



Reports of Cases

JUDGMENT OF THE COURT (Eighth Chamber)

7 August 2018*

(Reference for a preliminary ruling — Agriculture — Support for rural development — Regulation (EC) No 1257/1999 — Articles 10 to 12 — Early retirement support — National legislation providing for the transfer by inheritance of early retirement support — Legislation approved by the European Commission — Subsequent change of position — Protection of legitimate expectations)

In Case C-120/17,

REQUEST for a preliminary ruling under Article 267 TFEU from the Latvijas Republikas Satversmes tiesa (Constitutional Court, Latvia), made by decision of 28 February 2017, received at the Court on 7 March 2017, in the proceedings

Administratīvā rajona tiesa

v

Ministru kabinets,

THE COURT (Eighth Chamber),

composed of J. Malenovský, President of the Chamber, D. Šváby and M. Vilaras (Rapporteur), Judges,

Advocate General: P. Mengozzi,

Registrar: K. Malacek, Administrator,

having regard to the written procedure and further to the hearing on 17 January 2018,

after considering the observations submitted on behalf of:

- the Latvian Government, by I. Kucina and G. Bambāne, acting as Agents,
- the European Commission, by J. Aquilina and I. Naglis, acting as Agents,

after hearing the Opinion of the Advocate General at the sitting on 30 May 2018,

gives the following

* Language of the case: Latvian.

Judgment

- 1 This request for a preliminary ruling concerns the interpretation of Articles 10 to 12 of Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain regulations (OJ 1999 L 160, p. 80) and the principle of the protection of legitimate expectations.
- 2 The request has been made in the course of an application for review of constitutionality brought by the Administratīvā rajona tiesa (District Administrative Court, Latvia), in connection with a dispute between a number of individuals and the Lauku atbalsta dienests (Rural Support Service, Latvia), concerning the validity of agreements governed by public law relating to the grant of support for early retirement from farming on the basis of Articles 10 to 12 of Regulation No 1257/1999.

Legal context

EU law

- 3 Recital 23 of Regulation No 1257/1999 states:

‘Whereas early retirement from farming should be encouraged in order to improve the viability of agricultural holdings, taking into account the experience acquired in the implementation of [Council] Regulation (EEC) No 2079/92 [of 30 June 1992 instituting a Community aid scheme for early retirement from farming (OJ 1992 L 215, p. 91)]’.

- 4 Chapter IV, entitled ‘Early retirement’, of Title II, itself entitled ‘Rural development measures’, of Regulation No 1257/1999 contains Articles 10 to 12. Article 10(1) of that regulation provides:

‘Support for early retirement from farming shall contribute to the following objectives:

- to provide an income for elderly farmers who decide to stop farming,
- to encourage the replacement of such elderly farmers by farmers able to improve, where necessary, the economic viability of the remaining agricultural holdings,
- to reassign agricultural land to non-agricultural uses where it cannot be farmed under satisfactory conditions of economic viability.’

- 5 Article 11(1) and (5) of that regulation provides:

‘1. A transferor of a farm shall:

- stop all commercial farming activity definitively; he may, however, continue non-commercial farming and retain the use of the buildings,
- be not less than 55 years old but not yet of normal retirement age at the time of transfer,

and

- have practised farming for the 10 years preceding transfer.

...

5. The conditions laid down in this Article shall be applied throughout the period during which the transferor receives early retirement support.’
- 6 Article 12(2) of the regulation is worded as follows:
- ‘The duration of early retirement support shall not exceed a total period of 15 years for the transferor and 10 years for the farm worker. It shall not go beyond the 75th birthday of a transferor and not go beyond the normal retirement age of a worker.
- Where in the case of a transferor a normal retirement pension is paid by the Member State, early retirement support shall be granted as a supplement taking into account the amount of the national retirement pension.’
- 7 Title III of Regulation No 1257/1999, entitled ‘General principles, administrative and financial provisions’, contains Articles 35 to 50.
- 8 Under Article 39 of that regulation:
- ‘1. Member States shall take all necessary steps to ensure the compatibility and consistency of rural development support measures pursuant to the provisions laid down in this Chapter.
2. The rural development plans submitted by Member States shall include an appraisal of the compatibility and the consistency of the support measures envisaged and an indication of the measures taken in order to ensure compatibility and consistency.
3. Support measures shall, where necessary, be subsequently revised to ensure compatibility and consistency.’
- 9 Article 44(2) of Regulation No 1257/1999 provides:
- ‘The Commission shall appraise the proposed plans to determine whether they are consistent with this Regulation. On the basis of the plans, it shall approve rural development programming documents in accordance with the procedure referred to in Article 50(2) of [Council] Regulation (EC) No 1260/1999 [of 21 June 1999 laying down general provisions on the Structural Funds (OJ 1999 L 161, p. 1)] within six months after the submission of the plans.’

Latvian law

- 10 The Ministru kabinets (Council of Ministers, Latvia) adopted, on 30 November 2004, Decree No 1002 laying down detailed rules for the application of the programming document ‘Latvian rural development plan for the implementation of the rural development programme for the years 2004 to 2006’ (*Latvijas Vēstnesis*, 2004, No 193, ‘Decree No 1002’).
- 11 Sub-chapter 9.3 of the Latvian rural development plan for the implementation of the rural development programme for the years 2004 to 2006 (‘the Rural Development Plan’) provided for the possibility of proprietors of agricultural holdings who were at least 55 years old transferring their agricultural holding to a third party and receiving in return support for early retirement (‘early retirement support’), the eligibility conditions for which broadly corresponded to those of Article 11(1) of Regulation No 1257/1999.

- 12 Sub-chapter 12.3.2 of the Rural Development Plan included a section headed 'Early retirement', point (a) of which stated that, if the recipient of early retirement support were to die during the period when the agreement granting early retirement support was in force, the monthly early retirement pension for the remainder of the period would continue to be paid to those persons whose inheritance rights had been established in accordance with national law.
- 13 Point 1 of Council of Ministers Decree No 187 of 14 April 2015, amending Decree No 1002 (*Latvijas Vēstnesis*, 2015, No 74, 'Decree No 187'), removed the possibility of that support being transferred by inheritance.
- 14 In accordance with point 2 thereof, Decree No 187 entered into force on 30 April 2015.

The dispute in the main proceedings and the questions referred for a preliminary ruling

- 15 By decision of 30 July 2004, the Commission of the European Communities approved the Rural Development Plan, which provided for the transfer by inheritance of early retirement support.
- 16 A number of individuals brought an action before the Administratīvā rajona tiesa (District Administrative Court) seeking a declaration of the validity of agreements governed by public law relating to the grant of support for early retirement from farming, since, following the entry into force of Decree No 187, the Rural Support Service had ceased to fulfil its commitments in respect of the transfer by inheritance of early retirement support.
- 17 The District Administrative Court considers that the adoption of Decree No 187 created a situation in which the heirs of the transferor of a farm may lose the right to receive early retirement support, even when the agricultural holding has been transferred to a third party. Since, in that court's view, neither Regulation No 1257/1999 nor the Rural Development Plan prohibited the transfer of the agricultural holding to the heirs of the transferor, the conclusion of an agreement granting early retirement support gave rise to a legitimate expectation on the part of the transferor of the farm and his heirs that they could inherit the early retirement support if the commitments made under the agreement continued to be met.
- 18 The Administratīvā rajona tiesa (District Administrative Court) therefore brought the matter before the Latvijas Republikas Satversmes tiesa (Constitutional Court, Latvia) in order for it to rule on the compatibility of Decree No 187 with Article 105 of the Latvijas Republikas Satversme (Constitution of the Republic of Latvia, 'the Constitution'), which concerns the right to property.
- 19 Before the Latvijas Republikas Satversmes tiesa (Constitutional Court), the Council of Ministers submits that Decree No 187 is compatible with Article 105 of the Constitution. It notes that, at its meeting of 19 October 2011, the Commission Committee on Rural Development concluded that 'the EAGGF did not apply to the transfer by inheritance of early retirement support'. In its view, such transfer did not therefore correspond to the objective fixed by Regulation No 1257/1999. The Council of Ministers contends that one of the aims pursued by Decree No 187 is to prevent Latvian law from being incompatible with the conditions stemming from Regulation No 1257/1999 and with the principle of the useful and efficient employment of the finances of the European Union and the Member States.
- 20 The referring court recalls that it has held that the entitlement to aid granted directly by the State in the form of a sum of money, for which provision is made in a legislative act, comes within the scope of Article 105 of the Constitution.

- 21 It is uncertain whether Regulation No 1257/1999 prohibited the inclusion in Latvian law of a provision concerning the transfer by inheritance of early retirement support or whether it left the Member States any discretion in that regard. It nevertheless notes that the conditions for receiving that support set out in Articles 11 and 12 of the regulation suggest that early retirement support is personal in nature and that the heirs of a transferor of a farm are not party to the agreement granting such support.
- 22 The referring court points out, however, that, in Regulation No 1257/1999, reference was made to the experience acquired in the implementation of Regulation No 2079/92. The function of the latter regulation was to provide an income for elderly farmers who decided to stop farming. Thus, the transfer by inheritance of early retirement support might encourage farmers to participate in the early retirement measure.
- 23 It concludes that the provisions of Regulation No 1257/1999 on early retirement could not be considered to lay down clear and unambiguous obligations and that they could be taken to confer some discretion on the Member States.
- 24 It also notes the existence of shared competence between the European Union and the Member States in the area of agriculture.
- 25 In that regard, the referring court points out that the Commission adopted, on 30 July 2004, a decision approving the Rural Development Plan and thus approved the provision relating to the transfer by inheritance of early retirement support.
- 26 It states, however, that, on 19 October 2011, the Commission Committee on Rural Development concluded, in respect of the regulation which succeeded Regulation No 1257/1999, that the transfer by inheritance of early retirement support was not compatible with the EU rules then applicable, a position which was restated in 2015.
- 27 The referring court expresses its doubts as to the Commission's letter of 11 May 2015, according to which it should have been clear to all Member States that payments under the early retirement scheme could not be transferred to the heirs of the transferor of a farm and that, as from 19 October 2011, it would no longer be possible to rely on a legitimate expectation, that date having to be regarded as the cut-off date for new commitments.
- 28 Accordingly, the referring court is unsure whether the case before it is a situation in which a practice of a Member State which is not compatible with EU law may have produced legal effects, since a farmer who was party to an agreement granting early retirement support could not have been aware of any potential error on the part of that Member State and the Commission.
- 29 In those circumstances, the Latvijas Republikas Satversmes tiesa (Constitutional Court) decided to stay the proceedings and to refer the following questions to the Court of Justice for a preliminary ruling:
- (1) In view of the shared competences of the European Union and the Member States in the area of agriculture, are the provisions of Regulation No 1257/1999 to be interpreted, in [conjunction with] one of the objectives of that regulation (that farmers should participate in the early retirement measure), as precluding a Member State, in the context of measures implementing that regulation, from enacting legislation pursuant to which support for early retirement from farming may be inherited?
- (2) If the answer to the first question is in the affirmative, that is, if the provisions of Regulation No 1257/1999 prohibit the inheritance of early retirement support, is it possible, in a situation in which a legal provision of a Member State has been held by the ... Commission, under the

appropriate procedure, to be compatible with the provisions of Regulation No 1257/1999 and farmers have participated in the early retirement measure in accordance with national practice, for an individual right to inherit the support granted under that measure to have been acquired?

- (3) If the answer to the second question is in the affirmative, that is, if it is possible for such an individual right to have been acquired, can the conclusion reached at the meeting of the ... Commission Committee on Rural Development of 19 October 2011, to the effect that support for early retirement from farming cannot be passed on to the heirs of the transferor of a farm, be regarded as a ground for the early termination of the acquired individual right referred to above?

Consideration of the questions referred

The first question

- 30 By its first question, the referring court asks, in essence, whether Articles 10 to 12 of Regulation No 1257/1999 must be interpreted as precluding Member States, when implementing those articles, from adopting measures making it possible to transfer by inheritance early retirement support.
- 31 According to settled case-law, Member States may adopt measures for the implementation of a regulation provided that they do not thereby obstruct its direct applicability or conceal its nature as an act of EU law; that they specify that they are acting in exercise of a discretion conferred on them by that regulation; and that they adhere to the parameters laid down therein (judgments of 7 July 2016, *Občina Gorje*, C-111/15, EU:C:2016:532, paragraph 35, and of 30 March 2017, *Lingurár*, C-315/16, EU:C:2017:244, paragraph 18).
- 32 It is necessary to refer to the relevant provisions of the regulation concerned, interpreted in the light of the objectives of that regulation, in order to determine whether those provisions prohibit, require or allow Member States to adopt certain implementing measures and, particularly in the latter case, whether the measure concerned comes within the scope of the discretion that each Member State is recognised as having (judgments of 7 July 2016, *Občina Gorje*, C-111/15, EU:C:2016:532, paragraph 36, and of 30 March 2017, *Lingurár*, C-315/16, EU:C:2017:244, paragraph 19).
- 33 In the present case, Title II ('Rural development measures') of Regulation No 1257/1999 includes Chapter IV, entitled 'Early Retirement', which defines, in Articles 10 to 12 of the regulation, the objectives, the eligibility conditions and the gist of the rules for the implementation of a measure for early retirement support, granted to an elderly farmer in exchange for the transfer of his agricultural holding.
- 34 It must be noted that those articles do not provide for the case in which the recipient of that measure dies. More specifically, they neither allow nor prohibit the possibility of transferring by inheritance the right to receive early retirement support.
- 35 According to the case-law of the Court, in interpreting a provision of EU law, it is necessary to consider not only its wording but also the context in which it occurs and the objectives pursued by the rules of which it is part (judgments of 6 November 2014, *Feakins*, C-335/13, EU:C:2014:2343, paragraph 35, and of 12 November 2015, *Jakutis and Kretingalės kooperatinė ŽŪB*, C-103/14, EU:C:2015:752, paragraph 93).
- 36 In the present case, certain aspects of the wording of Articles 10 to 12 of Regulation No 1257/1999, read in isolation, could be construed as allowing Member States, in the exercise of their discretion, to provide for the transfer by inheritance of early retirement support.

- 37 Thus, Article 10 of the regulation provides that one of the objectives of that support is to provide an income for elderly farmers who decide to stop farming. As an incentive to stop farming, early retirement support could, in that regard, be considered more capable of fulfilling that objective if, in the event of the death of the transferor of a farm, it were possible to transfer that support to his heirs.
- 38 Article 12(2) of the regulation, which states, without further clarification, that the duration of early retirement support may not exceed a total period of 15 years, could be understood, as the Advocate General has observed in point 37 of his Opinion, as setting a limit in respect of both the transferor of a farm and his heirs, as it does not refer to any characteristics specific to the transferor.
- 39 Nevertheless, in spite of those factors, it follows from the combination of Articles 10 to 12 of Regulation No 1257/1999, read in the light of the purpose of the early retirement support measure which they establish, that the measure is subject to conditions which are strictly personal to the transferor of a farm and that, consequently, those articles must be understood as not permitting the Member States to provide for the transfer by inheritance of that support.
- 40 Thus, first, Article 11(1) of the regulation sets out conditions which are all linked to the person of the transferor of a farm. That is the case of the obligation to stop all commercial farming activity definitively, to be not less than 55 years old but not yet of normal retirement age at the time of transfer, and to have practised farming for the 10 years preceding the transfer. Article 11(5) also provides that the recipient of early retirement support, namely, the transferor of a farm, must meet those conditions throughout the period during which he receives the support.
- 41 Secondly, while it fixes a total period of 15 years for the payment of early retirement support, Article 12(2) of Regulation No 1257/1999 also lays down a second temporal limitation, namely that the payment may not go beyond the 75th birthday of the transferor of a farm. That provision may not therefore be interpreted as giving rise to an unrestricted right to the payment of early retirement support for a period of 15 years. It not only emphasises the temporary nature of that support, but also implies a fortiori that the death of the transferor of a farm brings its payment to an end.
- 42 Thirdly, the objectives of Regulation No 1257/1999 also lead to the conclusion that early retirement support may not be the subject of a transfer by inheritance.
- 43 First of all, Article 10(1) of the regulation sets a number of objectives for the early retirement support measure, namely, to provide an income for elderly farmers who decide to stop farming, to encourage the replacement of elderly farmers by farmers able to improve, where necessary, the viability of the remaining agricultural holdings and to reassign agricultural land to non-agricultural uses where it cannot be farmed under satisfactory conditions of economic viability.
- 44 Next, the Court has concluded from the existence of those various objectives that the EU legislature intended to encourage early retirement in the farming sector in order to improve the viability of agricultural holdings and to create an economic incentive to older farmers to cease their activities early, and in circumstances in which they would not ordinarily do so, the supplement to the retirement pension or additional income being only one of the consequences of the application of Regulation No 1257/1999 (see, to that effect, judgment of 7 July 2016, *Poland v Commission*, C-210/15 P, not published, EU:C:2016:529, paragraph 39).
- 45 It follows that, first, early retirement support is granted to the transferor of a farm on the basis of conditions that are strictly personal to him and, secondly, the defining objective of that support is not to supplement the income of that transferor. Therefore, in view of its personal nature, that support may not be passed on to the heirs of the transferor of the farm in the event of his death.

46 In the light of all the foregoing considerations, the answer to the first question is that Articles 10 to 12 of Regulation No 1257/1999 must be interpreted as precluding Member States, when implementing those articles, from adopting measures making it possible to transfer by inheritance support for early retirement such as that at issue in the main proceedings.

The second and third questions

47 By its second and third questions, which should be considered together, the referring court asks, in essence, whether the principle of the protection of legitimate expectations must be interpreted as meaning that a provision of national law, such as that at issue in the main proceedings, which provided for the transfer by inheritance of early retirement support and was approved by the Commission as compatible with Regulation No 1257/1999, gave rise to a legitimate expectation on the part of the heirs of farmers who received that support, and, if so, whether a conclusion such as that mentioned in the minutes of the meeting of the Commission Committee on Rural Development of 19 October 2011, to the effect that such support may not be passed on by inheritance, brought that legitimate expectation to an end.

48 In that regard, it is established case-law, first, that where Member States adopt measures by which they implement EU law, they are required to observe the general principles of that law, which include, inter alia, the principle of the protection of legitimate expectations (see, to that effect, judgments of 14 September 2006, *Elmeke*, C-181/04 to C-183/04, EU:C:2006:563, paragraph 31, and of 26 May 2016, *Județul Neamț and Județul Bacău*, C-260/14 and C-261/14, EU:C:2016:360, paragraph 54).

49 It follows that, when implementing the early retirement support provided for in Articles 10 to 12 of Regulation No 1257/1999, the Member States are required to observe the principle of the protection of legitimate expectations.

50 Secondly, the right to rely on that principle extends to any person in a situation in which a national administrative authority has caused that person to entertain expectations which are justified by precise assurances provided to him (judgments of 9 July 2015, *Salomie and Oltean*, C-183/14, EU:C:2015:454, paragraph 44, and of 14 June 2017, *Santogal M-Comércio e Reparação de Automóveis*, C-26/16, EU:C:2017:453, paragraph 76).

51 In this regard, it is necessary to determine whether the conduct of the administrative authority in question gave rise to a reasonable expectation on the part of the person concerned and, if it did, it must then be established whether that expectation was legitimate (see judgments of 14 September 2006, *Elmeke*, C-181/04 to C-183/04, EU:C:2006:563, paragraph 32, and of 9 July 2015, *Salomie and Oltean*, C-183/14, EU:C:2015:454, paragraph 45).

52 However, according to the Court's case-law, the principle of the protection of legitimate expectations cannot be relied upon against an unambiguous provision of EU law; nor can the conduct of a national authority responsible for applying EU law, which acts in breach of that law, give rise to a legitimate expectation on the part of a person of beneficial treatment contrary to EU law (judgments of 1 April 1993, *Lageder and Others*, C-31/91 to C-44/91, EU:C:1993:132, paragraph 35; of 20 June 2013, *Agroferm*, C-568/11, EU:C:2013:407, paragraph 52, and of 20 December 2017, *Erzeugerorganisation Tiefkühlgemüse*, C-516/16, EU:C:2017:1011, paragraph 69).

53 In the first place, in accordance with the case-law cited in paragraph 51 of the present judgment, it is necessary to determine whether the measures of the Latvian authorities, namely, Decree No 1002 and the agreements concerning the grant of early retirement support by the Rural Support Service, gave rise to a reasonable expectation on the part of the heirs of farmers who received early retirement support that that support could be passed on by inheritance.

- 54 First, it is clear from the consideration of the first question that Articles 10 to 12 of Regulation No 1257/1999 do not specify in any way whether it is possible for a Member State, when implementing those articles, to provide for the transfer by inheritance of the right to receive early retirement support.
- 55 Accordingly, Articles 10 to 12 may not be regarded as unambiguous provisions of EU law, in the sense that persons granted the rights that they establish were able to understand unambiguously that those articles prohibited the Member States from providing for the transfer by inheritance of early retirement support.
- 56 Secondly, it must be noted that, pursuant to Article 44(2) of Regulation No 1257/1999, the Commission approved, on 30 July 2004, the Rural Development Plan, which provided that early retirement support could be passed on by inheritance.
- 57 In accordance with Article 44(2), the Commission appraised the plans submitted to it in order to determine whether they were consistent with Regulation No 1257/1999, which involved an examination of the content of those plans, so as to determine their consistency with the various conditions and obligations fixed by the regulation.
- 58 In the present case, following the Commission's approval of the Rural Development Plan, the Latvian authorities adopted Decree No 1002 laying down detailed rules for the application of that plan, and thus introduced, in point (a) of the section headed 'Early retirement' in sub-chapter 12.3.2 of the plan, the transfer by inheritance of early retirement support.
- 59 Furthermore, the signing of agreements granting early retirement support by the Rural Support Service can only have bolstered both farmers, as co-signatories of those agreements, and their heirs in their expectation as to the lawfulness of the transfer by inheritance of that support, for which Decree No 1002 provided.
- 60 Thirdly, it must be noted that more than seven years passed between the time when the Commission approved the Rural Development Plan on 30 July 2004 and 19 October 2011, the date on which the Commission Committee on Rural Development concluded that 'the EAGGF did not apply to the transfer by inheritance of early retirement support'. The fact that such a period elapsed before Articles 10 to 12 of Regulation No 1257/1999 were interpreted as prohibiting the transfer by inheritance of early retirement support strengthened the expectation of the heirs that such a transfer, provided for in the Rural Development plan, was lawful.
- 61 It follows from the foregoing considerations that the measures of the Latvian authorities, namely, Decree No 1002 and the agreements concerning the grant of early retirement support by the Rural Support Service, gave rise to a reasonable expectation on the part of the heirs of farmers who received early retirement support that that support could be passed on by inheritance.
- 62 In the second place, it must be established, in accordance with the case-law cited in paragraph 51 of the present judgment, whether the expectation of those heirs, namely that the transfer by inheritance of early retirement support was possible, is legitimate.
- 63 As the Advocate General has stated in point 52 of his Opinion, the legitimate nature of the expectation must be recognised where the individual relying on it is in a particular situation which is worthy of protection, such as that at issue in the main proceedings.
- 64 The heirs of farmers who received early retirement support derived their inheritance rights from national legislation, the content of which was approved by the Commission's decision of 30 July 2004 and from which it was not apparent that, notwithstanding that approval, the legislation was contrary to Articles 10 to 12 of Regulation No 1257/1999. Furthermore, those inheritance rights had been given

concrete expression in the agreements granting early retirement support, which were concluded between (i) a department with the authority to render the State liable to grant that support, namely the Rural Support Service, and (ii) farmers who transferred their agricultural holdings in exchange for early retirement support, the heirs not being a party to those agreements.

- 65 In those circumstances, the reasonable expectation that those heirs could have that their inheritance rights were lawful is legitimate.
- 66 In the third place, it is true that, as noted by the Latvian Government, economic operators are not justified in having a legitimate expectation that an existing situation which is capable of being altered by the EU institutions, or by national authorities implementing EU law, in the exercise of their discretion will be maintained (judgments of 22 October 2009, *Elbertsen*, C-449/08, EU:C:2009:652, paragraph 45, and of 26 June 2012, *Poland v Commission*, C-335/09, EU:C:2012:385, paragraph 180).
- 67 Nevertheless, the referring court does not seek to ascertain whether the principle of the protection of legitimate expectations may be invoked to guard against the effects of the legislative amendment made by Decree No 187. It merely wishes to ascertain whether the heirs of farmers who received early retirement support may rely on a legitimate expectation for the period before 30 April 2015, when that decree entered into force.
- 68 Accordingly, the case-law referred to in paragraph 66 of the present judgment has no bearing on the answer to be given to the referring court.
- 69 Lastly, it must be noted that the referring court has some doubts as to the effect of the conclusions of the Commission Committee on Rural Development, adopted at the meeting of 19 October 2011, on the legitimate expectation on which heirs of farmers who received early retirement support may rely.
- 70 It is apparent from the documents before the Court that those conclusions were sent to the Member States alone and that, so far as the Republic of Latvia is concerned, they did not result in an amendment of the legislation providing for the transfer by inheritance of early retirement support until the adoption of Decree No 187 on 14 April 2015.
- 71 Furthermore, it is apparent that the heirs of farmers who received early retirement support were not aware either of the meeting of the Commission Committee on Rural Development or of the conclusions reached during the meeting.
- 72 In addition, those heirs cannot be required to have been sufficiently diligent to find out for themselves what the content of those conclusions was.
- 73 In those circumstances, the conclusions adopted at that meeting have no effect whatsoever on the legitimate expectation on which the heirs of farmers who received early retirement support may rely.
- 74 In the light of all the foregoing considerations, the answer to the second and third questions is that the principle of the protection of legitimate expectations must be interpreted as meaning that a provision of national law, such as that at issue in the main proceedings — which provided for the transfer by inheritance of early retirement support and was approved by the Commission as compatible with Regulation No 1257/1999 — gave rise to a legitimate expectation on the part of the heirs of farmers who received that support, and that a conclusion such as that mentioned in the minutes of the meeting of the Commission Committee on Rural Development of 19 October 2011, to the effect that such support may not be passed on by inheritance, did not bring that legitimate expectation to an end.

Costs

⁷⁵ Since these proceedings are, for the parties to the main proceedings, a step in the action pending before the national court, the decision on costs is a matter for that court. Costs incurred in submitting observations to the Court, other than the costs of those parties, are not recoverable.

On those grounds, the Court (Eighth Chamber) hereby rules:

- 1. Articles 10 to 12 of Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain regulations must be interpreted as precluding Member States, when implementing those articles, from adopting measures making it possible to transfer by inheritance support for early retirement such as that at issue in the main proceedings.**
- 2. The principle of the protection of legitimate expectations must be interpreted as meaning that a provision of national law, such as that at issue in the main proceedings -- which provided for the transfer by inheritance of early retirement support and was approved by the European Commission as compatible with Regulation No 1257/1999 -- gave rise to a legitimate expectation on the part of the heirs of farmers who received that support, and that a conclusion such as that mentioned in the minutes of the meeting of the European Commission Committee on Rural Development of 19 October 2011, to the effect that such support may not be passed on by inheritance, did not bring that legitimate expectation to an end.**

[Signatures]