

State Aid: ECJ Annuls European Commission's Decisions Concerning Engie Group (Cases C-451/21 P, C-454/21 P)

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On 5 December 2023, the Court of Justice of the European Union (ECJ) gave its [judgment](#) in joined cases C-451/21 P, *Luxembourg v Commission* and C-454/21 P, *Engie Global LNG Holding and Others v Commission*. These cases refer to the tax rulings granted by Luxembourg to the Engie Group.

As background:

- in its [decision of 20 June 2018](#), the European Commission found that the tax rulings issued by the Luxembourg tax administration with respect to intra-group transactions within the Engie group essentially enabled the group to avoid taxation on almost all of the profit made by its Luxembourg-tier subsidiaries (see [European Commission: Luxembourg provided illegal State aid to Engie \(20 June 2018\)](#)). As per the Commission, those tax rulings constituted State aid which was incompatible with the internal market; and
- in its [judgment of 12 May 2021](#), the General Court of the European Union agreed with the position of the European Commission and dismissed the actions brought by Luxembourg and Engie against such decision (see [General Court Decides on State Aid Cases on Non-Application of Anti-Abuse Provisions to Engie's Intra-group Financing Structures: Luxembourg v Commission \(Cases T-516/18 and T-525/18\) \(12 May 2021\)](#)).

In its current decision, the ECJ [held](#) that both the European Commission and the General Court made various errors in their respective analyses. In light of this, the ECJ has decided to annul the Commission's decision of 2018 and set aside the General Court's decision of 2021.

The full text of the judgement can be read [here](#) (in English).