



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 29 October 2013

15486/13

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INFORMATION NOTE

from:	Council Legal Service
to:	COREPER (1st part)
Subject:	Case before the Court of Justice of the European Union: - Case C-508/13 (Republic of Estonia v European Parliament and Council of the European Union)

1. By an application of 23 September 2013, notified to the Council on 25 September 2013, the Estonian Republic filed an action against the European Parliament and the Council of the European Union seeking the annulment of certain provisions of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC or, as an alternative, the annulment of the whole act.

2. Estonia considers, in its first plea, that Article 4(6) and (8), Article 6(3) and Article 16(3) are not in compliance with the principles of proportionality and subsidiarity because they do not strike an appropriate balance between the two main objectives of the Directive, i.e. to improve the clarity and comparability of the financial statements and to reduce the administrative burden. In its second plea, Estonia claims that the obligation to state reasons - an essential procedural requirement within the meaning of Article 263 TFEU - was equally infringed.

3. In the light of the above, Estonia requests that the Court of Justice annul the phrase "*and the disclosure requirement is contained in the national tax legislation for the strict purposes of tax collection*" in Article 4(6), the words "*required by national tax legislation*" and "*as referred to in paragraph 6*" in Article 4(8), as well as Articles 6(3) and 16(3) in their entirety.

4. Should the Court of Justice take the position that the provisions cannot be examined independently or separated from the remaining text of the Directive without changing it, and that the annulment of these provisions may affect the overall system of the Directive, Estonia requests that the Court of Justice annul the Directive in its entirety on the same grounds and for the same reasons.

5. The Council may, according to Article 124(1) of the Rules of Procedure of the Court of Justice, lodge a statement of defence within two months after service of the application.

6. The Director-General of the Council Legal Service has appointed Mrs Petra MAHNIČ BRUNI, legal adviser in the Legal Service, and Mrs Ann STOLFOT, legal linguistic expert in the Legal Service, as the Council's agents in this case.
