



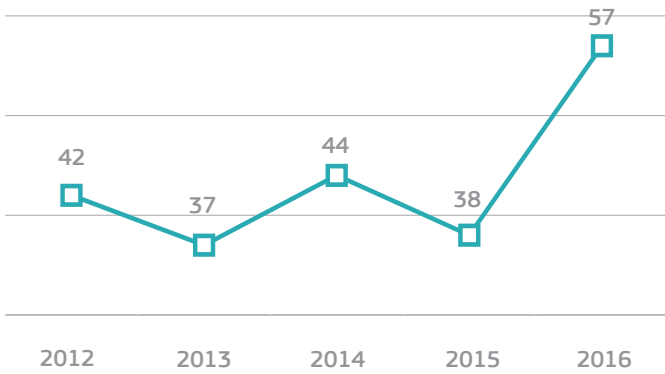
European Commission

Monitoring the Application of European Union Law

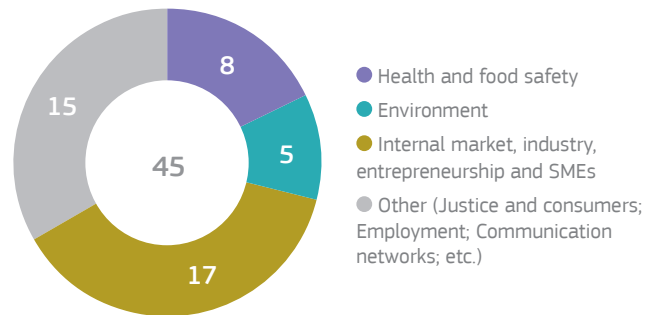
Annual Report 2016

New complaints against Hungary fell sharply in 2016, as did the number of new EU Pilot files. Both figures reached a five-year low. By contrast, the number of open infringement cases rose to a five-year high. This correlates with the increase in new infringement cases for late transposition, which doubled from the previous year.

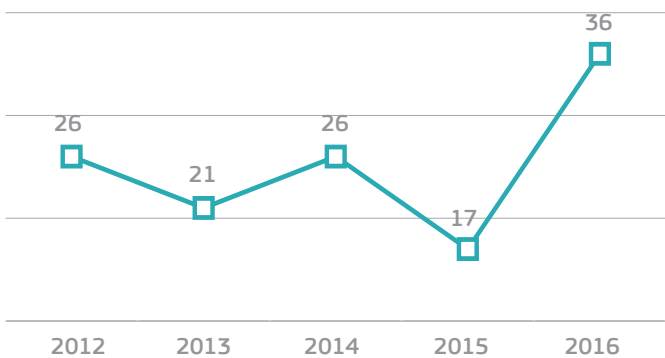
Infringement cases open on 31 December



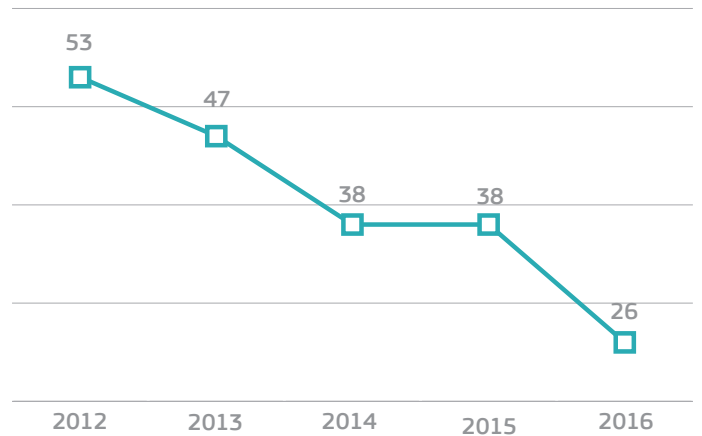
New infringement cases opened in 2016: main policy areas



New late transposition infringement cases



New EU Pilot files opened





Relevant rulings of the European Courts:

1. The Court ruled that the fact that the revenue generated by the holder of a public or private monopoly providing services is the source of funding for social programmes does not justify a restriction on freedom of establishment and freedom to provide services. Member States are not free to establish a services monopoly in the context of their tax and wages policies, as Member States must exercise their competence in the area of direct taxation consistently with EU law and, in particular, with the fundamental freedoms. National legislation reserving the activity of issuing leisure cards only to banks or financial institutions infringes the Services Directive,¹ unless the measure satisfies the cumulative conditions of non-discrimination, necessity and proportionality.²
2. In preliminary rulings, the Court held, amongst others, that:
 - a Member State has the right to send an applicant for international protection to a safe third country, if that Member State was responsible for examining an application for international protection submitted by the applicant who left that Member State before a decision on the substance of his first application for international protection was taken;³
 - both the driver and/or the transport undertaking employing the driver can be held liable for infringements of the Regulation on the harmonisation of certain social legislation relating to road transport.⁴

¹ Directive [2006/123/EC](#).

² Commission v Hungary, [C-179/14](#).

³ PPU - Mirza, [C-695/15](#).

⁴ Regulation (EC) No [561/2006](#), Eurospeed Ltd v Szegedi Törvényszék, [C-287/14](#).