

MANDAT

14.07.2016

GLEISS LUTZ WINS ANNULMENT OF RECORD STATE AID RECOVERY ORDER AGAINST DEUTSCHE POST FOR THE FEDERAL REPUBLIC OF GERMANY

In a judgment handed down today, the General Court of the European Union (EGC) has ruled in favour of Germany in the action brought by the latter in January 2012 against the European Commission's decision ordering the recovery of State aid - in the order of EUR 500 million to EUR 1 billion - from Deutsche Post AG. The EGC's ruling declares the Commission's decision on so-called "pension subsidies" to be null and void in its entirety.

Deutsche Post is a stock corporation that emerged from the privatisation of the historic German postal services provider, Postdienst (formerly Deutsche Bundespost), in 1995. Deutsche Post had to take over the civil servants from Postdienst and pay annual contributions amounting to EUR 2.045 billion to a pension fund for them from 1995 to 1999. From 2000 onwards, this annual lump sum was replaced by an amount of 33% of the total remuneration of the civil servants employed by Deutsche Post. The costs of the pensions not covered by this were borne by the Federal Government, which paid out more than EUR 37 billion in this regard during the period from 1995 to 2010.

In its decision of 25 January 2012, the Commission found - among other things - that this State financing of the pensions constituted unlawful State aid. Germany brought an action against this decision before the General Court of the European Union asserting, inter alia, that the Commission had wrongly classified the State's co-financing of the pensions of the civil servants taken over by Deutsche Post as State aid. It argued that the Commission should have first of all proved that Deutsche Post had actually obtained an economic advantage over its competitors as a result of this. The judgment follows the arguments put forward by Gleiss Lutz and the Federal Government.

The case was handled by Dr. Ulrich Soltész, partner, EU State aid, Brussels. Gleiss Lutz has been extensively involved in EU State aid matters for many years.

PRESSEKONTAKT

Melina Merz

Lautenschlagerstraße 21

70173 Stuttgart

T +49 711 8997-366

E melina.merz@gleisslutz.com

EXPERTISE

Public Authorities

State Aid

LAWYERS

Dr. Ulrich Soltész