

nomination. The budgetary role of the Parliament in regard to operational expenditure related to CFSP and JHA will increase somewhat, since such expenditure will now normally be charged to the Community budget where the Parliament has an important role (discharging the Commission from its budgetary obligations). The Treaty of Amsterdam has, however, made no changes regarding the budgetary procedure and the European Parliament's involvement in external relations decision-taking.

The Courts

The European Court of Justice

The European Court of Justice (ECJ) is the Community's highest judicial institution. Its function is to rule on the interpretation and (as primary legal administrator) to supervise the application of EC law for the proper carrying out, and fulfillment, of the obligations imposed by the Community Treaties; specifically, the provisions of the ECSC, EC and Euratom Treaties.

The ECJ sits in Luxembourg. Its 15 judges are appointed for six-year terms by the consensus of the Member States. Throughout their appointment the judges must act in complete independence of any political, national, economic or other influence. The judges are assisted by nine advocates-general.

The Court has jurisdiction to find that actions, or inactions, of Member States constitute failure to fulfil obligations imposed on Member States by the Treaties. Such a finding generally grants the Member State an opportunity for compliance; failure to do so may result in the Court imposing a lump-sum or penalty payment on the Member State. The Court also has jurisdiction, pursuant to actions brought to the Court by Member States or Community institutions requesting the setting aside of measures taken by Community institutions, to review the legality of such measures taken by Community institutions. It may also find those institutions – the Council, the Commission, the European Parliament – in breach of their obligations under the Treaties for failure to act.

The Court also has a preliminary reference jurisdiction, wherein it may give an advance ruling on the interpretation or validity of points of Community law. This jurisdiction is exercised on application by a national court and is essential to the ECJ's task of ensuring the uniform interpretation of Community law by the national courts responsible for its application.

Disputed points of Community law arising from legal proceedings in a national court may also be the

subject of such references by that court: the national court must request a ruling from the Court of Justice where there is no higher national court of appeal. The ECJ has sole appeal jurisdiction for Community matters.

Article L of the TEU states that beyond Community matters the ECJ has competence to rule on Articles L to S, which address requests for accession to the Union, and the third subparagraph of Article K.3(2)(c), related to the ECJ interpretation of conventions in the field of justice and home affairs. The Treaty of Amsterdam extends the jurisdiction of the ECJ to the following matters:

- certain areas transferred to the EC and related to justice and home affairs;
- actions of EU institutions in connection with the respect of fundamental rights;
- police and judicial cooperation in criminal matters. The ECJ controls the validity and the interpretation of acts, but the preliminary reference jurisdiction is limited to jurisdiction of Member States accepting the competence of the Court in this field;
- and the new title on employment.

The Court of First Instance

Below the ECJ, the Court of First Instance was set up in 1986 (SEA) with a limited jurisdiction which has since been extended pursuant to the TEU. In an attempt to reduce some of the backlog of cases before the ECJ, the Court of First Instance⁴ now addresses actions brought by individuals and legal entities against actions of the EU institutions in all fields except anti-dumping. Appeals on points of law from a ruling of the Court of First Instance are heard by the ECJ. The Court of First Instance does not exercise a preliminary ruling, reference or appeals jurisdiction.

The Court of First Instance is also located in Luxembourg, and consists of 15 judges appointed for six-year terms by agreement of the governments of the Member States.

The Court of Auditors

The Court of Auditors is responsible for supervising the EC budget, and auditing the EU's financial activity generally. Although it was established in 1975, it was the TEU which granted full institutional status to the Court. Its 15 members, one from each Member

⁴ At the ECJ's request for re-allocation of jurisdiction on consultation with the Commission and Parliament.