



PRESS RELEASE No 5/26

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Judgment of the Court in Case C-554/24 P | Poland v Commission (Retroactive annulment of interim measures)

The Court of Justice dismisses Poland's appeal against the judgment of the General Court concerning the annulment of the daily penalty payments imposed in the Turów mine case

The settlement agreement concluded between the Czech Republic and Poland did not retroactively cancel the periodic penalty payments ordered as interim measures

Taking the view that the extension and continuation of lignite mining activities at the Polish mine in Turów, located close to the borders of the Czech Republic and Germany, were contrary to EU law, the Czech Republic brought an action before the Court of Justice for a declaration that Poland had failed to fulfil its obligations.

On 21 May 2021, on the application of the Czech Republic, the Vice-President of the Court ordered Poland immediately to cease lignite mining activities at the mine in question, pending delivery of the judgment closing the proceedings.¹

Poland did not comply with that order and, therefore, on the application of the Czech Republic, the Vice-President of the Court ordered Poland to pay the European Commission a penalty of €500 000 per day.² That measure was intended to ensure compliance with the order of 21 May 2021 and to encourage Poland not to delay compliance with that order.

On 3 February 2022, the Czech Republic and Poland concluded a settlement agreement.³ As a result, the Court removed the case on the substance from its register and the daily penalty ceased to be payable from 4 February 2022.

According to Poland, that settlement agreement had the effect of retroactively extinguishing the obligation to pay the periodic penalty imposed. The Commission did not share that view. Since Poland had not paid the periodic penalty despite being issued with formal notice to pay, the Commission informed Poland that it would set off the amount payable up to 3 February 2022 against amounts receivable by that Member State from the EU budget. The principal amount thus recovered amounted to approximately €68,5 million.

Poland then brought two actions before the General Court of the European Union seeking the annulment of five Commission decisions to offset. On 29 May 2024, the General Court dismissed those actions as unfounded.⁴

Poland subsequently brought an appeal before the Court, seeking to have set aside the judgment of the General Court and the contested Commission decisions.

The Court has dismissed that appeal, confirming that the General Court correctly interpreted EU law.

The obligation to pay the daily penalty, which is paid to the EU budget, is intended to ensure compliance with the interim measures already ordered, to preserve the full effectiveness of the future final decision, and **thus to guarantee the effective application of EU law in the general interest**. The latter is an essential component of the rule of law, a value on which the European Union is founded.

The judge hearing an application for interim measures who has imposed a periodic penalty payment may reconsider it

and, if necessary, lift its effects only for the future. However, he or she cannot annul or vary it retroactively. Accordingly, the actions of the parties to the dispute, including the conclusion of a settlement agreement, cannot have the effect of retroactively varying, annulling or setting aside an order imposing such a periodic penalty payment. The settlement agreement concluded between the Czech Republic and Poland could not therefore extinguish Poland's obligation to pay the periodic penalty payments that had already fallen due.

The fact that the imposition of a periodic penalty payment may have irreversible effects does not preclude it from being considered an ancillary measure vis-à-vis the proceedings on the substance. By ensuring that EU law is complied with, it also retains a preventive, rather than punitive, character, contrary to what Poland claimed.

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.

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The [full text and, as the case may be, the abstract](#) of the judgment is published on the CURIA website on the day of delivery.

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¹ Order of the Vice-President of the Court of 21 May 2021, Czech Republic v Poland (Turów mine), [C-121/21 R](#) (see also Press Release [No 89/21](#)).

² Order of the Vice-President of the Court of 20 September 2021, Czech Republic v Poland (Turów mine), [C-121/21 R](#) (see also Press Release [No 159/21](#)).

³ In his Opinion of the same date, Czech Republic v Poland (Turów mine), [C-121/21](#) (see also Press Release [No 23/22](#)), Advocate General Pikamäe proposed that the Court should find that, by extending the development consent for lignite mining in the Turów mine by six years without carrying out an environmental impact assessment, Poland had infringed EU law.

⁴ Judgment in Poland v Commission, [T-200/22](#) and [T-314/22](#) (see also Press Release [No 87/24](#)).