conduct

Rule No 1

Members of the Bar may not, as a result of participating in a professional partnership with a practitioner of another profession, limit or compromise compliance with the rules of ethics and professional practice applicable to them.

2. Separate files and separate management of files and archives

Rule No 2

Members of the Bar participating in a professional partnership with a practitioner of another profession are required, in respect of every case in which they act with that other practitioner, to open a separate file and to ensure, in relation to the professional partnership as such:

— that the management of the case file is kept separate from financial management;

— that files are kept in separate archives from those of practitioners of other professions.

3. Conflicts of interest

Rule No 3

Members of the Bar participating in a professional partnership with a practitioner of another profession may not defend the interests of a party where those interests are in conflict with those of a party who has been, or is being, assisted by that other practitioner or where there is a risk that such a conflict of interests may arise.

4. Professional secrecy and registration of documents

Rule No 4

Members of the Bar participating in a professional partnership with a practitioner of another profession are required, in respect of every case in which they act with that other practitioner, to keep an accurate register of all letters and documents which they bring to the attention of the practitioner of the other profession.'

The disputes in the main proceedings

24 Mr Wouters, a member of the Amsterdam Bar, became a partner in the partnership Arthur Andersen & Co. Belastingadviseurs (tax consultants) in 1991. Late in 1994 Mr Wouters informed the Supervisory Board of the Rotterdam Bar of his intention to enrol at the Rotterdam Bar and to practise in that city under the name of 'Arthur Andersen & Co., advocaten en belastingadviseurs'.

25 By decision of 27 July 1995, that Supervisory Board found that the members of the partnership Arthur Andersen & Co. Belastingadviseurs were in professional partnership, within the meaning of the 1993 Regulation, with the members of the partnership Arthur Andersen & Co. Accountants, that is to say with members of the profession of accountants. Accordingly, Mr Wouters was in breach of Article 4 of the 1993 Regulation. In addition, the Supervisory Board considered that Mr Wouters would contravene Article 8 of the 1993 Regulation if he entered into a partnership the collective name of which included the name of the natural person 'Arthur Andersen'.

26 By decision of 29 November 1995 the General Council dismissed as unfounded the administrative appeals brought by Mr Wouters, Arthur Andersen & Co. Belastingadviseurs and Arthur Andersen & Co. Accountants against the decision of 27 July 1995.

27 At the beginning of 1995 Mr Savelbergh, a member of the Amsterdam Bar, informed the Supervisory Board of the Amsterdam Bar of his intention to enter into partnership with the private company Price Waterhouse Belastingadviseurs BV, a subsidiary of the international undertaking Price Waterhouse, which includes both tax consultants and accountants.

28 By decision of 5 July 1995 the Supervisory Board declared that the proposed partnership was contrary to Article 4 of the 1993 Regulation.

29 By decision of 21 November 1995, the General Council dismissed the administrative appeal brought by Mr Savelbergh and Price Waterhouse Belastingadviseurs BV against that decision.

30 Mr Wouters, Arthur Andersen & Co. Belastingadviseurs and Arthur Andersen & Co. Accountants, on the one hand, and Mr Savelbergh and Price Waterhouse Belastingadviseurs BV, on the other, then appealed to the Rechtbank. They claimed, *inter alia*, that the decisions of the General Council of 21 and 29 November 1995 were incompatible with the Treaty provisions on competition, right of establishment and freedom to provide services.

31 By judgment of 7 February 1997 the Rechtbank declared inadmissible the appeals brought by Arthur Andersen & Co. Belastingadviseurs and Arthur Andersen & Co. Accountants, and dismissed as unfounded those brought by Mr Wouters, Mr Savelbergh and Price Waterhouse Belastingadviseurs BV.

32 The Rechtbank considered that the Treaty provisions on competition did not apply to the cases. It pointed out that the Bar of the Netherlands is a body governed by public law, established by statute in order to further a public interest. For that purpose it makes use of the regulatory power conferred on it by Article 28 of the Advocatenwet. The Bar of the Netherlands is required to guarantee, in the public interest, the independence and loyalty to the client of members of the Bar who provide legal assistance. In the Rechtbank's view, the Bar of the Netherlands is not, therefore, an association of undertakings within the meaning of Article 85 of the Treaty, nor can it be regarded either as an undertaking or as an association of undertakings occupying a collective dominant position contrary to Article 86 of the Treaty.

33 Furthermore, according to the Rechtbank, Article 28 of the Advocatenwet does not transfer any powers to private operators in such a manner as to undermine the effectiveness of Articles 85 and 86 of the Treaty. As a result, that provision is not incompatible with the second paragraph of Article 5 of the Treaty, read in conjunction with Articles 3(g), 85 and 86 of the Treaty.

34 The Rechtbank also rejected the appellants' argument that the 1993 Regulation is incompatible with the right of establishment and the freedom to provide services enshrined in Articles 52 and 59 of the Treaty. In its view, there is no cross-border element in the cases in point, so that those provisions are not applicable. In any event, the prohibition on partnerships of members of the Bar and accountants is justified by overriding reasons relating to the public interest and is not disproportionately restrictive. In the absence of specific Community provisions in that field, it is open to the Kingdom of the Netherlands to make the exercise of the legal profession on its territory subject to rules intended to guarantee the independence and loyalty to the client of members of the Bar who provide legal assistance.

35 The five appellants appealed against the decision of the Rechtbank to the Raad van State.

36 The Raad van de Balies van de Europese Gemeenschap (the Council of the Bars and Law Societies of the European Community, 'the CCBE'), an association established under Belgian law, was granted leave to intervene in support of the forms of order sought by the General Council.

37 By judgment given on 10 August 1999, the Raad van State confirmed that the appeals brought by Arthur Andersen & Co. Belastingadviseurs and Arthur Andersen & Co. Accountants were inadmissible. As regards the other appeals, it considered that the outcome of the dispute in the main proceedings depended on the interpretation of several provisions of Community law.

38 The Raad van State questions, first, whether by adopting the 1993 Regulation under its powers pursuant to Article 28 of the Advocatenwet, the College of Delegates has infringed Articles 85 and 86 of the Treaty and, second, whether by empowering that College under Article 28 of the Advocatenwet to adopt regulations, the national legislature has infringed Articles 5, 85 and 86 of the Treaty. In addition, it enquires whether the Regulation is compatible with the right of establishment laid down in Article 52 of the Treaty and with the freedom to provide services in Article 59 of the Treaty.

39 Consequently, the Raad van State decided to stay proceedings and to refer the following questions to the Court for a preliminary ruling:

'1 (a) Is the term "association of undertakings" in Article 85(1) of the EC Treaty (now Article 81(1) EC) to be interpreted as meaning that there is such an association only if and in so far as it acts in the undertakings' interest, so that in applying that provision a distinction must be drawn

between activities of the association carried out in the public interest and other activities, or is the mere fact that an association can also act in the undertakings' interest sufficient for it to be regarded as an association of undertakings within the meaning of the provision in respect of all its actions? Is the fact that the universally binding rules adopted by the relevant institution are adopted under a statutory power and in its capacity as a special legislature relevant as regards the application of Community competition law?

(b) If the answer to Question 1(a) is that there is an association of undertakings only if and in so far as it acts in the undertakings' interest, is the question of when the public interest is being pursued also governed by Community law?

(c) If the answer to Question 1(b) is that Community law is relevant, can the adoption under a statutory power by an institution such as the Bar of the Netherlands of universally binding rules, designed to safeguard the independence and loyalty to the client of members of the Bar who provide legal assistance, on the formation of multi-disciplinary partnerships between members of the Bar and members of other professions be regarded for the purposes of Community law as pursuing the public interest?

2. If the answers to the first question indicate that a rule such as [the 1993 Regulation] is to be regarded as a decision of an association of undertakings within the meaning of Article 85(1) of the EC Treaty (now Article 81(1) EC), is such a decision, in so far as it adopts universally binding rules, designed to safeguard the independence and loyalty to the client of members of the Bar who provide legal assistance, on the formation of multi-disciplinary partnerships such as the one in question to be regarded as having as its object or effect the restriction of competition within the common market and in that respect affecting trade between the Member States? What criteria of Community law are relevant to the determination of that issue?

3. Is the term "undertaking" in Article 86 of the EC Treaty (now Article 82 EC) to be interpreted as meaning that where an institution such as the Bar of the Netherlands must be regarded as an association of undertakings, that institution must also be considered to be an undertaking or group of undertakings for the purposes of that provision, even though it pursues no economic activity itself?

4. If the previous question is answered in the affirmative and it must be held that an institution such as the Bar of the Netherlands enjoys a dominant position, does such an institution abuse that position if it regulates the relationships between its members and others on the market in legal services in a manner which restricts competition?

5. If an institution such as the Bar of the Netherlands is to be regarded in its entirety as an association of undertakings for the purposes of Community competition law, is Article 90(2) of the EC Treaty (now Article 86(2) EC) to be interpreted as extending to an institution such as the Bar of the Netherlands which lays down universally binding rules, designed to safeguard the independence and loyalty to the client of its members who provide legal assistance, on cooperation between its members and members of other professions?

6. If an institution such as the Bar of the Netherlands is to be regarded as an association of undertakings or an undertaking or group of undertakings, do Article 3(g) (now, after amendment, Article 3(1)(g) EC), the second paragraph of Article 5 and Articles 85 and 86 of the EC Treaty (now Articles 10 EC, 81 EC and 82 EC) preclude a Member State from providing that that institution (or one of its agencies) may adopt rules concerning *inter alia* cooperation between its members and members of other professions when review by the relevant public authority of such rules is limited to the power to annul such a rule without the authority's being able to adopt a rule in its stead?

7. Are both the Treaty provisions on the right of establishment and those on the freedom to provide services applicable to a prohibition on cooperation between members of the Bar and accountants such as that in question, or is the EC Treaty to be interpreted as meaning that such a prohibition must comply, depending for example on the way in which those concerned actually wish to model their cooperation, with either the provisions on the right of establishment or with those relating to the freedom to provide services?

8. Does a prohibition on multi-disciplinary partnerships including members of the Bar and accountants such as the one in question constitute a restriction of the right of establishment or the freedom to provide services, or both?

9. If it follows from the answer to the previous question that one or both of the abovementioned restrictions exists, is the restriction in question justified on the ground that it constitutes merely a "selling arrangement" within the meaning of the judgment in Joined Cases C-267/91 and C-268/91 *Keck and Mithouard* [1993] ECR I-6097, and that therefore there is no discrimination, or on the ground that it satisfies the criteria that have been developed in that respect by the Court of Justice in other judgments, in particular Case C-55/94 *Gebhard* [1995] ECR I-4165?'

Request for reopening of the oral procedure

40 By document lodged at the Court Registry on 3 December 2001, the appellants in the main proceedings requested the Court to order the reopening of the oral procedure pursuant to Article 61 of the Rules of Procedure.

41 In support of that request, the appellants in the main proceedings claim that in paragraphs 170 to 201 of his Opinion, delivered on 10 July 2001, the Advocate General gave his opinion on a question which had not been expressly raised by the national court.

42 The Court may, of its own motion, on a proposal from the Advocate General or at the request of the parties, reopen the oral procedure, in accordance with Article 61 of its Rules of Procedure, if it considers that it lacks sufficient information, or that the case must be dealt with on the basis of an argument which has not been debated between the parties (see order in Case C-17/98 *Emesa Sugar* [2000] ECR I-665, paragraph 18).

43 In the circumstances of this case, however, the Court, after hearing the Advocate General, considers that it is in possession of all the facts necessary for it to answer the questions referred by the national court and observes that those facts were the subject of argument presented to it at the hearing.

Question 1(a)

44 By Question 1(a) the national court is in substance asking whether a regulation concerning partnerships between members of the Bar and other professionals, such as the 1993 Regulation, adopted by a body such as the Bar of the Netherlands, is to be regarded as a decision taken by an association of undertakings within the meaning of Article 85(1) of the Treaty. It seeks in particular to ascertain whether the fact that power was conferred by statute on the Bar of the Netherlands to adopt rules universally binding both on registered members of the Bar in the Netherlands and lawyers who are authorised to practise in other Member States and come to the Netherlands in order to provide services there has any bearing on the application of Community competition law.

It also asks whether the mere fact that the Bar of the Netherlands may act in the interests of its members is sufficient for it to be regarded as an association of undertakings in respect of all its activities or whether, for Article 85(1) of the Treaty to be applicable, special treatment must be reserved for the Bar's public-interest activities.

45 In order to establish whether a regulation such as the 1993 Regulation is to be regarded as a decision of an association of undertakings within the meaning of Article 85(1) of the Treaty, the first matter to be considered is whether members of the Bar are undertakings for the purposes of Community competition law.

46 According to settled case-law, in the field of competition law, the concept of an undertaking covers any entity engaged in an economic activity, regardless of its legal status and the way in which it is financed (Case C-41/90 *Höfner and Elser* [1991] ECR I-1979, paragraph 21; Case C-244/94 *Fédération française des sociétés d'assurances and Others* [1995] ECR I-4013, paragraph 14; and Case C-55/96 *Job Centre* [1997] ECR I-7119, '*Job Centre II*', paragraph 21).

47 It is also settled case-law that any activity consisting of offering goods and services on a given market is an economic activity (Case 118/85 *Commission* v *Italy* [1987] ECR 2599, paragraph 7; Case C-35/96 *Commission* v *Italy* [1998] ECR I-3851, '*CNSD*', paragraph 36).

48 Members of the Bar offer, for a fee, services in the form of legal assistance consisting in the drafting of opinions, contracts and other documents and representation of clients in legal proceedings. In addition, they bear the financial risks attaching to the performance of those activities since, if there should be an imbalance between expenditure and receipts, they must bear the deficit themselves.

49 That being so, registered members of the Bar in the Netherlands carry on an economic activity and are, therefore, undertakings for the purposes of Articles 85, 86 and 90 of the Treaty. The complexity and technical nature of the services they provide and the fact that the practice of their profession is regulated cannot alter that conclusion (see, to that effect, with regard to medical practitioners, Joined Cases C-180/98 to C-184/98 *Pavlov and Others* [2000] ECR I-6451, paragraph 77).

50 The second point to be considered is the extent to which a professional body such as the Bar of the Netherlands is to be regarded as an association of undertakings, within the meaning of Article 85(1) of the Treaty, where it adopts a regulation such as the 1993 Regulation (see, to that effect, with regard to a professional body of customs agents, *CNSD*, paragraph 39).

51 The respondent in the main proceedings claims that, inasmuch as the Netherlands legislature created the Bar of the Netherlands as a body governed by public law and gave it regulatory powers in order to perform a task in the public interest, the Bar cannot be regarded as an association of undertakings within the meaning of Article 85 of the Treaty, particularly in connection with the exercise of its regulatory powers.

52 The intervener in the main proceedings and the German, Austrian and Portuguese Governments add that a body such as the Bar of the Netherlands exercises public authority and cannot, in consequence, fall within the scope of Article 85(1) of the Treaty.

53 According to the intervener in the main proceedings, a body may be treated as comparable to a public authority where the activity which it carries on constitutes a task in the public interest forming part of the essential functions of the State.

The Netherlands have made the Bar of the Netherlands responsible for ensuring that individuals have proper access to the law and to justice, which is indeed one of the essential functions of the State.

54 The German Government, for its part, points out that it is for the competent legislative bodies of a Member State to decide, within the framework of national sovereignty, how they organise the exercise of their rights and powers. Delegation of the power to adopt universally binding rules to a body possessing democratic legitimacy, such as a professional body, falls within the limits of that principle of institutional autonomy.

55 According to the German Government, were bodies entrusted with such regulatory duties to be treated as associations of undertakings within the meaning of Article 85 of the Treaty, this would frustrate the operation of that principle. The idea that national legislation is valid only if it is exempted by the Commission pursuant to Article 85(3) of the Treaty is a contradiction in terms. The consequence would be that the whole corpus of professional regulations would be called in question.

56 The question to be determined is whether, when it adopts a regulation such as the 1993 Regulation, a professional body is to be treated as an association of undertakings or, on the contrary, as a public authority.

57 According to the case-law of the Court, the Treaty rules on competition do not apply to activity which, by its nature, its aim and the rules to which it is subject does not belong to the sphere of economic activity (see, to that effect, Joined Cases C-159/91, C-160/91 *Poucet and Pistre* [1993] ECR I-637, paragraphs 18 and 19, concerning the management of the public social security system), or which is connected with the exercise of the powers of a public authority (see, to that effect, Case C-364/92 *Sat Fluggesellschaft* [1994] ECR I-43, paragraph 30,

concerning the control and supervision of air space, and Case C-343/95 *Diego Calì & Figli* [1997] ECR I-1547, paragraphs 22 and 23, concerning anti-pollution surveillance of the maritime environment).

58 When it adopts a regulation such as the 1993 Regulation, a professional body such as the Bar of the Netherlands is neither fulfilling a social function based on the principle of solidarity, unlike certain social security bodies (*Poucet and Pistre*, cited above, paragraph 18), nor exercising powers which are typically those of a public authority (*Sat Fluggesellschaft*, cited above, paragraph 30). It acts as the regulatory body of a profession, the practice of which constitutes an economic activity.

59 In that respect, the fact that Article 26 of the Advocatenwet also entrusts the General Council with the task of protecting the rights and interests of members of the Bar cannot *a priori* exclude that professional organisation from the scope of application of Article 85 of the Treaty, even where it performs its role of regulating the practice of the profession of the Bar (see, to that effect, with regard to medical practitioners, *Pavlov*, cited above, paragraph 86).

60 Next, other indications support the conclusion that a professional organisation with regulatory powers, such as the Bar of the Netherlands, cannot escape the application of Article 85 of the Treaty.

61 First, it is clear from the Advocatenwet that the governing bodies of the Bar are composed exclusively of members of the Bar elected solely by members of the profession. The national authorities may not intervene in the appointment of the members of the Supervisory Boards, College of Delegates or the General Council (see, as regards a professional organisation of customs agents, *CNSD*, cited above, paragraph 42, and as regards a professional organisation of medical practitioners, *Pavlov*, paragraph 88).

62 Second, when it adopts measures such as the 1993 Regulation, the Bar of the Netherlands is not required to do so by reference to specified public-interest criteria. Article 28 of the Advocatenwet, which authorises it to adopt regulations, does no more than require that they should be in the interest of the 'proper practice of the profession' (see, as regards a professional organisation of customs agents, '*CNSD*', paragraph 43).

63 Lastly, having regard to its influence on the conduct of the members of the Bar of the Netherlands on the market in legal services, as a result of its prohibition of certain multi-disciplinary partnerships, the 1993 Regulation does not fall outside the sphere of economic activity.

64 In light of the foregoing considerations, it appears that a professional organisation such as the Bar of the Netherlands must be regarded as an association of undertakings within the meaning of Article 85(1) of the Treaty where it adopts a regulation such as the 1993 Regulation. Such a regulation constitutes the expression of the intention of the delegates of the members of a profession that they should act in a particular manner in carrying on their economic activity.

65 It is, moreover, immaterial that the constitution of the Bar of the Netherlands is regulated by public law.

66 According to its very wording, Article 85 of the Treaty applies to agreements between undertakings and decisions by associations of undertakings. The legal framework within which such agreements are concluded and such decisions

taken, and the classification given to that framework by the various national legal systems, are irrelevant as far as the applicability of the Community rules on competition, and in particular Article 85 of the Treaty, are concerned (Case 123/83 *BNIC* v *Clair* [1985] ECR 391, paragraph 17, and *CNSD*, paragraph 40).

67 That interpretation of Article 85(1) of the Treaty does not entail any breach of the principle of institutional autonomy as argued by the German Government (see paragraphs 54 and 55 above). On this point a distinction must be drawn between two approaches.

68 The first is that a Member State, when it grants regulatory powers to a professional association, is careful to define the public-interest criteria and the essential principles with which its rules must comply and also retains its power to adopt decisions in the last resort. In that case the rules adopted by the professional association remain State measures and are not covered by the Treaty rules applicable to undertakings.

69 The second approach is that the rules adopted by the professional association are attributable to it alone. Certainly, in so far as Article 85(1) of the Treaty applies, the association must notify those rules to the Commission. That obligation is not, however, such as unduly to paralyse the regulatory activity of professional associations, as the German Government submits, since it is always open to the Commission *inter alia* to issue a block exemption regulation pursuant to Article 85(3) of the Treaty.

70 The fact that the two systems described in paragraphs 68 and 69 above produce different results with respect to Community law in no way circumscribes the freedom of the Member States to choose one in preference to the other.

71 In light of the foregoing considerations, the answer to be given to Question 1(a) must be that a regulation concerning partnerships between members of the Bar and other members of liberal professions, such as the 1993 Regulation, adopted by a body such as the Bar of the Netherlands, must be regarded as a decision adopted by an association of undertakings within the meaning of Article 85(1) of the Treaty.

Question 1(b) and (c)

72 Having regard to the answer given to Question 1(a), there is no need to consider Question 1(b) and (c).

Question 2

73 By its second question the national court seeks, essentially, to ascertain whether a regulation such as the 1993 Regulation which, in order to guarantee the independence and loyalty to the client of members of the Bar who provide legal assistance in conjunction with members of other liberal professions, adopts universally binding rules governing the formation of multi-disciplinary partnerships, has the object or effect of restricting competition within the common market and is likely to affect trade between Member States.

74 By describing the successive versions of the rules on partnerships, the appellants in the main proceedings have set out to establish that the 1993 Regulation had the object of restricting competition.

75 Initially, the Samenwerkingsverordening 1972 ('the 1972 Regulation') authorised members of the Bar to enter into multi-disciplinary partnerships subject to three conditions. First, the partners had to be members of other liberal professions with a university education or education of an equivalent standard. Next, they had to belong to an association or group the members of which were subject to disciplinary rules comparable to those applicable to members of the Bar. Finally, the proportion of members of the Bar belonging to that professional partnership and the size of their contributions to it had to be at least equivalent to that of the partners belonging to other professions, so far as both mutual relations between the partners and their relations with third parties were concerned.

76 In 1973 the General Council accredited the members of both the Netherlands association of patent agents and of the Netherlands association of tax consultants for the purposes of creating multi-disciplinary professional partnerships with members of the Bar. Subsequently, notaries were also accredited. According to the appellants in the main proceedings, although, at the material time, members of the Netherlands institute of accountants were not formally accredited by the General Council, there was in principle no objection to this.

77 In 1991, faced for the first time with a request for authorisation of a partnership with an accountant, the Bar of the Netherlands, following an expedited procedure, amended the 1972 Regulation for the sole purpose, according to the appellants, of having a legal basis on which to prohibit professional partnerships between members of the Bar and accountants. Members of the Bar were thenceforth authorised to enter into multi-disciplinary partnerships only where 'the free and independent exercise of their profession, including the defence of their clients' interests, and the corresponding relationship of trust between lawyer and client cannot be jeopardised'.

78 The refusal to authorise partnerships between members of the Bar and accountants is, in the appellants' submission, based on the finding that firms of accountants had evolved and had in the meantime become gigantic organisations, so that a partnership of a law-firm with a firm of accountants would, as the then Algemene Deken (General Dean) of the Bar expressed it, have more resembled

'the marriage of a mouse and an elephant than a union of partners of equal stature'.

79 The Bar of the Netherlands then adopted the 1993 Regulation. That measure recapitulated the amendment made in 1991 and added a further requirement to the effect that members of the Bar were no longer authorised to form part of a professional partnership 'unless the primary purpose of each partner's respective profession is the practice of the law' (Article 3 of the 1993 Regulation), which, in the appellants' submission, demonstrates the anticompetitive object of the national rules at issue in the main proceedings.

80 In the alternative, the appellants in the main proceedings claim that, irrespective of its object, the 1993 Regulation produces effects that are restrictive of competition.

81 They maintain that multi-disciplinary partnerships of members of the Bar and accountants would make it possible to respond better to the needs of clients operating in an ever more complex and international economic environment.

82 Members of the Bar, having a reputation as experts in many fields, would be best placed to offer their clients a wide range of legal services and would, as partners in a multi-disciplinary partnership, be especially attractive to other persons active on the market in legal services.

83 Conversely, accountants would be attractive partners for members of the Bar in a professional partnership. They are experts in fields such as legislation on company accounts, the tax system, the organisation and restructuring of

undertakings, and management consultancy. There would be many clients interested in an integrated service, supplied by a single provider and covering the legal as well as financial, tax and accountancy aspects of a particular matter.

84 The prohibition at issue in the main proceedings prohibits all contractual arrangements between members of the Bar and accountants which provide in any way for shared decision-making, profit-sharing or for the use of a common name, and this makes any form of effective partnership difficult.

85 By contrast, the Luxembourg Government claimed at the hearing that a prohibition of multi-disciplinary partnerships such as that laid down in the 1993 Regulation had a positive effect on competition. It pointed out that, by forbidding members of the Bar to enter into partnership with accountants, the national rules in issue in the main proceedings made it possible to prevent the legal services offered by members of the Bar from being concentrated in the hands of a few large international firms and, consequently, to maintain a large number of operators on the market.

86 It appears to the Court that the national legislation in issue in the main proceedings has an adverse effect on competition and may affect trade between Member States.

87 As regards the adverse effect on competition, the areas of expertise of members of the Bar and of accountants may be complementary. Since legal services, especially in business law, more and more frequently require recourse to an accountant, a multi-disciplinary partnership of members of the Bar and accountants would make it possible to offer a wider range of services, and indeed to propose new

ones. Clients would thus be able to turn to a single structure for a large part of the services necessary for the organisation, management and operation of their business (the 'one-stop shop' advantage).

88 Furthermore, a multi-disciplinary partnership of members of the Bar and accountants would be capable of satisfying the needs created by the increasing interpenetration of national markets and the consequent necessity for continuous adaptation to national and international legislation.

89 Nor, finally, is it inconceivable that the economies of scale resulting from such multi-disciplinary partnerships might have positive effects on the cost of services.

90 A prohibition of multi-disciplinary partnerships of members of the Bar and accountants, such as that laid down in the 1993 Regulation, is therefore liable to limit production and technical development within the meaning of Article 85(1)(b) of the Treaty.

91 It is true that the accountancy market is highly concentrated, to the extent that the firms dominating it are at present known as 'the big five' and the proposed merger between two of them, Price Waterhouse and Coopers & Lybrand, gave rise to Commission Decision 1999/152/EC of 20 May 1998 declaring a concentration to be compatible with the common market and the functioning of the EEA Agreement (Case IV/M.1016 — Price Waterhouse/Coopers & Lybrand) (OJ 1999 L 50, p. 27), adopted pursuant to Council Regulation (EEC) No 4064/89 of 21 December 1989 on the control of concentrations between undertakings (OJ 1989 L 395, p. 1), as amended by Council Regulation (EC) No 1310/97 of 30 June 1997 (OJ 1997 L 180, p. 1).

92 On the other hand, the prohibition of conflicts of interest with which members of the Bar in all Member States are required to comply may constitute a structural limit to extensive concentration of law-firms and so reduce their opportunities of benefiting from economies of scale or of entering into structural associations with practitioners of highly concentrated professions.

93 In those circumstances, unreserved and unlimited authorisation of multi-disciplinary partnerships between the legal profession, the generally decentralised nature of which is closely linked to some of its fundamental features, and a profession as concentrated as accountancy, could lead to an overall decrease in the degree of competition prevailing on the market in legal services, as a result of the substantial reduction in the number of undertakings present on that market.

94 Nevertheless, in so far as the preservation of a sufficient degree of competition on the market in legal services could be guaranteed by less extreme measures than national rules such as the 1993 Regulation, which prohibits absolutely any form of multi-disciplinary partnership, whatever the respective sizes of the firms of lawyers and accountants concerned, those rules restrict competition.

95 As regards the question whether intra-Community trade is affected, it is sufficient to observe that an agreement, decision or concerted practice extending over the whole of the territory of a Member State has, by its very nature, the effect of reinforcing the partitioning of markets on a national basis, thereby holding up the economic interpenetration which the Treaty is designed to bring about (Case 8/72 *Vereeniging van Cementhandelaren* v *Commission* [1972] ECR 977, paragraph 29; Case 42/84 *Remia and Others* v *Commission* [1985] ECR 2545, paragraph 22; and *CNSD*, paragraph 48).

96 That effect is all the more appreciable in the present case because the 1993 Regulation applies equally to visiting lawyers who are registered members of the

Bar of another Member State, because economic and commercial law more and more frequently regulates transnational transactions and, lastly, because the firms of accountants looking for lawyers as partners are generally international groups present in several Member States.

97 However, not every agreement between undertakings or every decision of an association of undertakings which restricts the freedom of action of the parties or of one of them necessarily falls within the prohibition laid down in Article 85(1) of the Treaty. For the purposes of application of that provision to a particular case, account must first of all be taken of the overall context in which the decision of the association of undertakings was taken or produces its effects. More particularly, account must be taken of its objectives, which are here connected with the need to make rules relating to organisation, qualifications, professional ethics, supervision and liability, in order to ensure that the ultimate consumers of legal services and the sound administration of justice are provided with the necessary guarantees in relation to integrity and experience (see, to that effect, Case C-3/95 *Reisebüro Broede* [1996] ECR I-6511, paragraph 38). It has then to be considered whether the consequential effects restrictive of competition are inherent in the pursuit of those objectives.

98 Account must be taken of the legal framework applicable in the Netherlands, on the one hand, to members of the Bar and to the Bar of the Netherlands, which comprises all the registered members of the Bar in that Member State, and on the other hand, to accountants.

99 As regards members of the Bar, it has consistently been held that, in the absence of specific Community rules in the field, each Member State is in principle free to regulate the exercise of the legal profession in its territory (Case 107/83 *Klopp* [1984] ECR 2971, paragraph 17, and *Reisebüro*, paragraph 37). For that reason, the rules applicable to that profession may differ greatly from one Member State to another.

100 The current approach of the Netherlands, where Article 28 of the Advocatenwet entrusts the Bar of the Netherlands with responsibility for adopting regulations designed to ensure the proper practice of the profession, is that the essential rules adopted for that purpose are, in particular, the duty to act for clients in complete independence and in their sole interest, the duty, mentioned above, to avoid all risk of conflict of interest and the duty to observe strict professional secrecy.

101 Those obligations of professional conduct have not inconsiderable implications for the structure of the market in legal services, and more particularly for the possibilities for the practice of law jointly with other liberal professions which are active on that market.

102 Thus, they require of members of the Bar that they should be in a situation of independence *vis-à-vis* the public authorities, other operators and third parties, by whom they must never be influenced. They must furnish, in that respect, guarantees that all steps taken in a case are taken in the sole interest of the client.

103 By contrast, the profession of accountant is not subject, in general, and more particularly, in the Netherlands, to comparable requirements of professional conduct.

104 As the Advocate General has rightly pointed out in paragraphs 185 and 186 of his Opinion, there may be a degree of incompatibility between the 'advisory' activities carried out by a member of the Bar and the 'supervisory' activities carried out by an accountant. The written observations submitted by the respondent in the main proceedings show that accountants in the Netherlands

perform a task of certification of accounts. They undertake an objective examination and audit of their clients' accounts, so as to be able to impart to interested third parties their personal opinion concerning the reliability of those accounts. It follows that in the Member State concerned accountants are not bound by a rule of professional secrecy comparable to that of members of the Bar, unlike the position under German law, for example.

105 The aim of the 1993 Regulation is therefore to ensure that, in the Member State concerned, the rules of professional conduct for members of the Bar are complied with, having regard to the prevailing perceptions of the profession in that State. The Bar of the Netherlands was entitled to consider that members of the Bar might no longer be in a position to advise and represent their clients independently and in the observance of strict professional secrecy if they belonged to an organisation which is also responsible for producing an account of the financial results of the transactions in respect of which their services were called upon and for certifying those accounts.

106 Moreover, the concurrent pursuit of the activities of statutory auditor and of adviser, in particular legal adviser, also raises questions within the accountancy profession itself, as may be seen from the Commission Green Paper 96/C/321/01 'The role, the position and the liability of the statutory auditor within the European Union' (OJ 1996 C 321, p. 1; see, in particular, paragraphs 4.12 to 4.14).

107 A regulation such as the 1993 Regulation could therefore reasonably be considered to be necessary in order to ensure the proper practice of the legal profession, as it is organised in the Member State concerned.

108 Furthermore, the fact that different rules may be applicable in another Member State does not mean that the rules in force in the former State are incompatible with Community law (see, to that effect, Case C-108/96 *Mac Quen and Others* [2001] ECR I-837, paragraph 33). Even if multi-disciplinary partnerships of lawyers and accountants are allowed in some Member States, the Bar of the Netherlands is entitled to consider that the objectives pursued by the 1993 Regulation cannot, having regard in particular to the legal regimes by which members of the Bar and accountants are respectively governed in the Netherlands, be attained by less restrictive means (see, to that effect, with regard to a law reserving judicial debt-recovery activity to lawyers, *Reisebüro*, paragraph 41).

109 In light of those considerations, it does not appear that the effects restrictive of competition such as those resulting for members of the Bar practising in the Netherlands from a regulation such as the 1993 Regulation go beyond what is necessary in order to ensure the proper practice of the legal profession (see, to that effect, Case C-250/92 *DLG* [1994] ECR I-5641, paragraph 35).

110 Having regard to all the foregoing considerations, the answer to be given to the second question must be that a national regulation such as the 1993 Regulation adopted by a body such as the Bar of the Netherlands does not infringe Article 85(1) of the Treaty, since that body could reasonably have considered that that regulation, despite the effects restrictive of competition that are inherent in it, is necessary for the proper practice of the legal profession, as organised in the Member State concerned.

Question 3

111 By its third question the national court is asking, essentially, whether a body such as the Bar of the Netherlands is to be treated as an undertaking or group of undertakings for the purposes of Article 86 of the Treaty.

112 First, since it does not carry on any economic activity, the Bar of the Netherlands is not an undertaking within the meaning of Article 86 of the Treaty.

113 Second, it cannot be categorised as a group of undertakings for the purposes of that provision, inasmuch as registered members of the Bar of the Netherlands are not sufficiently linked to each other to adopt the same conduct on the market with the result that competition between them is eliminated (Case C-96/94 *Centro Servizi Spediporto* [1995] ECR I-2883, paragraphs 33 and 34).

114 The legal profession is not concentrated to any significant degree. It is highly heterogenous and is characterised by a high degree of internal competition. In the absence of sufficient structural links between them, members of the Bar cannot be regarded as occupying a collective dominant position for the purposes of Article 86 of the Treaty (see, to that effect, Joined Cases C-68/94 and C-30/95 *France and Others* v *Commission* [1998] ECR I-1375, paragraph 227, and Joined Cases C-395/96 P and C-396/96 P *Compagnie maritime belge transports and Others* v *Commission* [2000] ECR I-1365, paragraphs 36 and 42). Furthermore, as is clear from the documents before the Court, members of the Bar account for only 60% of turnover in the legal services sector in the Netherlands, a market share which, having regard to the large number of law firms, cannot of itself constitute conclusive evidence of the existence of a collective dominant position on the part of those undertakings (see, to that effect, *France and Others* v *Commission*, paragraph 226, and *Compagnie maritime belge*, paragraph 42).

115 In light of the foregoing considerations, the answer to be given to the third question must be that a body such as the Bar of the Netherlands does not constitute either an undertaking or group of undertakings for the purposes of Article 86 of the Treaty.

Question 4

116 Having regard to the answer given to the third question, there is no need to consider the fourth question.

Question 5

117 Having regard to the answer given to the second question, there is no need to consider the fifth question.

Question 6

118 Having regard to the answers given to the second and third questions, there is no need to consider the sixth question.

Questions 7, 8 and 9

119 By its seventh question, the national court seeks, essentially, to ascertain whether the compatibility with Community law of a prohibition of multi-disciplinary partnerships of members of the Bar and accountants, such as that laid down in the 1993 Regulation, must be assessed in light of both the Treaty provisions relating to the right of establishment and those relating to freedom to provide services. By its eighth and ninth questions, that court is asking, essentially, whether such a prohibition constitutes a restriction of the right of establishment and/or freedom to provide services and, if so, whether that restriction is justified.

120 It should be observed at the outset that compliance with Articles 52 and 59 of the Treaty is also required in the case of rules which are not public in nature but which are designed to regulate, collectively, self-employment and the provision of services. The abolition, as between Member States, of obstacles to freedom of movement for persons would be compromised if the abolition of State barriers could be neutralised by obstacles resulting from the exercise of their legal autonomy by associations or organisations not governed by public law (Case 36/74 *Walrave and Koch* [1974] ECR 1405, paragraphs 17, 23 and 24; Case 13/76 *Donà* [1976] ECR 1333, paragraphs 17 and 18; Case C-415/93 *Bosman* [1995] ECR I-4921, paragraphs 83 and 84, and Case C-281/98 *Angonese* [2000] ECR I-4139, paragraph 32).

121 In those circumstances, the Court may be called upon to determine whether the Treaty provisions concerning the right of establishment and freedom to provide services are applicable to a regulation such as the 1993 Regulation.

122 On the assumption that the provisions concerning the right of establishment and/or freedom to provide services are applicable to a prohibition of any multi-disciplinary partnerships between members of the Bar and accountants such as that laid down in the 1993 Regulation and that that regulation constitutes a restriction on one or both of those freedoms, that restriction would in any event appear to be justified for the reasons set out in paragraphs 97 to 109 above.

123 The answer to be given to the seventh, eighth and ninth questions must therefore be that it is not contrary to Articles 52 and 59 of the Treaty for a national regulation such as the 1993 Regulation to prohibit any multi-disciplinary partnership between members of the Bar and accountants, since that regulation could reasonably be considered to be necessary for the proper practice of the legal profession, as organised in the country concerned.

Costs

124 The costs incurred by the Netherlands, Danish, German, French, Luxembourg, Austrian, Portuguese and Swedish Governments, by the Government of the Principality of Liechtenstein and by the Commission, which have submitted observations to the Court, are not recoverable. Since these proceedings are, for the parties to the main proceedings, a step in the actions pending before the national court, the decision on costs is a matter for that court.

On those grounds,

THE COURT,

in answer to the questions referred to it by the Raad van State by judgment of 10 August 1999, hereby rules:

1. A regulation concerning partnerships between members of the Bar and other professionals, such as the Samenwerkingsverordening 1993 (1993 regulation on joint professional activity), adopted by a body such as the Nederlandse Orde van Advocaten (the Bar of the Netherlands), is to be treated as a decision adopted by an association of undertakings within the meaning of Article 85(1) of the EC Treaty (now Article 81 EC).

2. A national regulation such as the 1993 Regulation adopted by a body such as the Bar of the Netherlands does not infringe Article 85(1) of the Treaty, since that body could reasonably have considered that that regulation, despite effects restrictive of competition, that are inherent in it, is necessary for the proper practice of the legal profession, as organised in the Member State concerned.

3. A body such as the Bar of the Netherlands does not constitute either an undertaking or a group of undertakings for the purposes of Article 86 of the EC Treaty (now Article 82 EC).

4. It is not contrary to Articles 52 and 59 of the EC Treaty (now, after amendment, Articles 43 EC and 49 EC) for a national regulation such as the 1993 Regulation to prohibit any multi-disciplinary partnerships between members of the Bar and accountants, since that regulation could reasonably be considered to be necessary for the proper practice of the legal profession, as organised in the country concerned.

Rodríguez Iglesias	Jann	Macken
Colneric	von Bahr	Gulmann
Edward	La Pergola	Puissochet
Wathelet	Schintgen	Skouris
	Cunha Rodrigues	

Delivered in open court in Luxembourg on 19 February 2002.

R. Grass

Registrar

G.C. Rodríguez Iglesias

President