



Reports of Cases

Judgment of the Court (First Chamber) of 18 December 2014 —

Commission v United Kingdom

(Case C-640/13)¹

(Failure of a Member State to fulfil obligations — Recovery of taxes unduly paid under EU law — National legislation — Retroactive curtailment of the limitation period for the applicable remedies — Principle of effectiveness — Principle of the protection of legitimate expectations)

1. *EU law — Direct effect — Individual rights — Safeguarding by the national courts — Legal action — Principle of procedural autonomy — Limits — Respect for the principles of equivalence and effectiveness (Art. 4(3) TEU) (see paras 31, 32)*
2. *Tax provisions — Harmonisation of laws — Indirect taxes on the raising of capital — Reimbursement of charges levied in breach of rules of EU law — Limitation period — Reduction with retroactive effect and without notice or transitional arrangements of the time-limit applicable to one of the legal remedies available to tax payers — Incompatibility with the principles of effectiveness and of the protection of legitimate expectations — Failure to fulfil obligations (Art. 4(3) TEU) (see paras 33-40, 45, operative part)*
3. *Actions for failure to fulfil obligations — Examination of the merits by the Court — Situation to be taken into consideration — Situation on expiry of the period laid down in the reasoned opinion (Art. 258 TFEU) (see paras 42-44)*

Operative part

The Court:

1. Declares that, by adopting a provision, such as section 107 of the Finance Act 2007, which curtailed, retroactively and without notice or transitional arrangements, the right of taxpayers to recover taxes levied in breach of EU law, the United Kingdom of Great Britain and Northern Ireland has failed to comply with its obligations under Article 4(3) TEU;

¹ — OJ C 78, 15.03.2014.

2. Orders the United Kingdom of Great Britain and Northern Ireland to pay the costs.