wage-earners or assimilated workers who have worked for periods of time in that State and are entitled to a pension there.
The grant of such a benefit to a foreign worker who fulfils these conditions cannot depend on the existence of a reciprocal agreement with the Member State of which that worker is a national since such a condition is incompatible with the rule of equality of treatment which is one of the fundamental principles of Community law.

In Case 1/72

Reference to the Court under Article 177 of the EEC Treaty by the Tribunal du Travail, Brussels, for a preliminary ruling in the action pending before that court between

RITA FRILLI, residing at Brussels,

and

BELGIAN STATE

on the interpretation of Article 7(2) of Regulation (EEC) No 1612/68 of the Council of 15 October 1968 on freedom of movement for workers within the Community and Article 2(1) and (3) of Regulation No 3 of the Council of 25 September 1958 concerning social security for migrant workers, in relation to the Belgian Law of 1 April 1969 establishing a guaranteed income for old people,

THE COURT

composed of: R. Lecourt, President, J. Mertens de Wilmars, President of Chamber, A. M. Donner, R. Monaco and P. Pescatore (Rapporteur), Judges,

Advocate-General: H. Mayras
Registrar: A. Van Houtte

gives the following

JUDGMENT

Issues of fact and of law

I — Facts and procedure

Mrs Rita Frilli, an Italian national, born on 29 March 1908, was employed in Belgium in 1966 and 1967 and has continued to reside there.
She receives a Belgian retirement pension amounting to BFrs 350 per month in respect of that employment.
On 14 May 1969 Mrs Frilli lodged a claim with the Department of Old-Age Pensions of the Belgian Ministry of Social Security for payment of the guaranteed income for old people established by the Belgian Law of 1 April 1969 (*Moniteur belge* of 29 April 1969, p. 3954).
On 5 April 1971 the Department of Old-Age Pensions gave notice to Mrs Frilli that a decision had been taken rejecting this request. This decision was based on Article 1(2) of the Law of 1 April 1969 which provides that 'every recipient shall either be of Belgian nationality or a national of a country with which Belgium has concluded a reciprocal agreement concerning this matter, or a stateless person, or a refugee recognized as such', and on the fact that Mrs Frilli is of Italian nationality, and is thus a national of a country with which Belgium has not concluded a reciprocal agreement concerning guaranteed income.
On 28 May 1971 Mrs Frilli appealed against this decision to the Tribunal du Travail, Brussels.
In support of her case she called attention to Article 7(2) of Regulation No 1612/68 of the Council of 15 October 1968 on freedom of movement for workers within the Community (OJ, English Special Edition 1968(II), p. 475) which provides that a worker who is a national of a Member State shall enjoy, in the territory of another Member State, 'the same social and tax advantage as national workers' and to the general provisions (Head I) of Regulation No 3 of the Council of 25 September 1958 concerning social security for migrant workers (JO, No 30, p. 561).

On 16 December 1971, further to the arguments put forward at the hearing on 18 November 1971, the Tribunal du Travail, Brussels, Eleventh Chamber, decided to request the Court of Justice for a preliminary ruling under Article 177 of the EEC Treaty on the following questions:

(1) Is the guaranteed income granted by virtue of the Belgian Law of 1 April 1969 a social advantage within the meaning of Article 7(2) of Regulation No 1612/68 of the Council?

(2) Is the guaranteed income which is a non-contributory social benefit granted by the State to old people within the meaning of the Belgian Law of 1 April 1969, an old-age benefit within the meaning of Article 2(1)(c) of Regulation No 3 or is it a social assistance benefit within the meaning of Article 2(3) of this regulation?

The decision of the Tribunal du Travail was registered at the Court Registry on 6 January 1972.
Written observations were lodged on 27 January 1972 by the plaintiff in the main action, on 7 March by the Belgian State, represented by the Minister for Social Security, on 14 March by the Commission of the European Communities and on 23 March by the Government of the Italian Republic in accordance with Article 20 of the Protocol on the Statute of the Court of Justice of the EEC.
After hearing the report of the Judge-Rapporteur and the views of the Advocate-General the Court decided to open the oral procedure without any preparatory inquiry.
At the request of the Court, the plaintiff in the main action, the Belgian State and the Commission produced additional information in writing.
At the hearing on 25 April 1972 the Belgian State, the Government of the Italian Re-

public and the Commission of the European Communities presented oral argument and answered questions put by the Court.
The Advocate-General delivered his opinion at the hearing on 17 May 1972.
In the procedure before the Court the plaintiff in the main action lodged observations personally, the Belgian State was represented by the Minister for Social Security for the purposes of the written procedure and by Jacques Bastelous, Advocate at the Cour d'Appel, Brussels, for the purposes of the oral procedure, the Government of the Italian Republic by Adolfo Maresca, Minister Plenipotentiary, assisted by Giorgio Zagari, Sostituto Avvocato dello Stato, and the Commission by its Legal Adviser, Italo Telchini.

II — Observations submitted to the Court

The written and oral observations submitted to the Court may be summarized as follows:

Mrs Rita Frilli, the plaintiff in the main action, argues that the guaranteed income established by the Belgian Law of 1 April 1969 is a non-contributory old-age pension and not a social assistance benefit.
(a) She says that the guaranteed income is granted at the normal retirement age, is paid by the Caisse nationale des pensions des travailleurs salariés (National Pension Fund for Employed Persons) and is entirely borne by the State. Furthermore both the holiday allowance provided for by the Law of 13 June 1966 on retirement pensions and survivor's pensions for employed persons, and compulsory medical benefits are extended to recipients of the guaranteed income.
The Law of 1 April 1969, establishing a guaranteed income, repealed certain provisions of the Law of 12 February 1963 concerning the organization of a scheme for retirement and survivors' pensions for persons insured privately. Under these provisions persons insured privately and persons who did not receive a pension in respect of full working life under some other scheme were able to obtain an increase in their pension at the expense of the State. By virtue of the principle of equality of treatment employed persons who were nationals of a Member State of the Communities were able, before the Law on the guaranteed income came into force, to qualify for these increases under ths same conditions as Belgian nationals.

(b) Social and medical assistance is governed in Belgium by the Laws of 27 November 1891 and 10 March 1925. It is granted to persons in need by local national assistance boards which, being autonomous, decide on their own authority upon the need for, and the nature and amount of, the assistance to be granted.

(c) Should the guaranteed income be considered as social assistance benefit and thus excluded from the scope of application of Regulation No 3, it could be granted to the plaintiff in the main action by virtue of Article 1 of the European Convention on Social and Medical Assistance signed in Paris on 11 December 1953 by the Member States of the Council of Europe.

The observations submitted by the *Belgian State, Ministry for Social Security*, the defendant in the main action, are essentially as follows:

(a) Regulation No 1612/68, adopted pursuant to Article 49 of the EEC Treaty, applies to employed persons only. The guaranteed income for old people, established by the Belgian Law of 1 April 1969 is not specially intended for the active working population and thus does not fall within the scope of application of this regulation.
Even if Regulation No 1612/68 had to be considered as applicable, the guaranteed income would have to be excluded from its subject-matter: Article 7(2) which guarantees for workers who are nationals of a Member State enjoyment of the same social and tax advantages as national workers only covers social advantages dependent on employment which are nec-

essary for the attainment of freedom of movement for workers.

(b) As for Regulation No 3 it should be noted that the decisive factor for distinguishing between social assistance benefits and social security schemes, the latter alone being covered by Regulation No 3, is not their contributory or non-contributory nature. During recent years the characteristics of social assistance on the one hand and social security on the other have become blurred: social assistance has become a right, while social security has become widely applicable.

The difference between the one and the other is to be found in the spirit of the measure, and in the cause giving rise to it:

— assistance is characterized by the fact that it seeks to relieve a state of need or poverty; it is the need which causes and justifies the right to assistance;

— social security, on the contrary, does not seek to relieve poverty, but to indemnify the victim of certain social risks by providing him with a supplementary or substitute income; the intention is not to provide a particular income, but an equivalent or substitute.

Assistance meets a vital need; social security goes further.
It is clear from the provisions of the Belgian Law of 1 April 1969, especially Articles 1, 8, 19 and 21(1), and from the preparations for that Law that the intention was indeed to guarantee to old people who are without means a minimum income, that is, an assistance benefit, except where they are already being maintained at the expense of the State.
Besides it is not possible for one and the same law to constitute a social security supplement for those who have worked and social assistance for those who have never done so.
Belgium has from the beginning considered the guaranteed income as a social assistance measure not covered by Regulation No 3. It has acted accordingly on the international level by concluding or attempting to conclude reciprocal agreements. During the course of these negotiations none of the States concerned have contested the validity of the Belgian position and none have pointed to the existence of Regulations Nos 3 and 4. They have thus shared the view that these regulations are not applicable to the guaranteed income for old people.

(c) In conclusion, the Belgian State is of the opinion that the questions referred by the Tribunal du Travail, Brussels, for a preliminary ruling call for the following answers:

— Regulation No 1612/68 of the Council on freedom of movement for workers within the Community does not apply to the claim at issue and, in any case, the guaranteed income for old people granted under the Belgian Law of 1 April 1969 does not constitute a social advantage within the meaning of Article 7(2) of this regulation;

— the guaranteed income within the meaning of the Belgian Law of 1 April 1969 constitutes a social assistance benefit not falling within the scope of Regulations Nos 3 and 4 of the Council.

The *Government of the Italian Republic* is of the opinion that the guaranteed income for old people must be considered as a non-contributory social security benefit.

(a) It appears from the 'Short Guide to Social Security in Belgium' published in 1972 by the Belgian Ministry for Social Security that the guaranteed income system replaces in particular the Law of 12 February 1963 concerning increases in retirement pensions and that this system falls substantially within the framework of social security notwithstanding the fact that in scope and in intent it goes further. Furthermore, since the distinction between social security and social assistance is becoming more and more blurred, their chief distinguishing feature at present is the degree of security in the position guaranteed by the Law to the recipient of the benefit. Where the recipient only has a

contingent right and the grant thereof is subject to the discretion of the public administration, social assistance is involved. Where the Law grants the recipient a truly personal right which precludes any decision by the administration pursuant to a discretion, social security is involved.

(b) Every specific provision of secondary Community law concerning the treatment to be accorded to nationals of the Member States within the Community ought to be based on Article 7 of the EEC Treaty. The prohibition against any discrimination based on nationality laid down by this article is a fundamental principle. The advantages guaranteed by the Belgian Law of 1 April 1969 should be applied without any possibility of discrimination based on the nationality of the recipient. The requirement laid down by this law that there be a reciprocal agreement in the case of foreign workers residing in Belgium—a standard requirement in international law —cannot concern workers from Member States within the context of Community law because of the principle laid down in Article 7 of the EEC Treaty but only nationals of third countries.
Since the guaranteed income applies in the field of employment—even if it has wider objectives and purposes—and since the employment sector is amongst those which have been governed by rules of Community law, any restriction on the grant of the guaranteed income by reason of the nationality of the claimants is contrary to Article 7 of the Treaty as regards workers who are nationals of Member States.

(c) As for the first question referred by the Tribunal du Travail, Brussels, it is necessary to state that the guaranteed income constitutes a social advantage within the meaning of Article 7(2) of Regulation No 1612/68 for Belgian workers, and that therefore it must also be payable to workers from other Member States residing in Belgium.
The fact that the guaranteed income is granted regardless of the existence of a state of employment is irrelevant. So also is the fact that in the present case the plaintiff in the main action is retired because in Community law a wide meaning should be given to the concept of a worker.
For all these reasons the first question should be answered in the affirmative.

(d) As regards the second question, the benefits for which the Belgian Law of 1 April 1969 makes provision must be regarded as applying to elderly workers and thus as constituting an old-age benefit within the maening of Article 2(1)(c) of Regulation No 3.
The right to the guaranteed income is personal, and is not a contingent right dependent upon a decision by the public administration in the exercise of its discretion. Therefore it is to be classified as social security and not as social assistance within the meaning of Article 2(3) of Regulation No 3.
The *Commission of the European Communities* emphasizes that the EEC Treaty has laid down a different legal basis for the general rules for the progressive attainment of freedom of movement for workers on the one hand (Article 49) and, on the other, the field of social security (Article 51). Therefore it appears at first sight difficult to acknowledge that social security might be included among the social advantages mentioned in Article 7(2) of Regulation No 1612/68, adopted in application of Article 49.

(a) As for the definition of social assistance, it may be stated that whilst Regulation No 3 concerning social security for migrant workers states in Article 2(3) that it does not apply to social assistance and medical aid, it does not specify what it means by social assistance. The case-law of the Court does not specify the criteria for distinguishing between social security and social assistance. The European Convention on Social and Medical Assistance, made under the auspices of the Council of Europe, contains a definition of social assistance from which it would appear in particular that non-contributory pensions are not social assistance benefits. A final point is that the recognized tests for distinguishing social assistance, namely its scope of application, the financial conditions upon which its grant depends, and

the method whereby it is financed, are no longer sufficient.
It is therefore possible to take the view that the cash benefits granted under a non-contributory scheme established at national level, as a supplement to a pension or in lieu thereof, to persons of a given age or to invalids or to survivors so as to guarantee for them an income the amount of which is fixed by the law, are social security benefits falling within the material scope of Regulation No 3 as defined in Article 2 thereof.
In so far as such a scheme is intrinsically bound up with the pensions scheme, the cash benefits are granted without reservation at certain intervals of time, and the person concerned has the right to appeal against decisions taken with regard to him, it must be permissible to regard that system as falling within social security, even if the grant of benefits is subject to a means test.

(b) An analysis of the Belgian Law of 1 April 1969 shows that the right approach is to accept that although the guaranteed income satisfies the recognized tests for assistance as regards its scope of application, the financial conditions upon which its grant depends and its financing, nevertheless in other respects it reveals obvious connexions with social security in Belgium: the minister responsible for social security has power to check information and to take decisions on claims; in certain cases claims are treated as requests for the application of retirement and survivors' pensions schemes for employed and self-employed persons; payment is made by the National Fund for Retirement and Survivors' Pensions; the fact that all the laws amended, extended or repealed by the Law establishing the guaranteed income deal with retirement and survivorship schemes; the party concerned has a right of appeal before the tribunals and courts having jurisdiction in matters concerning retirement and survivorship schemes.
The *travaux préparatoires* leading to the adoption of the Law of 1 April 1969 and the 'Short Guide to Social Security in Belgium' published by the Belgian Ministry for Social Security confirm that the guaranteed income comes under social security benefits falling within the material scope of Regulation No 3. The fact that the Law of 1969 is not listed in Annex B to Regulation No 3 does not invalidate this conclusion because this list is purely declaratory; moreover, the Law is not listed in Annex I to the European Convention on Social and Medical Assistance, but is indeed listed in Annex I to the European Interim Agreement on Social Security Schemes relating to Old-Age, Invalidity and Survivors.

(c) Should it be considered that the guaranteed income is a social assistance benefit, then as regards the interpretation of Article 7 of Regulation No 1612/68 it should be acknowledged that any social advantage must be extended to employed persons from other Community countries who satisfy the same conditions as nationals, even where such advantage is not derived directly from the employment, but is an advantage available to employed persons who are nationals.
However Article 7 of Regulation No 1612/68 only refers to workers who are in fact in employment. Therefore in order to claim equality of treatment as regards social advantages the plaintiff in the main action must satisfy the requirements laid down by Regulation No 1251/70 of the Commission of 29 June 1970 on the right of workers to remain in the territory of a Member State after having been employed in that State (OJ, English Special Edition 1970(II), p. 402). From the present state of the file it is not possible to verify whether that is the case.

(d) In conclusion the Commission considers that the reply to be given to the questions referred to the Court could be as follows:

> The guaranteed income granted under the Belgian Law of 1 April 1969 is a non-contributory social security benefit falling within the material scope of Regulation No 3 as defined in Article 2 thereof. Therefore there is no need to consider Regulation No 1612/68.

Grounds of judgment

1 By judgment of 16 December 1971, which was received at the Court on 6 January 1972, the Tribunal du Travail, Brussels, pursuant to Article 177 of the EEC Treaty, referred questions on the interpretation of certain provisions of Regulation No 1612/68 of the Council of 15 October 1968 on freedom of movement for workers within the Community (OJ, English Special Edition 1968 (II), p. 475) and of Regulation No 3 of the Council of 3 December 1958 concerning social security for migrant workers (JO 1958, p. 561) in connexion with the application of the Belgian Law of 1 April 1969 establishing a guaranteed income for old people.

2 The first question asks whether the income guaranteed by this law is a 'social advantage' within the meaning of Article 7(2) of Regulation No 1612/68.

3 The next question asks whether the guaranteed income, as a non-contributory social benefit granted by the State to old people, is an 'old-age benefit' within the meaning of Article 2(1)(c) of Regulation No 3 or whether it is 'social assistance' within the meaning of Article 2(3) of the same regulation.

4 In view of the specific nature of the benefit in question, the second question should be considered first because an examination of how the guaranteed income may be classified having regard to the concept of 'social advantages' within the meaning of Article 7(2) of Regulation No 1612/68 can only be contemplated if it is established that the guaranteed income is not a social security benefit within the meaning of Regulation No 3.

5 The question for interpretation formulated by the Tribunal du Travail has been raised in connexion with a law intended to guarantee a minimum income to men and women who are respectively at least 65 and 60 years old and who are in need.

6 This advantage is made available to Belgian nationals, the only condition being that they must reside in Belgium.

7 A foreigner, however, cannot enjoy the benefit of this law unless he fulfils the twofold condition of being a national of a country with which Belgium has concluded a reciprocal agreement on the subject and of having actually resided in Belgium for a period of at least five years preceding the date when the right to the guaranteed income arises.

8 It appears from the file that the plaintiff in the main action, an Italian national who is in receipt of a Belgian retirement pension as an employed person on ac-

count of a short period of employment, fulfils the conditions required by the law —subject to the verification which the Tribunal du Travail intends to carry out— except, in the absence of an agreement between Italy and Belgium, the condition of reciprocity.

9 In order to decide the issue brought before the Tribunal du Travail it is therefore necessary to classify the benefit for which the Belgian Law makes provision having regard to the criteria defining the scope of Regulation No 3 so as to determine whether the condition of reciprocity stipulated by that law can apply.

10 Although under the present procedure the Court may not pass judgment on the Belgian Law, nevertheless it has power to provide the national court with aids to interpretation based on Community law which may guide the said court in its assessment of the effects of this Law.

11 Under Article 1 (b) of Regulation No 3, the said regulation applies to all laws of the Member States relating to 'the social security schemes and branches of social security' set out in Article 2(1) and (2).

12 However, under paragraph (3) of the said article the regulation does not apply to 'social assistance and medical aid'.

13 Although it may seem desirable, from the point of view of applying the regulation, to establish a clear distinction between legislative schemes which come within social security and those which come within assistance, it is possible that certain laws, because of the classes of persons to which they apply, their objectives, and the detailed rules for their application, may simultaneously contain elements belonging to both the categories mentioned and thus defy any general classification.

14 Although, by virtue of certain of its features, national legislation on guaranteed income has certain affinities with social assistance—in particular where it prescribes need as an essential criterion for its application and does not stipulate any requirement as to periods of employment, membership, or contribution—nevertheless it approximates to social security because it does not prescribe consideration of each individual case, which is a characteristic of assistance, and confers on recipients a legally defined position giving them the right to a benefit which is analogous to the old-age pensions mentioned in Article 2 of Regulation No 3.

15 Taking into account the wide definition of the range of recipients, such legislation in fact fulfils a double function; it consists on the one hand in guaranteeing a subsistence level to persons wholly outside the social security system, and on the other hand in providing an income supplement for persons in receipt of inadequate social security benefits.

16 Under Article 2(1)(c) of Regulation No 3, that regulation applies to all 'old-age benefits'.

17 According to Article 1(s) of the same regulation the term 'benefits' is to be understood as meaning, in the widest sense, all pensions, including all fractions thereof chargeable to public funds, increments, revaluation allowances or supplementary allowances.

18 Thus as regards a wage-earner or assimilated worker who has completed periods of employment in a Member State, resides in that State and is entitled to a pension there, the legislative provisions giving all elderly residents a legally protected right to a minimum pension are provisions which, as regards these workers, come within the field of social security covered by Article 51 of the Treaty and within the regulations adopted in application of that article, even where such legislation might fall outside this classification as regards other categories of recipients.

19 Therefore the absence of a reciprocal agreement may not be set up against such a worker because such a requirement is incompatible with the rule of equality of treatment which is one of the fundamental principles of Community law, and is enshrined, in this respect, in Article 8 of Regulation No 3.

20 The difficulties which may occur as regards the Community rules as the result of the application of general systems of social protection, which have been designed for a population as a whole and are based on requirements of nationality and residence, are inherent in the very nature of such systems, which are intended to protect simultaneously employed persons covered as such by social security and persons who are not thus covered.

21 Although these difficulties, taken as a whole, can only be resolved within the context of a legislative action taken by the Community, nevertheless this fact cannot adversely affect the right and duty of courts and tribunals to ensure that migrant workers receive protection wherever this proves to be possible under the principles of the social legislation of the Community, and without thereby breaking up the system set up by the national legislation in question.

22 Such is the case at least whenever a person having the status of an employed or assimilated worker within the meaning of Regulation No 3 already comes, by virtue of a prior occupational activity, under the social security system of the Member State whose legislation guaranteeing a minimum income to old people is pleaded.

23 In view of the foregoing it does not appear necessary to examine the first question referred by the Tribunal du Travail.

Costs

24 The costs incurred by the Commission of the European Communities, which has submitted observations to the Court, are not recoverable.

25 As these proceedings are, in so far as the parties to the main action are concerned, a step in the action pending before the Tribunal du Travail, Brussels, the decision on costs is a matter for that court.

On those grounds,

Upon reading the pleadings;
Upon hearing the report of the Judge-Rapporteur;
Upon hearing the oral observations of the Belgian State, the Government of the Italian Republic, and the Commission of the European Communities;
Upon hearing the opinion of the Advocate-General;
Having regard to the Treaty establishing the European Economic Community, especially Articles 7, 49, 51 and 177;
Having regard to Regulation No 3 of the Council concerning social security for migrant workers, especially Articles 1, 2 and 8;
Having regard to the Protocol on the Statute of the Court of Justice of the European Communities, especially Article 20;
Having regard to the Rules of Procedure of the Court of Justice of the European Communities,

THE COURT

in answer to the questions referred to it for a preliminary ruling by the Tribunal du Travail, Brussels, hereby rules:

1. **The 'guaranteed income' granted by legislation of general application of a Member State giving old people who are resident in that State a right to a minimum pension must be considered, as regards employed and assimilated workers within the meaning of Regulation No 3 who have a right to a pension in the same State, as an 'old-age benefit' within the meaning of Article 2(1)(c) of the same regulation;**

2. **The grant of such a benefit to a foreign worker who fulfils these conditions**

cannot depend on the existence of a reciprocal agreement with the Member State of which that worker is a national.

Lecourt Mertens de Wilmars

Donner Monaco Pescatore

Delivered in open court in Luxembourg on 22 June 1972.

A. Van Houtte
Registrar

R. Lecourt
President

OPINION OF MR ADVOCATE-GENERAL MAYRAS DELIVERED ON 17 MAY 1972[1]

Mr President,
Members of the Court,

Mrs Rita Frilli, an Italian national, resides in Belgium. During the years 1966 and 1967 she worked there as an employed person. She is 64 years old and receives an old-age pension of 350 Belgian francs per month, the small amount of which is due to the fact that she had been employed for only a short period.

As the Law of 1 April 1969 established a guaranteed income for old people, Mrs Frilli asked for the provisions of that Law to be applied to her. Her claim was rejected by the Department of Old-Age Pensions on 5 April 1971, the reason being that under Article 1(2) of the Law of 1 April 1969 'every recipient shall either be of Belgian nationality or a national of a country with which Belgium has concluded a reciprocal agreement concerning this matter, or a stateless person, or a refugee recognized as such'. Italy, the country of which Mrs Frilli is a national, has not made such a reciprocal agreement.

Mrs Frilli referred this decision to the Tribunal du Travail, Brussels, and pleaded first the provisions of Article 7(2) of Regulation No 1612/68 of the Council of 15 October 1968 on freedom of movement for workers within the Community, according to which a worker who is a national of a Member State shall, in the territory of other Member States, 'enjoy the same social and tax advantages as national workers', and secondly Regulation No 3 of the Council of 26 September 1958 concerning social security for migrant workers. In a judgment of 16 December 1971 the Tribunal du Travail, Brussels, refers the following two questions to this Court for a preliminary ruling under Article 177 of the Treaty of Rome:

(1) Is the guaranteed income granted by virtue of the Belgian Law of 1 April 1969 a social advantage within the meaning of Article 7(2) of Regulation No 1612/68?

(2) Is the guaranteed income, which is a non-contributory social benefit granted by the State to old people, by virtue of the same Law an old-age benefit within the meaning of Article 2(1) of Regula-

1 — Translated from the French.