

# Monitoring the application of EU law 2016

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**PURPOSE:** presentation of the 2016 annual report on monitoring the application of EU law.

**CONTENT:** the Commission restated its commitment to improving the application of EU law in a Communication of December 2016 which sets out a **more strategic approach** to its infringement policy.

This annual report highlights the main developments in enforcement policy in 2016.

**Infringement procedures:** the Commission registered **3 783 new complaints in 2016**. The three Member States against which it filed the most complaints were Italy, Spain and France.

- **Italy:** 753 complaints, most of them related to: employment, social affairs and inclusion (322 complaints); internal market, industry, entrepreneurship and SMEs (129 complaints); and environment (76 complaints);
- **Spain:** 424 complaints, especially in connection with: justice and consumers (149 complaints); employment, social affairs and inclusion (57 complaints); and taxation and customs union (44 complaints); and
- **France:** 325 complaints, mainly related to: mobility and transport (79 complaints); employment, social affairs and inclusion (60 complaints); and justice and consumers (58 complaints).

The **EU Pilot dialogue** between the Commission and Member States was set up to quickly resolve potential breaches of EU law at an early stage in appropriate cases: **790 new EU Pilot files** were opened in 2016.

The **high number of infringement procedures**, which in 2016 **rose to a five-year peak**, remains a serious concern. The Commission launched **986 new procedures** by sending a letter of formal notice.

The main areas concerned are: (i) internal market, industry, entrepreneurship and SMEs (292); health and food safety (148); financial stability, financial services and capital markets union (120); environment (89). It also sent 292 reasoned opinions to Member States in 2016. At the end of 2016, 1 657 infringement proceedings were still in progress.

**Transposition of directives:** there were 70 directives to transpose in 2016, up from 56 in 2015. **New late transposition infringements increased sharply**, to 847 from 543. At the end of 2016, 868 late transposition infringement cases were still open, a 67.5 % increase from the 518 cases open at the end of 2015.

New cases were launched against 27 Member States for late transposition of the Directive on measures to reduce the cost of deploying high-speed electronic communications networks.

In addition, 26 Member States were involved in cases of late transposition of the Directives on human tissues and cells. The Commission launched 23 procedures over late transposition of the Directive on collective management of copyright and related rights.

In 2016, Portugal (4), Greece (3) and Spain (3) were the subject of most of the Court's judgments under Article 258 TFEU.

**Priority areas:** the 2016 annual report reflects the focus on enforcement in the political priority areas of the Commission. For example, the Commission pursued enforcement actions in the area of the **internal market**, where it specifically targeted Member States' failure to establish or apply penalties systems to deter car manufacturers from violating car emissions legislation.

Another example is the transposition of EU rules on public **procurement and concessions**; here, full transposition and implementation of EU law is essential to make it easier and cheaper for small and medium-sized enterprises to bid for public contracts, in full respect of the EU's principles of transparency and competition.

The Commission closely monitored the application of the *acquis* in the areas of free movement of workers and health and safety at work, climate and energy policy, the environment and financial services, consumer protection, health and food safety.

The Commission followed up on the infringement procedures it launched in 2015 over the non-communication or incorrect implementation of instruments under the Common European Asylum System.

**Commission action:** improving the application of EU law is a priority for the Commission and an essential part of the Better Regulation agenda. The Commission intends to:

- provide Member States with the **support and assistance** they need during the implementation phase will focus on issues where enforcement action can make a real difference;
- **strengthen its response** when pursuing breaches of EU law through infringement procedures. To ensure swifter compliance and to be able to deliver on its policy priorities, the Commission will henceforth launch infringement procedures without **relying on the EU Pilot mechanism**, unless recourse to EU Pilot is seen as useful in a given case.

The Commission has also reinforced the **sanctions regime** under Article 260(3) TFEU for when Member States fail to communicate on time their measures transposing a directive adopted under a legislative procedure.

This more strategic approach to enforcement, combined with timely and effective Commission action, aims at ensuring better application of EU law for the benefit of all.