



Luxembourg, 14 December 2007

PRESS RELEASE 08/07

Case E-5/06 - *EFTA Surveillance Authority v Liechtenstein*

Today, the EFTA Court in Luxembourg gave judgment in a direct action case against Liechtenstein. The EFTA Surveillance Authority had filed an application for a declaration that Liechtenstein had failed to fulfil its obligations pursuant to Articles 19(1) and (2), 25(1) and 28(1) of Regulation (EEC) No 1408/71 *on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community*, as adapted to and incorporated in the EEA Agreement.

The case concerned the so-called helplessness allowance (*Hilflosenentschädigung*) and whether Liechtenstein had the right to subject the grant of this allowance to a requirement that the recipient be resident in Liechtenstein. The allowance is listed in Annex IIa to Regulation 1408/71 as a benefit which can be made non-exportable in this way. The Court found, however, that the listing in the Annex is only a necessary, but not a sufficient, precondition for considering a certain benefit as non-exportable. The helplessness allowance did not meet the additional criteria in this respect. Rather, the Court found that the allowance must be regarded as a 'sickness benefit' within the meaning of the EEA rules at issue. Under Regulation 1408/71, such a benefit is exportable and thus cannot be subjected to a residence requirement as mentioned above.

The circumstances of Liechtenstein's accession to the EEA Agreement were not such as to establish any relevant exception for Liechtenstein.

Accordingly, the Court concluded that Liechtenstein had failed to fulfil its obligations under the said provisions of Regulation 1408/71.

The full text of the judgment may be found on the Internet at: www.eftacourt.lu.

The EFTA Court is composed of the Judges Carl Baudenbacher (President), Thorgeir Örylgsson and Henrik Bull.

This press release is an unofficial document. Please note that no comments on the case itself may be given by the Court.