

2026/0068 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
establishing a framework of measures for the acceleration of industrial capacity and
decarbonisation in strategic sectors and amending Regulations (EU) 2018/1724, (EU)
2024/1735 and (EU) 2024/3110

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

[...]

CHAPTER I
GENERAL PROVISIONS

Article 1

Subject matter and scope

1. This Regulation aims to improve the functioning of the internal market and ensure a level playing field by establishing a harmonised framework to support the development, competitiveness and resilience of the Union's manufacturing sector, with a focus on selected strategic sectors, while contributing to the Union's climate objective, economic security, the attractiveness of investment conditions in the Union and the creation, retention of, and transition into high-quality jobs, while avoiding unnecessary administrative burden.

2. To achieve the general objective referred to in paragraph 1, this Regulation lays down measures aiming to
- (a) speed-up permit-granting procedures for industrial manufacturing projects, including energy-intensive industry decarbonisation projects;
 - (b) create lead markets for certain products in strategic sectors, by laying down Union origin requirements, low-carbon requirements, or both, in the context of public procurement, auctions and public support schemes;
 - (c) establish a Union framework setting conditions for the development of foreign direct investments in ~~emerging~~**targeted** strategic sectors;
 - (d) set common conditions for the development of industrial manufacturing acceleration areas by Member States.

This Regulation contributes to the shared objective of the Union and Member States of increasing the manufacturing sector's share of the Union's GDP by 2035.

Article 2

Article 3

Definitions

For the purposes of this Regulation, the following definitions apply:

- (1) 'industrial manufacturing project' means the construction, conversion or extension of an industrial site intended for carrying out an economic activity classified under NACE Code C (Manufacturing), with the exception of NACE Code C12;
- (2) 'energy- intensive industries' means the industries listed in point 1 of Annex I, **including recycling, resource circularity and resource efficiency activities within those sectors;**

- (3) ‘energy-intensive industry decarbonisation projects’ means the construction or conversion of the commercial facility of an energy-intensive business as defined in Article 17(1), point (a), of Council Directive 2003/96/EC¹ in the energy- intensive industries listed in point 1 of Annex I to this Regulation that reduce emission rates of CO₂ -eq of industrial processes significantly and permanently to an extent which is technically feasible;
- (3a) **‘coordinating authority’ is an administrative body designated by each Member State to ensure project promoters have access to a digital single access point that enables a single submission of the information required to apply for all permits relevant to a specific industrial manufacturing project;**
- (4) ‘permit-granting procedure’ means a process at the appropriate administrative level within each Member State that covers all relevant permits to build, expand, convert and operate industrial manufacturing projects, including building, chemical and grid connection permits as defined in Article 1 of [the Proposal for a Directive amending Directives (EU) 2018/2001, (EU) 2019/944, (EU) 2024/1788 as regards acceleration of permit-granting procedures²], and environmental assessments and authorisations, where required, and encompassing all applications and procedures from the acknowledgement that the application is complete to the notification of the outcome of the procedure;

¹ Council Directive 2003/96/EC of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity (OJ L 283, 31.10.2003, pp. 51–70, ELI: <http://data.europa.eu/eli/dir/2003/96/oj>).

² Proposal for a Directive of the European Parliament and of the Council amending Directives (EU) 2018/2001, (EU) 2019/944, (EU) 2024/1788 as regards acceleration of permit-granting procedures ((2025/0400 (COD))).

- (6) 'contract' means public contract as defined in Article 2(1), point (5), of Directive 2014/24/EU³, supply, works and service contracts as defined in Article 2, point (1), of Directive 2014/25/EU⁴, and concessions as defined in Article 5, point (1), of Directive 2014/23/EU;
- (7) 'contracting authority' means a contracting authority as defined in Article 6 of Directive 2014/23/EU, Article 2(1), point (1), of Directive 2014/24/EU and Article 3 of Directive 2014/25/EU;
- (8) 'contracting entity' means a contracting entity as defined in Article 7 of Directive 2014/23/EU and Article 4 of Directive 2014/25/EU;
- (9) 'economic operator' means the manufacturer, the authorised representative, the importer, the distributor, the dealer and the fulfilment service provider and, for the purposes of public procurement procedures, it means economic operator as set out in Article 5, point (2), of Directive 2014/23/EU, Article 2(1), point (10), of Directive 2014/24/EU and Article 2, point (6), of Directive 2014/25/EU;
- (10) 'public procurement procedure' means either of the following:
- (a) a procedure for the award of works or a service concession covered by Directive 2014/23/EU;

³ Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, pp. 65–242, ELI: <http://data.europa.eu/eli/dir/2014/24/oj>).

⁴ Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, pp. 243–374, ELI: <http://data.europa.eu/eli/dir/2014/25/oj>).

- (b) any type of award procedure covered by Directive 2014/24/EU for the ~~conclusion~~**award** of a public contract or Directive 2014/25/EU for the ~~conclusion~~**award** of a supply, works and service contract with the exception of procedures concerning lots according to Article 5(10) of Directive 2014/24/EU and Article 16(10) of Directive 2014/25/EU;

(10a) 'motor vehicle version' means a 'version' within a variant that groups vehicles that have features in common as defined in Annex I, Part B, point 2.2 of Regulation (EC) Regulation 2018/858.

- (11) 'greenhouse gas intensity' means emissions (measured in tCO₂eq) released during the production of industrial products referred to in Article 10(2);
- (12) 'manufacturer' means any natural or legal person that manufactures a product, **a substance or a mixture**, or that has a product designed or manufactured, and markets that product under their name or trademark;
- (13) 'system boundary' means the group of chemical or physical processes included in the calculation of the greenhouse gas intensity of products;
- (14) 'precursor' means any input material into a production process that is part of the system boundaries.
- (15) 'chemical industry' means activities classified under NACE Rev. 2, Code C20 (Manufacture of chemicals and chemical products), carried out by manufacturers established in the Union;
- (16) 'sustainable carbon sources' means biomass that complies with the sustainability criteria laid down in Article 29 of Directive (EU) 2018/2001, waste and carbon from capturing carbon dioxide emissions.
- (17) 'substance' means substance as defined in Article 2, point (7), of Regulation (EC) No 1272/2008;

- (18) ‘mixture’ means a mixture as defined in Article 2, point (8), of Regulation (EC) No 1272/2008;
- (19) ‘made available on the market’ means any supply of a product for distribution, consumption or use on the Union market during a commercial activity, whether against payment or free of charge;
- (20) ‘fuel cell vehicle’ or ‘FCV’ means a vehicle equipped with a powertrain containing exclusively energy converters transforming chemical energy (input) into electrical energy (output), or vice versa, and electric machines as propulsion energy converters;
- (21) ‘motor vehicle’ means any vehicle of categories M and N referred to in Article 4(1), points (a) and (b), of Regulation (EU) 2018/858 of the European Parliament and of the Council⁵;
- (22) ‘off-vehicle charging hybrid electric vehicle’ or ‘OVC-HEV’ means a vehicle equipped with a powertrain containing at least two different categories of propulsion energy converters where one of the propulsion energy converters is an electric machine that can be charged from an external source’;
- (23) ‘pure electric vehicle’ or ‘PEV’ means a vehicle equipped with a powertrain containing exclusively electric machines as propulsion energy converters and exclusively rechargeable electric energy storage systems as propulsion energy storage systems;
- (24) ‘main specific components’ means the main specific components as listed in the Annex to Commission Implementing Regulation 2025/1178⁶;

⁵ Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, amending Regulations (EC) No 715/2007 and (EC) No 595/2009 and repealing Directive 2007/46/EC (OJ L 151, 14.6.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/858/oj>).

⁶ Commission Implementing Regulation (EU) 2025/1178 of 23 May 2025 on laying down rules for the application of Regulation (EU) 2024/1735 of the European Parliament and of the Council as regards the list of net-zero technology final products and their main specific components for the purposes of assessing the contribution to resilience (OJ L, 2025/1178, ELI: http://data.europa.eu/eli/reg_impl/2025/1178/oj).

- (25) 'vehicle's traction battery' means the electric vehicle battery specifically designed to provide electric power for traction as defined in Article 3(14) of Regulation (EU) 2023/1542.
- (26) 'e-powertrain components' means power electronics, transport propulsion electric motors and e-axles and their components, rotors and stators;
- (27) 'main electronic systems' means advanced driver assistance systems (including lidars, radars, sensors, cameras, ECUs and integration platforms), central computing units, wireless access systems, in-vehicle infotainment head units and chassis electronics;
- (28) 'vehicle component' means any part of a vehicle, including processed material;
- (29) 'assembled' means the process of **the carrying out body parts stamping, body-in-white assembly, body protection and painting, and final assembly of the vehicle in the manufacturing site;**
- (30) 'vehicle manufacturer' means a natural or legal person who is responsible for all aspects of the type-approval of a vehicle, system, component or separate technical unit, or the individual vehicle approval, or the authorisation process for parts and equipment, for ensuring conformity of production and for market surveillance matters regarding that vehicle, system, component, separate technical unit, part and equipment produced, irrespective of whether or not that person is directly involved in all stages of the design and construction of that vehicle, system, component or separate technical unit concerned;
- (30a) 'beneficial owner' means: **(a) one or more natural persons: (i) who, directly or indirectly, own or control a foreign investor or Union target; (ii) who ultimately benefit from the foreign investment; or (iii) on whose behalf the foreign investment is made or on whose behalf the control over that foreign investment is exercised; or (b) where no natural persons are identified, a legal person, entity or trust which: (i) directly or indirectly owns or controls a foreign investor or Union target; or (ii) ultimately benefits from the foreign investment;**

- (31) ‘foreign direct investment’ means an investment, including greenfield investments, into a Union target or a Union asset by a foreign investor or by the foreign investor’s subsidiary aiming to establish or to maintain lasting and direct links between the foreign investor and the entrepreneur to whom or the undertaking to which the capital is made available, or at using an Union asset, in order to carry on an economic activity in a Member State, including investments which enable effective participation in the management or control of a company carrying out an economic activity;
- (32) ‘foreign investor’ means a natural person who does not hold the nationality of a Member State or an undertaking or entity established or otherwise organised under the laws of a third country, intending to make or having made a foreign direct investment;
- (33) ‘foreign investor’s subsidiary’ means an undertaking controlled, directly or indirectly, by a foreign investor regardless of its place of establishment;
- (34) ‘Union target’ means an undertaking established or intended to be established under the laws of a Member State;
- (35) ‘Union asset’ means an immovable asset used or intended to be used for manufacturing products in the territory of the Union;
- (36) ‘Union worker’ means any natural person who has an employment contract or employment relationship as defined by law, a collective agreement or practice in force in a Member State and is either a citizen of the Union or a third country national legally residing in a Member State with a valid work permit at the moment of recruitment;
- (37) ‘portfolio investment’ means the acquisition of company securities that are intended purely for financial investment and without any intention to influence the management or control of the company;
- (38) ‘turnover’ means the amount derived by an undertaking within the meaning of Article 5(1) of Council Regulation (EC) No 139/2004⁷;

⁷

Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (OJ L 24, 29.1.2004, p. 1).

- (39) ‘active material’ means a material which reacts chemically to produce electric energy when the battery cell discharges or to store electric energy when the battery is being charged;
- (40) ‘electric vehicle battery’ means an electric vehicle battery as defined in Article 3(1), point (14), of Regulation (EU) 2023/1542 of the European Parliament and of the Council⁸;
- (40a) **‘ex-works price’ means the price laid down in Annex 22-01 of the Delegated Regulation 2015/2446 as regards detailed rules concerning certain provisions of the Union Customs Code;**
- (41) ~~‘supplier’ means a manufacturer established in the Union, the authorised representative of a manufacturer who is not established in the Union, or an importer, who places a product on the Union market;~~

CHAPTER II

ENABLING CONDITIONS FOR INDUSTRIAL PRODUCTION AND DECARBONISATION

Article 3a

Single application for permitting

2. **Member States shall designate at least one authority to coordinate with the relevant competent authorities to establish and maintain a permitting application procedure that enables a single submission of the information required to apply for all permits relevant to a specific industrial manufacturing project. The designation of the coordinating authority shall not confer decision-making power in the permit-granting procedure.**

⁸ Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC (OJ L 191, 28.7.2023, p. 1, ELI: <https://eur-lex.europa.eu/eli/reg/2023/1542/oj>).

- 2a. Project promoters shall access the permitting application procedure via the digital single access point referred to in Article 4. The use of the single submission shall be at the discretion of the project promoter.
3. No later than 45 days from the receipt of an application for a permit for industrial manufacturing projects, the relevant competent authority shall either acknowledge that the application is complete or request any missing information needed to process the application, via the digital single access point.

Where, after the submission of any missing information, the application is still deemed, by the relevant competent authority, to be incomplete, the competent authority may within 30 days of the submission of the requested missing information, make a second request for any outstanding information via the digital single access point. The competent authority shall not request information in areas not covered in the first request for additional information and shall request further information only as necessary to cover the missing information. In duly justified circumstances, the relevant competent authority can request additional information not previously requested where not doing so would result in the rejection of the application.

4. The provisions of this Article shall not apply where rules to streamline the administrative and permit-granting processes are established in other Union legislative acts for specific industrial manufacturing sectors.

Article 4

Digital single access point

1. Member States shall set up, or make available through existing structures, **including those established by Member States or Union law**, a digital single access point for the **single submission of information** by project promoters ~~of the single application within the permit granting procedure for industrial manufacturing projects referred to in Article 5(1)~~**3a**.

2. The digital single access point shall ~~route the permit applications to the relevant authority, inform the applicant about all steps of the permit-granting procedure, the status of the procedure and of the decisions of the relevant authorities, and enable the applicant to check compliance with applicable deadlines. To that effect the digital single access point shall use the core functionalities of the European Business Wallets established pursuant to [Proposal for a Regulation on the establishment of European Business Wallets], and enable:~~

- (-a) permit applications to be routed to the relevant competent authority for assessment and decision making;**
- (-b) the applicant to be informed about the status of the permit-granting procedure and the decisions of the relevant competent authorities;**
- (-c) the applicant to check compliance with applicable deadlines;**
- (a) interoperability and automated data exchange between competent authorities;
- (b) re-use of data and documents already held by public authorities;
- (c) a high level of cybersecurity, and integrity of information; **and**
- (d) transparency and accountability of the permit-granting procedure.

3. When providing the digital single access point, Member States shall **enable the use of the European Business Wallet in accordance with [Proposal for a Regulation on the establishment of European Business Wallets], and**, where appropriate, make use of existing Union digital infrastructure, catalogues and building blocks established by Union law.

Article 5

Permit-granting procedure

- ~~1. Member States shall establish a single permit-granting procedure based on a single application covering all permits required for industrial manufacturing projects. The use of that single permit-granting procedure shall be at the discretion of the project promoter.~~
- ~~2. Member States shall designate a coordinating authority to facilitate timely decision-making in the context of the permit-granting procedure by Member States' competent authorities in accordance with Union and national law.~~
- ~~3. No later than 45 days from the receipt of the application for a permit for industrial manufacturing projects, the coordinating authority referred to in paragraph 2 shall either acknowledge that the application is complete or request any missing information needed to process the application via the digital single access point.~~

~~Where, after the submission of any missing information, the application is still deemed to be incomplete, the coordinating authority referred to in paragraph 2 may, within 30 days of the submission of the requested missing information, make a second request for any information still missing. The coordinating authority referred to in paragraph 2 shall not request information in areas not covered in the first request for additional information and shall request further information only as necessary to cover the missing information.~~

- ~~4. The provisions of this Article shall not apply where rules to streamline the administrative and permit-granting processes are established in other Union legislative acts for specific industrial manufacturing sectors.~~

Article 6

Permit-granting procedure for energy-intensive industry decarbonisation projects

1. Member States shall apply the streamlined administrative and permit-granting processes set out in Chapter II, Section II, of Regulation (EU) 2024/1735 to energy-intensive industry decarbonisation projects as defined in Article 3, point (3) of this Regulation.

2. Energy-intensive industry decarbonisation projects as defined in Article 3, point (3) of this Regulation shall be considered strategic projects contributing to resilience and decarbonisation or resource efficiency for the purposes of [Article 14 of Proposal for a Regulation on speeding-up environmental assessment]. [Points 1, 2 and 3 of the Annex] in that Regulation shall apply.

Article 6a

Industrial manufacturing acceleration areas

1. **Member States may designate industrial manufacturing acceleration areas on their territory to cluster industrial manufacturing projects. Those areas shall include, but are not limited to, projects from at least one of the priority sectors listed in Annex I. Member States may cooperate to designate cross-border industrial manufacturing acceleration areas.**
- 1a. When designating industrial manufacturing acceleration areas, Member States shall:
 - (a) define a clear geographic scope for the acceleration area taking account of the Member States' regions' levels of development, including least developed areas, regions in transition, and those undergoing industrial transformation;
 - (b) consider the infrastructural and supply chain needs of the acceleration area, with particular attention to the feasibility of connecting the industrial manufacturing acceleration area with sufficient low carbon energy supply for the industrial manufacturing activities foreseen;
 - ~~(d)~~(c) **prioritise locations outside Natura 2000 sites and outside areas designated under national protection schemes for nature and biodiversity conservation, as well as other areas identified on the basis of sensitivity maps and outside protected areas as referred to in Article 6 of Directive 2000/60/EC, and take into account climate risks in the areas designated;**

- (d) prioritise artificial and built surfaces, industrial sites and brownfield sites, as well as already identified strategic projects pursuant to other Union legislation ~~with a particular focus on projects that would have cross-border benefits beyond the Member State concerned.~~

~~5.~~ **Before their adoption, the designation of the industrial manufacturing acceleration areas shall be subject to environmental assessment in accordance with the applicable Union legislation.**

~~6.~~ **Member States shall inform the Commission of the designation of an industrial manufacturing acceleration area within 30 days from the adoption of the relevant decision.**

Article 6b

Enabling conditions for Industrial Manufacturing Acceleration Areas

Where appropriate for the long-term development and effective operation of industrial activities within the industrial manufacturing acceleration areas, Member States shall take the following measures:

- (a) facilitate access to financing of projects and infrastructure in the acceleration areas by ensuring coordination between authorities and streamlining internal procedures, prioritising the use of Union programmes and in accordance with existing State aid rules where applicable, taking into account the participation of SMEs and SMCs;**
- (b) promote research and innovation investments, including investments in technology testing and demonstration facilities, to accelerate the innovative potential and the Union's competitiveness and technology leadership in the acceleration areas;**
- (c) conduct a comprehensive analysis of the immediate and long-term energy needs of each acceleration area and the required energy infrastructure capacity for the proper functioning and development of industrial manufacturing projects in the acceleration area, in line with the Union's decarbonisation pathway, and review the analysis, when appropriate.**

- (d) ensure that the network development plans prepared by transmission system operators pursuant to Article 51 of Directive (EU) 2019/944 of the European Parliament and of the Council⁹ and distribution system operators pursuant to Article 32 of Directive (EU) 2019/944 take due account of the analysis prepared pursuant to point (c) of this paragraph, considering the potential of anticipatory investments to accommodate future system needs in accordance with existing Union electricity market legislation and national regulatory approval frameworks;
- (g) support the development and availability of a highly skilled workforce and provide appropriate training and apprenticeship opportunities, thereby contributing to high-quality employment within those acceleration areas;

Article 6c

Permit-granting procedures in Industrial Manufacturing Acceleration Areas

- 2. Member States shall carry out all necessary assessments, planning procedures and evaluations applicable to the location of each industrial manufacturing acceleration area, excluding those that are installation specific.
- 3. Once all necessary assessments, planning procedures and evaluations applicable to the location of the industrial manufacturing acceleration area have been approved, industrial manufacturing projects located within an industrial manufacturing acceleration area shall only be required to obtain relevant installation specific permits or authorisations.
- 4. The information used in the assessments, procedures and evaluations referred to in paragraph 2 shall be available for use in subsequent installation specific permits or authorisations.

⁹ Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (OJ L 158, 14.6.2019, p. 125, ELI: <https://eur-lex.europa.eu/eli/dir/2019/944/oj>).

5. All industrial manufacturing projects located within an Industrial Manufacturing Acceleration Area shall be considered strategic projects contributing to resilience and decarbonisation or resource efficiency for the purposes of [Article 14 of Proposal for a Regulation on speeding-up environmental assessment]. [Points 1, 2 and 3 of the Annex] to that Regulation shall apply.

CHAPTER III

STRENGTHENING THE UNION'S STRATEGIC INDUSTRIAL VALUE CHAINS

Article 6a6d

Scope

1. ~~The~~ **This** chapter shall apply to, as relevant;

- (a) steel, and any product the performance of which depends mainly on steel, intended for use in buildings, infrastructure and **new** motor vehicles for civil purposes;
- (b) concrete and mortar, and any product the performance of which depends mainly on concrete and mortar, intended for use in buildings and infrastructure for civil purposes;
- (c) aluminium, and any product the performance of which depends mainly on aluminium, intended for use in buildings, infrastructure and **new** motor vehicles for civil purposes;
- (d) new pure electric vehicles (PEV), off-vehicle charging hybrid electric vehicles (OVC-HEV), fuel cell vehicles (FCV), small electric vehicles, corporate zero- and low-emission vehicles as referred to in [Proposal for a Regulation of 16 December 2025 on clean corporate vehicles] and small zero-emission vehicles as referred to in [Proposal for a Regulation (EU) 2019/631 [as amended by the Proposal for a Regulation of 16 December 2025 amending Regulation (EU) 2019/631 as regards CO2 emission standards for new light duty vehicles and vehicle labelling]].

The Commission will provide guidance on the list of products laid down in points (a) to (c).

Article 7

Union origin

1. For the purposes of this Chapter, content of Union origin refers to content originating in the Union.
2. The origin of products and components shall be determined in accordance with **Article 60 of Regulation (EU) No 952/2013 of the European Parliament and of the Council. The origin of steel products shall be determined on the basis of the country of "melt and pour", as defined in Article 4 of Regulation (EU) of the European Parliament and of the Council addressing the negative trade-related effects of global overcapacity on the Union steel market and amending Regulation (EU) 2020/2170, and consistent with its associated implementing acts.**

Article 7a

Partner origin

1. For the purposes of this Chapter, content of partner origin refers to content originating in:
 - (a) a third country that is Party to the GPA, provided that the procurement of the product in question falls within the scope of covered procurement under the Union's Appendix I to the GPA, taking into account the applicable Annexes;
 - (b) a third country with which the Union has concluded an agreement establishing a free trade area or a customs union, under the conditions laid down in that agreement, provided that relevant obligations of the Union exist under the agreement for the product in question.

The origin of products and components shall be determined in accordance with Article 60 of Regulation (EU) No 952/2013 of the European Parliament and of the Council.

2. The Commission shall adopt implementing acts in accordance with Article 31(3) to establish and maintain the lists of third countries that provide content of partner origin. In preparing those implementing acts, the Commission shall assess the implementation of the agreements set out in paragraph 1, on the basis of the following criteria:

- (a) addition or removal of a third country is justified where that third country has provided or failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the sectors listed in Annex I;**
- (b) addition or removal of a third country is justified to avoid high-risk dependencies or any other developments that are likely to threaten the security of supply in the Union of the products in question;**
- (c) removal of a third country is justified under any other exception under the applicable agreement;**

The implementing acts shall align with the dispute settlement procedures under the relevant agreements concluded between the Union and a third country establishing a free trade area or a customs union.

3. The Commission shall subsequently amend the lists of countries if required, through additional implementing acts in accordance with Article 31(3), where a third country becomes a party to an existing agreement or concludes a new agreement falling within the categories of agreements listed in paragraph 1 and/or an amendment is justified by an assessment of the criteria set out in paragraph 2.

4. Those implementing acts shall set out the procedure for the regular monitoring of the criteria set out in **paragraphs 2 and 3**. ~~The first subparagraph of this paragraph. The Commission shall repeal any such implementing act if those criteria are no longer met that~~ **establishes the lists of countries that provide content of partner origin shall be adopted within [OP: Please insert the date = 6 months after entry into force of this Regulation].**

Article 7a7b

Low-carbon products

1. For the purposes of this Chapter, a product covered by Annex II shall be considered low-carbon when it complies with the requirements set out in delegated acts, as follows:
- (a) for construction products referred to in Regulation (EU) 2024/3110 and covered by **either** a harmonised technical specification or a European Technical Assessment, the delegated acts adopted pursuant to Article 5(5) or Article 22(9) of Regulation (EU) 2024/3110;
 - (b) for all other products, delegated acts adopted pursuant to Article 4 of Regulation (EU) 2024/1781, as applicable.

Article 8

Public procurement

1. Notwithstanding Article 7, for the purposes of public procurement, ~~content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union, or that are parties to the Agreement on Government Procurement, where relevant obligations of the Union exist under that agreement~~ **partner origin, as defined in Article 7a, shall also be deemed to be ofbe treated as Union origin.**

2. ~~The Commission shall adopt implementing acts in accordance with Article 31(3) to exclude, in whole or in part, a third country from the scope of paragraph 1 if any of the following criteria is met:~~
- ~~(a) that third country has failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the sectors listed in Annex I;~~
 - ~~(b) such exclusion is justified to avoid dependencies or any other developments that may threaten the security of supply in the Union of the products in question;~~
 - ~~(c) such exclusion is justified under any other exception under the applicable agreement.~~
- 2a. From the date of entry into force of ~~this Regulation~~ **the implementing act referred to in Article 7a(4)**, the Commission shall make available and maintain, **through the Access2Markets portal**, a freely accessible digital tool that lists ~~thirdby product the relevant partner origin~~ countries referred to in paragraph 1 ~~and, where appropriate, third countries referred to in paragraph 2~~, in order to assist contracting authorities, contracting entities and economic operators with the implementation of this Article. **Incorrect determination of coverage arising solely from the use of the digital tool shall not be considered as an infringement of Union law in the field of public procurement.**
- 2b. Contracting authorities and contracting entities shall exclude ~~access to procurement procedures referred to in Part I of Annex II and Part III of Annex III~~ by economic operators owned or controlled **within the meaning of Article 3(2) of Regulation 139/2004** by an entity established in third countries which have not concluded an international agreement with the Union guaranteeing such access.
- 2c. For public procurement procedures referred to in Part I of Annex II and Part **III** of Annex III, contracting authorities and contracting entities shall apply the Union origin requirements and low-carbon requirements laid down therein in accordance with ~~paragraphs 1 and 2~~ **paragraph 1** of this Article and Article ~~7a~~ **7b**.

- 2d. Contracting authorities and contracting entities may decide not to apply the requirements set out in ~~Annexes II and III~~ **this Article** where any of the following conditions are fulfilled:
- (a) the required products or **works, work concessions or transport** services can only be supplied by one specific economic operator, and no reasonable alternative or substitute exists, and the absence of competition is not the result of an artificial narrowing down of the parameters of the public procurement procedure;
 - (b) no suitable tenders or no suitable requests to participate were submitted, including in response to a similar former public procurement procedure launched by the same contracting authority or contracting entity in the two years preceding the start of the planned new procurement procedure;
 - (c) their application would require a contracting authority or contracting entity to acquire goods, services or works having disproportionate costs or would result in technical incompatibility in their operation and maintenance. Estimated cost differences exceeding 25%, based on objective and transparent data, may be presumed by contracting authorities and contracting entities to be disproportionate.
 - (d) the contract in question is governed by Article 32(2)(c) of Directive 2014/24/EU and Article 50(d) of Directive 2014/25/EU.
7. Contracting authorities and contracting entities shall require economic operators supplying products or services to submit a self-declaration, or an equivalent document, demonstrating compliance with the requirements set out in this Article.

[Legal remedies against the award decision of a third party shall not have any suspensive effect within the meaning of Article 2(1) point a and Article 3(3) of Directive 89/665/EEC as far as the compliance with the requirements of this Article covered by the self-declaration, or an equivalent document is concerned.]

Article 9

Other forms of public intervention

- 1. Without prejudice to Articles 107 and 108 TFEU, when deciding to set up new public support schemes or to update existing schemes, Member States shall design those schemes to contribute to the objective of strengthening the Union's strategic industrial value chains through the application of Union origin or low-carbon requirements, or both, laid down in Part II of Annex II and Part ~~IIII~~ of Annex III, in accordance with paragraphs 1 and 2 of this Article and Article 7a. This is without prejudice to Article 13.

Member States shall apply the requirements referred to in the first subparagraph to public support schemes accounting for at least 45% of the total national budget allocated to the public support schemes covered by Part II of Annex II and accounting for 100% of the total national budget allocated to the public support schemes covered by Part ~~IIII~~ of Annex III.

1. Notwithstanding Article 7, for the purposes of public support schemes, **partner origin** content, **as defined in Article 7a**, ~~originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union~~ shall also be ~~deemed to be of~~ **be treated as** Union origin.
- 1a. The digital tool referred to in Article 8(2a) shall assist relevant public authorities with the implementation of this Article.
2. ~~The Commission shall adopt implementing acts in accordance with Article 31(3) to exclude, in whole or in part, a third country from the scope of paragraph 1 if any of the following criteria is met:~~
 - (a) ~~that third country has failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the sectors listed in Annex I;~~
 - (b) ~~such exclusion is justified to avoid dependencies or any other developments that may threaten the security of supply in the Union of the products in question;~~

- (c) ~~such exclusion is justified under any other exception under the applicable agreement.~~

~~Those implementing acts shall set out the procedure for the regular monitoring of the criteria set out in the first subparagraph of this paragraph. The Commission shall repeal any such implementing act if those criteria are no longer met.~~

The competent authority may implement support schemes that do not meet the requirements laid down in Part II of Annex II and Part ~~IIII~~ of Annex III, in whole or in part, if the application of such requirements:

- (a) would lead to significant delays due to the unavailability of the required components or final products. Estimated delays in excess of seven months, based on objective, transparent and verifiable data, may be presumed to be significant;
- (b) would incur disproportionate costs. Disproportionate costs shall be presumed to exist where, based on objective, transparent and verifiable data, compliance would increase the cost of the underlying final product or technology by more than 30%.

- 2b. When designing and implementing a public support scheme covered by Part II of Annex II and Part ~~IIII~~ of Annex III, the competent authority shall assess the contribution of products and technologies to the overall target laid down therein on the basis of an open, non-discriminatory and transparent process.

Article 10

[paragraph 1 moved to Article 7a7b; paragraph 2 moved to Article 15a15b]

Article 11

[Paragraphs 1 to 4 were moved to Article 8 paragraphs 2b, 2c, 2d and 7]

Article 12

[Paragraphs (1) to (3) were moved to Article 9]

Article 13

Financial support for corporate vehicles

For the purposes of Article 4 of the [Proposal for a Regulation of 16 December 2025 on clean corporate vehicles], the ‘made in the European Union’ criterion for providing financial support for the uptake of **new zero- and low-emission** corporate cars and vans shall comply with the criteria set out in Part ~~III~~ of Annex III to this Regulation.

For the purposes of this Article, the ‘made in the European Union’ criterion refers to content originating in the Union as laid down in Article 7. ~~The origin of products and components shall be determined in accordance with Regulation (EU) No 952/2013 of the European Parliament and of the Council.~~

Article 14

CO2 emission performance standards credits

1. For the purposes of Article 5(1) and (2) of Regulation (EU) 2019/631 [as amended by the Proposal for a Regulation of 16 December 2025 amending Regulation (EU) 2019/631 as regards CO2 emission performance standards for new light duty vehicles and vehicle labelling], the ‘made in the EU’ criterion for small zero-emission vehicles shall comply with the criteria set out in Part ~~III~~IV of Annex III to this Regulation.

For the purposes of this Article, ‘made in the EU’ refers to content originating in the Union as laid down in Article 7. ~~The origin of products and components shall be determined in accordance with Regulation (EU) No 952/2013 of the European Parliament and of the Council.~~

2. For the purposes of Article 5b of Regulation (EU) 2019/631 [as amended by the Proposal for a Regulation of 16 December 2025 amending Regulation (EU) 2019/631 as regards CO2 emission standards for new light duty vehicles and vehicle labelling], ‘low-carbon steel made in the EU’ shall be understood as follows:

- (a) ‘low-carbon’ shall comply with the conditions ~~referred to~~ **laid down** in Article ~~7a~~**7b**(1) of this Regulation;

- (b) 'content of Union origin' refers to content originating in the Union; ~~the origin of products and components shall be determined in accordance with~~ **laid down in Article 7 of this Regulation** ~~(EU) No 952/2013 of the European Parliament and of the Council.~~

Article 15

Certification of a motor vehicle's compliance with Union origin requirements

From [OP please insert date: six months after entry into force], when issuing a motor vehicle's certificate of conformity in accordance with Articles 36 and 37 of Regulation (EU) 2018/858, for motor vehicles in compliance with the relevant Union origin requirements laid down in ~~Annex~~ **Annexes II and III** to this Regulation, vehicle manufacturers shall provide an accompanying document certifying the compliance of the motor vehicle **version with those requirements**. **Manufacturer-issued documentation shall be deemed sufficient evidence of compliance unless substantiated doubts arise over the correctness of the certificate.**

Article 15a

Flexibility mechanism

As an alternative to the requirements for motor vehicles set out in Annex III, Parts II and III and in Article 13, all PEV, OVC-HEV or FCV from a vehicle manufacturer can be considered compliant, for a period of twelve months, with the Union origin requirements if the manufacturer provides a self-declaration that the PEV, OVC-HEC or FCV vehicles compliant with the Union origin requirements set out in Annex III, Part I assembled by that vehicle manufacturer during the period comprised between 1 January and 31 December (included) of the previous year represent a percentage equal or greater than 85% of the total number of PEV, OVC-HEV or FCV from the same vehicle manufacturer that were registered within the Union in the same period.

Classification systems for creating lead markets

To support the creation of lead markets by informing investment **and purchasing** decisions towards products granted a lower greenhouse gas intensity performance class, the Commission is empowered to adopt delegated acts in accordance with Article 30 in order to supplement this Regulation by establishing voluntary classification systems based on the greenhouse gas intensity for products manufactured through activities listed in Annex I of Directive 2003/87/EC ('industrial products') when they are placed on the Union market, to the extent that these products are not already regulated by a Delegated Act under Regulation (EU) 2024/1781 or included in the working plans adopted in accordance with that Regulation.

Emissions and all other relevant data used for the calculation of the greenhouse gas intensity shall be verified by verifiers accredited under Commission Implementing Regulation (EU) 2018/2067 of the European Parliament and of the Council¹⁰ or verifiers accredited under the delegated acts adopted pursuant to Article 18 of Regulation (EU) 2023/956, as appropriate. Emissions shall be monitored in accordance with the rules laid down in Chapter III of Commission Implementing Regulation (EU) 2018/2066 and the data monitoring methods and quality requirements set out in Annex VII to Delegated Regulation (EU) 2019/331. For imported products, emissions may be monitored in accordance with Annex IV to Regulation (EU) 2023/956 and the data monitoring methods and quality requirements established by implementing acts adopted pursuant to Article 7(7), point (a), of Regulation (EU) 2023/956, where it provides for an equivalent dataset.

Such delegated acts shall specify, as appropriate, the following elements:

- (a) the identification of the product for which a manufacturer may apply for a label on greenhouse gas intensity;

¹⁰ Commission Implementing Regulation (EU) 2018/2067 of 19 December 2018 on the verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council (OJ L 334, 31.12.2018, pp. 94, ELI: https://eur-lex.europa.eu/eli/reg_impl/2018/2067/oj).

- (b) the relevant system boundaries, covering emissions from the industrial manufacturing process, emissions from relevant precursors and emissions from electricity consumption. These emissions are considered independently of whether these emissions occur in the manufacturer's facility or in other facilities, recognising that certain precursors might be acquired from other installations;
- (c) the methodology for the calculation of the greenhouse gas intensity of the product
- (d) a classification with performance classes;
- (e) complementary rules concerning the governance of the label, including competent entities; and
- (f) complementary rules on accreditation, monitoring and verification,

In developing those rules, the Commission shall at least take into account:

- (a) the latest applicable product benchmark values as defined under Directive 2003/87/EC;
- (b) data already available under the EU ETS and CBAM;
- (c) new Union rules concerning accounting for emissions, including from electricity consumption, low-carbon fuels and renewable fuels of non-biological origin;
- (d) emerging low-carbon production technologies, as well as the estimated emissions' reduction potential of emerging technologies;
- (e) the need to incentivise the uptake of recycled materials in all production routes; and

- (f) the alignment with climate neutrality objectives, as laid down in Regulation (EU) 2021/1119 of the European Parliament and of the Council¹¹.

Article 16

Delegation of powers

1. **~~{In order to enable the decarbonisation of the chemicals sector, while strengthening production capacity of substances of Union origin derived from sustainable carbon sources, and supporting the use of such substances in products and mixtures made available on the market,~~** the Commission is empowered to adopt delegated acts in accordance with Article 30 to supplement this Regulation by laying down ~~Union-level demand-side measures, including but not limited to any instrument or mechanism at Union level promoting the use of sustainable carbon sources, including the obligation for manufacturers and downstream users of chemical substances and mixtures to include a given share of Union-origin and sustainable carbon sources in their production and supply,~~**requirements for products from the chemical industry in order to promote the following activities:}** **and mixtures put on the Union market.**

In the preparation of the delegated acts, the Commission shall take into account evidence, obtained through monitoring activities or input by relevant stakeholders, including Member States and the industry sector, demonstrating:

- (a) the contribution of the requirements to the Union's objective of economic security, resilience and climate neutrality set out in Regulation (EU) 2021/1119;**
- (b) declining Union market shares and Union industry producing at below capacity**
- (c) the impact of setting such measures on the overall competitiveness and greenhouse gas emissions of the relevant sectors, as well as on costs for downstream consumers and small and medium enterprises and public budgets.**

¹¹ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, <https://eur-lex.europa.eu/eli/reg/2021/1119/oj>).

- 2. In order to enable the decarbonisation of the relevant sectors, while maintaining production capacity, the Commission is empowered to adopt delegated acts in accordance with Article 30 in order to amend the timeframe of application and percentage shares of the Union origin and low-carbon requirements for steel, concrete and mortar and aluminium in Annex II of this Regulation, on the basis of the following criteria:**
- (a) Evolution of the market situation of steel, concrete and mortar, including market shares of cement, and aluminium at Union level, and production below sustainable capacity utilisation rates, impacting the Union's dependencies and security of supply**
 - (b) Economic viability and technological progress of the decarbonisation technologies for steel, concrete and mortar, including cement, and aluminium production**
 - (d) the current and forecasted availability of the low-carbon [and of Union origin] steel, low-carbon and of Union origin concrete and mortar, including cement, low-carbon and of Union origin aluminium and their relative demand in buildings, infrastructure and motor vehicles;**
 - (da) the contribution of the requirements to the Union's objective of economic security, resilience and climate neutrality set out in Regulation (EU) 2021/1119;**
 - (f) the impact of Union origin and low-carbon requirements on the overall competitiveness and greenhouse gas emissions of the relevant energy intensive industries, including impact on costs for downstream industries, consumers, small and medium enterprises and public budgets.**
- 2a. In order to enable the Union to meet its climate objectives, while maintaining production capacity, the Commission is empowered to adopt delegated acts in accordance with Article 30 in order to amend the timeframe of application and percentage shares of the Union origin requirements for vehicles set out in Annex III of this Regulation, on the basis of the following criteria:**

- (a) Evolution of the market situation at Union level for vehicle component manufacturing, in particular those specific to new pure electric vehicles (PEV), off-vehicle charging hybrid electric vehicles (OVC-HEV) or fuel cell vehicles (FCV) including market shares within the Union and production below sustainable capacity utilisation rates, impacting the Union's dependencies and security of supply;**
 - (b) Technological progress affecting the value added creation of the automotive supply chain, in particular as regards battery cell chemistries;**
 - (c) the current and forecasted availability of Union origin battery components and their relative demand in motor vehicles;**
 - (d) the contribution of the requirements to the Union's objective economic security, resilience and climate neutrality set out in Regulation (EU) 2021/1119;**
 - (e) the impact of Union origin requirements on the overall competitiveness of the automotive industry, including on costs for consumers, small and medium enterprises and public budgets.**
- 3. The Commission is empowered to adopt implementing acts in accordance with Article 31(3) to specify the method for calculating the proportion of volume of products and components originating in the Union in accordance with Regulation (EU) No 952/2013, and where appropriate, to provide for the use of standardised templates for certificates of compliance.**

Implementing acts referred to in subparagraph 1 may also establish the methods and procedures to be applied by the relevant competent national authorities, including contracting authorities and contracting entities, to verify compliance with the requirements laid down in this Regulation and, where appropriate, to make use of digital tools for the purposes of calculation, verification and demonstration of compliance.

CHAPTER IV

FOREIGN INVESTMENT CONTRIBUTION

Article 17

Scope

1. This Chapter shall apply to foreign direct investments ~~exceeding a value of EUR 100 million in the emerging strategic manufacturing sectors referred to in paragraph 2, where more than 40 %~~**that meet the conditions set out in each** of the ~~global manufacturing capacity is held by the third country of which the foreign investor is a national or undertakings~~**subparagraphs (a), (b), and (c) of this Article.**

~~Such investments shall not be implemented unless explicitly approved by the Investment Authority referred to in Article 17a, or the European Commission, in accordance with the provisions laid down in this Chapter.~~

- (a) **The foreign direct investment exceeds a value of EUR 100 million;**
- (b) **The foreign direct investment relates to manufacturing in any of the following targeted sectors:**
 - (i) **battery technologies, including the value chain for battery energy storage systems;**
 - (ii) **pure electric vehicles, off-vehicle charging hybrid electric vehicles and fuel-cell electric vehicles, including components related to electrification and digitalisation;**

(iii) solar PV technologies;

(iv) extraction, processing and recycling of critical raw materials.

(c) The foreign direct investment results in investors, whose beneficial owners are from a third country which holds more than 40 % of the global manufacturing capacity of the sector in which the investment occurs or who are controlled by entities from such a country, alone or collectively reaching:

(i) 30 percent or more share capital or voting rights in a Union target; or

(ii) 30 percent or more of ownership of a Union asset, and leasehold or other rights conferring control over a Union asset.

2. ~~This Chapter shall apply to foreign direct investments in manufacturing in any of the following emerging strategic sectors:~~ **[content moved to paragraph (1), point b]**

(a) ~~battery technologies, including the value chain for battery energy storage systems;~~

(b) ~~pure electric vehicles, off-vehicle charging hybrid electric vehicles and fuel-cell electric vehicles, including components related to electrification and digitalisation;~~

(c) solar PV technologies;

(d) ~~extraction, processing and recycling of critical raw materials.~~

3. This Chapter shall not apply to:

(a) investors and investments covered by economic partnership or free trade agreements in force or provisionally applied by the Union to the extent relevant commitments have been made under those agreements, including investments made by the Union subsidiaries of such foreign investors;

(b) investments targeted at providing services, including investments made by the Union subsidiaries of foreign investors;

(c) portfolio investments.

- 3a. The investments that meet the conditions set out in paragraph 1 shall not be implemented unless explicitly approved by the Investment Authority referred to in Article 17a, or the European Commission as per Article 21, in accordance with the provisions laid down in this Chapter.

Article 17a

Notification of planned foreign direct investments

1. Member States shall, by [OP insert date: 6 months after entry into force of this Regulation], designate ~~an~~ **one or more Investment Authorities (hereafter referred to as the 'Investment Authority')** which shall perform the review of foreign direct investment and implement the provisions of this Chapter.

Member States shall provide that Investment Authority with the necessary resources, legal and administrative means for performing the tasks set out in this Regulation.

2. A foreign investor, **or the foreign investor's subsidiary, from [OP insert date: 12 months after entry into force of this Regulation]**, shall notify any planned direct investment within the scope of Article 17 to the Investment Authority of the Member State where the Union target or Union asset is located, ~~and which would result in control over the Union target or Union asset as laid down in paragraph 4.~~

The notification shall contain all necessary information to allow the Investment Authority to perform the assessment and approval process pursuant to Articles 20 and 20a.

3. For the purposes of determining whether ~~the investment value reaches the threshold~~ **either of the thresholds** set out in Article 17(1), ~~only previous investments of a 17(1)(c) have been reached collectively by foreign investor made in the same Union target or Union asset by the investors or foreign investors' subsidiaries, interests held directly or indirectly, including through affiliates, chains of ownership or by foreign investor~~ **investors acting in concert shall be aggregated** from [OP please insert the date = the date of the entry into force of this Regulation] ~~shall be aggregated.~~

4. ~~Foreign investors shall be considered to have control, where the investment in question reaches either of the following threshold:~~**[moved to Article 17, paragraph 1, point c)]**
- ~~(a) 30 percent or more share capital or voting rights in a Union target;~~
 - ~~(b) 30 percent or more of ownership of a Union asset, and leasehold or other rights conferring control over a Union asset.~~
5. ~~Where a foreign investor's acquisition or establishment of an investment would result in foreign investors collectively holding more than the ownership or control thresholds laid down in paragraph 4, that acquisition or establishment shall be notified.~~
6. ~~For the purposes of calculating whether either of the thresholds laid down in paragraph 4 have been reached, aggregated interests held directly or indirectly, including through affiliates, chains of ownership or by foreign investors acting in concert, shall be considered.~~
7. Where the relevant Union targets or assets are located in more than one Member State, the foreign investor shall notify the competent Investment Authorities of all Member States concerned and the Commission on the same day with reference to the other notifications.

Article 18

Value added foreign direct investment criteria

- ~~1.~~
1. When notifying the foreign direct investment in accordance with Article 17a(2), the foreign investor **and the foreign investor's subsidiary** shall comply with the condition under point (a) and at least three of the conditions of their choice under points (b) to (f) of this paragraph. ~~This is without prejudice to paragraph 2 of this Article.~~ From [OP insert date: 12 months after entry into force of this Regulation], Investment Authorities shall only approve foreign direct investments made directly by foreign investors that fulfil point (a) and three or more of the following six conditions:

- (a) at least 50% of the **average annual full time equivalent** workforce, employed in the context of the foreign direct investment, at the time of its implementation and continuously throughout its operation, shall be made up of Union workers **whose Union-worker status has not been obtained in direct connection with, or with the purpose of, the employment related to the implementation of the foreign direct investment. Those Union workers shall be employed** across all categories of the workforce, including operational, technical, supervisory, and managerial positions. ~~Such employment~~**The foreign investor shall be accompanied by adequatecommit to providing training and capacity-building measurescapacity building for staff to support Union based skills and workforce resilience.** Where a Union target or Union asset already performing manufacturing activities before the investment is acquired, including after bankruptcy, maintaining the existing workforce or re-employment of the former workforce shall be prioritised, in accordance with national law and the application of collective agreements. In the event that the foreign investor, the Union target or the Union asset receives public funding, without prejudice to Articles 107 and 108 TFEU, it shall commit ~~not to decrease the number~~**to maintain the share of** Union workers for a period of five years ~~on pain of, failing which that funding will be subject to recovery by the relevant national authorities of the funding awarded;~~
- (b) foreign investors do not acquire, hold, or exercise ownership interests representing more than 49% of the share capital, voting rights, or equivalent ownership interests in any Union target, or equivalent ownership, leasehold or other rights conferring control over a Union asset;
- (c) the foreign investor undertakes the direct investment through a joint venture with one or more Union entities, with the foreign investor holding no more than 49% of the share capital, voting rights, or equivalent ownership interests or other rights conferring control in any of the Union entities participating in the joint venture. Such joint ventures shall be structured to ensure effective participation of Union partners in management, technology transfer, and capacity building;

- (d) foreign investors have entered into agreements providing for the licensing of their intellectual property rights and of their know-how, to the benefit of the Union target, or the Union asset, to enable it to carry out its economic activities in the context of the foreign direct investment. All intellectual property rights or assets developed by the Union target or the legal entity owning the Union asset prior to the foreign investment or without the collaboration of the foreign investor shall be fully and exclusively owned by the Union target or the legal entity owning the Union asset prior to the foreign direct investment. All intellectual property rights or assets either developed in that context as a result of a collaboration with the foreign investor's other business assets, or in the case of point e(c), developed by the joint venture, shall be owned jointly by the foreign investor and the Union target, the joint venture defined in point e(c) or the legal entity owning the Union asset;
- (e) the foreign investor annually directs to research and development spending in the Union an amount equivalent to at least 1% of the gross annual revenue of the Union target, or the gross annual revenue generated by the Union asset, as applied in proportion to the foreign investor's share of control;
- (e)
- (f) in the context of the foreign direct investment, the foreign investor prepares and publishes on its website a strategy for enhancing Union value chains and prioritising the sourcing of inputs for the manufacturing activity from the Union. **The foreign investor shall demonstrate** and endeavours to source from the Union a minimum of 30% of inputs used for the products placed on the Union market.

2. Foreign direct investments made within the Union by foreign investors' subsidiaries **established in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union, where relevant obligations of the Union exist under that agreement**, are not required to comply with the conditions laid down in paragraph 1 of this Article at the time of their notification in accordance with Article 17a(1)(2). The Investment Authorities may apply some or all of the conditions set out in paragraph 1 to those direct investments where it is essential to achieve the objectives of this Regulation, under the following conditions:

- (a) preventing the circumvention of this Regulation by the foreign investor; or
 - (b) where no alternative measures, including commitments proposed by the foreign investor or the foreign investor's subsidiary, are reasonably available and less restrictive of direct investment within the Union in order to meet the objectives of the Regulation.
3. Foreign direct investment notified pursuant to Article 17a(7) shall comply with the conditions laid down in this Article in all Member States concerned.
4. The Commission shall adopt an implementing act, by [OP please insert date: 6 months after entry into force of this Regulation]], to specify the detailed rules for verifying the compliance with the conditions laid down in paragraph 21, including the documents that are necessary to demonstrate compliance with those conditions at the time of the notification of the foreign direct investment. ~~Those~~**That** implementing ~~aets~~**act** shall be adopted in accordance with the examination procedure referred to in Article 31(3).

Article 19

Article 20

Admissibility assessment

1. The Investment Authority shall decide on the admissibility of the notification pursuant to Articles 17 and 17a within ~~30~~**45** days of receiving ~~the~~**a complete** notification. ~~That deadline may be extended by a further 15 days where the Investment Authority demonstrates satisfactorily that an extension is justified by the circumstances.~~
- Where deemed admissible by the Investment Authority, it shall without delay transmit the full notification to the Commission including all documents received.

Article 20a

Approval process

1. Within 30 days ~~after~~^{of} receiving the notification, the Commission may issue a written opinion on whether the foreign direct investment falls within the scope of ~~Articles 17 and 17a~~^{Article 17}, whether it fulfils the conditions laid out in Article 18(1), and whether the Investment Authority should approve the investment or not.

Where the Commission issues a written opinion, it shall transmit it to the Investment Authority without delay **and may publish the written opinion on its official website, with due regard to confidentiality.**

2. The Investment Authority shall offer its reasoned decision no later than 45 days after receiving the Commission's opinion or after the lapse of the deadline referred to in paragraph 1 of this article. The deadline for issuing the reasoned decision may be extended by a further 30 days where the Investment Authority demonstrates satisfactorily that an extension is justified by the circumstances.

The Investment Authority shall, in ~~their~~^{its} reasoned decision issued pursuant to this paragraph, indicate how the opinion of the Commission was taken into account.

The Investment Authority shall communicate such reasoned decisions to the Commission within three days of adoption.

3. The Investment Authority shall, in its approval decision, set out reporting obligations on the foreign investor concerned, with a view to assessing the continuous fulfilment of the conditions laid down in Article 18.

4. Where the relevant Union targets or assets are located in more than one Member State, the ~~Member States concerned shall~~^{Commission may, with the agreement of the notified Investment Authorities}, coordinate the ~~review of such notifications and agree on the conditions imposed with the other Member States concerned, as well as with the Commission~~^{respective processes}. ~~The Commission shall decide which conditions shall be applied to the foreign direct investment in case there is no agreement between the Member States concerned.~~

5. Any party subject to a decision issued pursuant to Article 20 or paragraph 2 of this Article **or Article 21** shall have the right to seek judicial recourse against such decision.

Article 21

Commission assessment of foreign direct investment

1. Within ~~30~~**45** days of receiving the notification referred to in Article 17a(2), **an Investment Authority may request** the Commission ~~may decide~~ to undertake the **admissibility** assessment ~~of the foreign direct investment only in the following circumstances; and, if deemed admissible, the approval process on its behalf.~~
- (a) ~~at the request of an Investment Authority handling the notification;~~
 - (b) ~~at the request of the Investment Authorities of 3 or more Member States, where the foreign direct investment in question would have a significant economic impact on their territories;~~
 - (c) ~~on its own initiative, where the foreign direct investment has value exceeding EUR 1 billion;~~
 - (d) ~~on its own initiative, where the foreign direct investment has high potential of disrupting the security of supply of the relevant emerging strategic sector or related value chains in the Union.~~
2. **Within 45 days of receiving the request from the Investment Authority, and** where the Commission decides to assess the foreign direct investment, **it shall decide on the admissibility of the notification** pursuant to ~~this Article, the provisions set out in Article 18 shall apply, mutatis mutandis, starting from its decision to undertake the assessment.~~**17.**
- 2a. **Where the Commission accepts to undertake the approval process, it shall** ~~communicate such~~**issue a reasoned decisions to the Investment Authority decision** within ~~three~~**45** days of adoption **an assessment being deemed admissible. The provisions set out in Article 18(1) shall apply, mutatis mutandis.**

- 2c. Where an Investment Authority refers a notification by a Union subsidiary of a foreign investor, the Commission may apply some or all of the conditions set out in Article 18(1) to direct investments made in the Union by a foreign investor's subsidiary where it is essential to achieve the objectives of this Regulation, under the following conditions:**
- (a) preventing the circumvention of this Regulation by the foreign investor; or**
 - (b) where no alternative measures, including commitments proposed by the foreign investor or the foreign investor's subsidiary, are reasonably available and less restrictive of direct investment within the Union in order to meet the objectives of this Regulation.**
- 2d. Where the Commission issues a reasoned decision it shall transmit it to the foreign direct investor and the Investment Authority within 3 days and, where relevant, make a recommendation to the Investment Authority as to the appropriate reporting obligations.**
- 2e. Within 15 days of receipt of an approval decision from the Commission, the Investment Authority shall set out the reporting obligations for the foreign investor concerned, with a view to assessing the continuous fulfilment of the conditions laid down in Article 18.**
- 3. Following the notification referred to in Article 17a(2), the Commission may decide to undertake the assessment of an investment by a foreign investor subsidiary referred to in Article 18(2).**

~~Based on its assessment, the Commission may apply in a proportionate manner some or all the conditions set out in Article 18(1).~~

Article 22

Monitoring and enforcement

1. The Investment Authority shall regularly monitor the foreign direct investment to ensure that it continues to comply with the applicable conditions laid down in Article 18. For that purpose, the foreign investor shall ~~regularly~~ report **every two years** to the Investment Authority on compliance with the applicable conditions. Subject to ~~five~~**ten** years of continuous compliance with the applicable conditions laid down in Article 18, the Investment Authority may waive those conditions.
2. Upon request by the Commission, the Investment Authority shall transmit the investor's reports submitted pursuant to paragraph 1 to the Commission together with its own assessment on each report.
3. ~~The Investment Authority~~**Member States** shall establish penalties in case of non-compliance with the provisions of this Chapter, in particular where foreign investors fail to comply with the following requirements:
 - (a) the notification requirements in accordance with Article 17a;
 - (b) the conditions laid down in Article 18;
 - (c) the reporting obligations established by this Article.
- 3a. **Where an Investment Authority considers that a foreign direct investment in its territory meets the conditions set out in Article 17(1) and has not been notified in line with Article 17a, it may, in duly justified circumstances, request the Commission to issue a reasoned opinion on whether the conditions have been met. Where the Commission accepts to issue a reasoned opinion, it shall be transmitted to the Investment Authority within 45 days.**
4. Penalty payments established by the ~~Investment Authority~~**Member State** shall not amount to less than 5% of the average daily aggregate turnover of the foreign investor undertaking in case of a violation pursuant to paragraph 3, point (a).

Where the foreign investor is a ~~private~~**natural** person, the ~~Investment Authority~~**Member State** shall establish a penalty payment of at least ~~5%~~**5%** of the investment value in case of a violation pursuant to paragraph 3, point (a).

Where the Commission ~~decides to assess~~**undertakes the assessment of** the foreign direct investment pursuant to Article 21, it may by decision impose penalties if the foreign investor provides false or misleading information in their notification, or if it does not supply the information required for the Commission to perform its review obligation.

The penalties imposed by the Commission shall not exceed the 5% average daily turnover of the foreign investor, or in case of a ~~private~~**natural** person foreign investor, 5% of the investment value.

The penalty payments shall be effective and proportionate to the violations laid down in paragraph 3, ~~or in the case of the Commission the violations laid down in this paragraph.~~

The Investment Authority shall inform the Commission without undue delay of any non-compliance referred to in paragraph 3 and of the consequential penalties imposed.

Article 23

Monitoring of global manufacturing capacity by the Commission

1. For the purposes of Article 17, the Commission shall monitor the global manufacturing capacity for each of the ~~emerging~~**targeted** strategic sectors, building on existing monitoring activities performed, in particular pursuant to Regulation (EU) 2024/1735.
2. The Commission shall provide and publish updated information on the most recent year for which data is available for each of the ~~emerging~~**targeted** strategic sectors referred to in Article ~~17(2)~~**17(1), point (b)**.

{Delegation of powers

1. **In order to reduce high-risk dependencies on a third country which are detrimental to the Union's economic and supply security, while enhancing the functioning of the Single Market**, the Commission is empowered to adopt delegated acts in accordance with Article 30 of this Regulation to supplement the list of ~~emerging~~**targeted** strategic sectors to be covered by this Chapter to **the following** sectors **which are** critical to the Union's economic security ~~including~~: net-zero technologies listed in Article 4(1), points (b), (d), (e), (g), (h), (j), (k), (n), (p), and (s), of Regulation (EU) 2024/1735, nuclear fuel cycle technologies referred to in Article 4(1), point (i), of Regulation (EU) 2024/1735; **and** electric propulsion technologies for transport referred to in Article 4(1), point (r), of Regulation (EU) 2024/1735 **and the sectors included in the Annex to [European Economic Security Strategy of 2023]**, and excluding digital technologies, artificial intelligence, quantum technologies and semiconductors.

These delegated acts shall be without prejudice to other Union acts establishing investment criteria for these sectors.

2. The delegated acts referred to in paragraph 1 shall be based on ~~the following factors~~:
 - (a) ~~an assessment of whether modifying the list of emerging strategic sectors would unduly deter or discourage foreign direct investment in the Union;~~
 - (b) ~~number of foreign direct investments in that sector, taking into account their contribution to the Union's security of supply and their added value to the Union's economy;~~
 - (c) ~~market situation and conditions, including Union supply chain disturbances, enchains in the given sector significantly depend on imports by persons or entities from a third country, in particular if products imported from that third country account for more than 40% of the sector's annual consumption in the Union-level;~~

- (d) ~~technological developments and manufacturing activities in the Union being~~
highly dependent on patent rights held by persons or entities established in a third country, taking into account the availability of alternative technologies and their potential implications on the Union's competitiveness in that sector in comparison to third countries**supply security;**
- (e) ~~supply chain dependence in the relevant sector on one or more countries in the Union's global market share or manufacturing capacity in two consecutive years in the given sector is identified.~~

3. The delegated acts adopted pursuant to paragraph 1 shall contain: **the threshold value referred to in Article 17(1) for each of those additional sectors. Only where the Commission demonstrates with sufficient evidence that the threshold value referred to in Article 17(1) is inappropriate to achieve the objectives set out in this Article, the Commission shall be empowered to amend that threshold by means of a delegated act.**

- (a) ~~the threshold value referred to in Article 17(1) for each of those additional sectors;~~
- (b) ~~whether the investment conditions referred to in Article 18 are appropriate and necessary to meet the objectives of this Regulation with respect to the sector concerned, and if not, which of those criteria is to be applied.]~~

~~CHAPTER V~~

~~INDUSTRIAL MANUFACTURING ACCELERATION~~

~~AREAS~~[content moved to CHAPTER II]

~~Article 25~~

~~Designation of industrial manufacturing acceleration areas~~

- ~~1. Member States shall designate at least one industrial manufacturing acceleration area on their territory by [OP please insert date: 24 months following the entry into force of this Regulation] to cluster industrial manufacturing projects with the objective to enhance the functioning of the single market, increase production capacity and security of supply of strategic sectors listed in Annex I, in alignment with strategic projects and other initiatives, including net zero Acceleration Valleys. Member States may cooperate to designate cross-border industrial manufacturing acceleration areas.~~
- ~~5. Before their adoption, the plans or programmes on the designation of the industrial manufacturing acceleration areas shall be subject to environmental assessment in accordance with the applicable Union legislation.~~
- ~~6. Member States shall inform the Commission of the designation of an industrial manufacturing acceleration area, within 30 days from the adoption of the relevant decision.~~

~~Article 26~~

~~Enabling conditions~~

~~Where appropriate for the long-term development and effective operation of industrial activities within the industrial manufacturing acceleration areas, Member States shall take the following measures:~~

- ~~(a) facilitate access to financing of projects in the acceleration areas by ensuring coordination between authorities and streamlining internal procedures, in synergy with Union programmes and in accordance with existing State aid rules where applicable, taking into account the participation of SMEs and SMCs;~~

- (b) — promote research and innovation investments, including investments in technology testing and demonstration facilities, to accelerate the innovative potential and Union's competitiveness and technology leadership in the acceleration areas;
- (c) — conduct a comprehensive analysis of the immediate and long term energy needs of each acceleration area and the required energy infrastructure capacity for the proper functioning and development of industrial manufacturing projects in the acceleration area, in line with Union's decarbonisation pathway, and review the analysis, when appropriate.
- (d) — ensure that the network development plans prepared by transmission system operators pursuant to Article 51 of Directive (EU) 2019/944 of the European Parliament and of the Council¹² and distribution system operators pursuant to Article 32 of Directive (EU) 2019/944 take due account of the analysis prepared pursuant to point (c) of this paragraph, considering the potential of anticipatory investments to accommodate future system needs;
- (g) — support the development and availability of a highly skilled workforce and provide appropriate training and apprenticeship opportunities, thereby contributing to high quality employment within those acceleration areas;

Article 27

Permit-granting procedures in acceleration areas

1. — For each designated industrial manufacturing acceleration area, Member States shall prepare and issue an aggregated baseline permit authorising industrial activities located within that area. This aggregated baseline permit shall cover the permits and administrative authorisations required for the industrial manufacturing projects located within the acceleration area, excluding those permits that are installation specific.

¹² Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU

- ~~2. Before issuing the aggregated baseline permit, Member States shall carry out all necessary assessments, planning procedures and evaluations applicable at the level of the acceleration area.~~
- ~~3. Industrial manufacturing projects located within an industrial manufacturing acceleration area shall be required to obtain only those additional permits or authorisations that fall outside the scope of the aggregated baseline permit referred to in paragraph 1.~~
- ~~4. All industrial manufacturing projects located within an acceleration area shall be considered strategic projects contributing to resilience and decarbonisation or resource efficiency for the purposes of [Article 14 of Proposal for a Regulation on speeding up environmental assessment]. [Points 1, 2 and 3 of the Annex] to that Regulation shall apply.~~

CHAPTER VI

FINAL PROVISIONS

Article 28

Evaluation

By [OP: Please insert the date = two years after the date of entry into force of this Regulation], and every three years thereafter, the Commission shall carry out an evaluation of this Regulation. The evaluation shall consider:

- (a) whether the objectives of this Regulation specified in Article 1 have been achieved, in particular its contribution to the functioning of the internal market, and to supporting the resilience and decarbonisation of the Union's manufacturing sector and the Union's economic security;
- (b) progress made in achieving the objective referred to in Article 1(2), second subparagraph;
- (c) the related administrative costs for public and private sectors, economic impacts on downstream sectors, SMEs, SMCs and consumers, as well as impacts on public budgets.

[No later than seven years after the date of entry into force of this Regulation, the Commission shall carry out an evaluation of whether the requirement to continuously comply with the conditions laid down in Article 18 for ~~five~~**ten** years is appropriate for achieving the objectives pursued by this Regulation.]

Article 29

Review

By [OP: Please insert the date three years after the date of entry into force this Regulation], the Commission shall assess the necessity of amending this Regulation, in particular Chapters III, **IV**, **and related annexes and IV** thereof. That review shall be carried out periodically every three years after the first review, **based on the outcome of the preceding evaluation**.

When carrying out its review, the Commission shall pay particular attention to the effectiveness of this Regulation and the persistence of the circumstances that have justified the adoption of this Regulation and to the necessity to introduce Union origin requirements for products from certain sectors critical to the Union's economic security, notably the building of ships and of rail rolling stock.

Article 30

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. [The power to adopt delegated acts referred to in Articles 8, 9, 10, 16 and 24 shall be conferred on the Commission for an indeterminate period of time from [OP please insert the date = the date of the entry into force of this Regulation].]

3. [The delegation of power referred to in Articles 8, 9, 10, 16 and 24 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect on the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.]
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.
6. [A delegated act adopted pursuant to Articles 8, 9, 10, 16 and 24 shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.]

Article 31

Committee procedure

1. The Commission shall be assisted by a Committee. That Committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.
3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 32

Penalties

Member States shall lay down rules on penalties applicable to infringements of the provisions of this Regulation and shall take all necessary measures to ensure that they are implemented. The penalties provided for shall be effective, proportionate and dissuasive. Member States shall, without delay, notify the Commission of those rules and measures and shall notify it, without delay, of any subsequent amendment affecting them.

Article 32a

Guidance

Where appropriate, the Commission shall issue guidance on the application of this Regulation with a view to ensuring its uniform implementation across the Member States. **This will include guidance on the products listed in Article 6d, guidance on the application of derogations, template self-declarations forms referred to in Article 8(7) and guidance to define the necessary information that vehicle manufacturers shall provide in the document referred to in Article 15, to certify that vehicle versions comply with the relevant Union origin requirements laid down in Annex III**

Article 33

Amendments to Regulation (EU) 2018/1724

Annexes I and II to Regulation (EU) 2018/1724 are amended in accordance with Annex IV to this Regulation.

Article 34

Amendments to Regulation (EU) 2024/1735

Regulation (EU) 2024/1735 is amended as follows:

- (1) in Article 3, **points 23 and 27 are amended as follows and** the following points (34), (35) and (36) are added:

‘(23) ‘public procurement procedure’ means either of the following:

- (a) a procedure for the award of works or a service concession covered by Directive 2014/23/EU;
- (b) any type of award procedure covered by Directive 2014/24/EU for the award of a public contract or Directive 2014/25/EU for the award of a supply, works and service contract with the exception of procedures concerning lots according to Article 5(10) of Directive 2014/24/EU and Article 16(10) of Directive 2014/25/EU;
- (27) **‘auction’ means a mechanism for competitive tendering procedures to support the production or consumption of energy from renewable sources, or the deployment, operation or procurement of net-zero technologies exclusively, that does not fall under Directive 2009/81/EC of the European Parliament and of the Council or Directive 2014/23/EU, 2014/24/EU or 2014/25/EU;**
- (34) **‘industrial battery’ means an industrial battery as defined in Article 3(1), point (13), of Regulation (EU) 2023/1542 of the European Parliament and the Council*;**
- (35) **‘stationary battery energy storage system’ means a stationary battery energy storage system as defined in Article 3(1), point (15), of Regulation (EU) 2023/1542;**
- (36) **‘hydronic heat pump’ means a ~~space heater using~~ heat generator of any capacity, intended for residential, commercial or industrial applications, with a heat pump cycle to capture ambient heat from an air source~~air~~, water~~source~~ or ground sources~~sources~~, and/or waste heat for heat generation and to generate heat for space heating, or for water heating, or for the heating space of industrial processes, delivering the heat through a water circuit.**²

* Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC (OJ L 191, 28.7.2023, p. 1, ELI: <http://data.europa.eu/eli/reg/2023/1542/oj>).;

(2) in Article 9, the following paragraph (14) is added:

‘14. All net-zero technology manufacturing projects shall be considered strategic projects contributing to resilience and decarbonisation or resource efficiency for the purpose of [Article 14(1)] of [Proposal for a Regulation on speeding-up environmental assessment].;’

(3) Article 25 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. For public procurement procedures falling within the scope of Directive 2014/23/EU, 2014/24/EU or 2014/25/EU, where contracts have net-zero technologies listed in Article 4(1), points (a) to (d), (h) and (i), of this Regulation as part of their subject matter, or in the case of works contracts and works concessions including said technology, contracting authorities and contracting entities shall apply minimum mandatory requirements regarding environmental sustainability established in the implementing act referred to in paragraph 5 of this Article.;’

(b) in paragraph 7, the first subparagraph is replaced by the following:

‘The tender’s resilience contribution shall be taken into account in the case of public procurement procedures referred to in paragraph 1, in accordance with this paragraph.’

(c) in paragraph 7, point (a) is replaced by the following:

‘(a) an obligation for the duration of the contract not to supply more than 50 % of the value of the specific net-zero technology final product referred to in this paragraph from each individual third country as determined by the Commission;’

(d) in paragraph 7, point (b) is replaced by the following:

‘(b) an obligation for the duration of the contract that no more than 50 % of the value of all the main specific components of the specific net-zero technology referred to in this paragraph taken together is supplied or provided directly by the successful tenderer or by a subcontractor from each individual third country as determined by the Commission;;

(e) **add a new paragraph 13 as follows:**

(13) The provisions of this Article shall not apply to contracting entities who have participated as bidders in an auction subject to the requirements of Article 26, for the purpose of carrying out the project awarded to them in the context of such auction.’

(4) The following Articles 28d, **28da** and 25a are inserted:

‘Article 28d

Union origin

1. For the purposes of Articles 25a, 26 and 28a and 28c, content of Union origin refers to content originating in the Union.
2. The origin of products and components shall be determined in accordance with **Article 60 of Regulation (EU) No 952/2013** of the European Parliament and of the Council.

Article 28da

Partner origin

1. **For the purposes of Articles 25a, 26 and 28a, content of partner origin refers to content originating in:**

- (a) a third country that is Party to the GPA, provided that the procurement of the product in question falls within the scope of covered procurement under the Union's Appendix I to the GPA, taking into account the applicable Annexes;**
- (b) a third country with which the Union has concluded an agreement establishing a free trade area or a customs union, under the conditions laid down in that agreement, provided relevant obligations of the Union exist under the agreement for the product in question.**

The origin of products and components shall be determined in accordance with Article 60 of Regulation (EU) No 952/2013 of the European Parliament and of the Council.

2. The Commission shall adopt implementing acts in accordance with Article 45(2) to establish and maintain the lists of third countries that provide content of partner origin. In preparing those implementing acts the Commission shall assess the implementation of the agreements set out in paragraph 1, on the basis of the following criteria:

- (a) addition or removal of a third country is justified where that third country has provided or failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the net-zero technologies listed in Article 4, point (1);**
- (b) addition or removal of a third country is justified to avoid high-risk dependencies or any other developments that are likely to threaten the security of supply in the Union of the products in question;**
- (c) removal of a third country is justified under any other exception under the applicable agreement.**

The implementing acts shall align with the dispute settlement procedures under the relevant agreements concluded between the Union and a third country establishing a free trade area or a customs union.

Agence Europe



3. The Commission shall subsequently amend the lists of countries if required, through additional implementing acts in accordance with Article 45(2), where a third country becomes a party to an existing agreement or concludes a new agreement falling within the categories of agreements listed in paragraph 1 and/or an amendment is justified by an assessment of the criteria set out in paragraph 2.
4. Those implementing acts shall set out the procedure for the regular monitoring of the criteria set out in paragraphs 2 and 3. The first implementing act that establishes the lists of countries that provide content of partner origin shall be adopted within [OP: Please insert the date = 6 months after entry into force of this Regulation].

Article 25a

Origin requirements for public procurement procedures

- 1a. For public procurement procedures referred to in Annex II, contracting authorities and contracting entities shall apply the Union origin requirements laid down therein. Requirements relating to particular individual main specific components shall only apply to the extent that those components are included in the final product.
- 1b. Notwithstanding Article 28d, for the purposes of public procurement, ~~content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union, or that are parties to the Agreement on Government Procurement, where relevant obligations of the Union exist under that agreement,~~ **partner origin as defined in Article 28da** shall also be deemed to ~~be of~~ **be treated as** Union origin .

1c. ~~The Commission shall adopt [Implementing acts in accordance with~~ **act moved to new Article 45(2)** ~~to exclude, in whole or in part, a third country from the scope of paragraph 2 if any of the following criteria is met:~~ **28da]**

- (a) ~~that third country has failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the net-zero technologies listed in Article 4, point (1);~~
- (b) ~~such exclusion is justified to avoid dependencies or any other developments that may threaten the security of supply in the Union of the products in question;~~
- (c) ~~such exclusion is justified under any other exception under the applicable agreement.~~

~~Those implementing acts shall set out the procedure for the regular monitoring of the criteria set out in the first subparagraph of this paragraph. The Commission shall repeal any such implementing act if those criteria are no longer met.~~

1d From the date of entry into force of ~~this Regulation~~ **the implementing act referred to in Article 28da(2)**, the Commission shall make available and maintain, **through the Access2Markets portal**, a freely accessible digital tool that lists ~~thirdby product the relevant partner origin~~ countries referred to in paragraph 1 ~~and, where appropriate, third countries referred to in paragraph 21b~~, in order to assist contracting authorities, contracting entities and economic operators with the implementation of this Article. **Incorrect determination of coverage arising solely from the use of the digital tool shall not be considered as an infringement of Union law in the field of public procurement.**

1. Contracting authorities and contracting entities shall exclude access to procurement procedures ~~tenders~~ referred to in Annex II by economic operators owned or controlled **within the meaning of Article 3(2) of Regulation 139/2004** by an entity established in third countries which have not concluded an international agreement with the Union guaranteeing such access.

3. Contracting authorities and contracting entities may decide not to apply one or several requirements set out in Annex II where any of the following conditions are fulfilled:
- (a) the required products can only be supplied by one specific economic operator, and no reasonable alternative or substitute exists, and the absence of competition is not the result of an artificial narrowing down of the parameters of the public procurement procedure;
 - (b) no suitable tenders or no suitable requests to participate have been submitted, including in response to a similar former public procurement procedure launched by the same contracting authority or contracting entity in the two years preceding the start of the planned new procurement procedure;
 - (c) their application would require a contracting authority or contracting entity to acquire goods, services or works having disproportionate costs or would result in technical incompatibility in operation and maintenance. Estimated cost differences in excess of 25%, based on objective and transparent data, may be presumed by contracting authorities and contracting entities to be disproportionate.
 - (d) their application would lead to significant delays to the delivery of the project due to the unavailability of the required components or final products. Estimated delays in excess of seven months, based on objective, transparent and verifiable data, may be presumed to be significant.
- (da) the contract in question is governed by Article 32(2)(c) of Directive 2014/24/EU and Article 50(d) of Directive 2014/25/EU.**
4. Contracting authorities and contracting entities shall require economic operators supplying products falling within the scope of this Article to submit a self-declaration, or an equivalent document, demonstrating compliance with the requirements set out in this Article.

{Legal remedies against the award decision of a third party shall not have any suspensive effect within the meaning of Article 2(1) point a and Article 3(3) of Directive 89/665/EEC as far as the compliance with the requirements of this Article covered by the self-declaration, or an equivalent document is concerned.}

(5) Article 26 is amended as follows:

(a) the heading is replaced by the following:

‘Auctions for net-zero technologies’

(b) paragraph 1 is amended as follows:

the introductory wording is replaced by the following:

‘When designing auctions for net-zero technologies listed in Article 4(1), points (a) to (g), (i) and (j), Member States shall include:’

in point (a), the following point (iv) is added:

‘(iv) limitation to high-risk suppliers as defined in Article 28b of this Regulation;

point (b), is replaced by the following: ‘pre-qualification criteria or award criteria as referred to in paragraphs 2 and 2a’.

‘(c) The following paragraph 2a is inserted: ‘2a. Where the auctions have net-zero technologies listed in Annex II as part of their subject-matter, Member States shall include the pre-qualification or award criteria laid down in Annex II.’ Criteria relating to ~~particular~~ **individual** main specific components shall only apply to the extent that those components are included in the final product.’;

(d) in paragraph 3, the first subparagraph is replaced by the following: ‘The Commission is empowered to adopt an implementing act further specifying the pre-qualification and award criteria referred to in paragraph 1 points (a), (i), (ii) and (iii), and paragraph 2.’

- da The following paragraph 3a is inserted: 'With respect to the Union origin requirements for auctions for net-zero technologies, notwithstanding Article 28d, ~~content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union~~ **partner origin as defined in Article 28da** shall also be deemed to be of **be treated as** Union origin.'
- db The following paragraph 3b is inserted: 'The Commission shall ~~adopt [implementing acts in accordance with]~~ **act moved to new Article 45(2) to** exclude, in whole or in part, a third country from the scope of paragraph 1 if any of the following criteria is met: **28da]**
- (a) ~~that third country has failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the net-zero technologies listed in Article 4, point (1);~~
 - (b) ~~such exclusion is justified to avoid dependencies or any other developments that may threaten the security of supply in the Union of the products in question;~~
 - (c) ~~such exclusion is justified under any other exception under the applicable agreement.~~

~~Those implementing acts shall set out the procedure for the regular monitoring of the criteria set out in the first subparagraph of this paragraph. The Commission shall repeal any such implementing act if those criteria are no longer met.~~

The digital tool referred to in Article 25a (~~3a~~**1d**) shall assist relevant public authorities with the implementation of this Article:

- (e) paragraph 4 is replaced by the following: '4. Member States shall give to each of the criteria referred to in paragraphs 2 and 2a, when applied as award criteria, a minimum weight of 5 % and a combined weight of between 15 % and 30 % of the award criteria. That is without prejudice to the possibility to give a higher weighting to the criteria referred to in the fourth subparagraph of paragraph 2, in accordance with any limit for non-price criteria set out in State aid rules.'

- (f) paragraph 5 is replaced by the following: ‘5. Member States shall not be required to apply one or several of the pre-qualification and award criteria laid down in paragraph 1, points (a), (i), (ii) and (iii), and paragraph 1, point (b), where the application of those criteria would result in disproportionate costs or in significant delays to the delivery of the project due to the unavailability of the required components or final products. Estimated cost differences in excess of 20% per auction, based on objective and verifiable data, may be presumed by Member States to be disproportionate. Delays in excess of seven months, based on objective, transparent and verifiable data, may be presumed to be significant.’
- (g) paragraph 7 is replaced by the following: ‘7. Paragraphs 1 to 5 shall apply to at least 40% of the volume auctioned per year per Member State or alternatively to at least 8 Gigawatt per year per Member State. Paragraph 1, points (a)(ii) and (iv), shall apply to 100% of the volume auctioned per Member State.’
- (h) in paragraph 8, the introductory wording is replaced by the following: ‘By 31 December 2027, the Commission shall carry out a comprehensive assessment of the application of the criteria referred to in paragraph 2 and their effect on the accelerated deployment of renewable energy technologies. By 31 December 2029 and every two years thereafter, the Commission shall carry out a comprehensive assessment of the application of the criteria referred to in paragraphs 2 and 2a and their effect on the accelerated deployment of renewable energy technologies. In particular, the Commission shall assess the impact of the criteria on:’

(6) The following Articles 28a to 28e are inserted:

‘Article 28a

Origin requirements for other forms of public intervention

1. Without prejudice to Articles 107 and 108 TFEU, support schemes referred to in Annex II shall include the requirements laid down therein. Requirements relating to ~~particular~~ **individual** main specific components shall only apply to the extent that those components are included in the final product.

3. When additional financial compensation is granted, it shall not exceed 15% of the cost of the final product for the consumer, including transport and installation costs where relevant, with the exception of schemes targeting citizens living in energy poverty, as defined in Article 2, point (1), of Regulation (EU) 2023/955 of the European Parliament and of the Council ⁽⁵⁷⁾, for which the limit shall be 20 %.¹
- 3a. Notwithstanding Article 28d, ~~content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union~~**for the purposes of other forms of public intervention, partner origin as defined in Article 28da** shall also be deemed to be of ~~be~~ **treated as** Union origin.
- 3b. ~~The Commission shall adopt [implementing acts in accordance with~~**act moved to new Article 45(2) to exclude, in whole or in part, a third country from the scope of paragraph 1 based on any of the following criteria: 28da]**
- (a) ~~that third country has failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the net zero technologies listed in Article 4, point (1);~~
 - (b) ~~such exclusion is justified to avoid dependencies or any other developments that may threaten the security of supply in the Union of the products in question;~~
 - (c) ~~such exclusion is justified under any other exception under the applicable agreement.~~

~~Those implementing acts shall set out the procedure for the regular monitoring of the criteria set out in the first subparagraph of this paragraph. The Commission shall repeal any such implementing act if those criteria are no longer met.~~

- 3c. The digital tool referred to in Article 25a ~~(3a1d)~~ shall assist relevant public authorities with the implementation of this Article.
- 3d. When designing and implementing a scheme pursuant to paragraph 1, the authority shall assess the fulfilment of the requirements on the basis of an open, non-discriminatory and transparent process.

Article 28c

Origin requirements for Member State support to construction and manufacturing of net-zero technologies

1. Without prejudice to Articles 107 and 108 TFEU and in accordance with the Union's international commitments, when supporting the construction or manufacturing of net-zero technology final products referred to in Annex II of this Regulation, Member States shall ensure that the Union origin requirements laid down in that Annex are met. Requirements relating to ~~particular~~ **individual** main specific components shall only apply to the extent that those components are included in the final product.
2. Member States may decide not to apply one or several requirements referred to in paragraph 1 where any of the following conditions are fulfilled:
 - (a) the required components can only be supplied by one specific economic operator, and no reasonable alternative or substitute exists, and the absence of competition is not the result of an artificial narrowing down of the parameters of the public procurement procedure;
 - (b) their application would result in disproportionate costs or technical incompatibility in operation or maintenance. Estimated cost differences in excess of 25%, based on objective and transparent data, may be presumed to be disproportionate;
 - (c) their application would jeopardise the project or lead to significant delays to the delivery of the project due to the unavailability of the required components or final products. Delays in excess of seven months, based on objective, transparent and verifiable data, may be presumed to be significant.

Article 28b

Limitations to high-risk suppliers

- 3a. When designing auctions referred to in Article 26, Member States shall include the pre-qualification criterion referred to in paragraph 3d.
- 3b. When deciding to set up new schemes or to update existing schemes referred to in Articles 28 and 28a, Member States, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law shall design those schemes in such a way as to ensure that beneficiaries shall be eligible to the scheme only where the requirement referred to in paragraph 3d is fulfilled.
- 3c. When supporting the construction or manufacturing of net-zero technology final products referred to in Annex II to this Regulation, Member States shall ensure that the requirement referred to in paragraph 4 is fulfilled.
- 3d. When net-zero technologies or their main specific components include control systems, management control systems, supervisory control and data acquisition systems, remote access systems or firewalls, suppliers identified as high-risk suppliers in accordance with Regulation xxxx/xxxx [CSA2] shall not be involved in the following processes:
 - (a) the supply of those products or systems;
 - (b) the design, development or production of those products or systems;
 - (c) the management, control or operation of those products or systems;
 - (d) the development, maintenance, operation, or updating of their software.

Article 28h

{Delegation of power

1. **In order to contribute to the decarbonisation and competitiveness of the Union's economy, while increasing the Union's resilience and security of supply in the field of net-zero technologies**, the Commission is empowered to adopt delegated acts in accordance with Article 44 to amend the Union origin requirements laid down in Annex II **by amending the list and/or number of main specific components subject to Union origin requirements**, taking into account the following criteria:
- (a) ~~the market situation at Union level including declining Union market shares and Union industry producing below capacity,~~ **or high-risk dependencies on a third country which are detrimental to the security of supply of net-zero technologies;**
 - (b) the contribution of the requirements to the Union's objective of ~~public order,~~ economic security, resilience and climate neutrality set out in Regulation (EU) 2021/1119;
 - (c) technological progress **in the field of net-zero technologies;**
 - (d) demand for the relevant net-zero technologies **that cannot be met by available Union manufacturing capacity;**
 - (e) the impact of setting Union origin requirements on the overall competitiveness ~~and greenhouse gas emissions~~ of the relevant sectors.

2. **In order to contribute to the decarbonisation and competitiveness of the Union's economy, while increasing the Union's resilience and security of supply in the field of net-zero technologies**, the Commission is empowered to adopt delegated acts to supplement Annex II with Union origin requirements for additional ~~specific net-zero technology final products~~ **net-zero technologies** referred to in Article 4(1), points (g), (h), (j), (k), (n), (p), and (s), as well as solar thermal technologies referred to in Article 4(1), point (a), nuclear fuel cycle technologies referred to in Article 4(1), point (i), and electric propulsion technologies for transport referred to in Article 4(1), point (r), **by setting Union origin requirements for specific net-zero technology final products and/or main specific components** which shall be required in accordance with Articles 25a, 26, 28a and 28c. ~~In doing so the preparation of the delegated acts~~, the Commission shall take the following into account **evidence, obtained through monitoring activities or input by relevant stakeholders, including Member States and the industry sector, demonstrating:**
- (a) ~~the market situation at Union level, as identified through monitoring activities, including declining Union market shares and, Union industry producing below capacity,~~ **or high-risk dependencies on a third country which are detrimental to the security of supply of net-zero technologies;**
 - (b) the contribution of the requirements to the Union's objective of ~~public order,~~ economic security, resilience and climate neutrality **set out in Regulation (EU) 2021/1119;**
 - (c) the impact of setting Union origin requirements, ~~low carbon requirements, or both on the overall competitiveness and greenhouse gas emissions of the relevant sectors, as well as on downstream costs for consumers and small and medium enterprises and on public budgets.~~
 - (d) demand for the relevant products or technologies **that cannot be met by available Union manufacturing capacity.**

3. ~~The delegated acts referred to in paragraph 2 shall set out:~~
- ~~(a) the products and components to which the minimum Union origin requirements shall apply;~~
 - ~~(b) the scope of application of the minimum Union origin requirements;]~~

¹ THIS FOOTNOTE IS MISSING. THANK YOU FOR USING ANOTHER LANGUAGE.'

(7) Article 42 is amended as follows:

(a) the following paragraph 2a is inserted:

‘2a. Member States, public authorities, contracting authorities and contracting entities applying Chapter IV of this Regulation shall report on the application of exemptions in accordance with the provisions of that Chapter.’

(b) paragraph 3 is replaced by the following:

‘3. Where they are not already included in, or in accordance with the elements of, the national energy and climate plans, each Member State shall submit to the Commission a report setting out the data referred to in paragraphs 2 and 2a by 15 March 2027 and every three years thereafter.’

(8) The following Annex II is added:

‘ANNEX II

Union origin requirements for net-zero technologies

Part I – Public procurement

1. In accordance with Article 25a, for public procurement procedures for which the call for competition or commencement takes place after the entry into force of this Regulation falling within the scope of Directives 2014/23/EU, 2014/24/EU or 2014/25/EU where contracts, works contracts or work concessions include the procurement of the following net-zero technologies, procurement documents shall include the requirements laid down below:

- (a) Battery energy storage systems:

From [OP: Please insert the date = 1 year after entry into force of this Regulation] until [3 years after entry into force of this Regulation], the battery energy storage systems shall originate in the Union and, for projects including battery energy storage exceeding 1 Megawatt-hour, contain a battery management system that originates in the Union.

From [OP: Please insert the date = 3 years after entry into force of this Regulation], the battery energy storage systems shall originate in the Union and contain battery cells, a battery management system as well as one additional main specific component that originate in the Union.

- (b) Solar PV technologies: From [OP: Please insert the date = 3 years after entry into force of this Regulation], the PV inverter and the PV cells or equivalent shall originate in the Union.

- (c) Hydronic heat pumps: From [OP: Please insert: 3 years after the entry into force of this Regulation] the hydronic heat pump shall originate in the Union.

- (d) Onshore and offshore wind technologies:

From [OP: Please insert the date = 1 year after the entry into force of this Regulation] until [OP: Please insert the date = 3 years after entry into force of this Regulation], one main specific component shall originate in the Union.

From [OP: Please insert the date = 3 years after the entry into force of this Regulation], two main specific components shall originate in the Union.

(e) Nuclear fission **energy** technologies:

For public procurement procedures for which the call for competition or commencement takes place after [OP: Please insert the date = 4 years after entry into force of this Regulation] where works contracts or work concessions include the construction of a new-build nuclear power plant, including small modular nuclear reactors (SMR), at least two main specific components shall originate in the Union.

For public procurement procedures for which the call for competition or commencement takes place after [OP: Please insert the date = 6 years after entry into force of this Regulation] where works contracts or work concessions include the construction of a new-build nuclear power plant, including small modular nuclear reactors (SMR), at least three main specific components shall originate in the Union.

These requirements shall not apply to research, development and innovation projects including first industrial deployment of nuclear power plants.

Part II – Auctions

In accordance with Article 26, when auctions have the following net-zero technologies as part of their subject-matter, Member States shall include the pre-qualification or award criteria laid down below:

(a) Battery energy storage systems:

For auctions published from [OP: Please insert the date = 1 year after entry into force of this Regulation] until [OP: Please insert the date = 3 years after entry into force of this Regulation], the battery energy storage system shall originate in the Union and, for projects including battery energy storage exceeding 1 Megawatt-hour, contain a battery management system that originates in the Union.

For auctions published after [OP: Please insert the date = 3 years after entry into force of this Regulation], the battery energy storage system shall originate in the Union and contain battery cells, a battery management system as well as one additional main specific components that originate in the Union.

- (b) Solar PV technologies: For auctions published after [OP: Please insert the date = 3 years after entry into force of this Regulation], PV inverter and the PV cells or equivalent shall originate in the Union.

- (c) Hydrogen:

For auctions published after [OP: Please insert the date = 1 year after the entry into force of this Regulation], the electrolyzers used to produce the hydrogen shall originate in the Union, and the stacks as well as one additional main specific component shall originate in the Union.

For auctions published after [OP: Please insert the date = 3 years after the entry into force of this Regulation], the electrolyzers used to produce the hydrogen shall originate in the Union, and the stacks as well as two additional main specific components shall originate in the Union.

- (d) Onshore and offshore wind technologies:

For auctions published from [OP: Please insert the date = 1 year after entry into force of this Regulation] until [OP: Please insert the date = 3 years after entry into force of this Regulation], one main specific component of the wind turbine shall originate in the Union.

For auctions published after [OP: Please insert the date = 3 years after entry into force of this Regulation], two main specific components of the wind turbine shall originate in the Union.

Part III – Other forms of public intervention

In accordance with Article 28a, when deciding to set up new schemes or to update existing schemes benefitting households or companies that support the demand for net-zero technology final products listed in this paragraph, Member States, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law, shall design the schemes in such a way as to ensure that beneficiaries shall be eligible to the scheme or to additional financial compensation only where the requirements laid down below are fulfilled:

(a) Battery energy storage systems:

For schemes set up or updated between [OP: Please insert the date = 1 year after entry into force of this Regulation] and [OP: Please insert the date = 3 years after entry into force of this Regulation], the battery energy storage systems shall originate in the Union and, for projects including battery energy storage exceeding 1 Megawatt-hour, contain a battery management system that originates in the Union.

For schemes set up or updated from [OP: Please insert the date = 3 years after entry into force of this Regulation], the battery energy storage systems shall originate in the Union and contain battery cells, a battery management system as well as one additional main specific components that originate in the Union.

(b) Solar PV technologies: For schemes set up or updated from [OP: Please insert the date = 3 years after entry into force of this Regulation], the PV inverter and the PV cells or equivalent shall originate in the Union.

(c) Hydronic heat pumps: For schemes set up or updated from [OP: Please insert the date = 3 years after entry into force of this Regulation], the hydronic heat pump shall originate in the Union.

Part IV – Member State support to construction or manufacturing of net-zero technologies

In accordance with article 28c, when supporting the construction or manufacturing of the following net-zero technology final products, Member States shall ensure that the Union origin requirements laid down below are fulfilled:

(a) **Hydrogen:**

From [OP: Please insert the date = 1 year after entry into force of this Regulation] when setting up new support schemes for investments into supporting the manufacturing capacity of electrolyzers, Member States shall ensure that the electrolyser originates in the Union and the stack and at least one additional main specific component of the electrolyser originate in the Union.

From [OP: Please insert the date = 3 years after entry into force of this Regulation] when setting up new support schemes for investments into supporting the manufacturing capacity of electrolyzers, Member States shall ensure that the electrolyser originates in the Union and the stack and at least two additional main specific components of the electrolyser originate in the Union.

(b) **Nuclear fission energy technologies:**

For projects for which the application for support takes place after [OP: Please insert the date = 4 years after entry into force of this Regulation] when supporting the construction of new-build nuclear power plants, including small modular nuclear reactors (SMR), Member States shall ensure that at least two main specific components of the nuclear fission **energy** technology final products originate in the Union.

For projects for which the application for support takes place after [OP: Please insert the date = 6 years after entry into force of this Regulation] when supporting the construction of new-build nuclear power plants, including small modular nuclear reactors (SMR), Member States shall ensure that at least three main specific components of the nuclear fission **energy** technology final products originate in the Union.

These requirements shall not apply to research, development and innovation projects including first industrial deployment of nuclear power plants.’

Article 35

Amendments to Regulation (EU) 2024/3110

In Article 22(9) of Regulation (EU) 2024/3110, the first subparagraph is replaced by the following:

‘In order to ensure transparency for users and to promote sustainable products, the Commission is empowered to adopt delegated acts in accordance with Article 89 to supplement this Regulation, by establishing specific environmental sustainability labelling requirements for particular product families and product categories.’

Article 36

Entry into force and application

This Regulation shall enter into force and apply on the day following that of its publication in the Official Journal of the European Union.

Articles 4 and 5 shall apply from [OP: Please insert the date = [x] year after the date of entry into force of this Regulation].

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Brussels,

For the European Parliament

The President

For the Council

The President

ANNEX I

StrategiePriority sectors for industrial manufacturing acceleration

1. Energy-intensive industries:
 - (a) Manufacture of paper and paper products, as classified under NACE Code C17;
 - (b) Manufacture of coke and refined petroleum products, as classified under NACE Code C19;
 - (c) Manufacture of chemicals and chemical products, as classified under NACE Code C20;
 - (d) Manufacture of rubber and plastic products, as classified under NACE Code C22;
 - (e) Manufacture of other non-metallic minerals, as classified under NACE Code C23;
 - (f) Manufacture of basic metals, as classified under NACE Code C24.
2. Automotive industry: Manufacture of motor vehicles, trailers and semi-trailers, as classified under NACE Code C29;
3. Net-zero technologies, as referred to in Article 4(1) of Regulation (EU) 2024/1735;

ANNEX II

Low-carbon and Union origin requirements for energy intensive industries

Part I

Part I—Public procurement procedures

Where, in the context of public procurement procedures for which the call for competition or commencement takes place on or after 1 January 2029 falling within the scope of Directives 2014/23/EU, 2014/24/EU or 2014/25/EU, where the contracts, works contracts or work concessions include the procurement of products from energy intensive industries **set out under points (a) to (c)**, contracting authorities and contracting entities shall require the following minimum percentage shares:

- (a) Steel, and any product the performance of which depends mainly on steel, intended for use in buildings, infrastructure and motor vehicles for civil purposes: at least 25% of the total volume of steel used shall be low-carbon and of Union origin;
- (b) concrete and mortar, and any product the performance of which depends mainly on concrete and mortar, intended for use in buildings and infrastructure for civil purposes: at least 5% of the total volume of concrete and mortar used, including the clinker and cement used to produce them, shall be low-carbon and of Union origin;
- (c) aluminium, and any product the performance of which depends mainly on aluminium, intended for use in buildings, infrastructure and motor vehicles for civil purposes: at least 25% of the total volume of aluminium used shall be low-carbon and of Union origin.

Where the delegated acts and harmonised technical specifications or European Technical Assessments establishing the relevant criteria and methodology referred to in Article 7b have not entered into force at least six months before the date referred to in the first paragraph, the application of the requirements set out in this Part shall be postponed until six months after the entry into force of those delegated acts.

Part II

Part II—Other forms of public intervention

For schemes established or updated on or after 1 January 2029 that benefit households or companies and that primarily aim to support the construction or renovation of buildings for residential and commercial purposes and infrastructure and the lease and purchase of motor vehicles for civil purposes, Member States, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law, shall ensure that only beneficiaries that comply with the following minimum requirements, are eligible.

- (a) steel, and any product the performance of which depends primarily on steel : at least 25% of the total volume of steel used in the product or project that receives support shall be low-carbon and of Union origin;
- (b) concrete and mortar, and any product the performance of which depends mainly on concrete and mortar: at least 5% of the total volume of concrete and mortar used, including the clinker and cement used to produce them, in the product or project that receives support shall be low-carbon and of Union origin;
- (c) aluminium, and any product the performance of which depends mainly on aluminium: at least 25% of the total volume of aluminium used in the product or project that receives support shall be low-carbon and of Union origin.

Where the delegated acts and harmonised technical specifications or European Technical Assessments establishing the relevant criteria and methodology referred to in Article 7b have not entered into force at least six months before the date referred to in the first paragraph, the application of the requirements set out in this Part shall be postponed until six months after the entry into force of those delegated acts.

ANNEX III

Union origin requirements for motor vehicles

Part I

Union Origin requirements for motor vehicles

Motor Vehicles referred to in Parts II and III and in Article 13 shall include the following Union origin requirements:

- (a) the motor vehicle is assembled within the Union;**
- (b) the ratio between the total ex-works price of vehicle components - excluding the vehicle battery - originating in the Union and the total ex-works price of all components – excluding the battery – is at least 70%;**
- (c) the vehicle's traction battery contains at least three main specific components of batteries, among which the battery cells, originating in the Union;**
- (d) the vehicle's traction battery contains at least five main specific components of batteries, among which the battery cells, the cathode active material, and the battery management system, originating in the Union;**
- (e) the ratio between the total ex-works price of e-powertrain components originating in the Union and the total ex-works price of all e-powertrain components is at least 50%;**
- (f) the ratio between the total ex-works price of main electronic systems originating in the Union and the total ex-works price of all main electronic systems is equal to or greater than 50%.**

The requirements set out in points d), e) and f) apply from [OP: please insert date 3 years after the date of entry into force of this Regulation].

Part III

Part I—Public procurement procedures of electric vehicles

New pure electric vehicles (PEV), off-vehicle charging hybrid electric vehicles (OVC-HEV) or fuel cell vehicles (FCV) purchased, leased, rented or hire-purchased in public procurement procedures that fall within the scope of Directive 2014/24/EU, or Directive 2014/25/EU, for which the call for competition **has been sent** or commencement takes place on or after [OP: Please insert the date = six months after the date of entry into force of this Regulation] shall comply with ~~the~~ Union origin requirements set out **above in Part I of this Annex and the definition of Union Origin as per Article 8 of this regulation.**

New PEV, OVC-HEV and FCV that are used for the provision of services sourced through public procurement procedures that fall within the scope of Directive 2014/24/EU, or Directive 2014/25/EU, shall comply with ~~the~~ Union origin requirements set out in **Part I of this Annex and the definition of Union Origin as per Article 8 of this regulation.**

~~Motor vehicles referred to in subparagraphs 1 and 2 shall include the following Union origin requirements:~~

- ~~(a) — the motor vehicle is assembled within the Union;~~
- ~~(b) — the ratio between the total ex works price of vehicle components — excluding the vehicle battery — originating in the Union and the total ex works price of all components — excluding the battery — is at least 70%;~~
- ~~(c) — the vehicle's traction battery contains at least three main specific components of batteries, among which the battery cells, originating in the Union;~~
- ~~(d) — the vehicle's traction battery contains at least five main specific components of batteries, among which the battery cells, the cathode active material, and the battery management system, originating in the Union;~~

- ~~(e) — the ratio between the total ex-works price of e-powertrain components originating in the Union and the total ex-works price of all e-powertrain components is at least 50%;~~
- ~~(f) — the ratio between the total ex-works price of main electronic systems originating in the Union and the total ex-works price of all main electronic systems is equal to or greater than 50%.~~

~~The requirements set out in points d), e) and f) apply from [OP: please insert date 3 years after the date of entry into force of this Regulation].~~

~~By way of derogation to the requirements set out above, small electric vehicles of subcategory M1E, as defined in Regulation (EU) 2018/858, shall include the following Union origin requirements:~~

- ~~1. the vehicle is assembled within the Union; and~~
- ~~2. one of the following criteria is fulfilled:~~
 - ~~(a) the ratio between the total ex-works price of vehicle components—excluding the vehicle battery—originating in the Union and the total ex-works price of all vehicle components—excluding the battery—is equal to or greater than 70%; or~~
 - ~~(b) the vehicle's traction battery contains at least three main specific components of batteries, among which the battery cells, originating in the Union.~~

~~All PEV, OVC-HEV or FCV from a vehicle manufacturer can be considered compliant, for a period of twelve months, with the Union origin requirements if the manufacturer provides a self-declaration that the total number of all PEV, OVC-HEV or FCV compliant with the Union origin requirements that were assembled by that vehicle manufacturer during the period from 1 January to 31 December (included) of the previous year represent a percentage equal or greater than 85% of the total number of PEV, OVC-HEV or FCV from the same vehicle manufacturer that were registered within the Union in the same period.~~ **[moved to Article 15a]**

Where public procurement procedures concern public service contracts referred to in subparagraph 2, motor vehicles already registered in the Union shall be deemed to comply with the **Union origin** requirements set out in this Annex until 31 December 2035.

Part III

~~Part II—Other forms of public intervention and financial support for corporate vehicles~~

For schemes established or updated after [OP: Please insert the date = six months after the date of entry into force of this Regulation] that support the purchase, lease, rent or hire-purchase of new PEV, OVC-HEV or FCV, Member States, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law, shall ensure that only motor vehicles that comply with the ~~below~~ minimum Union origin requirements **set out in Part I of this Annex and the definition of Union origin as per Article 9 of this regulation**, are eligible under the scheme.

~~For the purpose of considering corporate cars and vans ‘made in the European Union’ in accordance with Article 4 of the [Proposal for a Regulation of 16 December 2025 on clean corporate vehicles], the below requirements apply.~~

- ~~(a) the motor vehicle is assembled within the Union;~~
- ~~(b) the ratio between the total ex-works price of vehicle components—excluding the vehicle battery—originating in the Union and the total ex-works price of all vehicle components—excluding the battery—is equal to or greater than 70%;~~
- ~~(c) the vehicle’s traction battery contains at least three main specific components of batteries, among which the battery cells, originating in the Union;~~
- ~~(d) the vehicle’s traction battery contains at least five main specific components of batteries, among which the battery cells, the cathode active material, and the battery management system, originating in the Union;~~

- (e) ~~the ratio between the total ex-works price of e-powertrain components originating in the Union and the total ex-works price of all e-powertrain components is equal to or greater than 50%;~~
- (f) ~~the ratio between the total ex-works price of main electronic systems originating in the Union and the total ex-works price of all main electronic systems is equal to or greater than 50%.~~

~~The requirements set out in points d), e) and f) apply from [OP: please insert date three years after the date of entry into force of this Regulation].~~

~~By way of derogation to the requirements set out above, small electric vehicles of subcategory M1E, as defined in Regulation (EU) 2018/858, shall include the following Union origin requirements:~~

1. ~~the vehicle is assembled within the Union; and~~
2. ~~one of the following criteria is fulfilled:~~
 - (a) ~~the ratio between the total ex-works price of vehicle components—excluding the vehicle battery—originating in the Union and the total ex-works price of all vehicle components—excluding the battery—is equal to or greater than 70%; or~~
 - (b) ~~the vehicle's traction battery contains at least three main specific components of batteries, among which the battery cells, originating in the Union.~~

~~All PEV, OVC HEV or FCV from a vehicle manufacturer can be considered compliant, for a period of twelve months, with the Union origin requirements if the manufacturer provides a self-declaration that all PEV, OVC HEV or FCV compliant with the Union origin requirements that were assembled by that vehicle manufacturer during the period from 1 January to 31 December (included) of the previous year represent a percentage equal or greater than 85% of the total number of PEV, OVC HEV or FCV from the same vehicle manufacturer that were registered within the Union in the same period.~~

Part ~~III~~IV

~~Part III~~—Super credits for small zero-emission vehicles

For the purpose of considering vehicles as “made in the EU” in accordance with Article 5 of Regulation (EU) 2019/631 [as amended by the Proposal for a Regulation of 16 December 2025 amending Regulation (EU) 2019/631 as regards CO₂ emission performance standards for new light duty vehicles and vehicle labelling], the ~~following criteria~~ **definition of Union origin in Article 7 of this regulation and the below requirements** apply:.

Small electric vehicles of subcategory M1E, as defined in Regulation (EU) 2018/858, shall include the following Union origin requirements:

1. the vehicle is assembled within the Union; and
2. ~~and~~ one of the two criteria below:
 - (a) the ratio between the total ex-works price of vehicle components - excluding the vehicle battery - originating in the Union and the total ex-works price of all vehicle components – excluding the battery – is equal to or greater than 70%; or
 - (b) the vehicle’s traction battery contains at least three main specific components of batteries, among which the battery cells, originating in the Union.

ANNEX IV

Amendment to Regulation (EU) 2018/1724

Annexes I and II are amended as follows:

1. Annex I is amended as follows:

- (a) the following row ‘Permit-granting procedures’ is added in the table for ‘Areas of information related to businesses’ before the row ‘AJ. Critical raw materials projects’:

‘ Permit-granting Permit-granting procedures	Information on permit-granting procedures for industrial manufacturing projects including Net-zero technology manufacturing and critical raw material projects.’;
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- (b) in row ‘R. Net-zero technology manufacturing projects’, in the second column, point 1 is deleted;
- (c) in row ‘AJ. Critical raw materials projects’, in the second column, point 2 is deleted;

2. Annex II is amended as follows:

- (a) row ‘Starting, running, and closing business’ is amended as follows:

‘(a) in the second column, the following second subparagraph is added:

‘Permission for exercising a business activity, including procedures related to all relevant permits to build and operate critical raw materials projects¹, procedures for all relevant permits to build, expand, convert and operate net-zero technology manufacturing projects², and procedures related to industrial manufacturing projects.’;

(b) in the third column, the following second subparagraph is added:

‘Confirmation of the request for permission for business activity, as well as all outputs pertaining to the procedures related to critical raw material, net-zero technology manufacturing and manufacturing industry projects (ranging from the acknowledgement that the application is complete to the notification of the comprehensive decision on the outcome of the procedure, including by the designated contact point).;

¹ Procedure related to all relevant permits to build and operate critical raw materials projects, including building, chemical and grid connection permits and environmental assessments and authorisations where these are required, and encompassing all applications and procedures from the acknowledgment that the application is complete to the notification of the comprehensive decision on the outcome of the procedure by the single point of contact concerned pursuant to Article 9 of Regulation (EU) 2024/1252.

² Procedures for all relevant permits to build, expand, convert and operate netzero technology manufacturing projects, and net-zero strategic projects, including building, chemical and grid connection permits, environmental assessments and authorisations where required, and encompassing all applications and procedures.’

(b) rows ‘Critical raw materials projects’ and ‘Net-zero technology manufacturing projects’ are deleted.