

## Issue 6/2021

### **European Parliament files lawsuit at the Court of Justice against Commission over 'rule of law mechanism'**



The rule of law is one of the founding values of the European Union. Respect for the rule of law is also key for the sound financial management of the Union budget and the effective use of the Union funding.

As of 2021, the Union budget has an additional layer of protection in cases when breaches of the rule of law principles affect or risk affecting the EU financial interests. This is thanks to a general regime of conditionality for the protection of the EU budget – also known as a "conditionality regulation" – that has been in force since January 2021.

This new conditionality regime allows the EU to take measures – for example suspension of payments or financial corrections – to protect the budget. At the same time, the final recipients and beneficiaries of Union funds should continue to receive their payments, directly by the Member States concerned.

The European Parliament challenges the (non)action by the Commission on implementing this provision and has taken the Commission to the Court of Justice for failure to act under article 265 of the Treaty on the Functioning of the European Union.