

EFTA COURT

**Action brought on 23 October 2015 by the EFTA Surveillance Authority
against Iceland**

(Case E-25/15)

An action against Iceland was brought before the EFTA Court on 23 October 2015 by the EFTA Surveillance Authority, represented by Carsten Zatschler, Markus Schneider and Clémence Perrin, acting as Agents of the EFTA Surveillance Authority, 35 Rue Belliard, B-1040 Brussels.

The EFTA Surveillance Authority requests the EFTA Court to:

- 1. Declare that by failing to take within the prescribed time all the necessary measures to recover from the recipients the state aid declared incompatible with the functioning of the Agreement on the European Economic Area by Articles 2, 3, 4 and 5 of EFTA Surveillance Authority Decision No 404/14/COL of 8 October 2014 on the Investment Incentive Scheme in Iceland; by failing to cancel, within the prescribed time any outstanding payment referred to in Article 7 third sentence of that decision; and by failing to provide the EFTA Surveillance Authority, within the prescribed time, with all the information outlined in Article 8 of that Decision, Iceland has failed to fulfil its obligations under Article 14(3) of Part II of Protocol 3 of the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice and Articles 6, 7 and 8 of Decision No 404/14/COL.**
- 2. Order Iceland to bear the costs.**

Legal and factual background and pleas in law adduced in support:

- The EFTA Surveillance Authority claims that Iceland has failed to comply with its obligations set out in the Authority's Decision 404/14/COL of 8 October 2014 *on the Investment Incentive Scheme of Iceland* ("Recovery Decision" or "Decision").
- The EFTA Surveillance Authority submits that in the Recovery Decision, the Authority found, *inter alia*, five investment agreements that Iceland had concluded with companies involved new state aid incompatible with the functioning of the EEA Agreement.

- The EFTA Surveillance Authority submits that Article 6 of the Recovery Decision obliges Iceland to take all necessary measures to recover from the beneficiaries the unlawful state aid referred to in Articles 2, 3, 4 and 5 of the Decision.
- The EFTA Surveillance Authority submits that the third sentence of Article 7 of the Recovery Decision imposes an obligation on Iceland to cancel all outstanding payments of the aid from the date of notification of the Decision, *i.e.* as of 8 October 2014.
- The EFTA Surveillance Authority further submits that according to Article 8 of the Recovery Decision, Iceland was under the obligation to provide the Authority with the information listed under the aforementioned Article by 9 December 2014.