THE LIMITS OF THE COURT OF JUSTICE OF THE EUROPEAN UNION’S JURISDICTION TO ANSWER PRELIMINARY REFERENCES

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Abstract

Starting from a concise analysis of the Court of Justice’s jurisdiction in the matter of preliminary references ratione materiae, ratione personae, ratione loci and ratione temporis, the study intends to highlight what preliminary questions this international court can and cannot answer and how far can its rulings reach into the national law of the member states of the European Union.

Keywords: article 267 of the Treaty on the Functioning of the European Union, preliminary question/reference, preliminary ruling/judgment, court of a member state, jurisdiction limits.

1. Introductory notes

The jurisdiction of the Court of Justice of the European Union¹ is established, mainly, by article 19 of the Treaty on the European Union (TEU), by articles 256, 258-277 of the Treaty on the Functioning of the European Union (TFEU) and by its Statute². The European Court can only act within the limits of the competence conferred upon it by the member states in the treaties establishing the European Union.

The Treaties provide two main roles for the Court of Justice of the European Union: an advisory one, to render opinions and a jurisdictional one, to give preliminary rulings and judgments in direct actions. Whereas the preliminary ruling procedure is a noncontencious one³, direct actions, such as annulment actions, actions regarding EU’s institutions failure to act, EU’s non-contractual liability or staff cases⁴, undergo a contentious procedure.

These competences are divided between the Court of Justice, the General Court and the Civil Service Tribunal⁵.

At present, in spite of the fact that article 256 paragraph 3 of Treaty on the Functioning of the European Union renders jurisdiction to the General Court to hear and determine questions referred for a preliminary ruling, in specific areas laid down by the Statute, only the Court of Justice can answer preliminary questions, since its Statute has not yet been modified in this respect. Article 3 of the Regulation (EU, Euratom) of the European Parliament and of the Council of 16 December 2015 amending Protocol No 3 on the Statute of the Court of Justice of the European Union.

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¹ The Court of Justice of the European Union is a system composed of three courts: the Court of Justice (the former Court of Justice of the European Communities), the General Court and the Civil Service Tribunal.
² See Şandru, Banu and Călin, Procedura, 19-20.
³ For more information about direct actions, see Fábián 2010, 358-407.
Justice of the European Union states that the Court of Justice is to draw up a report accompanied, where appropriate, by legislative requests, by 26 December 2017, for the European Parliament, the Council and the Commission, on possible changes to the distribution of competence for preliminary rulings.6

The study intends to analyse in a concise, structured manner the limits of the jurisdiction of the Court of Justice to render preliminary rulings ratiōne materiae, ratiōne personae, ratiōne loci and ratiōne temporis and the consequences of this limited competence.

Since preliminary rulings interpret EU law or decide on its validity and they are an instrument to ensure uniform interpretation and application of that law within the European Union, it is important for national courts to know what they can ask, when they can ask, how they must ask the preliminary questions and what types of answers they can expect to receive. It is meant to be a useful instrument for other legal practitioners as well, such as researchers or lawyers, especially since lawyers have the ability to ask the national courts to refer preliminary questions in pending disputes on behalf of the parties they assist or represent.

The objectives are to have more judgments of the Court on the grounds of the matter referred to it and less orders of inadmissibility, to achieve an improved dialog and cooperation between the national courts and the Court of Justice. This should also ensure a diminished workload of the European Court with those references that are obviously outside the Court’s jurisdiction and/or inadmissible.

In order to achieve these objectives, the study shall include useful examples, relevant case law and references for further reading from prominent doctrinal works. The subject of the study has been covered in a form or another by authors from the member states, but efforts to acknowledge the existing contributions, to present them in a new light, to disseminate information must be made in a society of knowledge.

2. Jurisdiction of the Court of Justice to answer preliminary references

2.1 Ratiōne materiae

Article 267 of the Treaty on the functioning of the European Union provides the Court’s jurisdiction to give preliminary rulings concerning:

a) the interpretation of the Treaties;

b) the validity and interpretation of acts of the institutions, bodies, offices or agencies of the Union.

The competence of the Court is restricted to the interpretation of the treaties establishing EU. At present, these are TEU7 and TFEU8, but it is agreed that this provision includes the founding treaties, the treaties that modified and amended these treaties, as well as the treaties of accession of the new member states, because they also modify the founding treaties.

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8 The consolidated version of the Treaty establishing the European Economic Community, signed at Rome on 25 March 1957, in force since 14 January 1958, modified several times, last by the Treaty of Lisbon, signed on 13 December 2007, in force since 1 December 2009. For more information, see Fuerer, 2011, 32-83.
The protocols and declarations annexed to the treaties are a part of their content and have the same binding force. Hence, their provisions can be the object of a preliminary reference for interpretation.

After 1 December 2009, the Treaty of Lisbon extended the Court’s jurisdiction to the area of freedom, security and justice, integrated fully in TFEU, after the abolition of the three pillar system introduced by the Maastricht Treaty and to the Charter of Fundamental Rights of the EU, annexed to TFEU. However, “the jurisdiction of the Court is largely excluded in the area of the Common Foreign and Security Policy” and with regard to general provisions.

These Treaties are primary sources of EU law, they are concluded by states, are instruments of international law and are subject to the will of their creators. Thus, the Court cannot decide on the validity of a provision from the Treaties.

The Court has jurisdiction to answer questions on the validity and interpretation of acts of the institutions, bodies, offices or agencies of the Union, such as regulations, decisions and directives, but also acts that are not mentioned in the Treaties. Any EU act may be the object of a reference on validity or interpretation, regardless of its binding or non-binding effects, but its nature, its content and its effects may be of interest in determining whether it is relevant in the national dispute.

The jurisdiction of the Court to rule on the validity of such acts is complementary to its jurisdiction to review the legality of EU acts under article 263 of TFEU. As expressed in the doctrine: “Besides ensuring uniform interpretation, the preliminary ruling does also provide private parties with access to the Court, when they have no locus standi to directly ask the Court to control the validity of Union acts.” But, if the party to the main dispute had standing to attack the EU act by way of an annulment action and did not do so in the time-limit established by the aforementioned article, the Court ruled it would be contrary to the principle of legal certainty to analyse the legality of that act by answering a preliminary reference.

“References may also be made on whether a provision of Community law produces direct effect, that is, whether it confers rights on individuals which national courts are bound to protect. This is considered a question of interpretation.”

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9 For example: Protocol no. 2 on the application of the principles of subsidiarity and proportionality and the Declaration concerning the Charter of Fundamental Rights of the European Union.
10 For a concurring opinion see Kaczorowska, 2009, 253. For the opinion that unilateral declarations of the Member States cannot be the object of a preliminary reference, see Smit, Herzog, Campbell and Zagel, 2011, 267-13, Broberg and Fenger, 2010, 103.
13 For a presentation of the main sources of EU law, see Dumitrașcu, 2012, 107-184.
14 See Fuerea, 2016, 98.
16 Mathijsen, 2010, 144.
18 Arnell, 2006, 104.
It seems the Court took the view that its own judgments may be interpreted by way of a preliminary reference, but their validity cannot be questioned. General principles of law cannot, in itself, form the object of a preliminary reference, but they can be interpreted and applied in order to determine the correct interpretation or validity of an EU act. However, the Court did answer questions on the infringement of fundamental rights when there was no explicit reference to these in the Treaties.

International law provisions and national acts of the member states cannot be interpreted by the Court, nor be declared invalid. The Court can only interpret the EU act transposed in the national law or on which the national act is based.

The Court cannot apply EU law or national law, nor can it decide if a provision of the national law is contrary to EU law. The Court stated: “When it gives an interpretation of the Treaty in a specific action pending before a national court, the Court limits itself to deducing the meaning of the Community rules from the wording and spirit of the Treaty, it being left to the national court to apply in the particular case the rules which are thus interpreted.”

In its case law, many times the Court left little doubt about the compatibility between national law and EU law. “On occasion, the question has been reformulated so as to present the issue in non-fact-specific terms – although the essence of the question answered and its consequential effect as a compatibility decision remain unchanged.”

We agree that this may be caused, as some authors observed, by the fact that many questions are very detailed and require a specific answer. “The line between matters of Community law and matters of national law, between interpretation and application are more easily drawn in theory than in practice.”

In what agreements with non-member states are concerned, these may be regarded as acts of the EU institutions, since they are generally concluded by a decision of the
Council. This seems to be the view adopted by the Court and the binding effects of its judgment concern only the agreement as part of EU law, not the non-member state.\(^\text{30}\)

However, it has been emphasized that the party to the agreement is the EU itself, not the Council, so the act is not a unilateral act of an institution, but a bilateral or multilateral act of the Union. The Court does not interpret the Council’s decision, but the bilateral act of the Union.\(^\text{31}\)

If both the Union and the member states are parties to the agreement with the non-member state/states (mixed agreements), the jurisdiction of the Court extends only to those provisions falling within EU competence, not to the provisions falling within the member states’ exclusive competence.\(^\text{32}\)

It would seem that the Court only has jurisdiction to interpret an international agreement if it is formally a party to that agreement by means of an act of one of its institutions. Agreements between member states are excluded from the Court’s jurisdiction\(^\text{33}\), even if they are just subsidiary conventions, adopted to attain objectives set out in the Treaties.\(^\text{34}\)

That is why the Court’s decision to declare it has jurisdiction to interpret the General Agreement on Tariffs and Trade (GATT)\(^\text{35}\), to which it did not formally adhere, was subject to criticism in doctrine and considered to be a policy-based judgment, given only on the ground that it was desirable for the GATT to be covered by article 267 of TFEU (the former article 177 of TEEC)\(^\text{36}\). We agree that there was no legal basis for the Court to accept jurisdiction in the case of GATT, since it was not an act of an EU institution. The Court’s arguments that the member states were all parties to this international agreement and that there was a need to prevent potential distortions in the unity of the common commercial policy and in trade do not constitute formal grounds for jurisdiction.

\subsection*{2.2 Ratione personae and ratione loci}

The Court can only answer preliminary references made by “courts or tribunals of a member state”.\(^\text{37}\)

As the Court stated in numerous occasions, the terms “court” and “tribunal” have an autonomous meaning in EU law, describing any national judicial body, established by national law, independent, permanent, that has the power to apply national law and render a definitive decision on legal rights and obligations, binding, after

\(^{30}\) Judgment of 30 April 1974 in case 181/83 Haegemann/Belgian State, paragraphs 2-5, in which the Court ruled that it had jurisdiction to answer preliminary questions about the Agreement of association between the European Economic Community and Greece.

\(^{31}\) Hartley, 2010, 291.

\(^{32}\) Judgement of 16 June 1998 in case C-53/96 Hermès International/FHT Marketing Choice, paragraphs 22-29. The Court stated it had jurisdiction to interpret provisions from the Agreement on Trade-Related Aspects of Intellectual Property Rights since the Community was a party to this agreement and it applied to the Community trade mark, http://curia.europa.eu/en/content/juris/c2_juris.htm, last accessed on 10 March 2016.

\(^{33}\) See Popescu, 2011, 251.


following an adversarial procedure\textsuperscript{38} and applying rules of law.\textsuperscript{39}

Only the Court can establish if a judicial body meets these criteria. The Court consistently refused to accept references from arbitration tribunals\textsuperscript{40} and administrative authorities with no judicial functions.\textsuperscript{41}

If the body does not have legal standing to ask a preliminary question or if the judicial body is acting outside its judicial function\textsuperscript{42}, the Court shall give an order of inadmissibility.\textsuperscript{43} If the body receives such an order, it may not ask a new question.

It is for each member state to define its territory geographically\textsuperscript{44}, but EU law must be applicable in those territories as well\textsuperscript{45}.

Judicial bodies from non-members states are clearly excluded from the Court’s jurisdiction, even if these non-members states are parties to an association agreement with the EU, with the exception of the situation when the right is enshrined in an international agreement concluded between EU and third countries, as it is in the Agreement on the European Economic Area, which authorises courts and tribunals of the European Free Trade Association member states to refer questions to the Court of Justice on the interpretation of an agreement rule\textsuperscript{46}.

International courts are also excluded, although this rule may be subject to exceptions, as the Court stated that the Benelux Court, a common court to Belgium, the Netherlands and Luxembourg, composed of judges from the supreme courts of these member states, did have standing to refer preliminary questions\textsuperscript{47}.

In our opinion, the Court’s view on jurisdiction might be similar in the case of the European Court of Human Rights, a court that is common to all member states of the EU, parties to the Convention for the Protection of Human Rights and Fundamental Freedoms, adopted within the framework of another international organisation, the Council of Europe.\textsuperscript{48} This


\textsuperscript{40} For example, judgment of 23 March 1982 in case 102/81 Nordsee/Reederei Mond, paragraphs 7-16 and judgment of 27 January 2005 in case C-125/04 Denuit and Cordenier, paragraphs 11-17. The main argument to reject jurisdiction was that the parties are under no obligation, in law or in fact, to refer their disputes to arbitration. On the other hand, the national court that decides on the annulment of an arbitration award can refer preliminary questions, as it results from judgment of 1 June 1999 in case C-126/97 Eco Swiss.


\textsuperscript{42} See judgment of 15 January 2002 in case C-182/00 Lutz and others, paragraphs 11-17, http://curia.europa.eu/en/content/juris/c2_juris.htm, last accessed on 22 March 2016. The Austrian regional court was exercising a non-judicial function, in connection with the maintenance of the register of companies.

\textsuperscript{43} For procedural aspects, see Petrescu, 2011 and Fábián, 2014.


\textsuperscript{46} Article 107 of the Agreement on the European Economic Area and Protocol 34 annexed to it, available at http://www.efta.int/legal-texts/eea, last accessed on 22 March 2016.


\textsuperscript{48} For a contrary opinion see Andreșan-Grigoriu, 2010, 88, Lenaerts, Arts and Maselis, 2006, 44.
court is competent to solve disputes between private persons and member states and, though it is not formally a part of the court system of the member states, its decisions are final and must be applied, producing binding effects in their legal system. It applies the Convention, but it is not impossible to imagine a situation in which it might need the interpretation of EU law, applicable in all member states of the EU and also parties to the Convention, especially since this has happened before in ECHR’s case law. It remains to be seen how this issue will be addressed in the context of EU’s process of accession to this Convention.

2.3 Ratione temporis

The Court does not have jurisdiction to give preliminary rulings if the facts of the national dispute occurred prior to the member state’s accession to the EU. In case C-283/10 the Court stated that it has jurisdiction to interpret the provisions of EU law only as regards their application in a new member state with effect from the date of that state’s accession to the European Union.

The dispute in the main proceedings concerned events which took place between May 2004 and September 2007, whereas Romania did not accede to the European Union until 1 January 2007. As the events occurred in part after the date of Romania’s accession to the European Union, the Court decided it had jurisdiction to reply to the questions referred.

Thus, it would seem the Court only denies competence for those past situations or events which have completely exhausted their legal effects prior to the date of accession of the new member state.

The national courts may also ask preliminary questions on the application of EU law in intertemporal situations, since the application of EU law ratione temporis is a matter of interpretation.

“It is assumed that the ECJ grants immediate effect to procedural norms, whereas norms of substantive character are not immediately applicable in every case.”

It is also necessary that the national dispute is in course and it is a real one. It does not matter in what stage of the

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55 Lenaerts, Arts and Maselis, 2006, 45.

56 Judgment of 11 March 1980 in case 104/79 Foglia/Novello, paragraphs 10-13, http://curia.europa.eu/en/content/juris/c1_juris.htm, last accessed on 22 March 2016. The Court considered that the parties to the main proceedings did not dispute with regard to the EU issue referred, but had the same opinion. They created an artificial dispute and inserted certain provisions in their contract in order to get an Italian court to decide on the compatibility of a French consumption tax with EU law, so the European Court denied jurisdiction to answer the preliminary questions referred by the Italian court.
proceedings\textsuperscript{57}, but it was recommended that the optimum time would be when the facts of the case have been established and questions of purely national law have been settled\textsuperscript{58}, in order to receive a helpful answer and not have the question rejected as being purely hypothetical\textsuperscript{59} or for the lack of sufficient description of the facts\textsuperscript{60}.

3. Conclusions

Legal protection in the EU is ensured, largely, by national courts, acting as EU courts competent to apply and interpret EU law.\textsuperscript{61} The preliminary reference procedure is an instrument of cooperation between the national courts of the member states and the Court of Justice of the European Union, in a common effort to interpret and apply EU law coherently and uniformly. There is no hierarchy between the first courts and the latter\textsuperscript{62}, but rather a clear separation of competence, which does not contradict their complementary roles.

The Court of Justice is the only one competent to decide if it has jurisdiction to answer a preliminary reference or not.\textsuperscript{63} Some authors observed that, over the years, due to its increasing case load, the Court’s generous approach in accepting to answer preliminary questions has shifted to some extent by developing jurisprudence aimed at a better control of the types of cases it will hear.\textsuperscript{64}

In this context, it is important to understand how far reaching is the jurisdiction of the European Court, under all its aspects: material, personal, territorial and temporal. These specific issues have been approached in a synthetical manner, for a better understanding of what preliminary questions can find an answer on the grounds of the legal issue referred. This can lead to a lighter work load for the European Court, to more confidence for national courts in starting an efficient dialogue and to the development of EU law.

The study did not cover all the reasons for declaring a reference as inadmissible, so further details may be presented on hypothetical problems, on the acte claire doctrine, on the precedent issue, on the lack of relevance of the question for the resolution of the national dispute or on the formal aspects of the references, like providing sufficient information about the facts of the case.

References


\textsuperscript{57} See Foster, 2009, 193.


\textsuperscript{61} Rusu and Gornig, 2009, 149-150. For Romanian case law on reasons not to refer preliminary questions, see Şandru, Banu and Călin, Refuzul . . ., 2013.

\textsuperscript{62} Arnulf et. al., 2006, 510.


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