



Brussels, 14.7.2023
COM(2023) 453 final

REPORT FROM THE COMMISSION

Monitoring the application of European Union law

2022 Annual Report

Foreword	3
The European Green Deal	4
Clean air and water.....	4
Management of flood risks.....	5
Protecting biodiversity.....	5
Promoting a circular economy	6
Climate action.....	6
Clean energy.....	6
Single market for energy	7
Clean transport.....	8
Sustainable agriculture ensuring food supply	8
Sustainable fisheries and maritime spatial planning.....	9
Health and food safety	10
Preventing tobacco-related diseases.....	10
Safer transport.....	10
A Europe fit for the Digital Age	12
Technology that works for people.....	12
A fair and competitive digital economy	13
Promoting the data economy	13
An open, democratic and sustainable digital society.....	13
Protection for consumers and companies	14
Accessible products, services and websites	14
Allowing the single market to increase growth.....	15
Transparent information about and for businesses	16
Digital transport systems	16
An economy that works for people	18
Working conditions.....	18
Health and safety at work.....	18
Labour mobility	19
Social security coordination.....	20
Better information and assistance for citizens and businesses.....	20
Better regulation of professions and recognition of qualifications.....	20
Preventing bankruptcy of viable companies.....	21

Financial services.....	21
Retail payments.....	22
Overseeing the application of EU financial services rules by national authorities.....	22
Money laundering and terrorist financing.....	22
Mobility and transport.....	23
Direct taxation.....	24
Indirect taxation.....	25
Customs.....	26
Promoting the European way of life and democracy	27
Rule of law.....	27
Protecting people who report breaches of EU law	28
Combating discrimination, racism and xenophobia	28
Promoting work-life balance.....	29
Protecting personal data.....	29
Protecting EU citizenship.....	29
Judicial cooperation and individual rights in criminal matters	30
Security.....	30
Migration and Asylum.....	31
Implementing sanctions against Russia.....	31

Disclaimer: This report sets out the Commission's actions to monitor and enforce EU law during 2022. The state of play of infringement cases mentioned may have evolved since then.

Foreword

The year 2022 marked one of the darkest moments in our continent's recent history. War returned to Europe with an immediate impact on us all. Many feared not only the consequences for Ukraine, but also that the rest of Europe would fall into economic recession, democratic upheaval and division. Instead, we resisted. Ukraine's struggle for freedom continues to inspire us, and to keep up the unprecedented financial, military and political support from the European Union.



And while we are, and will remain, unwavering in our support to Ukraine, we are also continuing to deliver on the transformational changes that we promised at the start of this Commission's mandate, to build a stronger, greener and healthier Europe for the next generation.

To bring about these changes, we have put forward a wide range of ambitious proposals and strategies. But our ambitions can only become a reality and will only truly benefit all Europeans, no matter where they live, if the rules that we propose are not only agreed in Brussels, but are also properly applied on the ground in all parts of the EU.

This report sets out the action that we took in 2022 to make sure that those rules work in practice. We enforced EU rules across all policy fields, focusing on the issues that are most important for the everyday lives of people and businesses. Most of the procedures that we launched in 2022 therefore related to the environment, to justice and fundamental rights, and to the single market and employment.

Where problems arise, we first work closely with the Member States to try and resolve them as soon as possible. Most often, with success. However, as the report shows, we do not hesitate to take enforcement action where necessary to ensure that our Union remains a safe space of shared prosperity, a democracy of democracies and a true community of values.

Sincerely,

Dr. Ursula von der Leyen

President of the European Commission

The European Green Deal

'We must work relentlessly to adapt to our climate – making nature our first ally.'

President von der Leyen, in her 2022 State of the Union Address



Climate change and environmental degradation are an existential threat to Europe and the world. The extreme heatwaves, forest fires and unprecedented droughts in 2022 made people around the world feel their increasingly severe effects. Accelerating the EU's green transition is essential for tackling the climate crisis and strengthening the EU's economy and security. The [European Green Deal](#) sets out the path towards [zero pollution](#) for air, water and soil, and transforming the EU's economy into one that is modern and resource-efficient. In 2022, the Commission rigorously enforced EU rules to make these objectives become a reality.

Clean air and water

Air pollution is the largest environmental health risk in Europe. EU rules on [air quality standards](#) are crucial for reducing the negative effects of air pollution on human health: in the last 30 years, the number of premature deaths due to air pollution in the Member States has decreased by 60%. The Commission has continued to enforce these standards relentlessly to protect human health and safeguard the natural environment.

The Commission insisted on appropriate treatment of [waste water](#). It also enforced the [Drinking Water Directive](#) to ensure that water intended for human consumption is wholesome and clean.

The Commission took the next step in its infringement proceedings against [Croatia](#) for poor air quality due to high levels of particulate matter (PM₁₀) and fine particulate matter (PM_{2.5}). It called on [Poland](#) to remove barriers to access to justice in relation to air quality plans under the [Ambient Air Quality Directive](#). The Commission took the next step in the procedure against [Cyprus](#) for failing to fully transpose the [Medium Combustion Plants Directive](#). The Directive establishes emission limits for medium combustion plants to reduce air pollution.

The Commission decided to refer [Spain](#), [Malta](#) and [Poland](#) to the Court of Justice of the European Union over their treatment of waste water. It also took the next step in the procedure against [Hungary](#) for substances in drinking water that could pose a potential health danger.

Management of flood risks

The catastrophic floods in Germany and Belgium in July 2021 demonstrated the importance of assessing flood risks in the light of climate change. Floods can also release pollutants stored in the ground and spread them even more widely. The [Floods Directive](#) requires Member States to adopt plans to manage flood risks, critical to swift reaction. The Commission took the next step in infringement procedures against [Bulgaria](#), [Greece](#), [Cyprus](#), [Lithuania](#), [Romania](#) and [Slovakia](#) to ensure updated flood risk maps.

Protecting biodiversity

The European Green Deal and the [Biodiversity strategy for 2030](#) both aim for the EU to halt its biodiversity loss. This should be achieved by preserving natural sites and restoring damaged ecosystems to favourable conservation status in habitats that play a vital role for biodiversity. Restoring forests, soils, wetlands and marine areas is essential for achieving the climate change mitigation needed by 2030.



[EU rules](#) also provide for parties affected by environmental damage to request the responsible national authority to decide which preventive and remedial action the liable operator should take. The Commission called on [the Netherlands](#) and [Sweden](#) to properly transpose these rules. In parallel, the Commission was able to close five cases because Member States brought their rules in line with EU law. This ensured that all people who should have this right can submit information and request the authorities to take action when it comes to environmental damage.

In a case originating from a petition to the European Parliament, the Commission asked [Spain](#) to implement a [judgment](#) of the Court of Justice concerning the Doñana wetlands, to safeguard protected habitats and sustainably manage the groundwater bodies that feed these wetlands.

The Commission decided to refer [Greece](#) to the Court of Justice for failing to correctly transpose the [Environmental Impact Assessment Directive](#). The Commission called on [Spain](#) to remedy the harmful effects of a hotel complex in the Canary Islands on the environment. The Commission also called on [France](#) to bring its legislation fully in line with the Directive. Cyprus, on the other hand, aligned its national rules and the Commission closed its infringement case. This will strengthen the assessment of consequences of a project for the environment in Cyprus ahead of its actual construction, which is fundamental to protecting biodiversity.

The Commission took the next step in the procedure against [15 Member States](#) to protect the environment against [invasive alien species](#). It also called on [Slovakia](#), [Cyprus](#) and [Portugal](#) to protect and manage their Natura 2000 protected areas under the [Habitats Directive](#). The Commission also called on [Slovenia](#) to comply with the [Birds Directive](#) to protect wild birds.

Promoting a circular economy

The [circular economy action plan](#) is a core component of the European Green Deal, paving the way for a cleaner and more competitive Europe. It promotes waste recovery and pushes for EU waste management standards to be fully implemented. The Commission's enforcement of these rules helps reduce adverse effects of waste on human health and the environment.

The Commission launched infringement procedures, or pursued them further, against [11 Member States](#) for failing to fully transpose the [Directive on Single-Use Plastics](#). The Directive aims to prevent and reduce the impact of certain plastic products used for a very short time on the environment and on human health.

On the use of plastic bags, Ireland brought its legislation in line with the [Directive on Plastic Bags](#), as the result of a pre-infringement process initiated by the Commission (EU Pilot).

On waste treatment, the Commission called on [Portugal](#) to improve its practice and correctly apply the [Landfill Directive](#) and the [Waste Framework Directive](#).

Climate action

The EU has set itself the goal to make Europe the first climate-neutral continent by 2050. The [European Climate Law](#) established the intermediate target of reducing net greenhouse gas emissions by at least 55% by 2030, compared to 1990 levels. Long-term strategies are crucial for helping to achieve the economic transformation needed towards these climate goals. The [Governance Regulation](#) required Member States to prepare their first [long-term strategies](#) with an outlook of at least 30 years. In 2022, the Commission launched infringement proceedings against [Bulgaria](#), [Ireland](#), [Poland](#) and [Romania](#) for failing to notify such strategies to the Commission.



Clean energy

Decarbonising the EU's energy system is critical for achieving the EU's climate objectives. The consequences of the COVID-19 pandemic and the Russian military invasion of Ukraine put this process to the test. The Commission remained determined to implement the [Clean Energy for all Europeans package](#): clean energy is at the heart of the energy transition towards a safe, secure and sustainable energy sector that puts consumers first.

Promoting renewable energy is not only fundamental for the EU's climate objectives but it also helps stabilise the energy sector by reducing market volatility, lowering energy prices and strengthening the EU's security of supply. The [Renewable Energy Directive](#) provides the framework for developing renewable energy in the EU, and its enforcement is a priority for the Commission.

As Member States failed to transpose EU rules, the Commission took the next step in its infringement proceedings:

- [against 15 Member States](#) on the [amending Energy Performance of Buildings Directive](#);
- [against 12 Member States](#) on the [amending Energy Efficiency Directive](#);
- [against 15 Member States](#) on the [Renewable Energy Directive](#).

Single market for energy

An integrated EU energy market is the most cost-effective way to ensure secure and affordable energy supplies for people and businesses. Common rules and cross-border infrastructure make it possible for energy produced in one EU country to be delivered to consumers in another. Competition and a larger choice of energy suppliers for consumers keep prices in check. An integrated market also contributes to security of supply and sustainability.



The [Electricity Directive](#) ensures such competitive markets across country borders for the electricity sector. The pressure on the energy sector in 2022 made it particularly important that the Commission firmly enforced these rules.

The Commission pursued further the infringement procedure against [Germany](#) and [Sweden](#) for failing to transpose the Electricity Directive. It launched procedures against eight [Member States](#) for the same reason.

Keeping nuclear energy safe

Nuclear energy can play a positive role in meeting climate targets and ensuring energy security, provided that the highest level of nuclear safety and radiation protection are met. The Commission continued to focus on the effective implementation of the Euratom legal framework on nuclear safety, protecting workers, patients and the public from ionising radiation and making sure radioactive waste is handled safely.

The Commission took the next step in the procedure against [Croatia](#), [Estonia](#), [Italy](#), [Austria](#), [Portugal](#) and [Slovenia](#) for failing to adopt appropriate national programmes to manage radioactive waste and spent fuel in line with [EU rules](#). It closed 23 EU Pilot cases on the transposition of the [Nuclear Safety Directive](#) after Member States, where necessary, amended or adopted new national rules. The Commission concluded that the transposition in these Member States was correct, contributing to increased nuclear safety.

The Commission referred [Spain](#), [Latvia](#) and [Portugal](#) to the Court of Justice for failing to fully transpose EU radiation protection [legislation](#). It called on [Italy](#) to comply with a [judgment](#) by the Court of Justice that found that Italy had not transposed these rules into national legislation. The Commission launched infringement procedures against [Belgium](#) and [Bulgaria](#) for having transposed the rules incorrectly.

Clean transport

The transport sector can drive the EU towards meeting its objective on climate neutrality. All modes of transport need to become more sustainable. Green alternatives need to be accessible and the right incentives need to be put in place to drive the transition.

In the road sector, the [Clean Vehicles Directive](#) sets national targets for the public procurement of clean vehicles. Specific targets are set for cars and vans, lorries and buses, including an objective for zero-emission buses. To make sure these rules are applied in all Member States, the Commission further pursued its procedure against [Bulgaria](#), [Czechia](#), [Cyprus](#), [Hungary](#) and [Sweden](#), which had not turned the rules into national law.



In the maritime sector, the [Directive on port reception facilities](#) is designed to prevent sea pollution from ships. It requires that waste generated on board is not thrown into the sea but collected in ports, which must offer appropriate facilities to collect and process waste. The Commission took the next step in the procedures against [Cyprus](#), the [Netherlands](#), [Austria](#), [Poland](#) and [Sweden](#) for failing to transpose these rules.

Sustainable agriculture ensuring food supply



The [EU's common agricultural policy](#) ensures food supply in the EU, stabilises markets and helps farmers receive a fair income. The policy also helps address environmental challenges such as climate change and loss of biodiversity.

The consequences of Russia's military aggression against Ukraine put the EU's supply chain, and global food security, under strain. The EU's common organisation of markets in agricultural products bolstered the

EU's reply to this threat. A resilient and efficient agri-food system ensured that safe, affordable and high-quality food remained available in all Member States. The Commission acted forcefully to avoid any undermining of the common agricultural market.

Hungary introduced a prior notification scheme for cereal exports that made it possible for Hungarian authorities to pre-empt the sale or to purchase the cereals before export takes place. The Commission deemed this scheme incompatible with EU rules on the common organisation of agricultural markets and on common rules for exports. The Commission therefore initiated an infringement procedure against [Hungary](#).

The Commission also continued to ensure the correct application of [rules on financial support for farmers applicable in 2022](#), as well as other legislation linked to the common agricultural policy's rules, such as that for i) [organic farming](#), ii) [protecting geographical indications](#) and iii)

[prohibiting unfair trading practices in the agricultural and food supply chain](#). The Commission closed infringement cases against 11 Member States as they have fully incorporated these rules to avoid unfair trading practices into national law. However, the Commission identified instances of incorrect transposition; to address them quickly, the Commission launched pre-infringement processes (EU Pilot) with 16 Member States.

Sustainable fisheries and maritime spatial planning

The primary objectives of the [EU's common fisheries policy](#) is to ensure that fishing and aquaculture are sustainable and contribute to the socio-economic development of coastal communities and the availability of food supplies. Bringing fish stocks to healthy levels and maintaining them is at the core of the policy. This is why EU rules restrict fleet capacity and limit catches and fishing activities. To ensure these rules are fully implemented, Member States must put in place appropriate control and enforcement systems.

The Commission therefore focuses its enforcement action on checking that the rules are enforced by Member States. The obligations to accurately weigh, record and report catches were at the centre of its action. Accurate recording of catches is the basis for effective fisheries management, preventing overfishing and reducing unwanted catches. Appropriate sanctioning systems and a harmonised system to share fisheries data between Member States and with the Commission are key. The Commission held pre-infringement dialogues (EU Pilot) with Member States to address problems identified in this respect.



The Commission continued to monitor how the [Maritime Spatial Planning Directive](#) was being implemented, especially the obligation to draw up maritime spatial plans. This obligation is designed to promote the sustainable development and use of marine areas and resources. Maritime spatial plans can also be an essential tool to facilitate offshore renewable energy deployment. The Commission opened infringement proceedings against [Bulgaria](#) and [Spain](#), for lacking such plans.

Member States must also control EU vessels' fishing activities outside of EU waters and ensure compliance with rules of the common fisheries policy. The Commission further pursued an infringement procedure against [France](#) for failing to adequately control part of its external fleet.

The Commission followed up on two opened infringements against [Belgium](#) and [the Netherlands](#) for failing to control and enforce accurate weighing and registration of catches. The Commission also opened an infringement procedure against [Croatia](#) to follow up on identified shortcomings in their control system for bluefin tuna farms. It also closed a case against Malta on bluefin tuna as the Maltese authorities addressed the shortcomings identified.

Health and food safety



EU rules on health and food safety aim to secure a high level of protection of human, animal and plant health, safeguarding the interests of consumers. Integrating human, animal and environmental health, as well as food and feed safety, the Commission takes a ‘One Health’ approach to preparedness and prevention.

In addition, to protect human health and contribute to a sustainable food system, the Commission helps Member State enforce legislation, for example, on products placed on the EU market that are in contact with food.

Between May 2021 and April 2022, the Commission and Member States worked together to remove a significant number of unsafe kitchen and tableware products from the EU market. This joint enforcement action, called ‘[Bamboo-zling](#)’, focused on plastic items containing bamboo, often imported to the EU from non-EU countries. These products, misleadingly presented as natural or sustainable, could provoke migration of cancer-causing substances at levels that exceed limits under [EU rules](#). Many such illegal and fraudulent products were withdrawn from the market.

Preventing tobacco-related diseases

Tobacco consumption continues to be the leading cause of preventable cancer, with 27% of all cancers attributed to it. The [Tobacco Products Directive](#) aims to improve the functioning of the internal market for tobacco and related products, while ensuring a high level of health protection for people. It generates positive outcomes for public health. In 2022, the Commission continued its work to fully enforce the Directive, supporting the implementation of [Europe’s beating cancer plan](#). It further assessed if national laws transposed the Directive correctly. Dialogue with Member States has also been central in improving the application of the Directive and its implementing acts.

Safer transport

Road transport is the most widely used means of travel by Europeans and a primary cause of accidents. Creating an environment for safe road transport is a high priority for the Commission. The Commission’s enforcement of EU rules and technical standards helps to drive down the number of fatalities caused by road accidents.

In 2022, the Commission continued an infringement procedure against [Czechia](#) for failing to correctly transpose EU [rules](#) on the



minimum standards of fitness for driving, in relation to cardiovascular conditions. It also continued infringement procedures against [Greece](#), [The Netherlands](#), [Poland](#), [Portugal](#), [Slovakia](#) and [Slovenia](#) for failing to fully transpose [EU law](#) on road infrastructure safety management.

In the rail sector, the Commission took the next step in the infringement procedures against Sweden regarding its failure to notify the Commission of transposition measures for the rail interoperability and railway safety rules. These rules are part of the Fourth Railway Package, the implementation of which is a priority for the Commission. On aviation safety, the Commission opened an infringement procedure against [Spain](#) for incorrectly applying EU legislation on [civil aviation](#) and on [civil aviation aircrew](#).

In the maritime sector, the Commission continued to focus on enforcing [EU rules on a minimum level of training for seafarers](#). In particular, it took further steps in the infringement procedures against [Czechia](#) and [Cyprus](#) to ensure that they implement these rules.

A Europe fit for the Digital Age

'The digital transition needs clear rules. People need to know that they can trust the technology in their hands. Businesses need predictability to plan their investment. And this is exactly why we have come up with the most ambitious agenda for digital reforms and investment in our Union's history.'

President von der Leyen, in her speech at the 'Masters of Digital 2022' event



The Commission is determined to make this decade Europe's 'Digital Decade'. The EU is determined to set digital standards, with a clear focus on data, technology, and infrastructure. To lead the way in the global race for trustworthy, secure and human-centric technology, Member States must fully and rapidly implement commonly agreed rules. The Commission therefore took swift action against any late transposition of new rules. It also acted firmly to protect the fundamental rights of individuals.

Technology that works for people

The [2020 European Electronic Communications Code](#) is a central building block of the Digital Single Market, as it boosts connectivity and better protects consumers throughout Europe. It ensures clearer contracts, quality of services and competitive markets.

In April 2022, the Commission decided to refer [10 Member States](#) to the Court of Justice for failing to fully transpose the Code into national law. At the same time, during 2022, the Commission closed infringement procedures against eight Member States as they had completed transposition. Eventually, only Ireland, Latvia, Poland, Portugal and Slovenia had not notified transposition measures and were referred to the Court with a request to impose financial sanctions.

A fair and competitive digital economy

The [Directive on copyright in the Digital Single Market](#) and the [Directive on online television and radio programmes](#) modernise the EU's copyright rules for consumers and creators, so they can make the most of the digital world. They protect rights-holders, stimulating the creation and circulation of more high-value content. They bring greater choice of content for users by lowering transaction costs and facilitating the distribution of radio and television programmes across the EU.

The Commission pursued further infringement procedures against [14 Member States](#) for failing to transpose the Directive on copyright in the Digital Single Market and against [11 Member States](#) for failing to transpose the Directive on online television and radio programmes.

In a case brought by Poland against the European Parliament and the Council, the Court of Justice of the European Union [confirmed](#) the validity of Article 17 of the Copyright Directive. This article prohibits platforms from displaying unlicensed copyrighted content on behalf of their users. Member States are therefore required to implement the article in national law.

Promoting the data economy

The [Open Data Directive](#) aims to make more of the data produced and funded by the public sector available for reuse by anyone for any new purpose. It stimulates the development of data-intensive innovations such as weather or mobility apps. It increases transparency by opening access to publicly funded research data, and supports new technologies, including artificial intelligence.

In 2022, the Commission took the next step in the infringement procedures against 12 [Member States](#) for failing to transpose the Directive into national law. At the same time, infringement proceedings against eight Member States were closed as they had notified complete transposition to the Commission.

An open, democratic and sustainable digital society

The revised [Audiovisual Media Services Directive](#) governs EU-wide coordination of all audiovisual media, both traditional TV broadcasts and on-demand services. Its rules aim to create a regulatory framework fit for the digital age, leading to a safer, fairer and more diverse audiovisual landscape.

The Commission continued to enforce the Directive as a matter of priority in 2022. It was able to close cases against seven Member States as they transposed the Directive. However, this was not the case for [Ireland](#), which the Commission had to refer to the Court of Justice.



Making it possible for media service providers to work freely and independently everywhere in the EU lies at the heart of media pluralism. [EU telecommunication rules](#) set out that media service providers must be able to access the market under non-discriminatory, objectively justified and proportionate terms, and under conditions known in advance.

The Commission decided to refer [Hungary](#) to the Court of Justice over how it assigns radio spectrum rights. The Commission considered the decision by the Hungarian Media Council to refuse renewal of a radio station's rights to be disproportionate and non-transparent and is therefore in breach of EU law. The Commission also argued that through its conduct, Hungary had also violated the freedom of speech as enshrined in the EU Charter of Fundamental Rights.

Protection for consumers and companies

EU rules provide for a high level of protection for consumers when purchasing goods, digital content and digital services within the single market.

The [Better Enforcement and Modernisation Directive](#) has strengthened existing rules. It increased transparency in the digital environment and in price reduction announcements. It also strengthened penalties and remedies in the case of breaches of consumer law. The new rules increase legal certainty for both consumers and traders. The Commission launched infringement procedures against 22 Member States for not transposing the Directive on time. Eight of these cases could already be closed later in 2022.



The [Digital Content Directive](#) and the [Sale of Goods Directive](#) apply to consumer contracts concluded since 1 January 2022. In 2022, the Commission took the next step in the infringement procedures against [Poland](#), [Slovenia](#) and [Slovakia](#) for failing to fully turn these EU rules into national legislation. As a result of the Commission's enforcement actions, all Member States except Slovakia had notified full transposition of these rules by the end of 2022. This has improved protection for consumers when purchasing

goods or digital content from any Member State and increased legal certainty for businesses.

Accessible products, services and websites

The [European Accessibility Act](#) seeks to establish common rules for accessible products and services in the EU, leading to cost reductions. Persons with disabilities and elderly people will benefit from more accessible products and services in the market.

The Commission opened [24 infringement procedures](#) as Member States failed to transpose these rules by the deadline. The Commission also continued its support to Member States on their efforts to finalise the transposition by organising workshops with national administrations.

The [Web Accessibility Directive](#) requires public bodies' websites and mobile applications to be accessible to everyone, including people with disabilities and older people. For example, these sites and apps must have an accessibility statement providing contacts for feedback and complaints in case of inaccessible content.

The Commission published its [assessment](#) of the impact and the implementation of the Directive, including [easy to read](#) summaries. The findings show the Directive was designed and implemented efficiently and improved access to online public services and information inside the EU, strengthening social and digital inclusion. The results also revealed practical progress still to be made for all public sector websites and mobile applications, if they are to be fully accessible to people with disabilities and older people.

Allowing the single market to increase growth

The incorrect or incomplete application of EU rules continues to create barriers within the single market. This comes at a cost for businesses and consumers. The misapplication of rules creates complexity and administrative burdens and distorts competition, undermining the level playing field for businesses across the EU.

Enforcement action has also focused on those cross-cutting areas with a potential to ease investment to speed up the recovery across different economic ecosystems, such as in the area of services, including professions, free movement of goods and public procurement.



The Commission also continued its enforcement efforts so that public authorities pay on time for the goods and services they procure, avoiding cascading delays in payments along the supply chain, notably in the health sector. The Commission proactively monitors progress as regards Belgium, Greece, Spain, Italy, Portugal and Slovakia, which still fail to meet the targets of the [Late Payments Directive](#).

To ensure that public authorities pay in time for the goods and services they procure, the Commission acted firmly against two Member States: it pursued further the infringement procedure against [Greece](#) on persistent shortcomings in the health sector. And it called on Italy to comply with the [judgment](#) of the Court of Justice that had confirmed Italy's violation of EU law by paying late. Following efforts made to align its verification procedure with the Late Payments Directive, the Commission closed another infringement procedure against Italy.

The Commission also stayed vigilant to counter export restrictions by Member States in the wake of the invasion of Ukraine. Swift and firm enforcement action by the Commission meant that the single market kept functioning.

The Commission took the next step in the procedure against [Hungary](#) for limiting exports of construction materials. The Commission also launched a procedure against [Hungary](#) for imposing higher fuel prices on vehicles with non-Hungarian number plates compared to the vehicles registered in Hungary. At the end of 2022, Hungary put an end to this breach.

Transparent information about and for businesses

With an increasing number of businesses operating across borders, having easy access to information on companies in different Member States is crucial. [EU legislation](#) requires Member States to link their national business registers with the business registers interconnection system (BRIS). It facilitates cross-border operations and makes procedures less costly and time-consuming for companies. It enables individuals, businesses and entrepreneurs to get information on companies. [EU rules](#) also introduced digital tools and processes in company law. Entrepreneurs can now create limited liability companies online.



In 2022, the Commission opened infringement procedures against 10 Member States for failing to turn the [Company Law Digitalisation Directive](#) into national law in time. As a result of the Commission's swift enforcement action on these and other cases, 19 Member States had completed transposition of the rules by the end of 2022. The Commission also closed an infringement procedure against Bulgaria as it had completed the connection of its business register to the business registers interconnection system (BRIS).

Digital transport systems

Digitalisation can make transport safer, more efficient and more sustainable. Information and communication technologies offer new opportunities to all modes of passenger and freight transport. Moreover, integrating existing technologies into new technologies can create new services.

For example, for road transport, the [European Electronic Tolling Service Directive](#) ensures that tolling services are interoperable across roads in the EU. Road users benefit as they can pay tolls throughout the EU with only one subscription contract with one service provider and a single on-board unit. The Commission enforced the Directive through several infringement procedures.



On aviation safety, [data link services](#) are communications between aircraft and ground staff that complement the voice communication traditionally used in air traffic control. The Commission closed its infringement procedures against France and Cyprus in this area. Compliance brings concrete benefits to the public: as voice communication channels become increasingly congested, data link services make pilot-controller communication more efficient, thereby accommodating increases in air traffic levels within Europe.

On electronic tolling, the Commission opened infringement procedures against [Germany](#), [Italy](#) and [Finland](#) for failing to fully transpose EU rules. It pursued other infringement cases against [11 Member States](#) in this area.

On data link services, the Commission referred [Greece](#), [Malta](#) and [Slovakia](#) to the Court of Justice for failing to provide and operate these services for aircrafts flying within the airspace under their responsibility.

An economy that works for people

‘Our social market economy encourages everyone to excel, but it also takes care of our fragility as human beings.’

President von der Leyen, in her 2022 State of the Union Address



People and businesses in the EU can only thrive if the economy works for them. The EU’s unique social market economy helps economies grow while tackling poverty and inequality. Incomplete implementation or incorrect application of commonly agreed rules undermines the potential of our economies and burdens small and medium-sized enterprises. This also weakens the rights of consumers and workers. The Commission enforced EU law across a wide range of policies to tackle these risks.

Working conditions

Fair and dignified working conditions are a key component of Europe’s social market economy. The EU has adopted minimum standards that apply across Member States on [working time](#), [part-time](#) and [fixed-term work](#), and [temporary agency work](#). In 2022, the Commission took a number of actions to enforce these rules. It opened [infringement cases against 19 Member States](#) for failing to transpose [EU rules](#) on transparent and predictable working conditions in due time. Following a complaint, the Commission also took action against [Ireland](#) concerning its enforcement of workers’ rights under the [European Works Council Directive](#), which aims to ensure that staff working for companies operating across the EU have the right to be informed and consulted on transnational issues.

Health and safety at work

The EU has developed an extensive body of rules on health and safety at work to ensure a high level of protection for workers. Healthy and safe working conditions lead to a healthy and productive workforce. The Commission’s



enforcement measures focused on the timely transposition of EU occupational health and safety rules into national legislation. The Commission closed 19 infringement procedures, as Member States had transposed the relevant directives. These rules concerned updates of the [Carcinogens and Mutagens Directive](#), a [Fifth List of Indicative Occupational Exposure Limit Values](#) and technical adaptations of directives in the fields of [personal protective equipment](#), [biological agents](#), and [medical treatment on board vessels](#).

To bring national measures swiftly in line with the [Fourth List of Indicative Occupational Exposure Limit Values](#), the Commission pursued the pre-infringement process (EU Pilot) with 13 Member States. Thanks to this dialogue, two Member States achieved conformity with the Directive in 2022. All other Member States, except one, have committed themselves to bringing their national laws into line with EU rules. The Commission also used the EU Pilot process with 15 Member States regarding the conformity of their transposition of the updated [Carcinogens and Mutagens Directive \(Directive 2017/2398\)](#). Two Member States already adapted their rules in late 2022 to ensure they were compliant.

Labour mobility

[Free movement of workers](#) is one of the EU's fundamental freedoms. It involves not only the right to work in another Member State but also the right to look for a job in another Member State and reside in that Member State for that purpose.



EU citizens have the right to reside in another Member State for three months, the only requirement being to hold a valid identity document. After three months, EU countries must allow EU jobseekers to stay for a reasonable period of time after they have registered with the employment services. This should allow them to find a job that corresponds to their qualifications and take the

necessary steps to start the job. It is only once the reasonable time period has elapsed that host Member States may require jobseekers to prove their genuine chances of finding a job if they want to stay longer.

Following a complaint from a citizen, the Commission opened an infringement procedure against [Belgium](#) since Belgian law requires EU jobseekers to prove that they have genuine chances of finding a job immediately after the first three months of residence in Belgium.

In another labour mobility case brought to the Commission's attention by complainants, [Greece](#) agreed to change its legislation after the Commission's infringement steps, allowing EU nationals to access managerial positions in its Parliament.

Social security coordination

EU law coordinates the Member States' national social security systems to guarantee that the freedom of movement of people is exercised effectively. It helps improve the standard of social security protection of people who move within the EU.

On 16 June 2022, the [Court](#) confirmed the Commission's position in an infringement procedure against [Austria](#). Austria had introduced an indexation of family allowances, providing for different amounts of these benefits according to the place of residence within the EU of a child concerned. The Court ruled that this indexation is contrary to EU law on free movement of workers and the coordination of social security schemes. Austria subsequently took steps to implement the judgment. The Commission also opened a similar infringement procedure against [Germany](#).

Better information and assistance for citizens and businesses

In 2022, in the light of the consequences of the Russian invasion of Ukraine, it was more important than ever that individuals and businesses could continue to rely on the opportunities offered by the single market. Cooperation between the Commission and Member States is the fastest way to address barriers to free movement. The single market governance tools, such as [Your Europe](#), [Your Europe Advice](#) and [SOLVIT](#), offer clear information, assistance and problem-solving for citizens and businesses.

They empower both individuals and businesses to make full use of their EU rights in the single market. In addition, evidence from these tools helps to identify and correct any existing problems. In 2022, SOLVIT helped more than 2 400 citizens and businesses by addressing their problems. Your Europe Advice was consulted almost 28 000 times by citizens and businesses on their single market rights.

Better regulation of professions and recognition of qualifications

The [Proportionality Test Directive](#) obliges Member States to make sure that any requirements for professions they introduce or amend are necessary and balanced. Burdensome national rules make it harder for qualified candidates to access or exercise a wide range of professions. The Commission took infringement decisions in relation to five Member States to ensure a full and correct transposition of the rules.



The [Directive on recognising professional qualifications](#) makes it easier for professionals to provide services around Europe, while guaranteeing improved protection for consumers and citizens. The Commission acted firmly against Member States where a breach of the Directive persisted, including by referring them to the Court of Justice, where necessary. It could close cases against Italy, Austria and Sweden, where professionals now fully benefit from these advantages.

The Commission decided to refer [Belgium](#) to the Court of Justice for failing to transpose the Proportionality Test Directive, while it closed procedures against Cyprus and Latvia. However, the Commission decided to open procedures against [Cyprus](#), [Spain](#) and [Latvia](#) for having incorrectly transposed these rules.

As regards the recognition of professional qualifications, the Commission referred [Portugal](#) and [Slovakia](#) to the Court of Justice. The first of these two cases addresses issues raised by a complaint. The Commission also opened cases against [Belgium](#), [Greece](#) and [Malta](#) for incorrectly transposing these rules.

Preventing bankruptcy of viable companies

The [Directive on restructuring and insolvency](#) aims to prevent early bankruptcy and establish a healthy environment for insolvent businesses to get back on their feet. It provides the conditions for viable companies in financial difficulty to restructure early. The new rules also increase the efficiency of insolvency procedures and promote the use of electronic means of communication. The Commission launched infringement procedures against [10 Member States](#) for failing to transpose the Directive.



Financial services

Financial services are at the core of the single market. EU rules ensure that financial intermediaries and financial markets are properly regulated and supervised, for stability, competitiveness and transparency. They cover the main actors on the financial markets, such as banks, insurers, investment firms, asset managers and other financial intermediaries.

Recently updated EU rules seek to ensure that these financial intermediaries are even more resilient and better supervised, to increase their capacity to tackle the effects of crises like the pandemic or the war in Ukraine. The rules also aim to support economic growth while reducing pressures on the environment and taking account of the social dimension. The Commission closed 26 infringement procedures after Member States fully transposed various directives in the field.

The Commission launched 37 infringement procedures against Member States who failed to fully transpose the various directives on financial intermediaries, namely on:

- [capital market recovery](#)
- [sustainability considerations](#) for financial instruments and investment funds
- [key information documents](#) for collective investment firms.

The Commission pursued a further nine infringement proceedings concerning EU rules on [cross-border distribution of funds](#), [crowdfunding platforms](#) and [audits](#).

Retail payments

Retail payments are essential for the European economy. Efficient retail payment systems are essential for the smooth running of multiple sectors, including retail sales, business-to-business payments, payment for utilities and rent, etc. The [revised Payment Services Directive](#) (PSD2) and the [SEPA Regulation](#) are two of the EU laws that shape the rules for retail payment systems.



The Commission engaged in a pre-infringement process (EU Pilot) with 20 Member States on the way they had transposed PSD2. It also continued its enforcement efforts with Member States to tackle [IBAN discrimination](#): such discrimination happens when accounts in other Member States cannot be used to set up direct debits or to transfer funds for domestic payments services, in breach of the SEPA Regulation.

Overseeing the application of EU financial services rules by national authorities

EU law empowers the [European Supervisory Authorities](#) ('ESAs') to investigate potential breaches or non-application of EU law by the national authorities working under their oversight. Where investigations reveal that a national authority has failed to properly carry out its supervisory role, the relevant ESA can issue recommendations to address the shortcomings that it has identified. The action that the national supervisory authority then takes to address these shortcomings is monitored by the Commission, which may issue opinions if the recommendations of the ESA are not followed. In 2022, the Commission adopted [a formal opinion](#) requiring the Slovak insurance supervisory authority to fully comply with its obligations under the EU prudential regime for insurance and reinsurance companies in the EU ([Solvency II](#)). This opinion follows the recommendation issued by the [European Insurance and Occupational Pensions Authority in the same year](#).

Money laundering and terrorist financing

Fighting money laundering and the financing of terrorism contributes to security, as well as protecting the integrity of the international financial system. An effective implementation of the EU's anti-money laundering rules therefore remains front and centre of the Commission's enforcement policy.



Enhanced transparency is fundamental to combatting the misuse of companies as fronts for laundering. Member States must therefore ensure that information about the real owners of these companies, the 'beneficial owners', is stored in a central register. An accurate disclosure regime that is transparent about beneficial ownership and control structures of businesses increases the confidence of investors and the general public in financial markets.

To enforce EU rules on the registration of beneficial ownership, the Commission launched a pre-infringement process (EU Pilot) with all Member States. It also opened infringement procedures against [Spain](#), [Italy](#), and [Latvia](#) for non-transposition, non-conformity and bad application of the rules on beneficial ownership registers. At the same time, the Commission was able to close 11 infringement procedures, as the Member States involved had completed the transposition of the [5th anti-money laundering Directive](#), including rules on beneficial ownership registers.

[EU rules](#) criminalise money laundering when committed intentionally and with the knowledge that the assets in question came from criminal activity. They facilitate police and judicial cooperation between EU countries and prevent criminals taking advantage of more lenient legal systems. The Commission enforced these rules by pursuing a case against [Belgium](#), and launching cases against [Lithuania](#), [Latvia](#), [Malta](#) and [Portugal](#) for not turning them into national legislation.

Mobility and transport

[New rules](#) for the EU road transport sector ensure a balance between social protection for drivers and freedom for operators to provide cross-border transport services. EU law on the [posting of drivers](#) regulates situations where drivers are sent by their employer to carry out a service in another Member State on a temporary basis. These rules ensure that posted drivers receive remuneration of the host Member State for the period during which they are posted. They also align inspection measures across the EU.

As some Member States had still not transposed these rules, the Commission continued infringement cases against [eight Member States](#) so that posted drivers can benefit from their advantages as soon as possible. The Commission also continued infringement procedures against [Greece](#) for failing to comply with EU rules on [roadside checks](#), and against [Denmark](#) for failing to comply with [cabotage rules](#) for bus and coach passenger transport.

On maritime transport, the Commission continued an infringement procedure against [Portugal](#) for incorrect application of EU safety and environmental rules on [marine equipment](#). In addition, following a complaint that related to the free movement of workers and freedom to provide services in the maritime sector, the Commission called on [Malta](#) to correctly apply EU law as regards its port workers regime.

Inland waterway transport is a competitive alternative to road and rail transport. It also helps reduce traffic on overloaded road networks in densely populated regions. The Commission enforced EU rules in this area by pursuing infringement procedures against [Czechia](#), [Spain](#), [Luxembourg](#), [Poland](#), [Portugal](#) and [Slovenia](#) for failure to transpose into national law EU rules on the recognition of [professional qualifications in inland navigation](#). These rules set up a standardised system for certifying and recognising people operating craft on inland waterways, allowing certificate-holders to operate throughout the EU.



The Commission also opened infringement procedures against [Germany](#), [Croatia](#), [Hungary](#) and [Austria](#) for failing to act on the basis of an EU position within the Danube Commission. This

international organisation deals with the navigation regime of the Danube river. The four Member States voted on matters on which the EU has exclusive external competence without a pre-established EU position, which is contrary to the principle of sincere cooperation enshrined in the EU Treaties.

Direct taxation

The single market guarantees that citizens and businesses have the freedom to move, operate and invest across national borders. However, as national direct taxation rules are not aligned and there are differences in the tax systems of Member States, avenues for aggressive tax planning and tax avoidance remain. To prevent occurrences of inadvertent non-taxation as a result of such



practices, Member States cooperate closely and approximate national rules by means of EU directives.

One of the key directives in this field directly affecting the functioning of the single market is the [Directive on rules against tax avoidance practices](#). The Commission enforced these rules successfully in 2022: first, by securing their complete transposition into Bulgarian, Czech, German, Irish and Spanish national law. And the

Commission ensured that the rules are correctly transposed by Bulgaria and Cyprus, who aligned their national laws as a result of infringement procedures.

The Commission took further steps against [Greece and Spain](#) for failing to transpose the Directive's provision on reverse hybrid mismatches. These rules prevent taxpayers from exploiting the differences between tax systems to pay less or no tax, and so prevent tax base erosion.

Several other Member States aligned their national legislation with EU direct taxation rules as a result of the Commission's enforcement work: Belgium removed a discriminatory calculation of income resulting from property situated abroad; Spain ended discriminatory taxation of non-resident non-profit organisations and their contributors and donors; and Greece resolved the difference in tax treatment based on the criterion of place (state) where the inherited assets or investments are held.

Following several complaints received from citizens, the Commission took enforcement action against [Germany](#) to bring its rules on calculating allowances for cross-border workers into line with EU law, to avoid discrimination. The rules disadvantaged workers employed in Germany and resident in a neighbouring country regarding work and sickness allowances and unemployment benefits, thereby breaching [EU rules on free movement for workers](#).

The Commission resolved a case against [Spain](#) for imposing disproportionate penalties on Spanish taxpayers for a failure to submit their declaration on assets held abroad by way of an online form ('Modelo 720'). After the Court of Justice confirmed the Commission's position, Spain amended its national legislation, in line with the principle of free movement of capital. The case was also subject to a petition to the European Parliament.

Indirect taxation

EU rules on VAT and excise duties aim to prevent businesses in one EU country from having an unfair tax advantage over businesses in other EU countries. They therefore help avoid distortions of competition in the single market. To protect the free movement of goods, EU law ensures that car-related taxes do not discriminate against cars brought from another EU country.

The Commission referred [Malta](#) to the Court of Justice for charging a higher annual tax on the registration of used cars brought to Malta after 1 January 2009 from other EU countries than the tax paid on similar cars already registered in Malta before that date.

In 2022, the Commission placed particular importance on monitoring Member States' efforts to implement the [revised common framework for excise products](#), such as alcohol, tobacco and energy. These rules improve the freedom of movement for excise products in the single market by simplifying the export and import of excise products and interaction between traders. They also ensure that the correct tax is collected.

The Commission also monitored the implementation of the [revised rules for excise duties on alcohol](#), applicable since 1 January 2022. These rules set up a common certification system for small producers, to facilitate their access to low-excise duty rates across the EU.

The Commission opened infringement procedures against 16 Member States and took the next step in its proceedings against [Belgium](#), [Greece](#), [Latvia](#), [Luxembourg](#) and [Portugal](#) for failing to communicate national measures to fully transpose the revised common framework for excise products. The Commission launched infringement procedures against 11 Member States and pursued further the case against [Portugal](#) for not ensuring the full transposition of the revised rules for excise duties on alcohol.

The Commission also monitored the implementation by Member States of the [temporary VAT exemptions in response to the COVID-19 pandemic](#). At the height of the pandemic, these rules allowed the Commission and EU agencies to import and buy goods and services VAT-free to distribute them free of charge to Member States. The Commission opened infringement procedures against eight Member States and it pursued further the procedure against [Cyprus](#) for failing to fully transpose these rules.

The Commission's enforcement activities continued to target national fiscal measures that distort competition in the single market. The Commission pursued further a procedure against the incorrect application by [Greece](#) of the VAT exemption on commercial postal services supplied



by the Greek universal service provider. It was able to close infringement proceedings against Germany as German legislation now correctly applies the flat-rate VAT scheme for farmers, removing distortions of competition.

To fight tax fraud, [administrative cooperation rules](#) oblige Member States, since 1 January 2020, to give access to information on vehicle registrations to other Member States, via the European Car and Driving Licence Information System (EUCARIS). Following

successful EU Pilot dialogues, the Commission ensured that Cyprus, Denmark, Ireland, France, Malta and Slovenia took action to properly develop the IT platform, allowing authorities to exchange information on vehicles. For one Member State, the EU Pilot process is still ongoing.

Customs

The EU Customs Code defines the legal framework for customs rules and procedures in the EU customs territory, adapted to modern trade models and communication tools.

To enforce the Code, the Commission investigated undervaluation of goods, customs IT systems in Member States and national charges with equivalent effect to customs duties between Member States. The Commission also continued its investigation across all Member States, on their implementation of the [Import One-Stop Shop](#), an electronic portal that businesses use to comply with their VAT e-commerce obligations on distance sales of imported goods.



As regards penalties under the Code, the Commission finalised a [report](#) assessing customs infringements and penalties in Member States. The report will be followed up in the upcoming reform of the EU Customs Union.

Competition

EU competition policy aims to ensure a competitive level playing field in which companies are encouraged to innovate and offer quality goods and services on the most favourable terms. This policy is enforced by national competition authorities, together with the Commission.

The implementation of the [ECN+ Directive](#) plays an important role in this process as it increases the powers and effectiveness of national competition authorities. The Commission continued to enforce the Directive by pursuing further infringement proceedings against [Estonia](#), [Luxembourg](#), [Poland](#) and [Slovenia](#) for failing to fully implement these rules.

Promoting the European way of life and democracy

'Today we all see that we must fight for our democracies. Every single day. We must protect them both from the external threats they face, and from the vices that corrode them from within. It is my Commission's duty and most noble role to protect the rule of law.'

President von der Leyen, in her 2022 State of the Union Address



Building a stronger, greener and healthier Europe for the next generation requires a Europe that stands up for its values and safeguards its democracies. The law is the EU's best asset in delivering the benefits of the EU for people, businesses and our environment. This is why the Commission, in 2022, proved once more its determination to protect the rule of law, our values and fundamental rights across the EU.

Rule of law

The Commission makes use of all the [tools](#) at its disposal to protect and promote the rule of law in the EU. One powerful component is the annual [rule of law report](#) cycle.

This annual report addresses all Member States and aims to promote the rule of law, preventing problems from emerging or deepening. In 2022, the Commission for the first time put forward [country-specific recommendations](#) on the rule of law to Member States. The Commission tackled serious rule of law issues with infringement procedures, notably related to judicial independence or fundamental tenets of EU law.

Another part of the EU rule of law toolbox is the [Conditionality Regulation](#), which protects the EU budget from being affected by breaches of the rule of law in the Member States. The Commission made full use of the Regulation in 2022. On 15 December 2022, based on a proposal from the Commission under the Conditionality Regulation, the [Council](#) adopted measures to protect the EU budget from breaches of the principles of the rule of law in Hungary.

The Commission pursued further an infringement procedure against [Poland](#) concerning the Polish Constitutional Tribunal and its case law. The Commission considered that rulings by the Tribunal breached EU Treaty provisions and were incompatible with the general principles of autonomy, primacy, effectiveness, uniform application of EU law and the binding effect of rulings of the Court of Justice of the European Union.

In another case against Poland, during 2022 the Commission continued issuing its calls for payment of daily penalties, which had been [ordered](#) by the Vice-President of the Court of Justice. In this [infringement procedure](#), the Commission had requested interim measures to protect the independence of Polish judges as a matter of urgency.

Protecting people who report breaches of EU law



Whistleblowers help to prevent damage and detect threats or harm to the public interest. They promote the fundamental values of the rule of law and democracy as well as the right to freedom of expression. [EU rules](#) protect them from retaliation for reporting on breaches of EU law. They also require Member States to provide for effective channels to report such breaches confidentially.

In 2022, the Commission opened infringement proceedings against 26 Member States, as they did not transpose the rules in time or delayed their entry into force. The Commission took the next step in the procedure against 19 [Member States](#) where the infringement persisted.

Combating discrimination, racism and xenophobia

[EU rules](#) provide that acts of racism and xenophobia are punishable by effective, proportionate and dissuasive criminal penalties. In 2022, the Commission continued its efforts in enforcing these rules. For example, Lithuania revised its criminal code, thereby resolving shortcomings in the criminalisation of hate speech and hate crimes. The Commission also took action to protect LGBTIQ people from discrimination.

The Commission referred [Hungary](#) to the Court of Justice over national rules that discriminate against people based on their sexual orientation and gender identity. The Hungarian law prohibits or limits access to content that 'promotes or portrays' what it refers to as 'divergence from self-identity corresponding to sex at birth, sex change or homosexuality' for minors. The Commission considered that the law violates several EU rules, both single market rules and the fundamental rights of individuals, in particular of LGBTIQ people, as well as the common values at the core of the EU.

Promoting work-life balance

The Commission launched infringement proceedings against [19 Member States](#) for failing to fully transpose the [Work-Life Balance Directive](#). The Directive aims to ensure equality in labour market participation by facilitating the reconciliation of work and family life for workers with care responsibilities and encouraging equal sharing of care responsibilities between parents.



Protecting personal data

The protection of personal data is a fundamental right of EU citizens, enshrined in the EU Charter of Fundamental Rights. As a matter of priority, the Commission assessed whether national legislation complies with the relevant EU laws, namely the [General Data Protection Regulation \(GDPR\)](#) and the [Data Protection Law Enforcement Directive](#), pursuing infringement procedures where necessary. The Commission published its [first report](#) on the application and functioning of the Data Protection Law Enforcement Directive.

As national data protection authorities have a crucial role in enforcing data protection rules in the Member States, the Commission stood up for their independence and to ensure they are equipped with corrective powers. The Commission also [reported](#) on the application of data protection [rules](#) by the EU institutions and agencies.

The Commission opened infringement proceedings against [Slovenia](#) for failing to update its data protection framework and granting insufficient corrective powers to its data protection authority. It opened infringement cases against [Finland](#) and [Sweden](#) for a lack of effective judicial remedy against inaction by their data protection authorities. The Commission also opened infringement [cases](#) against [Germany](#) for failing to fully transpose the Law Enforcement Directive and for incorrectly transposing rules on the corrective powers of data protection authorities. It opened a case against [Greece](#) for incorrectly transposing the scope and lawfulness of processing personal data under the Law Enforcement Directive.

Protecting EU citizenship

EU citizenship and the rights it confers lie at the heart of the EU. Every person that holds the nationality of an EU Member State is at the same time an EU citizen. It automatically gives the right to free movement, access to the single market, and the right to vote and to be elected in European and local elections. For these reasons, the conditions for obtaining and losing nationality, regulated by the national law of each Member State, are subject to compliance with EU law.



The Commission decided to refer [Malta](#) to the Court of Justice over its investor citizenship scheme. This scheme, also known as ‘golden passport’ scheme, results in the systematic award of Maltese citizenship – and by extension EU citizenship – in exchange for pre-determined payments and investments, without a genuine link to Malta.

Judicial cooperation and individual rights in criminal matters

The [European Arrest Warrant](#) is the EU's most important judicial cooperation instrument. It aims to ensure that open borders and free movement in the EU are not exploited by those seeking to evade justice. The Commission therefore took crucial steps in 2022 to enforce its rules, by opening infringement cases against [Bulgaria](#), [Luxembourg](#), [Romania](#) and [Slovenia](#) for having transposed the [Framework Decision on the European Arrest Warrant](#) incorrectly.



The basis for judicial cooperation between Member States in criminal matters is the principle of mutual recognition of judgments and judicial decisions. In [two judgments](#), the Court of Justice of the European Union confirmed that Ireland had failed to transpose

EU rules in the areas of [custodial sentences](#), [deprivation of liberty](#) and [supervision measures as an alternative to provisional detention](#).

As regards rights for suspects and accused persons in criminal proceedings, the Commission continued to enforce the [EU Procedural Rights Directives](#): it proceeded with the second step in the procedure against [Ireland](#) and [Portugal](#) for incorrectly transposing [rules](#) on the right to information, as well as against [Estonia](#), [Poland](#) and [Finland](#) for an incomplete transposition of [rules](#) on the presumption of innocence.

The Commission's monitoring of the implementation of the [Directive on the fight against fraud to the EU's financial interests](#) continued. It adopted its [second implementation report](#) and opened infringement proceedings against nine [Member States](#) as their national legislation was not in line with that Directive.

Security

In 2022, the Commission continued to deliver on the [EU Security Union Strategy](#), with the aim of providing safety, prosperity and well-being to everyone in the EU. Security is also at the core of the basic principles of our societies, economies and democracies.

The EU's firearms legislation establishes common minimum standards for the acquisition, possession and commercial exchange of civilian firearms, to enable their cross-border movement. This helps to tackle the threat of firearms falling into the hands of terrorists.

The Commission pursued further infringement procedures against [Bulgaria](#), [Greece](#), [Ireland](#), [Luxembourg](#) and [Sweden](#) for failing to fully transpose different EU rules on the [marking of firearms](#) or on [technical specifications](#) for alarm and signal weapons. The Commission referred [Sweden](#) to the Court of Justice for failing to transpose [EU rules](#) on the acquisition and possession of firearms.

The Commission took further measures to ensure the proper enforcement of rules on [drugs](#): it launched infringement cases against Belgium, Bulgaria, Ireland, Cyprus, Poland and Romania for failing to transpose [certain definitions](#) of 'drugs', in particular on the inclusion of certain new psychoactive substances. And it took the next step in the case against [Ireland](#). In all these cases, the breaches were subsequently remedied by the Member States concerned.

The Commission also enforced EU rules on certain serious criminal offences and [financial investigations](#). It continued procedures against [Croatia](#), [Ireland](#) and [Finland](#) for failing to transpose [rules](#) that facilitate the use of financial and other information for the prevention, detection, investigation or prosecution of certain criminal offences.

The Commission continued to promote security in the digital age. For this purpose, the Commission pursued further infringement procedures against [Belgium](#), [Bulgaria](#), [Czechia](#), [Greece](#), [Spain](#) and [Luxembourg](#) as they had not turned the [Directive](#) on combating fraud and counterfeiting of non-cash means of payments into national legislation.

Fighting [child sexual abuse](#) is a priority for the Commission. To tackle it, the Commission opened infringement procedures against [Ireland](#), [Spain](#), [Italy](#) and [Portugal](#) regarding the [Directive](#) on combating sexual abuse and sexual exploitation of children and child pornography. In particular, these Member States had incorrectly transposed certain provisions of the Directive regarding the definition of certain offences, prevention and assistance to victims

Migration and Asylum

The Commission designed a [new pact on migration and asylum](#) to ensure a fairer, efficient and more sustainable migration and asylum process in the EU, and which is now subject to discussions with the co-legislators. Overall, the EU's [migration policy](#) covers border management, visa policy, irregular migration, asylum and legal migration. Consistent and effective implementation fully respecting individuals' fundamental rights is key to the success of this policy.



The Commission continued monitoring the application of current legislation and took formal steps against [Belgium](#), [Germany](#), [Greece](#) and [Spain](#) for the incorrect implementation of the [Return Directive](#), and against [Italy](#) and [Malta](#) for the incorrect implementation of the [Regulation](#) on the

establishment of a European travel document for return.

Enforcement work continued to ensure that non-EU nationals legally residing in the EU can enjoy their rights under the legal migration Directives. For example, the Commission closed an infringement procedure against Italy regarding the [Single Permit Directive](#) after Italy changed its national legislation. Non-EU nationals working and legally residing in Italy can now benefit from equal treatment with Italian nationals regarding areas including working conditions, freedom of association, education, social security and tax benefits.

Implementing sanctions against Russia

The EU has over 40 different sanction regimes in place, adopted under its [Common Foreign and Security Policy \(CFSP\)](#). These include [sanctions](#) in response to Russia's military aggression against Ukraine. In 2022, the EU adopted nine



unprecedented packages of sanctions, which cover a range of sectors, such as finance, energy, media, transport and trade, to cripple Russia's ability to finance the war.

The Commission promoted the uniform implementation of these sanctions and monitored their enforcement. To gain knowledge of potential breaches, the Commission launched the [EU sanctions whistleblower tool](#), a secure online platform that enables whistleblowers to anonymously report violations.

It received over 400 relevant reports up to the end of 2022. It also sent questionnaires to Member States to collect feedback on implementation issues. And it organised expert groups to coordinate Member States' implementation actions and share best practice. Finally, it published around 550 Q&As on a [dedicated website](#) to help stakeholders implement them.