T.C. Ticaret Bakanlığı
Uluslararası Anlaşmalar ve AB Genel Müdürlüğü
AB Tek Pazar ve Yeşil Mutabakatı Dairesi

SANAYİ HIZLANDIRMA YASASI TASLAĞI

Avrupa Birliği'nin imalat sanayi kapasitesini 2035 yılında GSMH'nın mevcut %14,3 seviyesinden %20 seviyesine çıkarmayı hedefleyen, bu doğrultuda yeşil dönüşümde öncelikli ve stratejik sektörlerde kamu alımları ve teşvik politikalarında "düşük karbon" ve/veya "AB menşei-Made in EU" şartı getiren Sanayi Hızlandırma Yasası 4 Mart 2026 tarihinde açıklanmıştır. AB tarafından mevzuat hedeflerine ulaşılması amacıyla 4 politika alanı belirlenmiştir.

1. Enerji yoğun sanayilerin karbonsuzlaşma projeleri de dahil olmak üzere, sanayi üretim projelerine ilişkin **izin süreçlerinin hızlandırılması,**
2. Stratejik sektörlerde belirli ürünler için, kamu alımları ve kamu destek programları kapsamında **Birlik menşei şartları, düşük karbon kriterleri veya her ikisinin birlikte uygulanması yoluyla öncü pazar oluşturulması**,
3. Stratejik sektörlerde **doğrudan yabancı yatırımlara** ilişkin koşullar belirlenmesi,
4. Sanayi üretim hızlandırma alanlarının belirlenmesi.

1. İzin Süreçlerinin Hızlandırılması

Sanayi üretim projelerine ilişkin **izin süreçlerinin sadeleştirilmesi ve dijitalleştirilmesi** amacıyla "**tek temas noktası**" sistemi kurulması, izin başvurularının bu sistem üzerinden yetkili makamlara otomatik olarak yönlendirilmesi öngörülmektedir. Bu süreçte işletmelerin kamu otoriteleriyle dijital olarak veri paylaşımını sağlamak amacıyla kurulması öngörülen ve taslak aşamada olan **Avrupa İşletme Cüzdanı** (European Business Wallet) sisteminin kullanılması öngörülmektedir.

2. Öncü Pazarlar oluşturulması

Öncelikli sektörlerde AB'nin stratejik sanayi değer zincirlerinin güçlendirilmesine yönelik politikalar belirlenmesi öngörülmekte olup, bu çerçevede kamu alımları ve desteklerine düşük karbon" ve/veya "AB menşei-Made in EU" şartı getirilmektedir.

a. Birlik Menşei Şartı (Madde 7-9)

"Birlik menşei" kavramı Madde 7'de Birlik kaynaklı içerik olarak tanımlanmıştır. Birlik ile eşdeğer menşeli içeriğe ilişkin ilave maddelerde ise **AB'nin kamu alımlarına (Madde 8) ve kamu desteğine (Madde 9)** ilişkin politikalarında serbest ticaret anlaşması, **gümrük birliği** veya kamu alımları alanında ikili anlaşması olan üçüncü ülkelerde üretilen ürünlerin de "Birlik menşeli" sayılacağı hükme bağlanmıştır.

Bunun istisnası olarak, Komisyon tarafından AB ile kamu alımları alanında "ulusal muamele"ye dayanan karşılıklı bir Pazar açılımı olmaması, AB'nin ekonomik güvenliğinin korunması ve bağımlılığının azaltılması veya olası diğer unsurlar dikkate alınarak kapsam dışına alınacak ülkelerin yetki devrine dayanan bir mevzuat ile yayımlanacağı ifade edilmektedir.

b. Düşük karbon şartı (Madde 10)

Düşük karbonlu ürün için esas alınacak mevzuatlar **Yapı Malzemeleri Tüzüğü ile Sürdürülebilir Ürünler için Eko-Tasarım Tüzüğü (ESPR)** olarak belirlenmiştir. Ayrıca, **düşük karbonlu ürünlerin sera gazı yoğunluğuna göre sınıflandırılmasına (etiketleme sistemi) yönelik mevcut ETS ve SKDM mevzuatı ile uyumlu** olarak yetki devrine dayanan mevzuat çıkarma yetkisi verilmektedir. Bu sistem, özellikle ETS kapsamındaki sanayi ürünleri için geçerli olacak ve düşük karbonlu ürünlere yönelik talep oluşturmayı amaçlayacaktır.

Bu doğrultuda, emisyon hesaplamalarının AB ETS ve SKDM kurallarıyla uyumlu şekilde izlenmesi ve **akredite doğrulayıcılar tarafından doğrulanması zorunlu tutulmakta**; ithal ürünler için de eşdeğer veri setlerinin kullanılması öngörülmektedir.

Ayrıca, Komisyonun söz konusu kuralları geliştirirken elektrik tüketimi ile düşük karbonlu ve biyolojik olmayan yenilenebilir yakıtlardan kaynaklanan emisyon muhasebesine ilişkin yeni Birlik kurallarını, gelişmekte olan düşük karbonlu üretim teknolojilerinin emisyon azaltım potansiyelini, tüm üretim süreçlerinde geri dönüştürülmüş malzemelerin kullanımının teşvik edilmesi ihtiyacını ve Birliğin iklim nötrlüğü hedefleriyle uyumu dikkate alması öngörülmektedir.

c. Kamu Alımları (Madde 11)

Mevzuat kapsamı sektörlerde AB ile kamu alımları alanında ikili veya uluslararası Pazar açılımı sağlamamış ülkelerin kamu alımları pazarına girişine izin verilmeyeceği hükme bağlanmakta, kamu alımlarında **1 Ocak 2029 itibariyle** Ek II (**bina, altyapı ve otomotivde kullanılan çelik, beton ve alüminyum**) ve III'te (**elektrikli, hibrit ve yakıt hücreli araçlar**) listelenen ürün gruplarında belirlenen düşük karbon ve/veya **birlik menşei** şartının karşılanmasının bekleneceği belirtilmektedir.

Bunun istisnası olarak da (1) söz konusu ürün veya hizmetlerin yalnızca tek bir ekonomik operatör tarafından sağlanabilmesi ve makul bir alternatifin bulunmaması, (2) uygun teklif veya başvurunun sunulmaması ya da (3) bu şartların uygulanmasının orantısız maliyet (örneğin %25'i aşan maliyet farkı) veya teknik uyumsuzluk yaratması belirlenmektedir.

Bu maddede belirtilen "Birlik menşei" şartı Madde 8 uyarınca "**Birlik ile eşdeğer menş**e" şartını karşılayan ülkeler tarafından karşılanabilecektir.

d. Kamu Destekleri (Madde 12)

Kamu destek programlarında Birlik menşei ve/veya düşük karbon kriterleri uygulanması öngörülmektedir. **Ek II** kapsamındaki sektörlerde **(bina, altyapı ve otomotivde kullanılan çelik, beton ve alüminyum)** üye devletler verdikleri desteklerin **en az %45'inde** bu şartları uygulamak zorunda iken, **Ek III** kapsamındaki sektörlerde **(elektrikli, hibrit ve yakıt hücreli araçlar)** ise kamu desteklerinin **tamamında (%100)** bu şartlar uygulanacaktır.

Birlik menşei ve düşük karbon şartının karşılanmasına ilişkin kriterler kamu alımları ile aynıdır. Ayrıca taslakta, bu kriterlerin uygulanmasının ciddi gecikmelere (7 ayı aşan) veya orantısız maliyetlere (%30 artış) yol açması halinde istisna tanınabileceği düzenlenmiştir.

Bu maddede belirtilen "Birlik menşei" şartı Madde 9 uyarınca "**Birlik ile eşdeğer menş**e" şartını karşılayan ülkeler tarafından karşılanabilecektir.

e. Şirket Filolarına Sağlanacak Kamu Destekleri (Madde 13)

Temiz Kurumsal Araçlar Tüzüğü teklifinin 4. Maddesine atıfla kurumsal araçlara finansal destek verilebilmesi için aranacak "AB'de üretilmiştir" kriterinin, bu Yasanın 7. maddesinde geçen "Birlik menşei (Union origin)" kavramıyla eşdeğer sayılacağı açıkça belirtilmiş, **eşdeğer içeriğe ilişkin Madde 9'a atıf yapılmamıştır.**

Henüz Taslak aşamada olan Temiz Kurumsal Araçlar Tüzüğü'nün 4. Maddesinde, üye devletler tarafından, **1 Ocak 2028'den itibaren** kurumsal otomobil ve hafif ticari araçlara yönelik mali desteğin, **yalnızca araçların sıfır ve düşük emisyonlu ve "Avrupa Birliği'nde üretilmiştir (*Made in the European Union*)"** olması şartıyla sağlanacağı hüküm altına alınmıştır.

Öte yandan Komisyon, bir kurumsal aracın "**AB'de üretilmiş" sayılmasına ilişkin kriterlerin belirlenmesine yönelik metodolojiyi ortaya koyan bir mevzuat çıkarmak üzere yetkilendirilmiştir.**

f. Otomotivde CO_2 emisyon standartlarının karşılanmasına ilişkin krediler (Madde 14)

Avrupa Komisyonu tarafından **16 Aralık 2025** tarihinde açıklanan Otomotiv Paketinin bir parçası olarak, otomobil ve hafif ticari araçlara (van) yönelik **CO_2 emisyon standartlarının gözden geçirilmesine** ilişkin Tüzük Taslağı kapsamında 2035 yılına kadar otomobil ve hafif ticari araçlar için **emisyon azaltım hedefi %100'den %90'a düşürülmüştür.** *(2021 referans yılına kıyasla)* 2035'ten itibaren, otomobil üreticilerinin egzoz kaynaklı emisyonlarda %90 oranında azaltım sağlanması gerekecek; kalan %10'luk emisyon hedefinin ise **%7'lik kısmı Birlik'te üretilen düşük karbonlu çelik kullanımı, %3'lük kısmı ise e-yakıt ve biyoyakıt kullanımı ile karşılanabilecektir.**

Otomotiv Paketi kapsamında küçük elektrikli araçların üretimini teşvik etmek amacıyla öngörülen **"süper kredi" mekanizmasında,** söz konusu araçların "Birlik menşe"li olması durumunda CO_2 emisyon hedeflerine uyumun hesaplanmasında **her bir araç 1 araç yerine 1,3 araç olarak sayılacaktır**.

Bu çerçevede, IAA Taslak Madde 14'de küçük emisyonsuz araçlarda CO2 standartlarının karşılanması için getirilen **"Birlik menşe**" şartı ile yeni binek otomobiller ve yeni hafif ticari araçlarda CO2 standartlarının karşılanması için "**AB menşeli yeşil çelik kullanımı"** halinde sağlanan %7'lik krediye ilişkin menşe şartı da **sadece "Birlik menşei"ne atıf yapan Madde 7'ye bağlanmış, anılan kriterler ise EK III Bölüm III'te belirlenmiştir.**

Ancak Otomotiv Paketinde yer alan ilgili mevzuat taslağında "Birlik menşe" şartına ilişkin Komisyona yetki devrine dayanan bir mevzuat çıkarma yetkisi de verildiği görülmektedir.

Öte yandan mevzuata (Madde15), 2018/858 sayılı mevzuat gereği araçların AB'de piyasaya arzı için zorunlu olan **uygunluk belgesi** sürecine ek bir yükümlülük getirilerek, üreticilerin yalnızca teknik uygunluğu değil aynı zamanda **Birlik menşei kriterlerine uyumu da**

belgelemeleri zorunlu hale gelmiştir. Bu durum, menşe şartlarının fiilen uygulanmasını ve denetlenmesini sağlayacak, böylece, araçların AB pazarına girişinde menşe kriterleri de teknik uygunluk kadar önemli bir unsur haline gelecektir.

Diğer sektörlere genişleme (Madde 16)

Taslak Komisyona **kimya sektörü ve genel olarak stratejik ürünler** bakımından talep yönlü politikalar ve teknik kuralları belirleme konusunda geniş yetkiler vermektedir. Buna göre Komisyon, piyasa koşulları, teknolojik gelişmeler, rekabetçilik ve iklim hedefleri dikkate alınarak **Birlik menşei ve düşük karbon gerekliliklerini güncelleme ve genişletme yetkisine** sahip olacaktır. Bunun yanında, ürünlerde Birlik menşei oranının nasıl hesaplanacağını ve bu kurallara uyumun nasıl doğrulanacağını belirleyen **uygulama kuralları ve dijital doğrulama mekanizmaları** da oluşturabilecektir.

3. Doğrudan Yabancı Yatırımlar

100 milyon Euroyu aşan ve küresel üretimin %40'ından fazlasını elinde bulunduran üçüncü ülkelerden gelen **yabancı yatırımlara** ilişkin hükümlerin sektör kapsamı **batarya teknolojileri ve batarya enerji depolama sistemlerine ilişkin değer zinciri, tam elektrikli araçlar, şarj edilebilir hibrit elektrikli araçlar ve yakıt hücreli elektrikli araçlar, güneş fotovoltaik (PV) teknolojileri ile kritik hammaddelerin çıkarılması, işlenmesi ve geri dönüşümüne yönelik imalat yatırımları** olarak belirlenmiştir.

Bu hükmün istisnası olarak, Birliğin yürürlükte olan veya geçici olarak uygulanan serbest ticaret ve ekonomik ortaklık anlaşmaları kapsamındaki yatırımcı ve yatırımları (AB'deki bağlı ortaklıklar dâhil), hizmet sunumuna yönelik yatırımlara ve portföy yatırımları belirlenmiştir. GATS kapsamında tanımlanan hizmet sunumuna yönelik yatırımlara ilişkin istisna hükmü çıkarılmış olup, bu durum hizmet yatırımlarının da düzenleme kapsamına girebileceğine işaret etmektedir.

Üye devletler tarafından bir **yatırım otoritesi** kurulması öngörülmekte olup, bu otoritelerin yabancı doğrudan yatırımları onaylarken yatırımın en az dört koşulu karşılamasını arayacağı düzenlenmektedir; buna göre (1) yabancı yatırımcının kontrol payının %49'u aşmaması, (2) yatırımların AB'li ortaklarla ortak girişim şeklinde ve etkin teknoloji transferi ile gerçekleştirilmesi, (3) fikri mülkiyet ve know-how'ın AB'deki varlıklara lisanslanması, (4) AB içinde Ar-Ge harcaması yapılması (en az %1 ciro oranında), (5) iş gücünün en az %50'sinin AB çalışanlarından oluşması ve istihdamın korunması, (6) üretim girdilerin Birlik ülkelerinden temin edilmesine öncelik stratejisi hazırlanması ve en az %30'unun Birlikten temin edilmesinin hedeflenmesi öngörülmektedir.

Ayrıca, Madde 19 kapsamında planlanan yabancı doğrudan yatırımlar için bir **ön bildirim yükümlülüğü** öngörülmekte olup, bu yükümlülük yatırımın Birlikte bulunan hedef işletme veya varlık üzerinde **kontrol sağlayacak düzeye ulaşması** halinde uygulanmaktadır.

Bu çerçevede, bir yatırımın kontrol sağladığı ve dolayısıyla bildirilmesi gerektiği durumlar şu eşiklerle tanımlanmıştır:

- Birlikte yerleşik hedef işletmede yabancı yatırımcının **%30 veya daha fazla** sermaye payı veya oy hakkına sahip olması

- Birlik varlığında yabancı yatırımcının **%30 veya daha fazla** mülkiyet hakkı veya kontrol sağlayan kiralama/diğer hakların elde edilmesi

Önceki taslakta %20 olarak öngörülen bu eşik değerin %30'a yükseltilmesi, düzenlemenin **görece daha esnek hale getirildiğini göstermektedir.** Bu değişiklikle, daha düşük paylı yatırımlar bildirim ve inceleme yükümlülüğü dışında kalacak, dolayısıyla **düzenlemenin kapsamı daralırken yatırım üzerindeki kısıtlayıcı etki bir ölçüde azaltılmış olacaktır.**

4. **Sanayi Üretim Hızlandırma Alanı**

Üye devletlerin, stratejik sektörlerde üretimi hızlandırmak amacıyla en az bir "sanayi üretim hızlandırma alanı" belirlemesi öngörülmekte olup bu sektörler mevzuatın ekinde (EK I) **kağıt, kok ve rafine petrol, kimyasal ve kimyasal ürünler, kauçuk ve plastik ürünler, inşaat malzemeleri, çimento, cam, seramik ve mineral esaslı ürünler, demir- çelik ve alüminyum gibi demir-dışı metaller gibi enerji yoğun sanayi sektörleri, otomotiv ve Net-Sıfır Sanayi Yasası kapsamındaki teknolojile**r olarak belirlenmiştir.

Bu alanların tedarik güvenliği, değer zincirlerinin güçlendirilmesi ve dekarbonizasyon hedeflerine katkı sağlayacak şekilde planlanması ve söz konusu alanlarda yatırım, altyapı, finansman ve izin süreçlerinin kolaylaştırılarak sanayi faaliyetlerinin hızlandırılması öngörülmektedir.

5. **Net Sıfır Sanayi Yasası**

Sanayi Hızlandırma Yasası Taslağı, 2024/1735 sayılı AB Net Sıfır Sanayi Yasasını tamamlayıcı nitelikte değişikler içermektedir. Net Sıfır Sanayi Yasası, net-sıfır teknoloji üretim projeleri için idari ve izin süreçlerini kolaylaştıran hükümler içermekte; enerji yoğun sanayilerin karbonsuzlaştırılmasına yönelik projeler, ilgili tesislerin net-sıfır teknolojilerinin tedarik zincirinin bir parçası olan bileşenleri üretmesi durumunda söz konusu mevzuatın kapsamında girmektedir.

Sanayi Hızlandırma Yasası Taslağı ise bu uygulamaları yalnızca net sıfır teknolojilerin tedarik zincirindeki tesislerle sınırlı tutmadan tüm enerji yoğun sanayi dekarbonizasyon projelerini de kapsayacak şekilde revize edilmesini önermektedir.

Taslak ile Net Sıfır Sanayi Yasasının kamu alım prosedürleri, ihaleleri ve kamu destek programları kapsamında, **batarya enerji depolama sistemleri, güneş fotovoltaik sistemleri, ısı pompaları, rüzgar enerjisi, elektrolizörler ve nükleer teknolojiler** için Birlik menşei kriterlerinin uygulanması öngörülmektedir.

Kamu Alımlarında Birlik Menşei Gereklilikleri:

- **Batarya enerji depolama sistemleri** için, düzenlemenin yürürlüğe girmesinden itibaren birinci yıldan üçüncü yıla kadar sistemlerin Birlik menşeli olması ve 1 MWh üzeri projelerde Birlik menşeli bir batarya yönetim sistemi içermesi gerekecektir. Üçüncü yıldan itibaren ise sistemlerin Birlik menşeli olması ve Birlik menşeli batarya hücreleri, batarya yönetim sistemi ile birlikte en az bir ek ana bileşeni içermesi şartı getirilmektedir.

- **Güneş fotovoltaik teknolojileri** için, yürürlüğe girişten üç yıl sonra PV invertörü ile PV hücrelerinin veya eşdeğer bileşenlerin Birlik menşeli olması gerekecektir.
- **Hidrolik ısı pompaları** bakımından, yürürlüğe girişten üç yıl sonra söz konusu ekipmanın Birlik menşeli olması şartı uygulanacaktır.
- **Kara ve deniz üstü rüzgar teknolojileri** için, yürürlüğe girişten birinci yıldan üçüncü yıla kadar en az bir ana bileşenin Birlik menşeli olması; üçüncü yıldan itibaren ise en az iki ana bileşenin Birlik menşeli olması gerekecektir.
- **Nükleer fisyon teknolojileri** kapsamında ise yeni nükleer santral (küçük modüler reaktörler dahil) inşasını içeren kamu alımlarında, yürürlüğe girişten dört yıl sonra en az iki ana bileşenin, altı yıl sonra ise en az üç ana bileşenin Birlik menşeli olması şartı getirilmektedir. Bununla birlikte, nükleer enerji santrallerinin ilk endüstriyel uygulamasını içeren araştırma, geliştirme ve yenilik projeleri bu yükümlülükten muaf tutulmaktadır.

<u>İhalelerde Birlik Menşei Gereklilikleri:</u>

- **Batarya enerji depolama sistemleri**, **güneş fotovoltaik teknolojileri** ve **kara ve deniz üstü rüzgar teknolojileri** için ihale mekanizmalarında uygulanacak Birlik menşei kriterleri kamu alımlarında öngörülen kriterler ile aynı olacaktır.
- **Yenilenebilir hidrojen üretimi** bakımından ise, ihaleler kapsamında desteklenen projelerde kullanılan elektrolizörler için Birlik menşei kriterleri öngörülmektedir. Buna göre, düzenlemenin yürürlüğe girmesinden bir yıl sonra başlayarak üçüncü yıla kadar elektrolizörün en az bir ana özgül bileşeninin Birlik menşeli olması, üçüncü yıldan itibaren ise en az iki ana özgül bileşenin Birlik menşeli olması gerekecektir.

<u>Kamu Destek Programlarında Birlik Menşei Gereklilikleri:</u>

- **Batarya enerji depolama sistemleri, güneş fotovoltaik teknolojileri ve hidronik ısı pompaları** için kamu destek mekanizmalarında Birlik menşei kriterlerinin uygulanabilmesi öngörülmektedir. Birlik menşei kriterleri, kamu alımlarında öngörülen kriterler ile aynı olacaktır.

<u>Üye Devletlerin sıfır net emisyonlu teknolojilerin inşasına veya üretimine yönelik desteği</u>

Üye Devletlerin net-sıfır teknolojilerinin inşası ve üretimine yönelik desteklerinde de Birlik menşei kriterlerinin uygulanması öngörülmektedir. Bu kapsamda, **elektrolizörler ve nükleer teknolojiler** bakımından öngörülen kriterler, bileşen bazlı yaklaşım ve kademeli geçiş süreleri itibarıyla yukarıda belirtilen düzenlemeler ile büyük ölçüde paralellik göstermektedir. Bununla birlikte, söz konusu destek mekanizmaları bakımından “Birlik ile eşdeğer menşei”ne ilişkin hükümlere açık bir atıf yapılmamış olup, **ülkemiz menşeili ürünlerin bu kapsamda sayılmayacağı anlaşılmaktadır.**

Kamu alım prosedürleri, ihaleleri ve kamu destek programları için söz konusu prosedürlerde Birlik menşei Birlik kaynaklı içerik olarak tanımlanmakta; **Birlik ile eşdeğer menşeli içerik tanımı** ise yine benzer şekilde Birlik ile serbest ticaret anlaşması, gümrük birliği veya kamu alımları alanında ikili anlaşması olan üçüncü ülkelerden gelen içerik olarak tanımlanmıştır.

6. Yapı Malzemeleri Tüzüğü

2024/3110 sayılı Yapı Malzemeleri Tüzüğü, Komisyona, bir ürünün tüketiciler tarafından tipik olarak seçilmesi ve yaşam döngüsü boyunca genel çevresel performansının kurulumuna bağlı olarak farklılık göstermemesi koşuluyla, belirli ürün kategorileri ve inşaat ürünleri için çevresel sürdürülebilirlik etiketleme gerekliliklerini belirlemek üzere yetki devrine dayanan mevzuat çıkarma yetkisi vermektedir.

Ancak Sanayi Hızlandırma Yasası Taslağı, söz konusu koşulların Komisyon'un özellikle nihai tüketiciye doğrudan satılmayan ürünler için etiketleme gereklilikleri belirlemesini sınırladığı gerekçesiyle bu hükmün revize edilmesini öngörmektedir. Bu çerçevede, Komisyon'un belirli ürün aileleri ve kategorileri için çevresel sürdürülebilirlik etiketleme gereklilikleri belirleme yetkisi, **herhangi bir ek koşula bağlı olmaksızın genişletilmektedir.**

TASLAK EKLERİ

EK I

Ek I, sanayi üretim hızlandırma alanları için sektörlerin listesini içermektedir. Buna göre sektörler aşağıdaki üç kategori altında tanımlanmaktadır.

1. Enerji yoğun sektörler

a. Kağıt ve kağıt ürünleri imalatı
b. Kok ve rafine petrol ürünleri imalatı
c. Kimyasallar ve kimyasal ürünler imalatı
d. Kauçuk ve plastik ürünler imalatı
e. Diğer metalik olmayan mineral ürünlerin imalatı
f. Temel metallerin imalatı

2. **Otomotiv sanayii** motorlu kara taşıtları, römork ve yarı römork imalatı

3. 2024/1735 (Net Sıfır Sanayi Yasası) sayılı Tüzüğün 4(1) maddesinde atıf yapılan **net-sıfır teknolojiler**

EK II

EK II Bölüm I'e göre ise **1 Ocak 2029 itibariyle** kamu alım prosedürleri kapsamında sözleşmelerin enerji yoğun sektörlerden ürün tedariki içermesi halinde aşağıdaki asgari oranlar uygulanacaktır:

- Bina, altyapı ve otomotivde kullanılan **çelikte** toplam hacmin **en az %25'i düşük karbonlu** olacaktır.
- Bina, altyapılarda kullanılan **beton ve harçta** toplam hacmin (bunların üretiminde kullanılan **klinker ve çimento dahil** olmak üzere) en az **%5'i düşük karbonlu ve Birlik menşeli** olacaktır.
- Bina, altyapı ve otomotivde kullanılan **alüminyumda** toplam hacmin en az **%25'i düşük karbonlu ve Birlik menşeli olacaktır.**

EK II Bölüm II kapsamında ise, 1 Ocak 2029 itibarıyla kamu destek programlarında yukarıda yer alan benzer teknik kriterler uygulanacaktır. Bu çerçevede, söz konusu desteklerden yararlanabilmek için çelik, beton/harç ve alüminyumun yukarıda belirtilen aynı düşük karbon ve Birlik menşei oranlarını karşılaması gerekecektir.

EK III

EK III Bölüm I'e göre ise **elektrikli araçlar (PEV), şarj edilebilir hibrit araçlar (OVC-HEV) ve yakıt hücreli araçların (FCV)** kamu alımı, leasing işlemleri, kiralamalarına konu olması halinde Birlik menşei gereklilikleri düzenlenmektedir. Söz konusu hüküm **mevzuat yürürlüğe girdikten 6 ay sonra** uygulanacaktır. Birlik menşei şartının karşılanması için:

- **a)** Araç Birlik içinde monte edilmiş olmalıdır.
- **b)** Batarya hariç olmak üzere, **Birlik menşeli araç bileşenlerinin** toplam fabrika çıkış fiyatının, batarya hariç tüm araç bileşenlerinin **toplam fabrika çıkış fiyatına oranı en az %70 olmalıdır.**
- **c)** Aracın çekiş bataryasında, batarya hücreleri dahil olmak üzere **en az üç ana batarya bileşeni Birlik menşeli olmalıdır.**
- **d)** Aracın çekiş bataryasında, batarya hücreleri, katot aktif malzemesi ve batarya yönetim sistemi dahil olmak üzere **en az beş ana batarya bileşeni Birlik menşeli** olmalıdır.
- **e)** **Birlik menşeli e-güç aktarma sistemi** (e-powertrain) bileşenlerinin toplam fabrika çıkış fiyatının, tüm e-güç aktarma sistemi bileşenlerinin toplam fabrika çıkış fiyatına **oranı en az %50 olmalıdır.**
- **f)** **Birlik menşeli ana elektronik sistemlerin** toplam fabrika çıkış fiyatının, tüm ana elektronik sistemlerin **toplam fabrika çıkış fiyatına oranı %50'ye eşit** veya daha yüksek olmalıdır.

(d), (e) ve (f) bentleri mevzuat yürürlüğe girdikten 3 sene sona uygulanacaktır.

Küçük elektrikli araçların ise Birlik menşei şartını karşılamak için aracın **Birlik içinde monte edilmiş olması şartının** yanı sıra aşağıdaki şartlardan birini karşılaması gerekecektir.

- Batarya hariç olmak üzere Birlik menşeli araç bileşenlerinin toplam fabrika çıkış fiyatının, batarya hariç tüm araç bileşenlerinin toplam fabrika çıkış fiyatına oranı %70'e eşit veya %70'ten yüksek olmalıdır;

- Aracın çekiş bataryasında, batarya hücreleri dahil olmak üzere en az üç ana batarya bileşeni Birlik menşeli olmalıdır.

Öte yandan, eğer bir üretici, önceki yıl AB'de sattığı elektrikli/plug-in hibrit/yakıt hücreli araçlarının en az %85'ini AB menşe kriterlerine uygun üretmişse, sonraki 12 ay boyunca tüm ilgili araçları otomatik olarak uygun kabul edilebilecektir.

Ayrıca, Birlik içinde halihazırda tescil edilmiş araçlar, 31 Aralık 2035 tarihine kadar bu Ek'te belirtilen şartları karşılıyor kabul edilecektir. Bu özellikle AB'de kayıtlı fakat üretiminde üçüncü ülke girdisi bulunan araçlar açısından önemli bir istisna niteliğindedir.

Diğer taraftan, **EK-III Bölüm II'de** yer alan kurumsal araçlara yönelik diğer kamu müdahalesi ve mali destek biçimlerine ilişkin yukarıda yer alan benzer teknik kriterler uygulanacaktır.

T.C. Ticaret Bakanlığı
Uluslararası Anlaşmalar ve AB Genel Müdürlüğü
AB Tek Pazar ve Yeşil Mutabakatı Dairesi

Ek-III Bölüm III'te, küçük sıfır emisyonlu araçların "Made in EU" sayılmasına ilişkin kriterler belirlenmektedir. Buna göre aracın Birlik içinde monte edilmesi ve ayrıca iki kriterden birinin sağlanması gerekmektedir:

- Araç bataryası hariç Birlik menşeli bileşenlerin toplam fabrika çıkış fiyatının en az %70 oranında olması veya
- Çekiş bataryasının en az üç ana özgül bileşeni (batarya hücreleri dahil) Birlik menşeli olması.

Ek-IV'te 2018/1724 sayılı Tüzük'te (AB genelinde vatandaşlar ve işletmeler için idari bilgi ve izin süreçlerine dijital erişime ilişkin Tek Dijital Geçit Tüzüğü) değişiklikler öngörmektedir.

Arz olunur.

Brussels, 4.3.2026
COM(2026) 100 final

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

{SEC(2026) 70 final} - {SWD(2026) 70 final} - {SWD(2026) 71 final} - {SWD(2026) 72 final}

(Text with EEA relevance)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

This explanatory memorandum accompanies the proposal for a Regulation establishing a framework of measures for the acceleration of industrial capacity and decarbonisation in strategic sectors: the 'Industrial Accelerator Act'.

In today's geopolitical landscape, the frequent and targeted use of economic tools to advance strategic objectives poses a serious threat to the Union's resilience, competitiveness, economic security and strategic autonomy. As highlighted in the Draghi report on European Competitiveness, the weaponisation of EU dependencies of trading partners in strategic sectors puts the EU's security, competitiveness and economy at risk.[1] The Union's capacity to respond and reduce third country dependencies lies in the strength of its industrial base, innovation capacity and integrity of the Single Market.

The transition to a clean and digital economy presents a major opportunity to strengthen the EU's industrial base, as outlined, *inter alia*, in the Commission Communication on Clean Industrial Deal[2]. Global competition, rapid technological change, structural cost disadvantages, unfair global market distortions such as the increasing use of foreign subsidies to create a competitive edge, and the weaponisation of economic dependencies are reshaping global value chains. At the same time, rising geopolitical tensions are intensifying existing vulnerabilities and creating new ones. Against this backdrop, the EU must act strategically to secure and further strengthen its resilience and industrial base, long-term competitiveness and ensure that the climate transition becomes an engine of industrial growth.

The manufacturing sector is essential for safeguarding and boosting the EU's long-term economic resilience and to meet its climate neutrality goal. In 2024, it accounted for 18.3% of employment in the EU business economy[3] and 14,3% of the EU's total GDP,[4] while generating 26,2% of EU's greenhouse gas emissions[5]. Despite its continued economic importance, the sector's share of GDP has declined over the past decades from 17.4% in 2000 to its current level of 14,3%[6]. This regression is not only an economic reality, but a strategic warning signal with potentially structural impacts to the EU's prosperity and social cohesion. At the same time, the manufacturing sector increasingly faces challenges, such as high energy prices, global overcapacities, high capital and operational costs for decarbonisation and new technology deployment, low investment compared to other regions, as well as regulatory hurdles[7].

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[1] Joint Communication, Strengthening EU economic security, JOIN(2025) 977 final.

[2] Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation (COM/2025/85 final, 26.2.2025).

[3] Eurostat, Enterprises by detailed NACE Rev. 2 activity and special aggregates [sbs_ovw_act__custom_20259000], last updated 08 December 2025, DOI: 10.2908/sbs_ovw_act.

[4] Eurostat, Gross value added and income by main industry (NACE Rev.2) [nama_10_a10__custom_20259318], last updated 20 February 2026, DOI: 10.2908/nama_10_a10.

[5] Eurostat, Air emissions accounts by NACE Rev. 2 activity [env_ac_ainah_r2__custom_20259376], last updated 28 November 2025, DOI: 10.2908/env_ac_ainah_r2.

[6] Eurostat, Gross value added and income by main industry (NACE Rev.2) [nama_10_a10__custom_20259318], last updated 20 February 2026, DOI: 10.2908/nama_10_a10.

[7] Draghi, M. (2024). The future of European competitiveness – In-depth analysis and recommendations (Part B).

That is why the Industrial Accelerator Act aims to ensure that **by 2035, this trend is reversed and that manufacturing represents 20% of the EU GDP.** It will do so by accelerating permitting for all manufacturing projects, and by providing a toolbox to provide access to the European single market in a way that prevents strategic dependencies, creates manufacturing jobs, boosts decarbonisation and climate performance and secure access of European citizens and companies to vital commodities and products at all times.

Achieving the EU's strategic autonomy while maintaining industrial competitiveness and, at the same time, decarbonising requires a strong business case. In that context, strengthening the competitiveness of certain strategic sectors and technologies, notably net-zero technologies as well as energy-intensive industries, and the automotive supply chain, is essential for the EU's resilience, strategic autonomy and climate objectives. A failure to secure and diversify crucial supply chains would create significant economic and societal risks, leading to potential disruption of public order in the Union. Reducing external vulnerabilities could contribute to strengthening our economy, boosting investments and supporting the business case for the ongoing deep industrial transformation process.

The sectors covered by the Industrial Accelerator Act – in particular energy-intensive industries, net-zero technologies manufacturing, and automotive industry – account for a limited share of EU manufacturing output but play a disproportionate strategic role. **Taken together, the strategic sectors targeted by the Industrial Accelerator Act account for around 15% of EU manufacturing production**. Their importance therefore lies less in their aggregate size than in their central role as upstream suppliers and enablers of downstream industrial ecosystems, including construction, mobility, energy as well as space and defence.

Delayed or insufficient progress on climate action could intensify the economic and social impacts of climate change, with implications for social stability. Action is especially needed in the following sectors:

Energy-intensive industries (EIIs) are a key pillar of European prosperity and a cornerstone of the continent's industrial base, underpinning most industrial ecosystems. Yet, production volumes in EIIs have substantially decreased since 2021, compared to other manufacturing sectors[8]. Cost gaps with other world regions have widened and import shares have increased, in particular for basic metals and chemicals[9]. Capacity utilisation rates remain at unsustainably low levels[10]. Decarbonising these industries requires substantial investments[11], however, the pace of decarbonisation is not fast enough to reach the EU climate objectives. Although many decarbonisation projects have been announced and some are on the way, since 2023 more than half of the projects remain unimplemented[12]. Modernising these sectors is fundamental not only to achieving our climate objectives, but also for Europe's ability to anchor industrial value chains and provide high- quality jobs. Among energy-intensive industries, steel and cement are the largest emitters, while the chemical industry is the third-largest contributor to the EU GHG emissions. Aluminium is also highly electro-intensive and is recognised as a strategic raw material, with demand expected to increase by 33 % until

[8] Internal European Commission analysis, see Impact Assessment report.

[9] OECD Working Papers, A comprehensive overview of the Energy Intensive Industries ecosystem, 2025/09.

[10] A European Steel and Metals Action Plan, COM (2025) 125 final, 19 March 2025.

[11] Approximately EUR 500 billion are needed by 2040 for the chemicals, basic metals, non-metallic minerals and pulp and paper industries - Draghi, M. (2024). The future of European competitiveness – In-depth analysis and recommendations (Part B), p. 99 and Commission Staff Working Document, Impact assessment report, Europe's 2040 climate target and path to climate neutrality by 2050 building a sustainable, just and prosperous society, Part 3, pp.164-167.

[12] JRC analysis, see Impact Assessment report.

2050. At the same time, these industries have lost significant EU's market share in the past decade. In view of their high emissions intensity and strategic role for the clean and digital transition, these sectors are considered priority to establish demand-side measures. They are also characterised by a limited cost impact on downstream industries.

Net-zero technologies face competitiveness challenges and significant supply chain vulnerabilities[13]. While deployment in the EU – and the world - is progressing, the EU's manufacturing global market share of these technologies is declining. Production is highly concentrated in China, which accounts for over 80 % of battery manufacturing capacity and solar photovoltaic, including solar inverters which carry an essential function in the Union's critical infrastructure. In other net zero technologies, such as heat pumps and geothermal, EU production depends heavily on components from non-EU suppliers. Wind power technologies are experiencing cost pressures from low-priced Chinese imports, while carbon capture technologies lag in CO2 transport and storage. Without decisive action, the EU risks becoming even more dependent on imported clean technologies, precisely at the moment when global partners are accelerating their industrial strategies[14] and weaponising their industrial strengths. At the same time, net-zero technologies are a source of EU's industrial strength and should be granted a global level-playing field in light of unfairly subsidised overcapacities by third countries.

Downstream industries are also under pressure. The competitiveness of the **European automotive industry** – a symbol of Union industrial leadership - has significantly decreased, with the average profitability of European automotive suppliers dropping from 7.4 % in 2017 to 5 % in 2023 and more than 100,000 job cuts announced in 2024/25[15]. Recent surveys show that half of the European automotive component suppliers plan to reduce production capacity in the EU in the next years. This decline threatens hundreds of thousands of jobs and the integrity of Europe's industrial future.

Against this backdrop, the proposal addresses three main sub-problems:

(1) Supply chain vulnerabilities in strategic sectors and technologies. Global, not always fair, competition and international value chain dependencies undermine Europe's ability to increase or retain production in strategic sectors and technologies. An area of concern is the lack of technology know-how and manufacturing expertise in the EU for certain key net-zero and digital technologies. This concern is exacerbated by a fragmented EU approach towards foreign investments, which oftentimes do not come with technology transfer, job creation and value chain integration in the EU.

(2) Limited demand/no lead markets for European low-carbon industrial products. High production costs, different levels of technological readiness and a lack of industrial scaling effects limit the development and market uptake of low-carbon products in energy-intensive industries, therefore undermining or delaying the decarbonisation investments. This is further accentuated by the challenges in distinguishing low-carbon industrial products from high-carbon equivalents and the limited willingness of downstream sectors to pay a low-carbon premium.

(3) Industrial technologies are not deployed at scale. Lengthy, fragmented and uncertain permitting procedures for industrial decarbonisation projects, including infrastructure connection, delay the deployment and scale-up of new technologies. Decarbonising

[13] Competitiveness Progress Report on Clean Energy Technologies, COM(2025) 74 final, 26 February 2025.

[14] BloombergNEF, New Energy Outlook.

[15] European automotive industry: What it takes to regain competitiveness, McKinsey, 10 March 2025.

industrial processes requires deep and costly transformation of assets and operations, entailing substantial investments, which may become frozen throughout lengthy permitting processes. Difficulties in de-risking investment and accessing funding represent a major bottleneck.

Against this scenario, the Clean Industrial Deal announced a new regulatory initiative to address permitting bottlenecks, introduce resilience and sustainability criteria, and create lead markets for European clean and resilient industrial products and technologies.

This proposal delivers on the political commitment made by President von der Leyen, who announced in the 2025 State of the Union Address an **Industrial Accelerator Act (IAA)** to boost demand for clean and Made in EU products in strategic sectors and technologies. It is also announced in the European Economic Strategy Communication of 3 December 2025.

The legislative proposal aims to strengthen the EU's long-term economic resilience, prosperity and strategic autonomy by supporting industrial production and accelerating decarbonisation. It has the following objectives:

- Leverage access to and the scale of the Single Market to boost demand for European low-carbon industrial products and net-zero technologies, including by facilitating differentiation for low-carbon steel to increase its value and marketability.
- Maximise the quality and benefits for the Single Market of foreign investment in the EU in the most strategic sectors.
- Deploy manufacturing projects at scale by speeding-up and simplifying permits for manufacturing projects, as well as by facilitating the development of industrial clusters in industrial manufacturing acceleration areas ('acceleration areas').

To achieve these objectives, the proposal introduces a balanced regulatory approach to enhance the competitiveness of the industry and mitigate, as well as prevent, strategic dependencies in key sectors. It is limited to the set of minimum requirements necessary to address the problems currently faced by a selected number of strategic sectors, without unduly constraining the market and technological development or disproportionately increasing the cost of specific materials and products. Moreover, the proposal sets a framework to streamline permitting procedures and promote a coordinated approach to investment projects across the Union.

- **Consistency with existing policy provisions in the policy area**

The proposal responds to the Clean Industrial Deal, the 'Competitiveness Compass for the EU' and the Joint Communication on Strengthening EU Economic Security, all of which acknowledge the need for urgent action to safeguard the EU's future as an economic powerhouse, an investment destination and a manufacturing centre. It delivers on the Automotive Action Plan, which states that public support benefiting the automotive industry will be made conditional on resilience and sustainability criteria and calls on the Industrial Accelerator Act to promote Made in EU requirements on battery cells and components in EVs sold in the EU, in line with the Union's international commitments.

It also delivers on the Automotive package, adopted on 16 December 2025, which, *inter alia*, provides for the granting of super-credits for small affordable electric vehicles made in the Union prior to 2035 and amends the 2035 emissions reduction target, with the remaining emissions to be compensated through the use of low-carbon steel made in the Union or

renewable and low-carbon fuels. This proposal[16], which amends Regulation (EU) 2019/631, empowers the Commission to adopt delegated laying down the criteria under which products within its scope may qualify as 'small zero-emission vehicles made in the Union' or 'low-carbon steel made in the Union'. The Automotive package also includes a proposal for a Regulation on clean corporate vehicles[17]. This proposal limits financial support for corporate vehicles to zero- and low-emissions corporate vehicles and empowers the Commission to adopt delegated acts setting out the methodology for determining the criteria for 'made in the European Union'. To ensure coherence across the three instruments and legal certainty, this Regulation provides harmonised definitions of 'small affordable electric vehicles made in the Union' 'low-carbon steel made in the Union' and 'corporate cars and vans made in the European Union'. Accordingly, the proposals of 16 December 2025 should be adapted to refer to the horizontal approach adopted in this Regulation, rather than to delegated acts, in order to ensure consistency of the legal framework.

This Regulation is consistent with the Union Customs Code, which lays down the Union's non-preferential rules of origin. For the purposes of determining the origin of products covered by this Regulation, the Union's non-preferential rules of origin, as established under that Code, apply.

- **Consistency with other Union policies**

The IAA contributes to the legislation relevant for EU economic security, industrial competitiveness and decarbonisation. Given the role of energy-intensive industries and net-zero technologies in many sectors of the economy and industrial value chains, several sets of European policies and legislation are relevant.

First, the IAA is consistent with and complements the Net Zero Industry Act (NZIA) by extending streamlined permitting provisions, such as single points of contact and time limits to all energy-intensive industrial decarbonisation projects, and by introducing Made in EU requirements for some specific net-zero technologies components, in order to prevent circumvention, further build EU manufacturing capacity as well as resilient and competitive domestic value chains.

Second, the proposal is consistent with the European Climate Law, as it aims to contribute to achieving the climate neutrality goal by supporting investments in the decarbonisation of industry and in net-zero technologies.

Third, the proposal is consistent with the most recent initiatives to streamline permitting procedures and enhance the competitiveness of the automotive sector. In particular, the IAA aims to streamline key permitting processes, notably through digitalisation and the reuse of data. It builds on the menu of measures made available under the Environmental Permitting proposal, applying it to the specific needs of the sector.

The proposal is also consistent with other EU legislation aimed at supporting the transformation of the European industry to a clean, circular and climate neutral economy. For example, the IAA is consistent with and complements forthcoming product-specific environmental legislation. In the construction sector, it complements the Construction Products Regulation (CPR), including the harmonised standard for GHG emissions and the planned low-carbon concrete label. In the steel sector, the forthcoming delegated act on steel products under the Ecodesign for Sustainable Products Regulation (ESPR) will provide the

[16] Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2019/631 as regards CO2 emission performance standards for new light duty vehicles and vehicle labelling and repealing Directive 1999/94/EC.

[17] Proposal for a Regulation of the European Parliament and of the Council on clean corporate vehicles.

necessary elements to implement the lead market provisions for steel taking into account the differing decarbonisation characteristics of primary and secondary steel producers and rewarding circularity. In designing labelling and information requirements based on performance thresholds for different products, such thresholds should take account of the recycled content of the industrial product, the threshold decreasing with the increase of recycled content in the products, where relevant. Similarly, the IAA complements the Batteries Regulation, which sets the framework for environmental ambition for EU battery manufacturing, allowing lead market provisions under the Accelerator Act to focus on Made in EU requirements. It complements the upcoming environmental performance rules for PV modules under the Ecodesign and Energy Labelling by promoting EU manufacturing of compliant products. In terms of boosting low-carbon and bio-based solutions it aligns with the new EU Bioeconomy Strategy.

The proposal is also consistent with the rest of the EU climate legislation. The EU Emission Trading System (EU ETS) is the main climate policy instrument to reduce GHG emissions and plays a central role in incentivising emission reductions in energy-intensive industries as well as power generation. This proposal complements the price signal provided by the EU ETS, supporting the creation of lead markets for low-carbon industrial products. It is also aligned with the Carbon Border Adjustment Mechanism Regulation (CBAM).

In terms of upcoming initiatives, the Circular Economy Act proposal will complement the IAA by boosting recycling and access to secondary raw materials, reducing dependencies and vulnerabilities also for energy-intensive industrial products. Consistency between the sector specific measures in the Accelerator Act and the overarching framework of the upcoming Public Procurement revision will also be ensured.

The proposal takes into account the Union's international commitments in public procurement under the WTO Agreement on Government Procurement (GPA), and relevant bilateral EU trade agreements. Operators established in countries covered by such commitments can benefit from enforceable access to specific procurement procedures defined in the relevant coverage schedules. These commitments are structured across categories of contracting authorities, including central government, sub-central authorities, bodies governed by public law and utilities, and across procurement types such as goods, services and construction works. Their applicability therefore depends on the contracting authority conducting the procurement and the subject matter of the contract. Besides, the Union retains the right to apply general or security exceptions.

As a result, the Union's procurement commitments do not confer uniform or comprehensive access to all partners, and it is not possible to establish a single list of third countries with fully secured access to the entire EU procurement market. Detailed information on procurement commitments and supplier eligibility is available to contracting authorities[18], which supports the consistent application of international procurement obligations while preserving the Union's ability to pursue its policy objectives as set out in this proposal.

While the IAA establishes the framework for *what* 'Made in Europe' procurement entails, covering energy-intensive industrial products, net-zero technologies and automotive components, the forthcoming revision of the public procurement legal framework will clarify *how* such procurement is to be carried out. In particular, it will integrate and implement sector-specific requirements set out in relevant legislative acts within a common procurement

[18] Detailed information is available through the European Commission's "Procurement for Buyers" tool on the Access2Markets portal and will help EU contracting entities to find out which bidders are eligible to participate in public procurement procedures in EU member states, based on the provisions of the WTO Agreement on Government Procurement (GPA) and bilateral EU trade agreements.

framework and, for key sectors, provide contracting authorities with clear tools to give preference to tenders composed mainly of European products. This approach ensures coherence and legal certainty for both public buyers and economic operators.

The proposed Regulation also takes account of the Union's trade defence instruments, including the recently proposed measure addressing the negative effects of global overcapacity on the EU steel market. In addition, it operates in complementarity to the existing Foreign Direct Investment framework, which is about security and public order. Finally, the proposal is without prejudice to the application of the EU's competition rules.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

• Legal basis

The appropriate legal basis is Article 114 of the Treaty on the Functioning of the European Union ('the Treaty') which allows the Union to adopt harmonisation measures. Given the complexity and transnational character of resilience and industrial decarbonisation, such measures are needed to ensure the proper functioning of the Single Market in particular for strategic sectors.

Moreover, it is also necessary to use Article 207 of the Treaty on the EU common commercial policy as an additional legal basis regarding certain measures introduced under this Regulation. Provisions on foreign investments capture a specific set of sectors to ensure minimum investment conditions, and value-added production in the Union. Therefore, the provisions are primarily aimed at the proper functioning of the Single Market. Nevertheless, foreign direct investments are explicitly included in the scope of the EU common commercial policy.

• Subsidiarity (for non-exclusive competence)

Competitiveness, sustainable prosperity, economic security and decarbonisation are matters of high EU relevance. No single Member State alone is capable of effectively addressing industrial decarbonisation due to the integrated nature of the challenge: energy markets, climate change mitigation efforts and the need for the proper functioning of the Single Market for energy-intensive industrial products and net-zero technologies. The competitiveness challenges currently facing industry are likely to prompt Member States to implement unilateral measures. While such efforts may be justified, leaving them uncoordinated risks negatively impacting the functioning of and fragmenting the Single Market, making the EU more vulnerable to external shocks and unable to leverage the assets of the Single Market to deliver benefits to local and European ecosystems.

A harmonised EU-level approach is therefore necessary under Article 114 TFEU to ensure the well-functioning of the Single Market and to address the challenges of resilience and industrial decarbonisation, while safeguarding the EU's competitiveness. The measures included in this initiative would not be as effective (if at all) if implemented by Member States acting alone, as the challenges they address concern the Single Market. They are not limited to individual Member States or to a subset of Member States, but they relate to the EU industrial base and EU-wide value chains. In addition, measures implemented at Member States' level only are unlikely to adequately meet the needs of closely interconnected supply chains within the Single Market and could lead to further market fragmentation and risks of supply chain disruption.

Furthermore, climate change is a trans-boundary challenge requiring both international and EU-level action to effectively complement and reinforce measures taken at regional, national and local levels. The cost of inaction is pan-European. The necessary industrial

transformation will impact many sectors across the EU economy, making coordinated action at the EU-level indispensable to drive transformative, just and cost-effective transition and upward convergence. Uncoordinated national measures risk imposing diverging rules on market operators, non-harmonised public procurement practices, such as under green public procurement practices, and permitting procedures, and ultimately undermining the functioning of the Single Market.

Without further EU action, the status quo is likely to persist, increasing the risk of the EU losing strategic industrial capacities and capabilities, of the Single Market to be further fragmented, and of the EU becoming critically dependent on third countries for green, digital, defence, and economic security objectives. This in turn could have negative implications on the Union's economic security, social and territorial cohesion, primarily through impacts on employment, regional development, and equitable access to industrial opportunities.

In line with this logic, the proposed actions focus on areas where there is a demonstrable value added in acting at Union level due to the scale, speed and scope of the efforts needed - actions aimed at improving the business case for EIIs to invest in decarbonisation and for EU strategic sectors and technologies to strengthen their competitiveness.

Article 5(3) TEU provides that the principle of subsidiarity applies in areas which do not fall within the exclusive competence of the Union. Article 3(1)(e) TFEU provides that the Union has exclusive competence in the area of common commercial policy. Article 207(2) TFEU falls into the category of exclusive competences. Therefore, the question of subsidiarity does not arise insofar Article 207 TFEU is used as an additional legal base for measures implementing the Union's common commercial policy.

- **Proportionality**

The proposed measures meet the principle of proportionality, demonstrating added value in acting at the EU level due to the scale, urgency and scope of the efforts needed.

The measures on permitting will impose obligations on Member States to streamline processes. The digitalisation of the permitting procedures will lead in the long term to time and cost savings for both authorities and businesses, enabling the acceleration of clean manufacturing and industrial deployment across the EU.

The low-carbon and made in EU requirements are proportionate to the European industrial production capacities and designed as to not place significant financial burdens on the Member States' administrative budgets. Establishing lead markets is pivotal to increasing the competitiveness of the key sectors and technologies, thereby strengthening the EU's industrial base and ensuring autonomy in these strategic sectors.

Mandatory conditions on foreign direct investment are necessary to achieve the objective of maximising the benefits of these investments across Member States, strengthening the Single Market benefits and leveraging the access to the Single Market. They will ensure investment comes with know-how development, job creation, and value chain integration.

The measures on industrial manufacturing acceleration areas leave Member States responsible for identifying and designating such areas, while providing benefits aimed at enabling better and more competitive conditions for the manufacturing industry.

- **Choice of the instrument**

A regulation is considered the most appropriate instrument as it makes it possible to set requirements that apply directly to national authorities and relevant economic operators. This will help ensure that the requirements are implemented in a timely and harmonised way, leading to greater legal certainty.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

Not applicable.

- **Stakeholder consultations**

In line with the Better Regulation Guidelines, the Commission carried out a comprehensive stakeholder consultation process, with the aim of collecting reliable information using a range of methods, consulted parties and tools. The Commission ran multiple activities: an online open consultation between April 15th and July 8th 2025 (314 responses and 133 attached position papers); a call for evidence for the impact assessment (295 replies); a targeted consultation open to associations and companies from the EIIs sector (62 responses); a reality check workshop open to companies from the EIIs sector (40 participants); a reality check workshop on EU low-carbon steel label, open only to steel companies (34 participants); a reality check workshop open to Member States (46 participants), with all three reality checks including the possibility to submit position papers; and a targeted consultation open for the battery ecosystem and its downstream sectors (63 respondents). The results of the public consultation are summarised in the factual summary report published with the answers to the call for evidence on the 'Have your say' portal.

Overall, stakeholders argued the challenges faced by the EU energy-intensive industries as being the lack of sufficiently affordable, renewable energy, unfair international competition, high capital and operational costs attributed to decarbonisation, low willingness for downstream sectors to pay for green premium, complex, long permitting procedures and difficulty accessing funding for decarbonisation projects.

The Commission received broad support for the idea of creating and protecting lead markets for low-carbon, EU made industrial products, as a key mechanism to stimulate demand and foster investment in decarbonisation. Similarly, stakeholders agreed that the creation of lead markets will serve to protect the competitiveness of EU clean tech and automotive industries. They further confirmed that Made in EU requirements are important for ensuring that the market for low-carbon industry products and clean tech products is not undermined by non-EU competition. The majority of stakeholders from the batteries sector also supported Made in EU requirements in various policy measures, for both public procurement and products placed on the market. Streamlining and speeding up permitting procedures saw a high support, in particular from SMEs, which have less resources to manage the administrative workload. Stakeholders viewed provisions for foreign investment positively, noting that such measures could attract much-needed capital along with additional benefits.

- **Impact assessment**

In line with the Better Regulation Guidelines, this regulatory proposal is based on an impact assessment that analyses the problem and sub-problems related to the need for the EU industry to accelerate the decarbonisation of processes and products, in a global context of competitiveness challenges. The impact assessment identifies possible policy options to address problem-drivers and assesses their likely impacts. The impact assessment was structured to reflect the consultation of the Commission's Inter-Service Steering Group on the Industrial Accelerator Act.

The impact assessment received a negative opinion from the Regulatory Scrutiny Board (RSB) on 26 September 2025. The Board recommended to:

- Develop the dynamic baseline, including a better explanation of the magnitude of decarbonisation investment slowdown and decarbonisation speed gap.
- Improve analysis on problem drivers, including drivers related to permitting and FDIs, and, based on this, revise the general and specific objectives in a S.M.A.R.T manner, as well as improve the measures.
- Conduct a more in-depth analysis of the availability and economic viability of industrial decarbonisation technologies, and the demand for low-carbon alternatives, including price elasticity and substitutability.
- Improve, by better quantifying, the costs and benefits analysis, including the improvement of Annex 3.
- Acknowledge the robustness of the modelling for the costs and benefits analysis, and transparently report the assumptions used for the calculation.

All the above-mentioned points were addressed to the best extent possible. When the revised impact assessment was resubmitted, the Board issued a positive opinion with reservations on 20 November 2025. The reservations pointed at the need to improve the analysis on the expected impacts of the general objective, as well as the interplay with economic security implications. It also noticed the need to further explain the limitations related to the modelling, as well as the cost benefit calculations and impacts on consumers and downstream sectors. The comments have been addressed via an improved analysis and to the extent feasible. The Board's opinions as well as the final impact assessment and its executive summary are published together with this proposal.

The impact assessment is built around a set of 5 specific objectives that tackle the problem drivers identified. It sets out three policy options for each specific objective, based on the level of policy intervention, the scope, the efficiency and coherence, as well as the proportionality and subsidiarity principles.

Policy option 1 (PO1) proposes a carbon intensity label for all energy-intensive sectors. It aims to create lead markets, by introducing low-carbon requirements for energy-intensive materials (steel, cement[19] and aluminium) in selected downstream sectors (automotive and construction) in public procurement and support schemes. It also proposes introducing minimum Made in EU requirements for batteries, solar PV systems and vehicle components in public procurement procedures and for public support schemes. Regarding the objective of maximising benefits for FDIs, it introduces voluntary conditions for investments above a specified threshold for battery supply chain and potentially for relevant EIIs. To streamline permitting, the option proposes a unified digital procedure for all permits, applicable to the entire manufacturing sector. Lastly, it recommends Member States to facilitate public funding for projects in industrial areas.

Policy Option 2 (PO2) builds upon the first option by broadening the scope and requirements. Regarding lead markets, under PO2, low-carbon and Made in EU requirements are introduced for steel, cement and aluminium used in selected downstream sectors (automotive and construction) in public procurement and support schemes. Conditions for specific investments are mandatory rather than voluntary. PO2 increases support for the permitting process by introducing additional measures dedicated to EIIs. Lastly, it requires, instead of recommends, Member States to designate industrial areas. The label decreases

[19] For the lead markets measures related to cement, the requirements are established at the level of concrete and mortar, as these are the relevant final products used in construction.

however its scope by mandating a specific carbon intensity label for steel, with detailed rules that can later be expanded to include other energy-intensive materials.

Policy Option 3 (PO3) further extends the previous two options. On lead markets, it introduces low-carbon and Made in EU requirements for all steel, cement and aluminium placed on the market for use in automotive and construction It also extends Made in EU requirements to all batteries, solar PVs and key vehicle components placed on the market. On permitting, it introduces dedicated measures for industrial areas.

Overall, the preferred option is PO2, as it would meet the objectives in the most effective and efficient way. It also has a more positive impacts in terms of proportionality that the other two options, as it suggests introducing low-carbon and made in EU for public procurement and public support only, while also showing the most coherence. PO2 could bring about one-off net reductions of about EUR 240 million in terms of administrative burden for businesses, mainly from permitting provisions (see Annex 4 of the impact assessment). The costs and benefits analysis concluded that PO2 results in overall net benefits of about EUR 8 billion for the economy in 2030, despite showing some adjustment costs for downstream sectors impacted by the low-carbon and/or Made in EU requirements. However, these losses are largely offset by long-term benefits in terms of value-added creation enhanced economic security, resilience and job creation of the European strategic industries, which ultimately provide stability and sustainable economic prosperity. PO3 would be more effective in achieving certain objectives, especially concerning the lead market provisions, but it would disproportionately increase the costs for the economy.

Differences compared to the preferred option in the impact assessment

The proposal for the Regulation contains measures that diverge from the preferred policy option presented in the impact assessment, namely:

- Concerning permitting procedures, specific measures for industrial manufacturing clusters (namely, tacit approval at intermediate stages and priority assessment of connection requests), which were not in the preferred policy option, have been introduced, in view of the synergetic benefits expected with the rest of the provisions on industrial manufacturing acceleration areas.
- In terms of scope, the provisions on public procurement procedures, auctions and support schemes cover additional net-zero technologies than those analysed in the impact assessment. The proposal introduces Made in EU requirements also for solar thermal, heat pumps, wind, nuclear fission, and hydrogen, in line with the goal of increasing EU's economic security, resilience, sustainability and security of supply. A dedicated annex in the impact assessment has been added to present the key impacts of these measures. While batteries and solar PV already today face a unique combination of high global overcapacities and high EU dependencies on single sources of supply, the other net-zero technologies in scope face intense (not always fair) global competition and could experience similar market developments. Therefore, the Commission has decided to introduce such provisions, in order to anticipate and mitigate potential future supply and market risks.

  Regarding steel, the proposal limits requirements for steel used in the automotive and construction sectors to low-carbon criteria (rather than combining low-carbon and EU-origin requirements) within the framework of public procurement and support schemes. In light of the recently proposed trade measure addressing the negative

trade-related effects of global overcapacity on the Union steel market, introducing a European preference for steel is not considered necessary.

- For the purposes of compliance with the low-carbon requirements, concrete will be considered low-carbon where it meets the criteria for "low-carbon concrete" laid down in the implementing measures adopted under the Construction Products Regulation (CPR). Likewise, low-carbon steel products used in construction and covered by a harmonised technical specification must comply with the low-carbon definition established under the CPR framework. Steel products falling outside the scope of the CPR will be considered low-carbon where they meet the conditions for "low-carbon steel" to be set out in the delegated acts under the ESPR. This approach will ensure regulatory consistency with the existing product specific legislation.
- In addition, the proposal includes amendments to Article 25 of NZIA on public procurement to clarify the technology scope in including only technologies that are commonly publicly procured. It also includes changes in Article 26 of NZIA in relation to auctions. This is to take account of the growing importance of auctions for securing the Union's energy supply and safeguarding its technological sovereignty. It also includes amendments to Article 1 and 22 of the Construction Products Regulation.
- The proposal does not follow the preferred policy option to adopt a voluntary steel label in support of low-carbon steel investment decisions. Instead, the focus is put on implementing rapidly existing commitments, such as in the context of the ESPR, and to design an empowerment to be able to supplement the lead market provisions with the development of voluntary labels on the low-carbon performance classes of energy-intensive industrial products.

  All these measures remain within the overall framework assessed in the impact assessment and do not significantly affect the comparison of options. For clean technologies, the scope extension implies that the resulting impacts on electricity markets could be of higher magnitude, including for downstream users. However, the same safeguards that were analysed in detail for batteries and solar apply as well to other net zero technologies.

- **Regulatory fitness and simplification**

This proposal is designed to mitigate the impacts of Union origin and low-carbon requirements, and foreign direct investment conditionalities, on regulatory burden. Other parts e.g. on permitting directly reduce it for economic operators.

The administrative costs for businesses that will apply directly with this Regulation are expected to be offset by efficiency gains from streamlined permitting and long-term benefits in terms of greater resilience of supply chains. They relate to obligations to demonstrate compliance for lead market provisions for companies operating in relevant downstream sectors. In terms of conditionalities on investments, the uniform application of the conditions across the Union would largely prevent forum shopping and race to the bottom in attracting foreign investments, while harmonising and simplifying the business conditions.

For Member States, additional administrative costs are expected, connected to the monitoring and implementation of lead markets provisions in public procurement and support schemes. Similarly, the implementation of conditions on foreign investment, including prescription, monitoring and penalising, will add to the administrative costs. Permitting provisions are also expected to increase costs for public authorities in the short term, while, on the other hand, digitalisation and simplification will deliver substantial cost and time savings in the medium

and long term, for both the industry and public authorities. Lastly, the designation of acceleration areas as well as implementation of benefits for industrial areas will come with an additional administrative cost for Member States, against the benefits for individual companies operating within the areas.

- **Fundamental rights**

Article 16 of the Charter of Fundamental Rights of the European Union ('the Charter') provides for the freedom to conduct a business. The measures under this proposal create innovation capacity and foster demand for energy-intensive industrial products in the Union, which can reinforce the freedom to conduct a business in accordance with Union law and national laws and practices.

4. BUDGETARY IMPLICATIONS

The proposal has budgetary implications for the Commission. Specifically, it will require approximately 6 full-time equivalents per year to implement, an additional recurring cost of EUR 20 000 per section for the expansion of Annex 1 of the SGDR with the envisioned permitting provisions and a one-off cost of EUR 20 000 for investment in the back-end of the Single Digital Gateway (SDG) system. Compared to the Impact assessment report, the figures have been adjusted to reflect to wider scope of the measures proposed in the Act.

The budget implications are mainly to carry out the work foreseen to (i) review foreign direct investment notifications submitted by the Investment Authorities within Member States; (ii) monitor enforcement of Member States' obligations on lead market provisions; and (iii) implement the expansion of Annex II of the SGDR and the back-end SDG system to meet permitting provisions.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The Commission will evaluate the coherence, results, impacts, proportionality and subsidiarity of this proposal three years after the date on which it becomes applicable. A review clause is proposed after five years, to assess whether lead market provisions remain necessary in light of market developments, or whether such measures should be considered for other sectors critical to the EU's economic security. The measures proposed are conceived as targeted and time-bound interventions to accelerate the Union's industrial capacity and boost economic security of strategic sectors only. This guarantees that the tailor-made approach remains flexible, evidence-based and can be adapted to the evolving needs of Europe's industrial base.

In order to conduct the evaluation, Member States and national competent authorities will provide necessary and relevant information to the Commission, as appropriate, at its request.

- **Detailed explanation of the specific provisions of the proposal**

Chapter I of the Regulation outlines the general provisions of the Regulation, including the subject matter, namely the improvement of the functioning of the internal market by establishing a framework to ensure the Union's access to a secure, sustainable, and resilient supply of relevant manufacturing products and their supply chains, the scope of the Regulation, the industrialisation objective and the definitions needed for the purposes of this Regulation.

Chapter II outlines the enabling conditions for industrial production and decarbonisation. It sets out provisions that ensure streamlined, efficient and digital permit-granting procedures

for industrial manufacturing projects. It also introduces provisions on permit-granting procedures for energy-intensive industry decarbonisation projects and net zero industry projects.

Chapter III establishes a framework for the application of Union origin and low-carbon requirements to certain products and services from strategic sectors in the context of public procurement and public support schemes.

It sets out low-carbon requirements for steel, and Union origin and low-carbon requirements for concrete and mortar and aluminium used in specific downstream sectors, namely buildings, infrastructure and transport, as well as Union origin requirements for vehicles. In addition, it provides an empowerment for laying down demand-side measures concerning products from the chemical industry.

Chapter IV establishes the framework for the imposition of conditions on foreign direct investments in emerging strategic sectors, where the investment value exceeds EUR 100 million. Such investment will not take effect until the relevant conditions have been fully complied with. The Investment Authorities designated by Member States will be responsible for reviewing and monitoring compliance with those conditions, with the Commission playing a coordinating role.

Chapter V establishes a framework for the designation of industrial manufacturing acceleration areas by Member States based on a defined set of criteria. These areas are intended to facilitate the geographical clustering industrial activities and to promote favourable conditions for the industries established therein. Industrial manufacturing acceleration areas will be developed in synergy with other Union initiatives.

Chapter VI establishes the common, final provisions of the Regulation by setting out implementation rules, including evaluation, monitoring, review, exercising the delegation power and penalties. It also includes amendments to Regulation (EU) 2018/1724 [Single Digital Gateway Regulation]; Regulation (EU) 2024/1735 [Net-Zero Industry Act], including provisions on origin requirements for public procurement procedures; cybersecurity requirements for public procurement and strengthened cybersecurity provisions for auctions; origin requirements for auctions and for other types of public intervention. Finally, it includes amendments to Regulation (EU) 2024/3110 [Construction Products Regulation] in order to ensure coherence and synergies with, and to support the objectives of, this proposal.

Annex I sets out the list of sectors for industrial manufacturing acceleration areas.

Annex II defines low-carbon content requirements, Union origin requirements, or both, for certain products of energy-intensive industries in the context of public procurement procedures and public support schemes.

Annex III sets out Union origin requirements for vehicles for public procurement procedures and public support schemes. It also sets the criteria for a small zero-emission vehicle to be considered ‘made in the EU’ for the purposes of Article 5 of Regulation 2019/631.

Annex IV sets out the amendment to Annex II to Regulation (EU) 2018/1724.

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,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114 and 207(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[20],

Having regard to the opinion of the Committee of the Regions[21],

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The global COVID-19 pandemic, Russia's illegal and unprovoked war of aggression against Ukraine, hostile economic actions, cyberattacks, foreign interference, the weaponisation of Union economic dependencies, arbitrary deployment of trade measures, the increasing effects of climate change and rising geopolitical tensions have exposed the Union's vulnerabilities and pose a serious threat to the Union's societies, economies, and undertakings. The Union's economic security is therefore inextricably linked to its capacity to strengthen resilience and mitigate risks arising from hostile economic interconnections. The Union is committed to protecting its economic security and addressing threats to its supply chains, infrastructure, key technologies and threats coming from the weaponisation of its economic dependencies[22]. The Union's economic security and social cohesion are inextricably linked to its capacity to strengthen its resilience and mitigate the risks arising from economic interconnections. That requires the strengthening of the resilience of its supply chains and the safeguarding of its internal market and industrial capacity, while maintaining territorial, social and economic cohesion, including by fostering a strong and competitive industrial base in selected strategic sectors, such as clean and digital technologies, energy-intensive industries and the automotive sector, to secure access to strategic materials and technologies and retain high-quality jobs in the Union.

[20] […]

[21] […]

[22] https://www.consilium.europa.eu/en/policies/european-economic-security/

(2) The European Economic Security Strategy[23], and the Economic Security Communication of 3 December 2025[24] clearly set the Union's pathway towards addressing geo-economic tensions and technological shifts to avoid economic dependencies in critical industrial supply chains, technologies and infrastructures which can lead to local shortages and threaten the Union's competitiveness, economy and ultimately its social cohesion.

(3) Despite the Union's objectives of economic security, resilience, quality jobs and climate neutrality, manufacturing capacity has decreased over the last 20 years. The share of manufacturing in total GDP has declined from 17.4% to 14.3% between 2000 and 2024. It is therefore necessary to strengthen economic resilience, competitiveness and job creation, while also ensuring that the Union's climate and energy targets are met. The Union's manufacturing capacity should aim to account for at least 20% of the Union's gross domestic product by 2035. The development of industrial manufacturing projects within the Union should be facilitated to contribute to that objective.

(4) The challenges posed by the need for industrial decarbonisation and for a resilient industrial production are complex and transcend national borders. Fragmented national measures aimed at tackling those challenges risk undermining the functioning of the internal market. Measures adopted by individual Member States could lead to divergent requirements imposed on market operators, inconsistent procurement practices and divergent permit-granting procedures across Member States. Such measures could create obstacles to cross-border trade within the Union and distortions on the internal market, undermining investor confidence, increasing costs, and redirecting investment flows within the Union. It is therefore necessary to establish harmonised measures to ensure the proper functioning of the internal market.

(5) To ensure legal certainty, reference should be made to the most recent revision of the European Classification of Economic Activity (NACE, Rev. 2). In order to ensure consistency with existing Union legislation and enable the uniform application of this Regulation across the Union, industrial manufacturing as well as energy-intensive industries should be defined by referring to the NACE classification codes[25].

(6) Energy-intensive industries are a key pillar of the Union's prosperity. They enable a wide range of downstream industries and contribute to the Union's economy by creating jobs, supporting growth and fostering innovation. However, they also account for around 22.3% of the Union's greenhouse gas emissions and require substantial investments in decarbonisation, leading also to reduced pollution. The combination of high energy prices, the need for large-scale decarbonisation investments and unfair global competition places energy-intensive industries at a competitive disadvantage, and there are growing signs of industrial decline.

(7) Net-zero technologies are pivotal to achieving the Union's energy and climate targets. They play a crucial role in reducing greenhouse gas emissions and enabling the decarbonisation of a wide range of economic sectors, including building, transport and the industry. They are also key in advancing sustainable energy solutions, by enabling

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[23] Joint Communication to the European Parliament, the European Council and the Council on "European Economic Security Strategy" (JOIN/2023/20 final).

[24] Joint Communication to the European Parliament and the Council on Strengthening EU economic security (JOIN(2025)977 final).

[25] With the exception of NACE Code C12, e-liquids used in vaping devices and nicotine-containing products under C20.59 and manufacture of electronic cigarettes and tobacco heating devices under C32.99 (unless they are authorised as medicinal products or certified as medical devices).

the decarbonisation of the energy supply and providing innovative solutions to enable the needed expansion and digitalisation of electricity grids and the energy system as a whole. However, the Union's net-zero technology manufacturing sector faces significant challenges, including increasing global competitive pressures and supply chain vulnerabilities which endangers the Union's competitiveness and economic resilience.

(8) The bioeconomy is able to provide sustainable biomass and bio-based solutions for industrial production. The Commission communication "A Strategic Framework for a Competitive and Sustainable EU Bioeconomy"[26] identifies lead markets, such as bio-based plastics and polymers, bio-based chemicals and biobased construction products, as well as lead technologies that can support the Union's strategic autonomy and the decarbonisation of the industrial sectors identified in this initiative.

(9) The automotive industry is a cornerstone of the Union economy. With a view to delivering on the Union's climate policy objectives, over the past years, the European automotive industry has been investing heavily in the development of cleaner vehicles and innovative components. Electric vehicles and electric vehicle components, including traction batteries, e-powertrain components and electronic systems, are essential technologies for advancing the decarbonisation of road transport. However, as a result of costs disadvantage and the transformation of the value chain with an increasing value share for batteries, e-powertrain and electronics, the level of Union content in vehicles produced in the Union is decreasing. It is no longer possible to postpone effective measures to avoid the risk of local production being displaced. In the absence of such measures, the current circumstances would lead to a full reliance on third countries for key vehicle components. That would be a serious threat to the Union's economic security and future resilience, as well as for its climate goals.

(10) The unpredictability, complexity and, at times, excessive length of national permit-granting procedures undermine the cost-effectiveness of investments necessary for the development of industrial activities. Therefore, and in order to ensure and speed up the effective implementation of industrial manufacturing activities, Member States should apply streamlined and digitalised permit-granting processes. A competent authority should coordinate all permit granting processes and issue a comprehensive decision within the applicable time limit.

(11) The implementation of single access points should be based on the European Business Wallets established pursuant to [Proposal for a Regulation on the establishment of European Business Wallets[27]], as they provide a secure, standardised, and interoperable platform for businesses to interact with public sector bodies. This should enable the efficient and effective submission of applications, while ensuring a high level of data protection, cybersecurity, and integrity of information. The European Business Wallets will also enable the streamlining of investments that were made and the avoidance of unnecessary duplications, allowing for the optimisation of resources and the reduction of administrative burdens for businesses. The implementation of single access points should also, to the extent possible, use existing Union digital infrastructures, catalogues and building blocks, including those developed under the Once-Only Technical System and its implementing acts. This would promote

[26] Communication from the Commission to the European, the Council, the European Economic and Social Committee and the Committee of the Regions, A Strategic Framework for a Competitive and Sustainable EU Bioeconomy (COM(2025)960).

[27] Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets (COM/2025/838 final).

complementarity, interoperability and the efficient use of public resources, while avoiding duplication of existing digital solutions.

(12) In order to ensure streamlined and simplified permit-granting procedures, a single application covering all necessary permits should be provided for all industrial manufacturing projects except for the manufacturing sector under the C12 code. It should not apply where specific permit-granting or licensing procedures or requirements are established in Union harmonisation legislation for industrial manufacturing projects, such as pursuant to Regulations (EU) 2024/1735[28] and (EU) 2024/1252[29] of the European Parliament and of the Council. Sectorial Union legislation governing medicines and medical devices has recently undergone or is undergoing further streamlining of harmonised rules and timelines for authorisations and certifications, with options to speed up the process if necessary. Those rules should therefore not be considered permit-granting procedures within the context of this initiative.

(13) Regulation (EU) [202X/XX] of […][30] establishes a common acceleration framework for environmental assessments in order to boost the Union's roll out of key technologies, reduce dependencies and strengthen competitiveness. Procedures linked to environmental assessments should be accelerated and streamlined for plans, programmes and projects across all sectors of the economy while maintaining high levels of protection of human health and of the environment. Some sectors may, however, require yet faster environmental assessments. Therefore, and in order to safeguard the coherence of the legal framework of environmental assessments, while allowing for the additional needs for acceleration in certain strategic sectors, Regulation (EU) [202X/XX] establishes a dedicated toolbox that should therefore be used in the context of this Regulation. Given their essential role in ensuring the achievement of the Union's climate objectives, and their contribution to the Union's resilience and economic security, energy-intensive industry decarbonisation projects, industrial manufacturing projects located in industrial manufacturing acceleration areas, and net-zero technology projects should be considered strategic projects within the meaning of Regulation (EU) [202X/XX] and therefore benefit from the dedicated toolbox established under that Regulation.

(14) Regulation (EU) 2024/1735 sets out provisions that streamline administrative and permit-granting processes for net-zero technology manufacturing projects. Some specific components in the supply chain of net-zero technologies are produced through energy-intensive production processes. Energy-intensive industry decarbonisation projects fall within the scope of Regulation (EU) 2024/1735 where the relevant facilities produce components that are part of the supply chain of a net-zero technology. However, energy-intensive facilities that do not produce components that are used in net-zero technologies are currently excluded from the scope of Regulation (EU) 2024/1735. This creates the risk of uneven conditions of between

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28 Regulation (EU) 2024/1735 of the European Parliament and of the Council of 13 June 2024 on establishing a framework of measures for strengthening Europe's net-zero technology manufacturing ecosystem and amending Regulation (EU) 2018/1724 (OJ L, 2024/1735, 28.6.2024, ELI: http://data.europa.eu/eli/reg/2024/1735/oj).

29 Regulation (EU) 2024/1252 of the European Parliament and of the Council of 11 April 2024 establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending Regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1724 and (EU) 2019/1020 (OJ L, 2024/1252, 3.5.2024, ELI: http://data.europa.eu/eli/reg/2024/1252/oj).

30 Proposal for a Regulation of the European Parliament and of the Council on speeding-up environmental assessments (COM/2025/984 final, 10.12.2025).

energy-intensive industries and slows down decarbonisation efforts. All energy-intensive decarbonisation projects should therefore be subject to the same permit-granting processes.

(15) The Union should adopt a more strategic approach in leveraging its economic weight and the value of access to its internal market. In that context, the strategic use of public intervention is essential to prevent critical dependencies in the Union. Public procurement amounts to 15% of the Union's GDP. Contracting authorities and entities should therefore, where appropriate, ensure that public procurement requirements foster economic security and resilience of supply chains. Public support schemes also play an important role in stimulating demand in downstream sectors that account for a significant share of demand for certain strategic products and technologies. Such schemes should therefore favour beneficiaries that make a greater contribution to strengthening the Union's resilience and advancing its decarbonisation objectives. Auctions are crucial for the deployment of net-zero technologies and should be designed to foster demand for such technologies including components originating from the Union.

(16) The Union and Member States maintain an open investment environment, as enshrined in the Treaty on the Functioning of the European Union (TFEU) and embedded in their international commitments. This includes commitments under the World Trade Organisation Agreement on Government Procurement (GPA)[31], as well as bilateral trade agreements, to open public procurement procedures and other forms of public intervention. At the same time, the Union retains the right to apply general or security exceptions. The Commission will regularly assess whether the conditions for excluding a third country from the scope of the provisions deeming content originating in third countries to be equivalent to Union origin, are in place, and will take appropriate action. Economic security aims at protecting and strengthening the internal market. Member States cannot rely on economic security to prevent, condition, or otherwise hinder in any way investments coming from other Member States.

(17) The progressive integration of candidate countries and potential candidates into the Union's internal market, including through their gradual participation in Union policies and programmes, is essential to support their alignment with the acquis, strengthen their competitiveness, promote their deeper integration into Union value chains and enhance the Union's economic security. This Regulation should therefore contribute to fostering such gradual integration, including by facilitating the participation of economic operators from those countries in Union-wide value chains, Union public procurement, public support schemes and auctions where appropriate and in line with the Union's interests and objectives.

(18) Acknowledging the importance of the Union's advancing towards greater strategic autonomy and resilience, the Union should also recognise for reasons of coherence the proactive efforts of partner countries to prioritise domestic participation in economic activities, similar to the measures established within this Regulation. In the context of implementing Union origin requirements within certain categories of public procurement and public schemes procedures, the Union should thoughtfully consider partner countries' content conditions for strategic Union-funded or supported investments in these partner countries, accepting its presence. This strategic approach

[31] World Trade Organisation (WTO), Agreement on Government Procurement 2012, available at https://www.wto.org/english/docs_e/legal_e/rev-gpr-94_01_e.pdf.

is expected to enhance mutual economic benefits, strengthen strategic partnerships, and align with the Union's overarching objectives of international partnerships.

(19) Demand-side measures should focus on establishing low-carbon requirements for steel, cement and aluminium used in buildings, infrastructure and motor vehicles, where appropriate, since those sectors are the most energy-intensive industries. Targeted Union wide demand-side measures can help create lead markets for low-carbon and Union-produced energy-intensive industrial products, supporting decarbonisation while strengthening the Union's industrial base.

(20) Downstream sectors that account for a large share of demand for certain energy-intensive materials, such as the construction and automotive sectors, should be prioritised under this Regulation when establishing low-carbon requirements, Union origin requirements, or both. That is particularly appropriate given that such sectors are significantly subject to public procurement and support schemes, while the share of energy-intensive input in total production value is relatively small and therefore minimises the impact of any price premium.

(21) In order to ensure regulatory consistency with existing Union product legislation, steel, concrete and aluminium in construction should be considered low-carbon in compliance with the requirements set out in the implementing measures adopted pursuant to Regulations (EU) 2024/3110[32] and (EU) 2024/1781[33] of the European Parliament and of the Council.

(22) The Clean Industrial Deal Communication[34] highlighted the need to create lead markets for industrial products with a low greenhouse gas emissions intensity, including by promoting such products on the internal market through the establishment of a Union labelling scheme, starting with the steel sector. That should be seen in the context of Union products legislation already designed to introduce labelling and information requirements, including comprehensive product labelling requirements to be established under the delegated acts pursuant to Regulations (EU) 2024/3110 and (EU) 2024/1781. Considering the importance of both primary and secondary steel production for the long-term resilience of the Union industrial base, such requirements should be based on classes of performance that acknowledge the different decarbonisation effort of the technologies' routes, also rewarding circularity, adjusting emission intensity thresholds based on percentage of scrap metal used in production for those product categories that typically require primary steel production, as necessary. It should also be possible to complement the delegated acts adopted pursuant to Regulations (EU) 2024/3110 and (EU) 2024/1781 in order to support the creation of lead markets by informing investment decisions towards products granted a lower greenhouse gas intensity performance class, for industrial products not yet regulated by a Delegated Act under Regulation (EU) 2024/1781, or covered in the scope of products included in the working plan adopted in accordance with that

[32] Regulation (EU) 2024/3110 of the European Parliament and of the Council of 27 November 2024 laying down harmonised rules for the marketing of construction products and repealing Regulation (EU) No 305/2011 (OJ L, 2024/3110, 18.12.2024, ELI: http://data.europa.eu/eli/reg/2024/3110/oj).

[33] Regulation (EU) 2024/1781 of the European Parliament and of the Council of 13 June 2024 establishing a framework for the setting of ecodesign requirements for sustainable products, amending Directive (EU) 2020/1828 and Regulation (EU) 2023/1542 and repealing Directive 2009/125/EC (OJ L, 2024/1781, 28.6.2024, ELI: http://data.europa.eu/eli/reg/2024/1781/oj).

[34] Communication From the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of The Regions, A Green Deal Industrial Plan for the Net-Zero Age (COM/2023/62 final, 1.2.2023).

Regulation. To do so, it should be possible to establish voluntary classification systems based on the greenhouse gas intensity of industrial products. To provide environmental integrity and administrative feasibility, it is important to rely on well-established and monitored emissions accounting methodologies. For domestic installations and sub-installations, the EU Emissions Trading System (EU ETS) provides relevant products benchmarks and system boundaries in Annex I to Commission Delegated Regulation (EU) 2019/331[35] and sound emissions accounting rules in Commission Implementing Regulation (EU) 2018/2066[36]. Concerning imported products, in order to limit administrative burden, it is appropriate to enable the use of data already verified in the context of the Carbon Border Adjustments Mechanism (CBAM), in accordance with implementing rules adopted pursuant to Article 7(a) of Regulation (EU) 2023/956 of the European Parliament and of the Council[37]. In view of reflecting accurately the greenhouse gas intensity of the industrial product, in addition to covering the direct emissions typically related to the installation's activities covered by Annex I of Directive 2003/87/EC of the European Parliament and of the Council[38], it is appropriate to also account for the most important sources of indirect emissions, including those from electricity, hydrogen and heat production used in the manufacturing process. To ensure consistency and limit administrative burden, methodologies used to define low-carbon requirements under this Regulation should make use of emissions of data reported under the EU ETS and CBAM, where available and relevant.

(23) In order to ensure the attainment of the objectives of this Regulation, in particular the creation of lead markets for European low-carbon industrial products, minimum mandatory technical specifications should be provided for low-carbon and Union origin requirements in public procurement procedures Those requirements should apply to the procurement of those products in public supply contracts and in public works, public services contracts and concessions, where those products will be used for activities conducted under those contracts. In compliance with the public procurement framework, those minimum mandatory technical specifications should avoid artificially restricting competition and avoid favouring a specific economic operator. Contracting authorities and contracting entities should conduct the public procurement procedures in compliance with Directives 2014/23/EU[39], 2014/24/EU[40]

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[35] Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council (OJ L 59, 27.2.2019, p. 8, 27.2.2019, ELI: http://data.europa.eu/eli/reg_del/2019/331/oj).

[36] Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012 (OJ L 334, 31.12.2018, p. 1, 31.12.2018, ELI: http://data.europa.eu/eli/reg_impl/2018/2066/oj).

[37] Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism (OJ L 130, 16.5.2023, p. 52, 16.5.2023, ELI: http://data.europa.eu/eli/reg/2023/956/oj).

[38] Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32, 25.10.2003, ELI: http://data.europa.eu/eli/dir/2003/87/oj).

[39] Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts (OJ L 94, 28.3.2014, pp. 1-64, ELI: http://data.europa.eu/eli/dir/2014/23/oj).

[40] 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, p. 65, ELI: http://data.europa.eu/eli/dir/2014/24/oj).

and 2014/25/EU[41] of the European Parliament and of the Council and applicable sectoral legislation. The Union origin of products and components should be determined in accordance with the Union customs legislation.

(24) In order to ensure the feasibility of the requirements at reasonable cost and avoid restricting competition, it is necessary to lay down the conditions under which contracting authorities may, on an exceptional basis, decide not to apply the low-carbon and Union origin requirements. Those conditions should cover cases where the application of such requirements would result in technical incompatibilities in the operation or maintenance of a project such as situations where the use of such products would risk compromising the fulfilment of basic requirements for construction works of the building or infrastructure, set out in Regulation (EU) 2024/3110. The requirements laid down in this Regulation should apply exclusively to procurement procedures falling within the scope of Directive 2014/23/EU, Directive 2014/24/EU and Directive 2014/25/EU, that is, to procedures whose estimated value reaches or exceeds the thresholds set out in those Directives. Accordingly, procurement procedures not covered by those Directives, including those below the applicable thresholds, should not be subject to the requirements established by this Regulation, thereby avoiding disproportionate obligations for low-value procurements carried out by contracting authorities, including at local level.

(25) The Automotive package adopted on 16 December 2025 includes a proposal to amend Regulation (EU) 2019/631 of the European Parliament and of the Council[42] to provide, *inter alia*, for the granting of super-credits for small affordable electric vehicles made in the Union prior to 2035 and amends the 2035 emissions reduction target, with the remaining emissions to be compensated through the use of low-carbon steel made in the Union or renewable and low-carbon fuels. The Automotive package also includes a [proposal for a Regulation on clean corporate vehicles] which limits financial support for corporate vehicles to zero- and low-emissions corporate vehicles 'made in the European Union'. In order to ensure legal certainty and consistency with Regulation (EU) 2019/631 as amended and the [proposal for a Regulation on clean corporate vehicles], this Regulation should lay down definitions of 'small affordable electric vehicles made in the Union', 'low-carbon steel made in the Union' and 'corporate cars and vans made in the European Union'.

(26) In order to simplify procedures and reduce administrative burden, the verification of compliance with the requirements laid down in this Regulation should not impose a disproportionate burden on economic operators or contracting authorities. The verification system should therefore be based on a self-declaration by economic operators. Such approach is consistent with the general framework for public procurement established by Directive 2014/24/EU, in particular Article 59 thereof, which provides for self-declaration of compliance, subject to subsequent verification of the successful tenderer. For vehicles, manufacturers should, at the time of issuing the certificate of conformity in accordance with Regulation (EU) 2018/858 of the

[41] 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, p. 243).

[42] Regulation (EU) 2019/631 of the European Parliament and of the Council of 17 April 2019 setting CO2 emission performance standards for new passenger cars and for new light commercial vehicles, and repealing Regulations (EC) No 443/2009 and (EU) No 510/2011 (OJ L 111, 25.4.2019, p. 13, ELI: http://data.europa.eu/eli/reg/2019/631/oj).

European Parliament and of the Council[43], provide an accompanying document certifying for the vehicles that comply with the relevant Union origin requirements. This document should be equivalent to a self-declaration and form part of the documentary evidence demonstrating compliance with the requirements set out in this Regulation.

(27) To ensure that the requirements established by this Regulation remain appropriate even as market conditions, technological developments and the climate and internal market policy objectives of the Union continue to evolve, the Commission should be empowered to revise the requirements based on objective criteria and monitoring results. When assessing whether to revise Union origin requirements, low-carbon requirements, or both, the Commission should take into account developments in the relevant legislative frameworks, including the customs legislation on rules of origin, Emissions Trading System laid down in Directive 2003/87/EC the Carbon Border Adjustment Mechanism laid down in Regulation (EU) 2023/956, and trade defence instruments.

(28) Investment, including from foreign entities, plays a critical role in fostering a strong internal market and territorial cohesion, particularly by promoting innovation and driving economic growth in the Union which is essential for its competitiveness. However, in exceptional circumstances, particularly large investments originating from third countries that hold a very significant market position in the global risk disrupting important supply chains and the security of emerging strategic sectors that are of particular importance in the development of the internal market. Divergent conditions applied by Member States for such investments fragment the internal market by creating unequal conditions for investors allowing investments that do not contribute genuine added value to the Union economy while creating significant risk for the development and supply security in these sectors and creating an incentive for "regulatory arbitrage" by investors. Allowing such investments to proceed without any conditions could mean that the added value creation associated with selected strategic technologies and innovative manufacturing activities remains outside the Union, which have detrimental effect for the Union's supply security and technological development in emerging strategic sectors. Moreover, unconditional exposure of the internal market to such large investments risks putting into question the Union's technological advancements necessary for its twin transition and defence capabilities. Therefore, the provisions of this Regulation should ensure that such large investments coming from third countries that hold a particularly significant market position do not disrupt the Union's supply security and economic security, and ensure its technological advancement in emerging strategic sectors. If such investments do not provide for sufficient Union participation and technology transfer, the long-term supply security of emerging strategic sectors is hampered due to lack of Union capacities independent from the country holding a significant share of relevant global supply. Furthermore, it has been observed that certain of such investments do not involve meaningful employment of Union workers, which jeopardizes the development of skills crucial for the development of emerging strategic sectors in the internal market.

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[43] 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).

(29) In order to ensure that the internal market remains attractive for investment, and that investment adds value to the Union's economy and society, it is necessary to establish common conditions for foreign direct investment in manufacturing emerging strategic sectors. Those sectors should be manufacturing sectors with innovative potential where Union entities are not at or near the global innovation frontier, and where appropriate Union capacities and participation should be ensured. Harmonised criteria should apply to foreign investors of a third country which holds over 40% of the global manufacturing capacity in emerging strategic sectors. To ensure the effectiveness of the provisions of this Regulation, the Commission should monitor the global manufacturing capacity of those sectors and publish the results.

(30) Greenfield foreign investments occur where the foreign investor or a foreign investor's subsidiary in the Union sets up new facilities or a new undertaking in the Union. Both Greenfield and Brownfield foreign investments should fall within the scope of this Regulation to the extent that they involve the acquisition of control over a Union target or Union asset, as they both have the possibility to impact the well-functioning internal market.

(31) The review of the investments and application of the harmonised conditions should be carried out in accordance with this Regulation. It should take into account all information available and adhere to the principle of proportionality. Moreover, all measures taken by national authorities or the Commission with respect to the review of foreign investments should comply with Union law, and in particular with Articles 49 and 63 TFEU.

(32) Therefore, the provisions of this Regulation should apply to foreign direct investments in emerging strategic sectors in accordance with the thresholds established by this Regulation, notwithstanding the screening mechanism established under Regulation (EU) 2019/452 of the European Parliament and of the Council[44]. Moreover, the provisions of this Regulation should also apply without prejudice to Union competition law instruments, including Regulation (EU) 2022/2560 of the European Parliament and of the Council[45] and Council Regulation (EC) No 139/2004[46].

(33) The foreign direct investment criteria should capture emerging strategic sector investments in the Union by third-country investors ('foreign investors') in the Union. However, it could also be necessary to include investments in the Union by entities that are controlled, directly or indirectly, by a third-country person or entity regardless of the ultimate owner's location ('foreign investor's subsidiary'), as they are equally capable of disrupting the functioning of the internal market, including its supply and economic security, due to the control exercised from the third country having a significant market share Therefore, Investment Authorities should apply the investment criteria where they are clearly needed to effectively ensure the protection of public security, the supply and economic security, and environmental sustainability in the Union, and where it is essential for the technological advancements of the internal market for the green and digital transition and defence purposes. Moreover, to

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44 Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union (OJ L 79I, 21.3.2019, p. 1, ELI: http://data.europa.eu/eli/reg/2019/452/oj).

45 Regulation (EU) 2022/2560 of the European Parliament and of the Council of 14 December 2022 on foreign subsidies distorting the internal market (OJ L 330, 23.12.2022, p. 1, ELI: http://data.europa.eu/eli/reg/2022/2560/oj).

46 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, ELI: http://data.europa.eu/eli/reg/2004/139/oj).

prevent the circumvention of the Regulation's provisions, where no alternative measures are reasonably available. To ensure the proportional application of conditions prescribed to investments made by the foreign investor's subsidiary, the Commission should have the opportunity to assess the notification and request the Investment Authority to prescribe certain conditions. Apart from review of foreign direct investments made by the foreign investor's subsidiary as established by this Regulation, investments coming from other Union Member States should not be conditioned or deterred.

(34) It is necessary to ensure a lasting link between the foreign investor and the Union target, whether it is carried out directly by a foreign investor or through an entity established in the Union and controlled by a foreign investor. However, that should not apply to 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 ('portfolio investments').

(35) Restructuring operations within a corporate group and investments made in financial institutions in application of a resolution tool as well as of write down and conversion powers should fall outside of the scope of this Regulation. Internal restructurings should only be excluded from the scope of application to the extent that they are conducted solely for the purpose of the internal reorganisation of a Union target or of the corporate group to which the Union target belongs, without resulting in any changes in the beneficial ownership or control of the Union target. In particular, internal restructurings should be excluded where they do not result in a situation where a new foreign investor acquires ownership or control over the Union target or over a company that directly or indirectly owns or controls that Union target, where there is an increase in the shares held by foreign investors, or where the transaction results in additional rights for foreign investors that may lead to a change in the effective participation of one or more foreign investors in the management or control of the Union target.

(36) The foreign direct investment criteria should only apply to emerging strategic sector foreign direct investments reaching an investment value threshold that is able to disrupt the functioning of the internal market. A threshold of EUR 100 million should be considered as having potential for to impact the well-functioning of the internal market in emerging strategic sectors. Such foreign direct investment covered by the scope of this Regulation would bear high risk on the security and environmental sustainability of the Union, while not producing enough added value including ensuring Union contribution in the investment, enhancement of the Union's technological development, employment of Union workers and contribution to Union value chains for the internal market without compliance with the harmonised conditions.

(37) In order to ensure the effective application of this Regulation, each Member State should designate an investment authority responsible for assessing the conditions of investment by foreign entities in emerging strategic sectors. Moreover, it should be equipped with the legal, administrative, and financial resources to carry out its tasks effectively and independently, with due regard to the authorities already responsible for implementing Regulation (EU) 2019/452.

(38) To enable Member States to effectively identify the investments defined in this Regulation, foreign investors should notify competent authorities prior to acquiring or establishing significant stakes in undertakings or assets within the Union. Setting a

threshold at 30 percent ownership or other rights establishing control for both undertakings and assets should ensure that the mechanism captures investments capable of impacting the well-functioning of the internal market.

(39) To minimise the risk of circumvention through fragmented or indirect acquisitions, where several foreign investors act in concert, or where investments are made through affiliated entities or complex ownership structures, their respective interests should be aggregated by the Investment Authority for the purpose of determining the investment value and the notification threshold. Aggregation should also apply to existing holdings in the same Union undertaking or asset, whether direct or indirect, individual or joint, to ensure that successive transactions leading to significant influence or control are duly notified.

(40) In order to ensure Union participation in large foreign direct investments originating from third countries having a significant global position, this Regulation should establish limits on the extent of ownership and control that foreign investors can acquire in Union undertakings and assets. Accordingly, foreign investors should not, whether directly or indirectly, establish, acquire, hold, or exercise ownership interests exceeding 49% of the share capital, voting rights, or equivalent ownership interests in any Union target, nor establish or obtain equivalent ownership, leasehold, or other rights conferring control over a Union asset.

(41) To ensure that foreign investors and Union entities cooperate in emerging strategic sectors while ensuring sufficient participation of Union partners, joint venture requirements should be prescribed, which should include contractual arrangements. In the joint venture, the foreign investor should not hold 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. That condition should also contribute to the strategic autonomy of the Union and ensure value added to the internal market.

(42) It is necessary to assess, as part of the conditions for approval of a foreign direct investment, whether the transfer of technology can contribute to achieving the objectives of this Regulation. To that end, the foreign investors should be encouraged to license to the Union Target, the joint venture or the legal entity acquiring or owning the Union asset the relevant intellectual property rights, and know-how, which are necessary for carrying out the concerned economic activity in the context of the foreign direct investment. Appropriate intellectual property licensing agreement(s) should therefore be granted by the foreign investor to the Union Target, the joint venture or the legal entity acquiring or owning the Union asset. The scope and conditions of these agreements, such as the exact IP rights concerned, the exclusive nature of the license, the duration of the license or confidentiality-preserving measures, should be appropriate to the circumstances and to the objective pursued under this Regulation and the relevant investment. The foreign investor should commit to granting the appropriate licenses of intellectual property rights and relevant know-how they hold, as required for the economic activity concerned. That could be achieved by providing a description of the main aspects of the possible licensing agreements, on a confidential basis, with the Investment Authority.

(43) Where the Union Target or the legal entity acquiring or owning the Union asset owns intellectual property rights in an invention, a work or any other asset subject to intellectual property protection prior to the foreign investment, those intellectual property rights should fully and exclusively remain under the control of the Union

Target or the legal entity acquiring or owning the Union asset. The foreign investor should not claim any intellectual property right nor undertake any activity that would affect the ability of the Union Target or the legal entity acquiring or owning the Union asset to own and exercise the intellectual property rights on their inventions, works, trademarks, designs or any other relevant asset obtained prior to the foreign investment. Where an invention, a work or any other asset subject to intellectual property protection is the result of a collaborative work between the Union Target or the legal entity acquiring or owning the Union asset and the foreign investor or as a result of the joint venture, the intellectual property rights should be owned jointly by the foreign investor, the Union Target or the legal entity acquiring or owning the Union asset, depending on the circumstances. The conditions accompanying the co-ownership of intellectual property rights should, to the extent possible, be defined and communicated to the Investment Authority, ahead of the approval of the foreign direct investment. These conditions should include clarifications as to the possibility for one co-owner to grant a licence and start infringement procedures as well as the financial agreements as regards the filing and registration of intellectual property rights and licensing agreements. In the case of a joint venture without a legal personality, clarifications should be provided to the Investment Authority regarding the ownership of intellectual property.

(44) It is necessary to ensure that the foreign investors' expertise of the large foreign direct investment under the scope of this Regulation should contribute to enhancing the Union's technological development both within and outside the Union Target, the joint venture or the legal entity acquiring or owning the Union asset. To that end, foreign investors should invest in research and development projects to be executed within the Union while ensuring that the Union will benefit from the results produced. It is therefore necessary to assess, as part of the conditions to be considered for having a foreign direct investment approved, whether the foreign investors' research and development investments are adequate to achieve that objective. Such investments could be directed to the benefit of research institutions established in the Union, including in the context of joint projects with the Union Target, the joint venture or the legal entity acquiring or owning the Union asset. Those investments could also be made within the Union target, the joint venture or the legal entity acquiring or owning the Union asset, for developing or executing specific research and development activities. These investments could also consist in the training of Union workers, or direct or indirect financial support to research and development projects within the Union Target, the joint venture or the legal entity acquiring or owning the Union asset. Any assessment performed in relation to investments in research and development projects to be executed within the Union should be without prejudice to Union competition law instruments, including Regulations (EU) 2022/2560 and (EC) No 139/2004.

(45) To promote sustainable integration of investments by foreign entities to the internal market and the development of skills in emerging strategic sectors, and to ensure meaningful social contribution at the place of the investment, such investments should employ a proportion of Union workers and should provide appropriate training and capacity-building measures, involving education and training providers, as well as social partners. The foreign investor should ensure that the thresholds established in this Regulation are fulfilled across all categories of workforce, including the operational, technical, supervisory, and managerial positions.

(46) To strengthen the industrial capacity of emerging strategic sectors and to integrate foreign direct investment into the Union's industrial ecosystem, a certain share of inputs manufactured in the Union should be included in products placed on the Union market by such investments.

(47) In order to ensure that foreign direct investments fulfil at least 4 of the 6 conditions established by this Regulation, the competent Investment Authority should examine each notification and issue a reasoned decision on its approval or rejection. Investment Authorities should establish the fulfilment of the conditions, or as appropriate, the intent of the foreign investor to comply with the conditions. Such investments should not be implemented without the explicit approval of the Investment Authority. Accordingly, foreign investors should comply with a set of conditions before starting their economic activity regarding the relevant foreign direct investment. Investment Authorities should decide in a timeframe ensuring both procedural efficiency and legal certainty. Where justified by the complexity of the case or the need for additional information, that timeframe could be extended, for justified and duly substantiated reasons.

(48) Member States should inform the Commission about notifications received to allow the Commission to effectively monitor the investment landscape and ensure a harmonised investment framework across the internal market.

(49) In order to ensure the horizontal application of this Regulation in the internal market, the Commission should be able to provide an opinion on whether the investment fulfils the conditions set out in this Regulation. Such opinion should be made publicly available. If the Investment Authority intends to diverge from the Commission opinion in its decision, it should extend the approval process for two additional months in order to properly assess the Commission's arguments. When taking a decision, Member States should justify how they took the Commission's opinion into account.

(50) In order to ensure the horizontal application of this Regulation on the Single Market, the Commission should be able to review foreign direct investments, based on its own initiative or on the initiative of a Member State affected by the foreign direct investment. That should be particularly the case for investments where several member states are impacted, as well as high value investments and investments with particular strategic importance for the Union due to their effect on the Single Market.

(51) The Investment Authorities should not only ensure compliance with the conditions at the time of the foreign direct investment's notification, but also throughout its operation, as appropriate, to ensure that the benefits of the foreign direct investment are maximised on the internal market.

(52) To ensure that foreign direct investment criteria for the emerging strategic sectors remain appropriate even as market conditions, technological developments and the competitiveness policy objectives of the Union continue to evolve, the Commission should monitor the global manufacturing trends of strategic sectors and be empowered to adopt implementing acts imposing foreign investment criteria to additional strategic sectors. The Commission should assess in particular the threshold value, as well as whether all of the investment criteria referred to in this regulation are appropriate and necessary to meet the objectives of this regulation.

(53) Clustering industrial activity can contribute substantially to achieving the objectives of this Regulation and to strengthening certain strategic sectors in the internal market. It is therefore appropriate to promote the development of industrial manufacturing

acceleration areas. Such areas should be limited in geographical scope in order to foster industrial symbiosis. When designating the areas, Member States should, in cooperation with regional authorities where appropriate, take into account industrial production (in particular for certain strategic sectors) and their regions' general level of development, with a focus on the less developed regions and those in transition. Furthermore, in order to strengthen the resilience, strategic autonomy and competitiveness of the Union's industrial base, the designation of industrial manufacturing acceleration areas should align with strategic projects and other Union initiatives such as Net-Zero Acceleration Valleys.

(54) The industrial acceleration measures within the acceleration areas should seek appropriate synergies with other Union initiatives, including strategic projects recognised in Union legislation, Net-Zero Acceleration Valleys and Union funding opportunities, in order to align the strategic priorities in the internal market and benefit industrial installations vital for the strategic autonomy and competitiveness of the Union. Those benefits should also apply to undertakings awarded with the competitiveness seal under Regulation (EU) XXXX/[XX] [47] (European Competitiveness Fund), unless specifically excluded by the Member State.

(55) To enable an adequate supply of critical raw materials for projects in the acceleration areas, the European Critical Raw Materials Board established by Article 35 of Regulation (EU) 2024/1252 should provide a platform to exchange information on critical raw materials related supply chain bottlenecks in the acceleration areas. It should be possible for projects in relevant areas to benefit from the Joint purchasing mechanism established in Article 25 of Regulation (EU) 2024/1252 to aggregate their demand for strategic raw materials and increase their negotiating power with potential sellers, especially when they contain small or medium-sized enterprises (SMEs) and small mid-cap companies (SMCs).

(56) Sufficient and timely energy supply to the acceleration areas constitutes a fundamental enabling condition for their effective deployment and for the development of manufacturing activities. Reliable and accurate information on future energy demand contributes to cost-effective grid development. Member States should therefore prepare an analysis for each acceleration area, identifying its future energy needs. Such analysis should serve the purpose of providing information for the national grid planning thereby contributing to purposeful anticipatory grid investments and faster energy connections for the acceleration area. When defining the scope, Member States should take into account the availability of relevant transport and network infrastructure. The results of these assessments should be reflected in national network development plans to adequately capture future points of energy demand in upcoming grid planning.

(57) Where industrial manufacturing acceleration areas are set up, their designation should correspond to the potential to access or organise education and training opportunities to ensure the availability of skilled labour.

(58) To promote the development of industrial manufacturing acceleration areas and to expedite the permit-granting procedures necessary for industrial activities within those

[47] Proposal for a Regulation of the European Parliament and of the Council on establishing the European Competitiveness Fund ('ECF'), including the specific programme for defence research and innovation activities, repealing Regulations (EU) 2021/522, (EU) 2021/694, (EU) 2021/697, (EU) 2021/783, repealing provisions of Regulations (EU) 2021/696, (EU) 2023/588, and amending Regulation (EU) (COM/2025/555 final, 16.7.2025).

areas, Member States should establish an aggregated baseline permit reflecting the specific characteristics of each identified industrial acceleration area and tailored to the industrial manufacturing sector or sectors to be deployed therein. That aggregated baseline permit issued by public authorities should cover the permits commonly required for such activities within the area, excluding those permits that are installation specific, such as those required under Directive 2010/75/EU of the European Parliament and of the Council[48] and the grid connection permit. Consequently, project promoters should be required to obtain additional permits only for activities not covered by the aggregated baseline permit as well as environmental assessments where required. In case of activities potentially affecting Union and nationally protected sites, relevant permits should be granted only after having ensured that the activities are compatible with the conservation objectives of these sites. Such approach should significantly accelerate permit-granting procedures and reduce the administrative burden associated with them whilst maintaining high level of environmental standards.

(59) In order to establish a framework to ensure the Union's strategic autonomy and economic security through access to a secure, sustainable and resilient supply of relevant manufacturing products, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of changes to the list of third countries whose content is not treated as equivalent to Union origin, the introduction or amendment of Union origin and low-carbon requirements, including for additional net-zero technologies and for products and services listed in Annexes II and III, laying down Union-level demand-side measures for products from the chemical industry, taking into account, among others, recommendations from the Critical Chemicals Alliance, the extension of foreign direct investment criteria to additional emerging strategic sectors, the specification of common procedural rules for foreign direct investment criteria, and establishing classification systems based on the greenhouse gas intensity for products. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Inter-institutional Agreement of 13 April 2016 on Better Law-Making[49]. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

(60) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission as regards specifying the method for calculating the proportion of volume of products and components originating in the Union and for verifying the compliance with the conditions laid down in Article 15. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council[50].

[48] Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17, ELI: http://data.europa.eu/eli/dir/2010/75/oj).

[49] OJ L 123, 12.5.2016, p. 1, http://data.europa.eu/eli/agree_interinstit/2016/512/oj.

[50] Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13, ELI: http://data.europa.eu/eli/reg/2011/182/oj).

(61) The Commission should evaluate this Regulation based on the information provided by Member States. Pursuant to paragraph 22 of the Interinstitutional Agreement on Better Law-Making of 13 April 2016, such evaluation should be based on the five criteria of efficiency, effectiveness, relevance, coherence and Union value added. It should also serve as the basis for impact assessments of possible further measures.

(62) To ensure compliance with the obligations laid down in this Regulation, Member States should provide for penalties to be imposed on undertakings that do not comply with their obligations. Such penalties should be without prejudice and in addition to specific penalty requirements set out by this Regulation, for instance on foreign direct investments. It is therefore necessary that Member States lay down effective, proportionate and dissuasive penalties in national law for failure to comply with this Regulation. It is also necessary for Member States to ensure that project promoters have access, where relevant, to administrative or judicial review in accordance with national law.

(63) When reviewing this Regulation, the Commission should assess the need to amend the provisions included in Chapters III and IV. In particular, it should consider introducing targeted Union origin in transport sectors critical to the Union's economic security, notably building of ships and building of rail rolling stock. The Commission should also consider introducing an enhanced review of foreign direct investments for aeronautical products and parts.

(64) Regulation (EU) 2018/1724 of the European Parliament and of the Council[51], which established the Single Digital Gateway, provides general rules for the online provision of information, procedures and assistance services that are relevant to the functioning of the internal market. In order to allow businesses and manufacturing industry project promoters, including for cross-border projects, to directly enjoy the benefits of the internal market without incurring an unnecessary additional administrative burden, the information that needs to be submitted to any relevant authorities as part of the permit-granting process under this Regulation is that set out in Annex I to Regulation (EU) 2018/1724. The related procedures are included in Annex II to that Regulation to ensure that project promoters can benefit from fully online procedures and the Once-Only Technical System Services. In particular, promoters of manufacturing industry projects should be able to fully access and complete any procedure related to the permit-granting process online, in accordance with Article 6(1) of Regulation (EU) 2018/1724 and Annex II of that Regulation. Regulation (EU) 2018/1724 should therefore be amended accordingly.

(65) Regulation (EU) 2024/1735 introduces resilience requirements for a range of net-zero technology final products. Those requirements aim at reducing dependencies on individual third countries of supply, but they are not sufficient to enable Union industries to scale up the potential of the internal market and carry a risk of circumvention. Therefore, in order to address such challenges, the legislative framework should ensure the need to attract and retain technological know-how within the Union, through targeted additional intervention.

(66) The provisions on public procurement laid down in this Regulation should build on the provisions of Regulation (EU) 2024/1735 on resilience; and complement them by

[51] Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012 (OJ L 295, 21.11.2018, p. 1, ELI: http://data.europa.eu/eli/reg/2018/1724/oj).

introducing additional requirements for battery energy storage systems, solar photovoltaic technologies, heat pumps, onshore and offshore wind technologies, electrolysers and nuclear fission energy technologies. Such additional requirements should ensure that a certain share of the products and their main specific components originate in the Union. That approach should ensure sufficient diversification while strengthening strategic manufacturing capacity and technological sovereignty within the Union. The system for verification of compliance with the requirements should limit the administrative burden and align with common public procurement practice as well as the existing system of verification of compliance under Regulation (EU) 2024/1735. It should therefore rely on a self-declaration by economic operators.

(67) In addition to complementing the public procurement provisions of Regulation (EU) 2024/1735, this Regulation should also amend them to provide greater legal certainty. The scope of Article 25 of Regulation (EU) 2024/1735 should be limited to those net-zero technologies for which public procurement of a relevant scale is expected to take place, thereby enhancing the clarity of the provision.

(68) In line with the same policy objective pursued for renewable energy auctions under Regulation (EU) 2024/1735, this Regulation should extend the additional Union origin requirements to renewable energy auctions for certain renewable energy technologies, in order to contribute to strengthening the Union's industrial base and ensuring resilience of net-zero technology supply chains. To reflect the specific characteristics of renewable energy auctions, the additional requirements should apply to the net-zero technologies that are most relevant in the context of auctions, which are battery energy storage systems, solar photovoltaic technologies, electrolysers, as well as on- and offshore wind technologies. Where Union origin requirements apply to auctions, other provisions setting similar requirements for public support schemes should not apply to those auctions.

(69) To reinforce the effectiveness of the framework, and to reflect recent increases in geopolitical risks and global market distortions, the share of auctions covered by the requirements should be increased and a higher cost threshold for the opt-out from those requirements should be established. That should also prevent excessive use of exemptions and provide an effective incentive to boost Union production of renewable energy technologies.

(70) Businesses and households are an essential part of the demand for net-zero technologies in the Union. Public support schemes designed to support consumer demand for such products are important tools for strengthening the Union's economic security and accelerating the green transition. In order to build on the provisions of Regulation (EU) 2024/1735 on resilience, it is necessary to complement those provisions introducing additional requirements for battery energy storage systems, solar photovoltaic technologies and heat pumps. Such additional requirements should ensure that certain main specific components and, in some cases, the whole final product, originate in the Union. That approach is in line with the general objective of support schemes to promote socially-desirable outcomes, in view of making progress on the ambitions of the European Pillar of Social Rights as well as environmental and climate objectives. Furthermore, it should ensure sufficient diversification while strengthening strategic manufacturing capacity and technological sovereignty within the Union. Public authorities in charge of support schemes should have the possibility either to condition the eligibility of the scheme to the fulfilment of the requirements, or to grant additional financial compensation when the requirements are fulfilled. In the latter case, the additional financial compensation should have an incentivising

effect. However, if State aid is involved, the additional financial compensation should not exceed the applicable maximum aid intensity.

(71) Digital technologies continue to transform the way we generate, distribute, and consume energy. Such digital evolution, while presenting unprecedented opportunities, has also introduced complexity and interdependence within modern energy systems, which are now susceptible to a growing array of cyber threats. The integration of digital technologies into energy systems increases the attack surface for malicious actors, who can exploit vulnerabilities to disrupt operations, steal sensitive data, or manipulate energy markets. Such disruptions not only threaten the security and stability of our energy infrastructure and continuous supply of energy but also have cascading effects on all sectors of the economy that rely on stable energy inputs. Furthermore, energy system disruptions could undermine investor confidence and deter investment in essential modernisation and decarbonisation efforts. Therefore, safeguarding the cybersecurity of these systems is paramount to ensuring economic security, maintaining trust, and fostering resilience against future challenges.

(72) To ensure a high level of cybersecurity, it is necessary to prevent high-risk suppliers, as identified in accordance with [the proposal for a revised Cybersecurity Act] from supplying critical components to bidders of renewable energy auctions, tenderers of public procurement procedures, and final products supported by government intervention in the scope of this Regulation.

(73) Furthermore, the cybersecurity provisions of Article 26 of Regulation (EU) 2024/1735 should not only apply to 30%, but to all renewable energy auctions in light that cybersecurity is essential to the stability and integrity of the Union's energy system as a whole. A gap even in just one element of an energy system's cybersecurity could endanger the stability of the whole system. In addition to the high level of cybersecurity ensured in critical sectors by Directive (EU) 2022/2555 and in products with digital elements under Regulation (EU) 2024/2847, extending the scope of the cybersecurity requirements of Regulation (EU) 2024/1735 to all renewable energy auctions should further reduce the vulnerabilities of the Union's energy system and contribute to securing energy and economic stability.

(74) The application of the requirements on Union origin and cybersecurity for net-zero technologies should complement the requirements on sustainability and resilience set out in Regulation (EU) 2024/1735. They should therefore be inserted in that Regulation to ensure consistency and simplify implementation by the relevant authorities.

(75) In line with the measures for public procurement, auctions and public support schemes, this Regulation should also complement Regulation (EU) 2024/1735 with Union origin requirements for Member State support to the construction of nuclear power plants and to the manufacturing of hydrogen electrolysers. To secure long term Union sovereignty, energy security, and sector resilience, it is essential that the new nuclear plants, both large scale reactors and small modular reactors, prioritise as much as possible Union sourced technologies and components while maintaining the highest quality standards. Such strategy will not only boost domestic capabilities but also position the Union as a reliable, competitive player in the global nuclear market. However, in order to prevent risks related to technological lock-in, the Union origin requirements for nuclear power plants should only apply to new-builds, excluding refurbishments and lifetime extensions of existing nuclear power plants.

(76) Regulation (EU) 2024/1735 should therefore be amended accordingly.

(77) Hydrogen is a crucial energy carrier for the energy transition in many industry applications and is instrumental in driving the transition to cleaner energy systems. To accommodate the emergence of gigawatt scale electrolyser deployments in the Union, it is essential to have a concerted, enhanced support system is essential.

(78) Where Union origin requirements require that a certain number of components should originate in the Union without specifying which ones, the choice should be left to the economic operators. This ensures sufficient competition among suppliers of the required components and enables economic operators to make the most cost-efficient choices while applying the requirements.

(79) Regulation (EU) 2024/3110 empowers the Commission to adopt delegated acts to establish environmental sustainability labelling requirements for specific product categories and families of construction products, provided that a product is typically chosen by consumers and does not have a different overall environmental performance over its life cycle depending on its installation. Such strict conditions should be removed in order to enable the Commission to set requirements for the labelling of construction products on the basis of their carbon intensity, including for those products that are not typically sold to end consumers. Regulation (EU) 2024/3110 should therefore be amended accordingly.

(80) To the extent that any of the measures envisaged by this Regulation constitute State aid, the provisions concerning such measures are without prejudice to the application of Articles 107 and 108 TFEU.

(81) Since the objective of this Regulation, namely to support resilient and decarbonised industrial production, cannot be sufficiently achieved by the Member States and can rather, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective,

HAVE ADOPTED THIS REGULATION:

CHAPTER I
GENERAL PROVISIONS

Article 1
Subject matter and scope

1. This Regulation aims at improving the functioning of the internal market by establishing a 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 and the creation, retention of, and transition into high-quality jobs.

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 market for certain products in strategic sectors, by laying down Union origin requirements, low-carbon requirements, or both, in the context of public procurement, public support schemes;

(c) set conditions on foreign direct investments in emerging strategic sectors;

(d) designate industrial manufacturing acceleration areas by Member States for the purposes of boosting industrial activities.

Article 2
Industrialisation objective

The Union and Member States shall seek to ensure that by 2035 the manufacturing industry of the Union accounts for at least 20% of the Union's gross domestic product.

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;

(3) 'energy'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/EC[52] 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;

(4) 'permit-granting procedure' means a process 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 procedures[53]], 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 comprehensive decision on the outcome of the procedure;

(5) 'comprehensive decision' means the decision or set of decisions taken by a Member State authority or authorities, that determines whether or not a project promoter is authorised to build, expand, convert and operate an industrial manufacturing project;

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[52] 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).

[53] 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/EU[54], supply, works and service contracts as defined in Article 2, point (1), of Directive 2014/25/EU[55], 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;

(b) any type of award procedure covered by Directive 2014/24/EU for the conclusion of a public contract or Directive 2014/25/EU for the conclusion of a supply, works and service contract;

(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 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;

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[54] 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).

[55] 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).

(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 Council[56];

(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 2025/1178[57];

(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[58].

(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 final assembly of the vehicle;

(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

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[56] 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).

[57] 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, 18.6.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/1178/oj).

[58]

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;

(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 of a third country who does not hold the nationality of a Member State or an undertaking 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 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 139/2004[59];

(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 Council[60];

(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;

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59 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).

60 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).

CHAPTER II
ENABLING CONDITIONS FOR INDUSTRIAL PRODUCTION AND DECARBONISATION

Article 4

Single access points

1. Member States shall set up a single access point at national level for the submission by project promoters of the single application for industrial manufacturing projects referred to in Article 5(1).

2. The single access points shall automatically attribute 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 single access points shall use the European Business Wallets established pursuant to [Proposal for a Regulation on the establishment of European Business Wallets].

   Through the use of European Business Wallets, the single access points shall enable:

   (a) interoperability and automated data exchange between competent authorities;

   (a) re-use of data and documents already held by public authorities;

   (b) a high level of cybersecurity, and integrity of information;

   (c) transparency and accountability of the permit-granting procedure.

3. When setting up the single access points, Member States shall, 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.

2. Member States shall designate a competent authority to coordinate the permit-granting procedure referred to in paragraph 1 in order to ensure the adoption and issue of a comprehensive decision within the applicable time limit.

3. No later than 45 days from the receipt of the application for a permit for industrial manufacturing projects, the competent authority shall either acknowledge that the application is complete or request any missing information needed to process the application.

   Where, after the submission of any missing information, the application is still deemed to be incomplete, the competent authority may, within 30 days of the submission of the requested missing information, make a second request for any information still missing. 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.

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

Energy-intensive industry decarbonisation projects

1. Chapter II, Section II, of Regulation (EU) 2024/1735 shall apply to all energy-intensive industry decarbonisation projects.

2. All energy-intensive industry decarbonisation projects 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.

CHAPTER III
STRENGTHENING THE UNION'S STRATEGIC INDUSTRIAL VALUE CHAINS

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 Regulation (EU) No 952/2013 of the European Parliament and of the Council.

Article 8

Content equivalent to Union origin in public procurement

1. With respect to the Union origin requirements referred to in Article 11, 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, shall be deemed to be of Union origin.

2. The Commission shall adopt delegated acts in accordance with Article 30 to exclude, in whole or in part, a third country from the scope of paragraph 1 based on any of the following criteria:

   (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.

Article 9

Content equivalent to Union origin in other forms of public intervention

1. With respect to the Union origin requirements set out in Article 12, content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union shall be deemed to be of Union origin.

2. The Commission shall adopt delegated acts in accordance with Article 30 to exclude, in whole or in part, a third country from the scope of paragraph 1 based on any of the following criteria:

   (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.

Article 10

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 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.

2. To support the creation of lead markets by informing investment 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 Council[61] or verifiers accredited under the delegated acts adopted pursuant to Article 18 of

[61] 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: http://data.europa.eu/eli/reg_impl/2018/2067/oj).

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;

(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 Council[62].

[62] 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, ELI: http://data.europa.eu/eli/reg/2021/1119/oj).

Article 11

Public procurement

1. Contracting authorities and contracting entities shall exclude from access to procurement procedures referred to in Part I of Annex II and Part I of Annex III tenders submitted by economic operators owned or controlled by an entity established in third countries which have not concluded an international agreement with the Union guaranteeing such access.

2. For public procurement procedures referred to in Part I of Annex II and Part I of Annex III, contracting authorities and contracting entities shall apply the Union origin requirements and low-carbon requirements laid down therein in accordance with Articles 8 and 10.

3. Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and III where any of the following conditions are fulfilled:

   (a) the required products or 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.

4. 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.

Article 12

Other forms of public intervention

1. Without prejudice to Articles 107 and 108 TFEU, Member States shall design public support schemes in a way that they contribute to the objective of strengthening the Union's strategic industrial value chains through the Union origin requirements, low-carbon content requirements, or both, laid down in Part II of Annex II and Part II of Annex III, in accordance with Articles 9 and 10 and 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 II of Annex III.

2. When designing and implementing a public support scheme covered by Part II of Annex II and Part II 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.

3. The competent authority may still implement support schemes that do not meet the requirements laid down in Part II of Annex II and Part II 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%.

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 corporate cars and vans shall comply with the criteria set out in Part II of Annex III to this Regulation.

This 'made in the European Union' criterion shall be considered equivalent to the 'Union origin' referred to in Article 7 of this Regulation.

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 of Annex III to this Regulation.

   This 'made in the EU' criterion shall be considered equivalent to the 'Union origin' referred to in Article 7 of this Regulation.

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 in Article 10(1) of this Regulation;

   (b) 'made in the EU' shall be equivalent to the 'Union origin' referred to in Article 7 of this Regulation.

Article 15

Certification of a vehicle's compliance with Union origin requirements

From [OP please insert date: six months after entry into force], when issuing a vehicle's certificate of conformity in accordance with Articles 36 and 37 of Regulation (EU) 2018/858, for vehicles in compliance with the relevant Union origin requirements laid down in Annex III to this Regulation, manufacturers shall provide an accompanying document certifying the compliance of the vehicle.

Article 16

Delegation of powers

1. 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 for products from the chemical industry in order to promote the following activities:

   (a) the production and sales of substances and mixtures of Union origin derived from sustainable carbon sources;

   (b) the use in products made available on the market of substances and mixtures of Union origin derived from sustainable carbon sources.

   In the preparation of the delegated acts, the Commission should take into account:

   (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) the market situation at Union level, as identified through monitoring activities, including 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.

2. The Commission is empowered to adopt delegated acts in accordance with Article 30 in order to amend Annex II or Annex III concerning the Union origin requirements, low-carbon requirements or both set out for products referred to therein, taking into account the following criteria:

   (a) the market situation at Union level, as identified through monitoring activities, including declining Union market shares and Union industry producing below capacity;

   (b) technological progress;

   (c) 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;

   (d) demand for the relevant products or technologies driven by the downstream sectors' growth;

   (e) share of product or technology in total production value of the downstream sector;

   (f) the impact of setting Union origin requirements, low-carbon requirements, or both on the overall competitiveness and greenhouse gas emissions of the

relevant sectors, including on costs for downstream consumers and small and medium enterprises and public budgets.

3. The Commission is empowered to adopt implementing acts in accordance with Article 31(2) 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 % of the global manufacturing capacity is held by the third country of which the foreign investor is a national or undertaking.

Such investments shall not be implemented unless explicitly approved by the Investment Authority or the European Commission, referred to in Article 19, in accordance with the provisions laid down in this Chapter.

2. This chapter shall apply to foreign direct investment in manufacturing in any of the following emerging strategic sectors:

(a) battery technologies and its 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 and 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 investors;

(c) portfolio investments.

Article 18

Value added foreign direct investment criteria

1. Member States shall, by [OP insert date: 1 month after entry into force of this Regulation], designate an 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. From [OP insert date: 12 month after entry into force of this Regulation], Investment Authorities shall only approve foreign direct investments made directly by foreign investors that fulfil either four or more of the following six conditions:

   (a) 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;

   (b) 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;

   (c) 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 of the Union asset. 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 b, developed by the joint venture, shall be owned jointly by the Foreign Investor and the Union Target, the joint venture defined in point b or the legal entity owning the Union asset;

   (d) 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) at least 50% of the 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 across all categories of the workforce, including operational, technical, supervisory, and managerial positions. Such employment shall be accompanied by adequate training and capacity-building measures. 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, notwithstanding article 107 TFEU, it shall commit not to decrease the number Union workers for a period of five years on pain of recovery by the relevant national authorities, the funding awarded;

(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 and endeavours to source from the Union a minimum of 30% of inputs used for the products placed on the Union market.

3. The foreign direct investment shall comply with the condition referred to in paragraph 2(e) to be approved by the Investment Authority pursuant to paragraph 2.

4. Investment Authorities may apply some or all of the conditions set out in paragraph 2 to direct investments made within 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 the Regulation.

5. 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 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 31(3).

Article 19

Prior notification of planned foreign direct investments

1. A foreign investor 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 3.

The notification shall contain all necessary information to allow the Investment Authority to perform the investment review pursuant to Article 20.

2. For the purposes of determining whether the investment value reaches the threshold set out in Article 17(1), only previous investments of a foreign investor made in the same Union target or Union asset by the foreign investor from [OP please insert the date = the date of the entry into force of this Regulation] shall be aggregated.

3. Foreign investors shall be considered to have control, where the investment in question reaches either of the following threshold:

(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.

4. 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 3, that acquisition or establishment shall be notified.

5. For the purposes of calculating whether either of the thresholds laid down in paragraph 3 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.

6. 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. The Member States concerned shall coordinate the review of such notifications and agree on the conditions imposed with the other Member States concerned, as well as with the Commission.

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.

Foreign direct investment notified pursuant to the first subparagraph shall fulfil the conditions laid down in Article 18 in all Member States concerned.

Article 20

Review and approval

1. The Investment Authority shall decide on the admissibility of the notification pursuant to Articles 17 and 19 within 30 days of receiving the 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 the Investment Authority decides a notification is admissible, it shall immediately transmit the full notification to the Commission including all documents received.

2. Within 30 days after receiving the notification, the Commission may issue a written opinion on whether the foreign direct investment falls within the scope of Articles 17 and 19, whether it fulfils the conditions laid out in Article 18(2), and whether the Investment Authority is to approve the investment or not.

Where the Commission issues a written opinion, it shall transmit it to the Investment Authority without delay. The Commission may share the written opinion with the Investment Authorities of other Member States or publish the written opinion on its official website, with due regard to confidentiality.

3. No sooner than receiving the opinion of the Commission or the lapse of the deadline referred to in paragraph 2 and no later than 60 days, or 75 days if the deadline was extended in accordance with paragraph 1, after receipt of the notification, the Investment Authority shall issue a reasoned decision approving or declining the foreign direct investment. The Investment Authority shall approve the foreign direct investment if it fulfils 4 out of 6 conditions set out in Article 18. 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 communicate such reasoned decisions to the Commission within three days of adoption.

4. Where the Investment Authority gives a decision which diverts from the Commission opinion as regards compliance of the foreign direct investment with the conditions laid down in Article 18, the Investment Authority shall assess the notification in greater detail within an additional period of two months and the decision shall only enter into force after the lapse of this deadline.

Investment Authorities shall, in their reasoned decision issued pursuant to paragraph 3, justify how the opinion of the Commission was taken into account.

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

6. Any party subject to a decision issued pursuant to paragraphs 1 or 3 shall have the right to seek judicial recourse against such decision.

Article 21

Review of foreign direct investment by the Commission

1. Following the notification referred to in Article 19(1), the Commission may decide to undertake the assessment of the foreign direct investment in the following circumstances:

(a) on its own initiative, where the foreign direct investment has the potential to significantly impact added value creation in the Union market;

(b) on the request of an Investment Authority handling a notification, or an Investment Authority of another Member State, in which the foreign direct investment in question would have a significant impact on its territory; or

(c) on its own initiative, where the foreign direct investment has value exceeding EUR 1 billion.

2. For the purposes of paragraph 1, the foreign direct investment shall be deemed to have the potential to significantly impact the added value creation in the internal market, in any of the following cases:

(a) it is of particular strategic importance for the internal market;

(b) it has considerable economic impact on the territory of more than one Member State;

(c) it has high potential of disrupting the security of supply of that emerging strategic sector or related value chains in the Union, or security in more than one Member State;

(d) it has high potential of having detrimental environmental effect in more than one Member State;

(e) it is of a particularly high value compared to other investments in that emerging strategic sector.

3. Following the notification referred to in Article 19(1), the Commission may decide to undertake the assessment of an investment referred to in Article 18(4). The Commission may carry out its assessment on its own initiative, or at the request of an Investment Authority handling a notification, or an Investment Authority of another

Member State on which the foreign direct investment in question would have a significant impact.

Based on its assessment, the Commission may require the Investment Authority to apply in a proportionate manner, or not to apply, some or all the conditions set out in Article18(2).

4. Where the Commission decides to assess the foreign direct investment pursuant to this Article, the provisions set out in Article 18 shall apply, mutatis mutandis, starting from its decision to undertake the assessment.

Article 22

Monitoring and enforcement by the Investment Authority

1. The Investment Authority shall regularly monitor the foreign direct investment to ensure that it continues to fulfil the conditions laid down in Article 18. For that purpose, the foreign investor shall regularly report to the Investment Authority on compliance with the 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 shall establish penalties in case of non-compliance with the provisions of this Chapter, in particular where foreign investors or investments fail to comply with the following requirements:

   (a) the notification requirements in accordance with Article 19;

   (b) the conditions laid down in Article 18;

   (c) the monitoring obligations established by this Article.

4. Penalty payments established by the Investment Authority 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 person, the Investment Authority shall establish a penalty payment of at least 5 % of the investment value in case a violation pursuant to paragraph 3, point (a).

   The penalty payments established by the Investment Authority shall be effective and proportionate to the violations laid down in paragraph 3.

   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 by the Commission

1. For the purposes of Article 17, the Commission shall monitor the global manufacturing capacity for each of the emerging 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 strategic sectors referred to in Article 17(2).

Where the Commission decides to assess 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 person foreign investor, 5% of the investment value.

Article 24

Delegation of powers

1. The Commission is empowered to adopt delegated acts in accordance with Article 30 of this Regulation to supplement the list of emerging strategic sectors to be covered by this Chapter to sectors 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, electric propulsion technologies for transport referred to in Article 4(1), point (r), of Regulation (EU) 2024/1735, 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 supply chain disturbances, on Union level;

(d) technological developments and the Union's competitiveness in that sector in comparison to third countries;

(e) supply chain dependence in the relevant sector on one or more countries.

3. The delegated acts adopted pursuant to paragraph 1 shall contain:

(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

Article 25

Designating national industrial manufacturing acceleration areas

1. Member States shall designate at least one industrial manufacturing acceleration area on their territory by [OP please insert date: 12 months following the entry into force of this Regulation] to cluster industrial manufacturing projects in one or several of the strategic sectors listed in Annex I.

2. Member States shall designate industrial manufacturing acceleration areas by decision, on the basis of the following elements:

   (a) the impact of the industrial manufacturing acceleration area's production on the security of the Union's supply for the strategic sectors listed in Annex I;

   (b) the potential of the industrial manufacturing acceleration area to support the deployment of production capacity in the strategic sectors listed in Annex I, to strengthen Union value chains and the Union's innovation potential to accelerate sustainable manufacturing industrial activities, including decarbonisation and circular business practices, and to foster the functioning of the internal market, in alignment with strategic projects and other initiatives, including as Net Zero Acceleration Valleys, carried out pursuant to other Union legislation;

   (c) the number of SMEs and SMCs that would benefit from the provisions of this Chapter within the industrial acceleration area;

   (d) the Member State's regions' level of development, including least developed areas, regions in transition, and those undergoing industrial transformation.

3. When designating industrial manufacturing acceleration areas, Member States shall:

   (a) define a clear geographic scope for the acceleration area;

   (b) prioritise locations where the deployment of a specific sector or sectors of industrial manufacturing projects is not expected to have a significant environmental impact;

   (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;

   (d) take into account climate risks in the areas designated;

   (e) prioritise artificial and built surfaces, industrial sites, and brownfield sites, as well as already identified strategic projects pursuant to other Union legislation.

4. When designating industrial manufacturing acceleration areas, Member States shall take into account, as relevant, the following considerations:

   (a) the infrastructural needs of the acceleration area;

   (b) the financing needs of manufacturing industry located in the acceleration area and the possibility to support that industry, where applicable, in accordance with applicable State aid rules;

(c) the supply chain needs within the acceleration area and the essential materials, particularly secondary materials, necessary for manufacturing activities;

(d) the feasibility of connecting the acceleration area with sufficient low-carbon energy supply for the acceleration of industrial manufacturing activity;

(e) skill needs, the shortages and employment trends and support measures to achieve the adequate reskilling and upskilling of the local workforce;

(f) the need, as relevant, for depollution of the acceleration area to facilitate the commencement of new industrial activities;

(g) research and innovation needs for accelerating the manufacturing industrial activity in the area;

(h) relevant location-specific information made publicly available by industry, including corporate climate transition plans, related targets and actions, investment needs, and required enabling policy frameworks.

5. Before their adoption, the plans or programmes on the designation of the industrial manufacturing acceleration areas shall be subject to an environmental assessment pursuant to Directive 2001/42/EC of the European Parliament and of the Council[63], and, if they are likely to have a significant impact on Natura 2000 sites, to the appropriate assessment pursuant to Article 6(3) of Council Directive 92/43/EEC[64] and, where applicable, to the relevant assessment to comply with Article 4(7) of Directive 2000/60/EC of the European Parliament and of the Council[65].

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

Member States shall take the following measures, where appropriate, to facilitate the development of industrial manufacturing acceleration areas:

(a) facilitate 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 to accelerate the innovative potential and Union's competitiveness and technology leadership in the acceleration areas;

(c) conduct, and review at least every three years, a comprehensive analysis of the energy needs of each acceleration area and identifying the required energy

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63 Directive 2001/42/EC of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.7.2001, p. 30, ELI: http://data.europa.eu/eli/dir/2001/42/oj).

64 Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22.7.1992, p. 7, ELI: http://data.europa.eu/eli/dir/1992/43/oj).

65 Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1, ELI: http://data.europa.eu/eli/dir/2000/60/oj).

infrastructure capacity for the proper functioning and development of industrial manufacturing projects located in the acceleration area.

Such analysis shall be conducted, at least, when designating the industrial acceleration area and for the milestones of years 2030, 2040 and 2050, ensuring alignment with the Union's decarbonisation pathway;

(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 Council[66] 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;

(e) exchange information on relevant supply chains, identify potential bottlenecks, and strengthen coordination between acceleration areas on critical raw materials issues within the framework of the European Critical Raw Materials Board established by Article 35 of Regulation (EU) 2024/1252;

(f) promote entities in the acceleration areas and facilitate their participation, where relevant, in the joint purchasing mechanism established by Article 25 of Regulation (EU) 2024/1252, including by providing guidance, support, and information to ensure effective engagement;

(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;

(h) exchange information on the necessary skills, potential shortages of those skills and best practices applied in the acceleration areas within the framework of the Industrial Forum expert group established by COM/2020/102[67];

(i) ensure synergies and promote the benefits provided under the Pact for Skills[68] or entities established in the acceleration areas, with particular attention to Large-Scale Skill Partnerships and Regional Skills Partnerships included therein.

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

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66 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: http://data.europa.eu/eli/dir/2019/944/oj).

67 Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions a New Industrial Strategy for Europe (COM/2020/102 final).

68 Communication from the Commission to the European Parliament, the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, European Skills Agenda for sustainable competitiveness, social fairness and resilience ((COM(2020) 274 final).

located within the acceleration area, excluding those permits that are installation specific.

2. Before issuing the aggregated baseline permit referred to in paragraph 1, Member States shall carry out all necessary assessments, including relevant environmental assessments, planning procedures and evaluations applicable at the level of the acceleration area. Member States shall take into account the assessment carried out pursuant to Article 25(5).

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 and of its contribution to the functioning of the internal market. The evaluation shall consider:

(a) progress made in achieving the objectives specified in Article 1, particularly on resilience, economic security and decarbonisation of industrial production;

(b) progress made in achieving the industrialisation objective pursuant to Article 2, taking into account the challenges and opportunities in the internal market and global markets;

(c) the related administrative costs, economic impacts on downstream sectors, small and medium enterprises and impacts on public budgets.

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 Chapters III and IV. The Commission may submit a legislative proposal in order to repeal or amend this Regulation. That review shall be carried out periodically every three years after the first review.

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 24shall 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 24shall 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 33
Amendments to Regulation (EU) 2018/1724

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

Article 34
Amendments to Regulation (EU) 2024/1735

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

(1) in Article 3 the following points (34), (35) and (36) are added:

(a) '(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*;'

(b) '(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;'

(c) '(36) 'hydronic heat pump' means a space heater using ambient heat from an air source, water source or ground source, and/or waste heat for heat generation and heating space through a water circuit.'

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* 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, work contracts and works concessions 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;’;

(4) The following Article 25a is inserted:

‘Article 25a

Origin requirements for public procurement procedures

1. For public procurement procedures referred to in Annex II, contracting authorities and contracting entities shall exclude from access to such procurement procedures tenders submitted by economic operators owned or controlled by an entity established in third countries which have not concluded an international agreement with the Union guaranteeing such access.

2. 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 specific main specific components shall only apply to the extent that those components are included in the final product.

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.

4. Contracting authorities 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.'

(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) high-risk suppliers as defined in Article 2 point (39) of Regulation xxxx/xxxx [CSA2]: For auctions that 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:

(1) the supply of those products or systems;

(2) the design, development or production of those products or systems;

(3) the management, control or operation of those products or systems;

(4) the development, maintenance, operation, or updating of their software

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 specific 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 1points (a), (i), (ii) and (iii), and paragraph 2.'

(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 specific main specific components shall only apply to the extent that those components are included in the final product.

2. 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.

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 %.

Article 28b

Limitations to high-risk suppliers for other forms of public intervention

For support schemes within the scope of Articles 28 and 28a that include control systems, management control systems, supervisory control and data acquisition systems, remote access systems or firewalls, Member States shall design those schemes in such a way as to ensure that beneficiaries shall be eligible to the scheme only where suppliers identified as high-risk suppliers in accordance with Regulation xxxx/xxxx [CSA2] are 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 28c

Union 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 specific 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.

3. Without prejudice to Articles 107 and 108 TFEU and in accordance with the Union's international commitments, when supporting the manufacturing of net-zero technology final products referred to in Annex II of this Regulation and that include control systems, management control systems, supervisory control and data acquisition systems, remote access systems or firewalls, Member States shall ensure that suppliers identified as high-risk suppliers in accordance with Regulation xxxx/xxxx [CSA2] are not 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 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 Regulation (EU) No 952/2013 of the European Parliament.

Article 28e

Content equivalent to Union origin in public procurement

1. With respect to the Union origin requirements referred to in Article 25a, 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, shall be deemed to be of Union origin .

2. The Commission shall adopt delegated acts in accordance with Article 44 to exclude, in whole or in part, a third country from the scope of paragraph 1 based on any of the following criteria:

   (e) 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);

   (f) 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;

   (g) such exclusion is justified under any other exception under the applicable agreement.

Article 28f

Content equivalent to Union origin in auctions

3. With respect to the Union origin requirements referred to in Article 26, content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union shall be deemed to be of Union origin.

4. The Commission shall adopt delegated acts in accordance with Article 44 to exclude, in whole or in part, a third country from the scope of paragraph 1 based on any of the following criteria:

   (h) 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);

   (i) 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;

   (j) such exclusion is justified under any other exception under the applicable agreement.

Article 28g

Content equivalent to Union origin in other forms of public intervention

1. With respect the Union origin requirements set out in Article 28a, content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union shall be deemed to be of Union origin.

2. The Commission shall adopt delegated acts in accordance with Article 44 to exclude, in whole or in part, a third country from the scope of paragraph 1 based on any of the following criteria:

(k) 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);

(l) 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;

(m) such exclusion is justified under any other exception under the applicable agreement.

Article 28h

Delegation of power

1. The Commission is empowered to adopt delegated acts in accordance with Article 44 to amend the Union origin requirements laid down in Annex II, taking into account the following criteria:

(a) the market situation at Union level including declining Union market shares and Union industry producing below capacity;

(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;

(d) demand for the relevant net-zero technologies;

(e) the impact of setting Union origin requirements on the overall competitiveness and greenhouse gas emissions of the relevant sectors.

2. The Commission is empowered to adopt delegated acts to supplement Annex II with Union origin requirements for additional specific net-zero technology final products 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), which shall be required in accordance with Articles 25a, 26, 28a and 28c. In doing so, the Commission shall take the following into account:

(a) the market situation at Union level, as identified through monitoring activities, including declining Union market shares and Union industry producing below capacity;

(b) the contribution of the requirements to the Union's objective of public order, economic security, resilience and climate neutrality;

(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.

1. 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;

(7) Article 42 is amended as follows:

(a) the following paragraph 2a is inserted:

'2a. Member States, public authorities, procuring authorities and procuring 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 published 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 technologies:

For public procurement procedures published after [OP: Please insert the date = 4 years after entry into force of this Regulation] where works contracts or work concessions include the construction on 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 published after [OP: Please insert the date = 6 years after entry into force of this Regulation] where works contracts or work concessions include the construction on 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 electrolysers 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 electrolysers 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 28b, 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.

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 electrolysers, 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 electrolysers, 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:

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 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 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 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 = [one] 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

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1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing a framework of measures for accelerating industrial capacity and decarbonisation in strategic sectors and amending Regulation (EU) 2018/1724, Regulation (EU) 2024/1735 and Regulation (EU) 2024/3110 (Industrial Accelerator Act).

1.2. Policy area(s) concerned

Single market, Competitiveness, Climate.

1.3. Objective(s)

1.3.1. General objective(s)

The general objective is to increase decarbonised and resilient industrial production in the EU manufacturing industry, with a special attention on energy-intensive industries (EIIs) and clean technologies, considering their contribution to Europe's competitiveness, economic security, and sustainable economic growth, in line with the Clean Industrial Deal's objectives.

1.3.2. Specific objective(s)

Specific objective No 1

Facilitate differentiation for low-carbon industrial products to increase their value and marketability.

Specific objective No 2

Boost demand for European low-carbon products and clean tech.

Specific objective No 3

Maximise the quality and benefits of foreign investment in the EU.

Specific objective No 4

Speed-up and simplify permits for industrial decarbonisation

Specific objective No 5

Increase investment projects in industrial areas.

1.3.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

Economic Impacts

Introducing a harmonised low-carbon label for industrial products and verification mechanism will improve market transparency, allowing producers to capture value for cleaner production and stimulate competition based on performance rather than cost alone. It will create new commercial opportunities for EU manufacturers, enhance price differentiation in international markets, and attract private investment in low-carbon technologies.

By increasing the share of EU-made and low-carbon products in domestic consumption, the measure will boost demand within European market, strengthen

industrial competitiveness, and reduce dependence on high-carbon or imported alternatives. Creating lead markets for low-carbon steel, cement, and clean technologies will accelerate economies of scale and stimulate further investment.

Encouraging joint ventures and strategic partnerships that generate European added value will increase knowledge transfer, industrial innovation, and technological sovereignty. It will improve supply-chain security, diversify input sources, and enhance the resilience of EU industrial ecosystems.

Reducing permitting times will shorten project delays and lower financing costs, strengthening the investment climate for industrial decarbonisation. Faster approvals will speed up the deployment of clean-energy infrastructure, carbon-capture facilities, and electrification projects, stimulating industrial productivity and regional development.

Supporting a higher number of final investment decisions (FIDs) in industrial areas will drive capital formation, modernise existing facilities, and attract complementary private financing. Concentrating investment in industrial clusters will generate economies of scale and strengthen regional competitiveness.

Social impacts

The label on greenhouse gas intensity of industrial products will strengthen consumer and buyer confidence in low-carbon products, supporting skilled employment in verification, testing, and certification services. By rewarding innovation, it will help sustain quality industrial jobs and foster upskilling and reskilling across manufacturing supply chains.

Increased EU demand will help preserve and create high-quality jobs in manufacturing regions transitioning to low-carbon industries. It will also improve regional cohesion by fostering re-industrialisation in affected areas, while mitigating adjustment costs for workers through stable production prospects.

High-quality foreign investments and partnerships will create new employment opportunities, particularly in advanced manufacturing and research-intensive segments. They will also strengthen cooperation between EU and non-EU companies, promoting workforce training and skills exchange.

. Improved transparency and digital tools will increase citizen trust and participation in local industrial projects.

Increased industrial activity in existing sites will generate stable employment and strengthen local supply chains, while minimising social disruption by utilising brownfield sites and leveraging existing workforce skills. Industrial clustering will support regional convergence and resilience.

Environmental impacts

A reliable and comparable labelling framework will incentivise the reduction of greenhouse-gas (GHG) emissions across industrial value chains. It will encourage continuous improvement in product design, materials use, and energy efficiency, helping industry meet climate-neutrality objective.

By introducing low-carbon requirements, greater uptake of low-carbon products will drive significant emission reductions in the construction and transport sectors. This demand-driven approach complements supply-side innovation, accelerating the overall decarbonisation of the European economy.

Shorter and more predictable permitting processes will accelerate the deployment of low-carbon technologies and environmental upgrades, enabling earlier emission reductions and contributing to the EU's intermediate climate targets.

By concentrating new projects within industrial areas, the measure promotes efficient energy and natural resource use, and enables shared infrastructure for CO_2 capture, renewable energy, and waste recycling. This approach aligns industrial growth with environmental protection and circular-economy principles.

1.3.4. Indicators of performance

Specify the indicators for monitoring progress and achievements.

The number of awarded low-carbon label certificates for relevant industrial products will measure progress in creating a reliable and transparent framework that allows producers to differentiate their products based on carbon performance. It will demonstrate the EU's progress in making low-carbon industrial products visible, verifiable and comparable on the market, thereby strengthening their competitiveness and value creation.

The share of EU and low-carbon production in EU consumption for relevant products will capture the proportion of clean and domestically produced materials in overall EU demand. It indicates whether demand-side measures, such as public procurement, investment incentives, and EU-content criteria, are effectively stimulating the uptake of low-carbon and European-made products. A growing share will demonstrate the emergence of strong EU lead markets for green industrial goods and will point to reduced dependence on high-carbon imports.

The number of joint ventures in relevant sectors that create European added value, innovation and industrial resilience will measure the level of high-quality industrial partnerships between EU and non-EU actors contributing to technology transfer, innovation, and secure supply chains. This indicator reflects the success of the IAA in attracting sustainable, "high quality" foreign investment and promoting collaboration that strengthens the EU's industrial base. Increases in such ventures signal a more resilient and innovative industrial ecosystem that retains greater value within Europe.

The average permitting time for industrial decarbonisation projects will track the efficiency of administrative procedures across Member States. It measures how long competent authorities take to process and approve applications for industrial decarbonisation projects, including grid and clean-energy connections. A reduction in average permitting times will demonstrate that the streamlining, coordination and digitalisation measures introduced under the IAA are effectively accelerating investment and reducing bureaucratic barriers for companies.

The number of industrial FIDs realised in relevant industries will serve as a direct indicator of investment momentum and business confidence in the EU's industrial transition. It reflects the extent to which companies are committing capital to new or upgraded decarbonisation projects, particularly within existing industrial areas and clusters. Rising numbers of realised FIDs will show that the framework established

by the IAA is translating into tangible projects, supporting job creation, regional re-industrialisation and faster deployment of clean technologies across Europe.

1.4. The proposal/initiative relates to:

☒ a new action

☐ a new action following a pilot project / preparatory action[69]

☐ the extension of an existing action

☐ a merger or redirection of one or more actions towards another/a new action

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

The proposal responds to the urgent need to accelerate industrial decarbonisation and strengthen Europe's manufacturing competitiveness in a context of global technological competition and rising investment needs. The initiative aims to remove barriers that slow down investment in low-carbon and resilient industrial production and to ensure the integrity of the Single Market in its transition towards climate neutrality.

1.5.2. Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.

Reasons for action at EU level (ex-ante)

Industrial decarbonisation and resilience challenges transcend national borders. Divergent definitions of low-carbon products, uncoordinated demand-side measures and inconsistent permitting procedures risk fragmenting the Single Market and weakening Europe's industrial base. Only coordinated EU-level action can guarantee a level playing field, prevent investment diversion, and ensure that climate and industrial policies reinforce one another. The Regulation acts under Article 114 TFEU to preserve the functioning of the single market and, where relevant, Article 207 TFEU to ensure coherence on measures related to foreign investment.

Expected generated EU added value (ex-post)

EU intervention will generate lasting benefits through economies of scale, lower transaction costs, and improved legal certainty for investors and authorities. It will strengthen Europe's capacity to manufacture low-carbon products, attract sustainable investment, and speed up project deployment. Harmonised criteria, shared digital tools, and consistent permitting principles will reduce administrative burden while providing uniform market conditions across Member States.

1.5.3. Lessons learned from similar experiences in the past

Experience from the Net-Zero Industry Act (NZIA), the Critical Raw Materials Act (CRMA) and the Ecodesign for Sustainable Products Regulation (ESPR) demonstrates that targeted Single-Market instruments combining common

[69] As referred to in Article 58(2), point (a) or (b) of the Financial Regulation.

definitions, demand-side incentives and administrative simplification deliver measurable investment acceleration. These precedents demonstrate the effectiveness of clear regulatory frameworks and structured coordination between the Commission and Member States. The IAA applies these lessons specifically to energy-intensive industries and clean energy technology manufacturing, and vehicle components ensuring coherence with existing instruments and avoiding regulatory overlap.

1.5.4. *Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments*

The proposal is fully consistent with the 2021-2027 Multiannual Financial Framework and will be implemented through existing Union programmes. Synergies are foreseen with the Innovation Fund, InvestEU, Horizon Europe, Connecting Europe Facility – Energy, the Cohesion Policy funds, and the Technical Support Instrument. The initiative complements the Clean Industrial Deal, CRMA, and the European Competitiveness Fund, without creating new spending envelopes or financial obligations beyond existing resources.

1.5.5. *Assessment of the different available financing options, including scope for redeployment*

All financing will be ensured through redeployments from programmes. Without prejudice to the outcome of negotiations on the next MFF, the appropriations foreseen from 2028 onwards are strictly indicative.

1.6. Duration of the proposal/initiative and of its financial impact

☐ **limited duration**

– ☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY

– ☐ financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

☒ **unlimited duration**

– Implementation with a start-up period from YYYY to YYYY,

– followed by full-scale operation.

The Regulation will enter into force in 2027 and remain applicable beyond 2030, with a review every five years to assess progress and alignment with Union climate and economic security objectives.

1.7. Method(s) of budget implementation planned

☒ **Direct management** by the Commission

– ☒ by its departments, including by its staff in the Union delegations;

– ☐ by the executive agencies

☐ **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

– ☐ third countries or the bodies they have designated

– ☐ international organisations and their agencies (to be specified)

– ☐ the European Investment Bank and the European Investment Fund

– ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation

– ☐ public law bodies

– ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees

– ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees

– ☐ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act

– ☐▪bodies established in a Member State, governed by the private law of a Member State or Union law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of Union funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the Union support.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

This Statement includes staff expenditures. Standard rules for this type of expenditure apply. The Commission will evaluate the output, results and impact of this proposal every three years after the date on which it becomes applicable. The evaluation will assess the contribution of this Regulation to the functioning of the single market, including the objectives specified in Article 1, particularly on resilience, economic security, and decarbonisation of industrial production.

2.2. Management and control system(s)

2.2.1. Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

The management mode for the initiative is direct management by the Commission. This is the most appropriate approach given the limited scope of Union expenditure, which is confined to standard administrative and monitoring-related costs. Using established internal procedures ensures effective and efficient controls, low error rates, fast processing of transactions and minimal control costs.

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

Overall, the initiative requires staff expenditure. Standard rules for this type of expenditure apply.

Most aspects of the initiative follow established procedures for engaging with stakeholders through for example the Industrial Forum and implementing monitoring obligations. The main operational risk is insufficient administrative capacity to implement the work plans and monitoring activities foreseen in the Regulation.

This proposal is accompanied by an impact assessment report, which provides the analytics underpinning the chosen policy approach. The preparation of the initiative also drew on a public consultation as well as targeted consultations with industry stakeholders, Member States and trade associations, which ensured the collection of relevant data, information and feedback. Nonetheless, unintentional consequences or unforeseen impacts may still occur during implementation. These will be identified through the monitoring procedures set out in the Regulation, allowing the Commission to address them in an appropriate and timely manner.

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)

The initiative involves limited administrative expenditure. Standard Commission control procedures apply. As no funding programmes or multi-layered delivery mechanisms are created, control activities remain straightforward and cost-effective.

Controls are carried out entirely under direct management, using standard ex-post audits under the Commission's internal control framework. This ensures an appropriate balance between control effort and the limited value of funds managed.

Given the simplified set-up and the absence of high-risk financial operations, the expected error rate at payment and at closure is low and comfortably below the

materiality threshold. The control system therefore provides a high level of assurance at proportionate cost.

2.3. Measures to prevent fraud and irregularities

The initiative does not establish funding programmes or financial support schemes. It therefore relies on the Commission's existing internal control framework and Anti-Fraud Strategy. Standard preventive and detective measures apply, including risk-based internal controls, segregation of duties and established workflows for administrative expenditure.

The Commission will ensure that appropriate measures are in place so that, when implementing the tasks arising from this Regulation, the financial interests

As with all Commission-managed activities, the European Anti-Fraud Office (OLAF) and the European Public Prosecutor's Office (EPPO) may exercise their powers in accordance with their respective legal bases to investigate fraud, corruption or other illegal activities affecting the EU's financial interests. The European Court of Auditors retains its standard audit rights over Commission expenditure.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.[70]	from EFTA countries[71]	from candidate countries and potential candidates[72]	From other third countries	other assigned revenue
1	03 02 01 02	Diff.	Yes	No	No	No
7	20 01 02 01	Non-diff.	No	No	No	No

New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff.	from EFTA countries	from candidate countries and potential candidates	from other third countries	other assigned revenue
	N/A					

[70] Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

[71] EFTA: European Free Trade Association.

[72] Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

– ☐ The proposal/initiative does not require the use of operational appropriations

– ☒ The proposal/initiative requires the use of operational appropriations, as explained below

3.2.1.1. Appropriations from voted budget

Heading of multiannual financial framework	1	'Single Market, Innovation and Digital'

EUR million (to three decimal places)

DG: GROW			Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021-2027	TOTAL MFF 2028-2034[73]
Operational appropriations								
03 02 01 02	Commitments	(1a)	0.000	0.000	0.000	0.040	**0.040**	**0.140**
	Payments	(2a)	0.000	0.000	0.000	0.040	**0.040**	**0.140**
TOTAL appropriations for DG GROW	Commitments	=1a+1b	**0.000**	**0.000**	**0.000**	**0.040**	**0.040**	**0.140**
	Payments	=2a+2b	**0.000**	**0.000**	**0.000**	**0.040**	**0.040**	**0.140**

EUR million (to three decimal places)

DG: GROW			Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028-2034[74]
Operational appropriations										
03 02 01 02	Commitments	(1a)	0.020	0.020	0.020	0.020	0.020	0.020	0.020	**0.140**
	Payments	(2a)	0.020	0.020	0.020	0.020	0.020	0.020	0.020	**0.140**
TOTAL appropriations	Commitments	=1a+1b	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.140**

[73] Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged.

[74] Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged.

for DG GROW	Payments	=2a+2b	0.020	0.020	0.020	0.020	0.020	0.020	0.020	0.140

EUR million (to three decimal places)

			Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021-2027	TOTAL MFF 2028-2034[75]
TOTAL operational appropriations	Commitments	(4)	0.000	0.000	0.000	0.040	**0.040**	**0.140**
	Payments	(5)	0.000	0.000	0.000	0.040	**0.040**	**0.140**
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	**0.000**	**0.000**
TOTAL appropriations under HEADING 1 of the multiannual financial framework	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.040**	**0.040**	**0.140**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.040**	**0.040**	**0.140**

EUR million (to three decimal places)

			Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028-2034[76]
TOTAL operational appropriations (including contribution to decentralised agency)	Commitments	(4)	0.020	0.020	0.020	0.020	0.020	0.020	0.020	**0.140**
	Payments	(5)	0.020	0.020	0.020	0.020	0.020	0.020	0.020	**0.140**
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**

[75] Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged.
[76] Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged.

TOTAL appropriations under HEADING 1 of the multiannual financial framework	Commitments	=4+6	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.140**
	Payments	=5+6	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.140**

EUR million (to three decimal places)

			Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021-2027**	**TOTAL MFF 2028-2034**[77]
• TOTAL operational appropriations (all operational headings)	Commitments	(4)	0.000	0.000	0.000	0.040	**0.040**	**0.140**
	Payments	(5)	0.000	0.000	0.000	0.040	**0.040**	**0.140**
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)		(6)	0.000	0.000	0.000	0.000	**0.000**	**0.000**
TOTAL appropriations Under Heading 1 to 6 of the multiannual financial framework (Reference amount)	Commitments	=4+6	**0.000**	**0.000**	**0.000**	**0.040**	**0.040**	**0.140**
	Payments	=5+6	**0.000**	**0.000**	**0.000**	**0.040**	**0.040**	**0.140**

EUR million (to three decimal places)

			Year **2028**	Year **2029**	Year **2030**	Year **2031**	Year **2032**	Year **2033**	Year **2034**	**TOTAL MFF 2028-2034**[78]
• TOTAL operational appropriations (all operational headings)	Commitments	(4)	0.020	0.020	0.020	0.020	0.020	0.020	0.020	**0.140**
	Payments	(5)	0.020	0.020	0.020	0.020	0.020	0.020	0.020	**0.140**

[77] Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged.
[78] Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged.

• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)		(6)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
TOTAL appropriations Under Heading 1 to 6 of the multiannual financial framework (Reference amount)	Commitments	=4+6	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.140**
	Payments	=5+6	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.020**	**0.140**

Heading of multiannual financial framework	7	'Administrative expenditure'

EUR million (to three decimal places)

DG: GROW		Year 2024	Year 2025	Year 2026	Year 2027	**TOTAL MFF 2021-2027**	**TOTAL MFF 2028-2034**[79]
• Human resources		0.000	0.000	0.000	1.164	**1.164**	**8.148**
• Other administrative expenditure		0.000	0.000	0.000	0.000	**0.000**	**0.000**
TOTAL DG GROW	Appropriations	**0.000**	**0.000**	**0.000**	**1.164**	**1.164**	**8.148**

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	**0.000**	**0.000**	**0.000**	**1.164**	**1.164**	**8.148**

EUR million (to three decimal places)

[79] Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged.

		Year 2024	Year 2025	Year 2026	Year 2027	TOTAL MFF 2021-2027	TOTAL MFF 2028-2034[80]
TOTAL appropriations under HEADINGS 1 to 7	Commitments	**0.000**	**0.000**	**0.000**	**1.204**	**1.204**	**8.288**
of the multiannual financial framework	Payments	**0.000**	**0.000**	**0.000**	**1.204**	**1.204**	**8.288**

Heading of multiannual financial framework	**7**	'Administrative expenditure'[1]

EUR million (to three decimal places)

DG: GROW		Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028-2034[81]
• Human resources		1.164	1.164	1.164	1.164	1.164	1.164	1.164	**8.148**
• Other administrative expenditure		0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**
TOTAL DG GROW	Appropriations	**1.164**	**1.164**	**1.164**	**1.164**	**1.164**	**1.164**	**1.164**	**8.148**

TOTAL appropriations under HEADING 7 of the multiannual financial framework	(Total commitments = Total payments)	**1.164**	**1.164**	**1.164**	**1.164**	**1.164**	**1.164**	**1.164**	**8.148**

EUR million (to three decimal places)

	Year 2028	Year 2029	Year 2030	Year 2031	Year 2032	Year 2033	Year 2034	TOTAL MFF 2028-2034[82]

[80] Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged.
[81] Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged.
[82] Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged.

TOTAL appropriations under HEADINGS 1 to 7	Commitments	**1.184**	**1.184**	**1.184**	**1.184**	**1.184**	**1.184**	**1.184**	**8.288**
of the multiannual financial framework	Payments	**1.184**	**1.184**	**1.184**	**1.184**	**1.184**	**1.184**	**1.184**	**8.288**

3.2.2. *Estimated output funded from operational appropriations (not to be completed for decentralised agencies)*

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ⇩			Year **2024**		Year **2025**		Year **2026**		Year **2027**		Enter as many years as necessary to show the duration of the impact (see Section1.6)						**TOTAL**	
	OUTPUTS																	
	Type[83]	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1[84]…																		
- Output																		
- Output																		
- Output																		
Subtotal for specific objective No 1			**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**
SPECIFIC OBJECTIVE No 2 ...																		
- Output																		
Subtotal for specific objective No 2			**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**

[83] Outputs are products and services to be supplied (e.g. number of student exchanges financed, number of km of roads built, etc.).

[84] As described in Section 1.3.2. 'Specific objective(s)'

TOTALS	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**

Indicate objectives and outputs			**Year**		**Year**		**Year**		**Year**		**Year**		**Year**		**Year**		**TOTAL 2028-2034**[85]		**POST**		**GRAND**	
⇩			**2028**		**2029**		**2030**		**2031**		**2032**		**2033**		**2034**				**2034**		**TOTAL**	
	OUTPUTS																					
	Type	Average cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost	No	Cost
SPECIFIC OBJECTIVE No 1…																						
- Output																	**0**	**0.000**			**0**	**0.000**
- Output																	**0**	**0.000**			**0**	**0.000**
- Output																	**0**	**0.000**			**0**	**0.000**
Subtotal for specific objective No 1			**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**
SPECIFIC OBJECTIVE No 2 ...																						
- Output																	**0**	**0.000**			**0**	**0.000**
- Output																	**0**	**0.000**			**0**	**0.000**
- Output																	**0**	**0.000**			**0**	**0.000**
Subtotal for specific objective No 2			**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**
TOTALS			**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**	**0**	**0.000**

[85] Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged.

3.2.3. *Summary of estimated impact on administrative appropriations*

– ☐ The proposal/initiative does not require the use of appropriations of an administrative nature

– ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

3.2.3.1. Appropriations from voted budget

EUR million (to three decimal places)

VOTED APPROPRIATIONS	Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL 2021 - 2027**	**TOTAL 2028 - 2034**
HEADING 7						
Human resources	0.000	0.000	0.000	1.164	**1.164**	**8.148**
Other administrative expenditure	0.000	0.000	0.000	0.000	**0.000**	**0.000**
Subtotal HEADING 7	**0.000**	**0.000**	**0.000**	**1.164**	**1.164**	**8.148**
Outside HEADING 7						
Human resources	0.000	0.000	0.000	0.000	**0.000**	**0.000**
Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	**0.000**	**0.000**
Subtotal outside HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
TOTAL	**0.000**	**0.000**	**0.000**	**1.164**	**1.164**	**8.148**

Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged.

EUR million (to three decimal places)

VOTED APPROPRIATIONS	Year **2028**	Year **2029**	Year **2030**	Year **2031**	Year **2032**	Year **2033**	Year **2034**	**TOTAL 2028 - 2034**	POST **2034**	**GRAND TOTAL**
HEADING 7										
Human resources	1.164	1.164	1.164	1.164	1.164	1.164	1.164	**8.148**	0.000	**8.148**
Other administrative expenditure	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**	0.000	**0.000**
Subtotal HEADING 7	**1.164**	**1.164**	**1.164**	**1.164**	**1.164**	**1.164**	**1.164**	**8.148**	**0.000**	**8.148**
Outside HEADING 7										
Human resources	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**	0.000	**0.000**
Other expenditure of an administrative nature	0.000	0.000	0.000	0.000	0.000	0.000	0.000	**0.000**	0.000	**0.000**
Subtotal outside HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
TOTAL	**1.164**	**1.164**	**1.164**	**1.164**	**1.164**	**1.164**	**1.164**	**8.148**	**0.000**	**8.148**

Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged.

3.2.4. *Estimated requirements of human resources*

– ☐ The proposal/initiative does not require the use of human resources

– ☒ The proposal/initiative requires the use of human resources, as explained below

3.2.4.1. Financed from voted budget

Estimate to be expressed in full-time equivalent units (FTEs)

VOTED APPROPRIATIONS		Year **2024**	Year **2025**	Year **2026**	Year **2027**	Year **2028**	Year **2029**	Year **2030**	Year **2031**	Year **2032**	Year **2033**	Year **2034**
• Establishment plan posts (officials and temporary staff)												
20 01 02 01 (Headquarters and Commission's Representation Offices)		0	0	0	6	6	6	6	6	6	6	6
20 01 02 03 (EU Delegations)		0	0	0	0	0	0	0	0	0	0	0
01 01 01 01 (Indirect research)		0	0	0	0	0	0	0	0	0	0	0
01 01 01 11 (Direct research)		0	0	0	0	0	0	0	0	0	0	0
Other budget lines (specify)		0	0	0	0	0	0	0	0	0	0	0
• External staff (in FTEs)												
20 02 01 (AC, END from the 'global envelope')		0	0	0	0	0	0	0	0	0	0	0
20 02 03 (AC, AL, END and JPD in the EU Delegations)		0	0	0	0	0	0	0	0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters	0	0	0	0	0	0	0	0	0	0	0
	- in EU Delegations	0	0	0	0	0	0	0	0	0	0	0
01 01 01 02 (AC, END - Indirect research)		0	0	0	0	0	0	0	0	0	0	0
01 01 01 12 (AC, END - Direct research)		0	0	0	0	0	0	0	0	0	0	0
Other budget lines (specify) - Heading 7		0	0	0	0	0	0	0	0	0	0	0
Other budget lines (specify) - Outside Heading 7		0	0	0	0	0	0	0	0	0	0	0
TOTAL		**0**	**0**	**0**	**6**	**6**	**6**	**6**	**6**	**6**	**6**	**6**

Figures in the tables above are all strictly indicative pending the outcome of the 2028-2034 MFF negotiations which cannot be prejudged. The human resources required will be met by staff from the DG who are already assigned to the management of the action and/or have been redeployed within the concerned services.

The staff required to implement the proposal (in FTEs):

	To be covered by current staff available in the Commission services	**Exceptional additional staff***		
		To be financed under Heading 7 or Research	**To be financed from BA line**	**To be financed from fees**
Establishment plan posts	6		N/A	
External staff				

(CA, SNEs, INT)				

Description of tasks to be carried out by:

Officials and temporary staff	Additional staff (equivalent to 6 FTEs) will be needed to carry out the tasks of the proposal for lead markets and FDI screening. The 6 FTE will be redeployed within the implementing DG.
External staff	

3.2.5. Overview of estimated impact on digital technology-related investments

TOTAL Digital and IT appropriations	Year **2024**	Year **2025**	Year **2026**	Year **2027**	**TOTAL MFF 2021 - 2027**	**TOTAL MFF 2028 - 2034**
HEADING 7						
IT expenditure (corporate)	0.000	0.000	0.000	0.000	**0.000**	**0.000**
Subtotal HEADING 7	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**
Outside HEADING 7						
Policy IT expenditure on operational programmes	0.000	0.000	0.000	0.040	**0.040**	**0.140**
Subtotal outside HEADING 7	**0.000**	**0.000**	**0.000**	**0.040**	**0.040**	**0.140**
TOTAL	**0.000**	**0.000**	**0.000**	**0.040**	**0.040**	**0.140**

3.2.6. Compatibility with the current multiannual financial framework

The proposal/initiative:

– ☒ can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF)

– ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation

– ☐ requires a revision of the MFF

3.2.7. Third-party contributions

The proposal/initiative:

– ☒ does not provide for co-financing by third parties

– ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year **2024**	Year **2025**	Year **2026**	Year **2027**	Year **2028**	Year **2029**	Year **2030**	Year **2031**	Year **2032**	Year **2033**	Year **2034**	Total
Specify the co-financing body												
TOTAL appropriations co-financed												

3.3. Estimated impact on revenue

– ☒ The proposal/initiative has no financial impact on revenue.

– ☐ The proposal/initiative has the following financial impact:

– ☐ on own resources

– ☐ on other revenue

– ☐ please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative[86]										
		Year **2024**	Year **2025**	Year **2026**	Year **2027**	Year **2028**	Year **2029**	Year **2030**	Year **2031**	Year **2032**	Year **2033**	Year **2034**
Article …………												

4. DIGITAL DIMENSIONS

4.1. Requirements of digital relevance

If the policy initiative is assessed as having no requirement of digital relevance:

Justification of why digital means cannot be used to enhance policy implementation and why the 'digital by default' principle is not applicable.

N/A

Otherwise:

High-level description of the requirements of digital relevance and related categories (data, process digitalisation & automation, digital solutions and/or digital public services)

Reference to the requirement	**Requirement description**	**Actor(s) affected or concerned by the requirement**	**High-level Processes**	**Categories**
Article 4	Making available a single access point at national level connecting all relevant public authorities, in order to ensure that permit-granting procedures for industrial manufacturing are carried out through fully digital means.	Member States National competent authorities Economic Operators	Permit granting	Data Digital Solution Digital Public Service Process digitalisation and

[86] As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.

				automation
Article 5	Orchestration of national permit-granting procedures to enable a one-stop-shop for permitting of industrial manufacturing projects.	Member States National competent authorities	Permit granting	Data Process digitalisation and automation
Article 6	The application of streamlined administrative and permit-granting processes, as defined by Regulation (EU) 2024/1735, is extended to cover energy-intensive industry decarbonisation projects.	Member States National competent authorities	Permit granting	Process digitalisation and automation
Article 20	Monitoring and publishing of the global manufacturing capacity for emerging strategic sectors.	European Commission	Monitoring	Data
Article 16	Notification of planned direct investments by foreign investors.	Economic operators Member states	Notifications	Data
Article 17	Review and approval procedure for prior notifications of planned direct investments.	Member states European Commission	Notifications	Process digitalisation and automation
Article 19-20	Monitoring of foreign investment compliance	National competent authorities European Commission	Reporting	Data
Article 22	Notification of designated industrial manufacturing acceleration areas, including required assessments, by Member States.	Member States European Commission	Notifications	Data
Article 24	Establishing of an aggregated baseline permit that authorises industrial activities in designated acceleration areas.	Member States National competent authorities	Permit granting	Process digitalisation and automation
Article 37	List of areas of information relevant for citizens and business exercising their internal market rights established by Regulation (EU) 2018/1724 is extended by information on permit-granting procedures, effectively utilising solutions under the Single Digital Gateway.	European Commission Member States National competent authorities Economic operators Citizens	Information sharing	Data Process digitalisation and automation Digital Public Service

4.2. Data

High-level description of the data in scope

Type of data	Reference to the requirement(s)	Standard and/or specification (if applicable)
Permit-granting applications for industrial manufacturing projects	Article 4, Article 5	The Commission is empowered to adopt implementing acts to set out technical standards necessary to ensure the interoperability of the national single access points.
Data on global manufacturing capacity for emerging strategic sectors	Article 20	The Commission shall provide and publish updated information on the most recent year for which data is available for each of the emerging strategic sectors.
Prior notification of planned investments by foreign investors	Article 16	N/A
Reports on foreign investment compliance	Article 19-20	N/A
Notification of designated industrial manufacturing acceleration areas	Article 22	N/A

Alignment with the European Data Strategy

Explanation of how the requirement(s) are aligned with the European Data Strategy

This legislative initiative is in line with the use of privately-held data by government authorities (business-to-government – B2G) in order to ensure evidence-driven policy decisions. The digital permitting system shall be designed to ensure interoperability and automated data exchange between competent authorities, the re-use of data and documents already held by public authorities, a high level of cybersecurity and information integrity, as well as transparency and accountability in the permit-granting procedure.

Alignment with the once-only principle

Explanation of how the once-only principle has been considered and how the possibility to reuse existing data has been explored

Re-use of data already held by public authorities is ensured. The permit-granting procedures are added in the scope of Single Digital Gateway and Once-Only Technical System. The 'once-only principle' is respected in this case to minimise administrative burden on actors operating in the Single Market. Member States and the Commission shall ensure the protection of business confidential information.

Explanation of how newly created data is findable, accessible, interoperable and reusable, and meets high-quality standards

The Commission shall, by means of implementing acts, establish detailed rules, technical standards, and procedures necessary to ensure the interoperability, security, and effective functioning of the digital permitting systems.

Data flows

High-level description of the data flows

Type of data	Reference(s) to the requirement(s)	Actor who provides the data	Actor who receives the data	Trigger for the data exchange	Frequency (if applicable)
Permit-granting applications	Article 4	Economic Operator	National Competent Authority	Required for permit-granting applications.	N/A
Prior notification of planned investments by foreign investors	Article 16	Economic operator	National competent authority	Upon the intention to realise investment	N/A
Reports on foreign investment compliance	Article 19-20	National competent authority	European Commission	Upon request	N/A
Decision on designated industrial manufacturing acceleration areas	Article 22	Member State	European Commission	Decision made	N/A

4.3. Digital solutions

For each digital solution, please provide the reference to the requirement(s) of digital relevance concerning it, a description of the digital solution's mandated functionality, the body that will be responsible for it, and other relevant aspects such as reusability and accessibility. Finally, explain whether the digital solution intends to make use of AI technologies.

Digital solution	Reference(s) to the requirement(s)	Main mandated functionalities	Responsible body	How is accessibility catered for?	How is reusability considered?	Use of AI technologies (if applicable)
Digital Permitting System	Article 4	Permit-granting procedures for industrial manufacturing are carried out through fully digital means. The system shall provide a single user interface enabling interaction with the relevant public services. The digital permitting system shall enable the paperless submission, tracking, and decision-making	Member States National Competent Authorities	The digital permitting system shall enable the paperless submission, tracking, and decision-making of permit applications and shall be designed to ensure user-friendliness and accessibility for all applicants, including persons with disabilities.	The digital permitting system shall enable the paperless submission, tracking, and decision-making of permit applications and shall be designed to ensure re-use of data and documents already held by public authorities.	//

		of permit applications.				

For each digital solution, explanation of how the digital solution complies with applicable digital policies and legislative enactments

Digital Permitting System

Digital and/or sectorial policy (when these are applicable)	**Explanation on how it aligns**
AI Act	N/A
EU Cybersecurity framework	The National Digital Permitting System shall be designed to ensure a high level of data protection, cybersecurity, and integrity of information.
eIDAS	//
Single Digital Gateway and IMI	The Single Digital Gateway Regulation is amended to include in its scope Information on permit-granting procedures for industrial manufacturing projects and procedures related to industrial manufacturing projects.
Others	Once-Only Technical System

4.4. Interoperability assessment

High-level description of the digital public service(s) affected by the requirements

Digital public service or category of digital public services	**Description**	**Reference(s) to the requirement(s)**	**Interoperable Europe Solution(s)(NOT APPLICABLE)**	**Other interoperability solution(s)**
Digital Permitting System Category of digital public services according to COFOG 04.7.4	Member States shall enable a national a digital permitting system connecting all relevant public authorities, in order to ensure that permit-granting procedures for industrial manufacturing are carried out through fully digital means.	Article 4	//	Once-Only Technical System

Assessment of the impact of the requirement(s) on cross-border interoperability

Digital public service #1: Digital Permitting System

Assessment	**Measure(s)**	**Potential remaining barriers (if applicable)**
Organisational measures for a smooth cross-border digital public services delivery	Member States shall be responsible for the development, operation, maintenance, security, and supervision of their digital permitting systems. To the extent possible, the implementation of the digital permitting systems should make use of existing Union digital infrastructures, catalogues and building blocks, including those developed under the Once-Only Technical System and its implementing acts. This would promote complementarity, interoperability and the efficient use of public resources,	Additional organisational measures at national level may be needed to ensure appropriate involvement of competent authorities responsible for individual permits.

	while avoiding duplication of existing digital solutions.	
Measures taken to ensure a shared understanding of the data	The Commission shall, by means of implementing acts, establish detailed rules, technical standards, and procedures necessary to ensure the interoperability, security, and effective functioning of the digital permitting systems. The permit-granting procedures are added in the scope of Single Digital Gateway and Once-Only Technical System.	
Use of commonly agreed open technical specifications and standards	The Commission shall, by means of implementing acts, establish detailed rules, technical standards, and procedures necessary to ensure the interoperability, security, and effective functioning of the digital permitting systems.	

4.5. Measures to support digital implementation

For each measure to support digital implementation, please fill in the table below

Description of the measure	**Reference(s) to the requirement(s)**	**Commission role** (if applicable)	**Actors to be involved** (if applicable)	**Expected timeline** (if applicable)
Implementing Acts	Article 4, 13, 31	Implementing Acts	European Commission	

Brussels, 4.3.2026
COM(2026) 100 final

ANNEXES 1 to 4

ANNEXES

to the

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

{SEC(2026) 70 final} - {SWD(2026) 70 final} - {SWD(2026) 71 final} - {SWD(2026) 72 final}

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ANNEX I

Strategic sectors for industrial manufacturing acceleration areas

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 – Public procurement procedures

Where, in the context of public procurement procedures launched 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, contracting authorities 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;

(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.

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;

(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.

ANNEX III

Union origin requirements for vehicles

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, launched 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 in this Annex.

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 this Annex.

Vehicles referred to in subparagraphs 1 and 2 shall include the following Union origin requirements:

(a) the 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;

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.

Upon request of a vehicle manufacturer, all PEV, OVC-HEV or FCV from that vehicle manufacturer can be considered compliant, for a period of twelve months, with the Union

origin requirements if the manufacturer demonstrates that the total number of all PEV, OVC-HEC or FCV vehicles compliant with the Union origin requirements that were 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.

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

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 vehicles that comply with the below minimum Union origin requirements 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 vehicle is assembled within the Union;

(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%;

(b) the vehicle's traction battery contains at least three main specific components of batteries, among which the battery cells, originating in the Union;

(c) 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;

(d) 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%;

(e) 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;

2. 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.

Upon request of a vehicle manufacturer, all PEV, OVC-HEV or FCV from that vehicle manufacturer can be considered compliant, for a period of twelve months, with the Un ion origin requirements if the manufacturer demonstrates that all PEV, OVC-HEV or FCV compliant with the Union origin requirements that were 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.

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 apply:

1. the vehicle is assembled within the Union;

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 processes	Information on permit-granting procedures for industrial manufacturing projects including Net-zero technology manufacturing and critical raw material projects.';

   (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 projects[1], procedures for all relevant permits to build, expand, convert and operate net-zero technology manufacturing projects[2], 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).';

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

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[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.