

EFTA COURT

Action brought on 27 March 2024 by the EFTA Surveillance Authority against Iceland

(Case E-4/24)

An action against Iceland was brought before the EFTA Court on 27 March 2024 by the EFTA Surveillance Authority, represented by Hildur Hjörvar, Catherine Howdle, and Melpo-Menie Joséphidès, acting as Agents of the EFTA Surveillance Authority, Avenue de Arts 19H, B-1000 Brussels, Belgium.

The EFTA Surveillance Authority requests the EFTA Court to:

- 1. Declare that Iceland has failed to fulfil its obligations under the Act referred to at point 10g of Annex XXII to the EEA Agreement (*Directive (EU)2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement*), as adapted by Protocol 1 to the EEA Agreement, and under Article 7 of the EEA Agreement, by failing to adopt the measures necessary to implement the Act within the time prescribed, or in any event, by failing to inform the EFTA Surveillance Authority thereof, and**
- 2. Order Iceland to bear the costs of these proceedings.**

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

- By the present application, the EFTA Surveillance Authority ('ESA') seeks a declaration from the Court that Iceland has failed to fulfil its obligations under the Act referred to at point 10g of Annex XXII to the EEA Agreement, as adapted by Protocol 1 to that Agreement, and under Article 7 EEA, by failing to adopt the measures necessary to implement the Act within the time prescribed, or in any event, by failing to inform ESA thereof.
- ESA submits that Iceland has failed to fulfil its obligations under Article 7 EEA, by failing to make the Act part of its internal legal order.
- In a reply dated 15 October 2023 to ESA's reasoned opinion of 19 April 2023, Iceland stated that the implementation of the Act was delayed.

- When the deadline for Iceland to comply with the reasoned opinion expired on 19 June 2023, ESA had received no notification that Iceland had implemented the Act, nor was it in possession of any other information indicating that the Act had been made part of Iceland's internal legal order.

- At the point of lodging of the present application, ESA notes that Iceland has neither made the Act part of its internal legal order, nor has it informed ESA of having done so.