



2022/0032(COD)

14.12.2022

OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Industry, Research and Energy

on the proposal for a regulation of the European Parliament and of the Council establishing a framework of measures for strengthening Europe's semiconductor ecosystem (Chips Act)
(COM(2022)0046 – C9-0039/2022 – 2022/0032(COD))

Rapporteur for opinion (*): Maria-Manuel Leitão-Marques

(*) Associated committee – Rule 57 of the Rules of Procedure

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SHORT JUSTIFICATION

The Commission proposal for a Regulation establishing a framework of measures for strengthening Europe's semiconductor ecosystem (Chips Act) is built on three pillars. This opinion focuses on its third pillar, which aims to enhance the resilience of the internal market regarding the supply of semiconductor products.

As Rapporteur for the IMCO Committee, I streamline the monitoring of the internal market. My draft opinion confers to the Commission the competence to coordinate the monitoring, collect directly necessary information from key market actors, critical sector entities or from key market representative organizations. National competent authorities assist the Commission in collecting information from other actors. Outside the crisis stage, the level of detail of the information required is reduced. The industry shall, through the European Semiconductor Board, assist in defining the information to be collected.

In order to compensate for this streamlining, I included two new articles into my draft opinion. In the first one, I introduce governance and risk mitigation obligations for key market actors and critical sector entities, to ensure that they contribute to the resilience efforts in the internal market. In the second article, I create a mapping exercise. This mapping exercise equips the Commission with the necessary knowledge of the semiconductor value chain, in order to exercise informed future industrial policy, and assists decision-making during crisis moments, especially if these result from geopolitical conflicts.

Regarding the crisis stage, I introduce a definition of crisis, which limits its scope to situations in which critical sectors are affected. I involve the European Semiconductor Board in the triggering of the crisis stage as well as in the use of the emergency toolbox.

This draft opinion aims to improve the third pillar of the Chips Act, by establishing a more balanced instrument, both in moments of crisis and in normal times, with a fairer distribution and reduction of burdens, an increased involvement of the industry, and enhanced clarity regarding the situations that may lead to the use of emergency instruments.

AMENDMENTS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Industry, Research and Energy, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) This framework pursues two objectives. The first objective is to ensure the conditions necessary for the competitiveness and innovation capacity of the Union and to ensure the adjustment of the industry to structural changes due to fast innovation cycles and the need for sustainability. The second objective, **separate and** complementary to the first one, is to improve the functioning of the internal market by laying down a uniform Union legal framework for increasing the Union's resilience and security of supply in the field of semiconductor technologies.

Amendment

(3) This framework pursues two objectives. The first objective is to ensure the conditions necessary for the competitiveness and innovation capacity of the Union and to ensure the adjustment of the industry to structural changes due to fast innovation cycles and the need for sustainability, **ensure the establishment of one pan-European ecosystem for semiconductors in the internal market with pooled knowledge, expertise, and resources, and common strengths**. The second objective, complementary to the first one, is to improve the functioning **and resilience** of the internal market by laying down a uniform Union legal framework for increasing the Union's **long term** resilience, **open strategic autonomy** and security of supply in the field of semiconductor technologies, **as well as for strengthening its role at the level of the global semiconductor value chain global level**.

Amendment 2

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) The use of semiconductors is critical for multiple economic sectors and

Amendment

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societal functions in the Union and therefore, a resilient supply is essential for the functioning of the internal market. Given the wide circulation of semiconductor products across borders, the resilience and security of supply of semiconductors can be best addressed through Union harmonising legislation based on Article 114 of the Treaty. With a view to enabling coordinated measures for building resilience, harmonised rules for facilitating the implementation of specific projects that contribute to the security of supply of semiconductors in the Union are necessary. The proposed monitoring and crisis response *mechanism* should be uniform to enable a coordinated approach to crisis preparedness for the cross-border semiconductor value chain.

societal functions in the Union and therefore, a resilient supply is essential for the functioning of the internal market. Given the wide circulation of semiconductor products across borders, the resilience and security of supply of semiconductors can be best addressed through Union harmonising legislation based on Article 114 of the Treaty *in order to develop a strong internal market for semiconductors*. With a view to enabling coordinated measures for building resilience, harmonised rules for facilitating the implementation of specific projects that contribute to the security of supply of semiconductors in the Union are necessary. The proposed monitoring, *mapping* and crisis *prevention and response mechanisms* should be uniform *and efficient* to enable a coordinated approach to crisis preparedness *and response* for the cross-border semiconductor value chain *and avoid distortions of its level-playing field*.

Amendment 3

Proposal for a regulation

Recital 27

Text proposed by the Commission

(27) The internal market would greatly benefit from common standards for green, trusted and secure chips. Future smart devices, systems and connectivity platforms will have to rely on advanced semiconductor components and they will have to meet green, trust and cybersecurity requirements which will largely depend on the features of the underlying technology. To that end, the Union should develop reference certification procedures and require the industry to jointly develop such procedures for specific sectors and technologies with potential high social

Amendment

(27) *In order to enhance the European semiconductor ecosystem*, the internal market would greatly benefit from common *European* standards, for green, trusted and secure chips, *aligned with international standards where appropriate*. Future smart devices, systems and connectivity platforms will have to rely on advanced semiconductor components and they will have to meet green, trust and cybersecurity requirements which will largely depend on the features of the underlying technology. To that end, the Union should develop reference

impact.

certification procedures and, *where necessary*, require the industry to jointly develop such procedures for specific sectors and technologies with potential high social impact. *Device durability, interoperability and sustainability of underlying infrastructure are key prerequisites to ensure that efficiency gains are not cancelled out by short renewal cycles. Attention should be paid to the development of sustainable practices in the manufacturing of chips in Europe.*

Amendment 4

Proposal for a regulation Recital 27 a (new)

Text proposed by the Commission

Amendment

(27a) Common standards for green chips should adopt a life-cycle assessment approach taking into account all major relevant environmental indicators including resource depletion, carbon emissions, eutrophication, water stress, toxicity, summer smog and local electrical consumption They should include clear and harmonised eco-design criteria such as use of resources, origin of resources, energy consumption, ease of recycling of materials, use of recycled materials and durability.

Amendment 5

Proposal for a regulation Recital 28

Text proposed by the Commission

Amendment

(28) In light of this, the Commission, in consultation with the European Semiconductor Board, should prepare the ground for a certification of green, trusted and secure chips and embedded systems

(28) In light of this, the Commission, in consultation with the European Semiconductor Board *and key market representative organisations*, should *identify the relevant sectors and products*

that rely on or make extensive use of semiconductor technologies. ***In particular, they should discuss and identify the relevant sectors and products in need of such certification.***

to prepare the ground for a certification of green, trusted and secure chips and embedded systems that rely on or make extensive use of semiconductor technologies. Such certification should be risk-based and should rely on international standards.

Amendment 6

Proposal for a regulation

Recital 29

Text proposed by the Commission

(29) In light of the structural deficiencies of the semiconductor supply chain and the resulting risk of future shortages, this Regulation provides instruments for a coordinated approach to monitoring and ***effectively tackling*** possible market disruptions.

Amendment

(29) In light of the structural deficiencies ***and geopolitical risks*** of the ***global*** semiconductor supply chain and the resulting risk of future shortages, this Regulation provides instruments for a coordinated approach to monitoring and ***mapping of the semiconductor value chain and for mitigating*** possible market disruptions. ***When assessing and monitoring the market, a distinction should be made between structural disruptions and short-term, temporary shortages that are part of the normal functioning of the market.***

Amendment 7

Proposal for a regulation

Recital 30

Text proposed by the Commission

(30) Due to the complex, quickly evolving and interlinked semiconductor value chains with various actors, a coordinated approach to regular monitoring is necessary to increase the ability to mitigate risks that may negatively affect the supply of semiconductors. ***Member States*** should monitor the semiconductor

Amendment

(30) Due to the complex, quickly evolving, ***vulnerable*** and interlinked semiconductor value chains with various actors, a coordinated approach to regular monitoring, ***identification of best practices and increased transparency*** is necessary to increase the ability to mitigate risks that may negatively affect the supply of

value chain focusing on early warning indicators and the availability and integrity of the services and goods provided by key market actors, in such a way that it would not represent an excessive administrative burden for undertakings.

semiconductors **to the semiconductor supply chain itself or to critical sectors.** **The Commission, in cooperation with national competent authorities,** should monitor the semiconductor value chain focusing on early warning indicators and the availability and integrity of the services and goods provided by key market actors, in such a way that it would not represent an excessive administrative burden for undertakings. **The Commission should adequately justify its requests for information to the addressed actors of the semiconductor value chain.**

Amendment 8

Proposal for a regulation Recital 30 a (new)

Text proposed by the Commission

Amendment

(30a) Understanding that the complexity of the value chain means that last-minute measures to prevent shortages are less practical, the Union should strive to optimise its risk prevention and strategic planning.

Amendment 9

Proposal for a regulation Recital 34

Text proposed by the Commission

Amendment

(34) **Member States** should alert the Commission if relevant factors indicate a potential semiconductor crisis. In order to ensure a coordinated response to address such crises, the Commission should upon the alert by a **Member State** or through other sources, including information from international partners, convene an extraordinary meeting of the European Semiconductor Board for assessing the need to activate the crisis stage **and for**

(34) **National competent authorities** should alert the Commission if relevant factors indicate a potential semiconductor crisis. In order to ensure a coordinated response to address such crises, the Commission should upon the alert by a **national competent authority** or through other sources, including information from international partners, convene an extraordinary meeting of the European Semiconductor Board for assessing the

discussing whether it may be appropriate, necessary and proportionate for Member States to carry out coordinated joint procurement. The Commission should engage in consultations and cooperation with relevant third countries with a view to addressing any disruptions in the international supply chain, in compliance with international obligations and without prejudice to procedural requirements under the Treaty on international agreements.

need to activate the crisis stage, *for assessing* whether it may be appropriate, necessary and proportionate for Member States to carry out coordinated joint procurement, *for fostering coordination between actors of the semiconductor value chain and facilitating information exchanges, and for identifying best-practices for overcoming the identified shortages and chokepoints*. The Commission should engage in consultations and cooperation with relevant third countries with a view to addressing any disruptions in the international supply chain, in compliance with international obligations and without prejudice to procedural requirements under the Treaty on international agreements. *Lastly, the Commission should ask national competent authorities to assess the state of preparedness of the key market actors and critical sector entities*.

Amendment 10

Proposal for a regulation Recital 35

Text proposed by the Commission

(35) *As part of the monitoring*, national competent authorities should *also* do a mapping of undertakings operating in the Union along the semiconductor supply chain established in their national territory and notify this information to the Commission.

Amendment

(35) National competent authorities, should do a mapping of undertakings operating in the Union along the semiconductor supply chain established in their national territory and notify this information to the Commission. *The Commission should use this information to perform its mapping of the semiconductor value chain*.

Amendment 11

Proposal for a regulation Recital 36

(36) In order to facilitate effective monitoring, in-depth assessment of the risks associated with different stages of the semiconductor value chain is needed, including on the origins and sources of supplies beyond the Union. Such risks may be related to critical inputs and equipment for the industry, including digital products that may be vulnerable, possible impact of counterfeit semiconductors, manufacturing capacities **and** other risks that may disrupt, compromise or negatively affect the supply chain. Those risks could include supply chains with a single point of failure or which are otherwise highly concentrated. Other relevant factors could include the availability of substitutes or alternative sources for critical inputs and resilient and sustainable transport. ***The Commission should, assisted by the European Semiconductor Board and taking also into account information received from the main user categories, develop a Union level risk assessment.***

(36) In order to facilitate effective monitoring ***and risk mitigation by the key market actors and critical sector entities***, in-depth assessment of the risks associated with different stages of the semiconductor value chain is needed, including on the origins and sources of supplies beyond the Union. Such risks may be related to critical inputs and equipment for the industry, including digital products that may be vulnerable, possible impact of counterfeit semiconductors, manufacturing capacities, ***lack of sufficient inventory and excessive reliance on just-in-time manufacturing, among*** other risks that may disrupt, compromise or negatively affect the supply chain. Those risks could include supply chains with a single point of failure or which are otherwise highly concentrated. Other relevant factors could include the availability of substitutes or alternative sources for critical inputs and resilient and sustainable transport.

Amendment 12

Proposal for a regulation

Recital 37

(37) In order to forecast and prepare for future disruptions of the different stages of the semiconductor value chain in the Union, the Commission should, ***assisted by*** the European Semiconductor Board, identify early warning indicators in the Union risk assessment. Such indicators could include the availability of raw materials, intermediate products and human capital needed for manufacturing semiconductors, or appropriate manufacturing equipment, the forecasted demand for semiconductors on the Union and global markets, price surges exceeding

(37) In order to forecast, ***prevent*** and prepare for future disruptions of the different stages of the semiconductor value chain in the Union, the Commission should, ***after consulting*** the European Semiconductor Board ***and key market representative organisations***, identify early warning indicators in the Union risk assessment. ***These early warning indicators should be used to assess and monitor the availability and integrity of the services and goods provided by the key market actors.*** Such indicators could include the availability of raw materials,

normal price fluctuation, the effect of accidents, attacks, natural disasters or other serious events, the effect of trade policies, tariffs, export restrictions, trade barriers and other trade related measures, and the effect of business closures, delocalisations or acquisitions of key market actors. **Member States** should monitor these early warning indicators.

intermediate products and human capital needed for manufacturing semiconductors, or appropriate manufacturing equipment, the forecasted demand for semiconductors on the Union and global markets, price surges exceeding normal price fluctuation, the effect of accidents, attacks, natural disasters or other serious events, the effect of trade policies, tariffs, export restrictions, trade barriers and other trade related measures, and the effect of business closures, delocalisations or acquisitions of key market actors. **The indicators should be as exhaustive as necessary and their use should be adequately justified. The Commission and national competent authorities** should monitor these early warning indicators.

Amendment 13

Proposal for a regulation Recital 38

Text proposed by the Commission

(38) A number of undertakings providing semiconductor services or goods are assumed to be essential for an effective semiconductor supply chain in the Union's semiconductor ecosystem, due to the number of Union undertakings relying on their products, their Union or global market share, their importance to ensure a sufficient level of supply or the possible impact of the disruption of supply of their products or services. The **Member States** should identify those key market actors in their territory.

Amendment

(38) A number of undertakings providing semiconductor services or goods are assumed to be essential for an effective semiconductor supply chain in the Union's semiconductor ecosystem, due to the number of Union undertakings relying on their products, their Union or global market share, their importance to ensure a sufficient level of supply or the possible impact of the disruption of supply of their products or services. The **national competent authorities** should identify those key market actors in their territory.

Amendment 14

Proposal for a regulation Recital 39 a (new)

Text proposed by the Commission

Amendment

(39a) In order to prevent disruptions in competition and cohesion in the internal market, and to ensure their alignment with the Union policy goals and the twin transitions, the Commission should analyse the long-term effects of the subsidies granted in this Regulation. The analysis should be publicly available and updated at least every 3 years.

Amendment 15

Proposal for a regulation Recital 40

Text proposed by the Commission

Amendment

(40) As part of the monitoring, **Member States could** specifically consider the availability and integrity of the services and goods of key markets actors. Such issues could be brought to the attention of the European Semiconductor Board by the Member State concerned.

(40) As part of the monitoring, **The Commission should** specifically consider the availability and integrity of the services and goods of key markets actors. Such issues could **also** be brought to the attention of the European Semiconductor Board by the Member State concerned.

Amendment 16

Proposal for a regulation Recital 41

Text proposed by the Commission

Amendment

(41) **For a rapid, efficient and coordinated Union response to a semiconductor crisis it is necessary to provide timely and up-to-date information to the decision-makers on the unfolding operational situation as well as by ensuring that effective measures to secure the supply of semiconductors to affected critical sectors can be taken.**

(41) **Considering the need to prevent semiconductor crisis and to ensure increased resilience of the internal market, critical sector entities should assess the security of their supply of semiconductor products and implement risk mitigation measures, such as diversification of suppliers, or stockpiling of crisis-relevant products more at-risk of shortages. The adoption of risk mitigation measures should be proportionate to their dependence on semiconductor products and to the risk of shortage of the latter.**

Amendment 17

Proposal for a regulation Recital 41 a (new)

Text proposed by the Commission

Amendment

(41a) The goal of a long-term value chain mapping should be to provide an analytical base to policy tools and initiatives strengthening the Union's Open Strategic Autonomy. An institutionalized, long-term mapping of the global semiconductor value chain would identify interdependencies and high dependencies, bottlenecks, chokepoints and competitive positions of companies and countries. The mapping should cover supplier markets (such as equipment, chemicals, wafers), production steps (such as chip design, front-end and back-end manufacturing) as well as end-products and their markets (such as automotive microcontrollers). The mapping should provide a common starting point for government units working on investment screening, sanctions, and subsidies and export restrictions, as well as inform potential technology partnerships with like-minded countries. Complementing the proposed supply chain monitoring, mapping should aim to identify, assess, and ultimately enable better management of Europe's strategic dependencies and capacities in the global semiconductor ecosystem to support the Union's Open Strategic Autonomy, rather than anticipate and alleviate short-term supply disruptions. Lastly, this mapping exercise should identify and assess incentives, opportunities, and gaps in investment in the Union's semiconductor supply chain. Such factors include, among others, the access to skilled and adequately trained

workers, proximity to clusters of the semiconductor supply chain, access to critical raw materials and inputs, availability of renewable energy and sustainable material supplies.

Amendment 18

Proposal for a regulation Recital 41 b (new)

Text proposed by the Commission

Amendment

(41b) Considering the importance of the sustainability of the investments in the semiconductor supply chain, it is essential that particular attention is paid by the Commission, national competent authorities and actors of the semiconductor value chain to the existing Union policy goals, such as the twin digital and green transitions, and to their social and environmental impact in local communities.

Amendment 19

Proposal for a regulation Recital 42

Text proposed by the Commission

Amendment

(42) The semiconductor crisis stage should be triggered in the presence of concrete, serious, and reliable evidence of such a crisis. A semiconductor crisis occurs in case of serious ***disruptions*** to the supply of semiconductors leading to significant shortages ***which entail significant delays and negative effects on one or more important economic sectors in the Union, either directly or through ripple effects of the shortage, given that the Union's industrial sectors represent a strong user base of semiconductors. Alternatively or in addition, a semiconductor crisis also occurs when serious disruptions of the***

(42) The semiconductor crisis stage should be triggered in the presence of concrete, serious, and reliable evidence of such a crisis. A semiconductor crisis occurs in case of ***a serious disruption*** to the supply of semiconductors leading to significant shortages of semiconductors, ***intermediate products, or raw or processed materials, at any link of the semiconductor supply chain, which hampers the functioning of*** critical sectors.

supply of semiconductors lead to **significant shortages** which **prevent the supply, repair and maintenance of essential products used by** critical sectors, **for instance medical and diagnostic equipment.**

Amendment 20

Proposal for a regulation Recital 43

Text proposed by the Commission

(43) In order to ensure an agile and effective response to such a semiconductor crisis, the Commission should be empowered to activate the crisis stage by means of an implementing **acts** and for a predetermined duration period, taking into account the opinion of the European Semiconductor Board. The Commission should assess the need for prolongation and prolong the duration of the crisis stage for a predetermined period, should such a necessity be ascertained, taking into account the opinion of the European Semiconductor Board.

Amendment

(43) In order to ensure an agile and effective response to such a semiconductor crisis, the Commission should be empowered, ***if necessary and proportionate***, to activate the crisis stage by means of an implementing ***act with a defined scope*** and for a predetermined duration period, taking into account the opinion of the European Semiconductor Board. The Commission should assess the need for prolongation and prolong the duration of the crisis stage for a predetermined period, should such a necessity be ascertained, taking into account the opinion of the European Semiconductor Board, ***and, should such a necessity be ascertained in case that crisis was triggered according to Article 18(1)(b), prolong the duration of the crisis stage through new implementing acts. Whereby supply disruptions have been resolved, the Commission may terminate the crisis stage before the end of its duration, following consultation with the European Semiconductor Board, by means of an implementing act.***

Amendment 21

Proposal for a regulation Recital 44

Text proposed by the Commission

(44) Close cooperation between the Commission and the Member States and coordination of any national measures taken with regard to the semiconductor supply chain is indispensable during the crisis stage with a view to addressing disruptions with the necessary coherence, resiliency and effectiveness. To this end, the European Semiconductor Board should hold extraordinary meetings as necessary. Any measures taken should be strictly limited to the duration period of the crisis stage.

Amendment 22

**Proposal for a regulation
Recital 44 a (new)**

Text proposed by the Commission

Amendment 23

**Proposal for a regulation
Recital 53**

Text proposed by the Commission

(53) When the crisis stage is activated, two or more Member States could mandate the Commission to aggregate demand and act on their behalf for their public procurement in the public interest, in accordance with existing Union rules and procedures, leveraging its purchasing power. The mandate could authorise the Commission to enter into agreements concerning the purchase of crisis-relevant

Amendment

(44) Close cooperation between the Commission and the Member States and coordination of any national measures taken with regard to the semiconductor supply chain is indispensable during the crisis stage with a view to addressing disruptions with the necessary coherence, resiliency and effectiveness. To this end, the European Semiconductor Board should hold extraordinary meetings as necessary. Any measures taken should be strictly limited to the duration period of the crisis stage ***and be evidence-based.***

Amendment

(44a) The Commission should ensure that adequate resources are allocated to the structures and tasks of this Regulation which fall into its authority, in order to effectively implement this Regulation.

Amendment

(53) When the crisis stage is activated, two or more Member States could mandate the Commission to aggregate demand and act on their behalf for their public procurement in the public interest, in accordance with existing Union rules and procedures, leveraging its purchasing power. ***Common purchasing should be explicitly used to resolve supply disruptions of semiconductors during a***

products for *certain* critical sectors. The Commission should assess for each request the utility, necessity and proportionality in consultation with the Board. Where it intends to not follow the request, it should inform the concerned Member States and the Board and give its reasons.

Furthermore, the participating Member States should be entitled to appoint representatives to provide guidance and advice during the procurement procedures and in the negotiation of the purchasing agreements. The deployment and use of purchased products should remain within the remit of the participating Member States.

crisis and should not be used for other purposes. The Commission should include provisions in the framework agreement on the intended further use of the purchased products in case not all products are used during the crisis stage. The mandate could authorise the Commission to enter into agreements concerning the purchase of crisis-relevant products for *the* critical sectors *identified in the scope of the implementing act triggering the crisis stage.* The Commission should assess for each request the utility, necessity and proportionality in consultation with the Board. Where it intends to not follow the request, it should inform the concerned Member States and the Board and give its reasons. Furthermore, the participating Member States should be entitled to appoint representatives to provide guidance and advice during the procurement procedures and in the negotiation of the purchasing agreements. The deployment and use of purchased products should remain within the remit of the participating Member States, *in line with the framework agreement and its proclaimed intended use. All procurement agreements resulting from the procurement efforts should adhere to the highest level of transparency to allow public scrutiny of the contracts.*

Amendment 24

Proposal for a regulation Article 1 – paragraph 1 – point c

Text proposed by the Commission

(c) setting up a coordination mechanism between the Member States *and* the Commission *for* monitoring the *supply of* semiconductors *and crisis response to semiconductor shortages.*

Amendment

(c) setting up a coordination mechanism between the Member States, the Commission *and the actors in the semiconductor value chain, for mapping and* monitoring the semiconductors *value*

chain;

Amendment 25

Proposal for a regulation

Article 1 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) developing semiconductor crisis prevention and response tools.

Amendment 26

Proposal for a regulation

Article 2 – paragraph 1 – point 15

Text proposed by the Commission

Amendment

(15) ‘key market actors’ means undertakings in the Union semiconductor sector, the reliable functioning of which is essential for the semiconductor supply chain;

(15) ‘key market actors’ means undertakings in the Union semiconductor sector, ***including distributors***, the reliable functioning of which is essential for the semiconductor supply chain;

Amendment 27

Proposal for a regulation

Article 2 – paragraph 1 – point 16

Text proposed by the Commission

Amendment

(16) ‘critical sector’ means any sector ***referred to in the Annex of the Commission proposal for a Directive of the European Parliament and of the Council on the resilience of critical entities, the defence sector and other activities that are relevant for public safety and security;***

(16) ‘critical sector’ means any sector ***or subsector crucial for the maintenance of vital societal functions, namely public health and public safety and security;***

Amendment 28

Proposal for a regulation

Article 2 – paragraph 1 – point 16 a (new)

Text proposed by the Commission

Amendment

(16a) ‘key market representative organisations’ means organisations representing undertakings involved in the production of semiconductors, users of semiconductors, or other undertakings of the semiconductor value chain with relevant activities in the areas of processor and semiconductor technologies;

Amendment 29

Proposal for a regulation

Article 2 – paragraph 1 – point 17

Text proposed by the Commission

Amendment

(17) ‘crisis-relevant product’ means semiconductors, intermediate products and raw materials required to produce semiconductors or intermediate products, that are affected by the semiconductor crisis ***or of strategic*** importance to remedy the semiconductor crisis ***or economic effects thereof***;

(17) ‘crisis-relevant product’ means semiconductors, intermediate products, and raw ***and processed*** materials required to produce semiconductors or intermediate products, that are affected by the semiconductor crisis ***and are of crucial*** importance to remedy the semiconductor crisis;

Amendment 30

Proposal for a regulation

Article 2 – paragraph 1 – point 17 a (new)

Text proposed by the Commission

Amendment

(17a) ‘semiconductor crisis’ means a serious disruption to the supply of semiconductors that leads to significant shortages of semiconductors, intermediate products or raw or processed materials, at any link of the semiconductor supply chain and that hampers the functioning of critical sectors;

Amendment 31

Proposal for a regulation Article 15 – title

Text proposed by the Commission

Amendment

Monitoring *and alerting*

Monitoring

Amendment 32

Proposal for a regulation Article 15 – paragraph 1 – subparagraph 1 – introductory part

Text proposed by the Commission

Amendment

Member States shall *carry out regular monitoring* of the semiconductor value chain. In particular, *they* shall:

The Commission, in cooperation with national competent authorities, shall monitor and enhance the transparency of the semiconductor value chain. In particular, *it* shall:

Amendment 33

Proposal for a regulation Article 15 – paragraph 1 – subparagraph 1 – point b a (new)

Text proposed by the Commission

Amendment

(ba) monitor information provided pursuant to paragraphs 2 and 3;

Amendment 34

Proposal for a regulation Article 15 – paragraph 1 – subparagraph 1 – point b b (new)

Text proposed by the Commission

Amendment

(bb) identify best practices for risk mitigation and increased transparency in the semiconductor value chain.

Amendment 35

Proposal for a regulation
Article 15 – paragraph 1 – subparagraph 2

Text proposed by the Commission

Member States shall provide relevant findings to the European Semiconductor Board in the form of regular updates.

Amendment

The Commission shall provide **all** relevant **data and** findings to the European Semiconductor Board in the form of regular updates.

Amendment 36

Proposal for a regulation
Article 15 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The European Semiconductor Board shall meet to assess the results of the monitoring. The Commission shall invite key market representative organisations to those meetings.

Additionally, the Commission may also invite key market actors, critical sector entities, authorities or key market representative organisations of partner third countries, and experts from academia and civil society to these meetings.

Amendment 37

Proposal for a regulation
Article 15 – paragraph 2

Text proposed by the Commission

2. **Member States** shall invite **the main users of semiconductors** and other relevant stakeholders to provide information regarding **significant fluctuations in demand and known disruptions** of their supply chain. **To facilitate the exchange of information, Member States shall provide for a**

Amendment

2. **The Commission** shall invite **key market representative organisations, key market actors, critical sector entities** and other relevant stakeholders, **including those operating in partner third countries**, to provide information regarding **the semiconductor-related elements** of their

mechanism and administrative set-up for these updates.

supply chain, *such as known disruptions.*

Amendment 38

Proposal for a regulation Article 15 – paragraph 3

Text proposed by the Commission

3. National competent authorities designated pursuant to Article 26(1) may request information from representative organisations of undertakings or individual undertakings operating along the semiconductor supply chain where necessary and proportionate for the purpose of paragraph 1. ***National competent authorities in such case will pay particular attention to SMEs to minimise administrative burden resulting from the request and will privilege digital solutions for obtaining such information. Any information obtained pursuant to this paragraph shall be treated in compliance with the confidentiality obligations set out in Article 27.***

Amendment

3. National competent authorities designated pursuant to Article 26(1) ***shall cooperate with the Commission in its information gathering pursuant to paragraph 2. For that purpose, they*** may request information from representative organisations of undertakings or individual undertakings operating along the semiconductor supply chain where necessary and proportionate for the purpose of paragraph 1.

Amendment 39

Proposal for a regulation Article 15 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. To facilitate the exchange of information pursuant to paragraphs 2 and 3, the Commission shall establish a single point of contact for the provision of information, including a mechanism through which stakeholders can easily and securely exchange relevant information.

In their information gathering efforts, the Commission and national competent authorities shall minimise administrative

burden resulting from the request, paying particular attention to SMEs, and shall make use of digital solutions for obtaining such information. Requests of confidential data shall be kept to the necessary minimum, be adequately justified, and be treated in compliance with the confidentiality obligations set out in Article 27.

Amendment 40

Proposal for a regulation Article 15 – paragraph 3 b (new)

Text proposed by the Commission

Amendment

3b. *The Commission, after consultation of national competent authorities and key market representative organisations, shall adopt guidelines related to the type of information to be provided, including guidance on the set-up for information provision, to ensure that data is comparable, is collected and stored securely, and allows for meaningful and effective analysis.*

The Commission shall update that guidance when necessary, in order to reflect technological, geopolitical, and market developments.

Amendment 41

Proposal for a regulation Article 15 – paragraph 3 c (new)

Text proposed by the Commission

Amendment

3c. *The Commission shall produce an annual report, in cooperation with the European Semiconductor Board, on the monitoring mechanism detailed in paragraphs 1 to 3. It shall assess the*

regularity of information requests and the type and volume of information being requested, in particular from SMEs. The report may contain suggestions to further streamline the monitoring mechanism or to increase the support to undertakings, in complying with the monitoring requirements.

Amendment 42

Proposal for a regulation Article 15 – paragraph 3 d (new)

Text proposed by the Commission

Amendment

3d. In order to facilitate the monitoring tasks outlined in this Article, the European Semiconductor Board shall encourage the adoption of transparency standards by the undertakings of the semiconductor value chain. To that end, it shall identify essential data relevant for this purpose, establish a list of missing key data and assess opportunities for standardising of data sets requirements and needs for data transfers from undertakings of the semiconductor value chain.

Amendment 43

Proposal for a regulation Article 15 – paragraph 4

Text proposed by the Commission

Amendment

4. Where a Member State becomes aware of a potential semiconductor crisis, a significant fluctuation in demand or has concrete and reliable information of any other risk factor or event materialising, it shall immediately alert the Commission ('early warning').

deleted

Amendment 44

Proposal for a regulation
Article 15 – paragraph 5

Text proposed by the Commission

Amendment

5. Where the Commission becomes aware of a potential semiconductor crisis, a significant fluctuation in demand or has concrete and reliable information of any other risk factor or event materialising, based on an alert by a Member State provided in accordance with paragraph 4, or through other sources, including information from international partners, it shall without undue delay:

deleted

(a) convene an extraordinary meeting of the European Semiconductor Board to coordinate the following actions:

(1) assessing whether the activation of the crisis stage referred to in Article 18 is warranted;

(2) discussing whether it may be appropriate, necessary and proportionate for Member States to jointly purchase semiconductors, intermediate products or raw materials affected or at threat of being affected by a potential semiconductor crisis ('coordinated procurement');

(b) enter into consultations or cooperation, on behalf of the Union, with relevant third countries with a view to seeking cooperative solutions to address supply chain disruptions, in compliance with international obligations. This may involve, where appropriate, coordination in relevant international fora.

Amendment 45

Proposal for a regulation
Article 15 – paragraph 6

Text proposed by the Commission

Amendment

6. The coordinated procurement referred to in paragraph 5, point (a)(ii), shall be carried out by Member States in accordance with the rules set out in Article 38 of Directive 2014/24/EU of the European Parliament and of the Council⁶⁶. *deleted*

⁶⁶ *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).*

Amendment 46

Proposal for a regulation Article 15 – paragraph 7

Text proposed by the Commission

Amendment

7. National competent authorities designated pursuant to Article 26(1) shall map undertakings operating along the semiconductor supply chain in their national territory, including non-confidential information on the services or goods, and contact information. They shall notify this list and any subsequent update to the Commission. The Commission may issue guidance, after consulting the European Semiconductor Board, to further specify the information to be gathered and define the technical specifications and formats. *deleted*

Amendment 47

Proposal for a regulation Article 16 – title

Text proposed by the Commission

Amendment

Union risk assessment and early warning

Early warning indicators

indicators

Amendment 48

Proposal for a regulation Article 16 – paragraph 1

Text proposed by the Commission

1. The Commission shall, after consulting the European Semiconductor Board, ***assess risks that may disrupt, compromise or negatively affect the supply of semiconductors (Union risk assessment). In the Union risk assessment, the Commission shall*** identify early warning indicators.

Amendment

1. The Commission shall, after consulting the European Semiconductor Board ***and key market representative organisations***, identify, ***on the basis of the outcome of the monitoring and mapping exercises, early warning indicators to be monitored. The Commission shall make those early warning indicators publicly available.***

Those early warning indicators shall be used to assess and monitor the availability and integrity of the services and goods provided by the key market actors identified pursuant to Article 17, including possible bottlenecks or high dependencies on third-country products or equipment.

Amendment 49

Proposal for a regulation Article 16 – paragraph 2

Text proposed by the Commission

2. The Commission shall review ***the Union risk assessment including*** the early warning indicators as necessary.

Amendment

2. The Commission shall review the early warning indicators as necessary.

Amendment 50

Proposal for a regulation Article 16 – paragraph 3

Text proposed by the Commission

Amendment

3. ***When monitoring the semiconductor value chain pursuant to Article 15, Member States shall monitor the early warning indicators identified by the Commission.***

deleted

Amendment 51

Proposal for a regulation Article 17 – title

Text proposed by the Commission

Amendment

Key market actors

Key market actors, ***key market representative organisations and critical sectors***

Amendment 52

Proposal for a regulation Article 17 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

1. ***Member States*** shall identify key market actors along the semiconductor supply chains in ***their national territory***, taking into account the following elements:

1. ***The Commission, in cooperation with national competent authorities***, shall identify key market actors along the semiconductor supply chains in ***the internal market***, taking into account the following elements:

Amendment 53

Proposal for a regulation Article 17 – paragraph 1 – point a

Text proposed by the Commission

Amendment

(a) ***the number of other Union undertakings relying on the service or good provided by a market actor;***

deleted

Amendment 54

Proposal for a regulation
Article 17 – paragraph 1 – point c

Text proposed by the Commission

(c) the importance of a market actor in maintaining a sufficient level of supply of a service or good in the Union, taking into account the availability of alternative means for the provision of that service or good;

Amendment

(c) the importance of a market actor in maintaining a sufficient level of supply of a service or good in the Union, taking into account the availability of alternative means for the provision of that service or good **and the number of other Union undertakings relying directly or indirectly on the service or good provided by the market actor, in particular if those undertakings operate in critical sectors;**

Amendment 55

Proposal for a regulation
Article 17 – paragraph 1 – point d

Text proposed by the Commission

(d) the impact a disruption of supply of the service or good provided by the market actor may have on the Union's semiconductor supply chain **and** dependent markets.

Amendment

(d) the impact a disruption of supply of the service or good provided by the market actor may have on the Union's semiconductor supply chain, dependent markets **and, in particular, critical sectors;**

Amendment 56

Proposal for a regulation
Article 17 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(da) the outcome of the mapping exercise pursuant to Article 17b.

Amendment 57

Proposal for a regulation
Article 17 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The Commission, in cooperation with national competent authorities, shall identify key market representative organisations of the global semiconductor value chain.

Amendment 58

Proposal for a regulation Article 17 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

1b. The critical sectors, as defined in Article 2(16), are those referred in Annex Ia of this Regulation. The Commission is empowered to adopt delegated acts in accordance with Article 32 to update the list of critical sectors. The European Semiconductor Board shall be consulted for the purposes of the aforementioned update.

Amendment 59

Proposal for a regulation Article 17 a (new)

Text proposed by the Commission

Amendment

Article 17a

Risk mitigation

1. Critical sector entities shall assess the security of their supply of semiconductor products and implement risk mitigation measures with the aim of reducing the risks of shortages.

2. Key market actors shall disclose expected significant disruptions of the supply chain of their products to the respective users of such semiconductor products. All participants to these exchanges shall respect the contractual obligations they have and the

confidentiality of commercially confidential information and business secrets of a natural or legal person, including intellectual property rights.

3. The European Semiconductor Board shall encourage key market actors to assess the security of their supply of semiconductor raw materials, intermediary products, and equipment and design, and implement risk mitigation measures with the aim of reducing the risks of shortages

Amendment 60

Proposal for a regulation Article 17 b (new)

Text proposed by the Commission

Amendment

Article 17b

Mapping of the semiconductor value chain

1. The Commission, in cooperation with national competent authorities, shall carry out a periodic mapping exercise of the European and global semiconductor value chains with the aim of building knowledge and capacity to inform future policy measures and assess the Union's strengths and weaknesses in the global semiconductor value chain. In particular, it shall:

(a) assess risks that may disrupt, compromise or negatively affect the production and supply of semiconductors, including the potential direct and indirect impacts of foreign governments' geopolitical measures in view of the cross-border elements of the Union's semiconductor ecosystem and interlinkages with third countries;

(b) ensure a good level of understanding of the market, the barriers

to entry, the technology characteristics, the dependencies on foreign technology and providers, and bottlenecks of the global value chain;

(c) identify key products and critical infrastructures in the internal market depending on semiconductors;

(d) identify and assess incentives, opportunities and gaps in investments in the semiconductor supply chain in the internal market, such as access to skilled and adequately trained workers, proximity to clusters of the semiconductor supply chain, access to critical raw materials and inputs, availability of renewable energy and sustainable material supplies.

2. National competent authorities designated pursuant to Article 26(1) shall map undertakings operating along the semiconductor supply chain in their national territory, including non-confidential information on the services or goods, and contact information. They shall notify this list and any subsequent update to the Commission and the European Semiconductor Board. The Commission may issue guidance, after consulting the European Semiconductor Board, to further specify the information to be gathered and define the technical specifications and formats.

Amendment 61

Proposal for a regulation Article 17 c (new)

Text proposed by the Commission

Amendment

Article 17c

Alerting

1. Where a national competent authority, based on the early warning indicators, becomes aware of a potential semiconductor crisis, it shall immediately

alert the Commission ('early warning').

2. Where the Commission becomes aware of a potential semiconductor crisis, based on the information collected pursuant to paragraph 1 of this Article, pursuant to Article 15 or through other sources, including information from international partners, it shall without undue delay:

(a) convene an extraordinary meeting of the European Semiconductor Board, including key market representative organisations, to coordinate the following actions:

(i) assessing whether the activation of the crisis stage referred to in Article 18 is necessary and proportionate;

(ii) discussing and assessing whether it may be appropriate, necessary and proportionate for Member States to jointly purchase semiconductors, intermediate products or raw materials affected or at threat of being affected by a potential semiconductor crisis ('coordinated procurement');

(iii) fostering coordination between actors of the semiconductor value chain to facilitate information exchange

(iv) identifying best-practices for overcoming the identified shortages and chokepoints;

(b) enter into consultations or cooperation, on behalf of the Union, and after consulting the European Semiconductor Board, with relevant third countries with a view to seeking cooperative solutions to address supply chain disruptions, in compliance with international obligations, involving, where appropriate, coordination in relevant international fora;

(c) ask national competent authorities to assess the state of preparedness of the

key market actors and critical sector entities identified pursuant to article 17b(3).

3. The coordinated procurement referred to in paragraph 2, point (a)(ii) shall be carried out by Member States in accordance with Article 39 of Directive 2014/24/EU of the European Parliament and of the Council.

Amendment 62

Proposal for a regulation Article 18 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. The activation of the crisis stage shall be accompanied by a crisis situation report, drawn up by the European Semiconductor Board, and be made available to the European Parliament.

Amendment 63

Proposal for a regulation Article 18 – paragraph 3

Text proposed by the Commission

Amendment

3. Before the expiry of the duration for which the crisis stage was activated, **the Commission shall, after consulting the European Semiconductor Board**, assess whether the activation of the crisis stage should be prolonged. Where the assessment concludes that a prolongation is appropriate, the Commission may prolong the activation by means of implementing acts. The duration of the prolongation shall be specified in the implementing acts adopted in accordance with Article 33(2). The Commission may repeatedly decide to prolong the activation of the crisis stage where this is appropriate.

3. **In case of the activation of the crisis stage according to Article 18(1)(b), the Commission shall, after consulting the European Semiconductor Board and key market representative organisations and before the expiry of the duration for which the crisis stage was activated, assess whether the activation of the crisis stage should be prolonged. In its assessment, the Commission shall pay special attention to distortions of the internal market. The Commission shall make that assessment publicly available.** Where the assessment concludes that a prolongation is appropriate, the Commission may prolong the activation by means of implementing

acts. The duration of the prolongation shall be specified in the implementing acts adopted in accordance with Article 33(2). The Commission may repeatedly decide to prolong the activation of the crisis stage where this is appropriate.

Amendment 64

Proposal for a regulation Article 18 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. If the Commission concludes, after an assessment, that the crisis has been resolved, and after consulting the European Semiconductor Board, the Commission shall terminate the crisis stage by means of an implementing act.

Amendment 65

Proposal for a regulation Article 18 – paragraph 4

Text proposed by the Commission

Amendment

4. During the crisis stage, the Commission shall, upon request from a Member State or on its own initiative, convene extraordinary meetings of the European Semiconductor Board as necessary. Member States shall work closely with the Commission and coordinate any ***national*** measures taken with regard to the semiconductor supply chain within the European Semiconductor Board.

4. During the crisis stage, the Commission shall, upon request from a Member State or on its own initiative, convene extraordinary meetings of the European Semiconductor Board as necessary, ***extending an invitation to the key market representative organisations***. Member States shall work closely with the Commission and coordinate any ***relevant*** measures taken with regard to the semiconductor supply chain within the European Semiconductor Board.

Amendment 66

Proposal for a regulation

Article 18 – paragraph 5

Text proposed by the Commission

5. Upon expiry of the duration for which the crisis stage is activated, the measures taken in accordance with Articles 20, 21 and 22 shall cease to apply. The Commission shall **review the Union risk assessment** pursuant to Article 16(2) no later than six months after the expiry of the duration of the crisis stage.

Amendment

5. Upon expiry of the duration for which the crisis stage is activated, the measures taken in accordance with Articles 20, 21 and 22 shall cease to apply. The Commission shall, **after consulting the European Semiconductor Board, update the mapping of the semiconductor value chain** pursuant to Article 17b according to **the lessons learned from the crisis** no later than six months after the expiry of the duration of the crisis stage.

Amendment 67

Proposal for a regulation

Article 18 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. Before activating or prolonging the crisis stage, the Commission shall take into account the potential negative impacts and consequences of the crisis stage on the Union’s semiconductor industry and critical sectors.

Amendment 68

Proposal for a regulation

Article 18 – paragraph 5 b (new)

Text proposed by the Commission

Amendment

5b. Without prejudice to the possibility of the prolongation of the activation of a crisis stage as referred to in paragraph 3, the original activation and each prolongation of the crisis shall not exceed 12 months.

Amendment 69

Proposal for a regulation
Article 19 – title

Text proposed by the Commission

Emergency toolbox

Amendment

Crisis emergency toolbox

Amendment 70

Proposal for a regulation
Article 19 – paragraph 1

Text proposed by the Commission

1. Where the crisis stage is activated and where appropriate in order to address the semiconductor crisis in the Union, the Commission ***shall take the measure provided for in Article 20 under the conditions laid down therein. In addition, the Commission*** may take the measures provided for in Article 21 or ***Article 22, or both***, under the conditions laid down therein.

Amendment

1. Where the crisis stage is activated and where appropriate in order to address the semiconductor crisis in the Union, the Commission may take the measures provided for in Article 20, 21 or 22, ***or all of them***, under the conditions laid down therein. ***The Commission and national competent authorities are also entitled to, when appropriate, request information about the risk mitigation measures taken pursuant to Article 17a.***

Amendment 71

Proposal for a regulation
Article 19 – paragraph 2

Text proposed by the Commission

2. The Commission ***may***, after consulting the European Semiconductor Board, limit the measures provided for in Articles 21 and 22 ***to certain critical sectors the operation of which is disturbed or under threat of disturbance on account*** of the semiconductor crisis.

Amendment

2. The Commission ***shall***, after consulting the European Semiconductor Board ***and key market representative organisations***, limit the measures provided for in Articles 20, 21, and 22, under ***the conditions laid down therein, to the actors of the semiconductor supply chain directly related to the supply of the critical sectors referred to in the scope of the implementing act activating the crisis stage.***

Amendment 72

Proposal for a regulation

Article 19 – paragraph 3 – introductory part

Text proposed by the Commission

3. Where the crisis stage is activated **and where appropriate in order to address the semiconductor crisis in the Union**, the European Semiconductor Board **may**:

Amendment

3. Where the crisis stage is activated, the European Semiconductor Board **shall**:

Amendment 73

Proposal for a regulation

Article 19 – paragraph 4

Text proposed by the Commission

4. The use of the measures referred to in **paragraph 1** shall be proportionate and restricted to what is necessary for addressing serious disruptions of **vital societal functions or economic activities** in the **Union** and must be in the best interest of the Union. The use of these measures shall avoid placing disproportionate administrative burden on SMEs.

Amendment

4. The use of the measures referred to in **paragraphs 1 and 2** shall be proportionate and restricted to what is necessary for addressing serious disruptions of **the critical sectors referred to in the implementing act activating the crisis stage** and must be in the best interest of the Union. The use of these measures shall avoid placing disproportionate administrative burden on **undertakings, and in particular on** SMEs.

Amendment 74

Proposal for a regulation

Article 19 – paragraph 5

Text proposed by the Commission

5. The Commission shall regularly inform the European Parliament and the Council of any measures taken in accordance with **paragraph 1** and explain the reasons of its decision.

Amendment

5. The Commission shall regularly inform the European Parliament and the Council of any measures taken in accordance with **paragraphs 1 and 2** and explain the reasons of its decision.

Amendment 75

Proposal for a regulation
Article 19 – paragraph 6

Text proposed by the Commission

6. The Commission **may**, after consulting the European Semiconductor Board, issue guidance on the implementation and the use of the emergency measures.

Amendment

6. The Commission **shall**, after consulting the European Semiconductor Board, issue guidance on the implementation and the use of the emergency measures.

Amendment 76

Proposal for a regulation
Article 22 – paragraph 1

Text proposed by the Commission

1. The Commission may, upon **the** request of two or more Member States, establish a mandate to act as a central purchasing body on behalf of the participating Member States ('participating Member States') for their public procurement of crisis-relevant products for **certain** critical sectors ('common purchasing').

Amendment

1. The Commission may, upon **reasoned** request of two or more Member States, establish a mandate to act as a central purchasing body on behalf of the participating Member States ('participating Member States') for their public procurement of crisis-relevant products for **the** critical sectors **referred to in the implementing act activating the crisis stage** ('common purchasing'). **Member State requests for common purchasing should be duly justified and used exclusively to address supply chain disruptions of semiconductors leading to the crisis.**

Amendment 77

Proposal for a regulation
Article 22 – paragraph 2

Text proposed by the Commission

2. The Commission shall, in consultation with the European Semiconductor Board, assess the utility, necessity and proportionality of the

Amendment

2. The Commission shall, in consultation with the European Semiconductor Board, assess the utility, necessity and proportionality of the

request. Where the Commission intends not to follow the request, it shall inform the Member States concerned and the European Semiconductor Board and **give** reasons for its refusal.

request, **including regarding its contribution to addressing the causes of the crisis**. Where the Commission intends not to follow the request, it shall inform the Member States concerned and the European Semiconductor Board and **publish** reasons for its refusal.

Amendment 78

Proposal for a regulation

Article 22 – paragraph 3

Text proposed by the Commission

3. The Commission shall draw up a proposal for a framework agreement to be signed by the participating Member States. This framework agreement shall organise in detail the common purchasing referred to in paragraph 1.

Amendment

3. The Commission shall draw up a proposal for a framework agreement to be signed by the participating Member States. This framework agreement shall organise in detail the common purchasing referred to in paragraph 1, **including provisions on the further use of the purchased products in case not all products are used during the crisis stage**.

Amendment 79

Proposal for a regulation

Article 22 – paragraph 4

Text proposed by the Commission

4. Procurement under this Regulation shall be carried out by the Commission in accordance with the rules set out in the Financial Regulation for its own procurement. The Commission **may** have the ability and responsibility, on behalf of all participating Member States, to enter into contracts with economic operators, including individual producers of crisis-relevant products, concerning the purchase of such products or concerning the advance financing of the production or the development of such products in exchange for a priority right to the result.

Amendment

4. Procurement under this Regulation shall be carried out by the Commission in accordance with the rules set out in the Financial Regulation for its own procurement, **including an appropriate integration of environmental, social and labour requirements, and principles of equal treatment and transparency**. The Commission **shall** have the ability and responsibility, on behalf of all participating Member States, to enter into contracts with economic operators, including individual producers of crisis-relevant products, concerning the purchase of such products or concerning the advance financing of the

production or the development of such products in exchange for a priority right to the result.

Amendment 80

Proposal for a regulation Article 22 – paragraph 6

Text proposed by the Commission

6. The Commission shall carry out the procurement procedures and conclude the contracts with economic operators on behalf of the participating Member States. The Commission shall invite the participating Member States to appoint representatives to take part in the preparation of the procurement procedures. The deployment and use of the purchased products shall remain the responsibility of the participating Member States.

Amendment

6. The Commission shall carry out the procurement procedures and conclude the contracts with economic operators on behalf of the participating Member States, ***and no later than five months after receiving the request stated in paragraph 1 of this Article.*** The Commission shall invite the participating Member States to appoint representatives to take part in the preparation of the procurement procedures. The deployment and use of the purchased products shall remain the responsibility of the participating Member States ***in line with the framework agreement.***

Amendment 81

Proposal for a regulation Article 22 – paragraph 6 a (new)

Text proposed by the Commission

Amendment

6a. Without prejudice to public law that is applicable in the Member States in conformity with Union law, where common purchasing is used, participating Member States shall not engage in parallel negotiations for the same products with the same entities.

Amendment 82

Proposal for a regulation

Article 22 – paragraph 6 b (new)

Text proposed by the Commission

Amendment

6b. *The Commission shall ensure that the European Court of Auditors is granted full appropriate access to all relevant documents and communications to be able to scrutinize common purchasing activities, including concluded contracts.*

Amendment 83

Proposal for a regulation

Article 22 – paragraph 6 c (new)

Text proposed by the Commission

Amendment

6c. *The Commission shall ensure that all common purchasing contracts are made available to the public without undue delay and in any case within 45 days of the signature of the relevant contract. Information disclosed for public scrutiny shall include the number of product units to be delivered and agreed delivery dates, arrangements related to product donations, intellectual property, and technology transfer within the Union and with third countries, and terms and conditions related to the breach of the contracts and their termination.*

Amendment 84

Proposal for a regulation

Article 23 – paragraph 2 – point d

Text proposed by the Commission

Amendment

(d) addressing monitoring and crisis response issues;

(d) addressing monitoring, **mapping and value chain transparency in the internal market and globally**, and crisis response issues;

Amendment 85

Proposal for a regulation

Article 23 – paragraph 2 – point d a (new)

Text proposed by the Commission

Amendment

(da) proposing early warning indicators to the Commission;

Amendment 86

Proposal for a regulation

Article 23 – paragraph 2 – point d b (new)

Text proposed by the Commission

Amendment

(db) providing a forum for cooperation, information exchange and coordination between Member States, the Commission and trustworthy international partners;

Amendment 87

Proposal for a regulation

Article 26 – paragraph 4

Text proposed by the Commission

Amendment

4. Each Member State shall notify the Commission of the designation of the national competent authority and, where applicable, the reasons for designating more than one national competent authority, and the national single point of contact, including their precise tasks and responsibilities under this Regulation, their contact information and any subsequent changes thereto.

4. Each Member State shall notify the Commission of the designation of the national competent authority ***by ... [60 days after the date of entry into force of this Regulation]*** and, where applicable, the reasons for designating more than one national competent authority, and the national single point of contact, including their precise tasks and responsibilities under this Regulation, their contact information and any subsequent changes thereto.

Amendment 88

Proposal for a regulation
Article 26 – paragraph 6

Text proposed by the Commission

6. Member States shall ensure that national competent authorities, whenever appropriate, and in accordance with Union and national law, consult and cooperate with other relevant national authorities, as well as with relevant interested parties. The Commission shall facilitate the exchange of experience between national competent authorities.

Amendment 89

Proposal for a regulation
Annex -I (new)

Text proposed by the Commission

Amendment

6. Member States shall ensure that national competent authorities, whenever appropriate, and in accordance with Union and national law, consult and cooperate with other relevant national authorities, as well as with relevant interested parties. The Commission shall facilitate the **regular** exchange of experience between national competent authorities.

Amendment

Annex -I

Critical sectors

1. Energy
2. Transport
3. Banking
4. Financial market infrastructure
5. Health
6. Drinking water
7. Waste water
8. Digital infrastructure
9. Public administration
10. Space
11. Production, processing and distribution of food
12. Defence

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Establishing a framework of measures for strengthening Europe's semiconductor ecosystem (Chips Act)		
References	COM(2022)0046 – C9-0039/2022 – 2022/0032(COD)		
Committee responsible Date announced in plenary	ITRE 7.3.2022		
Opinion by Date announced in plenary	IMCO 7.3.2022		
Associated committees - date announced in plenary	7.7.2022		
Rapporteur for the opinion Date appointed	Maria-Manuel Leitão-Marques 31.3.2022		
Discussed in committee	8.9.2022	27.10.2022	29.11.2022
Date adopted	12.12.2022		
Result of final vote	+: -: 0:	32 3 4	
Members present for the final vote	Alex Agius Saliba, Andrus Ansip, Alessandra Basso, Adam Bielan, Biljana Borzan, Anna Cavazzini, Lara Comi, Alexandra Geese, Sandro Gozi, Maria Grapini, Svenja Hahn, Virginie Joron, Eugen Jurzyca, Kateřina Konečná, Andrey Kovatchev, Maria-Manuel Leitão-Marques, Morten Løkkegaard, Adriana Maldonado López, Antonius Manders, Beata Mazurek, Anne-Sophie Pelletier, René Repasi, Christel Schaldemose, Andreas Schwab, Tomislav Sokol, Róza Thun und Hohenstein, Tom Vandenkendelaere, Kim Van Sparrentak, Marion Walsmann, Marco Zullo		
Substitutes present for the final vote	Marco Campomenosi, Maria da Graça Carvalho, Malte Gallée, Claude Gruffat, Antonio Maria Rinaldi		
Substitutes under Rule 209(7) present for the final vote	Jarosław Duda, Cristina Maestre Martín De Almagro, Francisco José Millán Mon, Inma Rodríguez-Piñero		

**FINAL VOTE BY ROLL CALL
IN COMMITTEE ASKED FOR OPINION**

32	+
PPE	Maria da Graça Carvalho, Lara Comi, Jarosław Duda, Andrey Kovatchev, Antonius Manders, Francisco José Millán Mon, Andreas Schwab, Tomislav Sokol, Tom Vandendriessche, Marion Walsmann
Renew	Andrus Ansip, Sandro Gozi, Svenja Hahn, Morten Løkkegaard, Róza Thun und Hohenstein, Marco Zullo
S&D	Alex Agius Saliba, Biljana Borzan, Maria Grapini, Maria-Manuel Leitão-Marques, Cristina Maestre Martín De Almagro, Adriana Maldonado López, René Repasi, Inma Rodríguez-Piñero, Christel Schaldemose
The Left	Kateřina Konečná, Anne-Sophie Pelletier
Verts/ALE	Anna Cavazzini, Malte Gallée, Alexandra Geese, Claude Gruffat, Kim Van Sparrentak

3	-
ECR	Adam Bielan, Eugen Jurzyca, Beata Mazurek

4	0
ID	Alessandra Basso, Marco Campomenosi, Virginie Joron, Antonio Maria Rinaldi

Key:

+ : in favour

- : against

0 : abstentions