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NOTE

From:	Presidency
To:	Permanent Representatives Committee
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products (EDIP): - Four column table as of 10 October 2025

**Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
establishing the European Defence Industry Programme and a framework of measures to ensure the
timely availability and supply of defence products ('EDIP') (Text with EEA relevance)**

2024/0061(COD)

DRAFT [EDIP 4ct before ITM 16_REV2]

10-10-2025 at 20h12

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Formula								
1		2024/0061 (COD)		2024/0061 (COD)		2024/0061 (COD)		2024/0061 (COD) Text Origin: Commission Proposal
Proposal Title								
2		Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products ('EDIP') (Text with EEA relevance)		Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products ('EDIP') (Text with EEA relevance)		Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products ('EDIP Regulation') (Text with EEA relevance)		Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products ('EDIP Regulation') (Text with EEA relevance) Text Origin: Council Mandate
Formula								
3		THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE		THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE		THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE		THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	EUROPEAN UNION,	EUROPEAN UNION,	EUROPEAN UNION,	EUROPEAN UNION, Text Origin: Commission Proposal
Citation 1				
4	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114(1), Article 173(3), Article 212(2) and Article 322(1) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114(1), Article 173(3), Article 212(2) and Article 322(1) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 114(1), Article 173(3), and Article 212(2) ~~and Article 322(1)~~ thereof,	LS to check
Citation 2				
5	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission, Text Origin: Commission Proposal
Citation 3				
6	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments, Text Origin: Commission Proposal
Citation 4				
7	Having regard to the opinion of the European Economic and Social Committee ¹ , 1. OJ C , , p. .	Having regard to the opinion of the European Economic and Social Committee ¹ , 1. OJ C , , p. .	Having regard to the opinion of the European Economic and Social Committee ¹ , 1. OJ C , , p. .	Having regard to the opinion of the European Economic and Social Committee ¹ , 1. OJ C , , p. . Text Origin: Commission

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				Proposal
Citation 5				
8	Having regard to the opinion of the European Court of Auditors ¹ , 1. OJ C , , p .	Having regard to the opinion of the European Court of Auditors ¹ , 1. OJ C , , p .	<i>deleted</i>	
Citation 6				
9	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure ² , 2. Position of the European Parliament of ... [(OJ ...)/(not yet published in the Official Journal)] and decision of the Council of".	Acting in accordance with the ordinary legislative procedure ² , <u>2. Position of the European Parliament of ... [(OJ ...)/(not yet published in the Official Journal)] and decision of the Council of".</u> Text Origin: Council Mandate
Formula				
10	Whereas:	Whereas:	Whereas:	Whereas: Text Origin: Commission Proposal
Recital -1				
10a			(-1) The return of high-intensity warfare brought about by Russia's unprovoked and unjustified war of aggression against Ukraine has a negative impact on the security of the Union and the Member States and requires a significant increase in the capacity of	

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			Member States to reinforce their defence capabilities. The long-term deterioration of regional and global security requires a step-change in the scale and speed with which the European defence technological and industrial base (EDTIB) can develop and produce the full spectrum of military capabilities.	
Recital 1				
11	(1) The Heads of State or Government of the Union, meeting in Versailles on 11 March 2022, committed to “bolster European defence capabilities” in light of Russia’s unprovoked and unjustified war of aggression against Ukraine. They agreed to increase defence expenditures, step up cooperation through joint projects and common procurement of defence capabilities, close shortfalls, boost innovation and strengthen and develop the EU defence industry, including through establishing a European Defence Industry Programme (the ‘Programme’).	(1) The Heads of State or Government of the Union, meeting in Versailles on 11 March 2022, committed to “bolster European defence capabilities” in light of Russia’s unprovoked and unjustified war of aggression against Ukraine. They agreed to increase defence expenditures, step up cooperation through joint projects and common procurement of defence capabilities, close shortfalls, boost innovation and strengthen and develop the EU defence industry, including through establishing a European Defence Industry Programme (the ‘Programme’).	(1) The Heads of State or Government of the Union, meeting in Versailles on 11 March 2022, committed to “bolster European defence capabilities” in light of Russia’s unprovoked and unjustified war of aggression against Ukraine. They agreed to increase their defence expenditures, step up cooperation through joint projects and common procurement of defence capabilities, close shortfalls, boost innovation and strengthen and develop the EU defence industry, including through establishing a European defence industry Programme (the ‘Programme’).	
Recital 2				
12	(2) The long-term	(2) The long-term	(2) The long-term	

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	deterioration of regional and global threat levels requires a step-change in the scale and speed with which Europe's defence technological and industrial base (EDTIB) can develop and produce the full spectrum of military capabilities. The return of high-intensity warfare and territorial conflict to Europe has a negative impact on the security of the Union and the Member States and requires a significant increase in the capacity of Member States to reinforce their defence capabilities.	deterioration of regional and global threat levels requires a step-change in the scale and speed with which Europe's defence technological and industrial base (EDTIB) can develop and produce the full spectrum of military capabilities. The return of high-intensity warfare and territorial conflict to Europe has a negative impact on the security of the Union and the Member States and requires a significant increase in the capacity of Member States to reinforce their defence capabilities.	deterioration of regional and global threat levels requires a step-change in the scale and speed with which Europe's defence technological and industrial base (EDTIB) can develop and produce the full spectrum of military capabilities. The return of high-intensity warfare and territorial conflict to Europe has a negative impact on the security of the Union and the Member States and requires a significant increase in the capacity of Member States to reinforce their defence capabilities. Commission and the High Representative of the Union and the Member States and requires a significant increase in the capacity of Member States to reinforce their for Foreign Affairs and Security Policy (the 'High Representative') presented a Joint Communication on the Defence capabilities Investment Gaps Analysis and Way Forward on 18 May 2022 highlighting the existence, within the Union, of defence financial, industrial and capability gaps.	
Recital 2a				
12a		<u>(2a) Developing defence manufacturing capacities across the Union is essential in order to strengthen the Union's open strategic autonomy, resilience, and ability to respond collectively</u>		

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		<u>to security challenges. A geographically balanced approach to developing such capacities ensures that all Member States contribute to and benefit from a robust European Defence Technological and Industrial Base (EDTIB). Particular attention should be paid to Member States with highest exposure to the risk of materialisation of conventional military threats.</u>		
Recital 3				
13	(3) On 14 and 15 December 2023, the European Council, in its conclusions, having considered work carried out to implement the Versailles declaration and the Strategic Compass for Security and Defence, underlined that more needs to be done to fulfil the Union's objectives of increasing defence readiness. To achieve such a readiness and defend the Union, a strong defence industry is a pre-requisite, making the European defence industry more resilient, innovative and competitive.	(3) On 14 and 15 December 2023, the European Council, in its conclusions, having considered work carried out to implement the Versailles declaration and the Strategic Compass for Security and Defence, underlined that more needs to be done to fulfil the Union's objectives of increasing defence readiness. To achieve such a readiness and defend the Union, a strong defence industry is a pre-requisite, making the European defence industry more resilient, innovative and competitive.	(3) ~~On~~ In its conclusions of 14 and 15 December 2023, the European Council, in its conclusions, having considered work carried out to implement the Versailles declaration and the Strategic Compass for Security and Defence, underlined that more needs to be done to fulfil the Union's objectives of increasing defence readiness. To achieve such a readiness and defend the Union, a strong defence industry is a pre-requisite, making the European defence industry more resilient, innovative and competitive.	
Recital 4				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
14	(4) The Commission and the High Representative of the Union for Foreign Affairs and Security Policy presented a Joint Communication on the Defence Investment Gaps Analysis and Way Forward on 18 May 2022 highlighting the existence, within the Union, of defence financial, industrial and capability gaps. On 18 October 2023 a Regulation (EU) 2023/2418 of the European Parliament and the Council¹ was adopted establishing an instrument for the reinforcement of the European defence industry through common Procurement (EDIRPA), aimed at supporting collaboration between Member States in the procurement phase to fill the most urgent and critical gaps, especially those created by the response to Russia's war of aggression against Ukraine, in a collaborative way. On 20 July 2023 a Regulation (EU) 2023/1525 of the European Parliament and the Council² supporting ammunition production (ASAP) was adopted, aimed at urgently supporting the ramp-up of manufacturing capacities of the European defence industry, secure supply chains, facilitate efficient	(4) The Commission and the High Representative of the Union for Foreign Affairs and Security Policy presented a Joint Communication on the Defence Investment Gaps Analysis and Way Forward on 18 May 2022 highlighting the existence, within the Union, of defence financial, industrial and capability gaps. On 18 October 2023 a Regulation (EU) 2023/2418 of the European Parliament and the Council¹ was adopted establishing an instrument for the reinforcement of the European defence industry through common Procurement (EDIRPA), aimed at supporting collaboration between Member States in the procurement phase to fill the most urgent and critical gaps, especially those created by the response to Russia's war of aggression against Ukraine, in a collaborative way. On 20 July 2023 a Regulation (EU) 2023/1525 of the European Parliament and the Council² supporting ammunition production (ASAP) was adopted, aimed at urgently supporting the ramp-up of manufacturing capacities of the European defence industry, secure supply chains, facilitate efficient	(4) On 20 July 2023 the European ParliamentThe Commission and the High RepresentativeCouncil adopted Regulation (EU) 2023/1525³, aimed at urgently supporting the ramp-up of manufacturing capacities of the Union for Foreign Affairs and Security Policy presented a Joint Communication on theEuropean defence Investment Gaps Analysis and Way Forward on 18 May 2022 highlighting the existence, within the Union, of defence financial, industrial and capability gapsindustry, securing supply chains, facilitating efficient procurement procedures, addressing shortfalls in production capacities and promoting investments. On 18 October 2023 a Regulation (EU) 2023/2418 of the European Parliament and the Council¹ was adopted establishing an instrument for the reinforcement of the European defence industry through common Procurement (EDIRPARegulation (EU) 2023/2418⁴, aimed at supporting collaboration between Member States in the procurement phase to	

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	procurement procedures, address shortfalls in production capacities and promote investments. 1. Regulation (EU) 2023/2418 of the European Parliament and of the Council of 18 October 2023 on establishing an instrument for the reinforcement of the European defence industry through common procurement (EDIRPA) (OJ L, 2023/2418, 26.10.2023, ELI: http://data.europa.eu/eli/reg/2023/2418/oj). 2. Regulation (EU) 2023/1525 of the European Parliament and of the Council of 20 July 2023 on supporting ammunition production (ASAP) (OJ L 185, 24.7.2023, p. 7, ELI: http://data.europa.eu/eli/reg/2023/1525/oj).		procurement procedures, address shortfalls in production capacities and promote investments. 1. Regulation (EU) 2023/2418 of the European Parliament and of the Council of 18 October 2023 on establishing an instrument for the reinforcement of the European defence industry through common procurement (EDIRPA) (OJ L, 2023/2418, 26.10.2023, ELI: http://data.europa.eu/eli/reg/2023/2418/oj). 2. Regulation (EU) 2023/1525 of the European Parliament and of the Council of 20 July 2023 on supporting ammunition production (ASAP) (OJ L 185, 24.7.2023, p. 7, ELI: http://data.europa.eu/eli/reg/2023/1525/oj).		fill the most urgent and critical gaps in a collaborative way, especially those gaps created by the response to Russia's war of aggression against Ukraine, ~~in a collaborative way. On 20 July 2023 a Regulation (EU) 2023/1525 of the European Parliament and the Council² supporting ammunition production (ASAP) was adopted, aimed at urgently supporting the ramp up of manufacturing capacities of the European defence industry, secure supply chains, facilitate efficient procurement procedures, address shortfalls in production capacities and promote investments..~~ 3. Regulation (EU) 2023/1525 of the European Parliament and of the Council of 20 July 2023 on supporting ammunition production (ASAP) (OJ L 185, 24.7.2023, p. 7, ELI: http://data.europa.eu/eli/reg/2023/1525/oj). ~~1. Regulation (EU) 2023/2418 of the European Parliament and of the Council of 18 October 2023 on establishing an instrument for the reinforcement of the European defence industry through common procurement (EDIRPA) (OJ L, 2023/2418, 26.10.2023, ELI: http://data.europa.eu/eli/reg/2023/2418/oj).~~ 4. Regulation (EU) 2023/2418 of the European Parliament and of the Council		

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			of 18 October 2023 on establishing an instrument for the reinforcement of the European defence industry through common procurement (EDIRPA) (OJ L, 2023/2418, 26.10.2023, ELI: http://data.europa.eu/eli/reg/2023/2418/oj). 2. Regulation (EU) 2023/1525 of the European Parliament and of the Council of 20 July 2023 on supporting ammunition production (ASAP) (OJ L 185, 24.7.2023, p. 7, ELI: http://data.europa.eu/eli/reg/2023/1525/oj).	
Recital 5				
15	(5) EDIRPA and ASAP were designed as emergency response and short-term programmes, both expiring in 2025 (30 June 2025 for ASAP and 31 December 2025 for EDIRPA). The Programme should build on EDIRPA and ASAP achievements and extend their logic until 2027, by providing financial support for the reinforcement of the EDTIB, in a predictable, continuous and timely manner on the basis of an integrated approach. In the light of the current security situation, it appears necessary to extend the Union support a broader scope of defence equipment including consumables such as unmanned systems that play a decisive role in	(5) EDIRPA and ASAP were designed as emergency response and short-term programmes, both expiring in 2025 (30 June 2025 for ASAP and 31 December 2025 for EDIRPA). The Programme should build on EDIRPA and ASAP achievements and extend their logic until 2027, by providing financial support for the reinforcement of the EDTIB, in a predictable, continuous and timely manner on the basis of an integrated approach. In the light of the current security situation, it appears necessary to extend the Union support a broader scope of defence equipment including consumables such as unmanned systems that play a decisive role in	(5) ~~EDIRPA and ASAP~~Regulations (EU) 2023/1525 and (EU) 2023/2418 were designed as emergency response and short-term programmes, ~~both expiring in 2025 (on 30 June 2025 for ASAP and 31 December 2025 for EDIRPA).~~ The Programme should build on ~~EDIRPA and ASAP achievements and extend their logic until 2027,~~ by providing financial support for the reinforcement of the EDTIB, in a predictable, continuous and timely manner on the basis of an integrated approach. In the light of the current security situation, it appears necessary to extend the Union support a broader scope of defence equipment including	

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	the war theatre in Ukraine.	the war theatre in Ukraine.	consumables such as unmanned systems that play a decisive role in the war theatre in Ukraine respectively.	
Recital 5a				
15a			(5a) This Regulation should build on Regulations (EU) 2023/1525 and (EU) 2023/2418 extend their logic in a more long-term and structured perspective, by providing financial support for the period 2025-2027 for the reinforcement of the competitiveness, responsiveness and ability of the EDTIB to ensure the timely availability and supply of defence products in a predictable, continuous and timely manner. In the light of the current security situation, it appears necessary to extend the Union support to incentivise collaboration between Member States in the procurement of a broader scope of defence equipment, including consumables that play a decisive role in the war theatre in Ukraine.	
Recital 5b				
15b			(5b) In June 2024, the	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			European Council invited the Council, the Member States, the Commission and the High Representative to take work forward on all strands, in line with their respective competences, in particular on critical capability gaps based on the Capability Development Plan (CDP) and on the proposal for a European Defence Industry Programme, with a view to its adoption by mid-2025.	
Recital 6				
16	(6) The European Council of 23 June 2022 decided to grant the status of candidate country to Ukraine, which expressed a strong will to link reconstruction with reforms on its European path. In December 2023, EU leaders decided to open accession negotiations with Ukraine. On 15 December 2023, the European Council declared that the Union and Member States remain committed to contributing, for the long term and together with partners, to security commitments to Ukraine, which will help Ukraine to defend itself, resist destabilization efforts and deter	(6) The European Council of 23 June 2022 decided to grant the status of candidate country to Ukraine, which expressed a strong will to link reconstruction with reforms on its European path. In December 2023, EU leaders decided to open accession negotiations with Ukraine. On 15 December 2023, the European Council declared that the Union and Member States remain committed to contributing, for the long term and together with partners, to security commitments to Ukraine, which will help Ukraine to defend itself, resist destabilization efforts and deter	(6) On 23 June 2022 , the European Council of ~~23 June 2022~~ decided to grant the status of candidate country to Ukraine, which expressed a strong will to link reconstruction with reforms on its European path. ~~In~~ On 15 December 2023, ~~EU leaders~~ the European Council decided to open accession negotiations with Ukraine. ~~On 15 December 2023,~~ the European Council and declared that the Union and ~~its~~ Member States remain committed to contributing, for the ~~long term~~ long-term and together with partners, to security commitments to Ukraine; which will help	

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	acts of aggression in the future. Strong support to Ukraine is a key priority for the Union and an appropriate response to the Union's strong political commitment to support Ukraine for as long as necessary.	acts of aggression in the future. Strong support to Ukraine is a key priority for the Union and an appropriate response to the Union's strong political commitment to support Ukraine for as long as necessary.	Ukraine the latter to defend itself, resist ~~destabilization~~ destabilisation efforts and deter acts of aggression in the future. Strong support to Ukraine is a key priority for the Union and an appropriate response to the Union's strong political commitment to support Ukraine for as long as necessary.	
Recital 7				
17	(7) The damage from Russia's war of aggression to the Ukrainian economy, society and infrastructure, and in particular damage caused to the Ukraine defence technological and industrial base (Ukrainian DTIB) require comprehensive support to rebuild the latter. This is essential in order to provide the capacity to the Ukrainian State to maintain its essential functions and allow the fast recovery, reconstruction and modernisation of the country and foster its integration into the European Defence Equipment Market. A strong Ukrainian DTIB is vital for Ukraine's long-term security as well as its reconstruction.	(7) The damage from Russia's war of aggression to the Ukrainian economy, society and infrastructure, and in particular damage caused to the Ukraine defence technological and industrial base (Ukrainian DTIB) require comprehensive support to rebuild the latter. This is essential in order to provide the capacity to the Ukrainian State to maintain its essential functions and allow the fast recovery, reconstruction and modernisation of the country and foster its integration into the European Defence Equipment Market <u>and adaptation of the Ukrainian defence environment to meet NATO standards</u> . A strong Ukrainian DTIB is vital for Ukraine's long-term security as	(7) The damage ~~from~~ caused by Russia's war of aggression to the Ukrainian economy, society and infrastructure, and in particular damage caused to the ~~Ukraine~~ Ukrainian defence technological and industrial base (the 'Ukrainian DTIB'), means that require comprehensive support is required to rebuild the latter. This Ukrainian DTIB. Such support is essential in order to provide Ukraine with the capacity to the Ukrainian State to maintain its essential state functions and allow, contributing to the fast recovery, reconstruction and modernisation of the country and foster its as well as to the integration of the Ukrainian DTIB into the European Defence	

	CLEAN Commission Proposal	VSEC EP Mandate	VSEC Council Mandate	VSEC Draft Agreement
		well as its reconstruction.	Equipment MarketEDTIB. A strong Ukrainian DTIB is vital for Ukraine's long-term security as well as its reconstruction.	
Recital 8				
18	(8) In this regard actions supporting the reinforcement of the Ukrainian defence technological and industrial base should be financed. This support is complementary to that provided under the Ukraine Facility as well as military support provided to Ukraine under the European Peace Facility and through bilateral assistance by Member States.	(8) In this regard actions supporting the reinforcement of the Ukrainian defence technological and industrial base should be financed. This support is complementary to that provided under the Ukraine Facility as well as military support provided to Ukraine under the European Peace Facility and through bilateral assistance by Member States. <u><i>In particular, the Ukraine support instrument under this Regulation should incentivise Member States to seek active cooperation with the Ukrainian DTIB not only to ramp up the support to Ukraine, but also to cooperate in defence planning for the joint future ahead between the Union and Ukraine and procure defence products directly in Ukraine, according to the so-called "Danish Model".</i></u>	(8) ~~In this regard~~ Actions supporting the reinforcement of the Ukrainian defence technological and industrial base ~~DTIB~~ should be ~~financed. This~~ financially supported by the Union. That support is complementary to ~~that~~ the support provided under the Ukraine Facility as well as ~~and to~~ military support provided to Ukraine under the European Peace Facility and through bilateral assistance by Member States.	
Recital 9				
19	(9) Russia must be held fully	(9) Russia must be held fully	(9) Russia must be held fully	

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	accountable and pay for the massive damage caused by its war of aggression against Ukraine, which constitutes a blatant violation of the Charter of the United Nations. The Union and its Member States should, in close cooperation with other international partners, continue to work towards this goal, in accordance with Union and international law, taking into account Russia's serious breach of the prohibition on the use of force enshrined in Article 2(4) of the Charter of the United Nations and the principle of State responsibility for internationally wrongful acts, including the obligation to compensate for the financially assessable damage caused. It is important that, inter alia, progress is made, in coordination with international partners, on how extraordinary revenues held by private entities stemming directly from immobilised Russian assets could be directed to support Ukraine, including its defence technological and industrial base, in a manner that is consistent with applicable contractual obligations and in accordance with Union and	accountable and pay for the massive damage caused by its war of aggression against Ukraine, which constitutes a blatant violation of the Charter of the United Nations. The Union and its Member States should, in close cooperation with other international partners, continue to work towards this goal, in accordance with Union and international law, taking into account Russia's serious breach of the prohibition on the use of force enshrined in Article 2(4) of the Charter of the United Nations and the principle of State responsibility for internationally wrongful acts, including the obligation to compensate for the financially assessable damage caused. It is important that, inter alia, progress is made, in coordination with international partners, on how ~~extraordinary revenues held by private entities stemming directly from~~ immobilised Russian assets could be directed to support Ukraine, including its defence technological and industrial base, in a manner that is consistent with applicable contractual obligations and in accordance with Union and	accountable and pay for the massive damage caused by its war of aggression against Ukraine, which constitutes a blatant violation of the Charter of the United Nations. The Union and its Member States should, in close cooperation with other international partners, continue to work towards ~~this~~that goal, in accordance with Union and international law, taking into account Russia's serious breach of the prohibition on the use of force enshrined in Article 2(4) of the Charter of the United Nations and the principle of State responsibility for internationally wrongful acts, including the obligation to compensate for the financially assessable damage caused. ~~It is important that, inter alia, progress is made,~~In coordination with international partners, progress has been made on how extraordinary revenues held by private entities stemming directly from ~~immobilised Russian~~the immobilisation of Russia's sovereign assets could be directed to support Ukraine, including ~~its defence technological and industrial base~~the Ukrainian	

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	international law. If the Council were to adopt a CFSP decision under Article 29 TEU upon a proposal by the High Representative to transfer to the Union extraordinary cash balances of central securities depositories arising from the unexpected and extraordinary revenues from Russia's immobilised sovereign assets, such additional support could be drawn from these revenues, in line with the objectives of the Union's Common Foreign and Security Policy.	~~international law. If the Council were to adopt a CFSP decision under Article 29 TEU upon a proposal by the High Representative to transfer to the Union extraordinary cash balances of central securities depositories arising from the unexpected and extraordinary revenues from Russia's immobilised sovereign assets, such additional support could be drawn from these revenues, in line with the objectives of the Union's Common Foreign and Security Policy.~~	~~DTIB~~ , in a manner that is consistent with applicable contractual obligations and in accordance with Union and international law. If the Council were to adopt a CFSP decision under Article 29 TEU upon a proposal by the High Representative to Additional support could be drawn from the transfer to the Union of extraordinary cash balances of central securities depositories arising from the unexpected and extraordinary revenues stemming from the immobilisation of ~~from~~ Russia's immobilised sovereign assets, such additional support could be drawn from these revenues, in line with the objectives of the or any other relevant ~~Union's Common Foreign and Security Policy~~ restrictive measures.	
Recital 9a				
19a			(9a) Following the strong commitment of the G7 leaders to helping Ukraine meet its urgent short-term financing needs and to supporting its long-term recovery and reconstruction priorities, on 28 October 2024	

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						the European Parliament and the Council adopted Regulation (EU) 2024/2773⁵ establishing the Ukraine Loan Cooperation Mechanism and providing exceptional macro-financial assistance to Ukraine. Regulation (EU) 2024/2773 provides that the Memorandum of Understanding on policy conditions for the macro-financial assistance shall include a commitment to promote cooperation with the Union on the recovery, reconstruction and modernisation of the Ukrainian defence industry, in line with the objectives of Union programmes aimed at the recovery, reconstruction and modernisation of Ukrainian DTIB and other relevant Union programmes. 5. Regulation (EU) 2024/2773 of the European Parliament and of the Council of 24 October 2024 establishing the Ukraine Loan Cooperation Mechanism and providing exceptional macro-financial assistance to Ukraine (OJ L, 2024/2773, 28.10.2024, ELI: http://data.europa.eu/eli/reg/2024/2773/oj).		
Recital 10								

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
20	(10) A Framework agreement should be concluded with Ukraine to set up the principles of the cooperation between the Union and Ukraine under this Regulation. Grant agreements or joint procurement should also be concluded with Ukraine and legal entities established in Ukraine to define conditions for releasing funds.	(10) A Framework agreement should be concluded with Ukraine to set up the principles of the cooperation between the Union and Ukraine under this Regulation. Grant agreements or joint procurement should also be concluded with Ukraine and legal entities established in Ukraine to define conditions for releasing funds. <u>Such Framework agreement should be concluded without undue delay and no later than ... [six months from the entry into force of this Regulation].</u>	~~(1069a) A Framework agreement~~ An administrative arrangement should be concluded with Ukraine to ~~set up the principles~~ Ukrainian competent authorities for the implementation of the cooperation ~~between the Union and Ukraine~~ under actions set out in this Regulation which concern Ukraine or legal entities established in Ukraine receiving Union funding. Grant agreements or joint procurement should also be concluded with ~~Ukraine~~ Ukrainian competent authorities and legal entities established in Ukraine to define conditions for releasing funds.	
Recital 11				
21	(11) To fund the actions that aim at strengthening the competitiveness, responsiveness and ability of the EDTIB based on Article 173 TFEU and the actions of cooperation with Ukraine for reinforcement of the Ukrainian DTIB under Article 212 TFEU, this Regulation should establish common objectives, common financial mechanisms while clearly distinguishing two budget lines	(11) To fund the actions that aim at strengthening the competitiveness, responsiveness and ability of the EDTIB based on Article 173 TFEU and the actions of cooperation with Ukraine for reinforcement of the Ukrainian DTIB under Article 212 TFEU, this Regulation should establish common objectives, common financial mechanisms while clearly distinguishing two budget lines	(11) To fund the actions that aim ~~at strengthening~~ to strengthen the competitiveness, ~~responsiveness and ability~~ and readiness of the EDTIB based on Article 173 of the Treaty on the Functioning of the European Union (TFEU) ~~TFEU~~ and the actions of cooperation with ~~Ukraine for reinforcement~~ that aim to contribute to the recovery, reconstruction and	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	corresponding to each of the objectives pursued as well as establish a Programme setting out the conditions for Union financial support under Article 173 TFEU and an Ukraine Support Instrument setting out the specific conditions for Union financial support under Article 212 TFEU.	corresponding to each of the objectives pursued as well as establish a Programme setting out the conditions for Union financial support under Article 173 TFEU and an Ukraine Support Instrument setting out the specific conditions for Union financial support under Article 212 TFEU.	modernisation of the Ukrainian DTIB, taking into account its possible future integration into the EDTIB , under Article 212 TFEU, this Regulation should establish common objectives, common financial mechanisms while clearly distinguishing two budget lines corresponding to each of the objectives pursued as well as establish a Programme (the ‘Programme’) setting out the conditions for Union financial support under Article 173 TFEU and ~~an~~ a Ukraine Support Instrument setting out the specific conditions for Union financial support under Article 212 TFEU.	
Recital 11a				
21a			(11a) The Programme should be consistent with the defence capability priorities commonly agreed by Member States within the framework of the common foreign and security Policy (CFSP), Member States’ cooperation within the framework of the Permanent Structured Cooperation, the European Defence Agency (EDA) initiatives and projects, and the Union’s civil and	

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
			military assistance to Ukraine. The Programme should duly take into account the relevant activities carried out by the North Atlantic Treaty Organisation (NATO) and other partners where such activities serve the Union's security and defence interests.	
Recital 12				
22	(12) This Regulation lays down a financial envelope for the entire duration of the Programme which is to constitute the prime reference amount, within the meaning of point 18 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, for the European Parliament and the Council during the annual budgetary procedure.	(12) This Regulation lays down a financial envelope for the entire duration of the Programme which is to constitute the prime reference amount, within the meaning of point 18 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, for the European Parliament and the Council during the annual budgetary procedure. <u>The financial envelope is sharply constrained by the current multiannual financial framework (MFF) ceilings and additional financial resources should</u>	(12) This Regulation ~~lays down~~ should lay down a financial envelope for the ~~entire duration of the Programme~~ period 2025 to 2027 which is to constitute the prime reference amount, within the meaning of point 18 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources⁶ , for the European Parliament and the Council during the annual budgetary procedure.	

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				<u>therefore be made available, both for its EDTIB component and for the Ukraine Support Instrument, including through additional contributions provided by the Member States.</u>		6. OJ L 433I, 22.12.2020, p. 28.		
Recital 12a								
22a						(12a) The European Council, in its conclusions of July 2020, stated that the duration of the Multiannual Financial Framework (MFF) sectoral programmes should, as a rule, be aligned with the time frame of the MFF 2021-2027. After the expiry of the MFF 2021-2027, Union funding to sectoral programmes will be subject to the outcome of negotiations on the next MFF from 2028.		
Recital 13								
23		(13) The possibilities provided for in Article 73(4) of Regulation (EU) 2021/1060 of the European Parliament and of the Council could be applied provided that the project complies with the rules set out in that Regulation and the scope of the European Regional Development Fund and the European Social Fund Plus as set		<i>deleted</i>		(13) The possibilities provided for in Article 73(4) of Regulation (EU) 2021/1060 of the European Parliament and of the Council ⁷ could be applied provided that the project complies with the rules set out in that Regulation and the scope of the European Regional Development Fund and the European Social Fund Plus as set		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	out in Regulations (EU) 2021/1058 and (EU) 2021/1057 of the European Parliament and of the Council, respectively. This could, in particular, be the case where the production of relevant defence products faces specific market failures or suboptimal investment situations in the Member States' territories, notably in vulnerable and remote areas, and such resources contribute to the achievement of the objectives of the programme from which they are transferred. In line with Article 24 of Regulation (EU) 2021/1060, the Commission is to assess the amended programmes submitted by the Member State and make observations within two months of the submission of the amended programme.		out in Regulations (EU) 2021/1058⁸ and (EU) 2021/1057⁹ of the European Parliament and of the Council, respectively. This could, in particular, be the case where the production of relevant defence products faces specific market failures or suboptimal investment situations in the Member States' territories, ~~notably~~in particular in vulnerable and remote areas, and such resources contribute to the achievement of the objectives of the programme from which they are transferred. In line with Article 24 of Regulation (EU) 2021/1060, the Commission is to assess the amended programmes submitted by the Member State and make observations within two months of the submission of the amended programme. 7. Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			Fund and the Programme for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159). 8. Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (OJ L 231, 30/06/2021, p. 60). 9. Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30/06/2021, p. 21).	
Recital 14				
24	(14) In view of the need invest better and together in defence capabilities of the Member States and associated countries as well as in the recovery, reconstruction and modernisation of Ukraine's defence industrial base, it should be possible for Member States, third countries, international organisations, international financial institutions or other sources to contribute to the implementation of the Programme. Such contributions should be implemented in accordance with the same rules and conditions and should constitute external assigned revenue within the meaning of Article 21(2)(a)(ii), (d), and (e) of	(14) In view of the need <u>to</u> invest better and together in defence capabilities of the Member States and associated countries as well as in the recovery, reconstruction and modernisation of Ukraine's defence industrial base, it should be possible for Member States, third countries, international organisations, international financial institutions or other sources to contribute to the implementation of the Programme. Such contributions should be implemented in accordance with the same rules and conditions and should constitute external assigned revenue within the meaning of Article ~~21(2)(a)(ii)~~ <u>21(2), points</u>	(14) In view of the need to invest better and together in ~~defence capabilities~~ the competitiveness, responsiveness and ability of the Member States ~~and associated countries~~ EDTIB to ensure the timely availability and supply of defence products as well as in the recovery, reconstruction and modernisation of ~~Ukraine's defence industrial base~~ the Ukrainian DTIB, it should be possible for Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions or other ~~sources~~ third parties to contribute to the implementation of	

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	the Regulation (EU, Euratom) No 2018/1046. In addition, Member States should be able to use the flexibility in the implementation of their shared management allocations offered by Regulation (EU) 2021/1060 of the European Parliament and the Council. It should therefore be possible to transfer certain levels of funding between shared management allocations and the Programme subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060 of the European Parliament and the Council. Uncommitted resources at the latest in 2028 may be transferred back to one or more respective source programmes, at the request of the Member State, in accordance with the conditions set out in the relevant provisions of Regulation (EU) 2021/1060.	<u>(a)</u>, (d), and (e) of ~~the~~ Regulation (EU, Euratom) ~~No 2018/1046~~ <u>2024/2509 of the European Parliament and of the Council' (the 'Financial Regulation')</u>. In addition, Member States should be able to use the flexibility in the implementation of their shared management allocations offered by Regulation (EU) 2021/1060 of the European Parliament and the Council. It should therefore be possible to transfer certain levels of funding between shared management allocations and the Programme subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060 of the European Parliament and the Council. Uncommitted resources at the latest in 2028 may be transferred back to one or more respective source programmes, at the request of the Member State, in accordance with the conditions set out in the relevant provisions of Regulation (EU) 2021/1060. <u>1. Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509,</u>	the Programme and the Ukraine Support Instrument. Such contributions should be implemented in accordance with the same rules and conditions and should constitute external assigned revenue within the meaning of Article ~~21(2)(a)(ii)~~ 21(2), points (a), (d); and (e), of the Regulation (EU, Euratom) No 2018/1046 No 2024/2509 of the European Parliament and the Council¹⁰ (the 'Financial Regulation'). In addition, Member States should be able to use the flexibility in the implementation of their shared management allocations offered by Regulation (EU) 2021/1060 ~~of the European Parliament and the Council~~. It should therefore be possible to transfer certain levels of funding between shared management allocations and the Programme or the Ukraine Support Instrument, subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060 of the European Parliament and the Council. It should be possible for resources that remain uncommitted resources at by the end of 2028 to the latest in 2028 may be	

	CLEAN	Commission Proposal	VSEC	EP Mandate	VSEC	Council Mandate	VSEC	Draft Agreement
				26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj		transferred back to one or more respective source programmes, at the request of the Member State concerned, in accordance with the conditions set out in the relevant provisions of Regulation (EU) 2021/1060. 10. Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj).		
Recital 14a								
24a						(14-a) The objectives pursued under the Programme to increase the competitiveness and readiness of the EDTIB by initiating and accelerating the adjustment of industry to structural changes imposed by the evolving security environment, including with a view to ensuring security of supply of defence products throughout the Union, may contribute to promote the Union's economic, social and territorial cohesion as foreseen under Regulation (EU) 2021/241.		

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						Therefore, provision should be made to allow for Member States contributions supported by the RRF to be used for the purpose of supporting industrial reinforcement actions under this Regulation. This possibility should be used to the extent that it contributes to achieving the objectives set out in Article 4 of Regulation (EU) 2021/241.		
Recital 14b								
24b						(14a) Member States should have the flexibility to decide how to allocate the amounts contributed or transferred to the Programme or the Ukraine Support Instrument. It should be possible for Member States to choose to make those funds available to all entities eligible for funding under this Regulation, to benefit only the Member States concerned, or to additionally benefit other Member States or, where relevant, Ukraine. That flexibility is essential to ensure the most efficient use of resources, enabling the allocation of funding where it is most needed.		

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
Recital 14c								
24c						(14b) Third countries which are members of the European Economic Area (EEA) should be able participate in the Programme as associated countries in the framework of the cooperation established under the Agreement on the European Economic Area, which provides for the implementation of the programmes on the basis of a decision adopted under that Agreement.		
Recital 15								
25		(15) As the Programme aims to enhance the competitiveness and efficiency of the Union's and Ukraine's defence industry, to benefit from the Programme, recipients of financial support should be legal entities which are established in the Union, in associated countries or in Ukraine and which are not subject to control by non-associated third countries, other than Ukraine or by, non-associated third-country entities. Where Member States, associated countries or Ukraine are the recipients of the financial support, in particular for common		(15) As the Programme aims to enhance the competitiveness and efficiency of the Union's and Ukraine's defence industry, to benefit from the Programme, recipients of financial support should be legal entities which are established in the Union, in associated countries or in Ukraine and which are not subject to control by non-associated third countries, other than Ukraine or by, non-associated third-country entities. Where Member States, associated countries or Ukraine are the recipients of the financial support, in particular for common		(15) As the Programme ~~this Regulation~~ aims to enhance the competitiveness and efficiency of the Union's and Ukraine's defence industry, and in order to ensure the protection of essential security and defence interests of the Union and its Member States , to benefit from Union financial support under the Programme and the Ukraine Support Instrument , recipients of such financial support should be legal entities which are established and have their executive management structures in the Union, in associated countries or in Ukraine		

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	procurement actions, these rules should apply mutatis mutandis for the contractors or subcontractors to the procurement contracts. In that context, control should be understood to be the ability to exercise a decisive influence on a legal entity directly, or indirectly through one or more intermediate legal entities. Additionally, in order to ensure the protection of essential security and defence interests of the Union and its Member States, the infrastructure, facilities, assets and resources of the legal entities involved in the actions which are used for the purposes of the action should be located on the territory of a Member State, of an associated country or of Ukraine.	procurement actions, these rules should apply mutatis mutandis for the contractors or subcontractors to the procurement contracts. In that context, control should be understood to be the ability to exercise a decisive influence on a legal entity directly, or indirectly through one or more intermediate legal entities. Additionally, in order to ensure the protection of essential security and defence interests of the Union and its Member States, the infrastructure, facilities, assets and resources of the legal entities involved in the actions which are used for the purposes of the action should be located on the territory of a Member State, of an associated country or of Ukraine.	and which are not use for the purposes of the action infrastructure, facilities, assets or resources located on the territory of a Member State, of an associated country or of Ukraine. In addition, recipients of such financial support should not be subject to control by a non-associated third countries, country other than Ukraine or by, non-associated another third-country entities. Where Member States, associated countries or Ukraine are the recipients of the financial support, in particular for common procurement actions, these rules should apply mutatis mutandis for the contractors or subcontractors to the procurement contracts entity. In that context, control should be understood to be as the ability to exercise a decisive influence on a legal entity directly, or indirectly through one or more intermediate legal entities. Additionally, in order to ensure the protection of essential security and defence interests of the Union and its Where Member States, the infrastructure, facilities, assets and resources of the legal entities involved in the actions which are used for the purposes of	

	CLEAN	Commission Proposal	VSEC	EP Mandate	VSEC	Council Mandate	VSEC	Draft Agreement
						the action should be located on the territory of a Member State, of an associated country or of countries or Ukraine are the recipients of such financial support, for the purpose of common procurement, those rules should apply to the contractors and subcontractors for the procurement contracts.		
Recital 15a								
25a						(15a) Eligibility criteria should take into account existing supply chains and the industrial cooperation with non-associated third countries other than Ukraine as well as allow to meet the capability requirements. Therefore, common procurements involving subcontractors that are allocated between 15 % and 35 % of the value of the contract, and that are not established or don't have their executive management structures in the Union, an associated country or, where relevant, Ukraine should, under a certain condition, be eligible for funding under the Programme and the Ukraine Support Instrument.		

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
Recital 16								
26		(16) In certain circumstances, it should be possible to derogate from the principle that legal entities involved in an action supported by the Programme are not subject to control by non-associated third countries or non-associated third-country entities. In that context, a legal entity established in the Union or in an associated third country and controlled by a non-associated third country or a non-associated third country entity may participate as recipient if strict conditions relating to the security and defence interests of the Union and its Member States, as established in the framework of the Common Foreign and Security Policy pursuant to Title V of the Treaty on European Union (TEU), including in terms of strengthening the European Defence Technological and Industrial Base, are fulfilled.		(16) In certain circumstances, it should be possible to derogate from the principle that legal entities involved in an action supported by the Programme are not subject to control by non-associated third countries or non-associated third-country entities. In that context, a legal entity established in the Union or in an associated third country and controlled by a non-associated third country or a non-associated third country entity may participate as recipient if strict conditions relating to the security and defence interests of the Union and its Member States, <u>including the principle of good neighbourly relations</u>, as established in the framework of the Common Foreign and Security Policy pursuant to Title V of the Treaty on European Union (TEU), including in terms of strengthening the European Defence Technological and Industrial Base, are fulfilled. <u>In addition, the implementation of the Programme should pay particular attention to geographical diversity and balance across the Union, to</u>		(16) In certain circumstances, it should be possible to derogate from the principle that legal entities involved in an action supported by the Programme use infrastructure, facilities, assets or resources located on the territory of a Member State or of an associated country, and are not subject to control by non-associated third countries or non-associated third-country entities. In that context, a legal entity established in the Union or in an associated ~~third-country~~ and using infrastructure, facilities, assets or resources located outside the territory of a Member State or of an associated country, or controlled by a non-associated third country or a non-associated ~~third-country~~ third-country entity, should be able to ~~may~~ participate as recipient if strict conditions relating to the security and defence interests of the Union and its Member States, as established in the framework of the ~~Common Foreign and Security Policy~~ CFSP pursuant to Title V of the Treaty on European Union (TEU), including in terms of strengthening the		

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				<u><i>ensure territorial cohesion and mitigate a risk of widening divide between competitiveness of various regions and Member States, and to ensure appropriate support for Member States facing higher exposure to the risk of materialisation of conventional military threats.</i></u>		European Defence Technological and Industrial Base EDTIB, are fulfilled. Similar derogations should be provided for actions supported under the Ukraine Support Instrument, to allow for the use of infrastructure, facilities, assets or resources located outside the territory of a Member State or Ukraine, and for the participation of legal entities established in the Union and controlled by a third country other than Ukraine or by another third-country entity.		
Recital 16a								
26a						(16a) Legal entities established in the Union or in an associated country and controlled by a non-associated third country or a non-associated third-country entity should be eligible to be a recipient if they have been subject to screening within the meaning of Regulation (EU) 2019/452 of the European Parliament and of the Council ⁴ and, where necessary, to appropriate mitigation measures or if guarantees approved in accordance with the national procedures of the Member State		

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						or associated country in which they are established are made available to the Commission and assessed prior to a decision to award Union funding. Such guarantees should only be issued provided that strict conditions relating to the security and defence interests of the Union and its Member States, as established in the framework of the CFSP pursuant to Title V of the TEU, are fulfilled. The participation of entities controlled by non-associated countries or non-associated third-country entities should not contravene the objectives of this regulation. For the purposes of the Ukraine Support Instrument, the same should apply in the case of legal entities established in the Union and controlled by a third country other than Ukraine or by a third-country entity other than a Ukrainian entity. 4. OJ L 79I, 21.3.2019, p. 1–14		
Recital 16b								
26b						(16aa) In order to increase the competitiveness of the EDTIB, foster the recovery,		

	CLEAN	Commission Proposal	VSEC	EP Mandate	VSEC	Council Mandate	VSEC	Draft Agreement
						reconstruction and modernisation of the Ukrainian DTIB, and ensure the timely availability and supply of defence products from these defence technological and industrial bases, it is important to establish minimum requirements concerning the value generated within the Union and associated countries or, where relevant, Ukraine. This will enhance the efficiency of the Union support under the Programme and the Ukraine Support Instrument. Therefore, for actions supported by Union funding under the Programme or the Ukraine Support Instrument, the cost of the components originating outside the Union and associated countries or, where relevant, Ukraine should not be higher than 35 % of the estimated cost of the components of the end-product or of the product the increase in production capacity of which is supported by Union funding. Raw materials are not considered components. The objectives pursued under this Regulation will be achieved all the more effectively if the cost of		

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						these components is lower than the abovementioned 35% threshold. Recipients of Union funding are invited to aim at gradually lowering that percentage in new products.		
Recital 16c								
26c						(16ab) Considering the need to safeguard the operational capacity of Member States' armed forces and to ensure their ability to use the defence products covered by an action conducted under the Programme without limitations imposed by third countries, it is necessary to establish additional requirements relating to the ability to decide on the definition, adaptation and evolution of the design of such defence products. Therefore, recipients of Union funding or, where relevant, the contractor or the consortium of contractors should not be subject to legal or contractual limitations by non-associated third countries or by non-associated third-country entities affecting their ability to decide on the definition, adaptation and evolution of the design of the defence product,		

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						including on the substitution or removal of the components that are subject to restrictions imposed by non-associated third countries or by non-associated third-country entities. In light of the geopolitical situation and the critical need to produce ammunition and missiles in large numbers, such requirements should not apply for the ramp-up of industrial capacities for such defence products. Equivalent requirements should also be applied under the Ukraine Support Instrument.		
Recital 16d								
26d						(16b) In order to ensure that, in the implementation of this Regulation, the international obligations of the Union and its Member States are respected, actions relating to products or technologies the use, development or production of which is prohibited by applicable international law should not be eligible for funding under the Programme and the Ukraine Support Instrument.		
Recital 17								

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
27	(17) Furthermore, the defence products subject to actions supported by the Programme should not be subject to control or restriction by a non-associated third country or a non-associated third country entity.	(17) Furthermore, the defence products subject to actions supported by the Programme should not be subject to control or restriction by a non-associated third country or a non-associated third country entity, <u>the design authority for such products should be an entity that is eligible for funding under the Programme, to ensure that the defence products can be adapted and used without any restrictions from third-countries, and the cost of components originating from Member States or associated countries should not be lower than 70 % of the estimated value of the end product. To ensure the uniform application of requirements relating to the EU content in defence products, the Commission should further detail the exact calculation method to adapt it to each type of action.</u>	deleted	
Recital 17a				
27a			(17a) The Programme and Ukraine Support Instrument should provide financial support in accordance with the Financial Regulation, to actions contributing to strengthening the	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						competitiveness, responsiveness and ability of the EDTIB or the recovery, reconstruction and modernisation of the Ukrainian DTIB to ensure the timely availability and supply of defence products, such as cooperation of legal entities in the common procurement of defence products and actions aimed at accelerating the adjustment to structural changes of the production capacity of defence products, components and corresponding raw materials. This could include industrial coordination on the reservation of defence products, access to finance for undertakings involved in the manufacturing of defence products, reservation of manufacturing capacities ('ever warm facilities') or industrial processes of reconditioning of expired products, expansion, optimisation, modernisation, upgrading or repurposing of existing, or the establishment of new, production capacities in that field. It could furthermore cover a number of additional supporting actions, in line with the objectives of the Financial		

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						Regulation, such as the training, reskilling or upskilling of personnel.		
Recital 17b								
27b						(17b) In view of the current geopolitical context, and in particular Russia's war of aggression against Ukraine, the protection of Union's essential security interests requires the adoption of specific measures on the procurement of defence products aimed at fostering the competitiveness of the EDTIB and ensuring the timely availability and supply of defence products procured from the EDTIB, throughout the Union. The protection of the Union's essential security interests also requires the involvement of Ukraine and of EEA countries in those measures, not only because of their geographical position and the fact that Ukraine is directly faced with Russia's ongoing war of aggression, but also in view of their close procurement partnership with the Union, as reflected in particular in the Association Agreement between the		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part¹² and in the Agreement on the European Economic Area¹³. 12. OJ L 161, 29.5.2014, p. 3. 13. OJ L 1, 3.1.1994, p. 3.	
Recital 18				
28	(18) Given the specificities of the defence industry, where demand comes almost exclusively from States, which also control all acquisition of defence-related products and technologies, including exports, the functioning of the defence industry sector does not follow the conventional rules and business models that govern more traditional markets. The industry does not therefore engage in substantial self-funded industrial investments but only does so as a consequence of firm orders. While firm orders from Member States are a precondition for any investment, the Commission can intervene by offsetting the complexity of cooperation for common procurement and de-	(18) Given the specificities of the defence industry, where demand comes almost exclusively from States, which also control all acquisition of defence-related products and technologies, including exports, the functioning of the defence industry sector does not follow the conventional rules and business models that govern more traditional markets. The industry does not therefore engage in substantial self-funded industrial investments but only does so as a consequence of firm orders. While firm orders from Member States are a precondition for any investment, the Commission can intervene by offsetting the complexity of cooperation for common procurement and de-	(18) ~~Given the specificities~~The functioning of the defence industry, ~~where~~ sector does not follow the conventional rules and business models that govern more traditional markets. Demand comes almost exclusively from States, which also control all acquisition of defence-related products and technologies, including exports, ~~the functioning of.~~ Therefore, the defence industry ~~sector does not follow the conventional rules and business models that govern more traditional markets. The industry does not therefore engage in~~ substantial self-funded industrial investments ~~but~~and only does so as a consequence of firm orders. ~~While firm orders from Member~~	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	risking industrial investments via grants and loans allowing a faster adaptation to ongoing structural market change. As a general rule, Union support should cover up to 100% of direct eligible costs or 100% of the amount determined for actions applying the financing not linked to costs option. The Union support for industry reinforcement actions should cover up to 50 % of direct eligible costs in order to enable recipients to implement actions as soon as possible, to de-risk their investment and therefore to speed up the availability of relevant defence products.	risking industrial investments via grants and loans allowing a faster adaptation to ongoing structural market change. As a general rule, Union support should cover up to 100% of direct eligible costs or 100% of the amount determined for actions applying the financing not linked to costs option. The Union support for industry reinforcement actions should cover up to ~~50~~³⁵ % of direct eligible costs in order to enable recipients to implement actions as soon as possible, to de-risk their investment and therefore to speed up the availability of relevant defence products. <u>To ensure additional support to SMEs and mid-caps, in particular when certain conditions are present, in view of the added benefit that this represents to the EDTIB and of their increased need for support, such financing could go up to 50%.</u>	~~States are a precondition for any investment, the Commission can intervene by offsetting the complexity of cooperation for common procurement and de-risking industrial~~ Furthermore, the EDTIB faces persistent barriers in accessing finance, including co-financing, in particular private finance for investments via grants and loans allowing a faster adaptation to ongoing structural, due to the risks market change. As a general rule, Union support should cover up to 100% of direct eligible costs or 100% of the amount determined for actions applying the financing not linked to costs option. actors associate with them. Leveraging public investment for the Union support for industry reinforcement defence sector is vital given the compelling need to boost investment in that sector. This applies particularly to supporting actions, which benefit the EDTIB in a broader sense, for example by enabling and facilitating other actions should set out in this Regulation, thus acting as multipliers with a potentially high leverage effect.	

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						As they would not be undertaken otherwise, by derogation from Article 193(1) of the Financial Regulation, it appears justified that the Union financial support under the Programme cover up to 50 % of direct eligible costs in order to enable recipients to implement the supporting actions as soon as possible, to de-risk their investment and therefore to speed up the availability of relevant defence products..		
Recital 18a								
28a						(18-a) As the different types of actions are complementary and necessary for offsetting the complexity of cooperation and de-risking industrial investments via Union financial support allowing a faster adaptation of the defence industry to ongoing structural market change, it appears justified that a substantial amount representing at least 15 % of the financial envelope allocated to the Programme be reserved for actions referred to common procurement action and at least 30 % of that envelope be		

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						reserved for industrial reinforcement actions. The Union support for industrial reinforcement actions should cover up to 35 % of eligible costs in order to enable recipients to implement actions as soon as possible, to de-risk their investment and therefore to accelerate the availability of relevant defence products.		
Recital 18b								
28b				<u>(18a) The Program should align with the objectives of the White Paper for European Defence Readiness 2030 of the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 19 March 2025 (the ‘White Paper for European Defence’), of the communication of the Commission of 5 March 2025 on “A new European Defence Industrial Strategy: Achieving EU readiness through a responsive and resilient European Defence Industry” (EDIS), and of the Council Strategic Compass for Security and Defence of 21 March 2022, and should prioritise the defence capability priorities that</u>		(18a) For actions under the Ukraine Support Instrument, Union support for industry reinforcement and supporting activities involving legal entities established in Ukraine, Union support should be able to cover up to 100 % of the eligible costs in order to accommodate for the increased complexity and environment for the Ukraine defence industry, including to meet NATO standards and other relevant standards, as well as the increased risks associated with the war of aggression, taking into account the need to rebuild and modernise industrial capacities in a resilient way.		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<u>have been commonly agreed upon by the Member States within the framework of the Common Foreign and Security Policy (CFSP) in particular in the context of the EU Capability Development Plan, the initiatives and programs of the European Defence Agency, and the political and military assistance provided by the Union to Ukraine.</u>		
Recital 19				
29	(19) The Programme should provide financial support, via means provided for in the Regulation (EU, Euratom) No 2018/1046, to actions contributing to the timely availability and supply of defence products such as cooperation for common procurement of public authorities, industrial coordination and networking activities including reservation and stockpiling of defence products, access to finance for undertakings involved in the manufacturing of relevant defence products, reservation of manufacturing capacities ('ever warm facilities'), industrial processes of reconditioning of expired products, expansion,	(19) The Programme should provide financial support, via means provided for in the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~ , to actions contributing to the timely availability and supply of defence products such as cooperation for common procurement of public authorities, industrial coordination and networking activities including reservation and stockpiling of defence products, <u>particularly in the Member States most exposed to the risk of materialisation of conventional military threats</u> , access to finance for undertakings involved in the manufacturing of relevant defence products, reservation of manufacturing	<i>deleted</i>	

	CLEAN Commission Proposal	VSEC EP Mandate	VSEC Council Mandate	VSEC Draft Agreement
	optimisation, modernisation, upgrading or repurposing of existing, or the establishment of new, production capacities in that field as well as the training of personnel.	capacities ('ever warm facilities'), industrial processes of reconditioning of expired products, expansion, optimisation, modernisation, upgrading or repurposing of existing, or the establishment of new, production capacities in that field as well as the training of personnel.		
Recital 20				
30	(20) Grants under the Programme may take the form of financing not linked to cost based on the achievement of results by reference to work packages, milestones or targets of the common procurement process, in order to create the necessary incentive effect.	(20) Grants under the Programme may take the form of financing not linked to cost based on the achievement of results by reference to work packages, milestones or targets of the common procurement process, in order to create the necessary incentive effect.	(20) ~~Grants~~ Common procurement actions should be funded under the Programme may take this Regulation by way of grants taking the form of financing not linked to cost based on the achievement of results by reference to work packages, milestones or targets of the common procurement process, in order to create the necessary incentive effect. The Commission should strive to award funding under the Programme to those proposals submitted to a call for proposals that meet the applicable eligibility criteria and that exceed all the relevant evaluation thresholds set out in the work programme.	
Recital 21				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
31	(21) Where the Union grant takes the form of financing not linked to costs, the Commission should determine in the work programme the funding conditions for each action, in particular (a) a description of action involving cooperation for common procurement with a view to addressing the most urgent and critical capacity needs, (b) the milestones for the implementation of the action and (c) the maximum Union contribution available.	(21) Where the Union grant takes the form of financing not linked to costs, the Commission should determine in the work programme the funding conditions for each action, in particular (a) a description of action involving cooperation for common procurement with a view to addressing the most urgent and critical capacity needs, (b) the milestones for the implementation of the action and (c) the maximum Union contribution available.	(21) ~~Where The Union grant takes the form of financing not linked to costs, the Commission should determine in the work~~ financial contribution under the Programme the funding conditions for each action, in particular (a) a description of action involving for common procurement actions, intended as an incentive for cooperation, should not exceed 15 % of the estimated value of the common procurement contract. Given the increased complexity that comes with for common procurement with a view to addressing the most urgent and critical capacity needs, (b) the milestones for the implementation of the action and (c) the maximum ~~Ukraine, the Union financial contribution available~~ under the Ukraine Support Instrument should not exceed 25 % of the estimated value of the common procurement contract.	
Recital 21a				
31a		<u>(21a) The power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be</u>	(21a) Upon fulfilment of specific conditions linked to the objectives of the Programme, the cap for the Union financial	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>delegated to the Commission in respect of the adoption of work programmes to set out the funding actions related to European Defence Projects of Common Interest. It is of particular importance that the Commission carry 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 Interinstitutional Agreement of 13 April 2016 on Better Law-Making¹. 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.</u> <u>¹. OJ L 123, 12.5.2016, p. 1, ELI: http://data.europa.eu/eli/agree_interinstit/2016/512/oj.</u>		contribution to common procurement actions should be raised to 25 % of the estimated value of the common procurement contract in order to compensate for particular complexities relating to cooperation until the end of the lifecycle of a defence product and to enhanced cross-border cooperation within the Union. The need to gradually reduce strategic dependencies should also be taken into account, justifying an increased funding rate where the action supports the common procurement of restriction-free end products. In addition, given the particular security situation of Ukraine and Moldova in light of Russia's war of aggression against Ukraine, it is also appropriate to provide for such an increased funding rate in cases where the supported action results in the common procurement of additional quantities of defence products for those two countries. Furthermore, the geopolitical context, including Russia's war of aggression against Ukraine, has exposed the Union and its		

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						Member States to a high risk of materialisation of conventional military threats, thereby creating a need for increased defence investments. It is thus also justified to provide for an increased funding rate of up to 25 % for common procurement actions in cases where the defence investment expenditure of the majority of Member States participating in the action concerned exceeds 30 % of their respective defence spending. For industrial reinforcement actions, the cap may be raised to up to 50 % of eligible costs where the action benefits small and medium-sized enterprises (SMEs) or middle capitalisation companies (mid-caps), demonstrates a contribution to the creation of new cross-border cooperation, involves building new infrastructure, facilities or production lines, or contributes to the establishment of new, or the ramping-up of existing, manufacturing capacities of crisis-relevant products. In addition, when Member States specifically decide to allocate funding to the Programme only		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			to the benefit of the Member States concerned or to the additional benefit of other Member States, it should be possible, by way of derogation from Article 193(1) of the Financial Regulation, to increase flexibility and allow for a Union financial contribution to industrial reinforcement actions covering up to 100 % of the eligible costs. This possibility should also apply to cases where Member State contributions supported by the Recovery and Resilience Facility are used for the funding of such actions. This will maximise the impact and effectiveness of the action.	
Recital 22				
32	(22) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission with respect to the adoption of work programmes to set out the funding priorities and the applicable funding conditions. The specificities of the defence sector, in particular the responsibility of Member States, associated countries or Ukraine for	(22) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission with respect to the adoption of work programmes to set out the funding priorities and the applicable funding conditions. The specificities of the defence sector, in particular the responsibility of Member States, associated countries or Ukraine for	<i>deleted</i>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	the planning and acquisition process, should be taken into account. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council.	the planning and acquisition process, should be taken into account. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council. <u>However, for work programmes funding actions related to European Defence Projects of Common Interest, such work programmes should be adopted via delegated acts.</u>		
Recital 23				
33	(23) In accordance with Article 193(2) of the Regulation (EU, Euratom) No 2018/1046, a grant may be awarded for an action which has already begun, provided that the applicant can demonstrate the need for starting the action prior to signature of the grant agreement. However, costs incurred prior to the date of submission of the grant application are not eligible, except in duly justified exceptional cases. In order to enable continuity of funding perspective for actions that could have been supported by 2024 funding under ASAP and EDIRPA, in the financing decision it should be possible to provide for financial	(23) In accordance with Article ~~193(2)~~ 196(2) of the <u>Financial Regulation</u> ~~(EU, Euratom) No 2018/1046~~ , a grant may be awarded for an action which has already begun, provided that the applicant can demonstrate the need for starting the action prior to signature of the grant agreement. However, costs incurred prior to the date of submission of the grant application are not eligible, except in duly justified exceptional cases. In order to enable continuity of funding perspective for actions that could have been supported by 2024 funding under ASAP and EDIRPA, in the financing decision it should be possible to provide for financial	(23) In accordance with Article ~~193(2)~~ 196(2) of the Financial Regulation ~~(EU, Euratom) No 2018/1046~~ , a grant may be awarded for an action which has already begun, provided that the applicant can demonstrate the need for starting the action prior to signature of the grant agreement. However, costs incurred prior to the date of submission of the grant application are not eligible, except in duly justified exceptional cases. In order to enable continuity of funding perspective for actions that could have been supported by 2024 funding under ~~ASAP and EDIRPA~~ Regulations (EU) 2023/1525 or (EU) 2023/2418 , in	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	contributions in relation to actions that cover a period starting from 5 March 2024.	contributions in relation to actions that cover a period starting from ~~5 March 2024~~ ... <u>[date of entry into force of this Regulation]</u> .	the financing decision it should be possible to provide for financial contributions under the Programme in relation to actions that cover a period starting from 5 March 2024. In view of the links between the Programme and the Ukraine Support Instrument as well as the need to urgently support the reconstruction, recovery and modernisation of the Ukrainian DTIB, taking into accounts its possible future integration into the EDTIB, the same derogation should apply to financial contributions under the Ukraine Support Instrument. In no circumstances should the same costs be financed twice by the Union budget.	
Recital 23a				
33a		<u>(23a) As a predecessor of this Regulation, the European Parliament and the Council adopted Regulation (EU) 2023/2418 (EDIRPA). This Regulation extends EDIRPA's logic with regard to common procurement. Furthermore, the objective of increasing cooperation in defence procurement is shared between</u>		

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>EDIP and EDIRPA. At the same time, in the award process under EDIRPA not all projects eligible and fulfilling the selection criteria had been granted funding because of budgetary constraints and have been included in a reserve list. Given that such projects pursue an objective under EDIP and in order to avoid duplication through a possible comprehensive reassessment under this Regulation as well as in order to accelerate the implementation of these projects leading to a faster delivery of these capabilities to European armed forces, this Regulation should provide for the possibility to fast-track projects included in the reserve list under EDIRPA. This would be achieved by limiting the reassessment of projects included in the reserve list under EDIRPA to the eligibility criteria under this Regulation with a view to launching those projects in a timely manner.</u>				
Recital 24								
34		(24) When assessing proposals submitted by applicants, the Commission should pay particular	(24)	When assessing proposals submitted by applicants, the Commission should pay particular	(24)	When assessing proposals submitted by applicants, the Commission should pay particular		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	attention to their contribution to the objectives of the Programme. The proposals should be assessed, in particular, against their contribution to the increase in defence industrial readiness, in particular increasing production capacities and eliminating bottlenecks. They should also be assessed against their contribution to fostering defence industrial resilience, by reference to considerations such as timely availability and supply to all locations, strengthening security of supply throughout the Union in response to identified risks, including in particular to those Member States most exposed to the risk of materialisation of conventional military threats. Assessments should also refer to the contribution to defence industrial cooperation through genuine armament cooperation among Member States, associated countries and Ukraine and the development and the operationalisation of cross-border cooperation of undertakings, in particular, to a significant extent, small and medium-sized enterprises (SMEs) and small	attention to their contribution to the objectives of the Programme. The proposals should be assessed, in particular, against their contribution to the increase in defence industrial readiness, in particular increasing production capacities and eliminating bottlenecks. They should also be assessed against their contribution to fostering defence industrial resilience, by reference to considerations such as timely availability and supply to all locations, strengthening security of supply throughout the Union in response to identified risks, including in particular to those Member States most exposed to the risk of materialisation of conventional military threats. <u>Additionally, proposals should be assessed against their contribution to strengthening the autonomy and non-dependency of the EDTIB on non-associated country sources.</u> Assessments should also refer to the contribution to defence industrial cooperation through genuine armament cooperation among Member States, associated countries and Ukraine and the development and the	attention to their contribution to the objectives of the Programme this Regulation. The proposals should be assessed, in particular, against their contribution to the increase in defence industrial readiness, in particular increasing production capacities and eliminating bottlenecks. They should also be assessed against and resilience and their contribution to fostering cross-border defence industrial resilience, by reference to considerations such as timely availability and supply to all locations, strengthening security of supply throughout the Union in response to identified risks, including in particular to those Member States most exposed to the risk of materialisation of conventional military threats. Assessments should also refer to the contribution to defence industrial cooperation through genuine armament cooperation among Member States, associated countries and Ukraine and the development and the operationalisation of cross-border cooperation of undertakings, in particular, to a significant extent, small and medium-sized	

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	middle capitalization companies (small mid-caps) operating in the supply chains concerned.	operationalisation of cross-border cooperation of undertakings, in particular, to a significant extent, small and medium-sized enterprises (SMEs) and small middle capitalization companies (small mid-caps) operating in the supply chains concerned.	enterprises (SMEs) and small middle capitalization companies (small mid-caps) operating in the supply chains concerned.	
Recital 25				
35	(25) When designing, awarding and implementing Union financial support, the Commission should pay particular attention to ensuring that such support does not adversely affect the conditions of competition in the internal market.	(25) When designing, awarding and implementing Union financial support, the Commission should pay particular attention to ensuring that such support does not adversely affect the conditions of competition in the internal market.	<i>deleted</i>	
Recital 25a				
35a		<u>(25a) Access to information on potential integration opportunities to the supply chain of defence products is crucial for small and medium-sized enterprises (SMEs).</u>		
Recital 26				
36	(26) The Regulation (EU, Euratom) No 2018/1046 and subsequent amendments applies to this Programme. It lays down rules on the implementation of the Union budget, including the rules on grants, prizes, procurement,	(26) The <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046 and subsequent amendments~~ applies to this Programme. It lays down rules on the implementation of the Union budget, including the rules on grants, prizes, procurement,	<i>deleted</i>	

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	indirect implementation, and financial instruments.	indirect implementation, and financial instruments.		
<i>Recital 26a</i>				
36a			(26a) To strengthen the competitiveness, responsiveness and ability of the EDTIB to ensure the timely availability and supply of defence products and contribute to the recovery, modernisation and reconstruction of the Ukrainian DTIB, taking into account its possible future integration into the EDTIB, it is necessary to support the commercialisation of defence products. To mitigate any distortion of the market, profits generated by successful commercialisation supported by the Union budget should be recovered in accordance with the principle of proportionality. By derogation from Article 195(2) of the Financial Regulation, such recovery of profits should take fully into account all revenue generated, including revenues from Member State, Ukraine and third-party support to the action, in addition to the Union support itself. The profits recovered should be re-used to	

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			benefit the objectives of this Regulation.	
Recital 27				
37	(27) In accordance with the Regulation (EU, Euratom) No 2018/1046, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council and Council Regulations (EC, Euratom) No 2988/95, (Euratom, EC) No 2185/96 and (EU) 2017/1939, the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, to the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, the European Anti-Fraud Office (OLAF) has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there	(27) In accordance with the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~ , Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council ¹ and Council Regulations (EC, Euratom) No 2988/95 ² , (Euratom, EC) No 2185/96 ³ and (EU) 2017/1939 ⁴ , the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, to the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, the European Anti-Fraud Office (OLAF) has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there	(27) In accordance with the Financial Regulation ~~(EU, Euratom) No 2018/1046~~ , Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council ¹⁴ and Council Regulations (EC, Euratom) No 2988/95 ¹⁵ , (Euratom, EC) No 2185/96 ¹⁶ and (EU) 2017/1939 ¹⁷ , the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, to the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, the European Anti-Fraud Office (OLAF) has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there	

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	has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council. In accordance with the Regulation (EU, Euratom) No 2018/1046, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and ensure that any third parties involved in the implementation of Union funds grant equivalent rights.	has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council. In accordance with the ~~Financial~~ Regulation ~~(EU, Euratom) No 2018/1046~~, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and ensure that any third parties involved in the implementation of Union funds grant equivalent rights. <u>1. Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013</u>	has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor's Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council¹⁸. In accordance with the ~~Financial~~ Regulation ~~(EU, Euratom) No 2018/1046~~, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the ~~European~~ Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights. <u>14. Regulation (EU, Euratom) No 883/2013 of the European Parliament</u>	

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		<u>concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/883/oj).</u> <u>2. Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p. 1, ELI: http://data.europa.eu/eli/reg/1995/2988/oj).</u> <u>3. Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2, ELI: http://data.europa.eu/eli/reg/1996/2185/oj).</u> <u>4. Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office (the EPPO) (OJ L 283, 31.10.2017, p. 1, ELI: http://data.europa.eu/eli/reg/2017/1939/oj).</u>	and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18/09/2013, p. 1). 15. Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23/12/1995, p. 1). 16. Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15/11/1996, p. 2). 17. Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31/10/2017, p. 1). 18. Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28/07/2017, p. 29).	
Recital 28				
38	(28) Third countries which are members of the European Economic Area (EEA) may	(28) Third countries which are members of the European Economic Area (EEA) may	(28) ~~Third countries which are members of the European Economic Area (EEA) may~~	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	participate in Union programmes in the framework of the cooperation established under the Agreement on the European Economic Area, which provides for the implementation of the programmes on the basis of a decision adopted under that Agreement. A specific provision should be introduced in this Regulation requiring those third countries to grant the necessary rights and access required for the authorising officer responsible, OLAF and the Court of Auditors to comprehensively exercise their respective competences. Pursuant to Article 85 of Council Decision (EU) 2021/1764 (18), natural persons and bodies and institutions established in overseas countries and territories (OCTs) are eligible for funding subject to the rules and objectives of the Programme and possible arrangements applicable to the Member State to which the relevant OCT is linked.	participate in Union programmes in the framework of the cooperation established under the Agreement on the European Economic Area, which provides for the implementation of the programmes on the basis of a decision adopted under that Agreement. A specific provision should be introduced in this Regulation requiring those third countries to grant the necessary rights and access required for the authorising officer responsible, OLAF and the Court of Auditors to comprehensively exercise their respective competences. Pursuant to Article 85 of Council Decision (EU) 2021/1764 (18), natural persons and bodies and institutions established in overseas countries and territories (OCTs) are eligible for funding subject to the rules and objectives of the Programme and possible arrangements applicable to the Member State to which the relevant OCT is linked.	~~participate in Union programmes in the framework of the cooperation established under the Agreement on the European Economic Area, which provides for the implementation of the programmes on the basis of a decision adopted under that Agreement. A specific provision should be introduced in this Regulation requiring those third~~ the associated countries participating in the Programme to grant the necessary rights and access required for the authorising officer responsible, OLAF and the European Court of Auditors to comprehensively exercise their respective competences. Pursuant to Article 85 of Council Decision (EU) 2021/1764 (18), natural persons and bodies and institutions established in overseas countries and territories (OCTs) are eligible for funding subject to the rules and objectives of the Programme and possible arrangements applicable to the Member State to which the relevant OCT is linked.	
Recital 28a				
38a			(28-a) Pursuant to Article 85 of Council Decision (EU) 2021/1764¹⁹, natural persons and	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						bodies and institutions established in overseas countries and territories (OCTs) are eligible for funding subject to the rules and objectives of the Programme and possible arrangements applicable to the Member State to which the relevant OCT is linked. 19. Council Decision (EU) 2021/1764 of 5 October 2021 on the association of the Overseas Countries and Territories with the European Union including relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other (Decision on the Overseas Association, including Greenland) (OJ L 355, 07/10/2021, p. 6).		
Recital 28a								
38b						(28a) The Union should identify European Defence Projects of Common Interest (EDPCI) on which to focus efforts and resources, which should consist of collaborative industrial projects aimed at reinforcing the competitiveness of the EDTIB throughout the Union while contributing to the development of Member States' military capabilities and systems of common interest or use,		<u>(28a) The Union should identify European Defence Projects of Common Interest (EDPCI) on which to focus efforts and resources, which should consist of collaborative industrial projects aimed at reinforcing the competitiveness of the EDTIB throughout the Union while contributing to the development of Member States' military capabilities critical for the security and defence interests of the</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						including those securing access to all operational domains. Due to the sensitive nature of the decision to identify an EDPCI in light of its potential impact on national security interests, and the importance of ensuring the contribution of such projects to the defence readiness of all Member States, the power to adopt implementing acts to identify a list of EDPCIs should be conferred on the Council, upon a proposal from the Commission. Before proposing such implementing acts, the Commission should take into account the views of all Member States and the project proposals they have for possible EDPCIs. When preparing such project proposals, Member States should coordinate in an inclusive manner, using for that purpose the support of the EDA when necessary. In addition to being consistent with the capability priorities identified in the context of the CFSP, including the CDP, and with the objectives of the Strategic Compass for Security and Defence, EDPCIs should, where appropriate, also pursue		<u>Union, including those securing access to all operational domains. Due to the sensitive nature of the decision to identify an EDPCI in light of its potential impact on national security interests, and the importance of ensuring the contribution of such projects to the defence readiness of all Member States, the power to adopt implementing acts to identify EDPCIs should be conferred on the Council, upon a proposal from the Commission. Before proposing such implementing acts, the Commission should take into account the views of all Member States and the project proposals they have for possible EDPCIs. When preparing such project proposals, Member States should coordinate in an inclusive manner, using for that purpose the support of the EDA when necessary. In this context, Member States may identify dual-use capabilities of common interest. In so far as these project proposals turn into EDPCIs, the dual-use capabilities identified by Member States could be developed for the Union, its institutions, bodies and agencies in the context</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						coherence of output with respective NATO processes such as the NATO Defence Planning Process. Before submitting a proposal for an implementing act, the Commission should invite the High Representative and the EDA, as necessary, to provide input with a view to ensuring consistency with the above mentioned priorities identified in the context of CFSP and, where appropriate, the collaborative opportunities identified in the context of CARD as well as the projects agreed in the context of PESCO. This will complement the information provided by Member States regarding project proposals. The Commission should also verify that all Member States and associated countries were informed of the emergence of a project and were given the opportunity to participate. The Council should be able to add or remove projects or make other amendments to the Commission proposal for an implementing act. The maturity of a project, its foreseen contribution to defence readiness		<u>of the EDPCIs concerned. In addition to being consistent with the capability priorities identified in the context of the CFSP, including the CDP, the objectives of the Strategic Compass for Security and Defence and with the collaborative opportunities identified in the context of CARD, EDPCIs should take into account the projects agreed in the context of PESCO, EDA initiatives and the relevant activities carried out by NATO, such as the NATO Defence Planning Process. Before submitting a proposal for an implementing act, the Commission should invite the High Representative and the EDA, as necessary, to provide input with a view to ensuring consistency with the abovementioned priorities and objectives. This will complement the information provided by Member States regarding project proposals. In the context of Russia's war of aggression against Ukraine, Ukraine and the Ukrainian DTIB have developed specific expertise on defence industrial projects, including in cooperation with Member States and with the EDTIB. This</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						and the number of participating Member States should be taken into consideration by the Council when assessing a proposal for an implementing act.		<u>expertise may be critical for and facilitate the development of EDPCIs, thereby contributing to reinforcing the competitiveness of the EDTIB while contributing to the development of Member States' military capabilities critical for the security and defence interests of the Union. It is therefore appropriate to allow, in such cases, for the participation of Ukraine in EDPCIs. The Commission should verify that all Member States, associated countries and Ukraine were informed of the emergence of a project and were given the opportunity to participate. As the Commission may have expertise appropriate to support the implementation of EDPCIs for the benefit of the competitiveness of the EDTIB throughout the Union, it is appropriate to allow its participation in EDPCIs to share such expertise, if so requested by the participating Member States. The Council should be able to add or remove projects or make other amendments to the Commission proposal for an implementing act. The maturity of a project, its foreseen contribution to defence</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								<u>readiness and the number of participating Member States should be taken into consideration by the Council when assessing a proposal for an implementing act.</u>
Recital 28b								
38c					(28aa) Given the potentially significant impact of the EDPICs for the competitiveness and the industrial readiness of the EDTIB, the Programme should support the consortia of participating Member States and associated countries in their deployment. It should, in particular, financially support activities undertaken by those consortia which are related to the common procurement of defence products, accelerating the adjustment to structural changes of the production capacity of defence products as well as related supporting activities, the industrial development of new defence products or the upgrading of existing ones, and the development and procurement of necessary infrastructure. Given the particular scale of those projects which requires an		<u>(28b) Given the potentially significant impact of the EDPICs for the competitiveness and the industrial readiness of the EDTIB, the Programme should support the consortia of participating Member States and associated countries in their deployment. Such financial support from the Programme should be limited to [A1] activities undertaken by those consortia which are related to the common procurement of defence products, accelerating the adjustment to structural changes of the production capacity of defence products as well as related supporting activities, the industrial development of new defence products or the upgrading of existing ones, and the development and procurement of necessary infrastructure. Given the particular scale of those projects which requires an</u>	

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						unprecedented level of cooperation and coordination among Member States and industry, and taking into account the financial risks for the participating Member States and associated countries, Union funding should be able to cover, by derogation from Article 193(1) of the Financial Regulation, up to 100 % of the eligible costs. This should be without prejudice to the possibility of certain activities under EDPCI to be financially supported under other actions, provided they meet the conditions set for those actions and have not received funding under other Union programmes, in line with the Financial Regulation. Participating Member States should ensure that EDPCI activities comply with the objectives of the Programme, including when there is no Union financial support. To facilitate the monitoring of the compliance with those objectives, Member States participating in an EDPCI should transmit to the Commission, on an annual basis,		<u>unprecedented level of cooperation and coordination among Member States and industry, and taking into account the financial risks for the participating Member States and associated countries, Union funding should be able to cover, by derogation from Article 193(1) of the Financial Regulation, up to 100 % of the eligible costs. This should be without prejudice to the possibility of certain activities under EDPCI to be financially supported under other actions, provided they meet the conditions set for those actions and have not received funding under other Union programmes, in line with the Financial Regulation. Participating Member States should ensure that EDPCI activities comply with the objectives of the Programme, including when there is no Union financial support. To facilitate the monitoring of the compliance with those objectives, Member States participating in an EDPCI should transmit to the Commission, on an annual basis, a joint report on the implementation of the EDPCI activities. The Council, upon a</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						a joint report on the implementation of the EDPCI activities. The Council, upon a proposal from the Commission, may amend the implementing acts identifying EDPCIs, including by removing EDPCIs from the list. Member States participating in an EDPCI will be able, for carrying out activities necessary to its implementation, to rely on the expertise and the administrative capacity of the European Defence Agency or international organisations such as the Organisation for Joint Armament Cooperation (OCCAR) and the NATO Support and Procurement Agency (NSPA).		<u>proposal from the Commission, may amend the implementing acts identifying EDPCIs, including by removing EDPCIs from the list. Member States participating in an EDPCI will be able, for carrying out activities necessary to its implementation, to rely on the expertise and the administrative capacity of the European Defence Agency or international organisations such as the Organisation for Joint Armament Cooperation (OCCAR) and the NATO Support and Procurement Agency (NSPA).</u> To clarify now that EDPCIs were moved out of the programme chapter. We could ideally also make this explicit in the enacting terms para 9 (row 304do): "In the context of the deployment of an EDPCI, the following activities shall be eligible for funding under the Programme:"
Recital 28d								
38d						(28b) The ability of the EDTIB to ensure the availability of defence products in time and in volume is essential to its competitiveness, especially		

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						during periods of heightened security tensions. During such periods, the EDTIB might lack the production capacity necessary to meet Member States' urgent needs and its products might be less visible to Member States than products offered by third countries or third country entities. This Regulation should therefore provide a military sales mechanism, including measures to increase the speed to market of defence products from the EDTIB by leveraging the use of government-to-government contracts.		
Recital 28e								
38e						(28c) With support from the Programme and the Ukraine Support Instrument, Member States, associated countries and Ukraine should be able to establish, manage and maintain defence industrial readiness pools made up of defence products which Member States, associated countries and Ukraine could easily purchase or use, for the purpose of strengthening the competitiveness of the EDTIB		

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						and the reconstruction, recovery and modernisation of the Ukrainian DTIB. Such pools, consisting of stocks of defence products procured from the EDTIB or the Ukrainian DTIB, would attract demand and increase predictability for the defence sector. They would give positive signals to the Union and the Ukrainian industry, incentivising them to produce defence products and to invest for the purpose of strengthening industrial capacities in that sector. Furthermore, the defence industrial readiness pools would improve the security of supply of defence products for Member States by improving product availability and reducing delivery lead times, including in supply crisis situations.		
Recital 28f								
38f						(28d) To improve Member States' awareness of the availability of EDTIB and Ukrainian DTIB products, the Programme should also provide for the establishment, by the Commission, of a catalogue of defence products developed by		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			the EDTIB as well as the Ukrainian DTIB, based on voluntary contributions by Member States' and Ukrainian economic operators. When setting up this catalogue, the Commission should consult the EDA and take into account its expertise.	
Recital 29				
39	(29) Building inter alia on the experience of the defence equity facility, established in the context of the European Defence Fund as an InvestEU blending operation, the Commission should endeavour to set up a dedicated facility as part of the Programme to be referred to as the 'Fund for the acceleration of defence supply chain transformation ('FAST')'. FAST should be implemented under indirect management. FAST will leverage, de-risk and speed-up investments needed to increase the defence manufacturing capacities of EU-based SMEs and small mid-caps, in the form of a blending operation offering support in the form of debt and/or equity. FAST should be established as a blending operation, including under the	(29) <i>Building inter alia on the experience of the defence equity facility, established in the context of the European Defence Fund as an InvestEU blending operation,</i> The Commission should ~~endeavour to~~ set up a dedicated facility as part of the Programme to be referred to as the 'Fund for the acceleration of defence supply chain transformation ('FAST')'. FAST should be implemented under indirect management. FAST will leverage, de-risk and speed-up investments needed to increase the defence manufacturing capacities of EU-based SMEs and small mid-caps, in the form of a blending operation offering support in the form of debt and/or equity. FAST should be established as a blending operation, ~~including under the~~	(29) Building inter alia on the experience of the Defence Equity Facility, established in the context of the European Defence Fund as an InvestEU blending operation, the Commission should ~~endeavour~~ examine all available options to set up a dedicated facility as part of the Programme to be referred to as the 'Fund for the acceleration of defence supply chain transformation ('FAST')'. FAST should be implemented under indirect management. FAST ~~will~~ should leverage, de-risk and ~~speed-up~~ accelerate investments needed to increase the defence manufacturing capacities of EU-based ~~small~~ Union based SMEs and mid-caps, in the form of a blending operation offering support	

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	InvestEU Programme established by Regulation (EU) 2021/523 of the European Parliament and Council (20), in close cooperation with its implementing partners.	~~InvestEU Programme established by Regulation (EU) 2021/523 of the European Parliament and Council (20), in close cooperation with its implementing partners.~~ <u>and the Commission should develop a competitive bidding framework for it.</u>	in the form of debt and/or equity. FAST should be established as a blending operation, including under the InvestEU Programme established by Regulation (EU) 2021/523 of the European Parliament and Council (20) ²⁰ , in close cooperation with its implementing partners. 20. Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30).	
Recital 30				
40	(30) FAST should achieve a satisfactory multiplier effect in line with the debt and equity mix and contribute to attracting both public and private-sector financing. In order to contribute to the overall objective of enhancing the EDTIB's competitiveness, FAST should also provide support to SMEs (including start-ups and scale-ups) and small mid-caps across the EU, manufacturing defence technologies and products as well as companies actually or potentially part of the defence industry's supply chain, facing	(30) FAST should achieve a satisfactory multiplier effect in line with the debt and equity mix and contribute to attracting both public and private-sector financing. In order to contribute to the overall objective of enhancing the EDTIB's competitiveness, FAST should also provide support to SMEs (including start-ups and scale-ups) and small mid-caps across the EU, manufacturing defence technologies and products as well as companies actually or potentially part of the defence industry's supply chain, facing	(30) FAST should achieve a satisfactory multiplier effect in line with the debt and equity mix and contribute to attracting both public and private-sector financing. In order to contribute to the overall objective of enhancing the EDTIB's competitiveness, FAST should also provide support to SMEs (including start-ups and scale-ups) and ~~small~~ mid-caps across the ~~EU~~ Union, in the stage of industrialisation or manufacturing of defence technologies and products as well as companies actually or	(30) FAST should achieve a satisfactory multiplier effect in line with the debt and equity mix and contribute to attracting both public and private-sector financing. In order to contribute to the overall objective of enhancing the EDTIB's competitiveness, FAST should also provide support to SMEs (including start-ups and scale-ups) and <u>mid-caps/</u> small mid-caps across the ~~EU~~ Union, <u>in the stage of industrialisation or manufacturing of defence technologies and products as well as companies actually or</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		difficulties in accessing finance. FAST should as well accelerate investment in the field of manufacturing defence technologies and products, and therefore strengthen the security of supply of the Union's defence industry value chains.		difficulties in accessing finance. FAST should as well accelerate investment in the field of manufacturing defence technologies and products, and therefore strengthen the security of supply of the Union's defence industry value chains.		~~potentially part of the defence industry's supply chain~~ or having imminent plans to do so , facing difficulties in accessing finance. FAST should as well accelerate investment in the field of manufacturing defence technologies and products, and therefore strengthen the security of supply of the Union's defence industry value chains.		~~potentially part of the defence industry's supply chain~~ or having imminent plans to do so , facing difficulties in accessing finance. FAST should as well accelerate investment in the field of manufacturing defence technologies and products, and therefore strengthen the security of supply of the Union's defence industry value chains. Text Origin: Council Mandate
	Recital 30a							
G	40a			<u><i>(30a) The European Defence Projects of Common Interest should consist of collaborative industrial projects aimed at reinforcing the competitiveness of the EDTIB throughout the Union while contributing to the development of Member States' military capabilities and systems of common interest or use, including those securing access to all operational domains.</i></u>		(30a) Increasing the number and magnitude of common procurements of defence products from the EDTIB and the Ukrainian DTIB is necessary to achieve the objectives of the Programme and of the Ukraine Support Instrument. In accordance with Article 168(2) and (3) of the Financial Regulation, Member States may request the Commission to engage in joint procurement with them, including through advance purchasing agreements, or as a central purchasing body. Associated countries should be able to request the Commission		<u><i>(30a) Increasing the number and magnitude of common procurements of defence products from the EDTIB and the Ukrainian DTIB is necessary to achieve the objectives of the Programme and of the Ukraine Support Instrument. In accordance with Article 168(2) and (3) of the Financial Regulation, Member States may request the Commission to engage in joint procurement with them, including through advance purchasing agreements, or as a central purchasing body. Associated countries should be able to request the Commission to</i></u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						to engage in joint procurement, by way of derogation from Article 168(2), second subparagraph, of the Financial Regulation, as such a possibility is not provided for in a bilateral or multilateral treaty with those countries. Together with at least one Member State, associated countries should also be able to request the Commission to act as central purchasing body, by way of derogation from Article 168(3) of the Financial Regulation, as the latter does not provide for the participation of third countries to such action. Similarly, for the purposes of the Ukraine Support Instrument, Ukraine should be able to participate in such actions. Together with at least one Member State, Ukraine should be able to request the Commission to engage in joint procurement, by way of derogation from Article 168(2), second subparagraph, of the Financial Regulation, as such a possibility is not provided for in a bilateral or multilateral treaty with Ukraine. Ukraine, together with at least one Member State,		<u>engage in joint procurement, by way of derogation from Article 168(2), second subparagraph, of the Financial Regulation, as such a possibility is not provided for in a bilateral or multilateral treaty with those countries. Together with at least one Member State, associated countries should also be able to request the Commission to act as central purchasing body, by way of derogation from Article 168(3) of the Financial Regulation, as the latter does not provide for the participation of third countries to such action. Similarly, for the purposes of the Ukraine Support Instrument, Ukraine should be able to participate in such actions. Together with at least one Member State, Ukraine should be able to request the Commission to engage in joint procurement, by way of derogation from Article 168(2), second subparagraph, of the Financial Regulation, as such a possibility is not provided for in a bilateral or multilateral treaty with Ukraine. Ukraine, together with at least one Member State, should also be able to request the Commission to act as a central</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						should also be able to request the Commission to act as a central purchasing body, by way of derogation from Article 168(3) of the Financial Regulation, for the same reason as stated above. To foster the aggregation of demand in the case of joint procurement, the Commission should ensure that such procurement procedure is open to all Member States and, where relevant, associated countries. With a view to fostering the industrial ramp-up of manufacturing capacities of the EDTIB and the Ukrainian DTIB, the Commission should furthermore facilitate the conclusion of off-take agreements in compliance with Union competition and procurement rules. For the purpose of joint procurement with support of the Commission, the use of the Union budget will be in line with the objectives and the applicable eligibility criteria of the Programme or the Ukraine Support Instrument and will be aimed at supporting the adaptation of the manufacturing capacity of defence industrial supply chains. It could, in		<u>purchasing body, by way of derogation from Article 168(3) of the Financial Regulation, for the same reason as stated above. To foster the aggregation of demand in the case of joint procurement, the Commission should ensure that such procurement procedure is open to all Member States and, where relevant, associated countries. With a view to fostering the industrial ramp-up of manufacturing capacities of the EDTIB and the Ukrainian DTIB, the Commission should furthermore facilitate the conclusion of off-take agreements in compliance with Union competition and procurement rules. For the purpose of joint procurement with support of the Commission, the use of the Union budget will be in line with the objectives and the applicable eligibility criteria of the Programme or the Ukraine Support Instrument and will be aimed at supporting the adaptation of the manufacturing capacity of defence industrial supply chains. It could, in particular, serve to de-risk the industrial investments such as the</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						particular, serve to de-risk the industrial investments such as the increase in manufacturing capacities or the acquisition of the requisite machine tools to ensure the performance of a contract and should, in any case, be strictly limited to cover the non-recurrent costs incurred in the context of the purchase or of the maintenance of defence products. It should be included in the Work Programmes of the Programme and the Ukraine Support Instrument.		<u>increase in manufacturing capacities or the acquisition of the requisite machine tools to ensure the performance of a contract and should, in any case, be strictly limited to cover the non-recurrent costs incurred in the context of the purchase or of the maintenance of defence products. It should be included in the Work Programmes of the Programme and the Ukraine Support Instrument.</u> Text Origin: Council Mandate
	Recital 30b							
40b				<u>(30b) Due to the sensitive nature of the decision to identify European Defence Projects of Common Interest in light of their potential impact on national security interests, and given the importance of ensuring the contribution of such projects to the defence readiness of all Member States, the power to adopt implementing acts to identify a European Defence Project of Common Interest should be conferred on the Council, upon a proposal from the Commission. Before proposing such</u>		(30b) In the cases covered by this Regulation, the immediate award and performance of a contract prior to its signature resulting from procurement procedures carried out with the support of the Commission for the purposes of this Regulation could be justified given the existing geopolitical situation, especially where the seriousness of the circumstances and of their implications for the security of the Union citizens require that the deliveries of the defence product concerned be effectively		<u>(30b) In the cases covered by this Regulation, the immediate award and performance of a contract prior to its signature resulting from procurement procedures carried out with the support of the Commission for the purposes of this Regulation could be justified given the existing geopolitical situation, especially where the seriousness of the circumstances and of their implications for the security of the Union citizens require that the deliveries of the defence product concerned be effectively</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>implementing acts, the Commission should take into account the views of all Member States and their project proposals for possible European Defence Projects of Common Interest.</u>		performed without any delay. For that specific purpose, it is necessary to allow for a derogation from Article 175(1) of the Financial Regulation while duly documented by the contracting authority.		<u>performed without any delay. For that specific purpose, it is necessary to allow for a derogation from Article 175(1) of the Financial Regulation while duly documented by the contracting authority.</u> Text Origin: Council Mandate
Recital 31								
41		(31) Cooperative armament programmes in the Union face significant challenges, being mostly set up on ad hoc basis and being plagued by complexity, delays and cost overruns. To remediate this situation and ensure continuous Member States' commitment throughout the whole life cycle of defence capabilities, a more structured approach is required at EU level. To make this happen, the Commission should support Member States' efforts by making available a new legal framework – the Structure for European Armament Programme (SEAP) - to underpin and strengthen defence cooperation. Actions undertaken in this framework should be mutually reinforcing with those carried out		(31) Cooperative armament programmes in the Union face significant challenges, being mostly set up on ad hoc basis and being plagued by complexity, delays and cost overruns. To remediate this situation and ensure <u>joint targeted efforts with regard to capability priorities and achieving defence readiness by 2030 as well as</u> continuous Member States' commitment throughout the whole life cycle of defence capabilities, a more structured approach is required at EU level. To make this happen, the Commission should support Member States' efforts by making available a new legal framework – the Structure for European Armament Programme (SEAP) - to underpin and strengthen defence		(31) Cooperative armament programmes in the Union face significant challenges, being mostly set up on an ad hoc basis and being plagued by complexity, delays and cost overruns. To remediate ~~this~~ that situation and ensure the continuous commitment of Member States' ~~commitment throughout the whole life-cycle~~ until the end of the life-cycle of defence ~~capabilities~~ products , a more structured approach is required at EU ~~Union~~ level. To ~~make this happen, the Commission should support~~ achieve such an approach, Member States' efforts should be supported by making available a new legal framework, namely— the Structure for European Armament Programme (SEAP)—		(31) Cooperative armament programmes in the Union face significant challenges, being mostly set up on an ad hoc basis and being plagued by complexity, delays and cost overruns. To remediate ~~this~~ that situation and ensure the continuous commitment of Member States' ~~commitment throughout the whole life-cycle~~ until the end of the life-cycle of defence ~~capabilities~~ products , a more structured approach is required at EU ~~Union~~ level. To ~~make this happen, the Commission should support~~ achieve such an approach, Member States' efforts should be supported by making available a new legal framework, namely— the Structure for European Armament ~~Programme (SEAP)—~~ Programmes (SEAP) , to

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	under the Common Foreign and Security Policy (CFSP), in particular in the context of the Capability Development Plan (CDP) and of PESCO	cooperation. Actions undertaken in this framework should be mutually reinforcing with those carried out under the Common Foreign and Security Policy (CFSP), in particular <u>with regard to the actions foreseen in the White Paper for European Defence and identified capability priorities</u> in the context of <u>the Defence Investment Gaps Analysis</u> , the Capability Development Plan (CDP) and of <u>projects within</u> PESCO.	Programmes (SEAP), to underpin and strengthen defence their cooperation. To reach its objective of fostering the competitiveness of the EDTIB and, where Ukraine is participating, of the Ukrainian DTIB, a SEAP should be able to conduct the common development, procurement or life-cycle management of defence products. SEAPs should be able to carry out additional activities necessary for the achievement of their objectives, such as activities related to infrastructures directly related to defence products. Actions undertaken in this framework should be mutually reinforcing with those carried out under the ~~Common Foreign and Security Policy (CFSP)~~ CFSP, in particular in the context of the ~~Capability Development Plan (CDP)~~ and of PESCO CDP. Such actions should also not contravene the security and defence interests of the Union or its Member States, including the respect for the principle of good neighbourly relations.	underpin and strengthen ~~defence~~ <u>their</u> cooperation. <u>To reach its objective of fostering the competitiveness of the EDTIB and, where Ukraine is participating, of the Ukrainian DTIB, a SEAP should be able to conduct the common development, procurement or life-cycle management of defence products. SEAPs should be able to carry out additional activities necessary for the achievement of their objectives, such as activities related to infrastructures directly related to defence products.</u> Actions undertaken in this framework should be mutually reinforcing with those carried out under the ~~Common Foreign and Security Policy (CFSP)~~ CFSP, in particular in the context of the ~~Capability Development Plan (CDP)~~ and of PESCO CDP. <u>Such actions should also not contravene the security and defence interests of the Union or its Member States, including the respect for the principle of good neighbourly relations.</u> Text Origin: Council Mandate
Recital 32				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
42	(32) Within this Structure for European Armament Programme, Member States should benefit from standardised procedures for initiating and managing cooperative defence programmes. A cooperation under this framework should also allow Member States, under certain conditions, to benefit from an increased funding rate, simplified and harmonised procurement procedures, and, where Member States jointly own the procured equipment, a VAT exemption. The international organisation status should also allow Member States, if they wish so, to issue bonds to ensure the long-term financing plan of armament programmes. While the Union would not be liable for debt issuance by Member States, contributions under EDIP to the functioning of SEAP might improve the conditions for financing by the Member States of the armament programmes, which are eligible for Union support.	(32) Within this Structure for European Armament Programme, Member States should benefit from standardised procedures for initiating and managing cooperative defence programmes. A cooperation under this framework should also allow Member States, under certain conditions, to benefit from an increased funding rate, simplified and harmonised procurement procedures, and, where Member States jointly own the procured equipment, a VAT exemption. The international organisation status should also allow Member States, if they wish so, to issue bonds to ensure the long-term financing plan of armament programmes. While the Union would not be liable for debt issuance by Member States, contributions under EDIP to the functioning of SEAP might improve the conditions for financing by the Member States of the armament programmes, which are eligible for Union support.	(32) Within this Structure for European Armament Programme the SEAPs, Member States should benefit from standardised procedures for initiating and managing cooperative defence armament programmes. A, including guidelines on project management, procurement, financial management, and reporting, that may be provided by the Commission. Cooperation under this framework should also allow Member States, under certain conditions, to benefit from an increased funding rate, simplified and harmonised procurement procedures, and set out in Council Directives 2006/112/EC²¹ and (EU) 2020/262²², for a VAT or excise duty exemption, where Member States jointly own the SEAP owns the procured equipment, a VAT exemption. The international organisation status. Beyond contributions from the Programme and the Ukraine Support Instrument, SEAPs should also allow Member States, if they wish so, to issue bonds to ensure the long-term financing plan	(32) Within ~~this Structure for European Armament Programme~~ <u>the SEAPs</u>, Member States should benefit from standardised procedures for initiating and managing cooperative ~~defence~~ <u>armament</u> programmes. ~~A, including guidelines on project management, procurement, financial management, and reporting, that may be provided by the Commission.~~ Cooperation under this framework should also allow ~~Member States~~, under ~~certain~~ <u>the</u> conditions, ~~to benefit from an increased funding rate, simplified and harmonised procurement procedures, and set out in Council Directives 2006/112/EC²¹ and (EU) 2020/262²², for a VAT or excise duty exemption,~~ where ~~Member States jointly own~~ <u>the SEAP owns</u> the procured equipment, ~~a VAT exemption. The international organisation status.~~ <u>Beyond contributions from the Programme and the Ukraine Support Instrument, SEAPs</u> should also ~~allow Member States, if they wish so, to issue bonds to ensure the long-term financing~~

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						of armamentbe able to receive contributions from other Union programmes. While the Union would not be liable for debt issuance by Member States,, provided that the contributions under EDIP to the functioning of SEAP might improve the conditions for financing by the Member Statesdo not cover the same cost. The rules of the armament programmes, which are eligible forrelevant Union supportprogramme should apply to the corresponding contribution to the action concerned. 21. Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11/12/2006, p. 1). 22. Council Directive (EU) 2020/262 of 19 December 2019 laying down the general arrangements for excise duty (OJ L 58, 27/02/2020, p. 4).		~~plan of armament~~<u>be able to receive contributions from other Union</u> programmes. ~~While the Union would not be liable for debt issuance by Member States,, provided that the~~ contributions under EDIP to the functioning of SEAP might improve the conditions for financing by the Member States<u>do not cover the same cost.</u> <u>The rules</u> of the ~~armament programmes, which are eligible for~~<u>relevant</u> Union ~~support~~<u>programme should apply to the corresponding contribution to the action concerned.</u> <u>21. Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11/12/2006, p. 1).</u> <u>22. Council Directive (EU) 2020/262 of 19 December 2019 laying down the general arrangements for excise duty (OJ L 58, 27/02/2020, p. 4).</u> Text Origin: Council Mandate
		Recital 32a						
G	42a					(32a) If their members unanimously wish to do so, SEAPs should be able to issue securities in accordance with the law of the Member State where it has its statutory seat to ensure		<u>(32a) If their members unanimously wish to do so, SEAPs should be able to issue securities in accordance with the law of the Member State where it has its statutory seat to ensure the</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						the long-term financing plan of armament programmes and compliance with the economic governance framework. The Union should not be liable for securities issued by SEAPs. Union financial contributions might improve the conditions for financing by the Member States of the armament programmes.		<u>long-term financing plan of armament programmes and compliance with the economic governance framework. The Union should not be liable for securities issued by SEAPs. Union financial contributions under the Programme to the functioning of a SEAP might improve the conditions for financing by the Member States of the armament programmes.</u> Text Origin: Council Mandate
Recital 32b								
G	42b					(32b) To achieve its objectives, a SEAP should be able to entrust, through a delegation agreement, one or several of the entities eligible for funding under common procurement actions under the Programme with one or several of its tasks. In particular, international organisations such as the OCCAR and NSPA, as well as the European Defence Agency have resources, competences and skills in the management of defence cooperation which could offer added value to SEAPs. Where a SEAP entrusts another		<u>(32b) To achieve its objectives, a SEAP should be able to entrust, through a delegation agreement, one or several of the entities eligible for funding under common procurement actions under the Programme with one or several of its tasks. In particular, international organisations such as the OCCAR and NSPA, as well as the European Defence Agency have resources, competences and skills in the management of defence cooperation which could offer added value to SEAPs. Where a SEAP entrusts another entity with the performance of its</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			entity with the performance of its tasks, it should remain responsible for the compliance with its obligations under Union law, in particular this Regulation. It should therefore ensure that the delegation agreement includes such obligations and take any appropriate measure to ensure they are met.	<u>tasks, it should remain responsible for the compliance with its obligations under Union law, in particular this Regulation. It should therefore ensure that the delegation agreement includes such obligations and take any appropriate measure to ensure they are met.</u> Text Origin: Council Mandate
Recital 33				
43	(33) In order to permit an efficient procedure for the setting-up of a SEAP, it is necessary for the Member States, associated countries or Ukraine willing to set up a SEAP to submit an application to the Commission which should assess, whether the proposed statutes of the armament programme are in conformity with this Regulation. Such an application should contain a declaration of the host Member State recognising the SEAP as an international body or organisation for the purpose of the application of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax and Council Directive (EU)	(33) In order to permit an efficient procedure for the setting-up of a SEAP, it is necessary for the Member States, associated countries or Ukraine willing to set up a SEAP to submit an application to the Commission which should assess, <u>together with the European Defence Agency</u> , whether the proposed statutes of the armament programme are in conformity with this Regulation. Such an application should contain a declaration of the host Member State recognising the SEAP as an international body or organisation for the purpose of the application of Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax	(33) In order to ~~permit~~ allow for an efficient procedure for the setting-up of a SEAP, it is necessary for the Member States, associated countries or Ukraine willing to set up a SEAP to submit an application to the Commission which should assess, whether the proposed statutes of the ~~armament programme~~ SEAP are in conformity with this Regulation. Such an application should contain a declaration of the ~~host~~ -Member State where the SEAP is foreseen to have its statutory seat recognising the SEAP as an international body or organisation for the purpose of the application of ~~Council Directive~~ Directives 2006/112/EC of 28 November	(33) In order to ~~permit~~ allow for an efficient procedure for the setting-up of a SEAP, it is necessary for the Member States, associated countries or Ukraine willing to set up a SEAP to submit an application to the Commission which should assess, <u>together with EDA</u> whether the proposed statutes of the ~~armament programme~~ SEAP are in conformity with this Regulation. Such an application should contain a declaration of the ~~host~~ -Member State <u>where the SEAP is foreseen to have its statutory seat</u> recognising the SEAP as an international body or organisation for the purpose of the application of ~~Council Directive~~ Directives

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	2020/262 of 19 December 2019 laying down the general arrangements for excise duty, as of its setting up.	and Council Directive (EU) 2020/262 of 19 December 2019 laying down the general arrangements for excise duty, as of its setting up.	~~2006 on the common system of value added tax and Council Directive (EU) 2020/262 of 19 December 2019 laying down the general arrangements for excise duty, as of its setting up~~ setting-up.	~~2006/112/EC of 28 November 2006 on the common system of value added tax and Council Directive (EU) 2020/262 of 19 December 2019 laying down the general arrangements for excise duty, as of its setting up~~ setting-up. Text Origin: Council Mandate
Recital 34				
44	(34) For reasons of transparency, the decision setting-up a SEAP should be published in the Official Journal of the European Union. For the same reasons, the essential elements of its Statutes should be annexed to such decisions.	(34) For reasons of transparency, the decision setting-up a SEAP should be published in the Official Journal of the European Union. For the same reasons, the essential elements of its Statutes should be annexed to such decisions.	(34) For reasons of transparency, the ~~decision setting-up~~ decisions setting up, winding up and closing a SEAP as well as any notices relating to the possible event that is unable to pay its debts should be published in the Official Journal of the European Union Official Journal of the European Union . ~~For the same reasons, the essential elements of its Statutes should be annexed to such decisions.~~	(34) For reasons of transparency, the ~~decision setting-up~~ decisions setting up, winding up and closing a SEAP as well as any notices relating to the possible event that is unable to pay its debts should be published in the ~~Official Journal of the European Union~~ Official Journal of the European Union . ~~For the same reasons, the essential elements of its Statutes should be annexed to such decisions.~~ Text Origin: Council Mandate
Recital 35				
45	(35) In order to carry out its tasks in the most efficient way, a SEAP should have legal personality and the most extensive legal capacity as from the day on which the decision setting it up	(35) In order to carry out its tasks in the most efficient way, a SEAP should have legal personality and the most extensive legal capacity as from the day on which the decision setting it up	(35) In order to carry out its tasks in the most efficient way, a SEAP should have legal personality ~~and the most extensive legal capacity~~ as from the day on which the decision setting it up	(35) In order to carry out its tasks in the most efficient way, a SEAP should have legal personality ~~and the most extensive legal capacity~~ as from the day on which the decision setting it up

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	takes effect. It should have a statutory seat, in order to determine the applicable law, within the territory of a member of that SEAP which is a Member State.	takes effect. It should have a statutory seat, in order to determine the applicable law, within the territory of a member of that SEAP which is a Member State.	takes effect and should benefit from the most extensive legal capacity in each Member State. A SEAP should also benefit from the most extensive legal capacity in associated countries and Ukraine in cases where they are members of the SEAP. It should have a statutory seat, ~~in order to determine the applicable law,~~ within the territory of a Member of that SEAP which is a Member State.	takes effect <u>and should benefit from the most extensive legal capacity in each Member State. A SEAP should also benefit from the most extensive legal capacity in associated countries and Ukraine in cases where they are members of the SEAP.</u> It should have a statutory seat, ~~in order to determine the applicable law,~~ within the territory of a Member ~~of that SEAP which is a Member~~ State. Text Origin: Council Mandate
Recital 36				
46	(36) Membership of a SEAP should comprise at least three Member States and may include associated countries and Ukraine.	(36) Membership of a SEAP should comprise at least three Member States and may include associated countries and Ukraine.	(36) Member States, associated countries and Ukraine may be members of a SEAP. Membership of a SEAP should comprise at least three countries, of which at least two should be Member States ~~and may include associated countries and Ukraine.~~	(36) <u>Member States, associated countries and Ukraine may be members of a SEAP.</u> Membership of a SEAP should comprise at least three <u>countries, of which at least two should be</u> Member States ~~and may include associated countries and Ukraine.~~ Text Origin: Council Mandate
Recital 37				
47	(37) For the implementation of the SEAP, more detailed provisions should be laid down in Statutes, on the basis of which the Commission should examine the	(37) For the implementation of the SEAP, more detailed provisions should be laid down in Statutes, on the basis of which the Commission should examine the	(37) For the implementation of the SEAP, more detailed provisions should be laid down in its statutes, on the basis of which the Commission should examine	Council to redraft in line with the wording of the corresponding provision.

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	compliance of an application with the rules established in this Regulation.	compliance of an application with the rules established in this Regulation.	the compliance of an application with the rules established in this Regulation. It is important that the statutes clarify what administrative capacities are foreseen to ensure compliance with applicable Union and national rules for the handling of defence products. Without prejudice to existing Union and national rules on export of defence products, SEAP members should be able to unanimously agree on an approach to such exports.	
Recital 38				
48	(38) It is necessary to ensure that, on the one hand, a SEAP has the necessary flexibility to amend its Statutes and, on the other hand, that certain essential elements, in particular those which were necessary for the granting of the SEAP statutes, are preserved through a necessary control at Union level. If an amendment concerns an essential element of the Statutes annexed to the decision setting up the SEAP, such amendment should be approved, prior to taking effect, by a Commission decision taken	(38) It is necessary to ensure that, on the one hand, a SEAP has the necessary flexibility to amend its Statutes and, on the other hand, that certain essential elements, in particular those which were necessary for the granting of the SEAP statutes, are preserved through a necessary control at Union level. If an amendment concerns an essential element of the Statutes annexed to the decision setting up the SEAP, such amendment should be approved, prior to taking effect, by a Commission decision taken	(38) It is necessary to ensure that, on the one hand, a SEAP has the necessary flexibility to amend its statutes and, on the other hand, that certain essential elements, in particular those which were necessary for the granting of the SEAP ~~statutes~~ status , are preserved through a necessary control at Union level. If an amendment concerns an essential element of the statutes ~~annexed to the decision setting up the SEAP~~ , such amendment should be approved by the Commission , prior to taking effect, ~~by a Commission decision~~	(38) It is necessary to ensure that, on the one hand, a SEAP has the necessary flexibility to amend its statutes and, on the other hand, that certain essential elements, in particular those which were necessary for the granting of the SEAP ~~statutes~~ status , are preserved through a necessary control at Union level. If an amendment concerns an essential element of the statutes ~~annexed to the decision setting up the SEAP~~ , such amendment should be approved by the Commission , prior to taking effect, ~~by a Commission decision~~

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	following the same procedure as that for setting up the SEAP. Any other amendment should be notified to the Commission, which should have an opportunity to object if it considers the amendment contrary to this Regulation.	following the same procedure as that for setting up the SEAP. Any other amendment should be notified to the Commission <u>and the European Defence Agency</u> , which should have an opportunity to object if it considers the amendment contrary to this Regulation.	~~taken following the same procedure as that for setting up the SEAP.~~ Any other amendment should be notified to the Commission. With the exception of amendments relating to a possible approach to the export of defence products, the Commission, which should have an opportunity to object to such amendments if it considers ~~the amendment~~ them contrary to this Regulation.	~~taken following the same procedure as that for setting up the SEAP.~~ Any other amendment should be notified to the Commission. <u>With the exception of amendments relating to a possible approach to the export of defence products, the Commission,</u> ~~which~~ should have an opportunity to object <u>to such amendments</u> if it considers ~~the amendment~~ <u>them</u> contrary to this Regulation. Text Origin: Council Mandate
Recital 39				
49	(39) A SEAP should be able to appoint a Procurement Agent acting in its own name. A SEAP should be able to procure defence products on its own behalf or on behalf of its members. In the case it procures on its own behalf, the SEAP should be considered as an international organisation purchasing for its own purposes within the meaning of Article 12(c) of Directive 2009/81/EC in conformity with State aid rules. Where it procures on behalf of its members, in order to ensure an adequate incentive for Member	(39) A SEAP should be able to appoint a Procurement Agent acting in its own name. A SEAP should be able to procure defence products on its own behalf or on behalf of its members. In the case it procures on its own behalf, the SEAP should be considered as an international organisation purchasing for its own purposes within the meaning of Article 12(c) of Directive 2009/81/EC in conformity with State aid rules. Where it procures on behalf of its members, in order to ensure an adequate incentive for Member	(39) ~~A SEAP should be able to appoint a Procurement Agent acting in its own name.~~ A SEAP should be able to procure defence products on its own behalf or in the name of, or on behalf of, its members. ~~In the case it procures on its own behalf, the SEAP~~ For these purposes, SEAPs should be considered as ~~an~~ international ~~organisation purchasing for its own purposes~~ organisations within the meaning of Article ~~12(c)~~ 12, point (c), of Directive 2009/81/EC ~~in conformity with State aid rules~~ ²³ . Therefore, Directive 2009/81/EC	(39) ~~A SEAP should be able to appoint a Procurement Agent acting in its own name.~~ A SEAP should be able to procure defence products on its own behalf or <u>in the name of, or</u> on behalf of, its members. ~~In the case it procures on its own behalf, the SEAP~~ <u>For these purposes, SEAPs</u> should be considered as ~~an~~ international ~~organisation purchasing for its own purposes~~ <u>organisations</u> within the meaning of Article ~~12(c)~~ <u>12, point (c),</u> of Directive 2009/81/EC ~~in conformity with State aid rules~~ ²³ . <u>Therefore, Directive 2009/81/EC</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	States to engage in a cooperation within the SEAP, the SEAP should be able to define its own rules of procurement by derogation to Directive 2009/81/EC. These rules should ensure compliance with EU primary law principles applicable to procurement, in particular those of transparency, non-discrimination and competition.	States to engage in a cooperation within the SEAP, the SEAP should be able to define its own rules of procurement by derogation to Directive 2009/81/EC. These rules should ensure compliance with EU primary law principles applicable to procurement, in particular those of transparency, non-discrimination and competition.	should not apply to such procurements. Where ~~it~~ a SEAP procures on behalf of its members; ~~in order to ensure an adequate incentive for~~ which are Member States ~~to engage in a cooperation within the SEAP, the SEAP or,~~ where relevant, associated countries, Directive 2009/81/EC should ~~be able to define its own rules of~~ not apply in such cases when the procurement by derogation to procedure complies with the objectives of the SEAP to foster the competitiveness of the EDTIB and where relevant of the Ukrainian DTIB. Directive 2009/81/EC should also not apply to the procurement procedures conducted by Member States when procuring on behalf of, or in the name of, a SEAP, as such contracts should be awarded in accordance with the procurement rules of the SEAP. Where Member States or, where applicable, associated countries procure defence products from a SEAP, the procurement should be considered as a government-to-government contract as referred to in Article 13, point (f), of Directive 2009/81/EC. These	<u>should not apply to such procurements.</u> Where ~~it~~ a SEAP procures on behalf of its members; ~~in order to ensure an adequate incentive for~~ which are Member States ~~to engage in a cooperation within the SEAP, the SEAP or,~~ where relevant, associated countries, Directive 2009/81/EC should ~~be able to define its own rules of~~ not apply in such cases when the procurement by derogation to procedure complies with the objectives of the SEAP to foster the competitiveness of the EDTIB and where relevant of the Ukrainian DTIB. Directive 2009/81/EC should also not apply to the procurement procedures conducted by Member States when procuring on behalf of, or in the name of, a SEAP, as such contracts should be awarded in accordance with the procurement rules of the SEAP. Where Member States or, where applicable, associated countries procure defence products from a SEAP, the procurement should be considered as a government-to-government contract as referred to in Article 13, point (f), of Directive 2009/81/EC. ~~These rules~~ SEAPs

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						rulesSEAPs should ensuredefine their own procurement rules, in compliance with EUUnion primary law principles applicable to procurement, in particular those of equality of treatment, transparency, non-discrimination and competitionproportionality, and with the rules set out in this Regulation. Where a SEAP entrusts procurement tasks to one or several entities, it should ensure that the procurement rules to be applied comply with those principles. 23. Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC (OJ L 216, 20/08/2009, p. 76).		should ~~ensure~~<u>define their own procurement rules, in</u> compliance with ~~EU~~<u>Union</u> primary law principles applicable to procurement, in particular those of <u>equality of treatment, transparency, non-discrimination and competitionproportionality, and with the rules set out in this Regulation. Where a SEAP entrusts procurement tasks to one or several entities, it should ensure that the procurement rules to be applied comply with those principles.</u> <u>23. Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC (OJ L 216, 20/08/2009, p. 76).</u> Text Origin: Council Mandate
Recital 39a								
G	49a					(39a) Member States participating in a SEAP should ensure that the procurement policy of the SEAP complies with the objectives of fostering the competitiveness of the EDTIB or		<u>(39a) Member States participating in a SEAP should ensure that the procurement policy of the SEAP complies with the objectives of fostering the competitiveness of the EDTIB or</u>

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
			of the Ukrainian DTIB, including when there is no Union financial support. This should be without prejudice to the specific conditions that apply in the event a SEAP receives Union funding under a relevant programme.	<u>of the Ukrainian DTIB, including when there is no Union financial support. This should be without prejudice to the specific conditions that apply in the event a SEAP receives Union funding under a relevant programme.</u> Text Origin: Council Mandate
Recital 40				
50	(40) A SEAP could qualify for funding in accordance with Title VI of the Regulation (EU, Euratom) No 2018/1046. Funding under the Cohesion Policy could also be possible, in conformity with the relevant Community legislation.	(40) A SEAP could qualify for funding in accordance with Title VI of the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046. Funding under the Cohesion Policy could also be possible, in conformity with the relevant Community legislation.~~	<i>deleted</i>	<i>deleted</i>
Recital 41				
51	(41) In order to carry out its tasks in the most efficient way and as a logical consequence of its legal personality, a SEAP should be liable for its debts. In order to allow the members to find appropriate solutions regarding their liability, the option should be given to provide in the Statutes for different liability regimes going above the liability limited to the contributions of the members.	(41) In order to carry out its tasks in the most efficient way and as a logical consequence of its legal personality, a SEAP should be liable for its debts. In order to allow the members to find appropriate solutions regarding their liability, the option should be given to provide in the Statutes for different liability regimes going above the liability limited to the contributions of the members.	(41) In order to carry out its tasks in the most efficient way and as a logical consequence of its legal personality, a SEAP should be liable for its debts. In order to allow the members to find appropriate solutions regarding their liability, the option should be given to provide in the statutes for different liability regimes going above the liability limited to the contributions of the members.	(41) In order to carry out its tasks in the most efficient way and as a logical consequence of its legal personality, a SEAP should be liable for its debts. In order to allow the members to find appropriate solutions regarding their liability, the option should be given to provide in the statutes for different liability regimes going above the liability limited to the contributions of the members.

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
				Text Origin: Commission Proposal
Recital 42				
52	(42) Since a SEAP is established under Union law, it should be governed by Union law, in addition to the law of the State where it has its statutory seat. However, the SEAP could have a place of operation in another State. The law of that latter State should apply in respect of specific matters defined by the Statutes of the SEAP. Furthermore, a SEAP should be governed by implementing rules complying with the Statutes.	(42) Since a SEAP is established under Union law, it should be governed by Union law, in addition to the law of the State where it has its statutory seat. However, the SEAP could have a place of operation in another State. The law of that latter State should apply in respect of specific matters defined by the Statutes of the SEAP. Furthermore, a SEAP should be governed by implementing rules complying with the Statutes.	deleted	deleted
Recital 43				
53	(43) In order to ensure sufficient control of compliance with this Regulation, a SEAP should transmit to the Commission and relevant public authorities its annual report and any information about circumstances threatening to seriously jeopardise the achievement of its tasks. If the Commission obtains indications, through the annual report or otherwise, that the SEAP acts in	(43) In order to ensure sufficient control of compliance with this Regulation, a SEAP should transmit to the Commission and relevant public authorities its annual report and any information about circumstances threatening to seriously jeopardise the achievement of its tasks. If the Commission obtains indications, through the annual report or otherwise, that the SEAP acts in	(43) In order to ensure sufficient control of compliance with this Regulation, a SEAP should transmit to the Commission and relevant public authorities its annual report and any information about circumstances threatening to seriously jeopardise the achievement of its tasks. If the Commission obtains indications, through the annual report or otherwise, that the SEAP acts in	(43) In order to ensure sufficient control of compliance with this Regulation, a SEAP should transmit to the Commission ~~and relevant public authorities~~ its annual report and any information about circumstances threatening to seriously jeopardise the achievement of its tasks. If the Commission obtains indications, through the annual report or otherwise, that the SEAP acts in

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		serious breach of this Regulation or other applicable law, it should request explanations and/or actions from the SEAP and/or its members. In extreme cases and if no remedial action is taken, the Commission could repeal the decision setting up the SEAP, thus triggering the winding-up of the SEAP.		serious breach of this Regulation or other applicable law, it should request explanations and/or actions from the SEAP and/or its members. In extreme cases and if no remedial action is taken, the Commission could repeal the decision setting up the SEAP, thus triggering the winding-up of the SEAP. <u>The Commission should provide the European Parliament with an annual report about the activities of all active SEAPs.</u>		serious breach of this Regulation or other applicable law, it should request explanations and/or actions from the SEAP and/or its members. In extreme cases and if no remedial action is taken, the Commission ~~could~~ should be able to repeal the decision setting up the SEAP, thus triggering the winding-up of the SEAP.		serious breach of this Regulation or other applicable law, it should request explanations ~~and/or~~ actions from the SEAP ~~and/or~~ its members. In extreme cases and if no remedial action is taken, the Commission ~~could~~ should be able to repeal the decision setting up the SEAP, thus triggering the winding-up of the SEAP. <u>The Commission should provide the European Parliament and the Council with an aggregate annual report about the activities of all active SEAPs.</u>
								Text Origin: Council Mandate
Recital 43a								
53a					(43a) Following Russia’ unprovoked and unjustified war of aggression against Ukraine, security of supply has become an increasingly important factor in Member States’ procurement decisions of defence products. As a consequence, the ability of cross-border supply chains of the Union to ensure an undisturbed supply of defence products has become a determining factor for their competitiveness. The introduction of an Union-wide security of supply regime could		<u>(43a) Following Russia’ unprovoked and unjustified war of aggression against Ukraine, security of supply has become an increasingly important factor in Member States’ procurement decisions of defence products. As a consequence, the ability of cross-border supply chains of the Union to ensure an undisturbed supply of defence products has become a determining factor for their competitiveness. The introduction of a Union-wide security of supply regime could</u>	

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						then result in positive effects on the competitiveness of the EDTIB.		<u>then result in positive effects on the competitiveness of the EDTIB.</u> Text Origin: Council Mandate
Recital 44								
54		(44) Upon the adoption of ASAP, the European Parliament and the Council called on the Commission to consider, putting forward a legal framework aimed at ensuring the security of supply (Joint Statement of 11 July 2023). This joint statement by co-legislators echoed the conclusions of the European Council in December 2013 calling for a comprehensive EU-wide Security of Supply regime and the European Parliament's recommendation of 8 June 2022 urging the Commission to present, without delay, such a regime.		(44) Upon the adoption of ASAP, the European Parliament and the Council called on the Commission to consider, putting forward a legal framework aimed at ensuring the security of supply (Joint Statement of 11 July 2023). This joint statement by co-legislators echoed the conclusions of the European Council in December 2013 calling for a comprehensive EU-wide Security of Supply regime and the European Parliament's recommendation of 8 June 2022 urging the Commission to present, without delay, such a regime.		(44) Upon the adoption of ~~ASAP~~ Regulation (EU) 2023/1525 , the European Parliament and the Council called on the Commission to consider, putting forward a legal framework aimed at ensuring the security of supply, in their Joint ~~(Joint~~ Statement of 11 July 2023). ~~This. That~~ Joint Statement ~~by co-legislators~~ echoed the conclusions of the European Council in December 2013 calling for a comprehensive ~~EU-wide~~ Union-wide security of supply regime and the recommendation of the European Parliament's ~~recommendation~~ of 8 June 2022 urging the Commission to present, without delay, such a regime. Text Origin: Council Mandate		(44) Upon the adoption of ~~ASAP~~ Regulation (EU) 2023/1525 , the European Parliament and the Council called on the Commission to consider, putting forward a legal framework aimed at ensuring the security of supply, <u>in their Joint</u> ~~(Joint~~ Statement of 11 July 2023). ~~This. That~~ Joint Statement ~~by co-legislators~~ echoed the conclusions of the European Council in December 2013 calling for a comprehensive ~~EU-wide~~ Union-wide security of supply regime and the <u>recommendation of the</u> European Parliament's ~~recommendation~~ of 8 June 2022 urging the Commission to present, without delay, such a regime. Text Origin: Council Mandate
Recital 45								
55		(45) The crisis resulting from Russia's war of aggression against Ukraine has not only demonstrated deficiencies in the Union's and Ukraine's defence industrial sector,		(45) The crisis resulting from Russia's war of aggression against Ukraine has not only demonstrated deficiencies in the Union's and Ukraine's defence industrial sector,		(45) Recent crises, such as the COVID-19 pandemic and the sharp increase in demand for certain ~~The crisis resulting from Russia's war of aggression against~~		(45) <u>Recent crises, such as the COVID-19 pandemic and the sharp increase in demand for certain</u> ~~The crisis resulting from Russia's war of aggression against~~

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	but has also posed challenges to the functioning of the internal market for defence products. Indeed, the steady degradation of the geopolitical context has already entailed a significant and lasting increase in the demand that may affect the functioning of the internal market for the production and sale of certain defence products and of their components in the Union. While certain Member States have taken or are likely to take measures to preserve their own stocks as a matter of national security, others are faced with difficulties of access to the goods needed to manufacture or acquire the relevant defence products. Sometimes, difficulties in accessing one raw material or a specific component hamper entire production chains. To ensure the functioning of the internal market under any circumstances and to make it resilient to any shock, it is necessary to establish, in a coordinated way, harmonised rules for increasing the security of supply of defence products. Those measures should be based on Article 114 TFEU.	but has also posed challenges to the functioning of the internal market for defence products. Indeed, the steady degradation of the geopolitical context has already entailed a significant and lasting increase in the demand that may affect the functioning of the internal market for the production and sale of certain defence products and of their components in the Union. While certain Member States have taken or are likely to take measures to preserve their own stocks as a matter of national security, others are faced with difficulties of access to the goods needed to manufacture or acquire the relevant defence products. Sometimes, difficulties in accessing one raw material or a specific component hamper entire production chains. To ensure the functioning of the internal market under any circumstances and to make it resilient to any shock, it is necessary to establish, in a coordinated way, harmonised rules for increasing the security of supply of defence products. Those measures should be based on Article 114 TFEU.	Ukraine has not only demonstrated deficiencies in the Union's and Ukraine's defence industrial sector, but has also posed challenges to the functioning of the internal market for defence products. Indeed, the steady degradation of the geopolitical context has already entailed a significant and lasting increase, notably ammunition, have exposed vulnerabilities of Union's supply chains in that area. They have also revealed how disruptions in the demand that may affect supply of those products or of components or raw materials critical to their production can hinder the functioning of the internal market for the production and sale of certain defence products and of their components in the Union. While certain Member States have taken or are. Those crises have highlighted the likely to take risk of emergence of diverging measures to preserve their own at national level, including for the preservation of stocks as a matter of national security and the certification of defence products, and the lack of coordination at Union level to address the	<i>Ukraine has not only demonstrated deficiencies in the Union's and Ukraine's defence industrial sector, but has also posed challenges to the functioning of the internal market for defence products. Indeed, the steady degradation of the geopolitical context has already entailed a significant and lasting increase, notably ammunition, have exposed vulnerabilities of Union's supply chains in that area. They have also revealed how disruptions in the demand that may affect supply of those products or of components or raw materials critical to their production can hinder the functioning of the internal market for the production and sale of certain defence products and of their components in the Union. While certain Member States have taken or are. Those crises have highlighted the likely to take risk of emergence of diverging measures to preserve their own at national level, including for the preservation of stocks as a matter of national security and the certification of defence products, and the lack of coordination at Union level to</i>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						shortages of products of critical importance for responding to the emerging crises, as well as of components and raw materials indispensable to their production, resulting in, others are faced with difficulties of access to the goods products, components and raw materials needed to manufacture or acquire the relevant defence products. Sometimes, difficulties in accessing one raw material or a specific component, with the concrete risk to hamper thereby entire production chains. It is crucial to prevent the emergence of obstacles to cross-border trade between Member States due to such divergences in national law which would restrict the free movement of critical products and of the related components and raw materials in To ensure the functioning of the internal market under any circumstances and to make it resilient to any shock, it is necessary to establish, in a coordinated way, harmonised rules for increasing the security of and disrupt the functioning of its supply chains. Those difficulties along the supply		<u>address the shortages of products of critical importance for responding to the emerging crises, as well as of components and raw materials indispensable to their production, resulting in, others are faced with difficulties of access to the goods products, components and raw materials needed to manufacture or acquire the relevant defence products. Sometimes, difficulties in accessing one raw material or a specific component, with the concrete risk to hamper thereby entire production chains. It is crucial to prevent the emergence of obstacles to cross-border trade between Member States due to such divergences in national law which would restrict the free movement of critical products and of the related components and raw materials in To ensure the functioning of the internal market under any circumstances and to make it resilient to any shock, it is necessary to establish, in a coordinated way, harmonised rules for increasing the security of and disrupt the functioning of its supply chains. Those difficulties along the supply chains also</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						chains also revealed a lack of crisis management tools and coordination mechanisms, insufficient information sharing as well as insufficient overview of the manufacturing capacities across the Union, in particular for defence products. Those measures should be based on Article 114 TFEU.		<u>revealed a lack of crisis management tools and coordination mechanisms, insufficient information sharing as well as insufficient overview of the manufacturing capacities across the Union, in particular for defence products.</u> ~~Those measures should be based on Article 114 TFEU.~~ Text Origin: Council Mandate
	Recital 45a							
Y	55a					(45a) The constant degradation of the security context, characterised by rising long-term threats, acceleration in the development of defence technology and innovation, and the likely increase in defence spending, is likely to trigger surges in demand for defence products and to exacerbate future supply crises of such products. It is likely that this heightened demand intensifies pressure on the Union's supply chains for defence products and, if no framework is adopted at Union level, that it results in the emergence or resurgence of diverging national measures to		<u>(45a) The constant degradation of the security context, characterised by rising long-term threats, acceleration in the development of defence technology and innovation, and the likely increase in defence spending, is likely to trigger surges in demand for defence products and to exacerbate future supply crises of such products. It is likely that this heightened demand intensifies pressure on the Union's supply chains for defence products and, if no framework is adopted at Union level, that it results in the emergence or resurgence of diverging national measures to</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						tackle shortages leading to the emergence of obstacles to the proper functioning of the internal market, undermining as a result the defence and security interests of the Union and of its Member States.		<u>tackle shortages leading to the emergence of obstacles to the proper functioning of the internal market, undermining as a result the defence and security interests of the Union and of its Member States.</u> Text Origin: Council Mandate
Recital 45b								
55b						(45b) Moreover, the rapidly evolving security environment can contribute to other crises taking a variety of forms, such as cyber-attacks on defence industries or large-scale disruptions to critical infrastructure, which would require swift and decisive coordinated responses to prevent severe disruptions to the related defence supply chains. In anticipation of heightened demand in defence products and intensified pressure on the related supply chains, the reliable functioning of those supply chains is therefore essential to ensure the proper functioning of the internal market for defence products.		<u>(45b) Moreover, the rapidly evolving security environment can contribute to other crises taking a variety of forms, such as cyber-attacks on defence industries or large-scale disruptions to critical infrastructure, which would require swift and decisive coordinated responses to prevent severe disruptions to the related defence supply chains. In anticipation of heightened demand in defence products and intensified pressure on the related supply chains, the reliable functioning of those supply chains is therefore essential to ensure the proper functioning of the internal market for defence products.</u> Text Origin: Council Mandate
Recital 45c								

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
Y		55c				(45c) As illustrated by the lessons learned from the work of the Defence Joint Procurement Task Force on coordinating very short-term defence procurement needs and from the implementation of Regulation (EU) 2023/1525, the Union's defence supply chains often have a cross-border dimension, in particular in lower tiers. It is essential to avoid that the growing complexity of Union-wide supply chains for defence products results in the lack of visibility on overall production capacities and supply chains of the EDTIB and in the inability of Member States to make informed decisions, in particular to address shortages or to mitigate a risk thereof.		Y
Recital 45c								
Y		55d				(45e) There is a concrete risk that security of supply measures adopted at national level are not sufficient to tackle effectively the abovementioned challenges in the future and that the cross-border effects on the Union-wide defence supply chains cannot sufficiently be taken into account	<u>(45e) There is a concrete risk that security of supply measures adopted at national level are not sufficient to tackle effectively the abovementioned challenges in the future and that the cross-border effects on the Union-wide defence supply chains cannot sufficiently be taken into account nor be</u>	Y

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						nor be appropriately addressed by individual Member States. In addition, uncoordinated approaches at national level, notably concerning the certification, intra-EU transfer of defence products and the prioritisation of orders with a military purpose, can have a severe negative impact on the functioning of the internal market for defence products, in particular by creating obstacles to cross-border trade, and exacerbate the overall shortages and disruptions in the supply chains.		<u>appropriately addressed by individual Member States. In addition, uncoordinated approaches at national level, notably concerning the certification, intra-EU transfer of defence products and the prioritisation of orders with a military purpose, can have a severe negative impact on the functioning of the internal market for defence products, in particular by creating obstacles to cross-border trade, and exacerbate the overall shortages and disruptions in the supply chains.</u> Text Origin: Council Mandate
Recital 45d								
55e						(45f) In light of the abovementioned challenges, it appears necessary and appropriate to set up a Union-wide security of supply regime aimed at increasing the security of supply of defence products in order to ensure the proper functioning of the internal market and make it resilient to any shock. In this context, it is essential to provide for coordination measures and to		<u>(45f) In light of the abovementioned challenges, it appears necessary and appropriate to set up a Union-wide security of supply regime aimed at increasing the security of supply of defence products in order to ensure the proper functioning of the internal market and make it resilient to any shock. In this context, it is essential to provide for coordination measures and to prepare for and respond to</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						prepare for and respond to the impact of future supply crises on the internal market for defence products; to ensure security of supply of defence product, components and raw materials thereof, and any products and services critical to their production, whose availability is indispensable to ensure the proper functioning of the internal market and its supply chains and must be guaranteed to respond to a supply crisis ('crisis-relevant products'); and to prevent the creation of obstacles to, and ensure the proper functioning of, the internal market for defence products. Those measures should be based on Article 114 TFEU.		<u>the impact of future supply crises on the internal market for defence products; to ensure security of supply of defence product, components and raw materials thereof, and any products and services critical to their production, whose availability is indispensable to ensure the proper functioning of the internal market and its supply chains and must be guaranteed to respond to a supply crisis ('crisis-relevant products');</u> <u>and to prevent the creation of obstacles to, and ensure the proper functioning of, the internal market for defence products.</u> <u>Those measures should be based on Article 114 TFEU.</u> Text Origin: Council Mandate
		Recital 45e						
Y		55f				(45h) Directive 2009/81/EC concerns, amongst other things, the establishment of an appropriate legislative framework, which is a prerequisite for the creation of a European defence equipment market, on the coordination of procurement procedures for the award of contracts to meet the		<u>(45h) Directive 2009/81/EC concerns, amongst other things, the establishment of an appropriate legislative framework, which is a prerequisite for the creation of a European defence equipment market, on the coordination of procurement procedures for the award of contracts to meet the security</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						security requirements of Member States and the obligations arising from the TFEU. To this aim, that Directive caters, in particular, for addressing crisis situations, notably by providing specific provisions applicable in cases of urgency resulting from a crisis, such as shortening periods for the receipt of tenders and the possibility to use the negotiated procedure without prior publication of a contract notice. However, in certain cases of urgency, those rules might be insufficient, especially where the urgency resulting from the crisis can be addressed only by having two or more Member States engaging in a common procurement. In those cases, often the only solution that ensures the security interests of those Member States is to open an existing framework agreement to contracting authorities of Member States that were not originally party to it, even though that possibility had not been provided for in the original framework agreement. As those possibilities are not		<u>requirements of Member States and the obligations arising from the TFEU. To this aim, that Directive caters, in particular, for addressing crisis situations, notably by providing specific provisions applicable in cases of urgency resulting from a crisis, such as shortening periods for the receipt of tenders and the possibility to use the negotiated procedure without prior publication of a contract notice. However, in certain cases of urgency, those rules might be insufficient, especially where the urgency resulting from the crisis can be addressed only by having two or more Member States engaging in a common procurement. In those cases, often the only solution that ensures the security interests of those Member States is to open an existing framework agreement to contracting authorities of Member States that were not originally party to it, even though that possibility had not been provided for in the original framework agreement. As those possibilities are not foreseen in Directive 2009/81/EC at the moment of the</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						foreseen in Directive 2009/81/EC at the moment of the entry into force of this Regulation, the latter provides for the possibility to complement or derogate from the provision of that Directive in cases of an urgency resulting from a crisis, provided that the agreement of the undertaking which concluded the framework agreement is obtained.		<u>entry into force of this Regulation, the latter provides for the possibility to complement or derogate from the provision of that Directive in cases of an urgency resulting from a crisis, provided that the agreement of the undertaking which concluded the framework agreement is obtained.</u> Text Origin: Council Mandate
Recital 45f								
55g						(45i) In accordance with the case law of the Court of Justice of the European Union, modifications to a public contract are to be strictly limited to what is absolutely necessary in the circumstances, while complying to the maximum extent possible with the principles of non-discrimination, transparency and proportionality. In that regard, it should be possible to derogate from Directive 2009/81/EC by increasing the quantities provided for in a framework agreement by up to 100 % of the value of that framework agreement when opening it to contracting authorities of other		<u>(45i) In accordance with the case law of the Court of Justice of the European Union, modifications to a public contract are to be strictly limited to what is absolutely necessary in the circumstances, while complying to the maximum extent possible with the principles of non-discrimination, transparency and proportionality. In that regard, it should be possible to derogate from Directive 2009/81/EC by increasing the quantities provided for in a framework agreement by up to 100 % of the value of that framework agreement when opening it to contracting authorities of other Member States, in so far as such increase</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement	
						Member States, in so far as such increase is strictly necessary for the opening of the framework agreement to those contracting authorities. With respect to those additional quantities, those contracting authorities should enjoy the same conditions as the original contracting authority that concluded the original framework agreement. In addition, appropriate transparency measures should be taken to ensure that all potentially interested parties are informed.		<u>is strictly necessary for the opening of the framework agreement to those contracting authorities. With respect to those additional quantities, those contracting authorities should enjoy the same conditions as the original contracting authority that concluded the original framework agreement. In addition, appropriate transparency measures should be taken to ensure that all potentially interested parties are informed.</u> Text Origin: Council Mandate	
Recital 45g									
Y		55h				(45j) Over the last years, Member States have increasingly engaged in defence cooperation, notably with a view to make their military capabilities converge. Union processes such as the Coordinated Annual Review on Defence and the Permanent Structured Cooperation have, in particular, the purpose of supporting the implementation of relevant priorities by identifying and taking up opportunities for enhanced defence cooperation with a view		<u>(45j) Over the last years, Member States have increasingly engaged in defence cooperation, notably with a view to make their military capabilities converge. Union processes such as the Coordinated Annual Review on Defence and the Permanent Structured Cooperation have, in particular, the purpose of supporting the implementation of relevant priorities by identifying and taking up opportunities for enhanced defence cooperation with a view to fulfilling the</u>	Y

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						to fulfilling the Union's level of ambition in the area of security and defence. The constant deterioration of the geopolitical environment and the extreme volatility of the international environment make the development of operational cooperation even more necessary. To be effective, a defence cooperation may require that the armed forces of cooperating Member States use the exact same defence product or, at least, products so close that they are interchangeable. In such cases, a Member State participating in the establishment or joining such a cooperation initiative, which goes beyond a mere cooperative procurement of defence products, should be allowed to derogate from the principles of transparency and competition and to directly award a contract without prior competition or publication of a contract notice to the undertaking from the EDTIB which produces this product, provided that this is necessary for the implementation of the defence cooperation		<u>Union's level of ambition in the area of security and defence. The constant deterioration of the geopolitical environment and the extreme volatility of the international environment make the development of operational cooperation even more necessary. To be effective, a defence cooperation may require that the armed forces of cooperating Member States use the exact same defence product or, at least, products so close that they are interchangeable. In such cases, a Member State participating in the establishment or joining such a cooperation initiative, which goes beyond a mere cooperative procurement of defence products, should be allowed to derogate from the principles of transparency and competition and to directly award a contract without prior competition or publication of a contract notice to the undertaking from the EDTIB which produces this product, provided that this is necessary for the implementation of the defence cooperation concerned.</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
					concerned.			
Recital 45h								
55i					(45k) Given the security context and the existing and foreseeable tensions and bottlenecks on the internal market for defence products and its supply chains, arising in particular from the mismatch between limited manufacturing capacities in the Union and the surge in demand since the beginning of the Russian war of aggression against Ukraine, it is necessary to provide for a set of measures enabling the Union to anticipate, prepare for and mitigate risks of serious disruptions in the supply of defence products that would result or would likely result in the adoption of divergent national measures leading to a severe negative impact on the proper functioning of the internal market.		<u>(45k) Given the security context and the existing and foreseeable tensions and bottlenecks on the internal market for defence products and its supply chains, arising in particular from the mismatch between limited manufacturing capacities in the Union and the surge in demand since the beginning of the Russian war of aggression against Ukraine, it is necessary to provide for a set of measures enabling the Union to anticipate, prepare for and mitigate risks of serious disruptions in the supply of defence products that would result or would likely result in the adoption of divergent national measures leading to a severe negative impact on the proper functioning of the internal market.</u>	
Recital 46								
56		(46) To pursue the general public policy objective of security, it is necessary that production facilities related to the production		(46) To pursue the general public policy objective of security, it is necessary that production facilities related to the production		deleted		deleted

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	of relevant defence products are set up as quickly as possible, while keeping the administrative burden to a minimum. For that reason, Member States should treat applications related to the planning, construction and operation of plants and installations for the production of relevant defence products in the most rapid manner possible. Such applications should be given priority when balancing legal interests in the individual case.	of relevant defence products are set up as quickly as possible, while keeping the administrative burden to a minimum. For that reason, Member States should treat applications related to the planning, construction and operation of plants and installations for the production of relevant defence products in the most rapid manner possible. Such applications should be given priority when balancing legal interests in the individual case.		
Recital 47				
57	(47) In view of the objective of this Regulation, and of the emergency situation and the exceptional context of its adoption, Member States should consider using defence-related exemptions under national and applicable Union law, on a case-by-case basis, if they deem that the use of such exemptions would facilitate the achievement of that objective. That could in particular apply to Union law concerning environmental, health and safety issues, which is indispensable to improving the protection of human health and the environment, as well as to	(47) In view of the objective of this Regulation, and of the emergency situation and the exceptional context of its adoption, Member States should consider using defence-related exemptions under national and applicable Union law, on a case-by-case basis, if they deem that the use of such exemptions would facilitate the achievement of that objective. That could in particular apply to Union law concerning environmental, health and safety issues, which is indispensable to improving the protection of human health and the environment, as well as to	<i>deleted</i>	<i>deleted</i>

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	achieving a sustainable and safe development. However, the implementation of that law could also produce regulatory barriers hampering the Union defence industry's potential to ramp up the production and deliveries of relevant defence products. It is a collective responsibility for the Union and its Member States to urgently look into any action they could take to mitigate possible obstacles. Any such action, whether at Union, regional, or national level, should not compromise the environment, health and safety.	achieving a sustainable and safe development. However, the implementation of that law could also produce regulatory barriers hampering the Union defence industry's potential to ramp up the production and deliveries of relevant defence products. It is a collective responsibility for the Union and its Member States to urgently look into any action they could take to mitigate possible obstacles. Any such action, whether at Union, regional, or national level, should not compromise the environment, health and safety.		
Recital 48				
58	(48) Directive 2009/81/EC of the European Parliament and of the Council aims at harmonising procurement procedures for the award of public contracts in the field of defence and security thus enabling the security requirements of Member States and the obligations arising from the TFEU to be met. That Directive contains, in particular, specific provisions governing situations of urgency resulting from a crisis, in particular shortened periods for the receipt of	(48) Directive 2009/81/EC of the European Parliament and of the Council aims at harmonising procurement procedures for the award of public contracts in the field of defence and security thus enabling the security requirements of Member States and the obligations arising from the TFEU to be met. That Directive contains, in particular, specific provisions governing situations of urgency resulting from a crisis, in particular shortened periods for the receipt of	<i>deleted</i>	<i>deleted</i>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	tenders and the possibility to use the negotiated procedure without prior publication of a contract notice. However, in extreme urgency, in particular during supply and security crises, these rules could be incompatible even with those provisions in cases where two or more Member States intend to engage in a common procurement. In some cases, the only solution that ensures the security interests of those Member States is to open an existing framework agreement to contracting authorities/entities of Member States that were not originally party to it, even though that possibility had not been provided for in the original framework agreement.	tenders and the possibility to use the negotiated procedure without prior publication of a contract notice. However, in extreme urgency, in particular during supply and security crises, these rules could be incompatible even with those provisions in cases where two or more Member States intend to engage in a common procurement. In some cases, the only solution that ensures the security interests of those Member States is to open an existing framework agreement to contracting authorities/entities of Member States that were not originally party to it, even though that possibility had not been provided for in the original framework agreement.		
<i>Recital 49</i>				
59	(49) In accordance with the case law of the Court of Justice of the European Union, modifications to a public contract are to be strictly limited to what is absolutely necessary in the circumstances, while complying to the maximum extent possible with the principles of non-discrimination, transparency and	(49) In accordance with the case law of the Court of Justice of the European Union, modifications to a public contract are to be strictly limited to what is absolutely necessary in the circumstances, while complying to the maximum extent possible with the principles of non-discrimination, transparency and	<i>deleted</i>	<i>deleted</i>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	proportionality. In that regard, it should be possible to derogate from Directive 2009/81/EC by increasing the quantities provided for in a framework agreement while opening it to contracting authorities/entities of other Member States. With respect to those additional quantities, those contracting authorities/entities should enjoy the same conditions as the original contracting authority/entity that concluded the original framework agreement. In such cases, the original contracting authority/entity should also allow any economic operator who fulfils the contracting authority's/entity's conditions initially laid down in the procurement procedure for the framework agreement, including requirements for qualitative selections as referred to in Articles 39 to 46 of Directive 2009/81/EC, to join that framework agreement. In addition, appropriate transparency measures should be taken to ensure that all potentially interested parties are informed.	proportionality. In that regard, it should be possible to derogate from Directive 2009/81/EC by increasing the quantities provided for in a framework agreement while opening it to contracting authorities/entities of other Member States. With respect to those additional quantities, those contracting authorities/entities should enjoy the same conditions as the original contracting authority/entity that concluded the original framework agreement. In such cases, the original contracting authority/entity should also allow any economic operator who fulfils the contracting authority's/entity's conditions initially laid down in the procurement procedure for the framework agreement, including requirements for qualitative selections as referred to in Articles 39 to 46 of Directive 2009/81/EC, to join that framework agreement. In addition, appropriate transparency measures should be taken to ensure that all potentially interested parties are informed.		
	<i>Recital 50</i>			
60	(50) While the response of the EU and its Member States to the	(50) While the response of the EU and its Member States to the	<i>deleted</i>	<i>deleted</i>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	immediate challenge of the Russian war of aggression against Ukraine has been rapid and decisive, it is time for the EU to move from the emergency response to building the EU's long-term readiness. Resilience is a precondition of the EDTIB's readiness and competitiveness. The EU has already developed tools and frameworks to increase industrial readiness and resilience to tackle future crisis situations. However, such measures are not available to support the EDTIB.	immediate challenge of the Russian war of aggression against Ukraine has been rapid and decisive, it is time for the EU to move from the emergency response to building the EU's long-term readiness. Resilience is a precondition of the EDTIB's readiness and competitiveness. The EU has already developed tools and frameworks to increase industrial readiness and resilience to tackle future crisis situations. However, such measures are not available to support the EDTIB.		
Recital 51				
61	(51) It is therefore necessary to set up a modular and gradual EU Security of Supply regime to enhance solidarity and effectiveness in response to tensions along the supply chains or to security crises and allow for the timely identification of potential bottlenecks. Such a regime should enable the EU and its Member States to anticipate and address the consequences of supply crises, where shortages of civilian or dual-use components, or of raw materials, seriously threaten the timely availability and supply of	(51) It is therefore necessary to set up a modular and gradual EU Security of Supply regime to enhance solidarity and effectiveness in response to tensions along the supply chains or to security crises and allow for the timely identification of potential bottlenecks. Such a regime should enable the EU and its Member States to anticipate and address the consequences of supply crises, where shortages of civilian or dual-use components, or of raw materials, seriously threaten the timely availability and supply of	deleted	deleted

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	defence products , and also the consequences of supply crises which are directly linked to the existence of a security crisis within the Union or its neighbourhood and which result in shortages of certain defence products.	defence products , and also the consequences of supply crises which are directly linked to the existence of a security crisis within the Union or its neighbourhood and which result in shortages of certain defence products.		
Recital 52				
62	(52) To enable anticipation of potential shortages, national competent authorities should alert the Commission if they become aware of a risk of serious disruption in the supply of crisis relevant products or have concrete and reliable information of any other relevant risk factor or event materialising. In order to ensure a coordinated approach, the Commission should, where it learns of a risk of serious disruption in the supply of defence products or has concrete or reliable information of any other relevant risk factor or event materialising, convene an extraordinary meeting of the Defence Industrial Readiness Board to discuss the severity of the disruptions and possible initiating of the procedure for activating the supply crisis state, and whether it may be appropriate, necessary and	(52) To enable anticipation of potential shortages, national competent authorities should alert the ~~Commission~~ <u>Defence Industrial Readiness Board</u> if they become aware of a risk of serious disruption in the supply of crisis relevant products or have concrete and reliable information of any other relevant risk factor or event materialising. In order to ensure a coordinated approach, the Commission should, where it learns of a risk of serious disruption in the supply of defence products or has concrete or reliable information of any other relevant risk factor or event materialising, convene an extraordinary meeting of the Defence Industrial Readiness Board to discuss the severity of the disruptions and possible initiating of the procedure for activating the supply crisis state, and whether it	deleted	deleted

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	proportionate for Member States to enter into dialogue with stakeholders, with a view to identifying, preparing and possibly coordinating such preventive measures. The Commission should, where relevant, consult and cooperate with relevant third countries with a view to jointly addressing supply-chain disruptions, in compliance with international obligations and without prejudice to procedural requirements.	may be appropriate, necessary and proportionate for Member States to enter into dialogue with stakeholders, with a view to identifying, preparing and possibly coordinating such preventive measures. The Commission should, where relevant, consult and cooperate with relevant third countries with a view to jointly addressing supply-chain disruptions, in compliance with international obligations and without prejudice to procedural requirements.		
Recital 53				
63	(53) In light of the complexities of defence supply chains and the risk of shortages in a foreseeable future, this Regulation should provide instruments for a coordinated approach to mapping and monitoring of the supply chains of certain defence products and effectively tackling possible market disruptions in a proportionate manner.	(53) In light of the complexities of defence supply chains and the risk of shortages in a foreseeable future, this Regulation should provide instruments for a coordinated approach to mapping and monitoring of the supply chains of certain defence products and effectively tackling possible market disruptions in a proportionate manner.	(53) The ability of the Union to anticipate and address crises in the supply of defence products affecting the proper functioning of the internal market depends on the knowledge and surveillance, at Union level, of the structure, strengths and weaknesses of the Union's supply chains of such products. In light of the complexities of defence supply chains and of the existing tensions and the risk of shortages in a foreseeable future, this Regulation should along those supply chains, it is necessary to	(53) <u>The ability of the Union to anticipate and address crises in the supply of defence products affecting the proper functioning of the internal market depends on the knowledge and surveillance, at Union level, of the structure, strengths and weaknesses of the Union's supply chains of such products.</u> In light of the complexities of defence supply chains and <u>of the existing tensions and the risk of shortages in a foreseeable future, this Regulation should</u> along those supply chains, <u>it is necessary to</u> provide

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						provide instruments for a continued coordinated approach to mapping and monitoring of the Union's supply chains of ~~certain~~ defence ~~the crisis-relevant~~ products. Mapping and monitoring should, in that perspective, focus on products ~~and effectively tackling possible~~ whose serious disruption or imminent risk of such disruption would result or likely result in divergent national measures leading to a severe negative impact on the proper functioning of the internal market ~~disruptions in a proportionate manner, in~~ particular obstacles to cross-border trade.		instruments for a <u>continued</u> coordinated approach to mapping and monitoring of the <u>Union's</u> supply chains of ~~certain~~ <u>defence</u> ~~the~~ <u>crisis-relevant products. Mapping and monitoring should, in that perspective, focus on</u> products ~~and effectively tackling possible~~ <u>whose serious disruption or imminent risk of such disruption would result or likely result in divergent national measures leading to a severe negative impact on the proper functioning of the internal market</u> ~~disruptions in a proportionate manner, in~~ <u>particular obstacles to cross-border trade.</u>
								Text Origin: Council Mandate
		Recital 54						
64		(54) The objective of a mapping of the Union's defence supply chains should be to provide an analysis of their strengths and weaknesses with a view to ensure security of supply and resilience. To that end, the Commission should identify products, components as well as raw materials that are deemed critical for the supply of defence products		(54) The objective of a mapping of the Union's defence supply chains should be to provide an analysis of their ~~strengths and weaknesses~~ <u>position in the global value chains</u> with a view to ensure security of supply and resilience. To that end, the Commission ~~should identify products, components as well as raw materials that are deemed critical~~		(54) For the purposes of ~~The objective of a mapping of the Union's defence supply chains should be to provide an analysis of their strengths and weaknesses with a view to ensure security of supply and resilience. To that end, the Commission should identify products, components as well as raw materials that are deemed critical for the supply of defence~~		(54) <u>For the purposes of</u> ~~The objective of a mapping of the Union's defence supply chains should be to provide an analysis of their strengths and weaknesses with a view to ensure security of supply and resilience. To that end, the Commission should identify products, components as well as raw materials that are deemed critical for the supply of defence~~

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement	
		particularly important for the defence interests of the Union and its Member States (crisis-relevant products), based on the inputs and advice from the Defence Industrial Readiness Board. The mapping should be based on publicly and commercially available data and, if necessary, on data obtained through voluntary information requests of undertakings, in consultation with the Defence Industrial Readiness Board.		~~for the supply of defence products particularly important for the defence interests of the Union and its~~ <u>together with the</u> Member States ~~(and the European Defence Agency should carry out a mapping of the Union's defence supply chains and develop a framework and methodology for the identification of~~ crisis-relevant products), ~~based on the inputs and advice from the Defence Industrial Readiness Board, with an emphasis on identifying bottlenecks, as well as their related manufacturing capacities in the Union.~~ The mapping should be based on publicly and commercially available data and, if necessary, on data obtained through voluntary information requests ~~of undertakings~~ <u>to Member States</u> , in consultation with the Defence Industrial Readiness Board.		products particularly important for the defence interests of the Union and its Member States ~~(and~~ regularly update a list of crisis-relevant products), based on the inputs and advice from the Defence Industrial Readiness Board. The mapping, focusing on possible disruptions or bottlenecks affecting the security of supply of such products. The identification of those products by the Commission should be based on publicly and commercially data provided by Member States and stemming from the identification of the relevant manufacturing capacities and supply chains. In order to ensure the exhaustiveness of aggregated data, the Commission should cross-check those data, using, for that purpose, available data ~~and as well as~~ , if necessary, ~~on~~ data obtained through voluntary information requests of undertakings, ~~in consultation with the Defence Industrial Readiness Board.~~		~~products particularly important for the defence interests of the Union and its Member States (and~~ regularly update a list of crisis-relevant products), ~~based on the inputs and advice from the Defence Industrial Readiness Board. The mapping, focusing on possible disruptions or bottlenecks affecting the security of supply of such products. The identification of those products by the Commission~~ should be based on ~~publicly and commercially data~~ provided by Member States and ~~stemming from the identification of the relevant manufacturing capacities and supply chains. In order to ensure the exhaustiveness of aggregated data, the Commission should cross-check those data, using, for that purpose, available data~~ ~~and as well as~~ , if necessary, ~~on~~ data obtained through voluntary information requests of undertakings, ~~in consultation with the Defence Industrial Readiness Board.~~ Text Origin: Council Mandate	
	Recital 54a								
Y	64a				(54a)	The Commission should		<u>(54a)</u> <u>The Commission should</u>	Y

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						provide for a framework and a methodology to identify crisis-relevant products. In order to ensure the efficiency of the mapping, that framework and that methodology should be defined in a way that avoid an unnecessary administrative burden on Member States. Hence, they should build upon existing national frameworks and methodologies that Member States would share with the Commission. That framework and that methodology should, in the first place, focus on existing bottlenecks along defence supply-chains and lead to the identification of the manufacturing capacities and supply chains thereof.		<u>provide for a framework and a methodology to identify crisis-relevant products. In order to ensure the efficiency of the mapping, that framework and that methodology should be defined in a way that avoid an unnecessary administrative burden on Member States. Hence, they should build upon existing national frameworks and methodologies that Member States would share with the Commission. That framework and that methodology should, in the first place, focus on existing bottlenecks along defence supply-chains and lead to the identification of the manufacturing capacities and supply chains thereof.</u> Text Origin: Council Mandate
Recital 54b								
y	64b					(54-a) As part of the mapping, the Commission should also identify and develop a list of early-warning indicators aimed at identifying factors that may disrupt, compromise or negatively affect the supply of such products. Such indicators could include atypical increases		<u>(54-a) As part of the mapping, the Commission should also identify and develop a list of early-warning indicators aimed at identifying factors that may disrupt, compromise or negatively affect the supply of such products. Such indicators could include atypical increases in lead time, the</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						in lead time, the availability of raw materials, intermediate products and human capital needed for manufacturing crisis-relevant products or of appropriate manufacturing equipment; forecasted demand, price surges exceeding normal price fluctuation, 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, offshoring or acquisitions of main suppliers of crisis-relevant products. Monitoring activities of the Commission should focus on those early-warning indicators, which may involve, if necessary, requests for voluntary information to relevant actors.		<u>availability of raw materials, intermediate products and human capital needed for manufacturing crisis-relevant products or of appropriate manufacturing equipment; forecasted demand, price surges exceeding normal price fluctuation, 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, offshoring or acquisitions of main suppliers of crisis-relevant products. Monitoring activities of the Commission should focus on those early-warning indicators, which may involve, if necessary, requests for voluntary information to relevant actors.</u> Text Origin: Council Mandate
Recital 54c								
64c						(54-b) In order to minimise the burden for undertakings responding to the monitoring and to ensure that the acquired information can be compiled in a meaningful way, the Commission should provide for standardised		<u>(54-b) In order to minimise the burden for undertakings responding to the monitoring and to ensure that the acquired information can be compiled in a meaningful way, the Commission should provide for standardised</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						and secure means for any information collection. Those means should ensure that any collected information is treated confidentially, ensuring business secrecy and cybersecurity. Similarly, in order to limit the administrative burden for national administrations, Member States should be allowed to request the European Commission to perform the tasks they have been entrusted with for the purpose of the mapping of supply chains of defence products.		<u>and secure means for any information collection. Those means should ensure that any collected information is treated confidentially, ensuring business secrecy and cybersecurity. Similarly, in order to limit the administrative burden for national administrations, Member States should be allowed to request the European Commission to perform the tasks they have been entrusted with for the purpose of the mapping of supply chains of defence products.</u> Text Origin: Council Mandate
Recital 54d								
64d						(54c) On the basis of the list of crisis-relevant products identified by the Commission, Member States should identify on their territory the main suppliers of such products. The list of such suppliers should be transmitted to the Commission to ensure an efficient coordinated approach at Union level. In order to be able to identify and report on any event that may cause negative and lasting consequences on the timely		<u>(54c) On the basis of the list of crisis-relevant products identified by the Commission, Member States should identify on their territory the main suppliers of such products. The list of such suppliers should be transmitted to the Commission to ensure an efficient coordinated approach at Union level. In order to be able to identify and report on any event that may cause negative and lasting consequences on the timely availability and supply of those</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			availability and supply of those products, Member States should monitor the integrity of the activity of such suppliers in light of the early-warning indicators identified by the Commission.	<u>products, Member States should monitor the integrity of the activity of such suppliers in light of the early-warning indicators identified by the Commission. The main suppliers of crisis-relevant products should also inform the Member State in whose territory they are established if they detect disruptions of supply which may significantly affect their activities related to the production of crisis-relevant products.</u>
Recital 55				
65	(55) In order to forecast and prepare for future disruptions of the different stages of the Union's defence supply chains and of trade within the Union, the Commission should, assisted by the Defence Industrial Readiness Board and on the basis of the outcome of the mapping, identify and develop a list of early warning indicators. Such indicators could include atypical increases in lead time, the availability of raw materials, intermediate products and human capital needed for manufacturing crisis-relevant products, or appropriate manufacturing equipment, forecasted demand,	(55) In order to forecast and prepare for future disruptions of the different stages of the Union's defence supply chains and of trade within the Union, the Commission should, assisted by the Defence Industrial Readiness Board and on the basis of the outcome of the mapping, identify and develop a list of early warning indicators. Such indicators could include atypical increases in lead time, the availability of raw materials, intermediate products and human capital needed for manufacturing crisis-relevant products, or appropriate manufacturing equipment, forecasted demand,	(55) ~~In order to forecast and prepare for future disruptions~~ As part of the ~~different stages~~ crisis preparedness framework, this Regulation should also enable to carry out stress tests and simulations, building in particular on the advice of the Union's Defence Security of Supply Board concerning critically important topics for defence supply chains and of trade within the Union. In this context, the Commission should, assisted by the Defence Industrial Readiness Board and on the basis of the outcome of the mapping, identify and develop scenarios and	(55) ~~In order to forecast and prepare for future disruptions~~ As part of the ~~different stages~~ crisis preparedness framework, this Regulation should also enable to carry out stress tests and simulations, building in particular on the advice of the Union's Defence Security of Supply Board concerning critically important topics for defence supply chains ~~and of trade within the Union.~~ In this context, the Commission should, ~~assisted by the Defence Industrial Readiness Board and on the basis of the outcome of the mapping,~~ identify and develop <u>scenarios and</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	price surges exceeding normal price fluctuation, the effect of security crises, 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, offshoring or acquisitions of key market actors. Monitoring activities of the Commission should focus on these early warning indicators.	price surges exceeding normal price fluctuation, the effect of security crises, 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, offshoring or acquisitions of key market actors. Monitoring activities of the Commission <u>and the Member States</u> should focus on these early warning indicators, <u>with the Member States being in charge of the monitoring at national level.</u>	parameters that capture the particular risks associated with a crisis in the supply of a list of early warning indicators. Such indicators could include atypical increases in lead time, the availability of raw materials, intermediate products and human capital needed for manufacturing crisis-relevant products, or appropriate manufacturing equipment, forecasted demand, price surges exceeding normal price fluctuation, the effect of security crises, accidents, attacks, natural disasters or. In order to ensure the crisis preparedness of all relevant actors, it is necessary that all Member States and, where relevant, the High Representative, the EDA as well as other serious events, the effect of trade policies, tariffs, export restrictions, trade barriers and other trade-related measures, and the effect of business closures, offshoring or acquisitions of key market relevant actors, are invited to take part in those stress tests. In this context, Monitoring activities of the Commission should focus on these early warning indicators facilitate and	<u>parameters that capture the particular risks associated with a crisis in the supply of a list of early warning indicators. Such indicators could include atypical increases in lead time, the availability of raw materials, intermediate products and human capital needed for manufacturing crisis-relevant products, or appropriate manufacturing equipment, forecasted demand, price surges exceeding normal price fluctuation, the effect of security crises, accidents, attacks, natural disasters or. In order to ensure the crisis preparedness of all relevant actors, it is necessary that all Member States and, where relevant, the High Representative, the EDA as well as</u> other serious events, the effect of trade policies, tariffs, export restrictions, trade barriers and other trade-related measures, and the effect of business closures, offshoring or acquisitions of key market <u>relevant actors, are invited to take part in those stress tests. In this context, Monitoring activities of the Commission should focus on these early warning indicators facilitate and encourage the development of</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						encourage the development of strategies for emergency preparedness, including strategies for crisis communication and exchanging information about applicable restrictions in challenging circumstances. Given the sensitivity of information related to supply-chains bottlenecks for the defence and security interests of the Union and its Member States, the results of those stress tests should constitute classified information.		<u>strategies for emergency preparedness, including strategies for crisis communication and exchanging information about applicable restrictions in challenging circumstances. Given the sensitivity of information related to supply-chains bottlenecks for the defence and security interests of the Union and its Member States, the results of those stress tests should constitute classified information.</u> Text Origin: Council Mandate
Recital 55a								
65a				<u>(55a) As part of the crisis preparedness framework, this Regulation should also enable the Commission to carry out stress tests and simulations, building in particular on the advice of the Defence Industrial Readiness Board concerning critically important topics for defence supply chains. In this context, the Commission should develop scenarios and parameters that capture the particular risks associated with a crisis in the supply of crisis-relevant products. In order to ensure the crisis</u>				

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>preparedness of all relevant actors, it is necessary that all Member States and, where relevant, the High Representative, the European Defence Agency as well as other relevant actors, are invited to take part in those stress tests. In this context, the Commission should facilitate and encourage the development of strategies for emergency preparedness, including strategies for crisis communication and exchanging information about applicable restrictions in challenging circumstances. Given the sensitivity of information related to supply-chains bottlenecks for the defence and security interests of the Union and its Member States, the participation of Member States to those stress tests is voluntary, and the results of those stress tests should constitute classified information.</u>				
Recital 56								
66	(56)	In order to minimise the burden for undertakings responding to the monitoring and to ensure that the acquired information can be compiled in a	(56)	In order to minimise the burden for undertakings responding to the monitoring and to ensure that the acquired information can be compiled in a	(56)	~~In order to minimise the burden for undertakings responding~~ The lack of transparency on the identity of certification authorities and	(56)	~~In order to minimise the burden for undertakings responding~~ <u>The lack of transparency on the identity of certification authorities and</u>

CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
	meaningful way, the Commission should provide for standardised and secure means for any information collection. These means should ensure that any collected information is treated confidentially, ensuring business secrecy and cybersecurity.		meaningful way, the Commission should provide for standardised and secure means for any information collection. These means should ensure that any collected information is treated confidentially, ensuring business secrecy and cybersecurity.		certification procedures of defence products within the Union results in a limited cross-certification of defence products, hence leading to the monitoring and to ensure that the acquired further fragmentation of the internal market for defence products, in particular in times of supply crises, as illustrated by the 2023 ammunition supply crisis. As part of the preparedness framework, it is therefore necessary to increase transparency on national certification processes and facilitate information can be compiled in a meaningful way sharing between certification authorities, with a view to easing cross-certification of defence products and fostering the movement of such products on the internal market. For that purpose, the Commission should provide for standardised and secure means for any information collection. These means should ensure that any collected information is treated confidentially, ensuring business secrecy and cybersecurity draw and keep updated a list of		<u>certification procedures of defence products within the Union results in a limited cross-certification of defence products, hence leading to the monitoring and to ensure that the acquired further fragmentation of the internal market for defence products, in particular in times of supply crises, as illustrated by the 2023 ammunition supply crisis. As part of the preparedness framework, it is therefore necessary to increase transparency on national certification processes and facilitate information can be compiled in a meaningful way sharing between certification authorities, with a view to easing cross-certification of defence products and fostering the movement of such products on the internal market. For that purpose, the Commission should provide for standardised and secure means for any information collection. These means should ensure that any collected information is treated confidentially, ensuring business secrecy and cybersecurity draw and keep updated a list of national certification authorities.</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						national certification authorities.		Text Origin: Council Mandate
Recital 57								
67		(57) On this basis, the Commission should draw up a list, identifying the crisis-relevant defence products, raw materials or components thereof, that are affected by disruptions or potential disruptions of the functioning of the Single Market and its supply chains leading to significant shortages. The Commission should regularly update this list, to focus only on possible disruptions or bottlenecks affecting the security of supply of relevant defence products, as well as raw materials and components thereof.		(57) On this basis, the Commission, <u>together with the European Defence Agency and after consulting the Defence Industrial Readiness Board,</u> should draw up a list, identifying the crisis-relevant defence products, raw materials or components thereof, that are affected by disruptions or potential disruptions of the functioning of the Single Market and its supply chains leading to significant shortages. The Commission should regularly update this list, to focus only on possible disruptions or bottlenecks affecting the security of supply of relevant defence products, as well as raw materials and components thereof.		(57) On this basis, the Commission should draw up a list, identifying the ~~the~~ In order to reduce the risk of shortages in the supply of crisis-relevant defence products, it is necessary to accelerate the ramp-up of production facilities related to the production of those products, raw materials or components thereof, that are affected by disruptions or potential disruptions of the functioning of the Single Market and its supply chains leading to significant shortages. ~~The Commission~~ in particular by ensuring an efficient and timely administrative treatment of any related application. For that reason, Member States should regularly update this list, to focus only on allocate the highest possible disruptions or bottlenecks affecting the security of supply of relevant defence significance status, where such a status exists in national law, to the construction and operation of plants and installations for the		(57) ~~On this basis, the Commission should draw up a list, identifying the~~ In order to reduce the risk of shortages in the supply of crisis-relevant defence products, it is necessary to accelerate the ramp-up of production facilities related to the production of those products, ~~raw materials or components thereof, that are affected by disruptions or potential disruptions of the functioning of the Single Market and its supply chains leading to significant shortages. The Commission~~ in particular by ensuring an efficient and timely administrative treatment of any related application. For that reason, Member States should regularly update this list, to focus only on allocate the highest possible disruptions or bottlenecks affecting the security of supply of relevant defence significance status, where such a status exists in national law, to the construction and operation of plants and installations for the production of

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						production of crisis-relevant products, as well as raw materials and components thereof.		<u>crisis-relevant</u> products, ~~as well as raw materials and components thereof.~~ Text Origin: Council Mandate
Recital 57a								
67a						(57a) To enable the Union to mitigate the risk of a supply crisis break out, competent authorities of Member States should alert the Defence Security of Supply Board where they become aware of a risk of serious disruption in the supply of crisis-relevant products or have concrete and reliable information of any other relevant risk factor or event materialising. In order to ensure a coordinated approach for the purpose of mitigating such risk, the Commission should, when it becomes aware of such risk, carry out preventive actions, such as convening an extraordinary meeting of the Defence Security of Supply Board to discuss the severity of the possible disruptions as well as possible responses and, where relevant, consulting relevant third countries and international		<u>(57a) To enable the Union to mitigate the risk of a supply crisis break out, competent authorities of Member States should alert the Defence Security of Supply Board where they become aware of a risk of serious disruption in the supply of crisis-relevant products or have concrete and reliable information of any other relevant risk factor or event materialising. In order to ensure a coordinated approach for the purpose of mitigating such risk, the Commission should, when it becomes aware of such risk, carry out preventive actions, such as convening an extraordinary meeting of the Defence Security of Supply Board to discuss the severity of the possible disruptions as well as possible responses and, where relevant, consulting relevant third countries and international</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						organisations with a view to seeking cooperative solutions to avoid or address disruptions in the supply chains, in compliance with international obligations.		<u>avoid or address disruptions in the supply chains, in compliance with international obligations.</u> Text Origin: Council Mandate
Recital 58								
68		(58) Due to the sensitive nature of the decision to activate the supply-crisis state or the security-related supply-crisis state and of the potential measures that may be taken in response thereof, including the significant impact which such measures might have on private undertakings in the Union, the power to adopt an implementing act as regards activating, prolonging and terminating these states should be conferred on the Council.		(58) Due to the sensitive nature of the decision to activate the supply-crisis state or the ~~security-related supply-crisis~~ <u>security crisis</u> state and of the potential measures that may be taken in response thereof, including the significant impact which such measures might have on private undertakings in the Union, the power to adopt an implementing act as regards activating, prolonging and terminating these states should be conferred on the Council.		(58) This Regulation should also provide for instruments to address, in an efficient and coordinated manner, a supply crisis that is imminent or that has arisen. To this end, the supply-crisis state should be activated on the basis of concrete and reliable evidence, where there are serious disruptions or an imminent risk of such disruptions in the provision of crisis-relevant products, and where such serious disruptions or the imminent risk thereof are resulting or are likely to result in the adoption of divergent national measures leading to a severe negative impact on the proper functioning of the internal market, in particular obstacles to cross-border trade. Due to the sensitive nature of the decision to activate the supply-crisis state or the security-related supply-crisis state and of stemming		(58) <u>This Regulation should also provide for instruments to address, in an efficient and coordinated manner, a supply crisis that is imminent or that has arisen.</u> Due to the ~~sensitive nature of the decision to activate the supply-crisis state or the security-related supply-crisis state and of the potential measures that may be taken in response thereof, including the significant impact which such measures might have on private undertakings in the Union, the power to adopt an implementing act as regards activating, prolonging and terminating these states~~ <u>specificities of defence products, this regulation should be conferred on the Council provide for two different crisis states, one addressing crisis-relevant products which are not defence products and one addressing crisis-relevant defence products.</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						in particular from the potential consequences of the measures that may be taken in response thereof, including the significant impact which such measures might have on private undertakings in the Union, the power to adopt an implementing act as regards activating, prolonging and terminating these states the supply-crisis state should be conferred on the Council. To ensure that the response at Union level is adapted to the nature of the supply crisis, the Council should also determine which of the measures provided for by this Regulation should be activated for the purpose of addressing the ongoing supply crisis, and should be able to identify for which crisis-relevant products these measures should be activated.		
Recital 58a								
68a								<u>(58a) To this end, the supply-crisis state should be activated on the basis of concrete and reliable evidence, where there are serious disruptions or an imminent risk of such disruptions in the provision of crisis-relevant products, and where such serious disruptions or</u>



	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								<u>the imminent risk thereof are resulting or are likely to result in the adoption of divergent national measures related to crisis-relevant products which are not defence products leading to a severe negative impact on the proper functioning of the internal market, in particular obstacles to cross-border trade in such crisis-relevant products.</u>
Recital 58b								
68b								<u>(58b) The security-related supply crisis state should be activated, where there are serious disruptions or an imminent risk of such disruptions in the provision of crisis-relevant products, and where such serious disruptions or the imminent risk thereof are resulting or are likely to result in the adoption of divergent national measures related to crisis-relevant defence products leading to a severe negative impact on the proper functioning of the internal market, in particular obstacles to cross-border trade in such crisis-relevant defence products within the Union. When the Commission assesses the conditions for activating this supply-crisis state,</u>



	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								<u>the Commission should take into account whether a crisis affecting the security and defence interests of the Union and its Member States has been identified within the area of CFSP, such as whether a Member State has activated the mutual assistance clause pursuant to Article 42(7) TEU. Similarly, the Commission should take into account whether a crisis affecting the security and defence interests of the Union and its Member States has been identified in the context NATO or other equivalent organisations.</u>
Recital 58c								
68c								<u>(58c) Due to the sensitive nature of the decision to activate the supply-crisis state or the security-related supply-crisis state stemming in particular from the potential consequences of the measures that may be taken in response thereof, including the significant impact which such measures might have on private undertakings in the Union, the power to adopt an implementing act as regards activating, prolonging and terminating the supply-crisis states should be</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								<u>conferred on the Council. To ensure that the response at Union level is adapted to the nature of the supply crisis, the Council should also determine which of the measures provided for by this Regulation should be activated for the purpose of addressing the ongoing supply crisis, and should be able to identify for which crisis-relevant products these measures should be activated.</u>
Recital 59								
69		(59) Where the supply-crisis state or the security-related supply-crisis state is activated, the Commission, should be able to request to receive necessary information to ensure the timely availability of crisis relevant products from undertakings, dealing with these products, raw materials or components thereof, in agreement with the Member State in which they are established. Such information should inform the Commission's decision on appropriate measures under this regulation to address possible disruptions or bottlenecks affecting the security of supply of relevant defence products as well as		(59) Where the supply-crisis state or the ~~security-related supply-crisis~~ <u>security crisis</u> state is activated, the Commission <u>working in liaison with European Defence Agency</u> , should be able to request <u>Member States to provide</u> ~~to receive~~ necessary information to ensure the timely availability of crisis relevant products from undertakings <u>operating on their territory</u> , dealing with these products, raw materials or components thereof, ~~in agreement with the Member State in which they are established~~ . Such information should inform the Commission's decision on appropriate measures under this		(59) ~~Where the supply-crisis state or the security-related supply-crisis state is activated~~ <u>In order to enable precise and near real time assessments of the nature and severity of the supply crisis and of whether the deployment of prioritisation measures would be necessary</u> , the Commission, should be able to request to receive ~~necessary~~ <u>address information requests to economic operators contributing to the production of crisis-relevant products to ensure the timely availability of crisis relevant products from undertakings, dealing with these products, raw materials or components thereof, in where the Council</u>		(59) <u>In order to enable precise and near real time assessments of the nature and severity of the supply crisis and of whether the deployment of prioritisation measures would be necessary, the Commission should be able to address information requests to economic operators contributing to the production of crisis-relevant products, where the Council implementing act activates such measure under the supply-crisis state or the security-related supply-crisis state. Such requests should only be addressed where the available information is not sufficient and should be limited to</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	relevant raw materials and components.	Regulation to address possible disruptions or bottlenecks affecting the security of supply of relevant defence products as well as relevant raw materials and components.	implementing act activates such measure under the supply crisis state. Such requests should only be addressed where the available information is not sufficient and should be limited to information on the production capabilities, production capacities or possible primary disruptions. In view of the sensitive nature of the information that may be requested, the Commission should receive the prior agreement with of the Member State in which they are their production site is located, and the requested information should be channelled through this Member State. It is also important for the Commission to be aware of information requests from third countries related to activities of economic operators established in the Union on the supply of crisis-relevant products as such information requests may result in prioritisation measures from those third countries that may have a significant impact on the supply of such products in the Union and on the proper functioning of the internal market. Hence, the economic	<u>information on the production capabilities, production capacities or possible primary disruptions. In view of the sensitive nature of the information that may be requested</u> , the Commission, should ~~be able to request to~~ receive ~~necessary information to ensure the timely availability of crisis relevant products from undertakings, dealing with these products, raw materials or components thereof, in~~ <u>the prior</u> agreement ~~with of~~ the Member State in which ~~they are their~~ <u>production site is located, and the requested information should be channelled through this Member State. The Member State may also choose to address that request directly to the relevant economic operator. It is also important for the Commission to be aware of information requests from third countries related to activities of economic operators established in the Union on the supply of crisis-relevant products as such information <u>requests may result in prioritisation measures from those third countries that may have a significant impact on the supply of such products in the Union and</u></u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			operator concerned should inform the Commission's decision on appropriate measures under this regulation to address possible disruptions or bottlenecks affecting the security of supply of relevant defence products as well as relevant raw materials and components in due time so as to enable the Commission to request similar information.	<u>on the proper functioning of the internal market. Hence, the economic operator concerned</u> should inform the Commission's ~~decision on appropriate measures under this regulation to address possible disruptions or bottlenecks affecting the security of supply of relevant defence products as well as relevant raw materials and components~~ <u>in due time so as to enable the Commission to request similar information.</u>
Recital 60				
70	(60) Such an identification, mapping and continuous monitoring mechanism should allow a near real time analysis of the production capacity in the Union, critical factors impacting security of supply of relevant defence products, and stockpiles' status. It should also enable Commission to design emergency response measures to actual or anticipated shortages.	(60) Such an identification, mapping and continuous monitoring mechanism should allow a near real time analysis of the production capacity in the Union, critical factors impacting security of supply of relevant defence products, and stockpiles' status. It should also enable Commission to design emergency response measures to actual or anticipated shortages.	(60) ~~Such an identification, mapping and continuous monitoring mechanism~~ <u>In addition to other measures provided for by this Regulation for the purpose of addressing a supply-crisis state, Member States</u> should ~~allow a near real time analysis of the production capacity in the,~~ <u>where the Council activates that measure, consider using defence-related exemptions under national and applicable Union law, on a case-by-case basis, if they deem that the use of such exemptions would facilitate the,</u> ~~critical factors impacting security of supply of relevant~~	(60) ~~Such an identification, mapping and continuous monitoring mechanism~~ <u>In addition to other measures provided for by this Regulation for the purpose of addressing a supply-crisis state, Member States</u> should ~~allow a near real time analysis of the production capacity in the,~~ <u>where the Council activates those measures, consider using defence-related exemptions under national and applicable Union law, on a case-by-case basis, if they deem that the use of such exemptions would facilitate the,</u> ~~critical factors impacting security of relevant~~ <u>crisis-relevant</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						defencecrisis-relevant products. That could in particular apply to Union law concerning environmental, health and safety issues, which is indispensable to improving the protection of human health and the environment, as well as to achieving a sustainable and safe development and stockpiles' status. It should also enable Commission to design emergency response measures to actual or anticipated shortages.		defence products. <u>That could in particular apply to Union law concerning environmental, health and safety issues, which is indispensable to improving the protection of human health and the environment, as well as to achieving a sustainable and safe development and stockpiles' status.</u> ~~It should also enable Commission to design emergency response measures to actual or anticipated shortages.~~ <u>[Sentence on continuity of production.]</u>
		Recital 60a						
Y		70a				(60a) In cases of severe and persistent shortages of or an exceptionally high demand for crisis-relevant products carrying an imminent risk of or materialising in a severe negative impact on the proper functioning of the internal market, prioritisation measures at Union level aiming to ensure the availability of crisis-relevant products could prove to be indispensable in ensuring the proper-functioning of the internal market for defence products and its supply chains. The Commission should be able		<u>(60a) In cases of severe and persistent shortages of or an exceptionally high demand for crisis-relevant products carrying an imminent risk of or materialising in a severe negative impact on the proper functioning of the internal market, prioritisation measures at Union level aiming to ensure the availability of crisis-relevant products could prove to be indispensable in ensuring the proper-functioning of the internal market for defence products and its supply chains. The Commission should be able to use</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			to use in this respect, upon a request of a Member State, priority-rated requests for facilitating the supply of both defence and non-defence products, and priority-rated orders for ensuring the supply of non-defence products. Those prioritisation measures should be activated by the Council.	<u>in this respect, upon a request of a Member State, priority-rated requests for facilitating the supply of both defence and non-defence products, and priority-rated orders for ensuring the supply of non-defence products. Those prioritisation measures should be activated by the Council.</u> Text Origin: Council Mandate
Recital 61				
71	(61) Avoiding shortages of relevant defence products is essential to preserve the objective of general interest of security of the Union and its Member States and justifies, where necessary, proportionate interferences with fundamental rights of the undertakings providing crisis relevant products, such as the freedom to conduct a business in accordance with Article 16 of the Charter and the right to property in accordance with Article 17 of the Charter, in the respect of Article 52 of the Charter. Such interferences may be justified in particular where several Member States have undertaken specific efforts to consolidate demand through joint	(61) Avoiding shortages of relevant defence products is essential to preserve the objective of general interest of security of the Union and its Member States and justifies, where necessary, proportionate interferences with fundamental rights of the undertakings providing crisis relevant products, such as the freedom to conduct a business in accordance with Article 16 of the Charter and the right to property in accordance with Article 17 of the Charter, in the respect of Article 52 of the Charter. Such interferences may be justified in particular where several Member States have undertaken specific efforts to consolidate demand through joint	<i>deleted</i>	<i>deleted</i>

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	procurement, hence contributing to the further integration and smooth functioning of the Internal Market for relevant defence products.	procurement, hence contributing to the further integration and smooth functioning of the Internal Market for relevant defence products.		
Recital 62				
72	(62) As an instrument of last resort to ensure that critical sectors can continue to operate in a time of crisis and only when necessary and proportionate for that purpose, relevant undertakings could be required by the Commission to accept and prioritise orders of crisis-relevant products. The decision on a priority-rated order should be taken in accordance with all applicable Union legal obligations, having regard to the circumstances of the case. The priority rating obligation should take precedence over any performance obligation under private or public law except those directly related to military orders while it should have regard for the legitimate aims of the undertakings and the cost and effort required for any change in production sequence. Each priority-rated order should be placed at a fair and reasonable price which should take into account the undertaking's	(62) As an instrument of last resort to ensure that critical sectors can continue to operate in a time of crisis and only when necessary and proportionate for that purpose, relevant undertakings could be required by the Commission to accept and prioritise orders of crisis-relevant <u>products, which are not defence</u> products. The decision on a priority-rated order should be taken in accordance with all applicable Union legal obligations, having regard to the circumstances of the case. The priority rating obligation should take precedence over any performance obligation under private or public law except those directly related to military orders while it should have regard for the legitimate aims of the undertakings and the cost and effort required for any change in production sequence. Each priority-rated order should be placed at a fair and reasonable price which should take into	(62) Priority-rated requests should consist of requests by the Commission, upon an initiative of a Member State, to relevant economic operators established in the Union to accept or to prioritise orders of crisis-relevant products. As an instrument of last resort to ensure that ~~critical sectors~~ defence supply chains can continue to operate in a time of supply crisis, and only when necessary and proportionate for that purpose, ~~relevant undertakings could be required by the Commission to accept and prioritise orders~~ those priority-rated requests should be aimed at supporting a Member State which faces severe difficulties either in the placing of an order or in the execution of a contract for the supply of crisis-relevant products. Economic operators should have the possibility to refuse to be subject to ~~The decision on a priority-rated order~~	(62) <u>Priority-rated requests should consist of requests by the Commission, upon an initiative of a Member State, to relevant economic operators established in the Union to accept or to prioritise orders of crisis-relevant products.</u> As an instrument of last resort to ensure that ~~critical sectors~~ <u>defence supply chains</u> can continue to operate in a time of <u>supply</u> crisis, and only when necessary and proportionate for that purpose, ~~relevant undertakings could be required by the Commission to accept and prioritise orders~~ <u>those priority-rated requests should be aimed at supporting a Member State which faces severe difficulties either in the placing of an order or in the execution of a contract for the supply of crisis-relevant products. Economic operators should have the possibility to refuse to be subject to</u> ~~The decision on a priority-rated order should be taken in~~

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		opportunity costs vis-à-vis existing contracts.		account the undertaking's opportunity costs vis-à-vis existing contracts.		should be taken in accordance with all applicable Union legal obligationsrequest. When issuing a request, having regard to the circumstances of the case. The priority rating obligation should take precedence over any performance obligation under private or public law except those directly related to military orders while it should have regard for the legitimate aims of the undertakings and the cost and effort required for any change in production sequence. Each priority-rated order should be placed at a fair and reasonable price which the Commission should take into account the undertaking's opportunity costs vis-à-vis existing contractspossible negative impact on competition in the internal market and the risk of exacerbating market distortions. Furthermore, the choice of the recipients and beneficiaries of the requests should not be discriminatory.		~~accordance with all applicable Union legal obligationsrequest.~~ <u>When issuing a request, having regard to the circumstances of the case. The priority rating obligation should take precedence over any performance obligation under private or public law except those directly related to military orders while it should have regard for the legitimate aims of the undertakings and the cost and effort required for any change in production sequence. Each priority-rated order should be placed at a fair and reasonable price which the Commission</u> should take into account the ~~undertaking's opportunity costs vis-à-vis existing contracts~~ <u>possible negative impact on competition in the internal market and the risk of exacerbating market distortions. Furthermore, the choice of the recipients and beneficiaries of the requests should not be discriminatory.</u> Text Origin: Council Mandate
		Recital 62a						
Y	72a				(62a)	In addition, where crisis-relevant products are dual-use or		<u>(62a) In light of the increased deterioration in the Union's</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						civilian products, defence supply chains can face the competition of non-defence supply-chains with a significantly stronger buying power when trying to access to these crisis-relevant products. It is therefore necessary to provide for an additional instrument of last resort, in cases where the production or supply of such crisis-relevant non-defence products could not be achieved by any other measure, including a priority-rated request. Thus, priority-rated orders should enable the Commission to oblige economic operators established in the Union and which benefit from Union funding under the Programme to produce or supply certain crisis-relevant non-defence products. Such possibility should be restricted to economic operators which have accepted in advance the possibility to be subject to such a priority-rated order. It is therefore necessary to ensure that any supplier of non-defence products which receives Union financial support under the Programme accepts, in the		<u>security context, linked to Russia's persistent and intensified threat in the context of its war of aggression against Ukraine, [including through incursions by drones in Member States airspace,] it is crucial to address the difficulties that Member States may face in the placing of an order or in the execution of a contract related to the supply of defence products, in particular where such difficulties result from disruptions in the provision of crisis-relevant products which are not defence products. Indeed, where crisis-relevant products are dual-use or civilian products, defence supply chains can face the competition of non-defence supply-chains with a significantly stronger buying power when trying to access these crisis-relevant products. It is therefore necessary to provide for an additional instrument of last resort, in cases where the production or supply of such crisis-relevant non-defence products could not be achieved by any other measure, including a priority-rated request. Thus, priority-rated orders should</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						financing agreement to be concluded with the Commission, the possibility to be subject to priority-rated orders.		<u>enable the Commission to oblige economic operators established in the Union to produce or supply certain crisis-relevant non-defence products after receiving the prior agreement of the Member State on whose territory the production site of the economic operator concerned is located and the Member State on whose territory the executive management structure of the economic operator is located. The Commission should not issue priority-rated orders where the economic operator is unable to fulfil the order even if prioritised, be it due to insufficient production capability or production capacity or on technical grounds, or because this would place an unreasonable economic burden and entail particular hardship on the economic operator, including substantial risk relating to business continuity.</u>
Recital 62b								
Y	72b					(62b) A priority-rated order or a priority-rated request should be taken based on objective, factual, measurable and substantiated data. It should		<u>(62b) A priority-rated order or a priority-rated request should be taken based on objective, factual, measurable and substantiated data. It should have regard for the</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						have regard for the legitimate interests of the undertakings and the cost and effort required for any change in production sequence. When accepted or imposed, the obligation to perform the priority-rated request or the priority-rated order should take precedence over performance obligations under private or public law. Where the object of a priority-rated request concerns a defence product, the request should specify the scope of contractual obligations over which it should have precedence. Each priority-rated request or order should be placed at a fair and reasonable price. It should be possible to carry out the calculation of such price on the basis of applicable prices over recent years, subject to reasons being given for any increase or decrease, for example taking into account inflation or input costs. In light of the importance of ensuring the supply of crisis-relevant products, which are indispensable to the correct functioning of the internal market and its supply chains,		<u>legitimate interests of the undertakings and the cost and effort required for any change in production sequence. When accepted or imposed, the obligation to perform the priority-rated request or the priority-rated order should take precedence over performance obligations under private or public law. Where the object of a priority-rated request concerns a defence product, the request should specify the scope of contractual obligations over which it should have precedence. Each priority-rated request or order should be placed at a fair and reasonable price. It should be possible to carry out the calculation of such price on the basis of applicable prices over recent years, subject to reasons being given for any increase or decrease, for example taking into account inflation or input costs. In light of the importance of ensuring the supply of crisis-relevant products, which are indispensable to the correct functioning of the internal market and its supply chains, compliance with the obligation to perform a priority-rated request or order</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						compliance with the obligation to perform a priority-rated request or order should not entail liability to third parties for damages that may result from any breach of contractual obligations governed by the law of a Member State, to the extent that the breach of contractual obligations was necessary for compliance with the mandated prioritisation. Economic operators potentially within the scope of a priority-rated request should be allowed to provide, in the conditions of their commercial contracts, for the possible consequences of a priority-rated request.		<u>should not entail liability to third parties for damages that may result from any breach of contractual obligations governed by the law of a Member State, to the extent that the breach of contractual obligations was necessary for compliance with the mandated prioritisation.</u> <u>Economic operators potentially within the scope of a priority-rated request should be allowed to provide, in the conditions of their commercial contracts, for the possible consequences of a priority-rated request.</u> Text Origin: Council Mandate
Recital 62c								
72c						(62c) Where the economic operator has expressly accepted a priority-rated request and the Commission has adopted an implementing act following such an acceptance, or where the economic operator has been imposed a priority-rated order by an implementing act adopted by the Commission, the economic operator should comply with all the conditions of that		<u>(62c) Where the economic operator has expressly accepted a priority-rated request and the Commission has adopted an implementing act following such an acceptance, or where the economic operator has been imposed a priority-rated order by an implementing act adopted by the Commission, the economic operator should comply with all the conditions of that</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						implementing act. Non-compliance by the economic operator with the conditions laid down in the implementing act should result in a loss of the benefit of a waiver of contractual liability. When the non-compliance is intentional or attributable to gross negligence, the Commission should be able to impose on the economic operator a fine or a periodic penalty payment, subject to the proportionality principle.		<u>implementing act. Non-compliance by the economic operator with the conditions laid down in the implementing act should result in a loss of the benefit of a waiver of contractual liability. When the non-compliance is intentional or attributable to gross negligence, the Commission should be able to impose on the economic operator a fine or a periodic penalty payment, subject to the proportionality principle.</u> Text Origin: Council Mandate
Recital 62d								
72d						(62d) Under the exceptional circumstance that an economic operator established in the Union is subject to a measure entailing a priority-rated order or a priority-rated request of a crisis-relevant product from a third country, it should notify the Commission, so as to inform an assessment of whether such measure may have a significant impact on the security of supply of crisis-relevant products and the proper functioning of the internal market, as well as of any		<u>(62d) Under the exceptional circumstance that an economic operator established in the Union is subject to a measure entailing a priority-rated order or a priority-rated request of a crisis-relevant product from a third country, it should notify the Commission, so as to inform an assessment of whether such measure may have a significant impact on the security of supply of crisis-relevant products and the proper functioning of the internal market, as well as of any</u>

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
			appropriate step that may need to be taken in response to that measure.	<u>appropriate step that may need to be taken in response to that measure.</u> Text Origin: Council Mandate
Recital 63				
73	(63) The obligation to prioritise the production of certain products should not disproportionately affect the freedom to conduct a business and the freedom of contract laid down in Article 16 of the Charter of Fundamental Rights of the European Union ('the Charter') and the right to property laid down in Article 17 of the Charter. Any limitation of those rights should, in accordance with Article 52(1) of the Charter, be provided for by law, respect the essence of those rights and freedoms, and comply with the principle of proportionality.	(63) The obligation to prioritise the production of certain products should not disproportionately affect the freedom to conduct a business and the freedom of contract laid down in Article 16 of the Charter of Fundamental Rights of the European Union ('the Charter') and the right to property laid down in Article 17 of the Charter. Any limitation of those rights should, in accordance with Article 52(1) of the Charter, be provided for by law, respect the essence of those rights and freedoms, and comply with the principle of proportionality.	(63) The request or obligation to prioritise the production or supply of certain products ~~should~~ does not disproportionately affect the freedom to conduct a business and the freedom of contract laid down in Article 16 of the Charter of Fundamental Rights of the European Union ('the Charter') and the right to property laid down in Article 17 of the Charter thereof. Any limitation of those rights should, In accordance with Article 52(1) of the Charter, any limitation on the exercise of those rights must be provided for by law, and respect the essence of those rights and freedoms, and ~~comply with~~ be subject to the principle of proportionality.	(63) The <u>request or</u> obligation to prioritise the production <u>or supply</u> of certain products ~~should~~ does not disproportionately affect the freedom to conduct a business and the freedom of contract laid down in Article 16 of the Charter of Fundamental Rights of the European Union (~~the~~ 'Charter') and the right to property laid down in Article 17 ~~of the Charter thereof. Any limitation of those rights should,~~ In accordance with Article 52(1) of the Charter, <u>any limitation on the exercise of those rights must</u> be provided for by law, <u>and</u> respect the essence of those rights and freedoms, and ~~comply with~~ <u>be subject to</u> the principle of proportionality. Text Origin: Council Mandate
Recital 64				
74	(64) Where the security-related supply crisis state is activated, based on the assessment of the	(64) Where the ~~security-related supply~~ <u>security</u> crisis state is activated, based on the ~~assessment~~	deleted	(64) Where the security-related supply crisis state is activated, ~~based on the assessment of the~~

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		Commission with the support of the High-Representative, the measures available under the supply crisis state should also be available. In addition to the latter, the Council should activate the measures it considers appropriate to the crisis. To do so, the Council should pay particular to the need to ensure a high level of security of the Union, Member States and European citizens.		<i>of the Commission with the support of the High-Representative</i> <u>fact that a Member State has triggered Article 42(7) TEU</u> , the measures available under the supply crisis state should also be available. ~~In addition to the latter, the Council should activate the measures it considers appropriate to the crisis. To do so, the Council should pay particular to the need to ensure a high level of security of the Union, Member States and European citizens.~~				~~Commission with the support of the High-Representative~~ , the measures available under the supply crisis state should also be available. ~~In addition to the latter, if deemed appropriate by~~ the Council ~~should activate the measures it considers appropriate to the crisis. To do so, the Council should pay particular to the need to ensure a high level of security of the Union, Member States and European citizens~~ <u>and specified in the implementing act activating the security-related supply-crisis state.</u>
	Recital 65							
75		(65) Where the security-related supply crisis state is activated and in order to address cases where a Member State faces or may face severe difficulties either in the placing of an order or in the execution of a contract for the supply of defence products due to shortages or serious risks of shortages of crisis-relevant products, the Council should be able to activate measures at Union level aimed to ensure the availability of crisis-relevant goods, such as priority rated requests to ensure the proper		(65) Where the ~~security-related supply~~ <u>security</u> crisis state is activated and in order to address cases where a Member State faces or may face severe difficulties either in the placing of an order or in the execution of a contract for the supply of defence products ~~due to shortages or serious risks of shortages of crisis-relevant products~~ , the Council should ~~be able to~~ activate measures at Union level aimed to ensure the availability of crisis-relevant goods, such as priority rated ~~requests~~ <u>orders</u> to ensure the proper		deleted		deleted

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	functioning of the internal market and its defence supply chains.	functioning of the internal market and its defence supply chains <u>and the adequate supply of all Member States</u> .		
Recital 66				
76	(66) As an instrument of last resort, priority-rated requests should aim at addressing situations where the production or supply of crisis relevant products which are defence products could not be achieved by other measures. The priority-rated request should be taken based on objective, factual, measurable, and substantiated data. It should have regard for the legitimate interests of the undertakings and the cost and effort required for any change in production sequence. When accepted, the obligation to perform the priority-rated request should take precedence over any performance obligation under private or public law. Each priority rated request should be placed at a fair and reasonable price.	(66) As an instrument of last resort, priority-rated ~~requests~~ <u>orders</u> should aim at addressing situations where the production or supply of crisis relevant products which are defence products could not be achieved by other measures. The priority-rated ~~request~~ <u>order</u> should be taken based on objective, factual, measurable, and substantiated data. It should have regard for the legitimate interests of the undertakings and the cost and effort required for any change in production sequence. ~~When accepted,~~ The obligation to perform the priority-rated ~~request~~ <u>order</u> should take precedence over any performance obligation under private or public law. Each priority rated ~~request~~ <u>order</u> should be placed at a fair and reasonable price.	deleted	deleted
Recital 66a				
76a			(66a) Intra-EU transfers of	<u>(66a)</u> <u>Intra-EU transfers of</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						defence products are regulated by Directive 2009/43/EC of the European Parliament and of the Council ²³, which aims at simplifying those transfers in order to ensure the proper functioning of the internal market for defence products. As documented by past evaluations of that Directive, the granting of <i>a priori</i> global and individual transfer licences remains largely the norm for the movement of defence products within the internal market and the average time to process applications may vary sometimes significantly from one Member State to another. During a supply crisis, and where the Council considers it necessary, it should be possible for the Council implementing act activating the supply crisis state to determine a timeframe within which the national authorities concerned should treat the applications once entirely received in order to further ease the movement of those products in the internal market. Additionally, this Regulation aims at facilitating the intra-EU transfers of crisis-relevant		<u>defence products are regulated by Directive 2009/43/EC of the European Parliament and of the Council ¹, which aims at simplifying those transfers in order to ensure the proper functioning of the internal market for defence products. As documented by past evaluations of that Directive, the granting of a priori global and individual transfer licences remains largely the norm for the movement of defence products within the internal market and the average time to process applications may vary sometimes significantly from one Member State to another. During a supply crisis, and where the Council considers it necessary, it should be possible for the Council implementing act activating the supply crisis state to determine a timeframe within which the national authorities concerned should treat the applications once entirely received in order to further ease the movement of those products in the internal market, which should be no longer than two weeks. Additionally, this Regulation aims at facilitating the intra-EU</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						products in the context of a supply-crisis. Therefore, it should be clarified that a Member State which imposes export limitations to components which are crisis-relevant products and which it considers sensitive in the meaning of Directive 2009/43/EC should not require further authorisations for the intra-EU transfer of the components concerned where the recipient provides a declaration of use in which it declares that the components subject to that transfer licence are integrated or are to be integrated into a defence product and cannot be transferred or exported as such. Such measure should not affect existing Union and national rules governing the transfer and export of defence products. 23. Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community (OJ L 146, 10/06/2009, p. 1).		<u>transfers of crisis-relevant products in the context of a supply-crisis. Therefore, it should be clarified that a Member State which imposes export limitations to components which are crisis-relevant products and which it considers sensitive in the meaning of Directive 2009/43/EC should not require further authorisations for the intra-EU transfer of the components concerned where the recipient provides a declaration of use in which it declares that the components subject to that transfer licence are integrated or are to be integrated into a defence product and cannot be transferred or exported as such. Such measure should not affect existing Union and national rules governing the transfer and export of defence products.</u> <u>1. Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community (OJ L 146, 10/06/2009, p. 1).</u> Text Origin: Council Mandate
Recital 66b								

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
y	76b				(66ba) As the certification of defence products is key to ensure the proper functioning of the internal market for defence products, in particular during a supply crisis, this Regulation should enable, in addition to the acceleration of existing national processes, the mandatory mutual recognition of a crisis-relevant defence product lawfully certified in a Member State.		<u>(66ba) As the certification of defence products is key to ensure the proper functioning of the internal market for defence products, in particular during a supply crisis, this Regulation should enable, in addition to the acceleration of existing national processes, the mandatory mutual recognition of a crisis-relevant defence product lawfully certified in a Member State.</u>	Text Origin: Council Mandate
Recital 66c								
y	76c				(66bb) Compliance with the obligations imposed under this Regulation should be enforceable by means of fines and periodic penalty payments. To that end, appropriate levels of fines for non-compliance with information requests, the obligations stemming from a previously and explicitly accepted priority-rated request and the notification obligation applying where an economic operator established in the Union is subject to a prioritisation measure of a third country should be laid down, taking into account the different		<u>(66bb) Compliance with the obligations imposed under this Regulation should be enforceable by means of fines and periodic penalty payments. To that end, appropriate levels of fines for non-compliance with information requests, the obligations stemming from a previously and explicitly accepted priority-rated request and the notification obligation applying where an economic operator established in the Union is subject to a prioritisation measure of a third country should be laid down, taking into account the different levels of gravity of</u>	

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						levels of gravity of the non-compliance between both obligations and with different ceilings for SMEs. Furthermore, periodic penalty payments should be laid down for non-compliance with the obligation to accept and perform priority-rated orders, which should be proportionate, with different ceilings for SMEs. Limitation periods should apply for the impositions of fines and periodic penalty payments, in addition to limitation periods for the enforcement of penalties. In addition, the Commission should give the economic operators concerned the right to be heard.		<u>the non-compliance between both obligations and with different ceilings for SMEs. Furthermore, periodic penalty payments should be laid down for non-compliance with the obligation to accept and perform priority-rated orders, which should be proportionate, with different ceilings for SMEs. Limitation periods should apply for the impositions of fines and periodic penalty payments, in addition to limitation periods for the enforcement of penalties. In addition, the Commission should give the economic operators concerned the right to be heard.</u> Text Origin: Council Mandate
		Recital 66d						
76d						(66c) One of the challenges identified during the COVID-19 crisis was the lack of a network for ensuring preparedness, as well as insufficient information sharing and coordination for response measures between the Member States, on the one hand, and between the Member States and the Commission, on the other hand. Therefore, the achievement of the objective		<u>(66d) One of the challenges identified during the COVID-19 crisis was the lack of a network for ensuring preparedness, as well as insufficient information sharing and coordination for response measures between the Member States, on the one hand, and between the Member States and the Commission, on the other hand. Therefore, the achievement of the objective pursued by this</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						pursued by this Regulation to prepare for and respond to the impact of future supply crises on the internal market for defence products should be supported by a governance mechanism. This Regulation should establish a Defence Security of Supply Board, to facilitate cooperation, exchange of information and the smooth, effective and harmonised implementation of the measures provided for therein aimed at ensuring the security of supply of defence products. The Defence Security of Supply Board should be composed of and co-chaired by representatives of the Member States and the Commission. In addition, given the contribution of the security of supply regime to the Union's ability to defend its security and defence interests, the High Representative and the EDA should also be members of the Defence Security of Supply Board. In particular, the EDA's ongoing work strands on security of supply of defence products could be useful for the implementation of this Regulation. The EDA facilitates		<u>Regulation to prepare for and respond to the impact of future supply crises on the internal market for defence products should be supported by a governance mechanism. This Regulation should establish a Defence Security of Supply Board, to facilitate cooperation, exchange of information and the smooth, effective and harmonised implementation of the measures provided for therein aimed at ensuring the security of supply of defence products. The Defence Security of Supply Board should be composed of representatives of the Member States and the Commission. In the light of the close interconnection between the need to ensure the smooth functioning of the Internal Market in times of crisis and the ability of Member States to develop, acquire and manage their defence capabilities and to enhance their defence readiness, it is appropriate that the Commission and the Member State holding the rotating presidency of the Council co-chair the Board. In addition, given the contribution of the security of</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						the sharing of best practices and reinforces cooperation between Member States on defence-related security of supply. It also generates insights on bottlenecks affecting the supply chains of defence products. Hence, the EDA should be able to share its views and expertise inter alia in the Defence Security of Supply Board, which will contribute to preparing for and responding to the impact of supply crises on the internal market for defence products. Associated countries should have the right to become members, without voting rights, of the Defence Security of Supply Board in accordance with the conditions set out under the Agreement on the European Economic Area. The Defence Security of Supply Board should facilitate coordination among Member States and provide recommendations to and assist the Commission in the implementation of the mechanisms established by this Regulation aimed at ensuring security of supply, in particular by anticipating, preparing, preventing and addressing crises		<u>supply regime to the Union's ability to defend its security and defence interests, the High Representative and the EDA should also be members of the Defence Security of Supply Board. In particular, the EDA's ongoing work strands on security of supply of defence products could be useful for the implementation of this Regulation. The EDA facilitates the sharing of best practices and reinforces cooperation between Member States on defence-related security of supply. It also generates insights on bottlenecks affecting the supply chains of defence products. Hence, the EDA should be able to share its views and expertise inter alia in the Defence Security of Supply Board, which will contribute to preparing for and responding to the impact of supply crises on the internal market for defence products. Associated countries should have the right to become members, without voting rights, of the Defence Security of Supply Board in accordance with the conditions set out under the Agreement on the European Economic Area.</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			in the supply of crisis-relevant products.	<u>Representatives of the European Parliament should be invited as observers to the meetings of the Board. The Defence Security of Supply Board should facilitate coordination among Member States and provide recommendations to and assist the Commission in the implementation of the mechanisms established by this Regulation aimed at ensuring security of supply, in particular by anticipating, preparing, preventing and addressing crises in the supply of crisis-relevant products.</u>
Recital 67				
77	(67) With a view to support the Commission in implementing this Regulation, a European Defence Industrial Readiness Board should be established, composed of the Commission, the High Representative/Head of the Agency and Member States. In addition, outside the framework of the current Regulation, the High Representative/Head of Agency and the Commission will at their initiative convene and co-chair meetings of the members in the	(67) With a view to support the Commission in implementing this Regulation, a European Defence Industrial Readiness Board should be established, composed of the Commission, the High Representative/Head of the Agency, <u>the Chair of the European Union Military Committee, and</u> Member States, <u>as well as representatives from the European Parliament as observers</u> . In addition, outside the framework of the current	deleted	deleted

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	context of the Board to exercise the joint programming and procurement function and provide strategic guidance and advice with a view to increase defence industrial readiness of the EDTIB, in line with the European Defence Industrial Strategy.	Regulation, the High Representative/Head of Agency and the Commission will at their initiative convene and co-chair meetings of the members in the context of the Board to exercise the joint programming and procurement function and provide strategic guidance and advice with a view to increase defence industrial readiness of the EDTIB, in line with the European Defence Industrial Strategy.	PUBLIC	
Recital 67a				
77a		<u>(67a) The increasing importance of the European Union in defence matters should be mirrored by an adequate level of democratic scrutiny and oversight to ensure the responsible allocation of funds and support from Union citizens. As a consequence, this Regulation should enable a proper level of parliamentary oversight from the European Parliament, in particular to provide the European Parliament with the possibility to participate in strategic decisions of the Union, to protect adherence to European ethical standards and due respect</u>	(67a) Since the objective of this Regulation, namely to ensure the smooth and uninterrupted functioning of the internal market by putting in place contingency, preventive and emergency measures across the internal market in order to facilitate the coordination of the response measures in the event of a crisis, cannot be sufficiently achieved by the Member States but 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	

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				<u>of fundamental rights.</u>		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.		
Recital 67b								
77b				<u>(67b) In order to send a long-term signal to the EDTIB and to the market as well as to monitor the achievement of the objectives of this Regulation, a framework for the monitoring and evaluation of key features for the resilience, readiness, productivity, integration and competitiveness of European defence industry should be put in place, on the basis of objectives to be achieved by 2030 or 2035 outlined in the European Defence Industrial Strategy issued in March 2024. Those key features are in particular the share of defence products procured in a collaborative manner, and the share of EU content in defence products acquired by Member States and in defence investments within the Union.</u>		(67b) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission with respect to the adoption of work programmes to set out the funding priorities and the applicable funding conditions, the award of funding for specific actions, the establishment and winding-up of SEAPs, the identification and update of crisis-relevant products, the establishment and maintenance of a list of national certification authorities, prioritisation measures, and the imposition of penalties. The specificities of the defence sector, in particular the responsibility of Member States, associated countries or Ukraine for the planning and acquisition		

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
			process, should be taken into account. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council²⁵. 25. 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 Member States of the Commission's exercise of implementing powers (OJ L 55, 28/02/2011, p. 13).	
Recital 68				
78	(68) This Regulation should apply without prejudice to Union competition rules, in particular Articles 101 to 109 TFEU and the legal acts that give effect to those Articles.	(68) This Regulation should apply without prejudice to Union competition rules, in particular Articles 101 to 109 TFEU and the legal acts that give effect to those Articles.	(68) This Regulation should apply without prejudice to Union competition rules, in particular Articles 101 to 109 TFEU and the legal acts that give effect to those Articles.	(68) This Regulation should apply without prejudice to Union competition rules, in particular Articles 101 to 109 TFEU and the legal acts that give effect to those Articles. Text Origin: Commission Proposal
Recital 69				
79	(69) In accordance with Article 41(2) TEU, operating expenditure arising from Chapter 2 of Title V TEU is to be charged to the Union budget, except for such expenditure arising from operations having military or	(69) In accordance with Article 41(2) TEU, operating expenditure arising from Chapter 2 of Title V TEU is to be charged to the Union budget, except for such expenditure arising from operations having military or	(69) ~~In accordance with Article 41(2) TEU, operating expenditure~~ Union funding under this Regulation cannot cover the costs arising from Chapter 2 of Title V TEU ~~is to be charged to the~~ Common Foreign and Security	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	defence implications.	defence implications.	Policy. As a consequence, Union budget, except for such expenditure arising from operations having funding under the Programme and the Ukraine Support Instrument should not cover the costs of the purchase and of the maintenance of defence products for military or defence implications purposes, including in the context of establishing, managing and maintaining a defence industrial readiness pool. It should be possible however for Union funding under the Programme and the Ukraine Support Instrument to cover the non-recurrent costs incurred in the context of the purchase or of the maintenance of such products.	
Recital 69a				
79a			(69b) In accordance with Article 241 TFEU, the Council may request the Commission to undertake any studies the Council considers desirable for the attainment of the common objectives, and to submit to it any appropriate proposals. The Commission will give prompt and detailed consideration to any	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement	
						such requests for proposals.			
Recital 70									
G	80	(70) This Regulation should apply without prejudice to the specific character of the security and defence policy of certain Member States,		(70) This Regulation should apply without prejudice to the specific character of the security and defence policy of certain Member States.		(70) This Regulation should apply without prejudice to the specific character of the security and defence policy of certain Member States;.		(70) This Regulation should apply without prejudice to the specific character of the security and defence policy of certain Member States. Text Origin: Council Mandate	G
Recital 70a									
G	80a			<u>(70a) This Regulation has implications for the Union budget. Accordingly, the European Parliament's Committee on Budgets adopted a budgetary assessment, which forms an integral part of Parliament's mandate for negotiations,</u>		(70a) This Regulation is without prejudice to existing Union and Member States' rules on the export of defence products and to the obligations provided for by Directive 2009/43/EC.		<u>(70a) This Regulation is without prejudice to existing Union and Member States' rules on the export of defence products and to the obligations provided for by Directive 2009/43/EC.</u> Text Origin: Council Mandate	G
Recital 70b									
	80b					(71) The European Court of Auditors delivered an opinion on this Regulation on 3 October 2024 ²⁶ . 26. Document 14163/24.			
Recital 70b									
G	80c					(72) In order to allow for the implementation of this Regulation to start as soon as possible, with a view to reaching		<u>(72) In order to allow for the implementation of this Regulation to start as soon as possible, with a view to reaching its objectives, it</u>	G

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						its objectives, it should enter into force as a matter of urgency,		<u>should enter into force as a matter of urgency.</u> Text Origin: Council Mandate
	Formula							
G	81	HAVE ADOPTED THIS REGULATION:		HAVE ADOPTED THIS REGULATION:		HAVE ADOPTED THIS REGULATION:		HAVE ADOPTED THIS REGULATION: Text Origin: Commission Proposal
	Chapter I							
G	82	Chapter I General Provisions		Chapter I General Provisions		Chapter I General Provisions		Chapter I General Provisions Text Origin: Commission Proposal
	Article 1							
G	83	Article 1 Subject Matter		Article 1 <u>General objectives and</u> Subject Matter		Article 1 Subject Matter		Article 1 <u>General objectives and</u> Subject Matter Text Origin: EP Mandate
	Article 1, first paragraph							
Y	83a			<u>1. This Regulation aims to enhance the technological leadership, innovation, readiness, long-term competitiveness, resilience, integration and preparedness of the European Defence Technological and Industrial Base (EDTIB), leading</u>				

	CLEAN	Commission Proposal	V5.EC	EP Mandate	V5.EC	Council Mandate	V5.EC	Draft Agreement
				<u>to a more sovereign Union, ensuring the timely availability and supply of defence products and contributing to the recovery, reconstruction and modernisation of the Ukrainian Defence Technological and Industrial Base (Ukrainian DTIB).</u>				
Article 1, first paragraph								
84		This Regulation establishes a budget and lays down a set of measures aimed at supporting defence industry readiness of the Union and its Member States through the strengthening of the competitiveness, responsiveness and ability of the European Defence Technological and Industrial Base (EDTIB) to ensure the timely availability and supply of defence products and at contributing to the recovery, reconstruction and modernisation of the Ukraine Defence Technological and Industrial Base (Ukrainian DTIB), in particular by means of the following:		<u>2.</u> This Regulation establishes a budget ~~and lays down a set of measures aimed at supporting defence industry readiness of the Union and its Member States through the strengthening of the competitiveness, responsiveness and ability of the European Defence Technological and Industrial Base (EDTIB) to ensure the timely availability and supply of defence products and at contributing to the recovery, reconstruction and modernisation of the Ukraine Defence Technological and Industrial Base (Ukrainian DTIB), in particular by means of~~ <u>for the period from 2025 to 2027 and</u> the following:		<u>1.</u> This Regulation establishes a budget, for the period from 2025 to 2027 , and lays down a set of measures aimed at supporting defence ~~industry~~ industrial readiness of the Union and its Member States through the strengthening of the competitiveness, responsiveness and ability of the European Defence Technological and Industrial Base (EDTIB) to ensure the timely availability and supply of defence products and at contributing to the recovery, reconstruction and modernisation of the Ukraine Defence Technological and Industrial Base (the ‘Ukrainian DTIB’), taking into account its possible future integration into the EDTIB , in particular by means of the following:		<u>2.</u> This Regulation establishes a budget <u>for the period from 2025 to 2027</u> and lays down ~~a set of measures aimed at supporting defence industry readiness of the Union and its Member States through the strengthening of the competitiveness, responsiveness and ability of the European Defence Technological and Industrial Base (EDTIB) to ensure the timely availability and supply of defence products and at contributing to the recovery, reconstruction and modernisation of the Ukraine Defence Technological and Industrial Base (Ukrainian DTIB), in particular by means of~~ the following:

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
Article 1, first paragraph, point (1)								
Y	85	(1) the establishment of the European Defence Industrial Programme (the 'Programme'), comprising measures for the strengthening of the competitiveness, responsiveness and ability of the EDTIB, which may include the establishment of a fund for the acceleration of defence supply chain transformation ('FAST');		(1) ~~the establishment of~~ the European Defence ~~Industrial~~ <u>Industry</u> Programme (the 'Programme'), comprising measures for the strengthening of the competitiveness, responsiveness and ability of the EDTIB <u>and for its modernisation, including</u> ~~which may include~~ the establishment of a fund for the acceleration of defence supply chain transformation ('FAST') <u>as set out in Chapter II</u> ;		(1) the establishment of the European Defence Industrial Programme (the 'Programme'), comprising measures for the strengthening of the competitiveness, responsiveness and ability of the EDTIB, ~~which may include the establishment of a fund for the acceleration of defence supply chain transformation~~ ('FAST'); as set out in Chapter II ;		
Article 1, first paragraph, point (2)								
G	86	(2) the establishment of a cooperation programme with Ukraine with a view to the recovery, reconstruction and modernisation of the Ukraine Defence Technological and Industrial Base (the 'Ukraine Support Instrument');		(2) ~~the establishment of~~ a cooperation programme with Ukraine with a view to the recovery, reconstruction and modernisation of the Ukraine Defence Technological and Industrial Base (the 'Ukraine Support Instrument') <u>and the facilitation of its industrial integration into the EDTIB, as set out in Chapter IIa</u> ;		(2) the establishment of a cooperation programme with Ukraine with a view to the recovery, reconstruction and modernisation of the ~~Ukraine Defence Technological and Industrial Base~~ <u>Ukrainian DTIB</u> (the 'Ukraine Support Instrument'), taking into account its possible future integration into the EDTIB, as set out in Chapter IIa ;		(2) the establishment of a cooperation programme with Ukraine with a view to the recovery, reconstruction and modernisation of the ~~Ukraine Defence Technological and Industrial Base~~ <u>Ukrainian DTIB</u> (the 'Ukraine Support Instrument'), <u>taking into account its possible future integration into the EDTIB, as set out in Chapter IIa</u> ; Text Origin: Council Mandate
Article 1, first paragraph, point (2a)								
G	86a			<u>(2a) a legal framework for the establishment of European</u>				<u>(2a) the establishment of a framework for European Defence</u>

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
		<u>Defence Projects of Common Interest, as set out in Chapter IIb;</u>		<u>Projects of Common Interest, as set out in Chapter IIb;</u> Text Origin: EP Mandate
Article 1, first paragraph, point (2b)				
86b		<u>(2b) a European Military Sales Mechanism as set out in Chapter IIc;</u>		<u>(2b) the establishment of a European Military Sales Mechanism as set out in Chapter IIc;</u> Text Origin: EP Mandate
Article 1, first paragraph, point (3)				
87	(3) a legal framework laying down the requirements and procedures for and the effects of setting-up the Structure for European Armament Programme ('SEAP') as set out in Chapter III;	(3) a legal framework laying down the requirements and procedures for and the effects of setting-up the Structure for European Armament Programme ('SEAP') as set out in Chapter III;	(3) a legal framework laying down the requirements and procedures for, and the effects of ~~setting-up the Structure,~~ establishing Structures for European Armament Programme ('SEAP' Programmes (SEAPs) as set out in Chapter III;	(3) a legal framework laying down the requirements and procedures for, and the effects of ~~setting-up the Structure,~~ <u>establishing Structures</u> for European Armament ~~Programme~~ <u>('SEAP' Programmes (SEAPs))</u> as set out in Chapter III; Text Origin: Council Mandate
Article 1, first paragraph, point (4)				
88	(4) a legal framework aiming at ensuring security of supply, removing obstacles and bottlenecks and supporting the production of defence products as set out in Chapter IV;	(4) a legal framework aiming at ensuring security of supply, <u>resilience, and strengthening the response to crisis by</u> removing obstacles and bottlenecks and supporting the production of defence products as set out in Chapter IV;	(4) a legal framework ~~aiming at ensuring security of supply,~~ removing obstacles and bottlenecks and supporting the production of defence products as set out in Chapter IV; to prepare for and respond to the impact of supply crises on the internal market and	(4) a legal framework ~~aiming at ensuring security of supply,~~ ~~removing obstacles and bottlenecks~~ ~~and supporting the production of defence products~~ as set out in Chapter IV; <u>to prepare for and respond to the impact of supply crises on the internal market,</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						aimed at:		<u>which is aimed at:</u> Text Origin: Council Mandate
	Article 1, first paragraph, point (4)(a)							
G	88a					(i) ensuring the security of supply of crisis-relevant products; and		<u>(a) ensuring the security of supply of crisis-relevant products; and</u> Text Origin: Council Mandate
	Article 1, first paragraph, point (4)(b)							
G	88b					(ii) preventing the creation of obstacles to, and ensuring the proper functioning of, the internal market for defence products.		<u>(b) ensuring the proper functioning of the internal market of defence products, including by preventing the emergence of obstacles to it.</u> Text Origin: Council Mandate
	Article 1, first paragraph, point (5)							
G	89	(5) the establishment of a Defence Industrial Readiness Board as set out in Chapter V.	(5)	the establishment of a Defence Industrial Readiness Board as set out in Chapter V.		deleted		deleted
	Article 1, second paragraph							
G	89a					2. This Regulation is without prejudice to each Member State having the sole responsibility for its national security, as provided for in Article 4(2) of the Treaty on the European Union (TEU), and the right of each Member State to		<u>2. This Regulation is without prejudice to each Member State having the sole responsibility for its national security, as provided for in Article 4(2) of the Treaty on the European Union (TEU), and the right of each Member State to protect its essential security</u>

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
			protect its essential security interests in accordance with Article 346 of the Treaty on the Functioning of the European Union (TFEU).	<u>interests in accordance with Article 346 of the Treaty on the Functioning of the European Union (TFEU).</u> Text Origin: Council Mandate
Article 2				
90	Article 2 Definitions	Article 2 Definitions	Article 2 Definitions	Article 2 Definitions Text Origin: Commission Proposal
Article 2, first paragraph				
91	For the purposes of this Regulation, the following definitions apply:	For the purposes of this Regulation, the following definitions apply:	For the purposes of this Regulation, the following definitions apply:	For the purposes of this Regulation, the following definitions apply: Text Origin: Commission Proposal
Article 2, first paragraph, point (1)				
92	(1) 'advance purchasing agreement' means a public contract with one or several undertakings which aims at supporting the swift development and/or production of a product and by virtue of which the right to buy a specified number of products in a given timeframe and at a given price is subject to the prefinancing of part of the upfront costs faced by the	(1) 'advance purchasing agreement' means a public contract with one or several undertakings which aims at supporting the swift development and/or production of a product and by virtue of which the right to buy a specified number of products in a given timeframe and at a given price is subject to the prefinancing of part of the upfront costs faced by the	(1) 'advance purchasing agreement' means a public contract with one or several ~~undertakings~~ economic operators which aims at supporting the swift development and/or production of a product, and by virtue of which the right to ~~buy~~ purchase a specified number of products in a given timeframe and at a given price is subject to the prefinancing	(1) 'advance purchasing agreement' means a public contract with one or several ~~undertakings~~ economic operators which aims at supporting the swift development ~~and/or~~ production of a product, and by virtue of which the right to ~~buy~~ purchase a specified number of products in a given timeframe and at a given price is subject to the prefinancing

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	concerned undertakings. While an advance purchasing agreement is legally binding upon the participating contracting authorities and upon the contractor, it needs to be further implemented by means of the conclusion of contracts with the concerned contractors;	concerned undertakings. While an advance purchasing agreement is legally binding upon the participating contracting authorities and upon the contractor, it needs to be further implemented by means of the conclusion of contracts with the concerned contractors;	of part of the upfront costs faced by the economic operators concerned ~~undertakings~~ ; while an advance purchasing agreement is legally binding upon the participating contracting authorities and upon the contractor, it needs to be further implemented by means of the conclusion of contracts with the ~~concerned~~ contractors concerned ;	of part of the upfront costs faced by the <u>economic operators</u> concerned ~~undertakings~~ ; while an advance purchasing agreement is legally binding upon the participating contracting authorities and upon the contractor, it needs to be further implemented by means of the conclusion of contracts with the ~~concerned~~ contractors <u>concerned</u> ; Text Origin: Council Mandate
Article 2, first paragraph, point (1a)				
92a			(1a) ‘associated countries’ means members of the European Free Trade Association which are members of the European Economic Area (EEA) which apply this Regulation in accordance with the EEA Agreement;	<u>(1a) ‘associated countries’ means members of the European Free Trade Association which are members of the European Economic Area (EEA) which apply this Regulation in accordance with the EEA Agreement</u> ; Text Origin: Council Mandate
Article 2, first paragraph, point (2)				
93	(2) ‘bottleneck’ means a point of congestion in a production system that stops or severely slows the production;	(2) ‘bottleneck’ means a point of congestion in a production system that stops or severely slows the production;	(2) ‘bottleneck’ means a point of congestion in a production system that stops or severely slows the production;	(2) ‘bottleneck’ means a point of congestion in a production system that stops or severely slows the production; Text Origin: Commission Proposal

	CLEAN Commission Proposal	V5.EC EP Mandate	V5.EC Council Mandate	V5.EC Draft Agreement
Article 2, first paragraph, point (3)				
G 94	(3) 'blending operation' means an action supported by the Union budget, including within a blending facility or platform as defined in Article 2, point (6) of Regulation (EU, Euratom) No [2018/1046], that combines non-repayable forms of support and/or financial instruments from the Union budget with repayable forms of support from development or other public finance institutions, or from commercial finance institutions and investors	(3) 'blending operation' means an action supported by the Union budget, including within a blending facility or platform as defined in Article ~~2, point (6) of the~~ <u>2(6) of the Financial Regulation</u> ~~(EU, Euratom) No [2018/1046]~~ , that combines non-repayable forms of support and/or financial instruments from the Union budget with repayable forms of support from development or other public finance institutions, or from commercial finance institutions and investors;	(3) 'blending operation' means an action supported by the Union budget, including within a blending facility or platform as defined in Article 2, point (6), of Regulation (EU, Euratom) No [2018/1046] No 2024/2509 (the 'Financial Regulation') , that combines non-repayable forms of support ~~and/or~~ or financial instruments from the Union budget with repayable forms of support from development or other public finance institutions, or from commercial finance institutions and investors;	(3) 'blending operation' means an action supported by the Union budget, including within a blending facility or platform as defined in Article 2, point (6), of Regulation (EU, Euratom) ~~No [2018/1046]~~ <u>No 2024/2509 (the 'Financial Regulation')</u> , that combines non-repayable forms of support ~~and/or~~ or financial instruments from the Union budget with repayable forms of support from development or other public finance institutions, or from commercial finance institutions and investors; Text Origin: Council Mandate
Article 2, first paragraph, point (4)				
Y 95	(4) 'common procurement' means a procurement jointly conducted by at least three Member States;	(4) 'common procurement' means a procurement jointly conducted by at least three Member States;	deleted	
Article 2, first paragraph, point (4a)				
G 95a			(5) 'contracting authorities' means contracting authorities as defined in Article 2(1), point (1), of Directive 2014/24/EU ²⁸ and in Article 3(1) of Directive 2014/25/EU ²⁹ of the European	<u>(5) 'contracting authorities' means contracting authorities as defined in Article 2(1), point (1), of Directive 2014/24/EU²⁸ and in Article 3(1) of Directive 2014/25/EU²⁹ of the European</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						Parliament and of the Council; 28. 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, 28/03/2014, p. 65). 29. 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, 28/03/2014, p. 243).		<u>Parliament and of the Council;</u> <u>28. 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, 28/03/2014, p. 65).</u> <u>29. 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, 28/03/2014, p. 243).</u> Text Origin: Council Mandate
		Article 2, first paragraph, point (5)						
	96	(5) ‘control’ means the ability to exercise a decisive influence on a legal entity directly, or indirectly through one or more intermediate legal entities;	(5) ‘control’ means the ability to exercise a decisive influence on a legal entity directly, or indirectly through one or more intermediate legal entities;	(5)(6) ‘control’ means the ability to exercise a decisive influence ~~on~~ over a legal entity directly, or indirectly through one or more intermediate legal entities;	(5)(6) ‘control’ means the ability to exercise a decisive influence ~~on~~ over a legal entity directly, or indirectly through one or more intermediate legal entities;			~~(5)~~(6) ‘control’ means the ability to exercise a decisive influence ~~on~~over a legal entity directly, or indirectly through one or more intermediate legal entities; Text Origin: Council Mandate
		Article 2, first paragraph, point (6)						
	97	(6) ‘classified information’ means information or material, in any form, the unauthorised disclosure of which could cause varying degrees of prejudice to the interests of the Union, or of one or more of the Member States, and which bears an EU classification marking or a corresponding	(6) ‘classified information’ means information or material, in any form, the unauthorised disclosure of which could cause varying degrees of prejudice to the interests of the Union, or of one or more of the Member States, and which bears an EU classification marking or a corresponding	(6)(4) ‘classified information’ means information or material, in any form, the unauthorised disclosure of which could cause varying degrees of prejudice to the interests of the Union, or of one or more ~~of the~~ Member States, and which bears an EU classification marking or a corresponding	(6)(7) ‘classified information’ means information or material, in any form, the unauthorised disclosure of which could cause varying degrees of prejudice to the interests of the Union, or of one or more ~~of the~~ Member States, and which bears an EU classification marking or a corresponding			

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	classification marking, as established in the Agreement between the Member States of the European Union, meeting within the Council, regarding the protection of classified information exchanged in the interests of the European Union;	classification marking, as established in the Agreement between the Member States of the European Union, meeting within the Council, regarding the protection of classified information exchanged in the interests of the European Union;	classification marking, as established in the Agreement between the Member States of the European Union, meeting within the Council, regarding the protection of classified information exchanged in the interests of the European Union ¹ ; 1. OJ C 202, 8.7.2011, p. 13.	classification marking, as established in the Agreement between the Member States of the European Union, meeting within the Council, regarding the protection of classified information exchanged in the interests of the European Union ¹ ; <u>1. OJ C 202, 8.7.2011, p. 13.</u> Text Origin: Council Mandate
	Article 2, first paragraph, point (7)			
G	98 (7) 'defence products' means any defence-related products as referred to in Article 2 of Directive 2009/43/EC;	(7) 'defence products' means any defence-related products as referred to in Article 2 of Directive 2009/43/EC;	~~(7)~~ (8) 'defence products' means any defence-related products as referred to in Article 2 of Directive 2009/43/EC, as well as works, supplies and services directly related to those products for any and all elements of their life-cycle within the meaning of Article 2, point (c), of Directive 2009/81/EC;	~~(7)~~ (8) 'defence products' means any defence-related products as referred to in Article 2 of Directive 2009/43/EC, <u>as well as works, supplies and services directly related to those products for any and all elements of their life-cycle within the meaning of Article 2, point (c), of Directive 2009/81/EC;</u> Text Origin: Council Mandate
	Article 2, first paragraph, point (7a)			
R	98a	<u>(7a) 'design authority' means the entity that has the legal authority and the ability to decide, without restrictions by non-associated countries or by non-associated country entities, on the definition, adaptation and</u>		

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
				<u>evolution of the product's design, based on the necessary ownership of IP rights and mastery of technologies, including the legal authority to substitute or disintegrate the components subject to restriction by non-associated countries or by non-associated country entities with alternative and restriction-free components originating in the Union;</u>				
		Article 2, first paragraph, point (7b)						
Y		98b		<u>(7b) 'defence industrial readiness pool' means a strategic reserve of defence products, accumulated through the purchase of additional quantities of defence products when common procurement is undertaken;</u>				Y
		Article 2, first paragraph, point (7a)						
G		98c			(8a) 'dynamic availability management' means the provision of defence products in time, at the agreed location and to the agreed levels of availability, as well as managing availability risks that could materialise in the form of outages of the defence product	<u>(8a) 'dynamic availability management' means the provision of defence products in time, at the agreed location and to the agreed levels of availability, as well as managing availability risks that could materialise in the form of outages of the defence product concerned; in this context,</u>		G

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						concerned; in this context, 'availability' means the ability of the defence product to function faultlessly under defined conditions and be ready to use, when required;		<u>'availability' means the ability of the defence product to function faultlessly under defined conditions and be ready to use, when required;</u> Text Origin: Council Mandate
Article 2, first paragraph, point (8)								
99		(8) 'executive management structure' means a body of a legal entity, appointed in accordance with national law, and, where applicable, reporting to the chief executive officer, which is empowered to establish the legal entity's strategy, objectives and overall direction, and which oversees and monitors management decision-making;		(8) 'executive management structure' means a body of a legal entity, appointed in accordance with national law, and, where applicable, reporting to the chief executive officer, which is empowered to establish the legal entity's strategy, objectives and overall direction, and which oversees and monitors management decision-making;		~~(8)~~ (9) 'executive management structure' means a body of a legal entity, appointed in accordance with national law, and, where applicable, reporting to the chief executive officer, which is empowered to establish the legal entity's strategy, objectives and overall direction, and which oversees and monitors the legal entity's management decision-making;		~~(8)~~ (9) 'executive management structure' means a body of a legal entity, appointed in accordance with national law, and, where applicable, reporting to the chief executive officer, which is empowered to establish the legal entity's strategy, objectives and overall direction, and which oversees and monitors <u>the legal entity's</u> management decision-making; Text Origin: Council Mandate
Article 2, first paragraph, point (9)								
100		(9) 'legal entity' means a legal person created and recognised as such under Union, national or international law, which has legal personality and the capacity to act in its own name, exercise rights and be subject to obligations, or an entity which does not have legal personality as referred to in Article		(9) 'legal entity' means a legal person created and recognised as such under Union, national or international law, which has legal personality and the capacity to act in its own name, exercise rights and be subject to obligations, or an entity which does not have legal personality as referred to in Article		~~(9)~~ (12-a) 'legal entity' means a legal person created and recognised as such under Union, national or international law, which has legal personality and the capacity to act in its own name, exercise rights and be subject to obligations, or an entity which does not have legal personality as		~~(9)~~ (10) 'legal entity' means a legal person created and recognised as such under Union, national or international law, which has legal personality and the capacity to act in its own name, exercise rights and be subject to obligations, or an entity which does not have legal personality as referred to in Article

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	197(2), point (c), of the Regulation (EU, Euratom) No 2018/1046;	~~197(2)~~ <u>200(2)</u> , point (c), of the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~ ;	referred to in Article ~~197(2)~~ <u>200(2)</u> , point (c), of the Financial Regulation (EU, Euratom) No 2018/1046;	~~197(2)~~ <u>200(2)</u> , point (c), of the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~ ; Text Origin: Council Mandate
	Article 2, first paragraph, point (9a)			
G	100a		(9a) ‘foreground information’ means any tangible or intangible result which is generated within a given action under this Regulation, including information and knowledge such as intellectual property rights (for example, copyrights, industrial designs, patents, plant variety rights), similar forms of protection (for example, rights for databases) and unprotected know-how (for example, confidential material);	<u>(9a) ‘results’ means any tangible or intangible effect of a given action, such as data, knowhow or information, whatever its form or nature and whether or not it can be protected, as well as any rights attached to it, including IPRs;</u>
	Article 2, first paragraph, point (9b)			
G	100b			<u>(9b) ‘foreground information’ means data, knowhow or information generated in the operation of the Fund, whatever its form or nature.</u>
	Article 2, first paragraph, point (10)			
Y	101 (10) ‘defence innovation action’ means an action primarily consisting of activities directly	(10) ‘defence innovation action’ means an action primarily consisting of activities directly	<i>deleted</i>	

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		aiming to produce plans and arrangements or designs for new, altered or improved defence products, processes or services, possibly including prototyping, testing, demonstrating, piloting, large-scale product validation and market replication		aiming to produce plans and arrangements or designs for new, altered or improved defence products, processes or services, possibly including prototyping, testing, demonstrating, piloting, large-scale product validation and market replication				
		Article 2, first paragraph, point (11)						
G	102	(11) ‘middle capitalisation company’ or ‘mid-cap’ means an enterprise that is not a SME and that employs a maximum of 3 000 persons, where the headcount of staff is calculated in accordance with Articles 3 to 6 of the Annex to Recommendation 2003/361/EC		(11) ‘middle capitalisation company’ or ‘mid-cap’ means an enterprise that is not a SME and that employs a maximum of 3 000 persons, where the headcount of staff is calculated in accordance with Articles 3 to 6 of the Annex to Recommendation 2003/361/EC		(~~11~~ 14) ‘middle capitalisation company’ or ‘mid-cap’ means an enterprise that is not ~~a~~ an SME and that employs a maximum of 3 000 persons, where the headcount of staff is calculated in accordance with Articles 3 to 6 of the Annex to Commission Recommendation 2003/361/EC ³⁹ ; 39. Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20/05/2003, p. 36).		(~~11~~ 14) ‘middle capitalisation company’ or ‘mid-cap’ means an enterprise that is not ~~a~~ an SME and that employs a maximum of 3 000 persons, where the headcount of staff is calculated in accordance with Articles 3 to 6 of the Annex to <u>Commission</u> Recommendation 2003/361/EC ³⁹ . <u>39. Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20/05/2003, p. 36).</u> Text Origin: Council Mandate
		Article 2, first paragraph, point (11a)						
Y	102a					(12c) ‘non-recurrent costs’ means costs that occur on a one-time basis or at irregular intervals, in particular design, development and investment costs necessary for the		<u>(11a) ‘non-recurrent costs’ means costs that occur on a one-time basis or at irregular intervals, in particular design, development and investment costs necessary for the production or maintenance of</u>

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
			production or maintenance of defence products or the reservation of manufacturing capacities;	<u>defence products or the reservation of manufacturing capacities;</u>
Article 2, first paragraph, point (12)				
103	(12) ‘non-associated third-country entity’ means a legal entity that is established in a non-associated third country or, a legal entity that is established in the Union or in an associated country, but has its executive management structures in a non-associated third country;	(12) ‘non-associated third-country entity’ means a legal entity that is established in a non-associated third country or, a legal entity that is established in the Union or in an associated country, but has its executive management structures in a non-associated third country;	(~~12~~ 15) ‘non-associated third-country entity’ means a legal entity that is established in a non-associated third country, or, a legal entity that is established in the Union or in an associated country, but has its executive management structures in a non-associated third country;	(~~12~~ 15) ‘non-associated third-country entity’ means a legal entity that is established in a non-associated third country, or, a legal entity that is established in the Union or in an associated country, but has its executive management structures in a non-associated third country; Text Origin: Council Mandate
Article 2, first paragraph, point (13)				
104	(13) ‘off-take agreement’ means any contractual agreement between at least [three] Member States and at least one manufacturer of defence products containing either a commitment on the Member States to procure a certain quantity of defence products over a certain period of time or a commitment on the manufacturer of defence products to provide the Member States with the option to do so.	(13) ‘off-take agreement’ means any contractual agreement between at least [three] Member States and at least one manufacturer of defence products containing either a commitment on the Member States to procure a certain quantity of defence products over a certain period of time or a commitment on the manufacturer of defence products to provide the Member States with the option to do so.	(13) ‘off-take agreement’ means any contractual agreement between at least {three} Member States and, where relevant, associated countries or Ukraine on the one hand and at least one manufacturer of defence products on the other , containing either a commitment ~~on~~ by the Member States and, where relevant, associated countries or Ukraine to procure a certain quantity of defence products over a certain period of time or a commitment	(13) ‘off-take agreement’ means any contractual agreement between at least ~~three~~ Member States <u>and, where relevant, associated countries or Ukraine on the one hand</u> and at least one manufacturer of defence products <u>on the other</u> , containing either a commitment ~~on~~ by the Member States <u>and, where relevant, associated countries or Ukraine</u> to procure a certain quantity of defence products over a certain period of time or a commitment

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						enby the manufacturer of defence products to provide the Member States and, where relevant, associated countries or Ukraine with the option to do so make such a procurement;		~~en~~ by the manufacturer of defence products to provide the Member States <u>and, where relevant, associated countries or Ukraine</u> with the option to ~~do so~~ <u>make such a procurement;</u> Text Origin: Council Mandate
Article 2, first paragraph, point (13a)								
G		104a				(13a) ‘originator’ means the Union institution, agency or body, Member State, or an entity set up under this Regulation under whose authority classified information has been created;		<u>(13a) ‘originator’ means the Union institution, agency or body, Member State, or an entity set up under this Regulation under whose authority classified information has been created;</u> Text Origin: Council Mandate
Article 2, first paragraph, point (13b)								
G		104b				(15a) ‘another third country entity’ means a legal entity that is established in a non-associated third country other than Ukraine, or a legal entity that is established in the Union, Ukraine or in an associated country but has its executive management structures in a non-associated third country other than Ukraine;		<u>(15a) ‘another third country entity’ means a legal entity that is established in a non-associated third country other than Ukraine, or a legal entity that is established in the Union, Ukraine or in an associated country but has its executive management structures in a non-associated third country other than Ukraine;</u> Text Origin: Council Mandate
Article 2, first paragraph, point (14)								

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
105	(14) ‘procurement agent’ means a contracting authority as defined in Article 2(1), point (1), of Directive 2014/24/EU and Article 3(1) of Directive 2014/25/EU established in a Member State or an associated country, the European Defence Agency, a Structure for European Armament Programme or an international organisation that is designated by Member States, associated countries or Ukraine to conduct a common procurement on their behalf;	(14) ‘procurement agent’ means a contracting authority as defined in Article 2(1), point (1), of Directive 2014/24/EU and Article 3(1) of Directive 2014/25/EU established in a Member State or an associated country, the European Defence Agency, a Structure for European Armament Programme or an international organisation that is designated by Member States, associated countries or Ukraine to conduct a common procurement on their behalf;	(1417) ‘procurement agent’ means a contracting authority as defined in Article 2(1), point (1), of Directive 2014/24/EU and Article 3(1) of Directive 2014/25/EU established in a Member State or an associated country, ~~the European Defence Agency~~ , a Structure for European Armament Programme (SEAP) , the EDA or an international organisation that is designated by Member States, associated countries ~~or~~ , Ukraine or a SEAP to conduct a common procurement on their behalf;	(~~14~~ 17) ‘procurement agent’ means a contracting authority as defined in Article 2(1), point (1), of Directive 2014/24/EU and Article 3(1) of Directive 2014/25/EU established in a Member State or an associated country, ~~the European Defence Agency~~ , a Structure for European Armament Programme (SEAP) , the EDA or an international organisation that is designated by Member States, associated countries ~~or~~ , Ukraine or a SEAP to conduct a common procurement on their behalf; Text Origin: Council Mandate
Article 2, first paragraph, point (15)				
106	(15) ‘lead time’ means the period of time between a purchase order being placed and the manufacturer completing the order;	(15) ‘lead time’ means the period of time between a purchase order being placed and the manufacturer completing the order;	(~~15~~ 12) ‘lead time’ means the period of time between a purchase order being placed and the manufacturer completing the order;	(~~15~~ 12) ‘lead time’ means the period of time between a purchase order being placed and the manufacturer completing the order; Text Origin: Council Mandate
Article 2, first paragraph, point (15a)				
106a		<u>(15a) ‘life-cycle’ means all the stages of a product, from research and development to de-commissioning and disposal;</u>	(12a) ‘life-cycle’ means all the possible successive stages of a product, from research and development to de-commissioning and disposal;	<u>(12a) ‘life-cycle’ means all the possible successive stages of a product, from research and development to de-commissioning and disposal;</u> Text Origin: Council Mandate

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 2, first paragraph, point (15b)								
G	106b			<u>(15b) ‘maintenance’ means all actions taken to ensure the readiness and operational capability of the defence product, in particular to retain equipment in, or to restore it to, specified conditions until the end of its use, including mission readiness and product longevity and upgrades, customisation and specialisation, inspection, overhaul, testing, servicing, modification, classification as to serviceability, repair, recovery, rebuilding, reclamation, salvage and cannibalisation;</u>		(12b) ‘maintenance’ means all actions taken to ensure the readiness and operational capability of a defence product, in particular to retain equipment in or to restore it to specified conditions until the end of its use, including mission readiness, longevity and upgrades, customisation and specialisation, inspection, overhaul, testing, servicing, modifications, classification as to serviceability, repair, recovery, rebuilding, reclamation, salvage and cannibalisation;		<u>(12b) ‘maintenance’ means all actions taken to ensure the readiness and operational capability of a defence product, in particular to retain equipment in or to restore it to specified conditions until the end of its use, including mission readiness, longevity and upgrades, customisation and specialisation, inspection, overhaul, testing, servicing, modifications, classification as to serviceability, repair, recovery, rebuilding, reclamation, salvage and cannibalisation;</u> Text Origin: Council Mandate
Article 2, first paragraph, point (16)								
G	107	(16) ‘raw materials’ means the materials required to produce defence products;		(16) ‘raw materials’ means the <u>raw</u> materials ~~required to produce defence products~~ <u>as defined by Regulation (EU) 2024/1252;</u>		(~~16~~ 18) ‘raw materials’ means a substance in a processed or unprocessed state, used as an input for the manufacturing of intermediate or finalthe materials required to produce defence products, excluding substances predominantly used as food, feed or combustion fuel;		(16) ‘raw materials’ means the <u>raw</u> materials ~~required to produce defence products~~ <u>as defined by Regulation (EU) 2024/1252;</u> Text Origin: EP Mandate
Article 2, first paragraph, point (17)								
G	108	(17) ‘seal of excellence’ means		(17) ‘seal of excellence’ means		(~~17~~ 19) ‘Seal of Excellence’ means		(~~17~~ 19) ‘Seal of Excellence’ means

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	a quality label which shows that a proposal submitted to a call for proposals under the Instrument has passed all of the evaluation thresholds set out in the work programme, but could not be funded due to a lack of budget available for that call for proposals in the work programme, and might receive support from other Union or national sources of funding;	a quality label which shows that a proposal submitted to a call for proposals under the <u>Programme and the Ukraine Support</u> Instrument has passed all of the evaluation thresholds set out in the work programme, but could not be funded due to a lack of budget available for that call for proposals in the work programme, and might receive support from other Union or national sources of funding;	a quality label which shows that a proposal submitted to a call for proposals under the Programme and the Ukraine Support Instrument has passed all of the evaluation thresholds set out in the work programme, but could not be funded due to a lack of budget available for that call for proposals in the work programme, and might receive support from other Union or national sources of funding;	a quality label which shows that a proposal submitted to a call for proposals under the <u>Programme and the Ukraine Support</u> Instrument has passed all of the evaluation thresholds set out in the work programme, but could not be funded due to a lack of budget available for that call for proposals in the work programme, and might receive support from other Union or national sources of funding; Text Origin: Council Mandate
Article 2, first paragraph, point (18)				
109	(18) ‘security crisis’ means any situation in a Member State, an associated third country or non-associated third country in which a harmful event has occurred or is deemed to be impending which clearly exceeds the dimensions of harmful events in everyday life and which substantially endangers or restricts the life and health of people, or requires measures in order to supply the population with necessities, or has a substantial impact on property values, including armed conflicts and wars;	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 2, first paragraph, point (19)				

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
G	110	(19) 'sensitive information' means information and data, including classified information, that is to be protected from unauthorised access or disclosure because of obligations laid down in Union or national law or in order to safeguard the privacy or security of a natural or legal person;	(~~19~~ <u>18a</u>) 'sensitive information' means information and data, including classified information, that is to be protected from unauthorised access or disclosure because of obligations laid down in Union or national law or in order to safeguard the privacy or security of a natural or legal person;	(~~19~~ <u>21</u>) 'sensitive information' means unclassified information and data, ~~including classified information, that is~~ that are to be protected from unauthorised access or disclosure because of obligations laid down in Union or national law, where applicable , or in order to safeguard the privacy or security of a natural or legal person;	(~~19~~ <u>21</u>) 'sensitive information' means unclassified information and data, ~~including classified information, that is~~ that are to be protected from unauthorised access or disclosure because of obligations laid down in Union or national law, where applicable , or in order to safeguard the privacy or security of a natural or legal person;	Text Origin: Council Mandate		
Article 2, first paragraph, point (20)								
G	111	(20) 'small and medium-sized enterprises' or 'SMEs' means small and medium-sized enterprises as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC;	(20) 'small and medium-sized enterprises' or 'SMEs' means small and medium-sized enterprises as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC;	(~~20~~ <u>22</u>) 'small and medium-sized enterprises' ~~or 'SMEs'~~ (SMEs) means small and medium-sized enterprises as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC;	(~~20~~ <u>22</u>) 'small and medium-sized enterprises' ~~or 'SMEs'~~ (SMEs) means small and medium-sized enterprises as defined in Article 2 of the Annex to Commission Recommendation 2003/361/EC;	COM confirmed this is the right reference. Text Origin: Council Mandate		
Article 2, first paragraph, point (21)								
Y	112	(21) 'subcontractors in the common procurement' means any legal entity which provides critical inputs that possess unique attributes essential for the functioning of a product and which	(21) 'subcontractors in the common procurement' means any legal entity which provides critical inputs that possess unique attributes essential for the functioning of a product and which	(~~21~~ <u>23</u>) 'subcontractors in the common procurement' means any legal entity an economic operator that is proposed by a candidate or tenderer or	(~~21~~ <u>23</u>) ' ~~subcontractors in the common procurement~~ ' means ~~any legal entity~~ an economic operator that is proposed by a candidate or tenderer or			

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	is allocated at least 15 % of the value of the contract.	is allocated at least 15 % of the value of the contract.	contractor to perform specific tasks or services under the supervision of the main contractor, contributing to the design or manufacturing of a defence products, other than what is provided by suppliers to implement the contract, for which provides critical inputs that possess unique attributes essential for the functioning of a product and which it is allocated at least 15 %15% of the value of the contract, and that needs access to classified information for the performance of that contract; for the purposes of this definition, ‘supplier’ shall be understood as an economic operator that delivers components of its own design or production to the contractor.	<u>contractor to perform specific tasks or services under the supervision of the main contractor, contributing to the design or manufacturing of a defence products, other than what is provided by suppliers to implement the contract, for</u> which ~~provides critical inputs that possess unique attributes essential for the functioning of a product and which it~~ is allocated at least ~~15 %~~ 15% of the value of the contract, <u>and that needs access to classified information for the performance of that contract; for the purposes of this definition, ‘supplier’ shall be understood as an economic operator that delivers components of its own design or production to the contractor.]</u> Text Origin: Council Mandate
	Article 2, first paragraph, point (22)			
113	(22) ‘small middle capitalisation company’ or ‘small mid-cap’ means an enterprise that is not a SME and whose number of employees does not exceed 499, calculated in accordance with Articles 3 to 6 of the Annex to Recommendation 2003/361/EC,	(22) ‘small middle capitalisation company’ or ‘small mid-cap’ means an enterprise that is not a SME and whose number of employees does not exceed 499, calculated in accordance with Articles 3 to 6 of the Annex to Recommendation 2003/361/EC,	<i>deleted</i>	(22) <u>[</u> ‘small middle capitalisation company’ or ‘small mid-cap’ means an enterprise that is not a SME and whose number of employees does not exceed 499, calculated in accordance with Articles 3 to 6 of the Annex to ~~Recommendation~~

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	the annual turnover of which does not exceed EUR 100 million or the annual balance sheet of which does not exceed EUR 86 million;	the annual turnover of which does not exceed EUR 100 million or the annual balance sheet of which does not exceed EUR 86 million;		2003/361/EC Recommendation (EU) 2025/1099 , the annual turnover of which does not exceed EUR 100 million or the annual balance sheet of which does not exceed EUR 86 million; COM informed there is an updated Commission Recommendation now. Text Origin: Commission Proposal
Article 2, first paragraph, point (23)				
114	(23) ‘crisis-relevant products’ means defence products or key components or raw materials thereof or any products or services critical to their production that have been identified as being seriously affected by a disruption or potential disruption of the functioning of the internal market and its supply chains resulting in actual or potential significant shortages.	(23) ‘crisis-relevant products’ means defence products or ~~key~~ components or raw materials thereof or any products or services critical to their production ~~that have been identified as being seriously affected by a disruption or potential disruption of the~~ <u>whose availability is indispensable to ensure the proper</u> functioning of the internal market and its supply chains ~~resulting in actual or potential significant shortages and~~ <u>must be secured to respond to a supply crisis</u> .	~~(23)~~ (7) ‘crisis-relevant products’ means defence products or ~~key~~ components or raw materials thereof, or any products or services critical to their production ~~that have been identified as being seriously affected by a disruption or potential disruption of the,~~ whose availability is indispensable to ensure the proper functioning of the internal market and its supply chains ~~resulting in actual or potential significant shortages and~~ must be guaranteed in order to respond to a supply crisis;	~~(23)~~ (7) ‘crisis-relevant products’ means defence products or ~~key~~ components or raw materials thereof, or any products or services critical to their production ~~that have been identified as being seriously affected by a disruption or potential disruption of the,~~ <u>whose availability is indispensable to ensure the proper</u> functioning of the internal market and its supply chains ~~resulting in actual or potential significant shortages and~~ <u>must be guaranteed in order to respond to a supply crisis;</u> Text Origin: Council Mandate
Article 2a				
114a			Article 2a	Article 2a

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						Budget		<u>Budget</u> Text Origin: Council Mandate
		Article 2a(1)						
G		114b				1. The financial envelopes for the implementation of the Programme for the period from [...] until 31 December 2027 shall be composed of:		<u>1. The financial envelopes for the implementation of the Programme for the period from [...] until 31 December 2027 shall be composed of:</u> Text Origin: Council Mandate
		Article 2a(1), point (a)						
R		114c				(a) EUR 1 200 million in current prices as well as		<u>(a) EUR [XXX] million in current prices as well as</u> Text Origin: Council Mandate
		Article 2a(1), point (b)						
G		114d				(b) additional contributions in accordance with Article 6.		<u>(b) additional contributions in accordance with Article 6.</u> Text Origin: Council Mandate
		Article 2a(2)						
G		114e				1-b. The financial envelopes for the implementation of the Ukraine Support Instrument for the period from [...] until 31 December 2027 shall be composed of:		<u>1-b. The financial envelopes for the implementation of the Ukraine Support Instrument for the period from [...] until 31 December 2027 shall be composed of:</u> Text Origin: Council Mandate
		Article 2a(2), point (a)						

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
R	114f				(a)	EUR 300 million in current prices and		<u>(a) EUR [xxx] million in current prices and</u> Text Origin: Council Mandate
	Article 2a(2), point (b)							
G	114g				(b)	the amount of the additional contributions in accordance with Article 19g to the extent earmarked.		<u>(b) the amount of the additional contributions in accordance with Article 19g to the extent earmarked.</u> Text Origin: Council Mandate
	Article 2a(3)							
Y	114h				1-a.	Union funding under the Programme and the Ukraine Support Instrument shall not cover the costs of the purchase and of the maintenance of defence products for military or defence purposes, including in the context of establishing, managing and maintaining a defence industrial readiness pool as referred to in Article 13b. Union funding under the Programme and the Ukraine Support Instrument may cover the non-recurrent costs incurred in the context of the purchase or of the maintenance of such products.		<u>1-a. [Union funding under the Programme and the Ukraine Support Instrument shall not cover the costs of the purchase and of the maintenance of defence products for military or defence purposes, including in the context of establishing, managing and maintaining a defence industrial readiness pool as referred to in Article 13b. Union funding under the Programme and the Ukraine Support Instrument may cover the non-recurrent costs incurred in the context of the purchase or of the maintenance of such products.]</u> Text Origin: Council Mandate
	Article 2a(4)							

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
Y		114i		<u>3a. The Union contribution through the financial envelope defined in Article 5(1) shall support:</u> <u>(a) common procurement actions pursuant to Article 12 with at least 15% and no more than 25%;</u> <u>(b) industrial reinforcement actions pursuant to Article 13 with at least 25% and no more than 40%;</u> <u>(c) European Defence Projects of Common Interest with no more than 45%;</u> <u>(d) the establishment of FAST, as referred to in Article 19, with a budget of 225 million euros.</u> moved from row 268a - article 17 (3a)		1a. At least 15 % of the financial envelope referred to in paragraph 1, point (a), of this Article shall be allocated to actions referred to in Article 12. At least 30 % of the financial envelope referred to in paragraph 1, point (a), of this Article shall be allocated to actions referred to in Article 13. Up to 25 % of the financial envelope referred to in paragraph 1, point (a), of this Article may be allocated to actions referred to in Article 15.		
		Article 2a(5)						
G		114j				2. In order to respond to unforeseen situations or to new developments and needs, the Commission may transfer the amounts referred to in paragraph 1 and 1-b of this Article between the Programme and the Ukraine Support		<u>2. In order to respond to unforeseen situations or to new developments and needs, the Commission may transfer the amounts referred to in paragraph 1 and 1-b of this Article between the Programme and the Ukraine Support Instrument in accordance</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						Instrument in accordance with the Financial Regulation.		<u>with the Financial Regulation.</u> Text Origin: Council Mandate
		Article 2a(6)						
Y		114k				3. Up to 2 % of the amount referred to in paragraphs 1 and 1-b may be used for technical and administrative assistance for the implementation of the Programme and the Ukraine Support Instrument, such as preparatory, monitoring, control, audit and evaluation activities, including price investigations and corporate information technology systems and platforms, and all other technical and administrative assistance or staff-related expenses incurred by the Commission for the management of the Programme and the Ukraine Support Instrument.		<u>3. [Up to 3.5 %] of the amount referred to in paragraphs 1 and 1-b may be used for technical and administrative assistance for the implementation of the Programme and the Ukraine Support Instrument, such as preparatory, monitoring, control, audit and evaluation activities, including price investigations and corporate information technology systems and platforms, and all other technical and administrative assistance or staff-related expenses incurred by the Commission for the management of the Programme and the Ukraine Support Instrument.</u> Text Origin: Council Mandate
		Article 2a(7)						
G		114l				7. Budgetary commitments for activities extending over more than one financial year may be broken down over several years into annual instalments.		<u>7. Budgetary commitments for activities extending over more than one financial year may be broken down over several years into annual instalments.</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
								Text Origin: Council Mandate
	Article 2a(8)							
G	114m				8.	If necessary to enable the management of actions not completed by 31 December 2027, appropriations may be entered in the Union budget until 2033 to cover the expenses necessary to fulfil the objectives set out in Article 4 for the Programme or, where relevant, Article 19e for the Ukraine Support Instrument, to enable the management of actions not completed by the end of the Programme or the Ukraine Support Instrument, and to cover the expenses related to critical operational activities and services.	8.	<u>If necessary to enable the management of actions not completed by 31 December 2027, appropriations may be entered in the Union budget until 2033 to cover the expenses necessary to fulfil the objectives set out in Article 4 for the Programme or, where relevant, Article 19e for the Ukraine Support Instrument, to enable the management of actions not completed by the end of the Programme or the Ukraine Support Instrument, and to cover the expenses related to critical operational activities and services.</u>
								Text Origin: Council Mandate
	Chapter II							
G	115	Chapter II		Chapter II		Chapter II		Chapter II
				<u>The Programme</u>		The Programme		<u>The Programme</u>
								Text Origin: EP Mandate
	Section 1							
G	116	Section 1 General provisions applicable to the Programme and to the Ukraine Support Instrument		Section 1 General provisions applicable to the Programme ~~and to the Ukraine Support Instrument~~		Section 1 General provisions applicable to the Programme ~~and to the Ukraine Support Instrument~~		Section 1 General provisions applicable to the Programme ~~and to the Ukraine Support Instrument~~
								Text Origin: Council Mandate

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
Article 3								
117		Article 3 Use of financing not linked to costs		Article 3 Use of financing not linked to costs		<i>deleted</i>		<i>deleted</i> <i>Agreement by co-legislators to move this provision and integrate into Articles 19c and 21d.</i>
Article 3(1)								
118		1. Grants may take the form of financing not linked to costs, pursuant to Article 180(3) of Regulation (EU, Euratom) 2018/1046.		1. Grants may take the form of financing not linked to costs, pursuant to Article ~~180(3) of~~ <u>183(3) of the Financial Regulation (EU, Euratom) 2018/1046</u> .		<i>deleted</i>		<i>deleted</i>
Article 3(2)								
119		2. Where the Union grant takes the form of financing not linked to costs for actions reinforcing the EDTIB, the level of the Union contribution attributed to each action may be defined on the basis of factors such as:		2. Where the Union grant takes the form of financing not linked to costs for <u>common-procurement</u> actions reinforcing the EDTIB, the level of the Union contribution attributed to each action may be defined on the basis of factors such as:		<i>deleted</i>		<i>deleted</i>
Article 3(2), point (a)								
120		(a) the complexity of the common procurement, for which a proportion of the estimated value of the common procurement contract and the experience gained in similar actions may serve as an initial proxy;		(a) the complexity of the common procurement, for which a proportion of the estimated value of the common procurement contract and the experience gained in similar actions may serve as an initial proxy;		<i>deleted</i>		<i>deleted</i>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
<i>Article 3(2), point (b)</i>								
121		(b) the characteristics of the cooperation which are likely to give rise to greater interoperability outcomes and long-term investment signals to industry, in particular where the common procurement covers activities that would be eligible for funding from the Union budget, e.g. research and development, testing and certification, initial production or in-service support activities;		(b) the characteristics of the cooperation which are likely to give rise to greater interoperability outcomes and long-term investment signals to industry, in particular where the common procurement covers activities that would be eligible for funding from the Union budget, e.g. research and development, testing and certification, initial production or in-service support activities;		<i>deleted</i>		<i>deleted</i>
<i>Article 3(2), point (c)</i>								
122		(c) the number of participating Member States and associated countries or the inclusion of additional Member States or associated countries in existing cooperations;		(c) the number of participating Member States and associated countries or the inclusion of additional Member States or associated countries in existing cooperations;		<i>deleted</i>		<i>deleted</i>
<i>Article 3(2), point (d)</i>								
123		(d) the effort linked to ramp-up of necessary manufacturing capacities;		(d) the effort linked to ramp-up of necessary manufacturing capacities;		<i>deleted</i>		<i>deleted</i>
<i>Article 3(2), point (da)</i>								
123a				<u>(da) the contribution to the reduction of dependencies on non-associated countries;</u>				<i>deleted</i> EP text to be discussed in Article 19c. Moved to row 267j.

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
Article 3(2), point (e)								
G	124	(e) the procurement of additional quantities for other Member States (defence readiness pool).		(e) the procurement of additional quantities for other Member States (defence <u>industrial</u> readiness pool);		deleted		deleted
Article 3(2), point (ea)								
G	124a			<u>(ea) the procurement of additional quantities for Ukraine and Moldova.</u>				deleted EP text to be discussed and integrated in Article 19c. Moved to row 267l.
Article 3(3)								
G	125	3. Where the Union grant takes the form of financing not linked to costs for actions reinforcing the Ukrainian DTIB, the level of Union contribution may in addition to the factors referred to in paragraph 2, be based on factors such as:		deleted		deleted		deleted
Article 3(3), point (a)								
G	126	(a) the complexity of the Ukraine accession process, including structural reforms and measures to promote convergence with the Union 'acquis';		deleted		deleted		deleted
Article 3(3), point (b)								
G	127	(b) the efforts of adapting the Ukrainian defence procurement		deleted		deleted		deleted

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	processes and the environment for the Ukrainian defence industry, including to meet NATO standards;			
	Article 3(3), point (c)			
G	128 (c) the efforts and risks associated with the ongoing war of aggression, taking into account the need to rebuild and modernise infrastructure damaged by the war in a resilient way, and, where relevant, by appropriate measures to avoid, prevent or reduce and, if possible, offset these effects.	deleted	deleted	deleted
	Article 4			
G	129 Article 4 Objectives	Article 4 Objectives	Article 4 Objectives	Article 4 Objectives Text Origin: Commission Proposal
	Article 4(1)			
Y	130 1. The Programme and the Ukraine Support Instrument aim at increasing the defence industrial readiness of the EDTIB and of the Ukrainian DTIB in particular through:	1. The Programme ~~and the Ukraine Support Instrument aim at increasing the defence industrial~~ <u>shall aim to increase the competitiveness, productivity and</u> readiness of the EDTIB ~~and of the Ukrainian DTIB~~ in particular through:	1. The Programme ~~and the Ukraine Support Instrument aim at increasing the defence industrial~~ <u>shall aim to increase the competitiveness and</u> readiness of the EDTIB <u>by initiating and accelerating the adjustment of industry to structural changes imposed by the evolving security</u>	1. The Programme ~~and the Ukraine Support Instrument aim at increasing the defence industrial~~ <u>shall aim to increase the competitiveness, resilience, [autonomy] and</u> readiness of the EDTIB <u>by initiating and accelerating the adjustment of industry to structural changes</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						environment, and of the Ukrainian DTIB. In particular, the Programme shall aim to through:		<u>imposed by the evolving security environment, [which contributes to reducing strategic dependencies].</u> ~~and of the Ukrainian DTIB~~ In particular, <u>the Programme shall aim to through:</u> [autonomy] or [which contributes to reducing strategic dependencies]
Article 4(1), point (a)								
131		(a) initiating and speeding up the adjustment of industry to structural changes, including through the creation and ramp-up of its manufacturing capacities and the opening of the supply chains for cross-border cooperation and effective availability and supply throughout the Union, involving in particular, to a significant extent, SMEs, small mid-caps and other mid-caps;		(a) initiating and speeding up the adjustment of industry to <u>the rapid</u> structural changes <u>imposed by the evolving security environment, in particular the strategic necessity for Member States to be able to deploy capabilities without control or restriction by non-associated third countries or entities</u> , including through ~~the creation and ramp-up of its manufacturing capacities and the opening of the supply chains for cross-border cooperation and effective availability and supply throughout the Union, involving in particular, to a significant extent, SMEs, small mid-caps and other mid-caps;~~		(a) initiating and speeding up the adjustment of industry to structural changes, including through the creation and ramp-up of its manufacturing capacities and the opening of the supply chains for cross-border enhance cooperation and effective availability and supply throughout the Union, involving in particular, to a significant extent, SMEs, small mid-caps and other mid-caps in defence procurement by incentivising Member States to aggregate demand for defence products, harmonise defence capability requirements and strengthen solidarity among themselves, as well as by improving predictability of demand for the EDTIB, corresponding with Member		(a) ~~initiating and speeding up the adjustment of industry to structural changes, including through the creation and ramp-up of its manufacturing capacities and the opening of the supply chains for cross-border enhance cooperation and effective availability and supply throughout the Union, involving in particular, to a significant extent, SMEs, small mid-caps and other mid-caps in~~ <u>defence procurement by incentivising Member States to aggregate demand for defence products, harmonise defence capability requirements, and strengthen solidarity among themselves, ultimately leading to greater interoperability and interchangeability, and by improving predictability of</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						States' defence product needs;		<u>demand for the EDTIB, corresponding with Member States' defence product needs;</u>
	Article 4(1), point (a)(i)							
131a				<u>(i) the creation, adaptation, modernisation and ramp-up of its manufacturing capacities of defence and crisis-relevant products throughout the Union;</u>				<u>(b) improve and accelerate the capacity of adaptation of defence industrial supply chains, open up supply chains for cross-border cooperation, in particular for SMEs and mid-caps, increase manufacturing capacities, reduce lead production time for defence products and support the industrialisation and commercialisation of defence products supported by actions funded by the Union or other Union cooperative activities conducted with the support of Member States, with a view to ensuring the availability and supply of defence products throughout the Union, also taking into account the specific needs of Member States in the case of materialisation of conventional military threats;</u>
	Article 4(1), point (a)(ii)							
131b				<u>(ii) the opening of the supply chains for cross-border cooperation and effective</u>				<u>(c) improve the security of supply and resilience of the EDTIB by supporting the</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>availability and supply throughout the Union, involving in particular, to a significant extent, SMEs, small mid-caps and other mid-caps, and ensuring the development of the EDTIB throughout the Union, with a view to building industrial redundancies in order to increase the Union's resilience;</u>				<u>development and presence of the EDTIB throughout the Union.</u>
Article 4(1), point (a)(iii)								
131c				<u>(iii) the improvement and acceleration of the capacity of adaptation of supply chains for crisis-relevant products, the creation of manufacturing capacities or their ramp-up, and a reduction of their lead time for production and delivery of defence products throughout the Union, including through stockpiling.</u>				deleted
Article 4(1), point (b)								
132		(b) incentivising cooperation in defence procurement in order to contribute to solidarity, prevent crowding-out effects, increase the effectiveness of public spending and reduce excessive fragmentation, ultimately leading to an increase in the standardisation of defence systems		(b) ~~incentivising~~ <u>increasing cross-border</u> cooperation in defence procurement in order to contribute to solidarity, <u>in particular to ensure that stockpiling from actions under this Regulation will be located near or in the Member States with the highest exposure to the risk of</u>		(b) ~~incentivising~~ <u>improve and accelerate the capacity of adaptation of defence industrial supply chains, open up supply chains for cross-border cooperation, in particular for SMEs and mid-caps in defence procurement in order to contribute to solidarity, prevent crowding-out</u>		deleted

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	and greater interoperability.	<u>materialisation of conventional military threats</u> , prevent crowding-out effects, increase the effectiveness of public spending and reduce excessive fragmentation, ultimately leading to an increase in the standardisation of defence systems and greater interoperability <u>and interchangeability, and ensuring the fulfilment of Member States' needs in terms of quality, availability and cost of defence products</u> .	effects, increase the effectiveness of public spending ~~and manufacturing capacities~~ , reduce excessive fragmentation, ultimately leading to an increase in the standardisation ~~lead production time for defence products~~ , and support the industrialisation and commercialisation of defence systems and greater interoperability products supported by actions funded by the Union or other Union cooperative activities conducted with the support of Member States with a view to ensuring the availability and supply of defence products, throughout the Union.	
Article 4(2)				
133	2. Actions contributing to the recovery, reconstruction and modernisation of the Ukrainian DTIB shall take into account its possible future integration into the EDTIB, thereby contributing to mutual stability, security, peace, prosperity and sustainability.	<i>deleted</i>	2. ~~Actions contributing to the recovery, reconstruction and modernisation of the Ukrainian DTIB~~ The Programme shall ~~take be~~ implemented taking into account its possible future integration into the EDTIB, thereby contributing to mutual stability, ~~the objectives of the Strategic Compass for Security, peace, prosperity and sustainability~~ and Defence and shall be consistent with the defence	2. ~~Actions contributing to the recovery, reconstruction and modernisation of the Ukrainian DTIB~~ The Programme shall ~~take be~~ implemented taking into account ~~its possible future integration into the EDTIB, thereby contributing to mutual stability,~~ <u>the objectives of the Strategic Compass for Security, ~~peace, prosperity and sustainability~~ and Defence and shall be consistent with the defence capability priorities</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						capability priorities commonly agreed by Member States within the framework of the common foreign and security policy (CFSP), in particular within the context of the Capability Development Plan (CDP), and with the collaborative opportunities identified in the Coordinated Annual Review on Defence.		<u>commonly agreed by Member States within the framework of the common foreign and security policy (CFSP), in particular within the context of the Capability Development Plan (CDP), and with the collaborative opportunities identified in the Coordinated Annual Review on Defence.</u> Text Origin: Council Mandate
Article 4(3)								
134		3. The objectives set out in paragraph 1, point (a), shall be pursued with an emphasis on initiating and speeding up the adjustment of industry to the rapid structural changes imposed by the evolving security environment. This may include the improvement and acceleration of the capacity of adaptation of supply chains for crisis-relevant products, the creation of manufacturing capacities or their ramp-up, and a reduction of their lead production time for defence products throughout the Union, taking into account the objectives of the Strategic Compass for Security and Defence and the advice of the		<i>deleted</i>		3. The objectives set out in paragraph 1, point (a), ~~Programme~~ shall be pursued with an emphasis on initiating and speeding up the adjustment of industry to the rapid structural changes imposed by the evolving security environment. This may include the improvement and acceleration consistent with Member States' cooperation within the framework of the capacity of adaptation of supply chains for crisis-relevant products, the creation of manufacturing capacities or their ramp-up, and a reduction of their lead production time for defence products throughout Permanent Structured Cooperation, EDA initiatives and		3. The ~~objectives set out in paragraph 1, point (a), Programme~~ shall be ~~pursued with an emphasis on initiating and speeding up the adjustment of industry to the rapid structural changes imposed by the evolving security environment. This may include the improvement and acceleration~~ <u>consistent with Member States' cooperation within the framework</u> of the ~~capacity of adaptation of supply chains for crisis-relevant products, the creation of manufacturing capacities or their ramp-up, and a reduction of their lead production time for defence products throughout~~ <u>Permanent Structured Cooperation, EDA initiatives and</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	Defence Industrial Readiness Board.		projects, and the Union, ~~taking's~~ civil and military assistance to Ukraine. The Programme shall duly take into account the objectives of the Strategic Compass ~~for~~ relevant activities carried out by the North Atlantic Treaty Organisation (NATO) and other partners where such activities serve the Union's security and defence and the advice of the Defence Industrial Readiness Board interests.	<u>projects, and</u> the Union, ~~taking's~~ <u>civil and military assistance to Ukraine. The Programme shall duly take</u> into account the ~~objectives of the Strategic Compass~~ <u>for relevant activities carried out by the North Atlantic Treaty Organisation (NATO) and other partners where such activities serve the Union's</u> security and defence ~~and the advice of the Defence Industrial Readiness Board~~ <u>interests.</u> Text Origin: Council Mandate
Article 4(4)				
135	4. The objectives set out in paragraph 1, point (b), shall be pursued with an emphasis on developing the EDTIB throughout the Union to allow it to address, in particular, Member States' defence product needs in terms of quality, availability, delivery time and location, in line with the defence capability priorities commonly agreed by Member States within the framework of the Common Foreign and Security Policy (CFSP), in particular in the context of the Capability Development Plan, taking into account the	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	objectives of the Strategic Compass for Security and Defence and the advices of the Defence Industrial Readiness Board.			
Article 4(5)				
136	5. The objectives set out in paragraph 2 shall be pursued with an emphasis on enhancing cross-border cooperation between the EDTIB and the Ukrainian DTIB, taking into account the defence product needs of Ukraine, through creation of manufacturing capacities or their ramp-up in line with NATO standards, protection of assets, technical assistance and exchange of personnel, increased cooperation on common procurement of defence products for Ukraine and licensing production cooperation through public-private partnerships or other forms of cooperation, e.g. joint ventures. Special attention shall be given to the objective to support Ukraine to progressively align with Union rules, standards, policies and practices ('acquis') with a view to future Union membership.	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 5				
137	Article 5	Article 5	~~Article 5~~	

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		Budget		Budget		deleted		deleted
Article 5(1)								
G	138	1. The financial envelopes for the implementation of the Programme and the Ukraine Support Instrument shall be composed of:		1. The financial ~~envelopes~~ <u>envelope</u> for the implementation of the Programme ~~and the Ukraine Support Instrument~~ <u>for actions reinforcing the EDTIB</u> shall be composed of:		deleted Council moved the budget to chapter I (Art. 2a)		deleted
Article 5(1), point (a)								
R	139	(a) for actions reinforcing the EDTIB: EUR 1 500 millions in current prices for the period from [...] - insert a specific date] until 31 December 2027 as well as additional contributions in accordance with Article 6;		(a) ~~for actions reinforcing the EDTIB:~~ EUR 1 500 ~~millions~~ <u>million</u> in current prices ~~from the general budget~~ for the period from ~~f... insert a specific date...~~ <u>[date of entry into force of this Regulation]</u> until 31 December 2027 ~~as well as additional contributions in accordance with Article 6;~~		deleted		deleted
Article 5(1), point (aa), first subparagraph								
R	139a			<u>(aa) at least EUR 15 000 million in additional contributions provided by the Member States in accordance with the second subparagraph of this paragraph and Article 6;</u>				
Article 5(1), point (aa), second subparagraph								

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
R	139b			<u><i>The Member States contributions under point (aa) of this paragraph may originate from the use of financial assistance received under the Security Action for Europe (SAFE) through the reinforcement of European defence industry instrument (the ‘SAFE instrument’), established by Proposed Council Regulation (EU) XXXX/XXXX [COM(2025)0122], or from any other national source.</i></u>				
Article 5(1), point (b)								
G	140	(b) for actions reinforcing the Ukrainian DTIB: the amount of the additional contributions in accordance with Article 6 to the extent earmarked, subject to the conclusion of the agreement referred to in Article 57.		<i>deleted</i>		<i>deleted</i>		<i>deleted</i>
Article 5(2)								
G	141	2. In order to respond to unforeseen situations or to new developments and needs, the Commission may reallocate the amount allocated to actions referred to in paragraph 1, by a maximum of 20 %, except for the additional financial resources as referred to in Article 6(2), which		2. In order to respond to unforeseen situations or to new developments and needs, the Commission may reallocate the amount allocated to actions referred to in paragraph 1 <u><i>of this Article and in paragraph 1 of Article 19b</i></u> , by a maximum of 20 %, except for the additional		<i>deleted</i>		<i>deleted</i>

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	shall not be reallocated.	financial resources as referred to in Article ~~6(2)~~ <u>19c(2)</u> , which shall not be reallocated.		
Article 5(3)				
142	3. The amount referred to in paragraph 1 and 5 of this Article and the amounts of additional contributions referred to in Article 6 may also be used for technical and administrative assistance for the implementation of the Programme, such as preparatory, monitoring, control, audit and evaluation activities, including price investigations and corporate information technology systems and platforms, and all other technical and administrative assistance or staff-related expenses incurred by the Commission for the management of the Programme/other elements of the subject matter.	3. The amount referred to in paragraph 1 and 5 of this Article and the amounts of additional contributions referred to in Article 6 may also be used for technical and administrative assistance for the implementation of the Programme, such as preparatory, monitoring, control, audit and evaluation activities, including price investigations and corporate information technology systems and platforms, and all other technical and administrative assistance or staff-related expenses incurred by the Commission for the management of the Programme/other elements of the subject matter.	<i>deleted</i>	<i>deleted</i>
Article 5(4)				
143	4. In addition to Article 12(4) of Regulation (EU, Euratom) 2018/1046, unused commitment and payment appropriations shall be automatically carried over and may be committed and used, respectively, until 31 December of	4. In addition to Article 12(4) of <u>the Financial Regulation</u> ~~(EU, Euratom)~~ <u>2018/1046</u> , unused commitment and payment appropriations shall be automatically carried over and may be committed and used,	<i>deleted</i>	<i>deleted</i>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	the following financial year. The amount carried over shall be used first in the following financial year. The Commission shall inform the European Parliament and the Council of commitment appropriations carried over in accordance with Article 12(6) of Regulation (EU, Euratom) 2018/1046.	respectively, until 31 December of the following financial year. The amount carried over shall be used first in the following financial year. The Commission shall inform the European Parliament and the Council of commitment appropriations carried over in accordance with Article 12(6) of <u>the Financial</u> Regulation ~~(EU, Euratom) 2018/1046~~ .		
Article 5(5)				
144	5. By way of derogation from Article 209(3), first, second and fourth subparagraphs of Regulation (EU, Euratom) 2018/1046, any revenues and repayments from financial instruments established under this Regulation shall constitute internal assigned revenue within the meaning of Article 21(5) of Regulation (EU, Euratom) 2018/1046, to the Programme or its successor programme.	5. By way of derogation from Article ~~209(3)~~ <u>212(3)</u> , first, second and fourth subparagraphs of <u>the Financial</u> Regulation ~~(EU, Euratom) 2018/1046~~ , any revenues and repayments from financial instruments established under this Regulation shall constitute internal assigned revenue within the meaning of Article 21(5) of <u>the Financial</u> Regulation ~~(EU, Euratom) 2018/1046~~ , to the Programme or its successor programme.	deleted	deleted
Article 5(6)				
145	6. In addition to Article 15 of Regulation (EU, Euratom) 2018/1046, commitment appropriations corresponding to the	6. In addition to Article 15 of <u>the Financial</u> Regulation ~~(EU, Euratom) 2018/1046~~ , commitment appropriations corresponding to the	deleted	deleted

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	amount of recoveries and of decommitments shall be made available again to the Programme or the Ukraine Support Instrument or their successors in the context of the budgetary procedure.	amount of recoveries and of decommitments shall be made available again to the Programme or the Ukraine Support Instrument or their successors in the context of the budgetary procedure.		
Article 5(7)				
146	7. Budgetary commitments for activities extending over more than one financial year may be broken down over several years into annual instalments.	7. Budgetary commitments for activities extending over more than one financial year may be broken down over several years into annual instalments.	<i>deleted</i>	<i>deleted</i>
Article 5(8)				
147	8. Appropriations may be entered in the Union budget beyond 2027 to cover the expenses necessary to fulfil the objectives set out in Article 4, to enable the management of actions not completed by the end of the Programme, as well as expenses covering critical operational activities and services.	8. Appropriations may be entered in the Union budget beyond 2027 to cover the expenses necessary to fulfil the objectives set out in Article 4, to enable the management of actions not completed by the end of the Programme, as well as expenses covering critical operational activities and services.	<i>deleted</i>	<i>deleted</i>
Article 6				
148	Article 6 Additional financial resources	Article 6 Additional financial resources	Article 6 Additional financial resources	Article 6 Additional financial resources Text Origin: Commission Proposal
Article 6(1)				

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
149		1. Member States, European Union institutions, bodies and agencies, third countries, international organisations, international financial institutions or other third parties, may provide additional financial contributions to the Programme, including to the Fund Accelerating the defence Supply Chains Transformation (FAST) referred to in Article 19 in accordance with Article 208(2) of the Regulation (EU, Euratom) No 2018/1046. Such financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a)(ii) [point (a) FR recast], (d), or (e) or Article 21(5) of the Regulation (EU, Euratom) No 2018/1046.		1. Member States, European Union institutions, bodies and agencies, third countries, international organisations, international financial institutions or other third parties, may provide additional financial contributions to the Programme, including to the Fund Accelerating the defence Supply Chains Transformation (FAST) referred to in Article 19 <u>of this Regulation</u> in accordance with Article ~~208(2)~~<u>211(2)</u> of the <u>the Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~. Such financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a)(~~ii~~) ~~[point (a) FR recast]~~, (d), or (e) or Article 21(5) of the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~.		1. Member States, ~~European~~ Union institutions, bodies and agencies, third countries, international organisations, international financial institutions or other third parties, may provide additional financial contributions to the Programme, including to the Fund Accelerating the defence Supply Chains Transformation (FAST) referred to in Article 19 of this Regulation, in accordance with Article ~~208(2)~~211(2) of the Financial Regulation ~~(EU, Euratom) No 2018/1046~~. Such financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a)(~~ii~~) ~~[point (a) FR recast]~~, (d); or (e), or Article 21(5) of the Financial Regulation. Provided that they contribute to the achievement of one or more of the objectives set out in Article 4 of Regulation (EU, Euratom) No 2018/10462021/241, Member State contributions supported by the Recovery and Resilience Facility shall be used for the benefit of the Member State concerned and may, by derogation from Article 19c(6) of this Regulation and from Article		1. Member States, ~~European~~ Union institutions, bodies and agencies, third countries, international organisations, international financial institutions or other third parties, may provide additional financial contributions to the Programme, including to the Fund Accelerating the defence Supply Chains Transformation (FAST) referred to in Article 19 <u>of this Regulation</u>, in accordance with Article ~~208(2)~~<u>211(2)</u> of the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~. Such financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a)(~~ii~~) ~~[point (a) FR recast]~~, (d); or (e), or Article 21(5) of the <u>Financial Regulation</u>. <u>[Provided that they contribute to the achievement of one or more of the objectives set out in Article 4 of Regulation (EU, Euratom) No 2018/1046</u><u>2021/241</u>, <u>Member State contributions supported by the Recovery and Resilience Facility shall be used for the benefit of the Member State concerned and may, by derogation from Article 19c(6) of this Regulation and from Article</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						193(1) of the Financial Regulation, be used for the purpose of contributing to the funding of eligible actions under Article 13 of this Regulation up to 100 % of the eligible costs.		<u>193(1) of the Financial Regulation, be used for the purpose of contributing to the funding of eligible actions under Article 13 of this Regulation up to 100 % of the eligible costs.]</u> The part in squared brackets is to be revisited. to consider reference to DNSH COM to draft text proposal covering application of RRF (also line 151a) Text Origin: Council Mandate
		Article 6(1a)						
R		149a		<u>1a. With the aim of reaching amount of at least EUR 15 000 million referred to in Article 5(1), point (aa), the Member States may contribute to the Programme in the form of additional financial contributions referred to in paragraph 1 of this Article pro rata to the relative share of each contributing Member State in the gross national income of the Union. The Commission shall conclude agreements with the contributing Member States setting out the payment conditions.</u>				
		Article 6(2)						

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
G	150	2. Any additional amounts received under the relevant Union restrictive measures shall be external assigned revenue within the meaning of Article 21(5) of Regulation (EU, Euratom) 2018/1046 and shall be used for actions under the Ukraine Support Instrument, including actions reinforcing the Ukrainian DTIB.		deleted		deleted		deleted
Article 6(3)								
R	151	3. Resources allocated to Member States under shared management may, at their request, be transferred to the Programme subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060 of the European Parliament and the Council ¹ . The Commission shall implement those resources directly in accordance with Article 62(1), point (a) of the first subparagraph, of the Regulation (EU, Euratom) No 2018/1046 or indirectly in accordance with point (c) of that subparagraph. They shall be added to the resources referred to in Article 5(3), point (a). Those resources shall be used for the benefit of the Member State concerned.	3. Resources allocated to Member States under shared management may, at their request, be transferred to the Programme subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060 of the European Parliament and the Council ¹ . The Commission shall implement those resources directly in accordance with Article 62(1), point (a) of the first subparagraph, of the <u>Financial Regulation</u> (EU, Euratom) No 2018/1046 or indirectly in accordance with point (c) of that subparagraph. They shall be added to the resources referred to in Article ~~5(3)~~ <u>5(1)</u> , point (a) <u>of this Regulation</u> . Those resources shall be used for the benefit of the Member State concerned. <u>These</u>	3. Resources allocated to Member States under shared management may, at ~~their~~ the request of the Member States concerned , be transferred to the Programme subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060 ~~of the European Parliament and the Council~~ ¹ . The Commission shall implement those resources directly in accordance with Article 62(1), ~~point (a) of the first subparagraph, point (a)~~ , of the Financial Regulation (EU, Euratom) No 2018/1046 or indirectly in accordance with point (c) of that subparagraph. ~~They shall be added to the resources referred to in Article 5(3), point (a). Those resources shall be used for the~~				

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		1. Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Programme for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159–706).		<u><i>contributions shall not count towards the Member States' proportional share under Article 5(1), point (aa).</i></u> 1. <u><i>[11]</i></u> Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Programme for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159–706).		benefit of the Member State concerned. ~~1. Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Programme for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159–706).~~		
	Article 6(3a)							
Y	151a					3a. As regards the amounts contributed or transferred, respectively, in accordance with paragraphs 1 and 3 of this Article, excluding amounts contributed with support from the Recovery and Resilience Facility, the Member States concerned may take decisions regarding the proportion of those amounts to be made available to all entities eligible for funding under this Regulation, to be made available only to the		Y

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						benefit of the Member States concerned, or to be made available to the additional benefit of other Member States. Where the amounts are made available to the benefit of the Member States concerned or to the additional benefit of other Member States, such amounts may, by derogation from Article 19c(6) of this Regulation and from Article 193(1) of the Financial Regulation, be used for the purpose of contributing to the funding of eligible actions under Article 13 of this Regulation up to 100 % of the eligible costs.		
Article 6(4)								
152		4. Where the Commission has not entered into a legal commitment under direct or indirect management for resources transferred in accordance with paragraph 3 and at the latest in the year 2028, the corresponding uncommitted resources may be transferred back to one or more respective source programmes, at the request of the Member State, in accordance with the conditions set out in the relevant provisions of		4. Where the Commission has not entered into a legal commitment under direct or indirect management for resources transferred in accordance with paragraph 3 and at the latest in the year 2028, the corresponding uncommitted resources may be transferred back to one or more respective source programmes, at the request of the Member State, in accordance with the conditions set out in the relevant provisions of		4. Where the Commission has not entered into a legal commitment under direct or indirect management for resources transferred in accordance with paragraph 3 and at the latest ~~in the year~~ by 31 December 2028, the corresponding uncommitted resources may be transferred back to one or more respective source programmes, at the request of the Member State concerned , in accordance with the conditions set		4. Where the Commission has not entered into a legal commitment under direct or indirect management for resources transferred in accordance with paragraph 3 and at the latest ~~in the year~~ by 31 December 2028, the corresponding uncommitted resources may be transferred back to one or more respective source programmes, at the request of the Member State concerned , in accordance with the conditions set

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	Regulation (EU) 2021/1060 of the European Parliament and of the Council.	Regulation (EU) 2021/1060 of the European Parliament and of the Council. <u>The Commission shall inform the European Parliament and the Council of any transfers, returns or reallocations carried out under this paragraph.</u>	out in the relevant provisions of Regulation (EU) 2021/1060 of the European Parliament and of the Council.	out in the relevant provisions of Regulation (EU) 2021/1060 ~~of the European Parliament and of the Council.~~ Text Origin: Council Mandate
	Article 6(4a)			
R	152a	<u>4a. The Commission shall report annually to the European Parliament and to the Council on the implementation of contributions under this Article, including the amount received from each Member State, and its allocation to each Programme objective.</u>		EP to revert
	Section 2			
G	153	Section 2 The Programme	deleted	deleted
	Article 7			
G	154	Article 7 Alternative, combined and cumulative funding	Article 7 Alternative, combined and cumulative funding	Article 7 Alternative, combined and cumulative funding Text Origin: Commission Proposal
	Article 7(1)			
G	155	1. The Programme shall be	1. The Programme shall be	1. The Programme shall be

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	implemented in synergy with other Union programmes. An action that has received a contribution from another Union programme may also receive a contribution under the Programme provided that the contribution does not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution or a single set of rules of any of the contributing Union programmes may be applied to all contributions and a single legal commitment may be concluded. The cumulative support from the Union budget shall not exceed the total eligible costs of the action and may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.	implemented in synergy with other Union programmes. An action that has received a contribution from another Union programme may also receive a contribution under the Programme provided that the contribution does not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution or a single set of rules of any of the contributing Union programmes may be applied to all contributions and a single legal commitment may be concluded. The cumulative support from the Union budget shall not exceed the total eligible costs of the action and may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.	implemented in synergy with other Union programmes. An action that has received a contribution from another Union programme may also receive a contribution under the Programme provided that the contribution does not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution, or a single set of rules of any of the contributing Union programmes may be applied to all contributions and a single legal commitment may be concluded. The cumulative support from the Union budget shall not exceed the total eligible costs of the action and may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.	implemented in synergy with other Union programmes. An action that has received a contribution from another Union programme may also receive a contribution under the Programme provided that the contribution does not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution or a single set of rules of any of the contributing Union programmes may be applied to all contributions and a single legal commitment may be concluded. The cumulative support from the Union budget shall not exceed the total eligible costs of the action and may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support. Text Origin: Commission Proposal
Article 7(2)				
156	2. In order to be awarded a Seal of Excellence under the Programme, actions shall comply with all of the following conditions:	2. In order to be awarded a Seal of Excellence under the Programme, actions shall comply with all of the following conditions:	2. In order to be awarded a Seal of Excellence under the Programme, actions shall ~~comply~~ with ~~meet~~ all of the following conditions:	2. In order to be awarded a Seal of Excellence under the Programme, actions shall ~~comply~~ with ~~meet~~ all of the following conditions: Text Origin: Council Mandate

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
Article 7(2), point (a)				
157	(a) they have been assessed in a call for proposals under the Programme;	(a) they have been assessed in a call for proposals under the Programme;	(a) they have been assessed in a call for proposals under the Programme;	(a) they have been assessed in a call for proposals under the Programme; Text Origin: Commission Proposal
Article 7(2), point (b)				
158	(b) they comply with the minimum quality requirements of that call for proposals;	(b) they comply with the minimum quality requirements of that call for proposals;	(b) ~~they~~ comply with the minimum quality requirements of ~~that~~ the relevant call for proposals;	(b) they comply with the minimum quality requirements of that call for proposals; Text Origin: EP Mandate
Article 7(2), point (c)				
159	(c) they are not financed under that call for proposals due to budgetary constraints.	(c) they are not financed under that call for proposals due to budgetary constraints.	(c) ~~they are~~ be not financed under ~~that~~ the relevant call for proposals due to budgetary constraints.	(c) they are not financed under that call for proposals due to budgetary constraints. Text Origin: EP Mandate
Article 7(3)				
160	3. In accordance with the relevant provisions of Regulation (EU) 2021/1060, the ERDF or ESF+ may support proposals submitted to a call for proposals under the Programme, which were awarded a Seal of Excellence in accordance with the Programme.	<i>deleted</i>	3. In accordance with the relevant provisions of Regulation (EU) 2021/1060, the European Regional Development Fund (ERDF) or the European Social Fund Plus (ESF+) ~~ERDF or ESF+~~ may support proposals submitted further to a call for proposals under the Programme; which were awarded a Seal of Excellence ~~in accordance with the Programme.~~	3. In accordance with the relevant provisions of Regulation (EU) 2021/1060, the <u>European Regional Development Fund (ERDF) or the European Social Fund Plus (ESF+)</u> ~~ERDF or ESF+~~ may support proposals submitted <u>further</u> to a call for proposals under the Programme; which were awarded a Seal of Excellence ~~in accordance with the Programme.~~

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
				Text Origin: Council Mandate
Article 8				
161	Article 8 Implementation and forms of Union funding	Article 8 Implementation and forms of Union funding	Article 8 Implementation and forms of Union funding	Article 8 Implementation and forms of Union funding Text Origin: Commission Proposal
Article 8(1)				
162	1. The Programme shall be implemented under direct management in accordance with the Regulation (EU, Euratom) No 2018/1046 or in indirect management with bodies referred to in Article 62(1), point (c), of the Regulation (EU, Euratom) No 2018/1046.	1. The Programme shall be implemented under direct management in accordance with the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046 or in~~ <u>or under</u> indirect management with bodies referred to in Article 62(1), point (c), of the <u>Financial</u> Regulation. ~~(EU, Euratom) No 2018/1046.~~	1. The Programme shall be implemented under direct management in accordance with the Financial Regulation ~~(EU, Euratom) No 2018/1046 or in~~ or under indirect management with bodies referred to in Article 62(1), point (c), of the Financial Regulation. ~~(EU, Euratom) No 2018/1046.~~	1. The Programme shall be implemented under direct management in accordance with the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046 or in~~ <u>or under</u> indirect management with bodies referred to in Article 62(1), point (c), of the <u>Financial</u> Regulation. ~~(EU, Euratom) No 2018/1046.~~ Text Origin: Council Mandate
Article 8(2)				
163	2. Union funding may be provided in any of the forms laid down in the Regulation (EU, Euratom) No 2018/1046, in particular grants, prizes, procurement, and financial instruments within blending operations under the InvestEU	2. Union funding may be provided in any of the forms laid down in the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~ , in particular grants, prizes, procurement, and financial instruments within blending operations ~~under the InvestEU~~	2. Without prejudice to Article 19c(3) of this Regulation , Union funding may be provided in any of the forms laid down in the Financial Regulation ~~(EU, Euratom) No 2018/1046~~ , in particular grants, prizes, procurement, and financial	2. <u>Without prejudice to Article [19c(3)] of this Regulation</u> , Union funding may be provided in any of the forms laid down in the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~ , in particular grants, prizes, procurement, and financial

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	programme in accordance with Title X of the Regulation (EU, Euratom) No 2018/1046.	~~programme~~ in accordance with Title X of the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~ .	instruments within blending operations under the InvestEU programme in accordance with Title X of the <u>Financial</u> Regulation (EU, Euratom) No 2018/1046.	instruments within blending operations under the InvestEU programme in accordance with Title X of the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~ . Text Origin: Council Mandate
Article 8(3)				
164	3. By way of derogation from Article 192(2) of the Regulation (EU, Euratom) No 2018/1046, activities referred to in Article 11(3), point (d), for which Union funding is provided in the form of a grant, and profit is made, the Commission may recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary carrying out the action, up to the final amount of the Union contribution. The profit is calculated by a surplus of receipts over the eligible costs of the action, where receipts are limited to Union funding, Member State funding, including procurement, other revenue generated during the action and any revenue resulting from the action. The work	3. By way of derogation from Article 192(2) of the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~ , activities referred to in Article ~~11(3), point (d)~~ <u>13</u> , for which Union funding is provided in the form of a grant, and profit is made, the Commission ~~may~~ <u>shall</u> recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary carrying out the action, up to the final amount of the Union contribution. The profit is calculated by a surplus of receipts over the eligible costs of the action, where receipts are limited to Union funding, Member State funding, including procurement, other revenue generated during the action and any revenue resulting from the action. The work	3. ~~By way of derogation from Article 192(2) of the Regulation (EU, Euratom) No 2018/1046,~~ With respect to activities referred to in Article ~~11(3)~~ 13(1) , point (d), of this Regulation for which Union funding is provided in the form of a grant; and a profit is made, the Commission may recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary carrying out the action, up to the final amount of the Union contribution. By way of derogation from Article 195(2) of the Financial Regulation, the profit ~~is~~ shall be calculated by a surplus of receipts over the eligible costs of the action, where receipts are limited to Union funding,	3. ~~By way of derogation from Article 192(2) of the Regulation (EU, Euratom) No 2018/1046,~~ <u>With respect to</u> activities referred to in <u>[Article 11(3) 13(1), point (d)]</u> , <u>of this Regulation</u> for which Union funding is provided in the form of a grant; and <u>a</u> profit is made, the Commission ~~may~~ <u>shall, where possible,</u> recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary carrying out the action, up to the final amount of the Union contribution. <u>By way of derogation from Article 195(2) of the Financial Regulation,</u> the profit ~~is~~ <u>shall be</u> calculated by a surplus of receipts over the eligible costs of the action, where receipts are limited to Union funding, Member State funding, including

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		programme may set out further details.		programme may set out further details.		Member State funding, including procurement, other revenue generated during the action and any revenue resulting from the action. The work programme may set out further details.		procurement, other revenue generated during the action and any revenue resulting from the action. The work programme may set out further details. [shall, where possible,] COM to check. Text Origin: Council Mandate
Article 8(3a)								
Y	164a			<u>3a. By way of derogation from paragraph 3, the Commission shall refrain from recovering funds provided to small and medium-sized enterprises (SMEs) and small middle capitalisation companies (small mid-caps).</u>				
Article 8(4)								
G	165	4. By way of derogation from Article 193(2) of Regulation (EU, Euratom) 2018/1046, financial contributions may, where relevant and necessary for the implementation of an action, cover actions started and costs incurred prior to the date of the submission of the proposal for those actions, provided that those actions did not start before 5 March 2024 and have not been completed before the signature of the grant agreement.		4. By way of derogation from Article ~~193(2) of~~ <u>196(2) of the Financial Regulation (EU, Euratom) 2018/1046</u> , financial contributions may, where relevant and necessary for the implementation of an action, cover actions started and costs incurred prior to the date of the submission of the proposal for those actions, provided that those actions did not start before ~~5 March 2024...~~ <u>[date of entry into force of this</u>		4. ~~By way of derogation from Article 193(2) of Regulation (EU, Euratom) 2018/1046~~ , Financial contributions may, where relevant and necessary for the implementation of an action, cover actions started and costs incurred prior to the date of the submission of the proposal for those actions, provided that those actions did not start before 5 March 2024 and have not been completed before the signature of the grant agreement.		4. By way of derogation from Article ~~193(2) of~~ <u>196(2) of the Financial Regulation (EU, Euratom) 2018/1046</u> , financial contributions may, where relevant and necessary for the implementation of an action, cover actions started and costs incurred prior to the date of the submission of the proposal for those actions, provided that those actions did not start before 5 March 2024 and have not been completed before the

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<u>Regulation</u> and have not been completed before the signature of the grant agreement.	Such financial contributions shall be awarded on the condition that they comply with the criteria set out in Article 196(2) of the Financial Regulation.	signature of the grant agreement. Text Origin: EP Mandate
Article 9				
166	Article 9 Third countries associated to the Programme	Article 9 Third countries associated to the Programme	Article 9 Third countries associated to the Programme	Article 9 Third countries associated to the Programme Text Origin: Commission Proposal
Article 9, first paragraph				
167	The Programme shall be open to the participation of members of the European Free Trade Association which are members of the EEA, in accordance with the conditions laid down in the Agreement on the European Economic Area (associated countries).	The Programme shall be open to the participation of members of the European Free Trade Association which are members of the EEA, in accordance with the conditions laid down in the Agreement on the European Economic Area (associated countries).	The Programme shall be open to the participation of members of the European Free Trade Association which are members of the EEA, in accordance with the conditions laid down in the Agreement on the European Economic Area ('associated countries').	The Programme shall be open to the participation of members of the European Free Trade Association which are members of the EEA, in accordance with the conditions laid down in the Agreement on the European Economic Area (associated countries). Text Origin: Commission Proposal
Article 10				
168	Article 10 Eligible legal entities	Article 10 Eligible legal entities	Article 10 Eligible legal entities	Article 10 Eligible legal entities Text Origin: Commission Proposal
Article 10(-1)				

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
168a					-1.	Recipients of Union funding shall be legal entities.	-1.	<u>Recipients of Union funding shall be legal entities.</u> Text Origin: Council Mandate
Article 10(1)								
169		1. The eligibility criteria set out in paragraphs 2 to 7 shall apply in addition to the criteria set out in accordance with Regulation (EU, Euratom) 2018/1046.		1. The eligibility criteria set out in paragraphs 2 to 7 <u>of this Article</u> shall apply in addition to the criteria set out in accordance with <u>the Financial</u> Regulation ~~(EU, Euratom) 2018/1046.~~		1. The eligibility criteria set out in paragraphs 2 to 7 of this Article shall apply in addition to the criteria set out in accordance with the Financial Regulation (EU, Euratom) 2018/1046.		1. The eligibility criteria set out in paragraphs 2 to 7 <u>of this Article</u> shall apply in addition to the criteria set out in accordance with <u>the Financial</u> Regulation ~~(EU, Euratom) 2018/1046.~~ Text Origin: Council Mandate
Article 10(2)								
170		2. Recipients of Union funding shall be established in the Union or in an associated country.		2. Recipients of Union funding shall be established in the Union or in an associated country <u>and their executive management structures shall be in the Union or in an associated country.</u>		2. Recipients of Union funding shall be established in the Union or in an associated country and have their executive management structures in the Union or in an associated country.		2. Recipients of Union funding shall be established in the Union or in an associated country <u>and have their executive management structures in the Union or in an associated country.</u> Text Origin: Council Mandate
Article 10(3)								
171		3. The infrastructure, facilities, assets and resources of the recipients which are used for the purposes of the action shall be located on the territory of a Member State or of an associated country. Where recipients have no readily available alternatives or		3. The infrastructure, facilities, assets and resources of the recipients <u>involved in an action</u> which are used for the purposes of the action shall be located on the territory of a Member State or of an associated country. ~~Where recipients have no readily~~		3. The infrastructure, facilities, assets and resources of the recipients of Union funding involved in an action which are used for the purposes of ~~the~~ that action shall be located on the territory of a Member State or of an associated country. ~~Where~~		3. The infrastructure, facilities, assets and resources of the recipients <u>of Union funding involved in an action</u> which are used for the purposes of ~~the~~ that action shall be located on the territory of a Member State or of an associated country. ~~Where~~

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		relevant infrastructure, facilities, assets and resources in the Union or in an associated country, they may use their infrastructure, facilities, assets and resources which are located or held outside the territory of the Member States or of the associated countries, provided that such use does not contravene the security and defence interests of the Union and the Member States and is consistent with the objectives set out in Article 4.		~~available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in an associated country, they may use their infrastructure, facilities, assets and resources which are located or held outside the territory~~ <u>for the entire duration</u> of the ~~Member States or of the associated countries, provided that such use does not contravene the security and defence interests of the Union and the Member States and is consistent with the objectives set out in Article~~ <u>4.action.</u>		recipients have no readily available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in an associated country, they may use their infrastructure, facilities, assets and resources which are located or held outside the territory for the entire duration of the Member States or of the associated countries, provided that such use does not contravene the security and defence interests of the Union and the Member States and is consistent with the objectives set out in Article ~~4~~ action.		~~recipients have no readily available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in an associated country, they may use their infrastructure, facilities, assets and resources which are located or held outside the territory~~ <u>for the entire duration</u> of the ~~Member States or of the associated countries, provided that such use does not contravene the security and defence interests of the Union and the Member States and is consistent with the objectives set out in Article~~ <u>4action.</u>
								Text Origin: Council Mandate
	Article 10(3a)							
G	171a			<u>3a. By way of derogation from paragraph 3 of this Article, where recipients involved in an action have no readily available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in an associated country, they may use their infrastructure, facilities, assets or resources which are located or held outside the territory of the Member States or</u>		3a. By way of derogation from paragraph 3 of this Article, where recipients of Union funding involved in an action have no readily available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in an associated country, they may use their infrastructure, facilities, assets or resources which are located or held outside		<u>3a. By way of derogation from paragraph 3 of this Article, where recipients of Union funding involved in an action have no readily available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in an associated country, they may use their infrastructure, facilities, assets or resources which are located or held outside the territory of the Member States</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				<u>of the associated countries, provided that such use does not contravene the security and defence interests of the Union or its Member States, including respect for the principle of good neighbourly relations, and is consistent with the objectives set out in Article 4. The costs related to activities using such infrastructure, facilities, assets or resources shall not be eligible for support from the Programme.</u>		the territory of the Member States or of the associated countries, provided that such use does not contravene the security and defence interests of the Union or its Member States, including respect for the principle of good neighbourly relations, and is consistent with the objectives set out in Article 4. The costs related to activities using such infrastructure, facilities, assets or resources shall not be eligible for support from the Programme.		<u>or of the associated countries, provided that such use does not contravene the security and defence interests of the Union or its Member States, including respect for the principle of good neighbourly relations, and is consistent with the objectives set out in Article 4. The costs related to activities using such infrastructure, facilities, assets or resources shall not be eligible for support from the Programme.</u> Text Origin: Council Mandate
		Article 10(4)						
	172	4. For the purposes of an action supported by the Programme, the recipients shall not be subject to control by a non-associated third country or by a non-associated third-country entity.		4. ~~For the purposes of an action supported by~~ <u>Recipients of Union funding under</u> the Programme, ~~the recipients~~ shall not be subject to control by a non-associated third country or by a non-associated third-country entity.		4. For the purposes of an action supported by Recipients of Union funding under the Programme, ~~the recipients~~ shall not be subject to control by a non-associated third country or by a non-associated third-country entity.		4. ~~For the purposes of an action supported by~~ <u>Recipients of Union funding under</u> the Programme, ~~the recipients~~ shall not be subject to control by a non-associated third country or by a non-associated third-country entity. Text Origin: Council Mandate
		Article 10(5), first subparagraph						
	173	5. By way of derogation from paragraph 4, a legal entity established in the Union or in an associated country and controlled by a non-associated third country		5. By way of derogation from paragraph 4, a legal entity established in the Union or in an associated country and controlled by a non-associated third country		5. By way of derogation from paragraph 4 of this Article , a legal entity established in the Union or in an associated country and controlled by a non-associated		5. By ~~way of~~ derogation from paragraph ~~4~~ <u>2</u> a legal entity established in the Union or in an associated country and controlled by a non-associated third country

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	or a non-associated third-country entity shall be eligible to be a recipient if the acquisition of its control by a non-associated third country or a non-associated third-country entity, has been subject to screening within the meaning of Regulation (EU) 2019/452 of the European Parliament and of the Council and, where necessary, to appropriate mitigation measures, taking into account the objectives set out in Article 4 of this Regulation, or if guarantees approved by the Member State or the associated country in which it is established in accordance with its national procedures are made available to the Commission.	or a non-associated third-country entity shall be eligible to be a recipient ~~if the acquisition of its control by a non-associated third country or a non-associated third-country entity, has been subject to screening within the meaning of Regulation (EU) 2019/452 of the European Parliament and of the Council and, where necessary, to appropriate mitigation measures, taking into account the objectives set out in Article 4 of this Regulation,~~ or if guarantees approved by the Member State or the associated country in which it is established in accordance with its national procedures are made available to the Commission.	third country or a non-associated third-country entity shall be eligible to be a recipient ~~if the acquisition of its control by a non-associated third country or a non-associated third-country entity,~~ of Union funding if it has been subject to screening within the meaning of Regulation (EU) 2019/452 of the European Parliament and of the Council and, where necessary, to appropriate mitigation measures, taking into account the objectives set out in Article 4 of this Regulation, or if guarantees approved ~~by~~ in accordance with the national procedures of the Member State or ~~the~~ associated country in which it is established ~~in accordance with its national procedures~~ are made available to the Commission.	or a non-associated ~~third-country~~ <u>third country</u> entity shall be eligible to be a recipient ~~if the acquisition of its control by a non-associated third country or a non-associated third-country entity, has been subject to screening within the meaning of Regulation (EU) 2019/452 of the European Parliament and of the Council and, where necessary, to appropriate mitigation measures, taking into account the objectives set out in Article 4 of this Regulation, or of~~ <u>Union funding</u> if guarantees approved ~~by the~~ <u>in accordance with the national procedures of a</u> Member State or ~~the~~ associated country in which it is established, <u>such as adequate measures pursuant to screenings, as set out in Article 2, point (3), of Regulation (EU) 2019/452, in</u> ~~accordance with its national procedures~~ are made available to the Commission.
Article 10(5), second subparagraph				
R 174	The guarantees shall provide assurances that the involvement in an action of such a legal entity would not contravene the security and defence interests of the Union	The guarantees shall provide assurances that the involvement in an action of such a legal entity would not contravene the security and defence interests of the Union	The guarantees referred to in the first subparagraph of this paragraph shall provide assurances that the involvement in an action of ~~such~~ a legal entity as	The guarantees <u>referred to in the first subparagraph of this paragraph</u> shall provide assurances that the involvement in an action of ~~such~~ a legal entity <u>as</u>

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	and its Member States as established in the framework of the CFSP pursuant to Title V of the Treaty on European Union (TEU), or the objectives set out in Article 4. The guarantees shall also comply with Article 11(8), point (c). The guarantees shall in particular substantiate that, for the purposes of an action, measures are in place to ensure that:	and its Member States as established in the framework of the CFSP pursuant to Title V of the Treaty on European Union (TEU), or the objectives set out in Article 4. The guarantees shall also comply with Article ~~11(8)~~ 11(2), point (c). The guarantees shall in particular substantiate that, for the purposes of an action, measures are in place to ensure that:	referred to in that subparagraph would not contravene the security and defence interests of the Union and its Member States as established in the framework of the CFSP pursuant to Title V of the ~~Treaty on European Union (TEU)~~ TEU, including respect for the principle of good neighbourly relations , or the objectives set out in Article 4 of this Regulation. ~~Those. The guarantees shall also comply with Article 11(8), point (c).~~ The guarantees shall in particular substantiate that, for the purposes of an action, measures are in place to ensure that:	<u>referred to in that subparagraph</u> would not contravene the security and defence interests of the Union and its Member States as established in the framework of the CFSP pursuant to Title V of the ~~Treaty on European Union (TEU)~~ TEU, <u>including respect for the principle of good neighbourly relations</u> , or the objectives set out in Article 4 <u>of this Regulation.</u> ~~[-~~ The guarantees shall also comply with Article ~~11(8)~~ 11(2), point (c). ~~The// delete~~ Those guarantees shall in particular substantiate that, for the purposes of an action, measures are in place to ensure that: Text Origin: Council Mandate
	Article 10(5), second subparagraph, point (a)			
175	(a) control over the legal entity is not exercised in a manner that restrains or restricts its ability to carry out the action and to deliver results, that imposes restrictions concerning its infrastructure, facilities, assets, resources, intellectual property or knowhow needed for the purposes of the action, or that undermines its capabilities and standards	(a) control over the legal entity is not exercised in a manner that restrains or restricts its ability to carry out the action and to deliver results, that imposes restrictions concerning its infrastructure, facilities, assets, resources, intellectual property or knowhow needed for the purposes of the action, or that undermines its capabilities and standards	(a) control over the legal entity is not exercised in a manner that restrains or restricts its ability to carry out the action and to deliver results, that imposes restrictions concerning its infrastructure, facilities, assets, resources, intellectual property or ~~knowhow~~ know-how needed for the purposes of the action, or that undermines its capabilities and	(a) control over the legal entity is not exercised in a manner that restrains or restricts its ability to carry out the action and to deliver results, that imposes restrictions concerning its infrastructure, facilities, assets, resources, intellectual property or ~~knowhow~~ know-how needed for the purposes of the action, or that undermines its capabilities and

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	necessary to carry out the action;	necessary to carry out the action;	standards necessary to carry out the action;	standards necessary to carry out the action; Text Origin: Council Mandate
	Article 10(5), second subparagraph, point (b)			
G 176	(b) access by a non-associated third country or by a non-associated third-country entity to sensitive information relating to the action is prevented and the employees or other persons involved in the action have national security clearance issued by a Member State or an associated country, where appropriate;	(b) access by a non-associated third country or by a non-associated third-country entity to sensitive information relating to the action is prevented and the employees or other persons involved in the action have national security clearance issued by a Member State or an associated country, where appropriate;	(b) access by a non-associated third country or by a non-associated third-country entity to classified or sensitive information relating to the action is prevented and the employees or other persons involved in the action have national security clearance issued by a Member State or an associated country, where appropriate, in accordance with national laws and regulations;	(b) access by a non-associated third country or by a non-associated third-country entity to <u>classified or</u> sensitive information relating to the action is prevented and the employees or other persons involved in the action have national security clearance issued by a Member State or an associated country, where appropriate, <u>in accordance with national laws and regulations;</u> Text Origin: Council Mandate
	Article 10(5a), second subparagraph, point (c)			
R 176a			(c) the ownership of intellectual property arising from actions referred to in Article 13(1), point (d), is not subject to restriction by a non-associated third country or a non-associated third-country entity nor transferred to entities established outside the territory of the Member States or of associated countries, without the approval of the Member State or	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						the associated country in which the legal entity is established. Such approval shall not contravene the objectives set out in Article 4.		
Article 10(5), third subparagraph								
G	177	If considered to be appropriate by the Member State or the associated country in which the legal entity is established, additional guarantees may be provided.		If considered to be appropriate by the Member State or the associated country in which the legal entity is established, additional guarantees may be provided.		If considered to be appropriate by the Member State or the associated country in which the legal entity is established, additional guarantees may be provided.		If considered to be appropriate by the Member State or the associated country in which the legal entity is established, additional guarantees may be provided. Text Origin: Commission Proposal
Article 10(5), fourth subparagraph								
Y	178	The Commission shall inform the committee referred to in Article 57 of any legal entity considered to be eligible in accordance with this paragraph.		The Commission shall inform the committee referred to in Article ~~57~~ <u>58</u> of any legal entity considered to be eligible in accordance with this paragraph, <u>as well as of any concern regarding a possible lack of compliance with the conditions set out in this paragraph.</u>		The Commission shall inform the committee referred to in Article ~~57~~ <u>58</u> of any legal entity considered to be eligible to be a recipient of Union funding in accordance with this paragraph.		The Commission shall inform the committee referred to in Article ~~57~~ <u>58</u> of any legal entity considered to be eligible <u>to be a recipient of Union funding</u> in accordance with this paragraph. <u>[EP proposal on verification mechanism, see comment]</u> COM to come back on how the EP policy intent at the end of its text proposal can be reflected in the text. Text Origin: Council Mandate
Article 10(5a)								
G	178a			<u>5a.</u> <u>The Commission shall</u>				<u>5a.</u> <u>The guarantees referred</u>

	CLEAN	Commission Proposal	V5.EC	EP Mandate	V5.EC	Council Mandate	V5.EC	Draft Agreement
				<u>make available to Member States and associated countries a standardised template for the provision of guarantees as referred to in paragraph 5.</u>				<u>to in paragraph 5 may be based on a standardised template provided by the Commission, assisted by the committee referred to in Article 58, in order to ensure a harmonised approach throughout the Union.</u>
	Article 10(6), first subparagraph							
179		6. When carrying out an eligible action, recipients may also cooperate with legal entities established outside the territory of the Member States or of associated countries, or controlled by a non-associated third country or by a non-associated third-country entity, including by using the assets, infrastructure, facilities and resources of such legal entities, provided that this does not contravene the security and defence interests of the Union and its Member States. Such cooperation shall be consistent with the objectives set out in Article 4 and comply with Article 11(8), point (c).		6. When carrying out an eligible action, recipients may also cooperate with legal entities established outside the territory of the Member States or of associated countries, or controlled by a non-associated third country or by a non-associated third-country entity, including by using the assets, infrastructure, facilities and resources of such legal entities, provided that this does not contravene the security and defence interests of the Union and its Member States. Such cooperation shall be consistent with the objectives set out in Article 4 and comply with Article ~~11(8)~~ <u>11(2)</u> , point (c).		6. When carrying out an eligible action, recipients may also cooperate with legal entities established outside the territory of the Member States or of associated countries, or controlled by a non-associated third country or by a non-associated third-country entity, including by using the assets, infrastructure, facilities and resources of such legal entities, provided that this does not contravene the security and defence interests of the Union ~~and/or~~ its Member States. ~~Such cooperation shall be consistent with,~~ including respect for the principle of good neighbourly relations, or the objectives set out in Article 4 ~~and comply with Article 11(8), point (c).~~		6. When carrying out an eligible action, recipients may also cooperate with legal entities established outside the territory of the Member States or of associated countries, or controlled by a non-associated third country or by a non-associated third-country entity, including by using the assets, infrastructure, facilities and resources of such legal entities, provided that this does not contravene the security and defence interests of the Union ~~and/or~~ its Member States. ~~Such cooperation shall be consistent with,~~ including respect for the principle of good neighbourly relations, or the objectives set out in Article 4 ~~and comply with Article 11(8), point (c) // delete].~~ Text Origin: Council Mandate

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
Article 10(6), second subparagraph								
180		There shall be no unauthorised access by a non-associated third country, or other non-associated third-country entity to classified information relating to the carrying out of the action and potential negative effects over security of supply of inputs critical to the action shall be avoided.		There shall be no unauthorised access by a non-associated third country, or other non-associated third-country entity to classified information relating to the carrying out of the action and potential negative effects over security of supply of inputs critical to the action shall be avoided.		There shall be no unauthorised access by a non-associated third country, or other non-associated third-country entity to classified information relating to the ~~carrying out~~ carrying-out of the action, and potential negative effects ~~over~~ on security of supply of inputs critical to the action shall be avoided.		There shall be no unauthorised access by a non-associated third country, or other non-associated third-country entity to classified information relating to the ~~carrying out~~ carrying-out of the action, and potential negative effects ~~over~~ on security of supply of inputs critical to the action shall be avoided. Text Origin: Council Mandate
Article 10(6), third subparagraph								
181		The costs related to those activities shall not be eligible for support from the Programme.		The costs related to those activities shall not be eligible for support from the Programme.		The costs related to ~~those activities~~ cooperation with legal entities established outside the territory of the Member States or of associated countries, or controlled by a non-associated third country or by a non-associated third-country entity, shall not be eligible for support from the Programme.		The costs related to ~~those activities~~ cooperation with legal entities established outside the territory of the Member States or of associated countries, or controlled by a non-associated third country or by a non-associated third-country entity, shall not be eligible for support from the Programme. Text Origin: EP Mandate
Article 10(7)								
182		7. Paragraphs 2 to 6 shall not apply to:		7. Paragraphs 2 to 6 shall not apply to:		7. Paragraphs ~~2 to 6~~ 4 to 5 shall not apply to:		7. Paragraphs ~~2 to 6~~ 4 to 5 shall not apply to: Text Origin: Council Mandate
Article 10(7), point (a)								

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement	
g	183	(a) contracting authorities of Member States and associated countries;	(a) contracting authorities of Member States and associated countries;	(a) contracting authorities of Member States and associated countries;	(a) contracting authorities of Member States and associated countries;			(a) contracting authorities of Member States and associated countries; Text Origin: Commission Proposal	g
	Article 10(7), point (b)								
g	184	(b) International Organisations;	(b) International Organisations;	(b) international organisations;	(b) international organisations;			(b) international organisations; Text Origin: Commission Proposal	g
	Article 10(7), point (c)								
g	185	(c) Structures for European Armament Programme;	(c) Structures for European Armament Programme;	(c) Structures for European Armament ProgrammeSEAPs;	(c) Structures for European Armament ProgrammeSEAPs;			(c) ~~Structures for European Armament Programme~~ SEAPs; Text Origin: Council Mandate	g
	Article 10(7), point (d)								
g	186	(d) the European Defence Agency.	(d) the European Defence Agency.	(d) the European Defence Agency-EDA.	(d) the ~~European Defence Agency~~ EDA.			(d) the ~~European Defence Agency~~ EDA. Text Origin: Council Mandate	g
	Article 10a								
g	186a				Section 2a ELIGIBLE ACTIONS			<u>Section 2a</u> <u>ELIGIBLE ACTIONS</u> Co-legislators to revisit overall structure at the end. Text Origin: Council Mandate	g
	Article 11								

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
187		Article 11 Eligible actions		Article 11 Eligible actions		Article 11 Eligible actions		Article 11 Eligible actions Text Origin: Commission Proposal
Article 11(1)								
188		1. Only actions implementing the objectives set out in Article 4 shall be eligible for funding. An eligible action shall relate to one or more of the activities referred to in paragraph 2 to 5:		1. ~~Only~~ Actions ~~implementing~~ <u>eligible for funding under the Programme shall implement</u> the objectives set out in Article 4 ~~shall be eligible for funding. An eligible action shall relate to one or more~~ <u>and may take one of the activities referred to in paragraph 2 to 5 following forms, or a combination thereof:</u>		1. ~~Only~~ Actions ~~implementing~~ <u>eligible for funding under the Programme shall implement</u> the objectives set out in Article 4 ~~shall be eligible for funding. An eligible action shall relate to one or more~~ <u>and may take one of the activities referred to in paragraph 2 to 5 following forms, or a combination thereof:</u>		1. ~~Only~~ Actions ~~implementing~~ <u>eligible for funding under the Programme shall implement</u> the objectives set out in Article 4 ~~shall be eligible for funding. An eligible action shall relate to one or more~~ <u>and may take one of the activities referred to in paragraph 2 to 5 following forms, or a combination thereof:</u> Text Origin: Council Mandate
Article 11(1), point (a)								
188a				<u>(a) common procurement actions as referred to in Article 12, including for the establishment and maintenance of Defence Industrial Readiness Pools as referred to in Article 21g;</u>		(a) common procurement actions as referred to in Article 12, including for the establishment and maintenance of defence industrial readiness pools as referred to in Article 13b;		<u>(a) common procurement actions as referred to in Article 12, including for the establishment and maintenance of Defence Industrial Readiness Pools as referred to in Article 21g;</u> Text Origin: EP Mandate
Article 11(1), point (b)								
188b				<u>(b) industrial reinforcement actions as referred to in Article</u>		(b) industrial reinforcement actions as referred to in Article		<u>(b) industrial reinforcement actions as referred to in Article</u>

	CLEAN	Commission Proposal	V.S.EC	EP Mandate	V.S.EC	Council Mandate	V.S.EC	Draft Agreement
			13;	13;		[13];	Text Origin: EP Mandate	
Article 11(1), point (c)								
G	188c		(c) supporting actions as referred to in Article 13a;	(c) supporting actions as referred to in Article 13a;		(c) supporting actions as referred to in Article [13a];	Text Origin: EP Mandate	
Article 11(1), point (d)								
G	188d		(d) deployment of European Defence Projects of Common Interest as referred to in Article 21da.	(d) the deployment of European Defence Projects of Common Interest as referred to in Article 15.		(d) deployment of European Defence Projects of Common Interest as referred to in Article [21da].	Text Origin: EP Mandate	
Article 11(2)								
G	189	2. Activities related to cooperation of public authorities in defence procurement processes (defence cooperation actions) may cover the cooperation for common procurement of defence products, throughout the life cycle of defence products, including for the purpose of building a Defence Industrial Readiness Pool as referred to Article 14(1), point (b).	2. ~~Activities related to cooperation of public authorities in defence procurement processes (defence cooperation actions) may cover the cooperation for common procurement of defence products, throughout the life cycle of defence products, including for the purpose of building a Defence Industrial Readiness Pool as referred to Article 14(1), point (b).~~ The following shall not be eligible for funding under the Programme:				deleted	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				Text identical to the one by COM and Council, just in a different place. Agreement to include it in row 207, at its original place				
Article 11(2), point (a)								
189a				<u>(a) actions related to goods and services which are prohibited by applicable international law;</u> Included in row 208, at its original place as proposed by COM. Only difference: "goods and services" are subsumed under the term "defence products". To be revised in light of the definition of this term in Art. 2.			deleted	
Article 11(2), point (b)								
189b				<u>(b) actions related to lethal autonomous weapons without the possibility of meaningful human control over selection and engagement decisions when carrying out strikes against humans;</u> Addressed at its original location, in row 209.			deleted	
Article 11(2), point (c)								
189c				<u>(c) actions related to goods or services which are subject to control or restriction by non-</u>			deleted	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>associated third countries or by non-associated third-country entities, directly, or indirectly through one or more intermediate legal entities, including in terms of technology transfer;</u>				
				Agreement in principle to address this proposal at its original place (row 210)				
		Article 11(2), point (d)						
G	189d			<u>(d) actions related to defence products for which the design authority, as defined in Article 2, is not an eligible entity as set forth in Article 10;</u>				deleted
				Agreement in principle to address this proposal after row 210.				
		Article 11(2a)						
G	189e			<u>2a. The cost of components originating in the Union or associated countries shall not be lower than 70 % of the estimated value of the end product.</u>				deleted
		Article 11(3)						
G	190	3. Activities related to speeding up the adjustment to structural changes of the production capacity of defence products, including their		deleted		deleted		deleted
						Moved to article 13.1		

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	components and corresponding raw materials insofar as they are intended or used wholly for the production of defence products (industry reinforcement actions) may cover:			
Article 11(3), point (a)				
191	(a) the optimisation, expansion, modernisation, upgrading or repurposing of existing, or the establishment of new, production capacities insofar as those components and raw materials are intended or used wholly for the production of defence products, in particular with a view to increasing production capacity or reducing lead production times, including on the basis of the procurement or acquisition of the requisite machine tools and any other necessary input;	deleted	deleted Moved to row 226a [191 - 226a]	deleted
Article 11(3), point (b)				
192	(b) the establishment of cross-border industrial partnerships, including through public private partnerships or other forms of industrial cooperation, in a joint industrial effort, including activities that aim to coordinate the	deleted	deleted Moved to row 226b [192 - 226b]	deleted

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	sourcing or reservation and stockpiling of defence products, components and corresponding raw materials insofar as those components and raw materials are intended or used wholly for the production of defence products, as well as to coordinate production capacities and production plans;			
Article 11(3), point (c)				
193	(c) the building-up and making available of reserved surge manufacturing capacities (ever warm facilities) of defence products, their components and corresponding raw materials, insofar as those components and raw materials are intended or used wholly for the production of defence products, in accordance with ordered or planned production volumes;	deleted	deleted Moved to row 226c [193 - 226c]	deleted
Article 11(3), point (d)				
194	(d) fostering industrialisation and commercialisation of defence products that have been developed in the framework of actions funded by the Union or other cooperative activities conducted with support by at least two Member States including through the	deleted	deleted Moved to row 226d [194 - 226d]	deleted

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	establishment of cross-border industrial partnerships, public private partnerships or other forms of industrial cooperation, ramping-up of initial production as well as licensing production, where appropriate;			
Article 11(3), point (e)				
195	(e) the testing, including the necessary infrastructure, and, as appropriate, reconditioning certification of defence products with a view to addressing their obsolescence and making them useable by end users.	deleted	deleted Moved to row 226e [195 - 226e]	deleted
Article 11(4)				
196	4. Activities aiming at supporting the deployment of a European Defence Project of Common Interest.	deleted	deleted	deleted
Article 11(5)				
197	5. Supporting activities ('support actions') may cover:	deleted	Moved to row 227f [197 - 227f]	deleted
Article 11(5), point (a)				
198	(a) activities that aim to increase interoperability and interchangeability, including the cross certification of defence	deleted	Moved to row 227g [198 - 227g]	deleted

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	products and activities leading to mutual recognition of certification or to facilitate the implementation of military standards;			
Article 11(5), point (b)				
199	(b) activities to strengthen security of supply and resilience, in particular by facilitating the access to the defence market for SMEs, small mid-caps, other mid-caps and start-ups and support to obtain the necessary quality and production certifications;	deleted	Moved to row 227h [199 - 227h]	deleted
Article 11(5), point (c)				
200	(c) the training, reskilling or upskilling of personnel in relation to the activities referred to in this Article;	deleted	Moved to row 227i [200 - 227i]	deleted
Article 11(5), point (d)				
201	(d) the procurement of physical and cyber protection systems in relation to the activities referred to in paragraph 3, including effective engagement;	deleted	Moved to row 227j [201 - 227j]	deleted
Article 11(5), point (e)				
202	(e) coordination and (technical) support actions, in particular addressing identified bottlenecks in production	deleted	Moved to row 227k [202 - 227k]	deleted

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	capacities and supply chains with a view to securing and accelerating the production of crisis-relevant products in order to ensure their effective supply and timely availability;			
Article 11(5), point (f)				
203	(f) Union support to Structures for European Armament Programme notably for the purpose of managing and maintaining a Defence Industrial Readiness Pool as referred to in Article 14(1), point (b);	<i>deleted</i>	Moved to row 227m [203 - 227m]	<i>deleted</i>
Article 11(5), point (g)				
204	(g) Emergency activities, including emergency defence innovation where the measure referred to in Article 52 is activated.	<i>deleted</i>	Moved to row 227n [204 - 227n]	<i>deleted</i>
Article 11(6)				
205	6. For activities referred to in paragraphs 2, in paragraph 3, point (d), and in paragraph 55, point (a), the action shall be carried out by legal entities cooperating within a consortium of at least three eligible legal entities which are established in at least three different Member States or associated countries. At	<i>deleted</i>	Moved to row 226f [205 - 226f]	<i>deleted</i>

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	least three of those eligible legal entities established in at least two different Member States or associated countries shall not, during the entire period in which the action is carried out, be controlled, directly or indirectly, by the same legal entity and shall not control each other.			
Article 11(7)				
206	7. By derogation from paragraph 6, the action may be carried out by a Structure for European Armament Programme.	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 11(8)				
207	8. The following actions shall not be eligible for funding under the Programme:	8. ~~The following actions shall not be eligible for funding under the Programme:~~ EP had moved this and the following sub-points to rows 189 to 189d.	8. The following actions shall not be eligible for funding under the Programme:	8. The following actions shall not be eligible for funding under the Programme: Text Origin: Commission Proposal
Article 11(8), point (a)				
208	(a) actions related to goods or services which are prohibited by applicable international law;	(a) ~~actions related to goods or services which are prohibited by applicable international law;~~	(a) actions related to ~~goods or services~~ defence products which are prohibited by applicable international law;	(a) actions related to ~~goods or services~~ defence products which are prohibited by applicable international law; Text Origin: Council Mandate
Article 11(8), point (b)				

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
R	209	(b) actions related to lethal autonomous weapons without the possibility of meaningful human control over selection and engagement decisions when carrying out strikes against humans;	(b)	~~actions related to lethal autonomous weapons without the possibility of meaningful human control over selection and engagement decisions when carrying out strikes against humans;~~	(b)	actions related to lethal autonomous weapons without the possibility of meaningful systems that operate outside a responsible chain of human command and control over selection and engagement decisions when carrying out strikes against humans and that cannot be used in compliance with international humanitarian law as well as actions related to cluster munitions;	(b)	actions related to lethal autonomous ~~weapons without the possibility of meaningful human control over selection and engagement decisions when carrying out strikes against humans~~ <u>[definition of LAWS to be agreed] as well as actions related to [cluster munitions // delete];</u> Text Origin: Council Mandate
	Article 11(8), point (c)							
R	210	(c) actions related to goods or services which are subject to control or restriction by non-associated third countries or by non-associated third-country entities, directly, or indirectly through one or more intermediate legal entities, including in terms of technology transfer;	(c)	~~actions related to goods or services which are subject to control or restriction by non-associated third countries or by non-associated third-country entities, directly, or indirectly through one or more intermediate legal entities, including in terms of technology transfer;~~ EP moved the COM proposal for point (c) to row 189c..		deleted		
	Article 11(8), point (ca)							
R	210a		(ca)	<u>actions related to defence products for which the design authority, as defined in Article 2, is not an eligible entity as set forth</u>				

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
				<u>in Article 10;</u> Moved here, from its original location, in row 189d. To be discussed further.				
		Article 11(8), point (d)						
G		211	(d)	actions or parts thereof, that are already fully financed from other public or private sources.	(d)	~~actions or parts thereof, that are already fully financed from other public or private sources.~~	(d)	actions, or parts thereof, that are already fully financed from other public or private sources. Text Origin: Council Mandate
		Article 11(8), point (da)						
R		211a		<u>8a. The cost of components originating in the Union or associated countries shall not be lower than 70 % of the estimated value of the end product.</u>		8a. For procurements carried out pursuant to Articles 12, 13a and 15, which are supported by Union funding, the cost of components, originating outside the Union and associated countries shall not be higher than 35 % of the estimated cost of the components of the end product. No component shall be sourced from third countries that contravene the security and defence interests of the Union and its Member States.		
		Article 11(8), point (8b)						
R		211b				8aa. For actions carried out pursuant to Article 13 and activities carried out pursuant to Article 15 other than		

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						procurement activities, the cost of components originating outside the Union and associated countries shall not be higher than 35 % of the estimated cost of the components of the product the increase in production capacity of which is supported by Union funding. No component of the product the increase in production capacity of which is supported by Union funding shall be sourced from third countries that contravene the security and defence interests of the Union and its Member States.		
		Article 11(8), point (8ab)						
R	211c					8b. Recipients of Union funding or, where relevant, contractors shall have the ability to decide, without restrictions imposed by non-associated third countries or by non-associated third country entities, on the definition, adaptation and evolution of the design of the defence products, including the legal authority to substitute or remove components that are subject to restrictions imposed by non-associated third countries or by non-associated third		R

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						country entities.		
Article 11(8), point (da)								
G		211d				9. Without prejudice to Article 5 of Directive 2009/43/EC, Member States may publish general transfer licences for transfer to other Member States of products related to actions supported by the Programme.		<u>9. Without prejudice to Article 5 of Directive 2009/43/EC, Member States may publish general transfer licences for transfer to other Member States of products related to actions supported by the Programme.</u> Text Origin: Council Mandate
Article 11(8), point (10)								
G		211e				9a. Suppliers of non-defence products which receive Union financial support under the Programme shall accept, in the financing agreement to be concluded with the Commission, the possibility to be subject to priority-rated orders as referred to in Article 49a.		deleted
Article 12								
G		212		Article 12 Specific provisions applicable for common procurement actions		Article 12 Specific provisions applicable for Common procurement actions		Article 12 ~~Specific provisions applicable for~~ Common procurement actions Text Origin: Council Mandate
Article 12(-1)								
G		212a		~~-1. Common procurement actions shall consist of activities~~		-1. Common procurement actions shall consist of activities		~~-1. Common procurement actions shall consist of activities~~

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				<u>related to cooperation of legal entities in the procurement of defence products, at any point in the lifecycle of defence products, including for the purpose of establishing and maintaining a defence industrial readiness pool as referred to in Article 21g.</u>		related to the cooperation of legal entities in the procurement of defence products, at any point in the lifecycle of defence products, including for the purpose of establishing and maintaining a defence industrial readiness pool as referred to Article 13b.		<u>related to the cooperation of legal entities in the procurement of defence products, at any point in the lifecycle of defence products, including for the purpose of establishing and maintaining a defence industrial readiness pool as referred to Article [13b].</u> Text Origin: Council Mandate
		Article 12(1)						
G	213	1. Only the following legal entities shall be eligible for funding under the Programme:		1. Only the following legal entities shall be eligible for ~~funding under the Programme~~ <u>common procurement actions</u> :		1. Only the following legal entities shall be eligible for ~~funding under the Programme~~ <u>common procurement actions</u> :		1. Only the following legal entities shall be eligible for ~~funding under the Programme~~ <u>common procurement actions</u> : Text Origin: Council Mandate
		Article 12(1), point (a)						
G	214	(a) public contracting authorities of Member States or associated countries;		(a) public contracting authorities of Member States or associated countries;		(a) ~~public~~ -contracting authorities of Member States or associated countries;		(a) ~~public~~ -contracting authorities of Member States or associated countries; Text Origin: Council Mandate
		Article 12(1), point (b)						
G	215	(b) International Organisations;		(b) International Organisations;		(b) international organisations;		(b) international organisations; Text Origin: Council Mandate
		Article 12(1), point (c)						
G	216	(c) the Structures for European Armament Programme;		(c) the Structures for European Armament Programme;		(c) ~~the Structures for European Armament Programme~~ SEAPs;		(c) ~~the Structures for European Armament Programme~~ <u>SEAPs</u> ;

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								Text Origin: Council Mandate
		Article 12(1), point (d)						
G	217	(d) the European Defence Agency.	(d) the European Defence Agency.	(d) the European Defence Agency	EDA.	(d) the <i>European Defence Agency</i> EDA .		Text Origin: Council Mandate
		Article 12(1a)						
G	217a				1a. Common procurement actions shall be carried out by:	<u>1a. Common procurement actions shall be carried out by:</u>		Text Origin: Council Mandate
		Article 12(1a), point (a)						
R	217b		<u>Common procurement actions shall be carried out by legal entities cooperating within a consortium of at least four eligible legal entities which are established in at least four different Member States or associated countries. At least four of those eligible legal entities established in at least three different Member States or associated countries shall not, during the entire period in which the action is carried out, be controlled, directly or indirectly, by the same legal entity and shall not control each other.</u>	(a) a consortium of legal entities as referred to in paragraph 1, including at least three entities referred to in paragraph 1, point (a), of which at least two shall be contracting authorities of Member States; or		Legal services to check what language can be included here, limiting the open points to the minimum number of MS/entities.		

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				EP has the equivalent text in row 219a. Moved here for ease of reference.				
Article 12(1a), point (b)								
217c					(b)	a SEAP.	(b)	a SEAP. Text Origin: Council Mandate
Article 12(2)								
218		2. Member States and associated countries participating in a common procurement shall appoint, by unanimity, an eligible legal entity as procurement agent to act on their behalf for the purposes of that common procurement. The procurement agent shall carry out the procurement procedures and conclude the resulting contracts with contractors on behalf of the participating countries. The procurement agent may participate in the action as a beneficiary and may act as the coordinator of the consortium and may therefore be able to manage and combine funds from the Programme and funds from the participating Member States and associated countries.		2. Member States and associated countries participating in a common procurement shall appoint, by unanimity, an eligible legal entity as procurement agent to act on their behalf for the purposes of that common procurement. The procurement agent shall carry out the procurement procedures and conclude the resulting contracts with contractors on behalf of the participating countries. The procurement agent may participate in the action as a beneficiary and may act as the coordinator of the consortium and may therefore be able to manage and combine funds from the Programme and funds from the participating Member States and associated countries.		2. Member States and associated countries participating in carrying out a common procurement action shall appoint, by unanimity, an eligible legal entity as a procurement agent to act on their behalf for the purposes of that common procurement. The procurement agent shall carry out the procurement procedures and conclude the resulting contracts with contractors on behalf of the participating countries. The procurement agent may participate in the action as a beneficiary and may act as the coordinator of the consortium and may of legal entities, therefore being able to manage and combine funds from the Programme and funds from the participating Member States and associated countries.		2. Member States and associated countries participating in carrying out a common procurement action shall appoint, by unanimity, an eligible legal entity as a procurement agent to act on their behalf for the purposes of that common procurement. The procurement agent shall carry out the procurement procedures and conclude the resulting contracts with contractors on behalf of the participating countries. The procurement agent may participate in the action as a beneficiary and may act as the coordinator of the consortium and may of legal entities, therefore being able to manage and combine funds from the Programme and funds from the participating Member States and associated countries. Text Origin: Council Mandate

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 12(3)								
219		3. This Regulation is without prejudice to the rules on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities/entities in the fields of defence and security laid down in Directive 2009/81/EC.		3. This Regulation is without prejudice to the rules on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities/entities in the fields of defence and security laid down in Directive 2009/81/EC.		<i>deleted</i>		<i>deleted</i>
Article 12(3a)								
219a				<u>3a. Common procurement actions shall be carried out by legal entities cooperating within a consortium of at least four eligible legal entities which are established in at least four different Member States or associated countries. At least four of those eligible legal entities established in at least three different Member States or associated countries shall not, during the entire period in which the action is carried out, be controlled, directly or indirectly, by the same legal entity and shall not control each other.</u>				This is covered in row 217b.
Article 12(4)								
220		4. The procurement procedures referred to in paragraph		4. The procurement procedures referred to in paragraph		4. The procurement procedures referred to in paragraph		4. The procurement procedures referred to in paragraph

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	2 shall be based on an agreement to be signed by the participating Member States and associated countries with the procurement agent under the conditions set out in the work programme. The agreement shall, in particular, determine the practical arrangements governing the common procurement and the decision-making process on the choice of the procedure, the assessment of the tenders and the award of the contract.	2 shall be based on an agreement to be signed by the participating Member States and associated countries with the procurement agent under the conditions set out in the work programme. The agreement shall, in particular, determine the practical arrangements governing the common procurement and the decision-making process on the choice of the procedure, the assessment of the tenders and the award of the contract.	2 shall be based on an agreement to be signed by the participating Member States and associated countries with the procurement agent under the conditions set out in the work programme. The agreement shall, in particular, determine the practical arrangements governing the common procurement and the decision-making process on the choice of the procedure, the assessment of the tenders and the award of the contract.	2 shall be based on an agreement to be signed by the participating Member States and associated countries with the procurement agent under the conditions set out in the work programme. The agreement shall, in particular, determine the practical arrangements governing the common procurement and the decision-making process on the choice of the procedure, the assessment of the tenders and the award of the contract. Text Origin: Commission Proposal
Article 12(5)				
221	5. The procurement agent shall apply conditions equivalent to those set out in Article 10, mutatis mutandis, to procurement procedures and in contracts with contractors and subcontractors in the common procurement.	5. The procurement agent shall apply <u>the</u> conditions ~~equivalent to those~~ set out in Article 10, ~~mutatis mutandis,~~ <u>to its</u> ~~to~~ procurement procedures and in contracts with contractors, <u>and require in the call for tender that the conditions are applied to and</u> subcontractors <u>of the successful tenderer</u> in the common procurement.	5. The procurement agent shall apply ~~conditions~~ <u>in its procurement procedures and contracts criteria</u> equivalent to those set out in Article 10, ~~mutatis mutandis,~~ to <u>its</u> procurement procedures and ~~in~~ contracts with contractors, <u>and require in the call for tender that these criteria are applied to and</u> subcontractors ~~in the common procurement.~~	5. The procurement agent shall apply ~~conditions~~ <u>in its procurement procedures and contracts criteria</u> equivalent to those set out in Article 10, ~~mutatis mutandis,~~ to <u>its</u> procurement procedures and ~~in~~ contracts with contractors, <u>and require in the call for tender that these criteria are applied to and</u> subcontractors ~~in the common procurement.~~ Recital to be proposed by the LS Text Origin: Council Mandate

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
Article 12(5a)								
R	221a					5a. By way of derogation from paragraph 5, in order to take into account industrial cooperation with non-associated third countries, common procurements that involve a subcontractor which is allocated between 15 % and 35 % of the value of the contract, and that is not established or doesn't have its executive management structures in the Union or in an associated country, shall be eligible for support under the Programme providing that a direct contractual relationship related to the defence product has been established between the contractor and that subcontractor prior to the date of entry into force of this Regulation.		R
Article 12(6)								
G	222	6. Procurement agents shall provide the Commission with guarantees and mitigation measures referred to in Article 10(6). Further information on the guarantees and mitigation measures shall be made available to the Commission upon request.	6. Procurement agents shall provide the Commission with guarantees and mitigation measures referred to in Article ~~10(6)~~ 10(5). Further information on the guarantees and mitigation measures shall be made available to the Commission upon request.	6. Procurement agents shall provide ~~notify~~ the Commission ~~with~~ ~~of the~~ guarantees and mitigation measures referred to in Article ~~10(6)~~ 10(5). Further information on ~~the~~ ~~those~~ guarantees and mitigation measures shall be made available to the Commission	6. Procurement agents shall ~~provide~~ ~~notify~~ the Commission ~~with~~ ~~of the~~ guarantees and mitigation measures referred to in Article ~~10(6)~~ 10(5). Further information on ~~the~~ ~~those~~ guarantees and mitigation measures shall be made available to the Commission	6. Procurement agents shall ~~provide~~ ~~notify~~ the Commission ~~with~~ ~~of the~~ guarantees and mitigation measures referred to in Article ~~10(6)~~ 10(5). Further information on ~~the~~ ~~those~~ guarantees and mitigation measures shall be made available to the Commission		G

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		The Commission shall inform the committee referred to in Article 58 of any notification provided in accordance with this paragraph.		The Commission shall inform the committee referred to in Article 58 of any notification provided in accordance with this paragraph.		upon request. The Commission shall inform the committee referred to in Article 58 of any notification provided in accordance with this paragraph.		upon request. The Commission shall inform the committee referred to in Article 58 of any notification provided in accordance with this paragraph. Text Origin: Council Mandate
		Article 12(7), first subparagraph						
Y	223	7. The common procurement contract shall include provisions governing the purchase of additional quantities of defence products for other Member States, associated countries or Ukraine.		7. The common procurement contract shall include provisions governing the purchase of additional quantities of defence products for other Member States, associated countries, <u>Moldova</u> or Ukraine.		deleted		
		Article 12(7), second subparagraph						
Y	224	Such rules shall be without prejudice to applicable Union law and be in line with Member States' national laws and regulations relating to the export of defence-related products.		Such rules shall be without prejudice to applicable Union law and be in line with Member States' national laws and regulations relating to the export of defence-related products.		deleted		
		Article 12(7a)						
G	224a					9. Before launching a common procurement procedure for a common procurement action under this Regulation, the procurement agent shall inform those Member States not participating in the planned		<u>9. Before launching a common procurement procedure for a common procurement action under this Regulation, the procurement agent shall inform those Member States not participating in the planned</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						procedure and give them the opportunity to submit within a reasonable timeframe a substantiated request for the procurement agent to purchase additional quantities of defence products for them. If such a request is submitted, the common procurement contract shall reserve the right of participating contracting authorities to purchase additional quantities of defence products for such Member States, without prejudice to applicable Union and Member State rules relating to the export of defence products.		<u>procedure and give them the opportunity to submit within a reasonable timeframe a substantiated request for the procurement agent to purchase additional quantities of defence products for them. If such a request is submitted, the common procurement contract shall reserve the right of participating contracting authorities to purchase additional quantities of defence products for such Member States, without prejudice to applicable Union and Member State rules relating to the export of defence products.</u> Text Origin: Council Mandate
		Article 12(7b)						
G	224b					9a. Before launching a common procurement procedure, the procurement agent may also inform associated countries and Ukraine of the planned procedure and provide them with the opportunity to submit a substantiated request to the procurement agent to purchase additional quantities of defence products for them. If such a request is submitted, the		<u>7b. Before launching a common procurement procedure, the procurement agent shall, where/when possible, also inform associated countries and Ukraine of the planned procedure and provide them with the opportunity to submit a substantiated request to the procurement agent to purchase additional quantities of defence products for them. If such a request is submitted, the</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement	
						common procurement contract shall reserve the right of participating contracting authorities to purchase additional quantities of defence products for associated countries and Ukraine.		<u>common procurement contract shall reserve the right of participating contracting authorities to purchase additional quantities of defence products for associated countries and Ukraine.</u>	
Article 13									
G	225	Article 13 Specific provisions applicable for industrial reinforcement actions		Article 13 ~~Specific provisions applicable for~~ Industrial reinforcement actions		Article 13 Specific provisions applicable for Industrial reinforcement actions		Article 13 ~~Specific provisions applicable for~~ Industrial reinforcement actions Text Origin: Council Mandate	G
Article 13(-1)									
G	225a			<u>-1. Activities related to speeding up the adjustment to structural changes or technological developments of the production capacity of defence products, including their components and corresponding raw materials insofar as those components and corresponding raw materials are intended or used wholly for the production of defence products (industry reinforcement actions) may cover:</u> Agreement to use the Council equivalent in row 226. EP to make proposal for inclusion of				deleted	G

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				"technological developments"				
Article 13(-1), point (a)								
225b				<u>(a) the optimisation, expansion, modernisation, automation, upgrading or repurposing of existing, or the establishment of new, production capacities insofar as those components and raw materials are intended or used wholly for the production of defence products, in particular with a view to increasing production capacity or reducing lead production times, including on the basis of the procurement or acquisition of the requisite machine tools and any other necessary input;</u>				deleted
Article 13(-1), point (b)								
225c				<u>(b) the establishment of cross-border industrial partnerships, including through public private partnerships or other forms of industrial cooperation, in a joint industrial effort, including activities that aim to coordinate the sourcing or reservation and stockpiling of defence products, components and corresponding raw materials insofar as those components and raw materials are</u>				deleted

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>intended or used wholly for the production of defence products, as well as to coordinate production capacities and production plans;</u>				
Article 13(-1), point (c)								
G	225d			<u>(c) the building-up and making available of reserved surge manufacturing capacities (ever warm facilities) of defence products, their components and corresponding raw materials, insofar as those components and raw materials are intended or used wholly for the production of defence products, in accordance with ordered or planned production volumes;</u>				deleted
Article 13(-1), point (d)								
G	225e			<u>(d) fostering industrialisation and commercialisation of defence products that have been developed in the framework of actions funded by the Union or other cooperative activities conducted with support by at least two Member States including through the establishment of cross-border industrial partnerships, public private partnerships or other forms of industrial cooperation, ramping-up of initial production</u>				deleted

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				<u>as well as licensing production, where appropriate;</u>				
Article 13(-1), point (e)								
225f				<u>(e) the testing, including the necessary infrastructure, and, as appropriate, reconditioning certification of defence products with a view to addressing their obsolescence and making them useable by end users.</u>				deleted
Article 13(1)								
226		1. For activities referred to in Article 11(3), point (a), (b) and (c), in order to be eligible for funding actions shall be exclusively related to the production capacities of defence products, including their components and raw materials insofar as they are intended or used wholly for the production of defence products.		1. For activities referred to in ~~Article 11(3), point~~ <u>paragraph -1, points</u> (a), (b) and (c), in order to be eligible for funding actions shall be exclusively related to the production capacities of defence products, including their components and raw materials insofar as they are intended or used wholly for the production of defence products.		1. For activities referred to in Article 11(3), point (a), (b) and (c), in order to be eligible for funding Industrial reinforcement actions shall ~~be exclusively~~ consist of activities related to accelerating the adjustment to structural changes of the production ~~capacities~~ capacity of defence products, including their components and corresponding raw materials insofar as they are intended or used wholly for the production of defence products-, in particular:		1. ~~For activities referred to in Article 11(3), point (a), (b) and (c), in order to be eligible for funding~~ Industrial reinforcement actions shall ~~be exclusively~~ consist of activities related to accelerating the adjustment to structural changes of the production ~~capacities~~ capacity of defence products, including their components and corresponding raw materials insofar as they are intended or used wholly for the production of defence products-, <u>in particular:</u> Text Origin: Council Mandate
Article 13(1), point (a)								
226a	(a)	the optimisation,			(a)	the optimisation,	(a)	the optimisation,

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	expansion, modernisation, upgrading or repurposing of existing, or the establishment of new, production capacities insofar as those components and raw materials are intended or used wholly for the production of defence products, in particular with a view to increasing production capacity or reducing lead production times, including on the basis of the procurement or acquisition of the requisite machine tools and any other necessary input; Moved reference text		expansion, modernisation, upgrading or repurposing of existing, or the establishment of new, production capacities insofar as those components and raw materials are intended or used wholly for the production capacity of defence products, in particular with a view to increasing production capacity or reducing lead production times components and corresponding raw materials, including on the basis of the procurement or acquisition of the requisite machine tools and any other necessary input; Moved from row 191 [191 - 226a]	expansion, modernisation, <u>including automation</u>, upgrading or repurposing of existing, or the establishment of new, production ~~capacities insofar as those components and raw materials are intended or used wholly for the production~~ <u>capacity</u> of defence products, ~~in particular with a view to increasing production capacity or reducing lead production times~~ <u>components and corresponding raw materials</u>, including on the basis of the procurement or acquisition of the requisite machine tools and any other necessary input; Text Origin: Council Mandate
Article 13(1), point (b)				
G 226b	(b) the establishment of cross-border industrial partnerships, including through public private partnerships or other forms of industrial cooperation, in a joint industrial effort, including activities that aim to coordinate the sourcing or reservation and stockpiling of defence products, components and corresponding raw materials insofar as those components and raw materials are		(b) the establishment of cross-border industrial partnerships, including through public private partnerships or other forms of industrial cooperation including SMEs and mid-caps, in a joint industrial effort, including activities that aim to coordinate the sourcing or reservation ~~and stockpiling~~ of defence products, components and corresponding raw materials ~~insofar as those~~	(b) the establishment of cross-border industrial partnerships, including through public private partnerships or other forms of industrial cooperation <u>including SMEs and small mid-caps</u>, in a joint industrial effort, including activities that aim to coordinate the sourcing or reservation and stockpiling of defence products, components and corresponding raw materials ~~insofar as those~~

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	intended or used wholly for the production of defence products, as well as to coordinate production capacities and production plans; Moved reference text		~~components and raw materials are intended or used wholly for the production of defence products, as well as to coordinate production capacities and production plans;~~ Moved from row 192 [192 - 226b]	~~components and raw materials are intended or used wholly for the production of defence products, as well as to coordinate production capacities and production plans;~~ Text Origin: Council Mandate
Article 13(1), point (c)				
226c	(c) the building-up and making available of reserved surge manufacturing capacities (ever warm facilities) of defence products, their components and corresponding raw materials, insofar as those components and raw materials are intended or used wholly for the production of defence products, in accordance with ordered or planned production volumes; Moved reference text		(c) the building-up and making available of reserved surge manufacturing capacities ('ever warm facilities') of defence products, their components and corresponding raw materials, ~~insofar as those components and raw materials are intended or used wholly for the production of defence products,~~ in accordance with ordered or planned production volumes; Moved from row 193 [193 - 226c]	(c) the building-up and making available of reserved surge manufacturing capacities ('ever warm facilities') of defence products, their components and corresponding raw materials, ~~insofar as those components and raw materials are intended or used wholly for the production of defence products,~~ in accordance with ordered or planned production volumes; Text Origin: Council Mandate
Article 13(1), point (d)				
226d	(d) fostering industrialisation and commercialisation of defence products that have been developed in the framework of actions funded by the Union or other cooperative activities conducted with support by at least two Member States including through the		(d) fostering industrialisation and commercialisation of defence products that have been developed in the framework of actions funded by the Union or other cooperative activities conducted with support ~~by at least two of~~ Member States including through the	(d) ~~fostering industrialisation and commercialisation of defence products that have been developed in the framework of actions funded by the Union or other cooperative activities conducted with support by at least two Member States including through the~~

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	establishment of cross-border industrial partnerships, public private partnerships or other forms of industrial cooperation, ramping-up of initial production as well as licensing production, where appropriate; Moved reference text		establishment of cross-border industrial partnerships, public private partnerships or other forms of industrial cooperation, ramping-up of initial production as well as licensing production, where appropriate; Moved from row 194 [194 - 226d]	~~establishment of cross-border industrial partnerships, public private partnerships or other forms of industrial cooperation, ramping-up of initial production as well as licensing production, where appropriate;~~ <u>fostering industrialisation and commercialisation of defence products that have been developed in the framework of actions funded by the Union or other cooperative activities conducted with support by at least two Member States including through the establishment of cross-border industrial partnerships, public private partnerships or other forms of industrial cooperation, ramping-up of initial production as well as licensing production, where appropriate;</u> Agreement on EP text as contained in row 225e
Article 13(1), point (e)				
226e	(e) the testing, including the necessary infrastructure, and, as appropriate, reconditioning certification of defence products with a view to addressing their obsolescence and making them		(e) the testing, including the necessary infrastructure, and, as appropriate, reconditioning certification of defence products with a view to addressing their obsolescence and making them	(e) the testing, including the necessary infrastructure, and, as appropriate, reconditioning certification of defence products with a view to addressing their obsolescence and making them

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		useable by end users. Moved reference text				useable by end users. Moved from row 195 [195 - 226e]		useable by end users. Text Origin: Council Mandate
Article 13, 1., point (f)								
226f		6. For activities referred to in paragraphs 2, in paragraph 3, point (d), and in paragraph 55, point (a), the action shall be carried out by legal entities cooperating within a consortium of at least three eligible legal entities which are established in at least three different Member States or associated countries. At least three of those eligible legal entities established in at least two different Member States or associated countries shall not, during the entire period in which the action is carried out, be controlled, directly or indirectly, by the same legal entity and shall not control each other. Moved reference text		~~61a.~~ For activities referred to in ~~paragraphs 2, in paragraph 3-1,~~ point (d), ~~and in paragraph 55,~~ <u>point (a) in order to be eligible for funding actions, the ownership of intellectual property arising from such action shall not be subject to restriction by a non-associated third country or a non-associated third-country entity, nor transferred to entities established outside the territory of the Member State or of associated countries.</u> The action shall be carried out by legal entities cooperating within a consortium of at least ~~three~~<u>four</u> eligible legal entities which are established in at least ~~three~~<u>four</u> different Member States or associated countries <u>among which at least four eligible entities established in four different Member States.</u> At least ~~three~~<u>four</u> of those eligible legal entities established in at least ~~two~~<u>three</u> different Member States or associated countries shall not, during the entire period in which		~~61b.~~ For activities referred to in ~~paragraphs 2, in paragraph 3-1,~~ point (d), ~~and in paragraph 55,~~ <u>point (a),</u> the action shall be carried out by legal entities cooperating within a consortium of at least three eligible legal entities of which ~~at least two shall be~~ established in ~~at least three~~ different Member States ~~or associated countries.~~ At least three of those eligible legal entities established in at least two different Member States ~~or associated countries~~ shall not, during the entire period in which the action is carried out, be controlled, directly or indirectly, by the same legal entity and shall not control each other. Moved from row 205 [205 - 226f]		

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				the action is carried out, be controlled, directly or indirectly, by the same legal entity and shall not control each other. Moved from row 226g.				
		Article 13(1a)						
G		226g		Moved up to row 226f, for ease of reference.				G
		Article 13(1a)						
G		226h		<u>1b. By way of derogation from paragraph 1a, the action may be carried out by a Structure for European Armament Programme.</u>		1c. The activities referred to in paragraph 1 may be carried out by a SEAP.	<u>1c. The activities referred to in paragraph 1 may be carried out by a SEAP.</u> Text Origin: Council Mandate	G
		Article 13(2)						
G		227		2. These actions shall be without prejudice to Union competition rules, and in particular Article 101 Treaty on the Functioning of the European Union (TFEU).		2. These actions shall be without prejudice to Union competition rules, and in particular Article 101 <u>of the</u> Treaty on the Functioning of the European Union (TFEU).	deleted Agreement to delete, but to ensure there is a recital to avoid any doubts about the importance about safeguarding Art. 101 TFEU.	G
		Article 13(2a)						
R		227a				2a. By way of derogation from the criteria set out in Article 11(8b), the Programme may fund activities referred to in		R

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						paragraph 1 where these criteria are not complied with provided that the following conditions are met:		
		Article 13(2a), point (a)						
R		227b				(a) The activities are related to the increase in production capacity of ammunition and missiles including, where relevant, their components and corresponding raw materials;		R
		Article 13(2a), point (b)						
R		227c				(b) The restriction by a non-associated third country or a non-associated third country entity does not preclude a future transfer of technology to the recipients of Union funding;		R
		Article 13(2a), point (c)						
R		227d				(c) Recipients of Union funding commit to obtaining the essential technology enabling them to comply with the criteria set out in Article 11(8b) as soon as conditions allow.		R
		Article 13a						
G		227e		Article 13a Supporting actions		Article 13a Supporting actions	Article 13a Supporting actions	G

	CLEAN Commission Proposal	V5.EC EP Mandate	V5.EC Council Mandate	V5.EC Draft Agreement
				Text Origin: Council Mandate
Article 13a(1)				
227f	5. Supporting activities ('support actions') may cover: Moved reference text	~~51.~~ Supporting activities ('support actions') may cover:	~~51.~~ Supporting activities ('support actions') may cover shall consist of: Moved from row 197 [197 - 227f]	~~51.~~ Supporting ~~activities~~ (' ~~support~~ actions') ~~may cover~~ shall consist of: Text Origin: Council Mandate
Article 13a(1), point (a)				
227g	(a) activities that aim to increase interoperability and interchangeability, including the cross certification of defence products and activities leading to mutual recognition of certification or to facilitate the implementation of military standards; Moved reference text	(a) activities that aim to increase interoperability and interchangeability, including the cross certification of defence products and activities leading to mutual recognition of certification or to facilitate the implementation of military standards, <u>and that aim to reduce the variety of defence products across the Union fulfilling similar operational duties;</u>	(a) activities ~~that aim~~ to increase interoperability and interchangeability, including the cross certification of defence products and activities leading to mutual recognition of certification or to facilitate the implementation of ~~military~~ NATO standards and other relevant standards; Moved from row 198 [198 - 227g]	(a) activities ~~that aim~~ to increase interoperability and interchangeability, including the cross certification of defence products and activities leading to mutual recognition of certification or to facilitate the implementation of military standards, <u>in particular NATO standards and other relevant standards, thus reducing any excessive differentiation of defence products across the Union.</u> Text Origin: Council Mandate
Article 13a(1), point (b)				
227h	(b) activities to strengthen security of supply and resilience, in particular by facilitating the access to the defence market for SMEs, small mid-caps, other mid-caps and start-ups and support to obtain the necessary quality and production	(b) activities to strengthen security of supply and resilience, in particular by facilitating the access to the defence market for SMEs, small mid-caps, other mid-caps and start-ups and support to obtain the necessary quality and production	(b) activities to ~~strengthen~~ security of supply and resilience, in particular by ~~facilitating~~ the facilitate access to the defence market for SMEs, ~~small mid-caps,~~ ~~other~~ mid-caps and start-ups and support to obtain the necessary	(b) activities to ~~strengthen~~ security of supply and resilience, in particular by ~~facilitating~~ the facilitate access to the defence market for SMEs, ~~small mid-caps,~~ ~~other~~ mid-caps and start-ups and support to obtain the necessary

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	certifications; Moved reference text	certifications;	quality and production certifications; Moved from row 199 [199 - 227h]	quality and production certifications; Text Origin: Council Mandate
Article 13a(1), point (c)				
227i	(c) the training, reskilling or upskilling of personnel in relation to the activities referred to in this Article; Moved reference text	(c) the training, reskilling or upskilling of personnel in relation to the activities referred to in this Article;	(c) the capacity building , training, reskilling or upskilling of personnel in relation to the activities referred to in ~~this~~ Article 11(1) ; Moved from row 200 [200 - 227i]	(c) the <u>capacity building</u> , training, reskilling or upskilling of personnel in relation to the activities referred to in ~~this~~ Article <u>11(1)</u> ; Text Origin: Council Mandate
Article 13a(1), point (d)				
227j	(d) the procurement of physical and cyber protection systems in relation to the activities referred to in paragraph 3, including effective engagement; Moved reference text	(d) the procurement of physical and cyber protection systems in relation to the activities referred to in ~~paragraph 3~~ <u>Article 13</u> , including effective engagement, <u>as well as other activities incorporating a comprehensive cybersecurity strategy to protect against cyber threats and ensure the resilience of the defence systems</u> ;	(d) the procurement of physical and cyber protection systems in relation to the activities referred to in ~~paragraph 3~~ , ~~including effective~~ engagement Article 13 ; Moved from row 201 [201 - 227j]	(d) the procurement of physical and cyber protection systems in relation to the activities referred to in ~~paragraph 3~~ , ~~including effective~~ ~~engagement~~ <u>Article 13</u> ; Text Origin: EP Mandate
Article 13a(1), point (e)				
227k	(e) coordination and (technical) support actions, in particular addressing identified bottlenecks in production capacities and supply chains with a	(e) coordination and (technical) support actions, in particular addressing identified bottlenecks in production capacities and supply chains with a	(e) coordination and (technical) support actions, in particular addressing identified bottlenecks in production capacities and supply chains with a	(e) coordination and ~~(technical)~~ support actions, in particular addressing identified bottlenecks in production capacities and supply chains with a

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	view to securing and accelerating the production of crisis-relevant products in order to ensure their effective supply and timely availability; Moved reference text	view to securing and accelerating the production of crisis-relevant products in order to ensure their effective supply and timely availability;	view to securing and accelerating the production of crisis-relevant products in order to ensure their effective supply and timely availability; Moved from row 202 [202 - 227k]	view to securing and accelerating the production of crisis-relevant products in order to ensure their effective supply and timely availability; Text Origin: Council Mandate
Article 13a(1), point (f)				
G 227l		<u>(ea)</u>	(ea) the establishment of a catalogue of defence products as referred to in Article 13b;	<u>(ea)</u> <u>the establishment of a catalogue of defence products as referred to in Article [13b];</u> Reference to be adapted Text Origin: Council Mandate
Article 13a(1), point (eb)				
G 227m	(f) Union support to Structures for European Armament Programme notably for the purpose of managing and maintaining a Defence Industrial Readiness Pool as referred to in Article 14(1), point (b); Moved reference text	~~(f)~~ <u>(eb)</u> Union support to Structures for European Armament Programme notably for the purpose of managing and maintaining a Defence Industrial Readiness Pool as referred to in Article ~~14(1), point (b)~~ <u>21g</u> ;	(f) ~~Union support to~~ the establishment and functioning of Structures for European Armament Programme, including notably for the purpose of managing and maintaining a defence industrial readiness ~~Pool~~ pools as referred to in Article ~~14(1), point (b)~~ 13b ; Moved from row 203 [203 - 227m]	(f) ~~Union~~ support to for the establishment and functioning of Structures for European Armament Programme, including ~~notably~~ for the purpose of managing and maintaining ~~a~~ defence industrial readiness ~~Pool~~ pools as referred to in Article ~~14(1), point (b)~~ 13b ; Text Origin: Council Mandate
Article 13a(1), point (ec)				
Y 227n	(g) Emergency activities, including emergency defence innovation where the measure	~~(g)~~ <u>(ec)</u> emergency activities, including emergency defence innovation where the measure	(g) ~~Emergency~~ activities, including emergency with the aim of the rapid adaptation and	

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		referred to in Article 52 is activated. Moved reference text		referred to in Article 52 is activated.		modification of civilian products for defence innovation where the measure referred to in Article 52 is activated-applications; Moved from row 204 [204 - 227n]		
		Article 13a(1), point (h)						
Y		227o				(ga) activities with the aim of very significantly shortening the delivery lead time of defence products;		Y
		Article 13a(1), point (gb)						
Y		227p				(gb) activities with the aim of significantly simplifying the technical specifications of defence products in order to enable their mass production;		Y
		Article 13a(1), point (gc)						
Y		227q				(gc) activities with the aim of significantly simplifying the production process of defence products to enable their mass production.		Y
		Article 13a(1), point (ec)						
Y		227r		<u>(h) the development and integration of software solutions in relation to the activities referred to in Article 12, including applications for command and</u>			Agreement on the policy objective. COM to redraft with a focus on the first part of the sentence.	Y

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
				<u>control, reconnaissance, threats detection, counter-unmanned aerial system (C-UAS), and other countermeasure technologies, to enhance the operational effectiveness and resilience of defence systems;</u>				
Article 13a(2)								
Y	227s				2. For activities referred to in paragraph 1, point (a), the action shall be carried out by legal entities cooperating within a consortium of at least three eligible legal entities, of which at least two shall be established in at least two different Member States. At least three of those eligible legal entities shall not, during the entire period in which the action is carried out, be controlled, directly or indirectly, by the same legal entity and shall not control each other.	2. <u>For activities referred to in paragraph 1, point (a), the action shall be carried out by legal entities cooperating within a consortium of at least [three] eligible legal entities, of which at least [two] shall be established in at least [two] different Member States. At least [three] of those eligible legal entities shall not, during the entire period in which the action is carried out, be controlled, directly or indirectly, by the same legal entity and shall not control each other.</u>		
Article 13a(3)								
G	227t				2a. The activities referred to in paragraph 1 may be carried out by a SEAP.	2a. <u>The activities referred to in paragraph 1 may be carried out by a SEAP.</u>		
Article 14								

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VSEC	Council Mandate	VS.EC	Draft Agreement
228		Article 14 Specific provisions applicable for activities contributing to a European Military Sales Mechanism		~~Article 14~~ deleted Moved to separate chapter IIC (Art 21e-g)		Article 1413b Specific provisions applicable for activities contributing to a European Military sales mechanism		deleted Structural change: Agreement by co-legislators to turn the MSM into a chapter of its own.
Article 14(1)								
229		1. To ensure the availability of EU defence products in time and in volume thereby fostering the competitiveness of the EDTIB as well as, where relevant, of the Ukrainian DTIB, the Commission shall support the following set of measures (EU MSM):		deleted		1. To ensure the availability of EU defence products in time and in volume thereby fostering the competitiveness of the EDTIB as well as, where relevant, of the Ukrainian DTIB, the Commission shall support the following set of measures (EU MSM): establishment, management and maintenance, through common procurement actions as referred to in Article 12 and supporting actions as referred to in Article 13a(1), point (f), of defence industrial readiness pools by a consortium of at least three Member States or associated countries, of which at least two shall be Member States, or by a SEAP.		deleted
Article 14(1), point (a)								
230		(a) the establishment of a single, centralised, up to date		deleted		(a)4. The establishment of Commission, upon consultation		deleted

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	catalogue of defence products developed by the EDTIB;		of the EDA, shall establish and keep up-to-date a single, centralised, up-to-date catalogue of defence products developed by the EDTIB; and the Ukrainian DTIB. The Commission shall consult the EDA and take into account its views in drawing up the technical specifications for that catalogue and, where appropriate, shall procure the corporate IT platform required to establish it. Member States, Ukraine and economic operators shall be invited to populate that catalogue on a voluntary basis.	Moved to line 304dp.
Article 14(1), point (b)				
231	(b) the creation of a defence industrial readiness pool, to increase availability and speed up delivery time of EU-made defence products, ensuring an immediate and preferential purchase or use/lease option for Member States, associated countries and Ukraine;	deleted	(b)2. the creation of Member States, associated countries and SEAPs that establish a defence industrial readiness pool, to increase availability and speed up delivery time of EU-made defence products, ensuring an immediate and shall grant all Member States, and may grant associated countries and Ukraine, a preferential purchase or use/lease option for Member States, associated countries and Ukraine; defence products that are part of the defence industrial	deleted

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						readiness pool.		
		Article 14(1), point (c)						
G	232	(c) the facilitation and speeding up of procurement procedures in a spirit of solidarity;		deleted		deleted		deleted
		Article 14(1), point (d)						
G	233	(d) the support to administrative capacity building related to public procurement of defence products, with the aim of facilitating joint procurement.		deleted		deleted		deleted
		Article 14(2)						
G	234	2. The Commission shall draw up the technical specifications for and procure the corporate IT platform required to establish the catalogue referred to in paragraph 1, point (a) of this Article based on consultations with the Defence Industrial Readiness Board.		deleted		deleted		deleted
		Article 14(3)						
G	235	3. Where Member States jointly procure additional quantities or contribute through in-kind contributions to build up a defence industrial readiness pool as referred to in paragraph 2, point (b), in the context of a Structure for		deleted		deleted		deleted

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	European Armament Programme, the Commission shall financially support the initiative through:			
	Article 14(3), point (a)			
236	(a) support to common procurement of additional quantities as referred to in Article 11(2);	deleted	deleted	deleted
	Article 14(3), point (b)			
237	(b) contribution to the direct and indirect costs of managing and maintaining the Defence Industrial Readiness Pool as referred to in Article 11(5), point (f);	deleted	deleted	deleted
	Article 14(3), point (c)			
238	(c) contribution to administrative capacity building as referred to in Article 11(5).	deleted	deleted	deleted
	Article 14(4)			
239	4. For the purpose of Member States, associated countries or Ukraine buying from the defence industrial readiness pool managed by a Structure for European Armament Programme, the procurement shall be considered as a government-to-government contract as referred to in Article 13, point (f) of Directive	deleted	deleted	deleted

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
		2009/81/EC.						
Article 15								
G	240	Article 15 Specific provisions applicable for activities contributing to European Defence Projects of Common Interest		~~Article 15~~ deleted Moved to separate chapter IIb (Art 21da)		Article 15 Specific provisions applicable for activities contributing to European Defence Projects of Common Interest		deleted Agreement to turn EDPCI into a chapter of its own.. See rows 304cq to 304ed
Article 15(-1)								
G	240a					-1. European Defence Projects of Common Interest (EDPCIs) shall consist of collaborative industrial projects aimed at reinforcing the competitiveness of the EDTIB throughout the Union while contributing to the development of Member States' military capabilities and systems of common interest or use, and including those securing access to all operational domains, namely land, maritime, air, space and cyber.		deleted
Article 15(1)								
G	241	I. The Commission may identify European Defence Projects of Common Interest for funding in the work programme referred to in Article 18.		deleted		deleted		deleted

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
Article 15(2)								
242		2. The Commission shall, when identifying projects referred to in paragraph 1:		<i>deleted</i>		2. The CommissionEDPCIs shall, when identifying projects referred to in paragraph 1 meet all the following criteria:		<i>deleted</i>
Article 15(2), point (-a)								
242a						(-b) they significantly strengthen the competitiveness, efficiency and innovation capacity of the EDTIB, in particular by contributing to the establishment of new or the broadening of existing cross-border cooperation, including with SMEs and mid-caps, by creating positive spill-over effects on the internal market, and by aiming to gradually reduce strategic dependencies, including by means of supply diversification, and scaling up capacities;		<i>deleted</i>
Article 15(2), point (-b)								
242b						(-a) they are consistent with defence capability priorities commonly agreed by Member States within the framework of the CFSP, in particular in the context of the CDP, and with the objectives of the Strategic Compass for security and		<i>deleted</i>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						defence and other relevant documents identifying Union priorities in the area of CFSP; where appropriate, they also are consistent with the collaborative opportunities identified in the context of the Coordinated Annual Review on Defence and the projects agreed in the framework of the Permanent Structured Cooperation, and pursue coherence of output with respective NATO processes such as the NATO Defence Planning Process where such pursuit serves the Union's security and defence interests;		
Article 15(2), point (a)								
243		(a) duly consider the guidance provided in the context of the Defence Industrial Readiness Board, in particular the contribution of the project to the capability priority identified in the context of the CFSP, notably of the Capability Development Plan, and the objectives of the Strategic Compass for security and defence;		<i>deleted</i>		<i>deleted</i>		<i>deleted</i>
Article 15(2), point (b)								
244		(b) identify overall financing needs and potential impacts for the		<i>deleted</i>		<i>deleted</i>		<i>deleted</i>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	Union budget;			
	Article 15(2), point (c)			
G 245	(c) take into account any views of Member States.	deleted	(c) take into account any views of they involve at least four Member States-, and all Member States and associated countries are given a genuine opportunity to participate in a project;	deleted
	Article 15(2), point (ca)			
G 245a			(d) their benefits extend to a wider part of the Union; and	deleted
	Article 15(2), point (cb)			
G 245b			(e) they are particularly significant in size or scope, or aim to mitigate a considerable level of technological or financial risk, or both.	deleted
	Article 15(3)			
G 246	3. European Defence Projects of Common Interest shall meet the following general criteria:	deleted	3. European Defence Projects of Common Interest shall meet the following general criteria: The Council, acting upon a proposal of the Commission, may adopt implementing acts identifying a list of EDPCIs.	deleted
	Article 15(3), point (-a)			
G 246a			3-a. Member States shall	

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						coordinate to prepare project proposals for possible EDPCIs in an inclusive way, with the support of EDA when necessary.		<i>deleted</i>
		Article 15(3), point (-b)						
G		246b				3aa. Before proposing the implementing acts as referred to in paragraph 3, the Commission shall:		<i>deleted</i>
		Article 15(3), point (-c)						
G		246c				(a) consult Member States in an inclusive manner and take into account their views and project proposals for possible EDPCIs;		<i>deleted</i>
		Article 15(3), point (-d)						
G		246d				(b) invite the High Representative and the EDA to provide their expertise with a view to ensuring consistency with the priorities and objectives referred to in paragraph 2(-a), in particular the defence capability priorities commonly agreed by Member States within the framework of CFSP, notably as jointly expressed in the context of the CDP, to complement the information provided by Member States regarding project		<i>deleted</i>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						proposals; and		
		Article 15(3), point (-e)						
G	246e					(c) verify that all Member States and associated countries were informed of the emergence of a project and were given the opportunity to participate.		deleted
		Article 15(3), point (-f)						
G	246f					3-b. Participating Member States may unanimously decide to involve representatives of the Commission, the High Representative and the EDA as observers to an EDPCI.		deleted
		Article 15(3), point (-g)						
G	246g					3a. In the implementing acts referred to in paragraph 3, the Council shall:		deleted
		Article 15(3), point (a)						
G	247	(a) the project aims at developing capabilities, including those securing access to strategic domains and contested spaces, strategic enablers, and, as appropriate, systems acting as European defence infrastructure of common interest and use;		deleted		(a) set out the objectives and characteristics of the EDPCI in relation to the criteria set out in paragraph 2the project aims at developing capabilities, including those securing access to strategic domains and contested spaces, strategic enablers, and, as appropriate, systems acting as European defence infrastructure of		deleted

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						common interest and use;		
		<i>Article 15(3), point (b)</i>						
G	248	(b) the potential overall benefits of the project outweigh its costs, including in the longer term.		<i>deleted</i>		(b) the potential overall benefits of the project outweigh its costs, including establish the list of Member States participating in the longer term EDPCI at the date of the adoption of the implementing act; and		<i>deleted</i>
		<i>Article 15(3), point (ba)</i>						
G	248a					(c) estimate the overall financing needs of the EDPCI.		<i>deleted</i>
		<i>Article 15(3a), first subparagraph</i>						
G	248b					3b. The Council shall adopt the implementing acts referred to in paragraph 3 acting by qualified majority. The Council may amend the proposals referred to in paragraph 3 acting by qualified majority.		<i>deleted</i>
		<i>Article 15(3b), first subparagraph</i>						
G	248c					3c. To be eligible for Union funding, the deployment of an EDPCI shall cover one or more activities related to:		<i>deleted</i>
		<i>Article 15(3b), first subparagraph, point (a)</i>						
G	248d					(a) the common		

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						procurement of defence products;		<i>deleted</i>
		<i>Article 15(3b), first subparagraph, point (b)</i>						
G		248e				(b) accelerating the adjustment to structural changes of the production capacity of defence products as well as related supporting activities;		<i>deleted</i>
		<i>Article 15(3b), first subparagraph, point (c)</i>						
G		248f				(c) the industrial development of new defence products or the upgrading of existing ones;		<i>deleted</i>
		<i>Article 15(3b), first subparagraph, point (d)</i>						
G		248g				(d) the development and procurement of necessary infrastructure.		<i>deleted</i>
		<i>Article 15(3b), second subparagraph</i>						
G		248h				3ca. The participating Member States shall ensure that criteria equivalent to those set out in Article 10 are applied in the contracts relating to the EDPCI activities supported by Union funding. For the common procurement of defence products supported by Union funding under EDPCIs, Article 12(5) shall also apply.		<i>deleted</i>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
Article 15(3b), third subparagraph								
248i					3cb. Member States participating in an EDPCI shall ensure that the EDPCI activities, including those not supported by Union funding, comply with the objectives set out in Article 4 and in paragraph -1 of this Article.			deleted
Article 15(3b), fourth subparagraph								
248j					3cc. An EDPCI, as well as its specific activities, may be established in the framework of a SEAP.			deleted
Article 15(3b), fifth subparagraph								
248k					3d. Only Member States, associated countries, and SEAPs consisting of Member States or Member States and associated countries shall be eligible for funding under EDPCI activities.			deleted
Article 15(4)								
249		4. A European Defence Project of Common Interest shall involve at least four Member States. The European Commission shall be able, where relevant, to participate in the project.		deleted		deleted		deleted
Article 15(5)								
250		5. A European Defence						

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	Project of Common Interest shall be considered to contribute to the defence capabilities critical for the security and defence interests of the Union and its Member States and therefore to be in the public interest. They may be established in the framework of Structures for European Armament Programmes referred to in Chapter 3.	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 15(6)				
251	6. Member States may, without prejudice to Articles 107 and 108 TFEU, apply support schemes and provide for administrative support to European Defence Projects of Common Interest.	<i>deleted</i>	6. Member States may, without prejudice to Articles 107 and 108 TFEU, apply support schemes and provide for administrative support to European Defence Projects of Common InterestEDPCIs.	<i>deleted</i>
Article 15(6a)				
251a			6a. The planning, construction and operation of production facilities related to an EDPCI may be considered an imperative reason of overriding public interest within the meaning of Article 6(4) and Article 16(1), point (c), of Council Directive 92/43/EEC ³¹ and Article 4(7) of Directive 2000/60 of the European Parliament and of the Council ³² ,	<i>deleted</i>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						in the interests of defence within the meaning of Article 2(3) of Regulation (EC) 1907/2006 of the European Parliament and of the Council³³, and in the interests of public health and safety within the meaning of Article 9(1), point (a), of Directive 2009/147/EC of the European Parliament and of the Council³⁴, provided that the remaining other conditions set out in those provisions are fulfilled. 31. Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (OJ L 206, 22/07/1992, p. 7). 32. 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). 33. Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 396,		

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						30/12/2006, p. 1). 34. Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26/01/2010, p. 7).		
Article 15(7)								
252		7. The Union financial contribution referred to in Article 17 shall not exceed 25% of the amount referred to in Article 5(1).		<i>deleted</i>		<i>deleted</i>		<i>deleted</i>
Article 15(8)								
253		8. The deployment of European Defence Projects of Common Interest may be considered an imperative reason of overriding public interest within the meaning of Article 6(4) and Article 16(1), point (c), of Directive 92/43/EEC and of overriding public interest within the meaning of Article 4(7) of Directive 2000/60. Therefore, the planning, construction and operation of related production facilities may be considered of overriding public interest, provided that the remaining other conditions set out in these provisions are fulfilled.		<i>deleted</i>		<i>deleted</i>		<i>deleted</i>
Article 15(8a)								

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
G	253a				9.	Member States participating in an EDPCI shall submit to the Commission, on an annual basis, a joint report on the implementation of the EDPCI activities, including on compliance with the objectives set out in Article 4 and paragraph -1 of this Article.		deleted
Article 15(8b)								
G	253b				10.	Upon a proposal from the Commission, the Council, acting by qualified majority, may amend the implementing acts referred to in paragraph 3, including by removing EDPCIs from the list or by reflecting changes of the elements set out in paragraph 3a.		deleted
Article 15(8c)								
G	253c				10a.	All Member States and associated countries shall have the opportunity to join an EDPCI after its establishment, subject to the approval of all Member States participating in the EDPCI.		deleted
Article 16								
G	254	Article 16 Award criteria		Article 16 Award criteria		Article 1619a Award criteria		Article 1619a Award criteria

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
Article 16(-1)								
R	254a			<u>-1. Proposals for actions shall be assessed in light of the objectives of White Paper for European Defence, the EDIS, the Strategic Compass for Security and Defence, and shall prioritise the defence capability priorities commonly agreed by Member States within the framework of the Common Foreign and Security Policy (CFSP), in particular in the context of the Capability Development Plan.</u>		1. Proposals for actions shall be assessed in the light of the objectives and priorities set for the relevant action, the expected results and the quality and efficiency of the implementation. In particular, the evaluation shall include one or more of the following criteria: contribution to competitiveness, increase in production capacities, increase in interoperability, and increase in interchangeability.		<u>-1. Proposals for actions shall be assessed in the light of the objectives set for the relevant action, the expected results and the quality and efficiency of the implementation. In particular the evaluation shall include one or more of the following criteria: contribution to competitiveness; contribution to resilience and geographical distribution of manufacturing capacities; increase in production capacities; increase in interoperability; increase in interchangeability [and contribution to the increase of the EDTIB's autonomy and reduction of its dependency on non-associated countries. //delete]</u>
Article 16(1)								
G	255	1. Each proposal shall be assessed on the basis of the following criteria:		1. Each proposal shall be assessed on the basis of the following criteria:		deleted		deleted
Article 16(1), point (a)								
G	256	(a) defence industrial readiness: contribution to competitiveness, increase production capacities, reduce lead times, eliminate bottlenecks thereby increasing interoperability		(a) defence industrial readiness: contribution to competitiveness, increase production capacities, reduce lead times, eliminate bottlenecks thereby increasing interoperability		deleted		deleted

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	and interchangeability;	and interchangeability <u>of the European armed forces capabilities and, where applicable, within NATO</u> ;		
Article 16(1), point (aa)				
256a		<u>(aa) defence industrial sovereignty: contribution to the strategic autonomy of the Union through strengthening the autonomy and non-dependency on non-associated country sources for the EDTIB;</u>		deleted
Article 16(1), point (b)				
257	(b) defence industrial resilience: contribution to resilience, increase timely availability and supply to all locations, strengthening security of supply throughout the Union in response to identified risks, including in particular high exposure to the risk of materialisation of conventional military threats, and the non-dependency on non-associated third country sources.	(b) defence industrial resilience: contribution to resilience, ~~increase~~ <u>increased</u> timely availability and supply to all locations, <u>improving the geographical distribution of manufacturing and stockpiling capacities, in particular in Union areas most directly suffering from capability gaps, needs and shortages, preventing overconcentration of activities in a limited number of Member States,</u> <u>and</u> strengthening security of supply throughout the Union in response to identified risks, including in particular high exposure to the risk of	deleted	deleted

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				materialisation of conventional military threats, ~~and the non-dependency on non-associated third country sources~~ ;				
Article 16(1), point (c)								
258		(c) defence industrial cooperation: fostering genuine armament cooperation among Member States, associated countries or Ukraine and development and operationalisation of cross-border cooperation between undertakings established in different Member States, associated countries or Ukraine, involving in particular, to a significant extent, SMEs, small mid-caps and other mid-caps as recipients, as subcontractors or as other undertakings in the supply chain;		(c) defence industrial cooperation: fostering genuine armament cooperation among Member States, ~~and~~ associated countries ~~or Ukraine~~ and development and operationalisation of cross-border cooperation between undertakings established in different Member States, associated countries or Ukraine, involving in particular, to a significant extent, SMEs, small mid-caps and other mid-caps as recipients, as subcontractors or as other undertakings in the supply chain;		deleted		deleted
Article 16(1), point (d)								
259		(d) the quality of the implementation plan of the action, in particular measures to respect delivery lead times, including in terms of its processes and monitoring.		(d) the quality of the implementation plan of the action, in particular measures to respect delivery lead times, including in terms of its processes and monitoring.		deleted		deleted
Article 16(1a)								
259a			<u>1a.</u>	<u>In addition to the criteria</u>	2.	In addition to the criteria	<u>1a.</u>	<u>In addition to the criteria</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
				<u>set out in paragraph 1, proposals for common procurement actions referred to in Article 12, shall be evaluated based on the following criteria:</u>		set out in paragraph 1 of this Article, proposals for common procurement actions referred to in Article 12 shall be evaluated based on the following criteria:		<u>set out in paragraph 1 of this Article, proposals for common procurement actions referred to in Article 12 shall be evaluated based on the following criteria:</u>
		Article 16(1a), point (a)						
G		259b		<u>(a) the participation of SMEs and mid-caps;</u>		(c) the action's contribution to the replenishment of defence products in short supply, including by taking into account the response to Russia's war of aggression against Ukraine.		<u>(a) the number of participating Member States or associated countries;</u> Moved from line 259d
		Article 16(1a), point (b)						
G		259c		<u>(b) the action's contribution to the adaptation, modernisation and development of the EDTIB;</u>		(b) the action's contribution to the adaptation, modernisation and development of the EDTIB throughout the Union; and/or		<u>(b) the action's contribution to the adaptation, modernisation and development of the EDTIB throughout the Union; and</u>
		Article 16(1a), point (c)						
G		259d		<u>(c) the number of participating Member States or associated countries;</u>		(a) the number of participating Member States or associated countries; and		<u>(c) the participation of SMEs and mid-caps;</u>
		Article 16(1b)						
G		259e		<u>1b. In addition to the criteria set out in paragraph 1 of this Article, proposals for industrial reinforcement actions referred to in Article 13 shall be evaluated based on the following criteria:</u>		3. In addition to the criteria set out in paragraph 1 of this Article, proposals for industrial reinforcement actions referred to in Article 13 shall be evaluated based on at least two of the following criteria:		<u>1b. In addition to the criteria set out in paragraph 1 of this Article, proposals for industrial reinforcement actions referred to in Article 13 shall be evaluated based on the following criteria:</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
Article 16(1b), point (a)								
G	259f			<u>(a) reduction of lead production time and increase in production capacity in the Union, reserved capacity, and workforce skilled;</u>		(a) the reduction of lead production time, and the increase in production capacity in the Union, in reserved capacity and in workforce skilled;		<u>(a) the reduction of lead production time, and the increase in production capacity in the Union, in reserved capacity and in workforce skilled;</u>
Article 16(1b), point (b)								
G	259g			<u>(b) contribution to ensuring availability and security of supply throughout the Union in response to identified risks, including in particular high exposure to the risk of materialisation of conventional military threats;</u>		(b) the contribution to ensuring availability and security of supply throughout the Union in response to identified risks, including in particular high exposure to the risk of materialisation of conventional military threats;		<u>(b) the contribution to ensuring availability and security of supply throughout the Union in response to identified risks, including in particular high exposure to the risk of materialisation of conventional military threats; and</u>
Article 16(1b), point (c)								
Y	259h			<u>(c) contribution to cross-border defence industrial cooperation throughout the Union, improving the inclusion of SMEs and mid-caps or link with orders stemming from common procurement of defence products by at least four Member States or associated countries.</u>		(c) the contribution to cross-border defence industrial cooperation throughout the Union, improving the inclusion of SMEs and mid-caps, or the link with orders stemming from the common procurement of defence products by at least three Member States or associated countries.		<u>(c) the contribution to cross-border defence industrial cooperation throughout the Union, improving the inclusion of SMEs and mid-caps, or the link with orders stemming from the common procurement of defence products by at least [three] Member States or associated countries.</u> To align at a later stage, pending an agreement on Art 12
Article 16(2)								

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
260	2. The work programme shall lay down further details concerning the application of the award criteria laid down in paragraph 1, including any weighting to be applied. The work programme shall not set individual thresholds.	2. The work programme shall lay down further details concerning the application of the award criteria laid down in paragraph 1, including any weighting to be applied. The work programme shall not set individual thresholds.	24. The work programme shall lay down further details concerning the application of the ~~award~~ criteria ~~laid down~~ set out in paragraph 1, including any weighting to be applied. The work programme shall not set individual thresholds.	~~24.~~ The work programme shall lay down further details concerning the application of the ~~award~~ criteria ~~laid down~~ set out in paragraph 1, including any weighting to be applied. The work programme shall not set individual thresholds. Text Origin: Council Mandate
Article 17				
261	Article 17 Union financial contribution	Article 17 Union financial contribution	Article ~~17~~ 19c Union financial contribution	Article ~~17~~ 19c Union financial contribution
Article 17(1)				
262	1. By way of derogation from Article 190 of the Regulation (EU, Euratom) No 2018/1046, the Programme may finance up to 100 % of the eligible costs. However, for activities referred to in Article 11(3) the support from the Programme shall not exceed 35 % of the eligible costs.	1. By way of derogation from Article 190 of the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~ , the Programme may finance up to 100 % of the eligible costs. ~~However, for activities referred to in Article 11(3) the support from the Programme shall not exceed 35 % of the eligible costs.~~	~~18.~~ For actions referred to in Article 13a and Article 15 of this Regulation, and by way of derogation from Article ~~190~~ 193(1) of the Financial Regulation (EU, Euratom) No 2018/1046, where the Union financial contribution takes the form of grants , the Programme may finance up to 100 % of the eligible costs. ~~However, for activities referred to in Article 11(3) the support from the Programme shall not exceed 35 % of the eligible costs.~~	1. <u>For actions referred to in Article 13a and Article 15 of this Regulation, and</u> by way of derogation from Article ~~190~~ 193(1) of the <u>Financial</u> Regulation ~~(EU, Euratom) No 2018/1046~~ , <u>where the Union financial contribution takes the form of grants</u> , the Programme may finance up to 100 % of the eligible costs. ~~However, for activities referred to in Article 11(3) the support from the Programme shall not exceed 35 % of the eligible costs.~~ Text Origin: Council Mandate
Article 17(2)				

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
Y	263	2. An action shall be eligible for an increased funding rate where it fulfils one or more of the following criteria:	2.	An action shall be eligible for an increased funding rate where it fulfils one or more of the following criteria:		deleted		Y
Article 17(2), point (a)								
Y	264	(a) the action is developed in the context of a Structure for European Armament Programme SEAP, as referred to in Chapter III of this Regulation or in the context of a project of PESCO, provided that this project complies with obligations comparable to those under Article 22(1), 23(1), 25 and 26 of this Regulation and that it did not benefit from a comparable increased funding rate in another EU funding programme;	(a)	the action is developed in the context of a Structure for European Armament Programme SEAP, as referred to in Chapter III of this Regulation or in the context of a project of PESCO, provided that this project complies with obligations comparable to those under Article 22(1), 23(1), 25 and 26 of this Regulation and that it did not benefit from a comparable increased funding rate in another EU funding programme;		deleted		Y
Article 17(2), point (b)								
Y	265	(b) Ukraine is the recipient of defence products produced or procured under the Programme and those products are subject to financial support under the European Peace Facility;	~~(b)~~	~~Ukraine is the recipient of defence products produced or procured under the Programme and those products are subject to financial support under the European Peace Facility;~~		deleted		Y
Article 17(2), point (c)								
Y	266	(c) Member States agree on a common approach to exports for defence products developed and procured in the context of a	(c)	Member States agree on a common approach to exports for defence products developed and procured in the context of a		deleted		Y

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		Structure for European Armament Programme (SEAP);		Structure for European Armament Programme (SEAP);				
		Article 17(2), point (ca)						
Y		266a		<u>(ca) Member States adopt a joint, harmonised and mutually recognised certification scheme for defence products in the context of a Structure for European Armament Programme (SEAP);</u>				Y
		Article 17(2), point (d)						
Y		267	(d) the beneficiary is an SME or small mid-cap or the majority of beneficiaries participating in a consortium are SMEs or small mid-caps.	(d) the beneficiary is an SME or small mid-cap or the majority of beneficiaries participating in a consortium are SMEs or small mid-caps.		deleted		Y
		Article 17(2), point (da)						
Y		267a		<u>(da) the action is carried out by a large consortium of eligible entities which are established in different Member States or associated countries, ensuring a wider geographical participation;</u>				Y
		Article 17(2), point (db)						
Y		267b		<u>(db) the cost of components originating in the Union or associated countries exceeds the threshold set out in Article 11(2a) by 10 percent.</u>				Y

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 17(2a)								
G	267c				1.	Grants may take the form of financing not linked to costs, pursuant to Article 183(3) of the Financial Regulation.	1.	<u>Grants may take the form of financing not linked to costs, pursuant to Article 183(3) of the Financial Regulation.</u> Text Origin: Council Mandate
Article 17(2b)								
G	267d				2.	Where the Union grant takes the form of financing not linked to costs, the level of the Union contribution attributed to each action may be defined on the basis of factors such as:	2.	<u>Where the Union grant takes the form of financing not linked to costs, the level of the Union contribution attributed to each action may be defined on the basis of factors such as:</u> Text Origin: Council Mandate
Article 17(2b), point (a)								
G	267e				(a)	the degree of complexity of the common procurement, for which a proportion of the estimated value of the common procurement contract and the experience gained in similar actions may serve as an initial proxy;	(a)	<u>the degree of complexity of the common procurement, for which a proportion of the estimated value of the common procurement contract and the experience gained in similar actions may serve as an initial proxy;</u> Text Origin: Council Mandate
Article 17(2b), point (b)								
G	267f				(b)	the contribution of the action to improving interoperability outcomes;	(b)	<u>the contribution of the action to improving interoperability outcomes;</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
								Text Origin: Council Mandate
Article 17(2b), point (c)								
G		267g			(c)	the characteristics of the action which are likely to give rise to greater long-term investment signals to industry;	(c)	<u>the characteristics of the action which are likely to give rise to greater long-term investment signals to industry, in particular where the common procurement covers activities that would be eligible for funding from the Union budget, e.g. research and development, testing and certification, initial production or in-service support activities ;</u>
								Text Origin: Council Mandate
Article 17(2b), point (d)								
G		267h			(d)	the number of participating Member States and associated countries or the inclusion of additional Member States or associated countries in existing cooperations;	(d)	<u>the number of participating Member States and associated countries or the inclusion of additional Member States or associated countries in existing cooperations;</u>
								Text Origin: Council Mandate
Article 17(2b), point (e)								
G		267i			(e)	the contribution of the action to the ramp-up of necessary manufacturing capacities;	(e)	<u>the contribution of the action to the ramp-up of necessary manufacturing capacities;</u>
								Text Origin: Council Mandate

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
		Article 17(2b), point (f)						
R		267j		<u>(da) the contribution to the reduction of dependencies on non-associated countries;</u> This is the EP proposal for 123a. It was moved here, for ease of reference, since it was agreed to move the FNLC methodology to Art. 19c.				R
		Article 17(2b), point (g)						
G		267k				(f) the contribution of the action to enhancing cooperation between Member States or associated countries for the purpose of establishing or maintaining a defence industrial readiness pool as referred in Article 13b.	<u>(f) the contribution of the action to enhancing cooperation between Member States or associated countries for the purpose of establishing or maintaining a defence industrial readiness pool as referred in Article 13b.</u> Text Origin: Council Mandate	G
		Article 17(2c)						
G		267l					<u>(g) “the contribution of the action to enhancing cooperation between Member States or associated countries resulting in the common procurement of additional quantities of defence products for Ukraine or Moldova.”</u>	G
		Article 17(2d)						

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement	
G		267m				3. Actions referred to in Article 12 shall be funded by way of grants in the form of financing not linked to costs, pursuant to Article 183(3) of the Financial Regulation.		<u>3. Actions referred to in Article 12 shall be funded by way of grants in the form of financing not linked to costs, pursuant to Article 183(3) of the Financial Regulation.</u> Text Origin: Council Mandate	G
		Article 17(2e)							
G		267n				4. The Union financial contribution to each action referred to in Article 12 shall not exceed 15 % of the estimated value of the common procurement contract concerned.		<u>4. The Union financial contribution to each action referred to in Article 12 shall not exceed 15 % of the estimated value of the common procurement contract concerned.</u> Text Origin: Council Mandate	G
		Article 17(2f)							
Y		267o				5. By way of derogation from paragraph 4, the Union financial contribution to each action referred to in Article 12 may be up to 25 % of the estimated value of the common procurement contract concerned, provided that at least one of the following conditions is met:			Y
		Article 19c(2e), point (a)							
Y		267p				(a) the action is part of a demonstrated continued cooperation until the end of the			Y

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						lifecycle of a defence product;		
		Article 19c(2e), point (b)						
Y		267q				(b) the action supports the common procurement of restriction-free end products;		Y
		Article 17(2f), point (a)						
G		267r				(c) the action results in the common procurement of additional quantities of defence products for Ukraine or Moldova;	(a) <u>the action results in the common procurement of additional quantities of defence products for Ukraine or Moldova;</u> Text Origin: Council Mandate	G
		Article 17(2f), point (b)						
G		267s				(d) the action ensures a wide distribution of suppliers across Member States whereby more than 20 % of the total value of the end product is made by suppliers established in at least one Member State other than the Member State in which the prime contractor is established;	(b) <u>the action ensures a wide distribution of suppliers across Member States whereby more than 20 % of the total value of the end product is made by suppliers established in at least one Member State other than the Member State in which the prime contractor is established;</u> Text Origin: Council Mandate	G
		Article 17(2f), point (c)						
G		267t				(e) the defence investment expenditure of the majority of Member States participating in the common procurement action concerned exceeded 30 % of	(c) <u>the defence investment expenditure of the majority of Member States participating in the common procurement action concerned exceeded 30 % of their</u>	G

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						their respective defence spending in the financial year preceding the application.		<u>respective defence spending in the financial year preceding the application.</u> Text Origin: Council Mandate
		Article 17(2g)						
G		267u		<u>2b. For activities referred to in Article 13 the support from the Programme shall not exceed 35 % of the eligible costs.</u>		6. For actions referred to in Article 13, the Union financial contribution shall not exceed 35 % of the eligible costs.		<u>6. For actions referred to in Article 13, the Union financial contribution shall not exceed 35 % of the eligible costs.</u> Text Origin: Council Mandate
		Article 17(2h)						
Y		267v		<u>2c. By way of derogation from paragraph 2a of this Article, the Union financial contribution to each action referred to in Article 13 may amount to up to 50% of the eligible costs provided that the beneficiary of the action is an SME, a mid-cap or a consortium of SMEs or mid-caps, and that at least one of the following conditions is met:</u>		7. By way of derogation from paragraph 6 of this Article, the Union financial contribution to each action referred to in Article 13 may be up to 50 % of the eligible costs, provided that at least one of the following conditions is met:		<u>7. By way of derogation from paragraph [2a] of this Article, the Union financial contribution to each action referred to in Article 13 may be up to 50% of the eligible costs provided [that the beneficiary of the action is an SME, a mid-cap or a consortium of SMEs or mid-caps, and // delete] that at least one of the following conditions is met:</u> Placement of the SMEs/mid-caps elements still tbc. Text Origin: EP Mandate
		Article 17(2h), point (a)						
Y		267w				(a) the beneficiary of the		<u>(a) [the beneficiary of the</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						action is an SME, a mid-cap or a consortium of SMEs or mid-caps;		<u>action is an SME, a mid-cap or a consortium of SMEs or mid-caps;</u> <u>// delete/</u> idem Text Origin: Council Mandate
		Article 17(2h), point (b)						
G		267x		<u>(a) the beneficiary demonstrates a contribution to the creation of new cross-border cooperation between entities established in Member States or associated countries;</u>		(b) the beneficiary demonstrates a contribution to the creation of new cross-border cooperation between entities established in Member States or associated countries;		<u>(b) the beneficiary demonstrates a contribution to the creation of new cross-border cooperation between entities established in Member States or associated countries;</u> Council to propose a recital defining how this would look like. Text Origin: Council Mandate
		Article 17(2h), point (c)						
G		267y		<u>(b) the action involves building new infrastructure, facilities or production lines from the ground up or on sites not previously used for such activities, in regions of the Union where the EDTIB is not present, contributing to the development of supply chains and technology transfer throughout the Union;</u>		(ba) the action involves building new infrastructure, facilities or production lines from the ground up or on sites not previously used for such activities, contributing to the development of supply chains and technology transfer throughout the Union;		<u>(ba) the action involves building new infrastructure, facilities or production lines from the ground up or on sites not previously used for such activities, contributing to the development of supply chains and technology transfer throughout the Union;</u> Text Origin: EP Mandate
		Article 17(2h), point (d)						

	CLEAN	Commission Proposal	V.SE.C	EP Mandate	V.SE.C	Council Mandate	V.SE.C	Draft Agreement
G	267z			<u>(c) the action contributes to the establishment of new or the ramping-up of existing manufacturing capacities of crisis-relevant products.</u>	(c)	the action contributes to the establishment of new, or the ramping-up of existing, manufacturing capacities of crisis-relevant products.		<u>(c) the action contributes to the establishment of new, or the ramping-up of existing, manufacturing capacities of crisis-relevant products.</u> Text Origin: Council Mandate
Article 17(3)								
G	268	3. The work programme shall lay down further details, including, where relevant, the increased funding rates referred to in paragraph 3.	3.	The work programme shall lay down further details, including, where relevant, the increased funding rates referred to in paragraph <u>32</u> .	39.	The work programme shall lay down further details, ~~including, where relevant, the increased funding rates referred to in paragraph 3.~~	<u>38.</u>	The work programme shall lay down further details, ~~including, where relevant, the increased funding rates referred to in paragraph 3.~~ Text Origin: Council Mandate
Article 17(3a)								
G	268a		<u>3a. The Union contribution through the financial envelope defined in Article 5(1) shall support:</u>				deleted Addressed in Art 2a	
Article 17(3a), point (a)								
G	268b		<u>(a) common procurement actions pursuant to Article 12 with at least 15% and no more than 25%;</u>				deleted	
Article 17(3a), point (b)								
G	268c		<u>(b) industrial reinforcement actions pursuant to Article 13 with at least 25% and no more than 40%;</u>				deleted	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 17(3a), point (c)								
G	268d			(c) <u>European Defence Projects of Common Interest with no more than 45%;</u>				deleted
Article 17(3a), point (d)								
G	268e			(d) <u>the establishment of FAST, as referred to in Article 19, with a budget of 225 million euros.</u>				deleted
Article 18								
G	269	Article 18 Work programmes		Article 18 Work programmes		Article ~~18~~ 19d Work programmes		Article ~~18~~ 19d Work programmes
Article 18(1)								
G	270	1. The Programme shall be implemented by work programmes as referred to in Article 110 of the Regulation (EU, Euratom) No 2018/1046. Work programmes shall set out the actions and associated budget required to meet the objectives of the Programme and, where applicable, the overall amount reserved for blending operations.		1. The Programme shall be implemented by work programmes as referred to in Article 110 of the <u>Financial</u> Regulation. <u>Work programmes may be multiannual, when appropriate (EU, Euratom) No 2018/1046.</u> Work programmes shall set out the actions and associated budget required to meet the objectives of the Programme and, where applicable, the overall amount reserved for blending operations.		1. The Programme shall be implemented by work programmes as referred to in Article 110 of the Financial Regulation. ~~The (EU, Euratom) No 2018/1046.~~ work programmes shall set out the actions and associated budget required to meet the objectives of the Programme and, where applicable, the overall amount reserved for blending operations.		1. The Programme shall be implemented by work programmes as referred to in Article 110 of the <u>Financial</u> Regulation. <u>Work programmes may be multiannual, when appropriate (EU, Euratom) No 2018/1046.</u> Work programmes shall set out the actions and associated budget required to meet the objectives of the Programme and, where applicable, the overall amount reserved for blending operations. Text Origin: EP Mandate
Article 18(1a)								

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
270a				<u>1a. By way of derogation from Article 18(1) of this Regulation, projects that have been selected for the reserve list of Regulation (EU) 2023/2418 shall be considered instantly for award with regard to eligibility criteria of this Regulation. By way of derogation from Article [defining the funding rate for common procurement], these projects may collectively be funded with a total amount of up to 6% from the budget laid out in Article 5(1), point (a), taking into account the provisions for additional funding rates as laid out in Article 17(2) for the definition of the actual funding rate.</u>				deleted
Article 18(2)								
271		2. The Commission shall adopt work programmes by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(3).		2. The Commission shall adopt work programmes by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(3).		2. The Commission shall adopt work programmes by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(3).		2. The Commission shall adopt work programmes by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(3). Text Origin: Commission Proposal
Article 18(2a)								

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
G		271a		<u>2a. The Commission shall adopt delegated acts in accordance with Article 56a concerning work programmes to set out the funding of actions related to European Defence Projects of Common Interest. A separate delegated act shall be adopted for each action.</u>				deleted
Article 18(2b)								
G		271b		<u>2b. The work programme shall include in particular:</u> EP mandate row 271b to 271g moved to 271j and below to align with Council mandate.				deleted
Article 18(2b), point (a)								
G		271c		<u>(a) the overall amount of the Union contribution to each type of action referred to in Article 11, in line with Article 17(3a);</u> Moved to 271k.				deleted
Article 18(2b), point (b)								
G		271d		<u>(b) a description of the action;</u> Moved to 271l.				deleted
Article 18(2b), point (c)								

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
271e				<u>(c) for actions referred to in Article 13, the maximum number of legal entities forming part of the consortium, which shall not exceed 15 legal entities;</u> Moved to 271m.				deleted
Article 18(2b), point (d)								
271f				<u>(d) the procedure for the evaluation and selection of proposals, including, where relevant, a description of the milestones, designed in such a way as to mark substantial progress in the implementation of actions, the results to be achieved and the associated amounts to be disbursed, as well as the arrangements for the verification of the milestones, the fulfilment of conditions and the achievement of results;</u> Moved to 271n.				deleted
Article 18(2b), point (e)								
271g				<u>(e) the methods for determining and, where applicable, adjusting the funding.</u> Moved to 271p				deleted
Article 18(2c)								

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
271h			<u>2c.</u>	<u>Industrial reinforcement actions which also generate strategic added value for the defence of the Union in cases of materialisation of conventional military threats, in particular stockpiling, shall be promoted in locations facing a higher exposure to the risk of materialisation of such conventional military threats.</u>				deleted COM to propose text for a recital EP and Council to look at it.
Article 18(2d)								
271i			<u>2d.</u>	<u>The Commission shall take into account the coherence between different relevant instruments.</u>			<u>2d.</u>	<u>The Commission shall take into account the coherence between different relevant instruments.</u> Text Origin: EP Mandate
Article 18(2e)								
271j			<u>2e.</u>	<u>The work programme shall include in particular:</u> Moved from 271b.	3.	The work programmes shall include in particular:	<u>3.</u>	<u>The work programmes shall include in particular:</u> Text Origin: Council Mandate
Article 18(2e), point (a)								
271k			<u>(a)</u>	<u>the overall amount of the Union contribution to each type of action referred to in Article 11, in line with Article 17(3a);</u> Moved from 271c.	(a)	the overall amount of the Union contribution to each type of action referred to in Article 11(1) and a detailed description of each type of action;	<u>(a)</u>	<u>the overall amount of the Union contribution to each type of action referred to in Article 11(1) and a detailed description of each type of action;</u> Text Origin: Council Mandate

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		Article 18(2e), point (b)						
G	271l		<u>(b) a description of the action;</u> Included in 271k draft agreement		(b) with respect to actions referred to in Articles 12 and 13, the minimum financial size of the actions;		<u>(b) with respect to actions referred to in Articles 12 and 13, the minimum financial size of the actions;</u> Text Origin: Council Mandate	G
		Article 18(2e), point (c)						
G	271m		<u>(c) for actions referred to in Article 13, the maximum number of legal entities forming part of the consortium, which shall not exceed 15 legal entities;</u> Moved from 271e.		(c) with respect to actions referred to in Article 13, the maximum number of legal entities forming part of the consortium, which shall not exceed 15 legal entities;		<u>(c) with respect to actions referred to in Article 13, the maximum number of legal entities forming part of the consortium, which shall not exceed 15 legal entities;</u> Text Origin: Council Mandate	G
		Article 18(2e), point (d)						
G	271n		<u>(d) the procedure for the evaluation and selection of proposals, including, where relevant, a description of the milestones, designed in such a way as to mark substantial progress in the implementation of actions, the results to be achieved and the associated amounts to be disbursed, as well as the arrangements for the verification of the milestones, the fulfilment of conditions and the achievement of results;</u>		(d) the procedure for the evaluation and selection of proposals, including, where relevant, a description of the milestones, designed in such a way as to mark substantial progress in the implementation of actions, the results to be achieved and the associated amounts to be disbursed, as well as the arrangements for the verification of the milestones, the fulfilment of conditions and the achievement of results;		<u>(d) the procedure for the evaluation and selection of proposals, including, where relevant, a description of the milestones, designed in such a way as to mark substantial progress in the implementation of actions, the results to be achieved and the associated amounts to be disbursed, as well as the arrangements for the verification of the milestones, the fulfilment of conditions and the achievement of results;</u>	G

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				Moved from 271f.				Text Origin: Council Mandate
Article 18(2e), point (e)								
G	271o			<u>(e)</u>		(da) the overall amount of the Union contribution to joint procurement with the support of the Commission as referred to in Articles 19-a(1)(a) and (1a), 19-b and 19-c; and		<u>(da) the overall amount of the Union contribution to joint procurement with the support of the Commission as referred to in Articles 19-a(1)(a) and (1a), 19-b and 19-c; and</u> Text Origin: Council Mandate
Article 18(2e), point (f)								
G	271p			<u>(f) the methods for determining and, where applicable, adjusting the funding.</u>		(e) the methods for determining and, where applicable, adjusting the funding.		<u>(e) the methods for determining and, where applicable, adjusting the funding.</u> Text Origin: Council Mandate
Article 18(2f)								
G	271q			<u>2f.</u>		9. The financial envelope referred to in Article 2a(1) may cover joint procurements as referred to in Article 19-a(1), point (a), which shall not exceed the parts of the contract on non-recurrent costs, including the reservation of manufacturing capacities.		<u>9. The financial envelope referred to in Article 2a(1) may cover joint procurements as referred to in Article 19-a(1), point (a), which shall not exceed the parts of the contract on non-recurrent costs, including the reservation of manufacturing capacities.</u> Text Origin: Council Mandate
Article 19								
G	272	Article 19		Article 19		Article 19		Article 19

	CLEAN Commission Proposal	V5.EC EP Mandate	V5.EC Council Mandate	V5.EC Draft Agreement
	Fund to Accelerate defence Supply chains Transformation (FAST)	Fund to Accelerate defence Supply chains Transformation (FAST)	Fund to Accelerate defence Supply chains Transformation (FAST)	Fund to Accelerate defence Supply chains Transformation (FAST) Text Origin: Commission Proposal
Article 19(1)				
273	1. In order to leverage, de-risk and speed-up investments needed to increase the defence manufacturing capacities of SMEs and small mid-caps, a blending operation offering debt and/or equity support may be established (Fund to Accelerate defence Supply-chains' Transformation (FAST). It shall be implemented in accordance with Title X of the Regulation (EU, Euratom) No 2018/1046 and Regulation (EU) 2021/523¹. 1. Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30–89, ELI: http://data.europa.eu/eli/reg/2021/523/oj).	1. In order to leverage, de-risk and speed-up investments needed to increase the defence manufacturing capacities of SMEs and small mid-caps, a blending operation offering debt and/or equity support ~~may~~shall be established (Fund to Accelerate defence Supply-chains' Transformation (FAST). It shall be implemented in accordance with Title X of the ~~Regulation (EU, Euratom) No 2018/1046~~ and Financial Regulation. ~~– (EU) 2021/523¹;~~ ~~1. Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30–89, ELI: http://data.europa.eu/eli/reg/2021/523/oj).~~	1. In order to leverage, de-risk and ~~speed-up~~accelerate investments needed to increase the defence manufacturing capacities of SMEs and ~~small~~ mid-caps complying with criteria equivalent to those set out in Article 10(2), (3) and (3a), a blending operation offering debt ~~and/or~~support, equity support or both may be established, entitled ‘(Fund to Accelerate defence Supply-chains' Transformation’ (FAST). It shall be implemented in accordance with Title X of the Financial Regulation (EU, Euratom) No 2018/1046 and with Regulation (EU) 2021/523¹. ~~1. Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30–89, ELI: http://data.europa.eu/eli/reg/2021/523/oj).~~	1. In order to leverage, de-risk and ~~speed-up~~accelerate investments needed to increase the defence manufacturing capacities of SMEs and ~~[small / delete] mid-caps complying with criteria equivalent to those set out in Article 10[specific references]~~ mid-caps, a blending operation offering debt ~~and/or~~support, equity support or both ~~[may / shall]~~may be established, entitled ‘(Fund to Accelerate defence Supply-chains' Transformation’ (FAST). It shall be implemented in accordance with Title X of the Financial Regulation ~~(EU, Euratom) No 2018/1046 and~~ and with Regulation (EU) 2021/523¹ / replace with row 273a]. ~~1. Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme and amending Regulation (EU) 2015/1017 (OJ L 107, 26.3.2021, p. 30–89, ELI: http://data.europa.eu/eli/reg/2021/523/oj).~~

	CLEAN	Commission Proposal	V.S.EC	EP Mandate	V.S.EC	Council Mandate	V.S.EC	Draft Agreement
								Text Origin: Council Mandate
Article 19(1a)								
Y		273a		<u>1a. The Commission shall develop a competitive bidding framework for FAST.</u>				
Article 19(2)								
G		274	2.	The specific objectives pursued by the FAST shall be the following:	2.	The specific objectives pursued by the FAST shall be the following:	2.	The specific objectives pursued by the FAST shall be the following: Text Origin: Council Mandate
Article 19(2), point (a)								
G		275	(a)	achieve a satisfactory multiplier effect in line with the debt and equity mix and contributing to attracting both public and private-sector financing;	(a)	achieve a satisfactory multiplier effect in line with the debt and equity mix and contributing to attracting both public and private-sector financing;	(a)	<u>to</u> achieve a satisfactory multiplier effect <u>that is</u> in line with the debt and equity mix and ~~contributing~~ <u>which contributes</u> to attracting both public and private-sector financing; Text Origin: Council Mandate
Article 19(2), point (b)								
G		276	(b)	provide support to SMEs (including start-ups and scale-ups) and small midcaps across the Union, which are facing difficulties in accessing finance and which:	(b)	provide support to SMEs (including start-ups and scale-ups) and small midcaps across the Union, which are facing difficulties in accessing finance and which:	(b)	provide support to SMEs (including start-ups and scale-ups) and small midcaps across the Union, which are facing difficulties in accessing finance and which: Text Origin: Council Mandate

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
			products or which have imminent plans to do so; and	
Article 19(2), point (b)(i)				
277	(i) industrialise defence technologies and/or manufacture defence products or have imminent plans to so; or	(i) industrialise defence technologies and/or manufacture defence products or have imminent plans to <u>do</u> so; or	<i>deleted</i>	(i) ~~industrialise defence technologies and/or manufacture~~ <u>are in the stage of industrialisation or manufacturing of</u> defence products or <u>which</u> have imminent plans to <u>do</u> so; or
Article 19(2), point (b)(ii)				
278	(ii) are part of the defence industry's supply chain or have imminent plans to become part it.	(ii) are part of the defence industry's supply chain or have imminent plans to become part it.	<i>deleted</i>	(ii) are part of the <u>Union's</u> defence ~~industry's~~ supply chain or have imminent plans to become part it. Text Origin: Commission Proposal
Article 19(2), point (c)				
279	(c) accelerate investment in the field of manufacturing defence technologies and products, and therefore strengthen the security of supply of the Union's defence industry value chains.	(c) accelerate investment in the field of manufacturing defence technologies and products, and therefore strengthen the security of supply of the Union's defence industry value chains.	(c) to accelerate investment in the ~~field~~ <u>fields</u> of manufacturing defence products and developing ~~technologies and products,~~ and therefore strengthen the security of supply of the Union's defence industry value chains.	(c) <u>to</u> accelerate investment in the ~~field~~ <u>fields</u> of manufacturing defence <u>products and developing</u> ~~defence~~ ~~technologies and products,~~ and therefore strengthen the security of supply of the Union's defence industry value chains. Text Origin: Council Mandate
Section 2a				
279a			Section 2b Procurement	<u>Section 2b</u> <u>Procurement</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								Text Origin: Council Mandate
Article 19a								
G	279b					Article 19-a Procurement with support by the Commission		<u>Article 19-a</u> <u>Procurement with support by the Commission</u> Text Origin: Council Mandate
Article 19a(1)								
G	279c					1. In accordance with Article 168 of the Financial Regulation, Member States may request the Commission:		<u>1. In accordance with Article 168 of the Financial Regulation, Member States may request the Commission:</u> Text Origin: Council Mandate
Article 19a(1), point (a)								
G	279d					(a) to engage in a joint procurement with them as referred to in Article 168(2) of the Financial Regulation whereby Member States may acquire, rent or lease fully the defence products jointly procured;		<u>(a) to engage in a joint procurement with them as referred to in Article 168(2) of the Financial Regulation whereby Member States may acquire, rent or lease fully the defence products jointly procured;</u> Text Origin: Council Mandate
Article 19a(1), point (b)								
G	279e					(b) to act as a central purchasing body to procure on behalf of, or in the name of, the interested Member States defence products, as referred to		<u>(b) to act as a central purchasing body to procure on behalf of, or in the name of, the interested Member States defence products, as referred to in Article</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						in Article 168(3) of the Financial Regulation.		<u>168(3) of the Financial Regulation.</u> Text Origin: Council Mandate
Article 19a(2)								
G		279f				1-a. When requesting the Commission to act in accordance with paragraph 1 of this Article, Member States' contracting authorities shall be deemed to have complied with the requirements laid down in Directive 2009/81/EC.		<u>1-a. When requesting the Commission to act in accordance with paragraph 1 of this Article, Member States' contracting authorities shall be deemed to have complied with the requirements laid down in Directive 2009/81/EC.</u> Text Origin: Council Mandate
Article 19a(3)								
G		279g				1a. By derogation from Article 168(2), second subparagraph, of the Financial Regulation, an associated country may request the Commission to engage in joint procurement as referred to in paragraph 1, point (a), of this Article. The other conditions set out in Article 168(2) of the Financial Regulation shall apply to such joint procurements.		<u>1a. By derogation from Article 168(2), second subparagraph, of the Financial Regulation, an associated country may request the Commission to engage in joint procurement as referred to in paragraph 1, point (a), of this Article. The other conditions set out in Article 168(2) of the Financial Regulation shall apply to such joint procurements.</u> Text Origin: Council Mandate
Article 19a(4)								
G		279h				1aa. By derogation from		<u>1aa. By derogation from</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						Article 168(3) of the Financial Regulation, an associated country together with at least one Member State may also request the Commission to act as central purchasing body as referred to in paragraph 1, point (b). Conditions equivalent to those set out in Article 168(3) of the Financial Regulation shall apply where the Commission acts as a central purchasing body.		<u>Article 168(3) of the Financial Regulation, an associated country together with at least one Member State may also request the Commission to act as central purchasing body as referred to in paragraph 1, point (b). Conditions equivalent to those set out in Article 168(3) of the Financial Regulation shall apply where the Commission acts as a central purchasing body.</u> Text Origin: Council Mandate
		Article 19a(5)						
G		279i				2. In addition to the conditions set out in the Financial Regulation, the procurement procedure referred to in paragraphs 1, 1a and 1aa of this Article shall comply with the following conditions:		<u>2. In addition to the conditions set out in the Financial Regulation, the procurement procedure referred to in paragraphs 1, 1a and 1aa of this Article shall comply with the following conditions:</u> Text Origin: Council Mandate
		Article 19a(5), point (a)						
G		279j				(a) participation in the procurement procedure is open to all Member States and, by way of derogation from Article 168(2) and (3) of the Financial Regulation, may be open to associated countries;		<u>(a) participation in the procurement procedure is open to all Member States and, by way of derogation from Article 168(2) and (3) of the Financial Regulation, may be open to associated countries;</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								Text Origin: Council Mandate
		Article 19a(5), point (b)						
G	279k				(b)	the Commission invites at least one expert with experience relevant to the negotiations from each participating country to form a joint negotiation team;	<u>(b) the Commission invites at least one expert with experience relevant to the negotiations from each participating country to form a joint negotiation team;</u>	G Text Origin: Council Mandate
		Article 19a(5), point (c)						
G	279l				(c)	participating countries explicitly state whether they decide to run parallel negotiation processes for the product concerned, with that decision being subject to unanimous approval by participating countries.	<u>(c) participating countries explicitly state whether they decide to run parallel negotiation processes for the product concerned, with that decision being subject to unanimous approval by participating countries.</u>	G Text Origin: Council Mandate
		Article 19a(6)						
G	279m				3.	Where the Commission acts as a central purchasing body pursuant to paragraph 1, point (b), and paragraph 1aa, it may procure, on behalf of, or in the name of, Member States or associated countries, components and raw materials necessary for the supply of defence products	<u>3. Where the Commission acts as a central purchasing body pursuant to paragraph 1, point (b), and paragraph 1aa, it may procure, on behalf of, or in the name of, Member States or associated countries, components and raw materials necessary for the supply of defence products</u>	G

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						for the purpose of building strategic reserves by participating countries, including stockpiling.		<u>the purpose of building strategic reserves by participating countries, including stockpiling.</u> Text Origin: Council Mandate
		Article 19a(7)						
G		279n				3a. Where duly justified by the extreme urgency of the situation, the Commission may, by way of derogation from Article 175(1) of the Financial Regulation, request the delivery of products from the date on which the draft contracts resulting from the procurement carried out for the purposes of this Regulation are sent.		<u>3a. Where duly justified by the extreme urgency of the situation, the Commission may, by way of derogation from Article 175(1) of the Financial Regulation, request the delivery of products from the date on which the draft contracts resulting from the procurement carried out for the purposes of this Regulation are sent.</u> Text Origin: Council Mandate
		Article 19a(8)						
G		279o				4. In order to enter into purchase agreements with economic operators, representatives of the Commission, or experts nominated by the Commission, may carry out on-site visits in cooperation with relevant national authorities at the locations of production facilities of relevant defence products.		<u>4. In order to enter into purchase agreements with economic operators, representatives of the Commission, or experts nominated by the Commission, may carry out on-site visits in cooperation with relevant national authorities at the locations of production facilities of relevant defence products.</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								Text Origin: Council Mandate
Article 19a(9)								
G	279p				5.	This Article shall be without prejudice to existing Union and national rules governing the ownership, export and transfer of defence products.	5.	<u>This Article shall be without prejudice to existing Union and national rules governing the ownership, export and transfer of defence products.</u>
								Text Origin: Council Mandate
Article 19a(10)								
G	279q				6.	The Commission shall ensure that participating countries are treated equally when carrying out the procurement procedures and when implementing the resulting agreements.	6.	<u>The Commission shall ensure that participating countries are treated equally when carrying out the procurement procedures and when implementing the resulting agreements.</u>
								Text Origin: Council Mandate
Article 19a(11)								
G	279r				8.	In addition to the conditions set out in the Financial Regulation, criteria equivalent to those laid down in Article 10(2), (3) and (3a) of this Regulation shall apply to tenderers, contractors and subcontractors in contracts resulting from procurement conducted pursuant to this Article.	8.	<u>In addition to the conditions set out in the Financial Regulation, criteria equivalent to those laid down in Article 10(2), (3) and (3a) of this Regulation shall apply to tenderers, contractors and subcontractors in contracts resulting from procurement conducted pursuant to this Article.</u>
								Text Origin: Council Mandate

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 19a(12)								
G	279s				9.	For procurements conducted pursuant to paragraphs 1(a) and 1a, the rules as set out in Article 11(8a) and 11(8b) shall apply.	9.	<u>For procurements conducted pursuant to paragraphs 1(a) and 1a, the rules as set out in Article 11(8a) and 11(8b) shall apply.</u> Text Origin: Council Mandate
Article 19b								
G	279t					Article 19-b Advance purchase of defence products		<u>Article 19-b</u> <u>Advance purchase of defence products</u> Text Origin: Council Mandate
Article 19b(1)								
G	279u				1.	Joint procurement referred to in Article 19-a(1)(a) may take the form of advance purchasing agreements of defence products, negotiated and concluded in the name or on behalf of participating countries. Such agreements may include a prepayment mechanism for the production of such products in exchange for the right to the result, which shall not exceed the parts of the contract on non-recurrent costs, including the reservation of manufacturing capacities.	1.	<u>Joint procurement referred to in Article 19-a(1)(a) may take the form of advance purchasing agreements of defence products, negotiated and concluded in the name or on behalf of participating countries. Such agreements may include a prepayment mechanism for the production of such products in exchange for the right to the result, which shall not exceed the parts of the contract on non-recurrent costs, including the reservation of manufacturing capacities.</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								Text Origin: Council Mandate
		Article 19b(2)						
G	279v					2. Where the agreements referred to in paragraph 1 of this Article include a prepayment mechanism, the up-front payment to the contractor may be covered by the financial envelope referred to in Article 2a(1). Contributions of participating countries as referred to in Article 6 shall be taken into account in equal terms per item ordered by the participating countries.		<u>2. Where the agreements referred to in paragraph 1 of this Article include a prepayment mechanism, the up-front payment to the contractor may be covered by the financial envelope referred to in Article 2a(1). Contributions of participating countries as referred to in Article 6 shall be taken into account in equal terms per item ordered by the participating countries.</u> Text Origin: Council Mandate
		Article 19b(3)						
G	279w					3. In cases where the negotiated amounts exceed demand, the Commission, at the request of the participating countries concerned, shall establish a mechanism for reallocation to national stockpiles or building up the defence industrial readiness pool as referred to in Article 13b(1).		<u>3. In cases where the negotiated amounts exceed demand, the Commission, at the request of the participating countries concerned, shall establish a mechanism for reallocation to national stockpiles or building up the [defence industrial readiness pool as referred to in Article 13b(1).]</u> Reference to readiness pools to be updated Text Origin: Council Mandate

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 19c								
279x						Article 19-c Facilitating off-take agreements		<u>Article 19-c</u> <u>Facilitating off-take agreements</u> Text Origin: Council Mandate
Article 19c(1)								
279y						1. The Commission shall set up a system to facilitate the conclusion of off-take agreements related to the industrial ramp-up of the EDTIB's manufacturing capacities, between Member States and, where relevant, associated countries on the one hand, and economic operators of the EDITB on the other, in compliance with the Union's competition and procurement rules. The Commission shall ensure that access by a non-associated third country or by a non-associated third-country entity to classified or sensitive information relating to the action is prevented and that the employees or other persons involved in the action have national security clearance issued by a Member State or an associated country.		<u>1. The Commission shall set up a system to facilitate the conclusion of off-take agreements related to the industrial ramp-up of the EDTIB's manufacturing capacities, between Member States and, where relevant, associated countries on the one hand, and economic operators of the EDITB on the other, in compliance with the Union's competition and procurement rules. The Commission shall ensure that access by a non-associated third country or by a non-associated third-country entity to classified or sensitive information relating to the action is prevented and that the employees or other persons involved in the action have national security clearance issued by a Member State or an associated country.</u> Text Origin: Council Mandate
Article 19c(2)								

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
G	279z				2.	The system referred to in paragraph 1 shall allow interested Member States and associated countries to make bids indicating:	2.	<u>The system referred to in paragraph 1 shall allow interested Member States and associated countries to make bids indicating:</u> Text Origin: Council Mandate
Article 19c(2), point (a)								
G	279aa				(a)	the volume and quality of defence products they intend to purchase;	(a)	<u>the volume and quality of defence products they intend to purchase;</u> Text Origin: Council Mandate
Article 19c(2), point (b)								
G	279ab				(b)	the intended price or price range;	(b)	<u>the intended price or price range;</u> Text Origin: Council Mandate
Article 19c(2), point (c)								
G	279ac				(c)	the intended duration of the off-take agreement.	(c)	<u>the intended duration of the off-take agreement.</u> Text Origin: Council Mandate
Article 19c(3)								
G	279ad				3.	The system referred to in paragraph 1 of this Article shall allow manufacturers of defence products which comply with criteria equivalent to those laid out in Article 10(2), (3) and (3a) to make offers indicating:	3.	<u>The system referred to in paragraph 1 of this Article shall allow manufacturers of defence products which comply with criteria equivalent to those laid out in Article 10(2), (3) and (3a) to make offers indicating:</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
								Text Origin: Council Mandate
		Article 19c(3), point (a)						
G		279ae				(a) the volume and quality of defence products for which they are seeking to conclude off-take agreements;		(a) <u>the volume and quality of defence products for which they are seeking to conclude off-take agreements;</u> Text Origin: Council Mandate
		Article 19c(3), point (b)						
G		279af				(b) the intended price or price range at which they are willing to sell;		(b) <u>the intended price or price range at which they are willing to sell;</u> Text Origin: Council Mandate
		Article 19c(3), point (c)						
G		279ag				(ba) the estimated delivery lead time of defence products within the framework of the off-take agreement;		(ba) <u>the estimated delivery lead time of defence products within the framework of the off-take agreement;</u> Text Origin: Council Mandate
		Article 19c(3), point (d)						
G		279ah				(c) the intended duration of the off-take agreement.		(c) <u>the intended duration of the off-take agreement.</u> Text Origin: Council Mandate
		Article 19c(4)						
G		279ai				4. Based on the bids and offers received pursuant to paragraphs 2 and 3, the		4. <u>Based on the bids and offers received pursuant to paragraphs 2 and 3, the</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						Commission shall put relevant manufacturers of defence products in contact with interested Member States and associated countries.		<u>Commission shall put relevant manufacturers of defence products in contact with interested Member States and associated countries.</u> Text Origin: Council Mandate
		Article 19c(5)						
G		279aj				5. Further to the contact referred to in paragraph 4, interested countries may request the Commission to engage in a joint procurement procedure or in a procurement procedure in their name, or on their behalf, pursuant to Article 19-a.		<u>5. Further to the contact referred to in paragraph 4, interested countries may request the Commission to engage in a joint procurement procedure or in a procurement procedure in their name, or on their behalf, pursuant to Article 19-a.</u> Text Origin: Council Mandate
		Article 19c(6)						
G		279ak				6. The financial envelope referred to in Article 2a(1) may cover the parts of the contract on non-recurrent costs, including the reservation of manufacturing capacities.		<u>6. The financial envelope referred to in Article 2a(1) may cover the parts of the contract on non-recurrent costs, including the reservation of manufacturing capacities.</u> Text Origin: Council Mandate
		Section 2b						
Y		279al				Section 2c Award criteria and work programmes		

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						Art. 19a of the Council mandate (award criteria) has been moved up to article 16		
		Article 19d						
Y		279am				Article 19b Selection and award procedure		Y
		Article 19d(1)						
Y		279an				Except for actions referred to in Article 12, Article 13a(1), point (f), and Article 15, the Commission shall award the funding under this Chapter by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(3).		Y
		Chapter IIa						
G		279ao		<u>Chapter IIa</u> <u>The Ukraine Support Instrument</u>		Chapter IIa The Ukraine Support Instrument	<u>Chapter IIa</u> <u>The Ukraine Support Instrument</u> Text Origin: Council Mandate	G
		Section 3						
G		280	Section 3 The Ukraine Support Instrument	Section ~~31~~ ~~The Ukraine Support Instrument~~ <u>GENERAL PROVISIONS TO THE UKRAINE SUPPORT INSTRUMENT</u>		Section ~~31~~ General provisions applicable to the Ukraine Support Instrument	Section ~~31~~ <u>General provisions applicable to</u> the Ukraine Support Instrument Text Origin: Council Mandate	G
		Article 19d						

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
280a			<u>Objectives</u>	<u>Article 19a</u>	Objectives	Article 19e		<u>Article 19d</u> <u>Objectives</u> Text Origin: Council Mandate
Article 19d(1)								
280b			<u>1. The Ukraine Support Instrument shall contribute to the recovery, reconstruction and modernisation of the Ukrainian DTIB and aim to increase the readiness and competitiveness of the Ukrainian DTIB and to support Ukraine in manufacturing most critical capacities in quantities needed to respond to current military threats against its sovereignty and territorial integrity, in particular through:</u>		1. The Ukraine Support Instrument shall contribute to the recovery, reconstruction and modernisation of the Ukrainian DTIB with a view to increasing its defence industrial readiness, taking into account its possible future integration into the EDTIB, through cooperation between the Union and Ukraine, thereby enhancing mutual stability, security, peace, prosperity, resilience and sustainability.		<u>1. The Ukraine Support Instrument shall contribute to the recovery, reconstruction and modernisation of the Ukrainian DTIB with a view to increasing its defence industrial readiness, taking into account its possible future integration into the EDTIB, through cooperation between the Union and Ukraine, thereby enhancing mutual stability, security, peace, prosperity, resilience and sustainability.</u> "The Ukraine Support Instrument shall be consistent with the Union's continued and unwavering support for Ukraine's independence, sovereignty and territorial integrity within its internationally recognised borders." To be moved to a recital Text Origin: Council Mandate	
Article 19d(1), point (a)								
280c			<u>(a) scaling-up direct investment into Ukraine</u>					deleted

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>industrial defence capacities, creating new or adapting or ramping-up new manufacturing capacities in Ukraine, and licensing production cooperation through public-private partnerships or other forms of cooperation, such as joint ventures;</u>				Agreement among co-legislators not to include points (a) to (f)
		Article 19d(1), point (b)						
G		280d		<u>(b) increasing procurement of defence capacities produced in Ukraine, particularly by applying the “Danish model”;</u>				deleted
		Article 19d(1), point (c)						
G		280e		<u>(c) increasing cooperation on common procurement of defence products in accordance with Ukraine’s military needs;</u>				deleted
		Article 19d(1), point (d)						
G		280f		<u>(d) enhancing cross-border cooperation between the EDTIB and the Ukrainian DTIB, including by providing technical assistance and incentivizing exchanges of personnel and best practices;</u>				deleted

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 19d(1), point (e)								
G	280g			<u>(e) supporting the protection of Ukraine DTIB's assets;</u>				deleted
Article 19d(1), point (f)								
G	280h			<u>(f) supporting Ukraine in its progressive alignment with Union rules, standards, policies and practices ('acquis') with a view to future Union membership.</u>				deleted
Article 19d(2)								
G	280i					2. The objective set out in paragraph 1 shall be pursued with an emphasis on enhancing cross-border cooperation between the EDTIB and the Ukrainian DTIB, taking into account the defence industrial reinforcement and defence procurement needs of Ukraine, through the creation of manufacturing capacities or their ramp-up in line with NATO standards and other relevant standards, protection of assets, technical assistance and exchange of personnel, and increased cooperation on common procurement of defence products for Ukraine, including		<u>2. The objective set out in paragraph 1 shall be pursued with an emphasis on enhancing cross-border cooperation between the EDTIB and the Ukrainian DTIB, taking into account the defence industrial reinforcement and defence procurement needs of Ukraine, through the creation of manufacturing capacities or their ramp-up in line with NATO standards and other relevant standards, protection of assets, technical assistance and exchange of personnel, and increased cooperation on common procurement of defence products involving Ukraine and the Ukrainian DTIB, including their</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						their maintenance, and licensing production cooperation through public-private partnerships or other forms of cooperation, such as joint ventures. Special attention shall be given to the objective of supporting Ukraine to progressively align with Union rules, standards, policies and practices with a view to future Union membership.		<u>maintenance, and licensing production cooperation through public-private partnerships or other forms of cooperation, such as joint ventures. Special attention shall be given to the objective of supporting Ukraine to progressively align with Union rules, standards, policies and practices with a view to future Union membership.</u> Text Origin: Council Mandate
	Article 19e							
G	280j			<u>Article 19b</u> <u>Budget</u>				deleted
	Article 19b(1), first subparagraph							
R	280k			<u>1. The budget for the implementation the Ukraine Support Instrument for actions reinforcing the Ukrainian DTIB shall be composed of at least EUR 5 000 million in additional contributions provided by the Member States in accordance with the second subparagraph of this paragraph and Article 19c to the extent earmarked,</u>				

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>subject to the conclusion of the agreement referred to in Article 59.</u>				
		Article 19b(1), second subparagraph						
R		280l		<u>The Member States contributions under the first paragraph of this paragraph may originate from the use of financial assistance received under the Security Action for Europe (SAFE) through the reinforcement of European defence industry instrument (the 'SAFE instrument'), established by Proposed Council Regulation (EU) XXXX/XXXX [COM(2025)0122], or from any other national source.</u>				
		Article 19e(1)						
G		280m		<u>2. In order to respond to unforeseen situations or to new developments and needs, the Commission may reallocate the amount allocated to actions referred to in paragraph 1 of Article 5 and in paragraph 1 of this Article, by a maximum of 20 %, except for the</u>				<i>deleted</i>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>additional financial resources as referred to in Article 19c(2), which shall not be reallocated.</u>				
		Article 19e(2)						
G	280n			<u>3. The amount referred to in paragraphs 1 of this Article and the amounts of additional contributions referred to in Article 19c may also be used for technical and administrative assistance to Ukrainian authorities for actions supporting the implementation of the Ukraine Support Instrument, such as preparatory, monitoring, control, audit and evaluation activities, including price investigations and corporate information technology systems and platforms, and all other technical and administrative assistance or staff-related expenses incurred by the Commission for the management of the Instrument/other elements of the subject matter.</u>				deleted

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 19e(3)								
G	280o			4. <u>In addition to Article 12(4) of the Financial Regulation, unused commitment and payment appropriations shall be automatically carried over and may be committed and used, respectively, until 31 December of the following financial year. The amount carried over shall be used first in the following financial year. The Commission shall inform the European Parliament and the Council of commitment appropriations carried over in accordance with Article 12(6) of the Financial Regulation.</u>				deleted
Article 19e(4)								
G	280p			5. <u>In addition to Article 15 of the Financial Regulation, commitment appropriations corresponding to the amount of recoveries and of decommitments shall be made available again to the Programme or the Ukraine Support Instrument or their</u>				deleted

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
				<u>successors in the context of the budgetary procedure.</u>				
	Article 19e(5)							
G	280q			<u>6. Budgetary commitments for activities extending over more than one financial year may be broken down over several years into annual instalments.</u>				deleted
	Article 19e(6)							
G	280r			<u>7. Appropriations may be entered in the Union budget beyond 2027 to cover the expenses necessary to fulfil the objectives set out in Article 4, to enable the management of actions not completed by the end of the Ukraine Support Instrument, as well as expenses covering critical operational activities and services.</u>				deleted
	Article 19g							
G	280s			<u>Article 19c</u> <u>Additional financial resources</u>		Article 19g Additional financial resources		<u>Article 19g</u> <u>Additional financial resources</u> Text Origin: Council Mandate
	Article 19g(1)							

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
G	280t			<u>1. Member States, European Union institutions, bodies and agencies, third countries, international organisations, international financial institutions or other third parties, may provide additional financial contributions to the Ukraine Support Instrument in accordance with Article 208(2) of the Financial Regulation. Such financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d), or (e) or Article 21(5) of the Financial Regulation.</u>		1. Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions or other third parties may provide additional financial contributions to the Ukraine Support Instrument in accordance with Article 208(2) of the Financial Regulation. Such financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d), or (e), or Article 21(5) of the Financial Regulation.		<u>1. Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions or other third parties may provide additional financial contributions to the Ukraine Support Instrument in accordance with Article 208(2) of the Financial Regulation. Such financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d), or (e), or Article 21(5) of the Financial Regulation.</u> Text Origin: Council Mandate
	Article 19f(2)							
R	280u			<u>2. With the aim of reaching the amount of at least EUR 5 000 million referred to in Article 19b(1), the Member States may contribute to the Ukraine Support Instrument in the form of additional financial contributions referred to in paragraph 1 of this Article pro rata to the relative share of each contributing</u>				Text Origin: EP Mandate

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
				<u>Member State in the gross national income of the Union. The Commission shall conclude agreements with the contributing Member States setting out the payment conditions.</u>				
		Article 19f(3)						
G	280v			<u>3. Any additional amounts received under the relevant Union restrictive measures shall be external assigned revenue within the meaning of Article 21(5) of the Financial Regulation and shall be used for actions under the Ukraine Support Instrument, including for actions reinforcing the Ukrainian DTIB.</u>		2. Any additional amounts received under relevant Union restrictive measures shall be external assigned revenue within the meaning of Article 21(5) of the Financial Regulation and shall be used for actions reinforcing the Ukrainian DTIB.		<u>2. Any additional amounts received under relevant Union restrictive measures shall be external assigned revenue within the meaning of Article 21(5) of the Financial Regulation and shall be used for actions reinforcing the Ukrainian DTIB.</u> Text Origin: Council Mandate
		Article 19f(4)						
R	280w					3. Resources allocated to Member States under shared management may, at the request of the Member State concerned, be transferred to the Ukraine Support Instrument subject to the conditions set out in Regulation (EU) 2021/1060. The Commission shall implement those resources directly in		

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						accordance with Article 62(1), first subparagraph, point (a), of the Financial Regulation or indirectly in accordance with point (c) of that subparagraph.		
		Article 19f(5)						
Y		280x				3a. As regards the amounts contributed or transferred, respectively, in accordance with paragraphs 1 and 3, the Member States concerned may decide the proportion of those amounts to be made available to all entities eligible for funding under this Regulation, only to the benefit of the Member States concerned, or to the additional benefit of other Member States or Ukraine.		Y
		Article 19f(6)						
R		280y		<u>4. The Commission shall report annually to the European Parliament and to the Council on the implementation of contributions under Article 19b, including the amount received from each Member State, and its allocation to each Instrument objectives.</u>				R
		Article 19g(7)						

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Y	280z					4. Where the Commission has not entered into a legal commitment under direct or indirect management for resources transferred in accordance with paragraph 3 and at the latest by 31 December 2028, the corresponding uncommitted resources may be transferred back to one or more respective source programmes, at the request of the Member State concerned, in accordance with the conditions set out in Regulation (EU) 2021/1060.		Y
	Article 19g							
G	280aa			<u>Article 19d</u> <u>Alternative, combined and cumulative funding</u>		Article 19h Alternative, combined and cumulative funding	<u>Article 19h</u> <u>Alternative, combined and cumulative funding</u> Text Origin: Council Mandate	G
	Article 19g(1)							
G	280ab			<u>1. The Ukraine Support Instrument shall be implemented in synergy with other Union programmes. An action that has received a contribution from another Union programme may also receive a contribution under</u>		1. The Ukraine Support Instrument shall be implemented in synergy with other Union programmes. An action that has received a contribution from another Union programme may also receive a contribution under the Ukraine Support Instrument, provided that the contribution	<u>1. The Ukraine Support Instrument shall be implemented in synergy with other Union programmes. An action that has received a contribution from another Union programme may also receive a contribution under the Ukraine Support Instrument, provided that the contribution</u>	G

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
g		280ad		<u>(a) they have been assessed in a call for proposals under the Ukraine Support Instrument;</u>		(a) have been assessed in a call for proposals under the Ukraine Support Instrument;		<u>(a) have been assessed in a call for proposals under the Ukraine Support Instrument;</u> Text Origin: Council Mandate
		Article 19g(2), point (b)						
g		280ac		<u>(b) they comply with the minimum quality requirements of that call for proposals under the Ukraine Support Instrument;</u>		(b) comply with the minimum quality requirements of that relevant call for proposals;		<u>(b) they comply with the minimum quality requirements of that call for proposals under the Ukraine Support Instrument;</u> Text Origin: EP Mandate
		Article 19g(2), point (c)						
g		280af		<u>(c) they are not financed under that call for proposals due to budgetary constraints.</u>		(c) be not financed under that relevant call for proposals due to budgetary constraints.		<u>(c) they are not financed under that call for proposals due to budgetary constraints.</u> Text Origin: EP Mandate
		Article 19g(3)						
g		280ag				3. In accordance with the relevant provisions of Regulation (EU) 2021/1060, the ERDF or ESF+ may support proposals submitted further to a call for proposals under the Ukraine Support Instrument which were awarded a Seal of Excellence.		<u>3. In accordance with the relevant provisions of Regulation (EU) 2021/1060, the ERDF or ESF+ may support proposals submitted further to a call for proposals under the Ukraine Support Instrument which were awarded a Seal of Excellence.</u> Text Origin: Council Mandate
		Article 20						

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
281		Article 20 Specific provisions applicable to the Ukraine Support Instrument		Article 20 ~~Specific provisions applicable to the Ukraine Support Instrument~~ <u>Implementation and forms of Union funding</u>		Article 2019i Specific provisions applicable to the Ukraine Support Instrument Implementation and forms of Union funding		Article ~~20~~ <u>19i</u> ~~Specific provisions applicable to the Ukraine Support Instrument~~ <u>Implementation and forms of Union funding</u> Text Origin: Council Mandate
Article 20(1)								
282		1. Article 13 shall apply to actions under the Ukraine Support Instrument. Articles 8, 11, 12, 14, 16, 17 and Article 18 shall apply mutatis mutandis.		1. ~~Article 13 shall apply to actions under~~ The Ukraine Support Instrument. ~~Articles 8, 11, 12, 14, 16, 17 and~~ <u>shall be implemented under direct management in accordance with the Financial Regulation or under indirect management with bodies referred to in</u> Article ~~18 shall apply mutatis mutandis~~ <u>62(1), point (c), of the Financial Regulation.</u>		1. Article 13 shall apply to actions under The Ukraine Support Instrument. Articles 8, 11, 12, 14, 16, 17 and <u>shall be implemented under direct management in accordance with the Financial Regulation or under indirect management with bodies referred to in</u> Article 18 shall apply mutatis mutandis <u>62(1), point (c), of the Financial Regulation.</u>		1. ~~Article 13 shall apply to actions under~~ The Ukraine Support Instrument. ~~Articles 8, 11, 12, 14, 16, 17 and~~ <u>shall be implemented under direct management in accordance with the Financial Regulation or under indirect management with bodies referred to in</u> Article ~~18 shall apply mutatis mutandis~~ <u>62(1), point (c), of the Financial Regulation.</u> Text Origin: Council Mandate
Article 20(2)								
283		2. By derogation from Article 17(1) activities referred to in Article 11(3) may finance up to 100 % of the eligible costs.		2. ~~By derogation from Article 17(1) activities referred to in~~ Article 11(3) may finance up to ~~100 %~~ <u>Except for blending operations, Union funding may be provided in any</u> of the ~~eligible costs~~ <u>forms laid down in the Financial Regulation in accordance with Title X of the Financial Regulation.</u>		2. By derogation from ~~Without prejudice to~~ Article 17(1) activities referred to in Article 11(3) may finance up to ~~100 %~~ <u>21d(3) of this Regulation, Union funding may be provided in any</u> of the ~~eligible costs~~ <u>forms laid down in the Financial Regulation, except blending operations under the InvestEU</u>		2. ~~By derogation from~~ <u>Without prejudice to</u> Article ~~17(1) activities referred to in~~ Article 11(3) may finance up to ~~100 %~~ <u>21d(3) of this Regulation, Union funding may be provided in any</u> of the ~~eligible costs~~ <u>forms laid down in the Financial Regulation in accordance with its Title X, with the exception of blending</u>

	CLEAN	Commission Proposal	V5.EC	EP Mandate	V5.EC	Council Mandate	V5.EC	Draft Agreement
						programme in accordance with Title X of the Financial Regulation.		<u>operations under the InvestEU programme.”</u>
	Article 20(3)							
284		3. References to associated countries in Articles 8, 9, 11, 12, 14 and 16 shall not apply to this section.		3. ~~References to associated countries in Articles 8, 9, 11, 12, 14 and 16 shall not apply to this section~~ <u>By way of derogation from Article 192(2) of the Financial Regulation, activities referred to in Article 13(-1), point (d), for which Union funding is provided in the form of a grant under the Ukraine Support Instrument and profit is made, the Commission may recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary carrying out the action, up to the final amount of the Union contribution. The profit is calculated by a surplus of receipts over the eligible costs of the action, where receipts are limited to Union funding, Member State funding, including procurement, other revenue generated during the action and any revenue resulting from the action. The work programme may set out further details.</u>		3. References to associated countries in Articles 8, 9, 11, 12, 14 and 16 shall not apply to this sectionWith respect to activities referred to in Article 13(1), point (d), of this Regulation for which Union funding is provided in the form of a grant under the Ukraine Support Instrument and a profit is made, the Commission may recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary carrying out the action, up to the final amount of the Union contribution. By way of derogation from Article 195(2) of the Financial Regulation, the profit is calculated by a surplus of receipts over the eligible costs of the action, where receipts are limited to Union funding, Member State funding, including procurement, other revenue generated during the action and any revenue resulting from the action. The work programme		3. ~~References to associated countries in Articles 8, 9, 11, 12, 14 and 16 shall not apply to this section~~ <u>With respect to activities referred to in Article 13(1), point (d), of this Regulation for which Union funding is provided in the form of a grant under the Ukraine Support Instrument and a profit is made, the Commission may recover the percentage of the profit corresponding to the Union contribution to the eligible costs actually incurred by the beneficiary carrying out the action, up to the final amount of the Union contribution. By way of derogation from Article 195(2) of the Financial Regulation, the profit is calculated by a surplus of receipts over the eligible costs of the action, where receipts are limited to Union funding, Member State funding, including procurement, other revenue generated during the action and any revenue resulting from the action. The work programme may</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						may set out further details.		set out further details. COM scrutiny reservation Text Origin: Council Mandate
	Article 20(4)							
285		4. References to blending operations in Articles 8 shall not apply to this section.		4. ~~References to blending operations in Articles 8~~ Financial contributions may, where relevant and necessary for the implementation of an action, cover actions started and costs incurred prior to the date of the submission of the proposal for those actions, provided that those actions did not start before ... [date of entry into force of this Regulation] and have not been completed before the signature of the grant agreement. Such financial contributions shall ~~not~~ apply to this section be awarded on the condition that they comply with the criteria set out in Article 196(2) of the Financial Regulation.		4. References to blending operations in Articles 8 Financial contributions may, where relevant and necessary for the implementation of an action, cover actions started and costs incurred prior to the date of the submission of the proposal for those actions, provided that those actions did not start before 5 March 2024 and have not been completed before the signature of the grant agreement. Such financial contributions shall ~~not~~ apply to this section be awarded on the condition that they comply with the criteria set out in Article 196(2) of the Financial Regulation.		4. ~~References to blending operations in Articles 8~~ Financial contributions may, where relevant and necessary for the implementation of an action, cover actions started and costs incurred prior to the date of the submission of the proposal for those actions, provided that those actions did not start before 5 March 2024 and have not been completed before the signature of the grant agreement. Such financial contributions shall ~~not~~ apply to this section be awarded on the condition that they comply with the criteria set out in Article 196(2) of the Financial Regulation. Text Origin: Council Mandate
	Article 21							
286		Article 21 Eligible legal entities		Article 21 Eligible legal entities		Article 21 Eligible legal entities		Article 21 Eligible legal entities Text Origin: Commission

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								Proposal
	Article 21(-1)							
G	286a				-1.	Recipients of Union funding shall be legal entities.	-1.	<u>Recipients of Union funding shall be legal entities.</u> Text Origin: Council Mandate
	Article 21(1)							
G	287	1. The eligibility criteria set out in paragraphs 2 to 7 shall apply in addition to the criteria set out in accordance with Regulation (EU, Euratom) 2018/1046.	1.	The eligibility criteria set out in paragraphs 2 to 7 <u>of this Article</u> shall apply in addition to the criteria set out in accordance with <u>the Financial Regulation (EU, Euratom) 2018/1046.</u>	1.	The eligibility criteria set out in paragraphs 2 to 7 shall apply in addition to the criteria set out in accordance with ~~the Financial Regulation (EU, Euratom)~~ 2018/1046.	1.	The eligibility criteria set out in paragraphs 2 to 7 <u>of this Article</u> shall apply in addition to the criteria set out in accordance with <u>the Financial Regulation (EU, Euratom) 2018/1046.</u> Text Origin: EP Mandate
	Article 21(2)							
G	288	2. Recipients of Union funding shall be established in the Union or in Ukraine.	2.	Recipients of Union funding shall be established in the Union or in Ukraine <u>and their executive management structures shall be in the Union or in Ukraine. Legal entities established in the non-government-controlled areas of Ukraine shall not be eligible for support under this Regulation until such areas are fully retaken by Ukraine.</u>	2.	Recipients of Union funding shall be established and have their executive management structures in the Union or ~~in~~ Ukraine. Legal entities established in the non-government controlled areas of Ukraine shall not be eligible for support under this Regulation.	2.	Recipients of Union funding shall be established <u>and have their executive management structures</u> in the Union or ~~in~~ Ukraine. <u>Legal entities established in the non-government controlled areas of Ukraine shall not be eligible for support under this Regulation.</u> Text Origin: Council Mandate
	Article 21(3)							
G	289	3. The infrastructure, facilities, assets and resources of	3.	The infrastructure, facilities, assets and resources of	3.	The infrastructure, facilities, assets ~~and~~ or resources of	3.	The infrastructure, facilities, assets ~~and~~ or resources of

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		the recipients which are used for the purposes of the action shall be located on the territory of a Member State or of Ukraine. Where recipients have no readily available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in Ukraine, they may use their infrastructure, facilities, assets and resources which are located or held outside the territory of the Member States or of Ukraine, provided that such use does not contravene the security and defence interests of the Union and the Member States and is consistent with the objectives set out in Article 4.		the recipients <u>involved in an action</u> which are used for the purposes of the action shall be located on the territory of a Member State or of Ukraine. ~~Where recipients have no readily available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in Ukraine, they may use their infrastructure, facilities, assets and resources which are located or held outside the territory~~ <u>for the entire duration</u> of the ~~Member States or of Ukraine, provided that such use does not contravene the security and defence interests of the Union and the Member States and is consistent with the objectives set out in Article~~ <u>4.action.</u>		the recipients ~~which are used for the purposes of the~~ <u>of Union funding involved in an</u> action shall be located on the territory of a Member State or of Ukraine. Where recipients have no readily available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in Ukraine, they may use their infrastructure, facilities, assets and resources which are located or held outside the territory for the entire duration of the Member States or of Ukraine, provided that such use does not contravene the security and defence interests of the Union and the Member States and is consistent with the objectives set out in Article 4 action.		the recipients ~~which are used for the purposes of the~~ <u>of Union funding involved in an</u> action shall be located on the territory of a Member State or of Ukraine. ~~Where recipients have no readily available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in Ukraine, they may use their infrastructure, facilities, assets and resources which are located or held outside the territory~~ <u>for the entire duration</u> of the ~~Member States or of Ukraine, provided that such use does not contravene the security and defence interests of the Union and the Member States and is consistent with the objectives set out in Article~~ <u>4action.</u>
Text Origin: Council Mandate								
Article 21(3a)								
G	289a			<u>3a. By way of derogation from paragraph 3 of this Article, where recipients have no readily available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in Ukraine, they may use their infrastructure, facilities, assets</u>		3a. By way of derogation from paragraph 3 of this Article, where recipients of Union funding involved in an action have no readily available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in		<u>3a. By way of derogation from paragraph 3 of this Article, where recipients of Union funding involved in an action have no readily available alternatives or relevant infrastructure, facilities, assets and resources in the Union or in Ukraine, they may use their</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				<u>and resources which are located or held outside the territory of the Member States or of Ukraine, provided that such use does not contravene the security and defence interests of the Union and the Member States and is consistent with the objectives set out in Article 19b. The costs related to activities using such infrastructure, facilities, assets or resources shall not be eligible for support from the Programme.</u> Split paragraph 3 and 3a		Ukraine, they may use their infrastructure, facilities, assets and resources which are located or held outside the territory of the Member States or in a third country other than Ukraine, provided that such use does not contravene the security and defence interests of the Union or its Member States, including respect for the principle of good neighbourly relations, and is consistent with the objectives set out in Article 19e. The costs related to activities using such infrastructures, facilities, assets or resources shall not be eligible for support from the Ukraine Support Instrument.		<u>infrastructure, facilities, assets and resources which are located or held outside the territory of the Member States or in a third country other than Ukraine, provided that such use does not contravene the security and defence interests of the Union or its Member States, including respect for the principle of good neighbourly relations, and is consistent with the objectives set out in Article [19e]. The costs related to activities using such infrastructures, facilities, assets or resources shall not be eligible for support from the Ukraine Support Instrument.</u> Text Origin: Council Mandate
	Article 21(4)							
290		4. For the purposes of an action supported by the Ukraine Support Instrument, the recipients shall not be subject to control by a third country or by a third-country entity.		4. ~~For the purposes of an action supported by the Ukraine Support Instrument, the~~ Recipients <u>of Union funding under the Programme</u> shall not be subject to control by a third country or by a third-country entity <u>other than Ukraine</u>.		4. For the purposes of an action supported by the Ukraine Support Instrument, the recipients of Union funding shall not be subject to control by a non-associated third country other than Ukraine or by ~~another~~ third-country entity.		4. For the purposes of an action supported by the Ukraine Support Instrument, the recipients <u>of Union funding</u> shall not be subject to control by a <u>non-associated</u> third country <u>other than Ukraine</u> or by ~~another~~ third-country entity. Text Origin: Council Mandate
	Article 21(5), first subparagraph							

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
G	291	5. By way of derogation from paragraph 4, a legal entity established in the Union and controlled by a third country or a third-country entity shall be eligible to be a recipient if it has been subject to screening within the meaning of Regulation (EU) 2019/452 of the European Parliament and of the Council and, where necessary, to mitigation measures, taking into account the objectives set out in Article 4 of this Regulation, or if guarantees approved by the Member State in which it is established in accordance with its national procedures are made available to the Commission.		5. By way of derogation from paragraph 4, a legal entity established in the Union and controlled by a third country or a third-country entity <u>other than Ukraine</u> shall be eligible to be a recipient ~~if it has been subject to screening within the meaning of Regulation (EU) 2019/452 of the European Parliament and of the Council and, where necessary, to mitigation measures, taking into account the objectives set out in Article 4 of this Regulation, or~~ if guarantees approved by the Member State in which it is established <u>or by Ukraine</u>, in accordance with its national procedures, are made available to the Commission.		5. By way of derogation from paragraph 4 of this Article, a legal entity established in the Union and controlled by a non-associated third country other than Ukraine or by another ~~or a third-country~~ entity shall be eligible to be a recipient of Union funding if it has been subject to screening within the meaning of Regulation (EU) 2019/452 ~~of the European Parliament and of the Council and, where necessary, to appropriate~~ mitigation measures, taking into account the objectives set out in Article 419e of this Regulation, or if guarantees approved ~~by~~ in accordance with the national procedures of the Member State in which it is established ~~in accordance with its national procedures~~ are made available to the Commission.		5. By ~~way of~~ derogation from paragraph 4 <u>of this Article</u>, a legal entity established in the Union and controlled by a <u>non-associated</u> third country <u>other than Ukraine or by another third country</u> ~~or a third-country~~ entity shall be eligible to be a recipient ~~if it has been subject to screening within the meaning of Regulation (EU) 2019/452 of the European Parliament and of the Council and, where necessary, to mitigation measures, taking into account the objectives set out in Article 4 of this Regulation, or~~ <u>of Union funding</u> if guarantees approved ~~by~~ <u>in accordance with the national procedures of a</u> Member State in which it is established, <u>such as adequate measures pursuant to screenings, as set out in Article 2, point (3), of Regulation (EU) 2019/452, in accordance with its national procedures</u> are made available to the Commission. This replicates row 173, adjusted for the purposes of the USI.
		Article 21(5), second subparagraph						
R	292	The guarantees shall provide assurances that the involvement in		The guarantees shall provide assurances that the involvement in		The guarantees referred to in the first subparagraph of this		The guarantees <u>referred to in the first subparagraph of this</u>

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	an action of such a legal entity would not contravene the security and defence interests of the Union and its Member States as established in the framework of the CFSP pursuant to Title V of the Treaty on European Union (TEU), or the objectives set out in Article 4. The guarantees shall also comply with Article 11(8), point (c). The guarantees shall in particular substantiate that, for the purposes of an action, measures are in place to ensure that:	an action of such a legal entity would not contravene the security and defence interests of the Union and its Member States as established in the framework of the CFSP pursuant to Title V of the Treaty on European Union (TEU), or the objectives set out in Article 4 <u>of this Regulation</u> . The guarantees shall also comply with Article ~~11(8)~~ <u>11(2)</u> , point (c). The guarantees shall in particular substantiate that, for the purposes of an action, measures are in place to ensure that:	paragraph shall provide assurances that the involvement in an action of such a legal entity as referred to in that subparagraph would not contravene the security and defence interests of the Union and its Member States as established in the framework of the CFSP pursuant to Title V of the Treaty on European Union ~~(TEU)~~ TEU, including respect for the principle of good neighbourly relations , or the objectives set out in Article 4. ~~The guarantees shall also comply with Article 11(8), point (c). The~~ 19e of this Regulation. Those guarantees shall in particular substantiate that, for the purposes of an action, measures are in place to ensure that:	<u>paragraph</u> shall provide assurances that the involvement in an action of ~~such a~~ legal entity <u>as referred to in that subparagraph</u> would not contravene the security and defence interests of the Union and its Member States as established in the framework of the CFSP pursuant to Title V of the ~~Treaty on European Union (TEU)~~ TEU, including respect for the principle of good neighbourly relations , or the objectives set out in Article ~~4. The~~ <u>19e of this Regulation. Those</u> guarantees <u>[shall also comply with Article 11(8) 11(2), point (c). The</u> ~~guarantees // delete and /~~ shall in particular substantiate that, for the purposes of an action, measures are in place to ensure that: Text Origin: Council Mandate
	Article 21(5), second subparagraph, point (a)			
293	(a) control over the legal entity is not exercised in a manner that restrains or restricts its ability to carry out the action and to deliver results, that imposes restrictions concerning its infrastructure, facilities, assets, resources, intellectual property or	(a) control over the legal entity is not exercised in a manner that restrains or restricts its ability to carry out the action and to deliver results, that imposes restrictions concerning its infrastructure, facilities, assets, resources, intellectual property or	(a) control over the legal entity is not exercised in a manner that restrains or restricts its ability to carry out the action and to deliver results, that imposes restrictions concerning its infrastructure, facilities, assets, resources, intellectual property or	(a) control over the legal entity is not exercised in a manner that restrains or restricts its ability to carry out the action and to deliver results, that imposes restrictions concerning its infrastructure, facilities, assets, resources, intellectual property or

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	knowhow needed for the purposes of the action, or that undermines its capabilities and standards necessary to carry out the action;	knowhow needed for the purposes of the action, or that undermines its capabilities and standards necessary to carry out the action;	~~knowhow~~ know-how needed for the purposes of the action, or that undermines its capabilities and standards necessary to carry out the action;	~~knowhow~~ know-how needed for the purposes of the action, or that undermines its capabilities and standards necessary to carry out the action; Text Origin: Council Mandate
	Article 21(5), second subparagraph, point (b)			
G 294	(b) access by a third country or by a third-country entity to sensitive information relating to the action is prevented and the employees or other persons involved in the action have national security clearance issued by a Member State, where appropriate;	(b) access by a third country or by a third-country entity to sensitive information relating to the action is prevented and the employees or other persons involved in the action have national security clearance issued by a Member State, where appropriate;	(b) access by a non-associated third country other than Ukraine or by ~~another~~ third-country entity to classified or sensitive information relating to the action is prevented and the employees or other persons involved in the action have national security clearance issued by a Member State, an associated country or Ukraine , where appropriate, in accordance with national laws and regulations ;	(b) access by a <u>non-associated</u> third country <u>other than Ukraine</u> or by ~~another~~ third-country entity to <u>classified or</u> sensitive information relating to the action is prevented and the employees or other persons involved in the action have national security clearance issued by a Member State, <u>an associated country or Ukraine</u> , where appropriate, <u>in accordance with national laws and regulations</u> ; Text Origin: Council Mandate
	Article 21(5), second subparagraph, point (ba)			
R 294a			(c) the ownership of intellectual property arising from actions referred to in Article 21a(1), point (b), relating to industrial reinforcement actions fostering industrialisation and commercialisation of defence products that have been	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						developed in the framework of actions funded by the Union or other cooperative activities conducted with support of Member States, is not subject to restriction by a non-associated third country other than Ukraine or a non-associated by another third-country entity other than Ukraine nor transferred to entities established outside the territory of the Member States, or of associated countries or Ukraine, without the approval of the Member State or the, associated country or Ukraine in which the legal entity is established. Such approval shall not contravene the objectives set out in Article 19e.		
Article 21(5), third subparagraph								
G	295	If considered to be appropriate by the Member State in which the legal entity is established, additional guarantees may be provided.		If considered to be appropriate by the Member State in which the legal entity is established, additional guarantees may be provided.		If considered to be appropriate by the Member State in which the legal entity is established, additional guarantees may be provided.		If considered to be appropriate by the Member State in which the legal entity is established, additional guarantees may be provided. Text Origin: Commission Proposal
Article 21(5), fourth subparagraph								
Y	296	The Commission shall inform the		The Commission shall inform the		The Commission shall		The Commission shall

	CLEAN	Commission Proposal	V5.EC	EP Mandate	V5.EC	Council Mandate	V5.EC	Draft Agreement
		committee referred to in Article 57 of any legal entity considered to be eligible in accordance with this paragraph.		committee referred to in Article ~~57~~ 58 of any legal entity considered to be eligible in accordance with this paragraph, <u>as well as of any concern regarding a possible lack of compliance with the conditions set out in this paragraph.</u>		inform the committee referred to in Article ~~57~~ 58 of any legal entity considered to be eligible to be a recipient of Union funding in accordance with this paragraph.		inform the committee referred to in Article ~~57~~ 58 of any legal entity considered to be eligible <u>to be a recipient of Union funding</u> in accordance with this paragraph. <u>[COM to revert with proposal on how to implement EP request for some kind of verification mechanism]</u> Text Origin: Council Mandate
		Article 21(5), fourth subparagraph a						
G	296a			<u>5a. The Commission shall make available to Member States and Ukraine a standardised template for the provision of guarantees as referred to in paragraph 5.</u>				<u>The guarantees referred to in paragraph 5 may be based on a standardised template provided by the Commission, assisted by the committee referred to in Article 58, in order to ensure a harmonised approach throughout the Union.</u> This replicates row 178a, adjusted to the purposes of the USI.
		Article 21(6), first subparagraph						
Y	297	6. When carrying out an eligible action, recipients may also cooperate with legal entities established outside the territory of the Member States or of Ukraine, or controlled by a third country or by a third-country entity, including		6. When carrying out an eligible action, recipients may also cooperate with legal entities established outside the territory of the Member States or of Ukraine, or controlled by a third country or by a third-country entity, including		6. When carrying out an eligible action, recipients may also cooperate with legal entities established outside the territory of the Member States or of Ukraine, or controlled by a non-associated third country other than Ukraine		6. When carrying out an eligible action, recipients may also cooperate with legal entities established outside the territory of the Member States or of Ukraine, or controlled by a <u>non-associated</u> third country <u>other than Ukraine</u>

	CLEAN	Commission Proposal	V5.EC	EP Mandate	V5.EC	Council Mandate	V5.EC	Draft Agreement
		by using the assets, infrastructure, facilities and resources of such legal entities, provided that this does not contravene the security and defence interests of the Union and its Member States. Such cooperation shall be consistent with the objectives set out in Article 4 and comply with Article 11(8), point (c).		by using the assets, infrastructure, facilities and resources of such legal entities, provided that this does not contravene the security and defence interests of the Union and its Member States. Such cooperation shall be consistent with the objectives set out in Article 4 and comply with Article ~~11(8)~~ 11(2), point (c).		or by ~~another~~ third-country entity, including by using the assets, infrastructure, facilities and resources of such legal entities, provided that this does not contravene the security and defence interests of the Union ~~and/or~~ its Member States. ~~Such cooperation shall be consistent with,~~ including respect for the principle of good neighbourly relations, or the objectives set out in Article 4 and comply with Article 11(8), point (c)19e.		or by ~~another~~ third-country entity, including by using the assets, infrastructure, facilities and resources of such legal entities, provided that this does not contravene the security and defence interests of the Union ~~and/or~~ its Member States. ~~Such cooperation shall be consistent with,~~ including respect for the principle of good neighbourly relations, or the objectives set out in Article 4-19e /and comply with Article ~~11(8)~~ 11(2), point (c) // delete]. Text Origin: Council Mandate
	Article 21(6), second subparagraph							
298		There shall be no unauthorised access by a third country, or other third-country entity to classified information relating to the carrying out of the action and potential negative effects over security of supply of inputs critical to the action shall be avoided.		There shall be no unauthorised access by a third country, or other third-country entity to classified information relating to the carrying out of the action and potential negative effects over security of supply of inputs critical to the action shall be avoided.		There shall be no unauthorised access by a non-associated third country, ~~or other than Ukraine or another~~ third-country entity to classified information relating to the ~~carrying-out~~ carrying-out of the action, and potential negative effects ~~over~~ on security of supply of inputs critical to the action shall be avoided.		There shall be no unauthorised access by a <u>non-associated</u> third country, ~~or other than Ukraine or another~~ third-country entity to classified information relating to the ~~carrying-out~~ carrying-out of the action, and potential negative effects ~~over~~ on security of supply of inputs critical to the action shall be avoided. Text Origin: Council Mandate
	Article 21(6), third subparagraph							
299		The costs related to those activities		The costs related to those activities		The costs related to those activities		The costs related to those activities

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	shall not be eligible for support from the Programme.	shall not be eligible for support from the Programme.	shall not be eligible for support from the ~~Programme~~ Ukraine Support Instrument .	shall not be eligible for support from the ~~Programme~~ Ukraine Support Instrument . Text Origin: Council Mandate
Article 21(7)				
300	7. Paragraphs 2 to 6 shall not apply to:	7. Paragraphs 2 to 6 shall not apply to:	7. Paragraphs ~~2 to 6~~ 4 to 5 shall not apply to:	7. Paragraphs ~~2 to 6~~ 4 to 5 shall not apply to: Text Origin: Council Mandate
Article 21(7), point (a)				
301	(a) contracting authorities of Member States and Ukraine;	(a) contracting authorities of Member States and Ukraine;	(a) contracting authorities of Member States and Ukraine;	(a) contracting authorities of Member States and Ukraine; Text Origin: Commission Proposal
Article 21(7), point (b)				
302	(b) International Organisations;	(b) International Organisations;	(b) international organisations;	(b) international organisations; Text Origin: Council Mandate
Article 21(7), point (c)				
303	(c) The Structures for European Armament Programme;	(c) The Structures for European Armament Programme;	(c) ~~The Structures for European Armament Programme~~ SEAPs ;	(c) ~~The Structures for European Armament Programme~~ SEAPs ; Text Origin: Council Mandate
Article 21(7), point (d)				
304	(d) The European Defence Agency.	(d) The European Defence Agency.	(d) ~~the European Defence Agency~~ EDA .	(d) ~~the European Defence Agency~~ EDA . Text Origin: Council Mandate

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
Section 3a								
304a					Section 2 ACTIONS	ELIGIBLE	<u>Section 2</u> <u>ACTIONS</u>	<u>ELIGIBLE</u> Text Origin: Council Mandate
Article 21a								
304b				<u>Article 21a</u> <u>Eligible actions</u>	Article 21a Eligible actions		<u>Article 21a</u> <u>Eligible actions</u>	 Text Origin: Council Mandate
Article 21a(1)								
304c				<u>1. Actions eligible for funding under the Ukraine Support Instrument shall implement the objectives set out in Article 4 and may take one of the following forms, or a combination thereof:</u>	1. Actions eligible for funding under the Ukraine Support Instrument shall implement the objectives set out in Article 19e and may take one of the following forms, or a combination thereof:		<u>1. Actions eligible for funding under the Ukraine Support Instrument shall implement the objectives set out in Article 19e and may take one of the following forms, or a combination thereof:</u>	 Text Origin: Council Mandate
Article 21a(1), point (a)								
304d				<u>(a) common procurement actions as referred to in Article 12, including for the establishment and maintenance of Defence Industrial Readiness Pools as referred to in Article 21g;</u>	(a) common procurement actions as referred to in Article 12, including for the establishment and maintenance of defence industrial readiness pools as referred to in Article 13b;		<u>(a) common procurement actions as referred to in Article 12, including for the establishment and maintenance of defence industrial readiness pools as referred to in Article [13b];</u>	 Text Origin: Council Mandate
Article 21a(1), point (b)								

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement	
G		304e		<u>(b) industrial reinforcement actions as referred to in Article 13;</u>		(b) industrial reinforcement actions referred to in Article 13;		<u>(b) industrial reinforcement actions referred to in Article 13;</u> Text Origin: Council Mandate	G
		Article 21a(1), point (c)							
G		304f		<u>(c) supporting actions as referred to in Article 13a.</u>		(c) supporting actions as referred to in Article 13a.		<u>(c) supporting actions as referred to in Article 13a.</u> Text Origin: Council Mandate	G
		Article 21a(2)							
G		304g		<u>1a. The following actions shall not be eligible for funding under the Ukraine Support Instrument;</u>		2. The following actions shall not be eligible for funding under the Ukraine Support Instrument:		<u>2. The following actions shall not be eligible for funding under the Ukraine Support Instrument;</u> Text Origin: Council Mandate	G
		Article 21a(2), point (a)							
G		304h		<u>(a) actions related to goods and services which are prohibited by applicable international law;</u>		(a) actions related to defence products which are prohibited by applicable international law;		<u>(a) actions related to defence products which are prohibited by applicable international law;</u> Text Origin: Council Mandate	G
		Article 21a(2), point (b)							
R		304i		<u>(b) actions related to lethal autonomous weapons without the possibility of meaningful human control over selection and engagement decisions when carrying out strikes against humans;</u>		(b) actions related to lethal autonomous systems that operate outside a responsible chain of human command and control and that cannot be used in compliance with international humanitarian law as well as actions related to cluster		<u>(b) actions related to lethal autonomous [definition of LAWS to be agreed] as well as actions related to [cluster munitions];</u> Text Origin: Council Mandate	R

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						munitions;		
		Article 21a(2), point (c)						
R		304j		<u>(c) actions related to goods or services which are subject to control or restriction by third countries other than Ukraine or by third-country entities other than Ukrainian ones, directly, or indirectly through one or more intermediate legal entities, including in terms of technology transfer;</u>		No equivalent in the Council text.		R
		Article 21a(2), point (d)						
R		304k		<u>(ca) actions related to defence products for which the design authority, as defined in Article 2, is not an eligible entity as set forth in Article 21(2);</u>		No equivalent in the Council text.		R
		Article 21a(2), point (c)						
G		304l		<u>(d) actions or parts thereof, that are already fully financed from other public or private sources;</u>		(c) actions or parts thereof, that are already fully financed from other public or private sources.	<u>(c) actions or parts thereof, that are already fully financed from other public or private sources.</u> Text Origin: Council Mandate	G
		Article 21a(2), point (f)						
R		304m		<u>(da) actions which include sourcing from third countries other than Ukraine that</u>		No equivalent in the Council text.		R

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
				<u>contravene the security and defence interests of the Union or its Member States or of Ukraine, including respect for the principle of good neighbourly relations.</u>				
		Article 21a(3)						
R		304n		<u>3. The cost of components originating in the Union or in Ukraine shall not be lower than 70 % of the estimated value of the end product.</u>		2a. For procurements carried out pursuant to Article 21a(1)(a) and (c) which are supported by Union funding, the cost of components originating outside the Union and Ukraine shall not be higher than 35 % of the estimated cost of the components of the end product. No component shall be sourced from third countries that contravene the security and defence interests of the Union and its Member States.		R
		Article 21a(4)						
R		304o				2aa. For actions carried out pursuant to Article 21a(1)(b), the cost of components originating outside the Union and Ukraine shall not be higher than 35 % of the estimated cost of the components of the product the increase in production capacity of which is supported by Union funding. No component of the		R

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						product the increase in production capacity of which is supported by Union funding shall be sourced from third countries that contravene the security and defence interests of the Union and its Member States.		
		Article 21a(5)						
R		304p				2b. Recipients of Union funding or, where relevant, contractors shall have the ability to decide, without restrictions imposed by non-associated third countries other than Ukraine or by another third country entities, on the definition, adaptation and evolution of the design of the defence products, including the legal authority to substitute or remove components that are subject to restrictions imposed by non-associated third countries other than Ukraine or by another third country entities.		
		Article 21a(3)						
G		304q				3. Without prejudice to Article 5 of Directive 2009/43/EC, Member States may publish general transfer licences for transfer to other Member States of products related to		<u>3. Without prejudice to Article 5 of Directive 2009/43/EC, Member States may publish general transfer licences for transfer to other Member States of products related to actions</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						actions supported by the Ukraine Support Instrument.		<u>supported by the Ukraine Support Instrument.</u> Text Origin: Council Mandate
Article 21a(4)								
304r				<u>4. Actions eligible for funding under the Ukraine Support Instrument shall be carried out by or with at least Ukraine or one legal entity established and having its executive management structure in Ukraine.</u>		4. Actions eligible for funding under the Ukraine Support Instrument shall be carried out by, or with the involvement of, at a minimum, Ukraine or one legal entity established and having its executive management structure in Ukraine.		<u>4. Actions eligible for funding under the Ukraine Support Instrument shall be carried out by, or with the involvement of, at a minimum, Ukraine or one legal entity established and having its executive management structure in Ukraine.</u> Text Origin: Council Mandate
Article 21a(5)								
304s				<u>5. References to Member States in Articles 12, 13, 13a and 13b shall be understood to include Ukraine for the purpose of this chapter. References to associated countries in Articles 12, 13, 13a and 13b shall not apply to this Chapter. For the purposes of this chapter, references to Article 10 contained in Article 12 shall be understood to refer to Article 21.</u>		5. For the purposes of this Chapter, references to Member States in Articles 12, 13, 13a and 13b shall be understood to include Ukraine. References to associated countries in Articles 12, 13, 13a and 13b shall not apply to this Chapter. For the purposes of this Chapter, references to Article 10 contained in Article 12 shall be understood to refer to Article 21 and references to Article 11(8b) contained in Article 13 shall be understood to refer to Article		<u>5. For the purposes of this Chapter, references to Member States in Articles 12, 13, 13a and 13b shall be understood to include Ukraine. References to associated countries in Articles 12, 13, 13a and 13b shall not apply to this Chapter. For the purposes of this Chapter, references to Article 10 contained in Article 12 shall be understood to refer to Article 21 and references to Article 11(8b) contained in Article 13 shall be understood to refer to Article 21a(2b).</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
					21a(2b).			Text Origin: Council Mandate
		Section 3b						
G		304t			Section 3	Procurement		<u>Section 3</u> <u>Procurement</u> Text Origin: Council Mandate
		Article 21b						
G		304u			Article 21aa	Procurement with support by the Commission		<u>Article 21aa</u> <u>Procurement with support by the Commission</u> Text Origin: Council Mandate
		Article 21b(1)						
G		304v			1. By derogation from Article 168(2), second subparagraph, of the Financial Regulation, Ukraine may request, together with at least one Member State, the Commission to engage in joint procurement as referred to in Article 168(2) of the Financial Regulation. The other conditions set out in Article 168(2) of the Financial Regulation shall apply to such joint procurement.			<u>1. By derogation from Article 168(2), second subparagraph, of the Financial Regulation, Ukraine may request, together with at least one Member State, the Commission to engage in joint procurement as referred to in Article 168(2) of the Financial Regulation. The other conditions set out in Article 168(2) of the Financial Regulation shall apply to such joint procurement.</u> Text Origin: Council Mandate
		Article 21b(2)						
G		304w			1-a. By derogation from Article 168(3) of the Financial Regulation, Ukraine may also			<u>1-a. By derogation from Article 168(3) of the Financial Regulation, Ukraine may also</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						request, together with at least one Member State, Ukraine may also request the Commission to act as a central purchasing body as referred to in Article 168(3) of the Financial Regulation. Conditions equivalent to those set out in Article 168(3) of the Financial Regulation shall apply wherever the Commission acts as a central purchasing body.		<u>request, together with at least one Member State, Ukraine may also request the Commission to act as a central purchasing body as referred to in Article 168(3) of the Financial Regulation. Conditions equivalent to those set out in Article 168(3) of the Financial Regulation shall apply wherever the Commission acts as a central purchasing body.</u> Text Origin: Council Mandate
		Article 21b(3)						
		304x				1a. When requesting the Commission to act in accordance with paragraph 1 of this Article, Member States' contracting authorities shall be deemed to have complied with the requirements laid down in Directive 2009/81/EC.		<u>1a. When requesting the Commission to act in accordance with paragraph 1 of this Article, Member States' contracting authorities shall be deemed to have complied with the requirements laid down in Directive 2009/81/EC.</u> Text Origin: Council Mandate
		Article 21b(4)						
		304y				2. In addition to the conditions set out in the Financial Regulation, the procurement procedure referred to in paragraphs 1 and 1-a of this Article shall comply with the following conditions:		<u>2. In addition to the conditions set out in the Financial Regulation, the procurement procedure referred to in paragraphs 1 and 1-a of this Article shall comply with the following conditions:</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								Text Origin: Council Mandate
		Article 21b(4), point (a)						
G		304z				(a) participation in the procurement procedure is open to all Member States;		<u>(a) participation in the procurement procedure is open to all Member States;</u> Text Origin: Council Mandate
		Article 21b(4), point (b)						
G		304aa				(b) the Commission invites at least one expert with experience relevant to the negotiations from each participating country to form a joint negotiation team;		<u>(b) the Commission invites at least one expert with experience relevant to the negotiations from each participating country to form a joint negotiation team;</u> Text Origin: Council Mandate
		Article 21b(4), point (c)						
G		304ab				(c) participating countries explicitly state whether they decide to run parallel negotiation processes for the product concerned, with that decision to run parallel negotiation processes for that product shall being subject to unanimous approval by participating countries.		<u>(c) participating countries explicitly state whether they decide to run parallel negotiation processes for the product concerned, with that decision to run parallel negotiation processes for that product shall being subject to unanimous approval by participating countries.</u> Text Origin: Council Mandate
		Article 21b(5)						
G		304ac				3. Where the Commission acts as a central purchasing body		<u>3. Where the Commission acts as a central purchasing body</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						pursuant to paragraph 1-a, it may, as part of the procurement, procure components and raw materials necessary for the supply of defence products for the purpose of building strategic reserves by participating countries, including stockpiling.		<u>pursuant to paragraph 1-a, it may, as part of the procurement, procure components and raw materials necessary for the supply of defence products for the purpose of building strategic reserves by participating countries, including stockpiling.</u> Text Origin: Council Mandate
		Article 21b(6)						
304ad						3a. Where duly justified by the extreme urgency of the situation, the Commission may, by way of derogation from Article 175(1) of the Financial Regulation, request the delivery of products from the date on which the draft contracts resulting from the procurement carried out for the purposes of this Regulation are sent.		<u>3a. Where duly justified by the extreme urgency of the situation, the Commission may, by way of derogation from Article 175(1) of the Financial Regulation, request the delivery of products from the date on which the draft contracts resulting from the procurement carried out for the purposes of this Regulation are sent.</u> Text Origin: Council Mandate
		Article 21b(7)						
304ae						4. In order to enter into purchase agreements with economic operators, representatives of the Commission, or experts nominated by the Commission, may carry out on-site visits in		<u>4. In order to enter into purchase agreements with economic operators, representatives of the Commission, or experts nominated by the Commission, may carry out on-site visits in</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						cooperation with relevant national authorities at the locations of production facilities of relevant defence products.		<u>cooperation with relevant national authorities at the locations of production facilities of relevant defence products.</u> Text Origin: Council Mandate
		Article 21b(8)						
G		304af				5. This Article shall be without prejudice to existing Union and national rules governing the ownership, export and transfer of defence products.		<u>5. This Article shall be without prejudice to existing Union and national rules governing the ownership, export and transfer of defence products.</u> Text Origin: Council Mandate
		Article 21b(9)						
G		304ag				6. The Commission shall ensure that participating countries are treated equally when carrying out the procurement procedures and when implementing the resulting agreements.		<u>6. The Commission shall ensure that participating countries are treated equally when carrying out the procurement procedures and when implementing the resulting agreements.</u> Text Origin: Council Mandate
		Article 21b(10)						
G		304ah				7. In addition to the conditions set out in the Financial Regulation, criteria equivalent to those laid down in Article 21(2), (3) and (3a) of this Regulation shall apply to tenderers,		<u>7. In addition to the conditions set out in the Financial Regulation, criteria equivalent to those laid down in Article 21(2), (3) and (3a) of this Regulation shall apply to tenderers, contractors and subcontractors in</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						contractors and subcontractors in contracts resulting from the procurement conducted pursuant to this Article.		<u>contracts resulting from the procurement conducted pursuant to this Article.</u> Text Origin: Council Mandate
		Article 21b(11)						
G		304ai				8. For procurements conducted pursuant to paragraph (1), the rules as set out in Article 21a(2a) and (2b) shall apply.		<u>8. For procurements conducted pursuant to paragraph (1), the rules as set out in Article 21a(2a) and (2b) shall apply.</u> Text Origin: Council Mandate
		Article 21c						
G		304aj				Article 21ab Advance purchase of defence products		<u>Article 21ab Advance purchase of defence products</u> Text Origin: Council Mandate
		Article 21c(1)						
G		304ak				1. Joint procurement referred to in Article 21aa may take the form of advance purchasing agreements of defence products, negotiated and concluded in the name of, or on behalf of, participating countries. Such agreements may include a prepayment mechanism for the production of such products in exchange for the right to the result, which shall not exceed the		<u>1. Joint procurement referred to in Article 21aa may take the form of advance purchasing agreements of defence products, negotiated and concluded in the name of, or on behalf of, participating countries. Such agreements may include a prepayment mechanism for the production of such products in exchange for the right to the result, which shall not exceed the</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						parts of the contract on non-recurrent costs, including the reservation of manufacturing capacities.		<u>parts of the contract on non-recurrent costs, including the reservation of manufacturing capacities.</u> Text Origin: Council Mandate
Article 21c(2)								
G		304al				2. Where the agreements referred to in paragraph 1 of this Article include a prepayment mechanism, the up-front payment to the contractor may be covered by the financial envelope referred to in Article 2a(1-b). Contributions of participating countries as referred to in Article 19g shall be taken into account in equal terms per item ordered by the participating countries.		<u>2. Where the agreements referred to in paragraph 1 of this Article include a prepayment mechanism, the up-front payment to the contractor may be covered by the financial envelope referred to in Article 2a(1-b). Contributions of participating countries as referred to in Article 19g shall be taken into account in equal terms per item ordered by the participating countries.</u> Text Origin: Council Mandate
Article 21c(3)								
G		304am				3. In cases where the negotiated amounts exceed demand, the Commission, at the request of the participating countries concerned, shall establish a mechanism for reallocation to national stockpiles or building up the defence industrial readiness pool as referred to in Article 13b.		<u>3. In cases where the negotiated amounts exceed demand, the Commission, at the request of the participating countries concerned, shall establish a mechanism for reallocation to national stockpiles or building up the defence industrial readiness pool as referred to in Article 13b.</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
								Will have to update cross-references to the Pools. Text Origin: Council Mandate
	Article 21d							
G	304an					Article 21ac Facilitating off-take agreements		<u>Article 21ac</u> <u>Facilitating off-take agreements</u> Text Origin: Council Mandate
	Article 21d(1)							
G	304ao					1. The Commission shall set up a system to facilitate the conclusion of off-take agreements related to the industrial ramp-up of the Ukrainian DTIB's manufacturing capacities, between Member States and Ukraine on the one hand and economic operators of the Ukrainian DITB on the other, in compliance with the Union's competition and procurement rules. The Commission shall ensure that access by a non-associated third country other than Ukraine or by another third-country entity to classified or sensitive information relating to the action is prevented and that the employees or other		<u>1. The Commission shall set up a system to facilitate the conclusion of off-take agreements related to the industrial ramp-up of the Ukrainian DTIB's manufacturing capacities, between Member States and Ukraine on the one hand and economic operators of the Ukrainian DITB on the other, in compliance with the Union's competition and procurement rules. The Commission shall ensure that access by a non-associated third country other than Ukraine or by another third-country entity to classified or sensitive information relating to the action is prevented and that the employees or other persons involved in the action have</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						persons involved in the action have national security clearance issued by a Member State, an associated country or Ukraine.		<u><i>national security clearance issued by a Member State, an associated country or Ukraine.</i></u> Text Origin: Council Mandate
		Article 21d(2)						
G		304ap				2. The system referred to in paragraph 1 shall allow interested Member States and Ukraine to make bids indicating:		<u><i>2. The system referred to in paragraph 1 shall allow interested Member States and Ukraine to make bids indicating:</i></u> Text Origin: Council Mandate
		Article 21d(2), point (a)						
G		304aq				(a) the volume and quality of defence products they intend to purchase;		<u><i>(a) the volume and quality of defence products they intend to purchase;</i></u> Text Origin: Council Mandate
		Article 21d(2), point (b)						
G		304ar				(b) the intended price or price range;		<u><i>(b) the intended price or price range;</i></u> Text Origin: Council Mandate
		Article 21d(2), point (c)						
G		304as				(c) the intended duration of the off-take agreement.		<u><i>(c) the intended duration of the off-take agreement.</i></u> Text Origin: Council Mandate
		Article 21d(3)						
G		304at				3. The system referred to in		<u><i>3. The system referred to in</i></u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						paragraph 1 of this Article shall allow manufacturers of defence products which comply with criteria equivalent to those laid out in Article 21(2), (3) and (3a) to make offers indicating:		<u>paragraph 1 of this Article shall allow manufacturers of defence products which comply with criteria equivalent to those laid out in Article 21(2), (3) and (3a) to make offers indicating:</u> Text Origin: Council Mandate
		Article 21d(3), point (a)						
G		304au				(a) the volume and quality of defence products for which they are seeking to conclude off-take agreements;		<u>(a) the volume and quality of defence products for which they are seeking to conclude off-take agreements;</u> Text Origin: Council Mandate
		Article 21d(3), point (b)						
G		304av				(b) the intended price or price range at which they are willing to sell;		<u>(b) the intended price or price range at which they are willing to sell;</u> Text Origin: Council Mandate
		Article 21d(3), point (c)						
G		304aw				(ba) the estimated delivery lead time of defence products within the framework of the off-take agreement;		<u>(ba) the estimated delivery lead time of defence products within the framework of the off-take agreement;</u> Text Origin: Council Mandate
		Article 21d(3), point (d)						
G		304ax				(d) the intended duration of the off-take agreement.		<u>(d) the intended duration of the off-take agreement.</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								Text Origin: Council Mandate
Article 21d(4)								
G		304ay				4. Based on the bids and offers received pursuant to paragraphs 2 and 3, the Commission shall put relevant manufacturers of defence products in contact with interested Member States and Ukraine.		<u>4. Based on the bids and offers received pursuant to paragraphs 2 and 3, the Commission shall put relevant manufacturers of defence products in contact with interested Member States and Ukraine.</u> Text Origin: Council Mandate
Article 21d(5)								
G		304az				5. Further to the contact referred to in paragraph 4 of this Article, Ukraine and interested Member States may request the Commission to engage in a joint procurement procedure or in a procurement procedure in their name, or on their behalf, pursuant to Article 21aa.		<u>5. Further to the contact referred to in paragraph 4 of this Article, Ukraine and interested Member States may request the Commission to engage in a joint procurement procedure or in a procurement procedure in their name, or on their behalf, pursuant to Article 21aa.</u> Text Origin: Council Mandate
Article 21d(6)								
G		304ba				6. The financial envelope referred to in Article 2a(1-b) may cover the parts of the contract on non-recurrent costs, including the reservation of manufacturing capacities.		<u>6. The financial envelope referred to in Article 2a(1-b) may cover the parts of the contract on non-recurrent costs, including the reservation of manufacturing capacities.</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								Text Origin: Council Mandate
Section 3c								
G		304bb				Section 4 Award Criteria and Work Programmes		<u>Section 4 Award Criteria and Work Programmes</u> Text Origin: Council Mandate
Article 21e								
G		304bc		<u>Article 21b Award criteria</u>		Article 21b Award criteria		<u>Article 21e Award criteria</u> Text Origin: EP Mandate
Article 21e(1)								
G		304bd		<u>1. Proposals shall be assessed in the light of the objectives set for the action, as referred to in Article 19a, the expected results and the quality and efficiency of the implementation.</u>		1. Proposals for actions shall be assessed in the light of the objectives and priorities set for the relevant actions, as referred to in Article 19e, the expected results and the quality and efficiency of the implementation.		<u>1. Proposals for actions shall be assessed in the light of the objectives set for the relevant actions, as referred to in Article [19e], the expected results and the quality and efficiency of the implementation.</u> Text Origin: Council Mandate
Article 21e(2)								
G		304be		<u>2. In addition to the criteria set out in paragraph 1, proposals for common procurement actions of the Ukraine Support Instrument referred to in Article 12 may be evaluated based on one or more of the</u>		2. In addition to the criteria set out in paragraph 1 of this Article, proposals for common procurement actions referred to in Article 12 may be evaluated based on one or more of the following criteria:		<u>2. In addition to the criteria set out in paragraph 1 of this Article, proposals for common procurement actions referred to in Article 12 may be evaluated based on one or more of the following criteria:</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>following criteria:</u>				Text Origin: Council Mandate
Article 21e(2), point (a)								
G		304bf		<u>(a) the estimated value of the common procurement;</u>		(a) the estimated value of the common procurement;		<u>(a) the estimated value of the common procurement;</u> Text Origin: Council Mandate
Article 21e(2), point (b)								
G		304bg		<u>(b) contribution to recovery, reconstruction and modernisation of the Ukraine DTIB;</u>		(b) the action's contribution to recovery, reconstruction and modernisation of the Ukrainian DTIB;		<u>(b) the action's contribution to recovery, reconstruction and modernisation of the Ukrainian DTIB;</u> Text Origin: Council Mandate
Article 21e(2), point (c)								
G		304bh		<u>(c) contribution to the acceleration of the procurement and the reduction of the production and delivery lead times of defence products for Ukraine.</u>		(c) the action's contribution to the acceleration of the procurement and the reduction of the production and delivery lead times of defence products.		<u>(c) the action's contribution to the acceleration of the procurement and the reduction of the production and delivery lead times of defence products.</u> Text Origin: Council Mandate
Article 21e(3)								
G		304bi		<u>3. In addition to the criteria set out in paragraph 1, proposals for industrial reinforcement actions of the Ukraine Support Instrument referred to in Article 13 may be evaluated based on one or more of the</u>		3. In addition to the criteria set out in paragraph 1 of this Article, proposals for industrial reinforcement actions referred to in Article 13 may be evaluated based on one or more of the following criteria:		<u>3. In addition to the criteria set out in paragraph 1 of this Article, proposals for industrial reinforcement actions referred to in Article 13 may be evaluated based on one or more of the following criteria:</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>following criteria:</u>				Text Origin: Council Mandate
Article 21e(3), point (a)								
G		304bj		<u>(a) reduction of production lead time and increase in production capacity in Ukraine;</u>		(a) the reduction of production lead time and the increase in production capacity in Ukraine;		<u>(a) the reduction of production lead time and the increase in production capacity in Ukraine;</u> Text Origin: Council Mandate
Article 21e(3), point (b)								
G		304bk		<u>(b) contribution to ensuring timely availability and supply of defence products throughout Ukraine;</u>		(b) the contribution to ensuring timely availability and supply of defence products throughout Ukraine;		<u>(b) the contribution to ensuring timely availability and supply of defence products throughout Ukraine;</u> Text Origin: Council Mandate
Article 21e(3), point (c)								
G		304bl		<u>(c) contribution to crossborder defence industrial cooperation between Ukraine and the Union.</u>		(c) the contribution to cross-border defence industrial cooperation between Ukraine and the Union.		<u>(c) the contribution to cross-border defence industrial cooperation between Ukraine and the Union.</u> Text Origin: Council Mandate
Article 21e(4)								
G		304bm		<u>4. Proposals for actions shall take into account the future integration for Ukrainians DTIB into the EDTIB, thereby contributing to mutual stability, security, peace,</u>				deleted

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>prosperity and sustainability.</u>				
		Article 21e(5)						
G		304bn		<u>5. The work programme shall lay down further details concerning the application of the award criteria laid down in paragraph 1, including any weighting to be applied. The work programme shall not set individual thresholds.</u>		5. The work programme shall lay down further details concerning the application of the award criteria, including any weighting to be applied. The work programme shall not set individual thresholds.		<u>5. The work programme shall lay down further details concerning the application of the award criteria, including any weighting to be applied. The work programme shall not set individual thresholds.</u> Text Origin: Council Mandate
		Article 21f						
Y		304bo				Article 21c Selection and award procedure		
		Article 21f(1)						
Y		304bp				Except for actions referred to in Articles 12 and Article 13a(1), point (f), the Commission shall award the funding under this Chapter by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(3).		
		Article 21f						
G		304bq		<u>Article 21d Union financial contribution</u>		Article 21d Union financial contribution		<u>Article 21d Union financial contribution</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
								Text Origin: Council Mandate
Article 21f(1)								
G	304br			<u>1. Whenever the Union contribution takes the form of grants, pursuant to Article 193(3) of the Financial Regulation, the Ukraine Support Instrument may finance up to 100 % of the eligible costs for actions referred to in Article 21a(1), points (b) and (c).</u>		1. Where the Union contribution takes the form of grants, pursuant to Article 193(3) of the Financial Regulation, the Ukraine Support Instrument may finance up to 100 % of the eligible costs for actions referred to in Article 21a(1), points (b) and (c), of this Regulation.		<u>1. Where the Union contribution takes the form of grants, pursuant to Article 193(3) of the Financial Regulation, the Ukraine Support Instrument may finance up to 100 % of the eligible costs for actions referred to in Article 21a(1), points (b) and (c), of this Regulation.</u> Text Origin: Council Mandate
Article 21f(2)								
G	304bs			<u>2. Where the Union grant takes the form of financing not linked to costs, the level of Union contribution to each action may be based on factors such as:</u>		2. Where the Union grant takes the form of financing not linked to costs, the level of Union contribution to each action may be based on factors such as:		<u>2. Where the Union grant takes the form of financing not linked to costs, the level of Union contribution to each action may be based on factors such as:</u> Text Origin: Council Mandate
Article 21f(2), point (a)								
G	304bt			<u>(a) the degree of complexity of the common procurement, for which a proportion of the estimated value of the action and the experience gained in similar actions may serve as an initial proxy;</u>		(a) the degree of complexity of the common procurement, for which a proportion of the estimated value of the action and the experience gained in similar actions may serve as an initial proxy;		<u>(a) the degree of complexity of the common procurement, for which a proportion of the estimated value of the action and the experience gained in similar actions may serve as an initial proxy;</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								Text Origin: Council Mandate
Article 21f(2), point (b)								
G	304bu			<u>(b) the contribution of the action to improving interoperability outcomes and long-term investment signals to industry, in particular where the common procurement covers activities that would be eligible for funding from the Union budget, e.g. research and development, testing and certification, initial production or inservice support activities;</u>		(b) the contribution of the action to improving interoperability outcomes;		<u>(b) the contribution of the action to improving interoperability outcomes;</u> See mirror clauses in rows 267f and 267 g. Text Origin: Council Mandate
Article 21f(2), point (c)								
G	304bv					(ba) the characteristics of the action which are likely to give rise to greater long-term investment signals to industry;		<u>(ba) the characteristics of the action which are likely to give rise to greater long-term investment signals to industry;</u> Text Origin: Council Mandate
Article 21f(2), point (d)								
G	304bw			<u>(c) the contribution of the action to the ramp-up of necessary manufacturing capacities in Ukraine;</u>		(d) the contribution of the action to the ramp-up of necessary manufacturing capacities in Ukraine;		<u>(d) the contribution of the action to the ramp-up of necessary manufacturing capacities in Ukraine;</u> Text Origin: Council Mandate
Article 21f(2), point (e)								

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
G		304bx		<u>(d) the complexity for Ukraine to progress with the accession process, including structural reforms and measures to promote convergence with Union rules, standards, policies and practices;</u>		(e) the degree of complexity for Ukraine to progress with the process towards accession to the Union, including structural reforms and measures to promote convergence with Union rules, standards, policies and practices;		<u>(e) the degree of complexity for Ukraine to progress with the process towards accession to the Union, including structural reforms and measures to promote convergence with Union rules, standards, policies and practices;</u> Text Origin: Council Mandate
		Article 21f(2), point (f)						
G		304by		<u>(e) the degree of complexity for Ukraine to adapt its defence procurement processes and the environment of the Ukrainian defence industry, including to meet NATO standards and other relevant standards;</u>		(f) the degree of complexity for Ukraine to adapt its defence procurement processes and the environment of the Ukrainian defence industry, including to meet NATO standards and other relevant standards;		<u>(f) the degree of complexity for Ukraine to adapt its defence procurement processes and the environment of the Ukrainian defence industry, including to meet NATO standards and other relevant standards;</u> Text Origin: Council Mandate
		Article 21f(2), point (g)						
G		304bz		<u>(f) the efforts and risks associated with Russia's war of aggression against Ukraine, taking into account the need to rebuild and modernise infrastructure damaged by that war in a resilient way and the need to avoid, prevent or reduce and, if possible, offset such</u>		(h) the degree of risk associated with Russia's war of aggression against Ukraine, taking into account the need to rebuild and modernise infrastructure damaged by that war in a resilient way, and the need to prevent, reduce and, if possible, offset such damage.		<u>(h) the hardship and risks associated with Russia's war of aggression against Ukraine, taking into account the need to rebuild and modernise infrastructure damaged by that war in a resilient way and the need to avoid, prevent or reduce and, if possible, offset such damages.</u> Text Origin: Council Mandate

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				<u>damages.</u>				
Article 21f(3)								
304ca				<u>3. Only actions referred to in Article 12 shall be funded by way of grants taking the form of financing not linked to costs, pursuant to Article 183(3) of the Financial Regulation, and the support from the Ukraine Support Instrument shall not exceed 25 % of the estimated value of the common procurement contract.</u>		3. Actions referred to in Article 21a(1), point (a), of this Regulation shall be funded by way of grants taking the form of financing not linked to costs, pursuant to Article 183(3) of the Financial Regulation.		<u>3. Actions referred to in Article 21a(1), point (a), of this Regulation shall be funded by way of grants taking the form of financing not linked to costs, pursuant to Article 183(3) of the Financial Regulation.</u> Text Origin: Council Mandate
Article 21f(4)								
304cb						5. For actions referred to in Article 21a(1), point (a), the support from the Ukraine Support Instrument shall not exceed 25 % of the estimated value of the common procurement contract concerned.		<u>5. For actions referred to in Article 21a(1), point (a), the support from the Ukraine Support Instrument shall not exceed 25 % of the estimated value of the common procurement contract concerned.</u> Text Origin: Council Mandate
Article 21g								
304cc				<u>Article 21c</u> <u>Work programmes</u>		Article 21e Work programmes		<u>Article 21e</u> <u>Work programmes</u> Text Origin: Council Mandate
Article 21g(1)								
304cd				<u>1. The Ukraine Support Instrument shall be</u>		1. The Ukraine Support Instrument shall be implemented		<u>1. The Ukraine Support Instrument shall be implemented</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>implemented by work programmes as referred to in Article 110 of the Financial Regulation. Work programmes may be multiannual, when appropriate. Work programmes shall set out the actions and associated budget required to meet the objectives of the Ukraine Support Instrument.</u>		by work programmes as referred to in Article 110 of the Financial Regulation. The work programmes shall set out the actions and associated budget required to meet the objectives of the Ukraine Support Instrument.		<u>by work programmes as referred to in Article 110 of the Financial Regulation. Work programmes may be multiannual, when appropriate. Work programmes shall set out the actions and associated budget required to meet the objectives of the Ukraine Support Instrument.</u> Text Origin: EP Mandate
	Article 21g(2)							
G	304ce			<u>1a. The work programmes of the Ukraine Support Instrument shall be developed in close cooperation with representatives of Ukraine and targeted to support both the EDTIB and the Ukrainian DTIB in fulfilling Ukraine's capability needs.</u>				deleted Text Origin: EP Mandate
	Article 21g(3)							
G	304cf			<u>2. The Commission shall adopt work programmes by means of implementing acts. Those implementing acts shall be adopted in accordance with the</u>		2. The Commission shall adopt work programmes by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred		<u>3. The Commission shall adopt work programmes by means of implementing acts. Those implementing acts shall be adopted in accordance with the examination procedure referred to</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				<u>examination procedure referred to in Article 58(3).</u>		to in Article 58(3).		<u>in Article 58(3).</u> Text Origin: Council Mandate
		Article 21g(4)						
G		304cg				3. The work programmes shall include in particular:		<u>4. The work programmes shall include in particular:</u> Text Origin: Council Mandate
		Article 21g(4), point (a)						
G		304ch				(a) the overall amount of the Union contribution to each type of action referred to in Article 21a(1) and a detailed description of each type of action;		<u>(a) the overall amount of the Union contribution to each type of action referred to in Article 21a(1) and a detailed description of each type of action;</u> Text Origin: Council Mandate
		Article 21g(4), point (b)						
G		304ci				(b) with respect to actions referred to in Article 21a(1), points (a) and (b), the minimum financial size of the actions;		<u>(b) with respect to actions referred to in Article 21a(1), points (a) and (b), the minimum financial size of the actions;</u> Text Origin: Council Mandate
		Article 21g(4), point (c)						
G		304cj				(c) with respect to actions referred to in Article 21a(1), point (b), the maximum number of legal entities forming part of the consortium, which shall not exceed 15 legal entities.		<u>(c) with respect to actions referred to in Article 21a(1), point (b), the maximum number of legal entities forming part of the consortium, which shall not exceed 15 legal entities.</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								Text Origin: Council Mandate
Article 21g(4), point (d)								
G	304ck				(d)	the procedure for the evaluation and selection of proposals, including, where relevant, a description of the milestones, designed to mark substantial progress in the implementation of actions, the results to be achieved and the associated amounts to be disbursed, as well as the arrangements for the verification of the milestones, the fulfilment of conditions and the achievement of results;	(d)	<u>the procedure for the evaluation and selection of proposals, including, where relevant, a description of the milestones, designed to mark substantial progress in the implementation of actions, the results to be achieved and the associated amounts to be disbursed, as well as the arrangements for the verification of the milestones, the fulfilment of conditions and the achievement of results;</u>
								Text Origin: Council Mandate
Article 21g(4), point (e)								
G	304cl				(da)	the overall amount of the Union contribution to joint procurement with the support of the Commission as referred to in Articles 21aa(1), 21ab and 21ac; and	(da)	<u>the overall amount of the Union contribution to joint procurement with the support of the Commission as referred to in Articles 21aa(1), 21ab and 21ac; and</u>
								Text Origin: Council Mandate
Article 21g(4), point (f)								
G	304cm				(e)	the methods for determining and, where applicable, adjusting the	(e)	<u>the methods for determining and, where applicable, adjusting the funding.</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						funding.		Text Origin: Council Mandate
		Article 21g(5)						
G		304cn		<u>3. The Commission shall take into account the coherence between different relevant instruments.</u>				<u>5. The Commission shall take into account the coherence between different relevant instruments.</u> Text Origin: EP Mandate
		Article 21g(6)						
G		304co		<u>4. The conditions included in Article 18(2a) for the work programmes of the Programme shall apply to the work programmes of the Ukraine Support Instrument, mutatis mutanda.</u>				deleted
		Chapter IIb						
G		304cp		<u>Chapter IIb European Defence Projects of Common Interest</u>				<u>Chapter IIb European Defence Projects of Common Interest</u> Text Origin: EP Mandate
		Article 21da						
G		304cq		<u>Article 21da Activities contributing to European Defence Projects of Common Interest</u>				<u>Article 21h European Defence Projects of Common Interest</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				Moved from Article 15 European Defence Projects of Common Interest				
		Article 21da(1)						
G	304cr			<u>-1. European Defence Projects of Common Interest shall consist of collaborative industrial projects aimed at reinforcing the competitiveness of the EDTIB throughout the Union while contributing to the development of Member States' military capabilities and systems of common interest and/or use, including those securing access to all operational domains.</u>				<u>1. European Defence Projects of Common Interest (EDPCIs) shall consist of collaborative industrial projects aimed at reinforcing the competitiveness of the EDTIB throughout the Union while contributing to the development of Member States' military capabilities critical for the security and defence interests of the Union, and including those securing access to all operational domains, namely land, maritime, air, space and cyber.</u>
		Article 21da(2)						
G	304cs			<u>1. The Council, acting upon proposal of the Commission shall adopt implementing acts identifying an European Defence Project of Common Interest by qualified majority.</u>				deleted
		Article 21da(3)						
G	304ct			<u>2. The Commission shall adopt delegated acts in accordance with Article 56a concerning work programmes</u>				deleted

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				<u>with regard to setting out the funding of actions related to European Defence Projects of Common Interest via delegated acts.</u>				
		Article 21da(4)						
G		304cu		<u>4. Ukraine shall be allowed to participate in the European Defence Projects of Common Interest.</u>				deleted
		Article 21da(5)						
G		304cv		<u>3. European Defence Projects of Common Interest shall meet the following general criteria:</u> Commission text: Moved with small change from Article 15 EDPCIs paragraph 3.			<u>2. EDPCIs Interest shall meet all the following criteria:</u> Text Origin: EP Mandate	
		Article 21da(5), point (a)						
G		304cw		<u>(-a) the project contributes to the defence capabilities critical for the security and defence interests of the Union and therefore is in the European public interest;</u>			<u>(a) they significantly strengthen the competitiveness, efficiency and innovation capacity of the EDTIB, in particular by contributing to the establishment of new or the broadening of existing cross-border cooperation, including with SMEs and mid-caps, by creating positive spill-over effects on the internal</u>	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								<u>market, by significantly contributing to market integration and reduction of market fragmentation, by improving the interoperability and interchangeability of defence products, and by aiming to reduce strategic dependencies, including by means of supply diversification, and scaling up capacities;</u>
Article 21da(5), point (b)								
G 304cx				<u>(a) the project aims at developing capabilities, including those securing access to strategic domains and contested spaces, strategic enablers, and, as appropriate, systems acting as European defence infrastructure of common interest and use;</u> Commission text: Moved from Article 15 EDPCIs paragraph 3 (a)				<u>(b) they contribute to the development of defence capabilities critical for the security and defence interests of the Union and are consistent with the objectives of the Strategic Compass for Security and Defence, with the defence capability priorities commonly agreed by Member States within the framework of the CFSP, in particular in the context of the CDP, and with the collaborative opportunities identified in the context of the Coordinated Annual Review on Defence; they take into account Member States' cooperation in the framework of the Permanent Structured Cooperation and EDA initiatives and projects; they take into</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
								<u>account the relevant activities carried out by NATO, such as the NATO Defence Planning Process, where such activities serve the Union's security and defence interests;</u>
		Article 21da(5), point (c)						
G		304cy		<u>(aa) the project improves the interoperability and interchangeability of defence products, facilitates the implementation of military standards, and significantly contributes to market integration and consolidation by reducing the variability of defence products across the Union addressing similar operational needs;</u>				<u>(c) they involve at least four Member States and all Member States and associated countries, as well as Ukraine, are given a genuine opportunity to participate in a project;</u> Add corresponding recital. Text Origin: EP Mandate
		Article 21da(5), point (d)						
G		304cz		<u>(ab) the benefits of the project extend to a wider part of the Union and ensures a broad geographical participation;</u>				<u>(d) their benefits extend to a wider part of the Union;</u>
		Article 21da(5), point (e)						
G		304da		<u>(ac) the projects shall be particularly significant in size or scope and aim at mitigating a considerable level of technological or financial risk;</u>				<u>(e) they are particularly significant in size or scope, or aim to mitigate a considerable level of technological or financial risk, or both;</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								Text Origin: EP Mandate
Article 21da(5), point (f)								
G	304db			<u>(b) the potential overall benefits of the project outweigh its costs, including in the longer term.</u> Commission text: Moved from Article 15 EDPCIs paragraph 3 (b)				<u>(f) their potential overall benefits outweigh their costs, including in the longer term.</u> Text Origin: EP Mandate
Article 21h(6)								
G	304dc							<u>4. The Council, acting upon a proposal of the Commission, may adopt implementing acts identifying EDPCIs.</u>
Article 21da(6)								
G	304dd			<u>4. A European Defence Project of Common Interest shall involve at least six Member States or at least four Member States that face high exposure to the risk of materialisation of conventional military threats. All Member States and associated countries shall be given a genuine opportunity to participate in a project. The Commission shall be able, where relevant, to participate in the project.</u>				<u>5. Member States shall coordinate to prepare project proposals for possible EDPCIs in an inclusive way, with the support of EDA when necessary.</u>
Article 21h(8), first subparagraph								

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement	
G		304de						<u>6. Before proposing the implementing acts as referred to in paragraph [3], the Commission shall verify the compliance of the project proposals referred to in paragraph [3] with all the criteria listed in paragraph 2 and:</u>	G
	Article 21h(8), second subparagraph								
G		304df						<u>(a) consult Member States in an inclusive manner and take into account their views and project proposals for possible EDPCIs;</u>	G
	Article 21h(8), third subparagraph								
G		304dg						<u>(b) invite the High Representative and the EDA to provide their expertise with a view to ensuring consistency with the priorities and objectives referred to in paragraph 2(b), in particular the defence capability priorities commonly agreed by Member States within the framework of CFSP, notably as jointly expressed in the context of the CDP, to complement the information provided by Member States regarding project proposals; and</u>	G
	Article 21h(8), fourth subparagraph								
G		304dh						<u>(c) verify that all Member</u>	G

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								<u>States and associated countries, as well as where relevant Ukraine, were informed of the emergence of a project and were given the opportunity to participate.</u>
		Article 21h(9), first subparagraph						
G		304di						<u>7. In the implementing acts referred to in paragraph 3, the Council shall:</u>
		Article 21h(9), second subparagraph						
G		304dj						<u>(a) set out the objectives and characteristics of the EDPCI in relation to the criteria set out in paragraph 2;</u>
		Article 21h(9), third subparagraph						
G		304dk						<u>(b) establish the list of countries participating in the EDPCI at the date of the adoption of the implementing act;</u>
		Article 21h(9), fourth subparagraph						
G		304dl						<u>(c) estimate the overall financial size of the EDPCI.</u>
		Article 21da(7)						
G		304dm		<u>4a. By way of derogation from paragraph 3, a European Defence Project of Common Interest may address the development or acquisition of capabilities for the</u>				deleted

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
				<u>European Union and its institutions and agencies. In such a case, the Project shall be deemed to involve all Member States.</u>				
		Article 21h(11)						
G		304dn						<u>8. The Council shall adopt the implementing acts referred to in paragraph 3 acting by qualified majority. The Council may amend the proposals referred to in paragraph 3 acting by qualified majority.</u>
		Article 21h(12), first subparagraph						
G		304do						<u>9. To be eligible for Union funding, the deployment of an EDPCI shall cover one or more activities related to:</u>
		Article 21h(12), second subparagraph						
G		304dp						<u>(a) the common procurement of defence products;</u>
		Article 21h(12), third subparagraph						
G		304dq						<u>(b) accelerating the adjustment to structural changes of the production capacity of defence products as well as related supporting activities;</u>
		Article 21h(12), fourth subparagraph						

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
G	304dr							<u>(c) the industrial development of new defence products or the upgrading of existing ones;</u>
Article 21h(12), fifth subparagraph								
G	304ds							<u>(d) the development and procurement of necessary infrastructure.</u>
Article 21h(13)								
G	304dt							<u>10. The participating Member States shall ensure that criteria equivalent to those set out in Article 10 are applied in the contracts relating to the EDPCI activities supported by Union funding. For the common procurement of defence products supported by Union funding under EDPCIs, Article 12(5) shall also apply.</u>
Article 21h(14)								
G	304du							<u>11. Member States participating in an EDPCI shall ensure that the EDPCI activities, including those not supported by Union funding, comply with the objectives set out in Article 4 and in paragraph 1 of this Article and do not affect compliance of the EDPCI with the criteria set out in paragraph 2 of this Article.</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 21h(15)								
G	304dv			<u>4a. By way of derogation from paragraph 3, a European Defence Project of Common Interest may address the development or acquisition of capabilities for the European Union and its institutions and agencies. In such a case, the Project shall be deemed to involve all Member States.</u>				<u>12. A European Defence Project of Common Interest may address the development of dual-use capabilities for the European Union.</u> Council to propose recital
Article 21da(8)								
G	304dw			<u>5. A European Defence Project of Common Interest may be established in the framework of Structures for European Armament Programmes referred to in Chapter 3.</u> Commission text: Moved from Article 15 EDPCIs paragraph 5.				<u>13. An EDPCI, as well as its specific activities, may be established in the framework of a SEAP.</u>
Article 21h(17)								
G	304dx							<u>14. Only Member States, associated countries, as well as SEAPs consisting of Member States or Member States and associated countries shall be eligible for funding under EDPCI activities.</u>
Article 21h(18)								

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
G	304dy							<u>15. The Commission shall be able, where relevant, to participate in the project. Participating Member States may decide to involve the High Representative and the EDA as observers to an EDPCI.</u> Council to propose recital clarifying the meaning of "participation"
Article 21da(9)								
G	304dz			<u>6. Member States may, without prejudice to Articles 107 and 108 TFEU, apply support schemes and provide for administrative support to European Defence Projects of Common Interest.</u> Commission text: Moved from Article 15 EDPCIs paragraph 6.				<u>16. Member States may, without prejudice to Articles 107 and 108 TFEU, apply support schemes and provide for administrative support to EDPCIs.</u> Text Origin: EP Mandate
Article 21da(10)								
G	304ea			<u>8. The deployment of European Defence Projects of Common Interest may be considered an imperative reason of overriding public interest within the meaning of Article 6(4) and Article 16(1), point (c), of Directive 92/43/EEC and of overriding public interest within</u>				<u>17. The planning, construction and operation of production facilities related to an EDPCI may be considered an imperative reason of overriding public interest within the meaning of Article 6(4) and Article 16(1), point (c), of Council Directive 92/43/EEC³¹ and Article 4(7) of</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>the meaning of Article 4(7) of Directive 2000/60. Therefore, the planning, construction and operation of related production facilities may be considered of overriding public interest, provided that the remaining other conditions set out in these provisions are fulfilled.</u> Commission text: Moved from Article 15 EDPCIs paragraph 8.				<u>Directive 2000/60 of the European Parliament and of the Council³², in the interests of defence within the meaning of Article 2(3) of Regulation (EC) 1907/2006 of the European Parliament and of the Council³³, and in the interests of public health and safety within the meaning of Article 9(1), point (a), of Directive 2009/147/EC of the European Parliament and of the Council³⁴, provided that the remaining other conditions set out in those provisions are fulfilled.</u>
		Article 21h(21)						
G		304eb						<u>18. Member States participating in an EDPCI shall submit to the Commission, on an annual basis, a joint report on the implementation of the EDPCI activities, including on compliance with the objectives set out in Article 4 and in paragraph 1 of this article as well as the criteria set out in paragraph 2 of this Article.</u>
		Article 21h(22)						
G		304ec						<u>19. Upon a proposal from the Commission, the Council, acting by qualified majority, may amend the implementing acts adopted</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								<u>pursuant to paragraph 3, including by removing a project as an EDPCI or by reflecting changes of the elements set out in paragraph 3a.</u>
	Article 21h(23)							
G	304ed							<u>20. All Member States and associated countries, as well as Ukraine, shall have the opportunity to join an EDPCI after its establishment, subject to the approval of all Member States participating in the EDPCI.</u>
	Chapter - IIc							
G	304ee			<u>Chapter - IIc</u> <u>European Military Sales Mechanism</u>				<u>Chapter IIc</u> <u>European Military Sales Mechanism</u> Text Origin: EP Mandate
	Article 21e							
G	304ef			<u>Article 21e</u> <u>European Military Sales Mechanism</u> Commission text: moved from Article 14.				<u>Article 21e</u> <u>European Military Sales Mechanism</u> Agreement by co-legislators to turn the MSM into a chapter of its own Text Origin: EP Mandate
	Article 21e(1)							
G	304eg			<u>1. To ensure the availability</u>				<u>1. To strengthen the</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>of EU defence products in time and in volume thereby fostering the competitiveness of the EDTIB as well as, where relevant, of the Ukrainian DTIB, the Commission shall establish a Military Sales Mechanism (MSM), which shall consist of the following set of measures (EU MSM):</u> Commission text: moved with small changes from Article 14 paragraph 1.				<u>competitiveness of the EDTIB as well as, where relevant, of the Ukrainian DTIB, in particular by increasing the ability of the EDTIB to ensure the availability of defence products in time and in volume, a Military Sales Mechanism (MSM), consisting of the following set of measures is hereby established:</u>
Article 21e(1), point (a)								
		304eh		<u>(a) the establishment of a single, centralised, up to date catalogue of defence products and services developed by the EDTIB in order to bolster an EU-wide aggregated demand;</u> Commission text: moved with small changes from Article 14 paragraph 1 (a)				<u>(a) the establishment of a single, centralised, up to date catalogue of defence products developed by the EDTIB and the Ukrainian DTIB;</u>
Article 21e(1), point (b)								
		304ei		<u>(b) the creation of a defence industrial readiness pool, to increase availability and speed up delivery time of EU-made defence products, ensuring an immediate and preferential purchase or use/lease option for Member</u>				<u>(b) the establishment, management and maintenance of defence industrial readiness pools;</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>States, associated countries and Ukraine;</u>				
				Commission text: moved from Article 14 paragraph 1 (b)				
		Article 21e(1), point (c)						
G		304ej		<u>(c) the facilitation and speeding up of procurement procedures in a spirit of solidarity including by the creation of a framework for procurement associated with the catalogue referred to in point (a);</u>				<u>(c) measures contributing to the facilitation of procedures for the common procurement of defence products;</u>
				Commission text: moved with small changes from Article 14 paragraph 1 (c)				
		Article 21e(1), point (d)						
G		304ek		<u>(d) the support to administrative capacity building related to public procurement of defence products, with the aim of facilitating joint procurement.</u>				deleted
				Commission text: moved from Article 14 paragraph 1 (d)				
		Article 21f						
G		304el		<u>Article 21f European Military Sales Catalogue</u>				<u>Article 21f European Military Sales Catalogue</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								Text Origin: EP Mandate
		Article 21f(1)						
G	304em			<u>1. The Commission, upon consultation of European Defence Agency, shall establish and keep up-to-date a single, centralised catalogue of defence products developed by the EDTIB and the Ukrainian DTIB ('catalogue'). The Commission shall consult the European Defence Agency and take into account its views in drawing up the technical specifications for and, where appropriate, procure the corporate IT platform required to establish the catalogue. Member States, Ukraine and economic operator shall be invited to populate such a catalogue on a voluntary basis.</u>	4. The Commission, upon consultation of the EDA, shall establish and keep up-to-date a single, centralised, catalogue of defence products developed by the EDTIB and the Ukrainian DTIB. The Commission shall consult the EDA and take into account its views in drawing up the technical specifications for that catalogue and, where appropriate, shall procure the corporate IT platform required to establish it. Member States, Ukraine and economic operators shall be invited to populate that catalogue on a voluntary basis. Moved here for ease of reference. Original location in the Council mandate: Art. 13b(4) // row 230		<u>1. The Commission, upon consultation of European Defence Agency, shall establish and keep up-to-date a single, centralised catalogue of defence products developed by the EDTIB and the Ukrainian DTIB ('catalogue'). The Commission shall consult the European Defence Agency and take into account its views in drawing up the technical specifications for and, where appropriate, procure the corporate IT platform required to establish the catalogue. Member States, Ukraine and economic operator shall be invited to populate such a catalogue on a voluntary basis.</u> Text Origin: EP Mandate	G
		Article 21f(2)						
Y	304en			<u>2. The products present in this catalogue shall respect the eligibility criteria laid down under this Regulation.</u>			<u>2. The products present in this catalogue shall be manufactured by economic operators respecting the eligibility criteria set out in paragraphs 2[, 3, 3a and (corresponding Article</u>	Y

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								<u>USI]] of Article 10. [In addition, they shall indicate restrictions from third countries or third country entities to which these products are subject.] The support received under the Programme, the Instrument or Regulations (EU) 2018/1092 [EDIDP], (EU) 2021/697 [EDF], (EU) 2023/2418 [EDIRPA] and (EU) 2023/1525 [ASAP] may also be indicated in this catalogue.</u>
		Article 21g						
G	304eo			<u>Article 21g</u> <u>Defence Industrial Readiness Pools</u>				<u>Article 21g</u> <u>Defence Industrial Readiness Pools</u> Text Origin: EP Mandate
		Article 21k(1)						
G	304ep			<u>1. To ensure the availability of EU defence products, components of defence products, as well as raw materials necessary for their production, in time and in volume, the European Defence Agency shall establish, manage and maintain defence industrial readiness pools, ensuring an immediate and preferential purchase or use/lease option for Member States, associated</u>		1. The Programme shall support the establishment, management and maintenance, through common procurement actions as referred to in Article 12 and supporting actions as referred to in Article 13a(1), point (f), of defence industrial readiness pools by a consortium of at least three Member States or associated countries, of which at least two shall be Member		<u>1. A consortium of at least three Member States, associated countries or Ukraine, of which at least two shall be Member States, or a SEAP may establish, manage and maintain defence industrial readiness pools, and may, for this purpose, invite the EDA to provide its expertise.</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>countries and Ukraine;</u>		States, or by a SEAP. Moved here for ease of reference. Original location in the Council mandate: Art. 13b(1)//row229		
Article 21k(2)								
G		304eq						<u>1a. Member States that establish a defence industrial readiness pool shall ensure that the establishment, management and maintenance of that pool comply with the objectives set out in Article 21e(1) as well as with the objectives set out in Article 4 and, where relevant, in Article 19e.</u>
Article 21k(3)								
G		304er		<u>2. The ownership of defence products, components of defence products and raw materials building-up the Defence industrial readiness pools shall lay with Member States contributing through in-kind contributions;</u>		2. Moved here for ease of reference. Original location in the Council mandate: Art. 13b(2) // row 231		<u>2. Member States, associated countries, Ukraine and SEAPs that establish a defence industrial readiness pool shall grant all Member States, associated countries and Ukraine an immediate and preferential purchase or use/lease option for defence products that are part of the defence industrial readiness pool.</u>
Article 21k(4)								
G		304es		<u>3. Where Member States</u>				<u>3. Where a defence</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>jointly procure additional quantities or contribute through in-kind contributions to build up a defence industrial readiness pool as referred to in paragraph 2, point (b), in the context of a Structure for European Armament Programme, the Commission shall financially support the initiative through:</u>				<u>industrial readiness pool, is established in the context of a Structure for European Armament Programme (SEAP), the Programme and the Ukraine Support Instrument may financially support the following:</u>
				Commission text: Moved from Article 14 paragraph 3.				
		Article 21k(4), point (a)						
G		304et		<u>(a) support to common procurement of additional quantities as referred to in Article 12(-1);</u>				<u>(a) the common procurement of additional quantities of defence products through common procurement actions carried out by the SEAP in accordance with Article 12;</u>
				Commission text: Moved from Article 14 paragraph 3 (a)				
		Article 21k(4), point (b)						
G		304eu		<u>(b) contribution to the direct and indirect costs of managing and maintaining the Defence Industrial Readiness Pool as referred to in Article 13a(5), point (f);</u>				<u>(b) the establishment and the functioning of the SEAP for the purpose of managing and maintaining the Defence Industrial Readiness Pool in accordance with Article 13a(1), point (f);</u>
				Commission text: Moved from Article 14 paragraph 3 (b)				

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
				Reference should be Article 13a(1)				
		Article 21k(4), point (c)						
G		304ev		<u>(c) contribution to administrative capacity building as referred to in Article 13a(5).</u> Commission text: Moved from Article 14 paragraph 3 (c)				deleted
		Article 21k(5)						
G		304ew		<u>4. For the purpose of Member States, associated countries or Ukraine buying from the defence industrial readiness pool managed by a Structure for European Armament Programme, the procurement shall be considered as a government-to-government contract as referred to in Article 13, point (f) of Directive 2009/81/EC.</u> Commission text: Moved from Article 14 paragraph 4				<u>4. For the purpose of Member States or, where applicable, associated countries buying from the defence industrial readiness pool managed by a Structure for European Armament Programme, the procurement shall be considered as a government-to-government contract as referred to in Article 13, point (f) of Directive 2009/81/EC.</u> Legal services to align with similar provisions in the SEAP chapter.
		Article 21l						
G		304ex						<u>Article 21l</u> <u>Facilitation of procedures for the common procurement of defence products</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
Article 21(1)								
304ey								<u>Where Member States enter into an agreement to commonly procure defence products, they may apply the rules and procedures provided for in Article [12(9) and (9a)], Article 34 and Article 34a, subject to the conditions set out therein.</u>
Chapter III								
305		Chapter III Structure for European Armament Programme		Chapter III Structure for European Armament Programme		Chapter III Structure for European Armament Programme		Chapter III Structure for European Armament ~~Programme~~ <u>Programmes</u> Text Origin: Commission Proposal
Article 22								
306		Article 22 Specific objective and activities of SEAP		Article 22 Specific objective and activities of SEAP		Article 22 Specific objective and activities of ~~SEAP~~ <u>a Structure for European Armament Programmes</u>		Article 22 Specific objective and activities of <u>a</u> SEAP Text Origin: Commission Proposal
Article 22(1)								
307		1. A Structure for European Armament Programme (SEAP) shall foster the competitiveness of the EDTIB and of the Ukrainian DTIB by aggregating the demand for defence products throughout their lifecycle.		1. A Structure for European Armament Programme (SEAP) shall foster the competitiveness of the EDTIB and of the Ukrainian DTIB by aggregating the demand for defence products throughout their lifecycle.		1. A Structure for European Armament ~~Programme~~ <u>Programmes</u> (SEAP) shall foster the competitiveness of the EDTIB and, where Ukraine is a member of the SEAP , of the Ukrainian DTIB. This shall be		1. A Structure for European Armament Programme (SEAP) shall foster the competitiveness of the EDTIB and, <u>where relevant</u> , of the Ukrainian DTIB. <u>This shall be achieved</u> by aggregating the demand for, <u>and ensuring the</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			achieved by aggregating the demand for, and ensuring the timely availability and supply of, defence products throughout their lifecycle as well as by stimulating cross-border industrial cooperation. Text Origin: Council Mandate	<u>timely availability and supply of</u>, defence products throughout their lifecycle <u>as well as by stimulating cross-border industrial cooperation</u>. Text Origin: Council Mandate
Article 22(2)				
308	2. To reach the objective referred to in paragraph 1, the principal tasks of a SEAP shall be:	2. To reach the objective referred to in paragraph 1, the principal tasks of a SEAP shall be:	2. To reach the objective referred to in paragraph 1, the principal tasks of a SEAP shall be:	2. To reach the objective referred to in paragraph 1, the principal tasks of a SEAP shall be: Text Origin: Commission Proposal
Article 22(2), point (a)				
309	(a) the common procurement of defence products, technologies or services, including defence R&D, testing and certification, non-recurrent investments related to initial production or in-service support;	(a) the common procurement of defence products, technologies or services, including defence R&D, testing and certification, non-recurrent investments related to initial production or in-service support;	(a) the common ~~procurement~~ development of defence products, ~~technologies or services,~~ including defence R&D, testing and certification; industrial capacity-building, including through industrialisation and commercialisation; and support to non-recurrent investments related to initial production or in-service support, in particular where the defence products are being or have been developed in the framework of actions funded by the Union under the	(a) the common ~~procurement~~ development of defence products; ~~and technologies or services,~~ including defence R&D, testing and certification; industrial capacity-building, including through industrialisation and commercialisation; and support to non-recurrent investments related to initial production or in-service support, in particular where the defence products are being or have been developed in the framework of actions funded by the Union under the

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						corresponding Union Programme;		<u>corresponding Union Programme;</u> Text Origin: Council Mandate
	Article 22(2), point (aa)							
309a						(b) the common procurement of defence products, including for the purpose of establishing a defence industrial readiness pool as referred to in Article 13b; or		<u>(b) the common procurement of defence products and technologies, including for the purpose of establishing a defence industrial readiness pool as referred to in Chapter IIc; or</u> Text Origin: Council Mandate
	Article 22(2), point (b)							
310		(b) the joint life-cycle management of defence products, including the procurement of spare parts, logistic services and, where appropriate, establishment of public private partnerships to ensure efficiency and high availability of defence products;		(b) the joint life-cycle management of defence products, including the procurement of spare parts, logistic services, <u>repair and maintenance activities</u> , and, where appropriate, establishment of public private partnerships to ensure efficiency and high availability of defence products;		(b)(c) the joint common life-cycle management of defence products, including the procurement of spare parts, logistic services, dynamic availability management and, where appropriate, establishment of public private partnerships to ensure efficiency and high availability of defence products; including for the purposes of a defence industrial readiness pool as referred to in Article 13b.		~~(b)~~ (c) the ~~joint~~ common life-cycle management of defence products, including the procurement of spare parts, logistic <u>or maintenance</u> services and, where appropriate, <u>the</u> establishment of public private partnerships to ensure efficiency and high availability of defence products; Text Origin: Council Mandate
	Article 22(2), point (c)							
311		(c) the dynamic availability management for additional quantities, ensuring an immediate and preferential purchase or use/lease option for Member		(c) the dynamic availability management for additional quantities, ensuring an immediate and preferential purchase or use/lease option for Member		deleted Included "dynamic availability management" in point (b) above		(c) the dynamic availability management for additional quantities, ensuring an immediate and preferential purchase or use/lease option for Member

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	States, associated countries or Ukraine (Defence Industrial Readiness Pool).	States, associated countries or Ukraine (Defence Industrial Readiness Pool).		States, associated countries or Ukraine ~~in the context of~~ Defence Industrial Readiness ~~Pool~~ Pools, as referred to in Chapter IIc.
Article 22(2a)				
311a		<u>2a. A SEAP may entrust, by way of a delegation agreements, one or several of the eligible entities referred to in Article 12(1) with carrying out one or several of the tasks referred to in paragraph 2 of this Article. The SEAP shall be responsible for ensuring that its obligations under Union law, and in particular under this Regulation, are met.</u>	3. A SEAP may entrust, by way of a delegation agreement, one or several of the eligible entities referred to in Article 12(1) with carrying out one or more of the tasks referred to in paragraph 2 of this Article. The SEAP shall be responsible for ensuring that its obligations under Union law, and in particular under this Regulation, are met.	<u>2a. A SEAP may entrust, by way of a delegation agreements, one or several of the eligible entities referred to in Article 12(1) with carrying out one or several of the tasks referred to in paragraph 2 of this Article. The SEAP shall be responsible for ensuring that its obligations under Union law, and in particular under this Regulation, are met.</u> Text Origin: EP Mandate
Article 23				
312	Article 23 Requirements relating to the establishment of a SEAP	Article 23 Requirements relating to the establishment of a SEAP	Article 23 Requirements relating to the establishment of a SEAP	Article 23 Requirements relating to the establishment of a SEAP Text Origin: Commission Proposal
Article 23(1)				
313	1. A SEAP shall meet the following requirements:	1. A SEAP shall meet the following requirements:	1. With a view to strengthening the competitiveness of the EDTIB or the Ukrainian DTIB, a SEAP shall meet all of the following	1. <u>With a view to strengthening the competitiveness of the EDTIB or the Ukrainian DTIB,</u> a SEAP shall meet <u>all of</u> the following requirements:

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						requirements:		Text Origin: Council Mandate
	Article 23(1), point (-a)							
G	313a					(a) to support cooperation until the end of the lifecycle of a defence product or until its winding-up;	(a) to support cooperation until the end of the lifecycle of a defence product or until the winding-up of the SEAP;	Text Origin: Council Mandate
	Article 23(1), point (a)							
G	314	(a) a SEAP shall support the collaborative development and procurement of defence products and services in line with the capability priorities commonly agreed by Member States within the framework of the CFSP, including in the context of the Capability Development Plan;	(a) a SEAP shall support the collaborative development ~~and~~ and/or procurement of defence products and services in line with the capability priorities commonly agreed by Member States within the framework of the CFSP, including in the context of the Capability Development Plan, <u>the White Paper for European Defence, and the Defence Investment Gaps Analysis and Way Forward</u> ;	(a)(b) a SEAP shall support the collaborative common development and, procurement or in-service support of defence products and services in line, consistent with the defence capability priorities commonly agreed by Member States within the framework of the CFSP, including in particular in the context of the Capability Development Plan CDP. A SEAP shall also pursue coherence of output with respective NATO processes such as the NATO Defence Planning Process where requirements overlap and where such pursuit serves the Union's security and defence interests; and	(a)(b) a SEAP shall support the collaborative common development and, procurement or in-service support of defence products and services in line, consistent with the defence capability priorities commonly agreed by Member States within the framework of the CFSP, including in particular in the context of the Capability Development Plan CDP. A SEAP shall also take into account the relevant activities carried out by NATO, such as the NATO Defence Planning Process, where such activities serve the Union's security and defence interests; and			Text Origin: Council Mandate
	Article 23(1), point (b)							

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
315	(b) a SEAP shall be established by at least three Member States, associated countries or Ukraine.	(b) a SEAP shall be established by at least three <u>countries, including</u> Member States, associated countries or Ukraine.	<i>deleted</i>	<i>deleted</i>
Article 23(1), point (c)				
316	(c) a SEAP shall have as members at least two Member States;	(c) a SEAP shall have as members at least two Member States;	(c) a SEAP shall have ~~as at~~ least three members, of which at least two shall be Member States;	(c) a SEAP shall have ~~as at~~ <u>least three</u> members, <u>of which</u> at least two <u>shall be</u> Member States; Text Origin: Council Mandate
Article 23(1), point (d)				
317	(d) a SEAP shall continue the lifecycle of the defence product or technology, until its decommissioning.	(d) a SEAP shall continue the lifecycle of the defence product or technology, until its decommissioning.	<i>deleted</i>	<i>deleted</i>
Article 23(2)				
318	2. A SEAP shall use standardised procedures for initiating and managing cooperative defence programmes and shall respect any guidance or templates provided to it by the Commission, including guidelines on project management, funding, and reporting.	2. A SEAP shall use standardised procedures for initiating and managing cooperative defence programmes and shall respect any guidance or templates provided to it by the Commission, including guidelines on project management, funding, and reporting.	2. A SEAP ~~shall~~ may use standardised procedures for initiating and managing cooperative ~~defence~~ armament programmes ~~and shall respect any.~~ The Commission may, taking into account the views expressed by Member States, establish guidance or templates ~~provided to it by the Commission~~ to that end, including guidelines on project management, ~~funding~~ procurement, financial	2. A SEAP shall use standardised procedures for initiating and managing cooperative ~~defence~~ armament programmes ~~and shall respect any.~~ <u>The Commission may, taking into account the views expressed by Member States, establish</u> guidance or templates ~~provided to it by the Commission~~ <u>to that end,</u> including guidelines on project management, ~~funding~~ <u>procurement, financial management</u> , and reporting.

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						management and reporting.		
	Article 24							
319		Article 24 Application for the establishment of a SEAP		Article 24 Application for the establishment of a SEAP		Article 24 Application for the establishment of a SEAP		Article 24 Application for the establishment of a SEAP Text Origin: Commission Proposal
	Article 24(1)							
320		1. The Member States applying for the setting-up of a SEAP (as the 'applicants') shall submit an application to the Commission. The application shall contain the following:		1. The Member States applying for the setting-up of a SEAP (as the 'applicants') shall submit an application to the Commission. The application shall contain the following:		1. ~~The Member States applying~~ Applications for the ~~setting-up~~ establishment of a SEAP (as the 'applicants') shall ~~submit an application~~ be submitted to the Commission. The application shall contain the following:		1. ~~The Member States applying~~ Applications for the ~~setting-up~~ establishment of a SEAP (~~as the 'applicants'~~) shall ~~submit an application~~ be submitted to the Commission. The application shall contain the following: Text Origin: Council Mandate
	Article 24(1), point (a)							
321		(a) a request to the Commission to set up the SEAP;		(a) a request to the Commission to set up the SEAP;		(a) a request to the Commission to set up the SEAP;		(a) a request to the Commission to set up the SEAP; Text Origin: Commission Proposal
	Article 24(1), point (b)							
322		(b) the proposed Statutes of the SEAP referred to in Article 27, signed and adopted in due form by all legal entities that are applicants to the proposed SEAP;		(b) the proposed Statutes of the SEAP referred to in Article 27, signed and adopted in due form by all legal entities that are applicants to the proposed SEAP;		(b) the proposed statutes of the SEAP referred to in Article 27, signed and adopted in due form by all ~~legal entities that are applicants~~ to the members of the proposed SEAP;		(b) the proposed statutes of the SEAP referred to in Article 27, signed and adopted in due form by all ~~legal entities that are applicants~~ to the members of the proposed SEAP;

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
				Text Origin: Council Mandate
	Article 24(1), point (c)			
323	(c) a description of the defence equipment, technology or service to be jointly procured and managed by the SEAP, addressing in particular the requirements set out in Article 23(1), point (a) and (d);	(c) a description of the defence equipment, technology or service to be jointly procured and managed by the SEAP, addressing in particular the requirements set out in Article 23(1), point (a) and (d);	(c) ~~aan outline~~ description of the defence equipment, technology or service ~~products~~ to be jointly developed, procured and managed by the SEAP, addressing in particular the requirements set out in Article 23(1), point (a) and ~~(d)~~ (b);	(c) ~~aan outline~~ description of the defence ~~equipment, technology or service~~ ~~products~~ to be jointly developed, procured and managed by the SEAP, addressing in particular the requirements set out in Article 23(1), ~~point~~ points (a) and ~~(d)~~ (b); Text Origin: Council Mandate
	Article 24(1), point (d)			
324	(d) a declaration by the host Member State recognising the SEAP as an international body within the meaning of Articles 143(1)(g) and 151(1)(b) of Directive 2006/112/EC and as international organisation within the meaning of Article 11(1) of Directive (EU) 2020/262, as of its setting up. The limits and conditions of the exemptions provided for in these provisions shall be laid down in an agreement between the members of the SEAP.	(d) a declaration by the host Member State recognising the SEAP as an international body within the meaning of Articles 143(1)(g) and 151(1)(b) of Directive 2006/112/EC and as international organisation within the meaning of Article 11(1) of Directive (EU) 2020/262, as of its setting up. The limits and conditions of the exemptions provided for in these provisions shall be laid down in an agreement between the members of the SEAP.	(d) a declaration by the host Member State where the SEAP is foreseen to have its statutory seat , recognising the SEAP as an international body within the meaning of Articles 143(1)(g) and 151(1)(b) of Directive 2006/112/EC and as international organisation within the meaning of Article 11(1) of Directive (EU) 2020/262, as of its ~~setting up~~ ~~setting-up~~ ; the limits and conditions of the exemptions provided for in ~~these~~ those provisions shall be laid down in an agreement between the members of the SEAP-;	(d) a declaration by the ~~host~~ Member State <u>where the SEAP is foreseen to have its statutory seat</u> , recognising the SEAP as an international body within the meaning of Articles 143(1)(g) and 151(1)(b) of Directive 2006/112/EC and as international organisation within the meaning of Article 11(1) of Directive (EU) 2020/262, as of its ~~setting up~~ ~~setting-up~~ ; the limits and conditions of the exemptions provided for in ~~these~~ those provisions shall be laid down in an agreement between the members of the SEAP-;

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								Text Origin: Council Mandate
	Article 24(1), point (da)							
324a					(e) where an associated country or Ukraine is to be a member of the SEAP, a declaration of the recognition of the most extensive legal capacity of the SEAP in accordance with Article 26(1a).	<u>(e) where an associated country or Ukraine is to be a member of the SEAP, a declaration of the recognition of the most extensive legal capacity of the SEAP in accordance with Article 26(1a).</u>		Text Origin: Council Mandate
	Article 24(2)							
325	2. The Commission shall assess the application in line with the requirements laid down in this Regulation. The result of such assessment shall be communicated to the applicants who shall, if necessary, be invited to complete or amend the application.	2. The Commission, <u>together with the European Defence Agency</u> , shall assess the application in line with the requirements laid down in this Regulation. The result of such assessment shall be communicated to the applicants who shall, if necessary, be invited to complete or amend the application.	2. The Commission shall, within two months of the receipt of the application , assess the application in ~~line~~ accordance with the requirements laid down in this Regulation. The result of ~~such~~ that assessment shall be communicated to the applicants who shall, if necessary, be invited to complete or amend the application.	2. The Commission shall, <u>without undue delay after receipt of the complete application</u> , assess the application in ~~line~~ accordance with the requirements laid down in this Regulation <u>and may, for this purpose, invite the EDA to provide its expertise</u> . The result of ~~such~~ that assessment shall be communicated to the applicants who shall, if necessary, be invited to complete or amend the application.				Text Origin: Council Mandate
	Article 24(3)							
326	3. The Commission shall, taking into account the results of the assessment referred to in paragraph 2 and in accordance with	3. The Commission shall, taking into account the results of the assessment referred to in paragraph 2 and in accordance with	3. The Commission ~~shall~~ , taking into account the results of the assessment referred to in paragraph 2 ~~and in accordance with~~	3. The Commission ~~shall~~ , taking into account the results of the assessment referred to in paragraph 2 ~~and in accordance with~~				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	the procedure referred to in Article 58(3), adopt an implementing act:	the procedure referred to in Article 58(3), adopt an implementing act:	the procedure referred to in of this Article, shall, by means of 58(3), adopt an implementing act:	~~with the procedure referred to in of~~ <u>this Article, shall, by means of 58(3), adopt</u> an implementing act: Text Origin: Council Mandate
Article 24(3), point (a)				
327	(a) setting up the SEAP after it has satisfied itself that the requirements laid down in this Regulation are met; or	(a) setting up the SEAP after it has satisfied itself that the requirements laid down in this Regulation are met; or	(a) ~~setting~~ <u>set</u> up the SEAP after it has ~~satisfied~~ <u>concluded</u> that the requirements laid down in this Regulation are met; or	(a) ~~setting~~ <u>set</u> up the SEAP after it has ~~satisfied itself~~ <u>concluded</u> that the requirements laid down in this Regulation are met; or Text Origin: Council Mandate
Article 24(3), point (b)				
328	(b) reject the application if it concludes that the requirements laid down in this Regulation are not met, including in the absence of the declaration referred to in paragraph (1) (d).	(b) ~~reject~~ <u>request to modify</u> the application if it concludes that the requirements laid down in this Regulation are not met, including in the absence of the declaration referred to in paragraph (1), <u>point (d), and provide a detailed explanation on the required modifications in order to allow the SEAP to be accepted</u> ~~(d)~~ .	(b) reject the application if it concludes that the requirements laid down in this Regulation are not met, including in the absence of the declaration referred to in paragraph ~~(1)-(d)~~ <u>1, point (d), after providing an opportunity to the applicants for correcting the application.</u>	(b) reject the application if it concludes that the requirements laid down in this Regulation are not met, including in the absence of the declaration referred to in paragraph ~~(1)-(d)~~ <u>1, point (d), after providing an opportunity to the applicants for correcting the application.</u> Text Origin: Council Mandate
Article 24(3), point (ba), first subparagraph				
328a			The implementing act shall be adopted in accordance with the examination procedure referred to in Article 58(3).	<u>The implementing act shall be adopted in accordance with the examination procedure referred to in Article 58(3).</u> Text Origin: Council Mandate

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 24(4)								
G	329	4. The decision on the application shall be notified to the applicants. In the case of a rejection, the decision shall be explained in clear and precise terms to the applicants.		4. The decision on the application shall be notified to the applicants. In the case of a rejection, the decision shall be explained in clear and precise terms to the applicants.		4. The decision on the application shall be notified to the applicants. In the case of a rejection, the decision shall be explained in clear and precise terms to the applicants.		4. The decision on the application shall be notified to the applicants. In the case of a rejection, the decision shall be explained in clear and precise terms to the applicants. Text Origin: Council Mandate
Article 24(5)								
G	330	5. The decision setting up the SEAP shall be published in the L series of the Official Journal of the European Union.		5. The decision setting up the SEAP shall be published in the L series of the Official Journal of the European Union.		5. The ~~decision setting up~~ implementing act establishing the SEAP shall be published in the ~~L series of~~ the Official Journal of the European Union.		5. The ~~decision setting up~~ implementing act establishing the SEAP shall be published in the ~~L series of~~ the Official Journal of the European Union. Text Origin: Council Mandate
Article 25								
G	331	Article 25 Status and seat of a SEAP		Article 25 Status and seat of a SEAP		Article 25 Status and seat of a SEAP		Article 25 Status and seat of a SEAP Text Origin: Commission Proposal
Article 25(1)								
G	332	1. A SEAP shall have legal personality as from the date on which the decision setting up the SEAP takes effect.		1. A SEAP shall have legal personality as from the date on which the decision setting up the SEAP takes effect.		1. A SEAP shall have legal personality as from the date on which the ~~decision setting up~~ implementing act establishing a SEAP takes effect.		1. A SEAP shall have legal personality as from the date on which the ~~decision setting up~~ implementing act establishing a SEAP takes effect. Text Origin: Council Mandate

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
Article 25(2)								
333		2. A SEAP shall have in each Member State the most extensive legal capacity accorded to legal entities under the law of that Member State. It may, in particular conclude contracts and be a party to legal proceedings. All Member State national funding agencies shall consider it (and its national nodes) an eligible recipient of national financial contributions.		2. A SEAP shall have in each Member State the most extensive legal capacity accorded to legal entities under the law of that Member State. It may, in particular conclude contracts and be a party to legal proceedings. All Member State national funding agencies shall consider it (and its national nodes) an eligible recipient of national financial contributions.		2. A SEAP shall have in each Member State the most extensive legal capacity accorded to legal entities under the law of that Member State. ~~It may, in particular~~ the capacity to acquire, own and dispose of movable property, immovable property and intellectual property , conclude contracts and be a party to legal proceedings. All Member State national funding agencies shall consider ~~it (and its national nodes)~~ a SEAP an eligible recipient of national financial contributions.		2. A SEAP shall have in each Member State the most extensive legal capacity accorded to legal entities under the law of that Member State. ~~It may, in particular~~ <u>the capacity to acquire, own and dispose of movable property, immovable property and intellectual property</u> , conclude contracts and be a party to legal proceedings. All Member State national funding agencies shall consider ~~it (and its national nodes)~~ <u>a SEAP</u> an eligible recipient of national financial contributions. Text Origin: Council Mandate
Article 25(3)								
334		3. A SEAP shall have a statutory seat, which shall be located on the territory of a Member State.		3. A SEAP shall have a statutory seat, which shall be located on the territory of a Member State.		3. A SEAP shall have a statutory seat, which shall be located on the territory of a Member State.		3. A SEAP shall have a statutory seat, which shall be located on the territory of a Member State. Text Origin: Commission Proposal
Article 26								
335		Article 26 Requirements for membership		Article 26 Requirements for membership		Article 26 Requirements for membership of a SEAP		Article 26 Requirements for membership <u>of a SEAP</u> Text Origin: Council Mandate

	CLEAN	Commission Proposal	V.S.EC	EP Mandate	V.S.EC	Council Mandate	V.S.EC	Draft Agreement
Article 26(1)								
G	336	1. The following legal entities may become members of a SEAP:		1. The following legal entities may become members of a SEAP:		1. The following legal entities may become members of a SEAP:		1. The following ~~legal entities may become~~ <u>countries may be</u> members of a SEAP: Text Origin: Council Mandate
Article 26(1), point (a)								
G	337	(a) Member States;		(a) Member States;		(a) Member States;		(a) Member States; Text Origin: Commission Proposal
Article 26(1), point (b)								
G	338	(b) associated countries;		(b) associated countries;		(b) associated countries;		(b) associated countries; Text Origin: Commission Proposal
Article 26(1), point (c)								
G	339	(c) Ukraine.		(c) Ukraine.		(c) Ukraine.		(c) Ukraine. Text Origin: Commission Proposal
Article 26(1), point (ca)								
G	339a			<u>(ca) the Commission, as an observer, upon invitation from the members of the SEAP.</u>				<i>deleted</i>
Article 26(1a)								
G	339b					1a. Associated countries or Ukraine may be members of a SEAP subject to their recognition, for the benefit of the		<u>1a. Associated countries or Ukraine may be members of a SEAP subject to their recognition, for the benefit of the SEAP, of the</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						SEAP, of the most extensive legal capacity accorded to legal entities under the law of that country, including for the purposes of concluding contracts and being a party to legal proceedings.		<u>most extensive legal capacity accorded to legal entities under the law of that country, including for the purposes of concluding contracts and being a party to legal proceedings.</u> Text Origin: Council Mandate
Article 26(2)								
340		2. Member States, associated countries or Ukraine may join as members at any time after the establishment of the SEAP on fair and reasonable terms specified in the Statutes referred to in Article 27 and as observers without voting rights on conditions specified in the Statutes.		2. Member States, associated countries or Ukraine may join as members at any time after the establishment of the SEAP on fair and reasonable terms specified in the Statutes referred to in Article 27 and as observers without voting rights on conditions specified in the Statutes.		2. Member States, associated countries or Ukraine may join as members of a SEAP at any time after ~~the~~ <u>its</u> establishment ~~of the SEAP~~ on fair and reasonable terms specified in the statutes referred to in Article 27 ~~and~~ <u>or</u> as observers without voting rights on conditions specified in ~~the~~ <u>those</u> statutes.		2. Member States, associated countries or Ukraine may join as members <u>of a SEAP</u> at any time after ~~the~~ <u>its</u> establishment ~~of the SEAP~~ on fair and reasonable terms specified in the statutes referred to in Article 27 ~~and~~ <u>or</u> as observers without voting rights on conditions specified in ~~the~~ <u>those</u> statutes. Text Origin: Council Mandate
Article 26(3)								
341		3. A SEAP may also cooperate with non-associated third countries or non-associated third country entities, including by using the assets, infrastructure, facilities and resources, provided that this does not contravene the security and defence interests of the Union and its Member States.		3. A SEAP may also cooperate with non-associated third countries or non-associated third country entities, including by using the assets, infrastructure, facilities and resources, provided that this does not contravene the security and defence interests of the Union and its Member States.		3. A SEAP may also cooperate with ~~non-associated third countries or~~ a non-associated third country ~~entities~~ other than Ukraine or another third country entity , including by using the assets, infrastructure, facilities and resources of such legal entities , provided that ~~this~~ <u>such</u> cooperation does not contravene the security and defence interests of the Union		3. A SEAP may also cooperate with ~~non-associated third countries or~~ a non-associated third country ~~entities~~ <u>other than Ukraine or another third country entity</u> , including by using the assets, infrastructure, facilities and resources <u>of such legal entities</u> , provided that ~~this~~ <u>such</u> cooperation does not contravene the security and defence interests of the Union

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						and its Member States, including respect of the principle of good neighbourly relations.		and its Member States, <u>including respect of the principle of good neighbourly relations.</u> Text Origin: Council Mandate
Article 27								
342	Statutes	Article 27	Statutes	Article 27	Statutes of a SEAP	Article 27	Statutes <u>of a SEAP</u> Text Origin: Council Mandate	
Article 27(1)								
343	1. The Statutes of a SEAP shall contain at least the following:	1. The Statutes of a SEAP shall contain at least the following:	1. The statutes of a SEAP shall contain at least the following:	1. The statutes of a SEAP shall contain at least the following:	1. The statutes of a SEAP shall contain at least the following:	1. The statutes of a SEAP shall contain at least the following:	Text Origin: Commission Proposal	
Article 27(1), point (a)								
344	(a) a list of members, observers and, where applicable, of legal entities representing members and the conditions of and the procedure for changes in membership and representation in compliance with Article 26;	(a) a list of members, observers and, where applicable, of legal entities representing members and the conditions of and the procedure for changes in membership and representation in compliance with Article 26;	(a) a list of members, observers and, where applicable, of legal entities representing members, and the conditions of, and the procedure for changes in, membership and representation in compliance with Article 26;	(a) a list of members, observers and, where applicable, of legal entities representing members, and the conditions of, and the procedure for changes in, membership and representation in compliance with Article 26;	(a) a list of members, observers and, where applicable, of legal entities representing members, and the conditions of, and the procedure for changes in, membership and representation in compliance with Article 26;	(a) a list of members, observers and, where applicable, of legal entities representing members, and the conditions of, and the procedure for changes in, membership and representation in compliance with Article 26;	Text Origin: Council Mandate	
Article 27(1), point (b)								
345	(b) the specific objective, the tasks and activities of the SEAP, in compliance with Article 23;	(b) the specific objective, the tasks and activities of the SEAP, in compliance with Article 23;	(b) the specific objective, the tasks and activities of the SEAP, in compliance with Article 23;	(b) the specific objective, the tasks and activities of the SEAP, in compliance with Article 23;	(b) the specific objective, the tasks and activities of the SEAP, in compliance with Article 23;	(b) the specific objective, the tasks and activities of the SEAP, in compliance with Article 23;	(b) the specific objective, the tasks and activities of the SEAP, in compliance with Article 23;	

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
			22 and 23, including an outline description of the defence products to be developed, procured or managed by the SEAP;	<u>22 and 23, including an outline description of the defence products to be developed, procured or managed by the SEAP;</u> Text Origin: Council Mandate
Article 27(1), point (c)				
346	(c) a list of the jointly procured defence equipment, technology and/or services which are to be jointly owned, if any, and eligible for an exemption from VAT and/or Excise Duties;	(c) a list of the jointly procured defence equipment, technology and/or services which are to be jointly owned, if any, and eligible for an exemption from VAT and/or Excise Duties;	(c) a list of the ~~jointly procured defence equipment, technology and/or services~~ products which are to be ~~jointly owned~~ by the SEAP , if any, and eligible for an exemption from VAT ~~and/or~~ excise duties;	(c) a list of the ~~jointly procured defence equipment, technology and/or services~~ products which are to be ~~jointly owned~~ by the SEAP , if any, and eligible for an exemption from VAT ~~and/or~~ excise duties; Text Origin: Council Mandate
Article 27(1), point (d)				
347	(d) the statutory seat of the SEAP in compliance with Article 25;	(d) the statutory seat of the SEAP in compliance with Article 25;	(d) the statutory seat of the SEAP in compliance with Article ~~25~~ 25(3) ;	(d) the statutory seat of the SEAP in compliance with Article ~~25~~ 25(3) ; Text Origin: Council Mandate
Article 27(1), point (da)				
347a			(e) the identification of the national law of the Member State which will determine the competent jurisdiction for the resolution of disputes among its members in relation to the SEAP, between its members and	<u>(e) the identification of the national law of the Member State which will determine the competent jurisdiction for the resolution of disputes among its members in relation to the SEAP, between its members and the</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						the SEAP, and between a SEAP and third parties in compliance with Article 31(2);		<u>SEAP, and between a SEAP and third parties in compliance with Article 31(2);</u> Text Origin: Council Mandate
		Article 27(1), point (e)						
G	348	(e) the name of the SEAP;	(e)	the name of the SEAP;	(~~e~~)(m)	the name of the SEAP;	(~~e~~)(m)	the name of the SEAP; Text Origin: Council Mandate
		Article 27(1), point (f)						
G	349	(f) the duration, and the procedure for the winding-up of the SEAP in compliance with Article 32;	(f)	the duration, and the procedure for the winding-up of the SEAP in compliance with Article 32;	(f)	the duration, and the procedure for the winding-up of the SEAP in compliance with Article 32;	(f)	the duration, and the procedure for the winding-up of the SEAP in compliance with Article 32; Text Origin: Council Mandate
		Article 27(1), point (fa)						
G	349a				(fa)	a description of the main criteria that the SEAP will apply when procuring defence products to ensure compliance with the objective set out in Article 22(1).	(fa)	<u>a description of the main criteria that the SEAP will apply when procuring defence products to ensure compliance with the objective set out in Article 22(1).</u> Text Origin: Council Mandate
		Article 27(1), point (g)						
G	350	(g) the liability regime, in compliance with Article 30;	(g)	the liability regime, in compliance with Article 30;	(g)	the liability regime, including the possibility to issue securities, if so decided, in compliance with Article 30;	(g)	the liability regime, <u>including the possibility to issue securities, if so decided,</u> in compliance with Article 30; Text Origin: Council Mandate

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
Article 27(1), point (h)				
351	(h) the rights and obligations of the members, including the obligation to make contributions to a balanced budget and voting rights;	(h) the rights and obligations of the members, including the obligation to make contributions to a balanced budget and voting rights;	(h) the rights and obligations of the members, including the obligation to make contributions to a balanced budget and voting rights;	(h) the rights and obligations of the members, including the obligation to make contributions to a balanced budget and voting rights; Text Origin: Council Mandate
Article 27(1), point (i)				
352	(i) the bodies of the members, their roles and responsibilities and the manner in which they are constituted and in which they decide, including upon the amendment of the Statutes, in compliance with Articles 28,	(i) the bodies of the members, their roles and responsibilities and the manner in which they are constituted and in which they decide, including upon the amendment of the Statutes, in compliance with Articles 28,	(i) the governing bodies of the ~~members~~ SEAP, their roles and responsibilities and the manner in which they are constituted and ~~in which they decide~~ the decision-making process within the SEAP , including ~~upon~~ the amendment of the statutes; in compliance with ~~Articles 28~~ Article 28 ;	(i) the <u>governing</u> bodies of the ~~members~~ SEAP, their roles and responsibilities and the manner in which they are constituted and ~~in which they decide~~ <u>the decision-making process within the SEAP</u> , including ~~upon~~ <u>the applicable voting rules, in particular on</u> the amendment of the statutes; in compliance with ~~Articles 28~~ <u>Article 28. The voting rules applicable to amendments relating to the approach to the export of defence products, if so included in the statutes, and the liability regime, shall comply with Article 27(3a) and Article 30(5) respectively;</u> Council considers that the reference to Art. 28 ("in compliance with Article 28") can be deleted. Text Origin: Council Mandate

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
Article 27(1), point (j)				
353	(j) the identification of the working language(s) of the SEAP;	(j) the identification of the working language(s) of the SEAP;	(j) the identification of the working language(s) or languages of the SEAP;	(j) the identification of the working language ~~(s)~~ <u>or languages</u> of the SEAP; Text Origin: Council Mandate
Article 27(1), point (k)				
354	(k) references to rules implementing the Statutes;	(k) references to rules implementing the Statutes;	(k) references to rules implementing the statutes of the SEAP ;	(k) references to rules implementing the statutes <u>of the SEAP</u> ; Text Origin: Council Mandate
Article 27(1), point (l)				
355	(l) the security policy for handling classified information.	(l) the security policy for handling classified information.	(l) rules on the protection of the security policy for handling classified information-;	(l) <u>rules on the protection of the security policy for handling</u> classified information-; Text Origin: Council Mandate
Article 27(1), point (la)				
355a			(n) information related to the administrative capacities foreseen to ensure compliance with applicable Union and national rules for the handling of defence products.	<u>(n) the identification of the Union rules and Member States' laws applicable to the handling of the defence products to be developed, procured or managed by the SEAP as well as the administrative capacities foreseen to ensure compliance with them.</u> Text Origin: Council Mandate
Article 27(2)				

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
G	356	2. In addition, where the members of a SEAP decide to use/manage a Defence Industrial Readiness Pool referred to in Article 14(1), point (b), the statutes shall include the rules governing the management of a Defence Industrial Readiness Pool referred to in Article 14(1), point (b), including, where relevant, a common approach to export.		2. In addition, where the members of a SEAP decide to use/manage a Defence Industrial Readiness Pool referred to in Article 14(1), point (b), the statutes shall include the rules governing the management of a Defence Industrial Readiness Pool referred to in Article ~~14(1), point (b)~~ 21g , including, where relevant, a common approach to export. Reference to Article 14 should be Article 21g.		2. In addition, where the members of a SEAP decide to ~~use/manage~~ establish a defence industrial readiness pool as referred to in Article ~~14(1), point (b)~~ 13b , the statutes shall include the rules governing the management of ~~that~~ defence industrial readiness pool ~~referred to in Article 14(1), point (b)~~ , including, where relevant, a common approach to export.		2. In addition, where the members of a SEAP decide to ~~use/manage~~ establish a defence industrial readiness pool as referred to in Article ~~14(1), point (b)~~ 13b , the statutes shall include the rules governing the management of ~~that~~ defence industrial readiness pool ~~referred to in Article 14(1), point (b)~~ , including, where relevant, a common approach to export. Text Origin: Council Mandate
	Article 27(2a)							
G	356a					3. Members of a SEAP may unanimously agree, in the statutes, on an approach to the export of defence products.		<u>2a. The Statutes, signed and adopted unanimously by all the members of a SEAP in accordance with Article 24(1), point (b), may contain an approach to the export of defence products.</u>
	Article 27(2b)							
G	356b							<u>2b. Any change to the approach to the export of defence products shall be decided unanimously by the members of the SEAP.</u>
	Article 28							
G	357	Article 28		Article 28		Article 28		Article 28

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	Amendment of the Statutes	Amendment of the Statutes	Amendment of the statutes of a SEAP	Amendment of the statutes <u>of a SEAP</u> Text Origin: Council Mandate
Article 28(1)				
358	1. Any amendment of the Statutes concerning the matters referred to in Article 27(1), points (a) to (h), shall be submitted to the Commission by the SEAP for approval. The Commission shall apply Articles 24(2), mutatis mutandis.	1. Any amendment of the Statutes concerning the matters referred to in Article 27(1), points (a) to (h), shall be submitted to the Commission by the SEAP for approval. The Commission shall apply Articles 24(2), mutatis mutandis.	1. Any amendment of the statutes of a SEAP concerning the matters referred to in Article 27(1), points (a) to ~~(h)~~ (i), shall be agreed unanimously by the SEAP members and be submitted to the Commission by the SEAP for approval. The Commission shall apply Articles 24(2), mutatis mutandis, within two months of receipt of that submission, assess the amendment request in line with the requirements laid down in this Regulation. The result of such an assessment shall be communicated to the applicants who shall, if necessary, be invited to complete or modify the amendment request.	1. Any amendment of the statutes <u>of a SEAP</u> concerning the matters referred to in Article 27(1), points (a) to ~~(h)~~ (i), shall <u>be adopted in accordance with the voting rule specified in the Statutes in compliance with Article 27(1)(i), and</u> be submitted to the Commission by the SEAP for approval. ~~The Commission shall apply Articles 24(2), mutatis mutandis.~~
Article 28(1a)				
358a			1a. Any amendment of the statutes concerning the matters referred to in Article 27(3) shall be agreed unanimously by the SEAP members and be notified to the Commission by the SEAP	<u>1a. Any amendment of the statutes concerning the matters referred to in Article 27(3) shall be adopted in accordance with the voting rules specified in the Statutes in compliance with</u>

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
			within 10 days after its adoption.	<u>Article 27(1)(i), and be notified to the Commission by the SEAP within 10 days after its adoption.</u>
Article 28(2)				
359	2. Any amendment of the Statutes other than that referred to in paragraph 1 shall be submitted to the Commission by the SEAP within 10 days after its adoption.	2. Any amendment of the Statutes other than that referred to in paragraph 1 shall be submitted to the Commission <u>and the European Defence Agency</u> by the SEAP within 10 days after its adoption.	2. Any amendment of the statutes other than that referred to in paragraph 1 and 1a shall be agreed unanimously by the SEAP members and shall be submitted to the Commission by the SEAP within 10 days after its adoption.	2. Any amendment of the statutes other than that referred to in paragraph 1 <u>and 1a shall be adopted in accordance with the voting procedure specified in the Statutes in compliance with Article 27(1)(i), and</u> shall be submitted to the Commission by the SEAP within 10 days after its adoption.
Article 28(3)				
360	3. The Commission may raise an objection to amendments referred to in paragraph 1 within 60 days from the submission giving reasons why the amendment does not meet the requirements of this Regulation.	3. The Commission <u>in liaison with the European Defence Agency</u> may raise an objection to amendments referred to in paragraph 1 within 60 days from the submission giving reasons why the amendment does not meet the requirements of this Regulation.	3. The Commission may raise an objection to the amendments of the statutes referred to in paragraph ~~1~~ 2 within ~~60~~ 20 days from ~~the~~ their submission giving reasons why the amendment does not meet the requirements of this Regulation.	3. The Commission may raise an objection to <u>the</u> amendments <u>of the statutes</u> referred to in paragraph ~~1~~ 2 within ~~60~~ 30 days from ~~the~~ their submission giving reasons why the amendment does not meet the requirements of this Regulation. Text Origin: Council Mandate
Article 28(4)				
361	4. The amendment shall not take effect before the period for objecting has expired or has been waived by the Commission or	4. The amendment shall not take effect before the period for objecting has expired or has been waived by the Commission or	4. The ~~amendment~~ amendments of the statutes referred to in paragraph 2 shall not take effect before the	4. The ~~amendment~~ <u>amendments of the statutes referred to in paragraph 2</u> shall not take effect before the

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement	
	before an objection raised has been lifted.	before an objection raised has been lifted.	period for objecting referred to in paragraph 3 has expired or has been waived by the Commission or before an objection raised has been lifted.	period for objecting <u>referred to in paragraph 3</u> has expired or has been waived by the Commission or before an objection raised has been lifted. Text Origin: Council Mandate	
Article 28(5)					
362	5. The application for the amendment shall contain the following:	5. The application for the amendment shall contain the following:	5. The application for the amendment of the statutes referred to in paragraph 2 shall contain the following:	5. The application for the amendment <u>of the statutes referred to in paragraphs 1, 1a and 2</u> shall contain the following: Text Origin: Council Mandate	
Article 28(5), point (a)					
363	(a) the text of the amendment proposed or, where appropriate, the text of the amendment as adopted, including the date on which it enters into force;	(a) the text of the amendment proposed or, where appropriate, the text of the amendment as adopted, including the date on which it enters into force;	(a) the text of the amendment proposed or, where ~~appropriate~~ applicable , the text of the amendment as adopted; ~~including the date on which it enters into force;~~ and	(a) the text of the amendment proposed or, where ~~appropriate~~ applicable , the text of the amendment as adopted; ~~including the date on which it enters into force;~~ and Text Origin: Council Mandate	
Article 28(5), point (b)					
364	(b) the amended consolidated version of the Statutes.	(b) the amended consolidated version of the Statutes.	(b) the amended consolidated version of the statutes.	(b) the amended consolidated version of the statutes. Text Origin: Commission Proposal	
Article 29					
365	Article 29	Article 29	Article 29	Article 29	

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	Specific conditions on procurement	Specific conditions on procurement	Specific conditions on procurement	Specific conditions on procurement Text Origin: Commission Proposal
Article 29(-1)				
G 365a			1. In accordance with Article 22(3), a SEAP may entrust an eligible entity referred to in Article 12(1) with carrying out procurement actions. Such an entity shall act in the name of, or on behalf of, that SEAP.	<u>1. In accordance with Article 22(3), a SEAP may entrust an eligible entity referred to in Article 12(1) with carrying out procurement actions. Such an entity shall act in the name of, or on behalf of, that SEAP.</u> Text Origin: Council Mandate
Article 29(-1a)				
G 365b			2. For the purposes of procurement of defence products, SEAPs shall be considered as international organisations within the meaning of Article 12(c) of Directive 2009/81/EC. SEAPs shall define their own procurement rules in compliance with the principles governing public procurement, in particular those of non-discrimination, equal treatment, proportionality and transparency.	<u>2. For the purposes of procurement of defence products, SEAPs shall be considered as international organisations within the meaning of Article 12(c) of Directive 2009/81/EC. SEAPs shall define their own procurement rules in compliance with the principles governing public procurement, in particular those of non-discrimination, equal treatment, proportionality and transparency.</u> Text Origin: Council Mandate
Article 29(-1b)				

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
G	365c				3.	When procuring defence products, a SEAP shall apply to its procurement procedures and contracts criteria ensuring that its procurement policy complies with the objectives referred to in Article 22(1). A SEAP shall actively seek to include multiple legal entities from various Member States in the supply chains of defence products.	3.	<u>When procuring defence products, a SEAP shall apply to its procurement procedures and contracts criteria ensuring that its procurement policy complies with the objectives referred to in Article 22(1). A SEAP shall actively seek to include multiple legal entities from various Member States in the supply chains of defence products.</u> Text Origin: Council Mandate
	Article 29(-1c)							
G	365d				3a.	Where a delegation agreement as referred to in Article 22(3) is concluded, the parties to that agreement may decide that the procurement rules of the entity carrying out the procurement apply, provided that those rules comply with the principles referred to in paragraph 2 of this Article, in particular those of non-discrimination, equal treatment, proportionality and transparency.	3a.	<u>Where a delegation agreement as referred to in Article 22(3) is concluded, the parties to that agreement may decide that the procurement rules of the entity carrying out the procurement apply, provided that those rules comply with the principles referred to in paragraph 2 of this Article, in particular those of non-discrimination, equal treatment, proportionality and transparency.</u> Text Origin: Council Mandate
	Article 29(-1d)							
G	365e				3b.	Where Member States or, where applicable, associated	3b.	<u>Where Member States or, where applicable, associated</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			countries purchase defence products from a SEAP, including from a defence industrial readiness pool as referred to in Article 13b, the procurement shall be considered as a government-to-government contract as referred to in Article 13, point (f), of Directive 2009/81/EC.	<u>countries purchase defence products from a SEAP, including from a defence industrial readiness pool as referred to in Article 13b, the procurement shall be considered as a government-to-government contract as referred to in Article 13, point (f), of Directive 2009/81/EC.</u> Text Origin: Council Mandate
Article 29(1)				
366	1. A SEAP may appoint a Procurement Agent which will act in its name.	1. A SEAP may appoint a Procurement Agent which will act in its name.	<i>deleted</i>	<i>deleted</i>
Article 29(2)				
367	2. When procuring for a SEAP, the Procurement Agent shall be bound by the same rules as the SEAP concerned.	2. When procuring for a SEAP, the Procurement Agent shall be bound by the same rules as the SEAP concerned.	<i>deleted</i>	<i>deleted</i>
Article 29(3)				
368	3. Where it procures a defence product on its own behalf and in its own name, a SEAP shall be considered as an international organisation within the meaning of Article 12(c) of Directive 2009/81/EC. Where it procures a defence product on behalf of its members, a SEAP shall, by	3. Where it procures a defence product on its own behalf and in its own name, a SEAP shall be considered as an international organisation within the meaning of Article ~~12(e)~~ <u>12, point (c)</u> of Directive 2009/81/EC. Where it procures a defence product on behalf of its members, a SEAP	<i>deleted</i>	<i>deleted</i>

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	derogation to Article 10 of Directive 2009/81/EC, define its own rules in lines with the principles of transparency, non-discrimination and competition.	shall, by derogation to Article 10 of Directive 2009/81/EC, define its own rules in lines with the principles of transparency, non-discrimination and competition.		
Article 29(4)				
369	4. Procurements of a SEAP shall comply with the requirements set out in Article 12 paragraphs 3 to 6.	4. Procurements of a SEAP shall comply with the requirements set out in Article 12 paragraphs 3 to 6, <u>as well as with the objectives referred to in Article 22(1).</u>	<i>deleted</i>	<i>deleted</i>
Article 30				
370	Article 30 Liability and insurance	Article 30 Liability and insurance	Article 30 Liability and insurance	Article 30 Liability and insurance Text Origin: Commission Proposal
Article 30(1)				
371	1. A SEAP shall be liable for its debts.	1. A SEAP shall be liable for its debts.	1. A SEAP shall be liable for its debts.	1. A SEAP shall be liable for its debts. Text Origin: Commission Proposal
Article 30(2)				
372	2. The financial liability of the members for the debts of the SEAP shall be limited to their respective contributions provided to the SEAP. The members may specify in the Statutes that they	2. The financial liability of the members for the debts of the SEAP shall be limited to their respective contributions provided to the SEAP. The members may specify in the Statutes that they	2. The financial liability of the members of a SEAP for the debts of the SEAP shall be limited to their respective contributions ~~provided~~ to the SEAP. The members may specify in the	2. The financial liability of the members <u>of a SEAP</u> for the debts of the SEAP shall be limited to their respective contributions ~~provided~~ to the SEAP. The members may specify in the

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	will assume a fixed liability above their respective contributions or unlimited liability.	will assume a fixed liability above their respective contributions or unlimited liability.	statutes of a SEAP that they will assume a fixed liability above their respective contributions or unlimited liability.	statutes <u>of a SEAP</u> that they will assume a fixed liability above their respective contributions or unlimited liability. Text Origin: Council Mandate
Article 30(3)				
373	3. If the financial liability of the members is limited, the SEAP shall take appropriate insurance to cover the risks specific to the establishment and management of the capability.	3. If the financial liability of the members is limited, the SEAP shall take appropriate insurance to cover the risks specific to the establishment and management of the capability.	3. If the financial liability of ~~the~~ its members is limited, the SEAP shall take appropriate insurance to cover the risks specific to the establishment and management of the capability.	3. If the financial liability of ~~the~~ its members is limited, the SEAP shall take appropriate insurance to cover the risks specific to the establishment and management of the capability. Text Origin: Council Mandate
Article 30(4)				
374	4. The Union shall not be liable, including for any debt of the SEAP.	4. The Union shall not be liable, including for any debt of the SEAP.	4. If decided unanimously by its members, a SEAP may issue securities in accordance with the law of the Member State where it has its statutory seat. The SEAP ~~The Union shall not be liable, including for any debt of the SEAP for such securities.~~	4. <u>If decided unanimously by its members, a SEAP may issue securities in accordance with the law of the Member State where it has its statutory seat. The SEAP</u> ~~The Union shall not be liable, including for any debt of the SEAP for such securities.~~
Article 30(4a)				
374a			5. Any change to the liability regime or any measure affecting the financial liability of the members of a SEAP shall be decided unanimously by those members.	<u>5. Any change to the liability regime or any measure affecting the financial liability of the members of a SEAP shall be decided unanimously by those members.</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
Article 30(4b)								
374b					6.	The Union shall not be liable for any debt of a SEAP.	6.	<u>The Union shall not be liable for any debt of a SEAP.</u> Text Origin: Council Mandate
Article 31								
375		Article 31 Applicable law and jurisdiction		Article 31 Applicable law and jurisdiction		Article 31 Applicable law and jurisdiction		Article 31 Applicable law and jurisdiction Text Origin: Commission Proposal
Article 31(1)								
376		1. The setting-up and internal functioning of a SEAP shall be governed:		1. The setting-up and internal functioning of a SEAP shall be governed:		1. The setting-up and internal functioning of a SEAP shall be governed:		1. The setting-up and internal functioning of a SEAP shall be governed: Text Origin: Commission Proposal
Article 31(1), point (a)								
377		(a) by Union law, in particular this Regulation, and the implementing acts referred to in Article 24(3)(a);		(a) by Union law, in particular this Regulation, and the implementing acts referred to in Article 24(3)(a);		(a) by Union law, in particular this Regulation; and the implementing acts referred to in Article 24(3)(a);		(a) by Union law, in particular this Regulation; and the implementing ~~acts~~ <u>act</u> referred to in Article 24(3)(a); Text Origin: Council Mandate
Article 31(1), point (b)								
378		(b) by the law of the State where the SEAP has its statutory seat in the case of matters not, or only partly, regulated by acts referred to in point (a);		(b) by the law of the State where the SEAP has its statutory seat in the case of matters not, or only partly, regulated by acts referred to in point (a);		(b) by the law of the Member State where the SEAP has its statutory seat in the case of matters not, or only partly, regulated by acts referred to in ~~point (a);~~ points		(b) by the law of the <u>Member</u> State where the SEAP has its statutory seat in the case of matters not, or only partly, regulated by acts referred to in ~~point (a);~~ <u>points</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						(a) and (aa).		<u>(a) and (aa).</u> Text Origin: Council Mandate
Article 31(1), point (c)								
379		(c) by the Statutes and their implementing rules.		(c) by the Statutes and their implementing rules.		(~~e~~)(aa) by ~~the~~ its statutes and their implementing rules;		~~(e)~~ (aa) by ~~the~~ its statutes and their implementing rules; Text Origin: Council Mandate
Article 31(2)								
380		2. The Court of Justice of the European Union shall have jurisdiction over litigation among the members in relation to the SEAP, between the members and the SEAP and over any litigation to which the Union is a party.		2. The Court of Justice of the European Union shall have jurisdiction over litigation among the members in relation to the SEAP, between the members and the SEAP and over any litigation to which the Union is a party.		2. Without prejudice to cases in which the Court of Justice of the European Union ~~shall have~~ has jurisdiction ~~over litigation~~ under the Treaties, the national law of the Member State where the SEAP has its statutory seat shall determine the competent jurisdiction for the resolution of disputes among ~~the~~ its members in relation to the SEAP, between ~~the~~ its members and the SEAP, and between a SEAP and third parties and over any litigation to which the Union is a party.		2. <u>Without prejudice to cases in which</u> the Court of Justice of the European Union ~~shall have~~ has jurisdiction ~~over litigation~~ under the Treaties, the national law of the Member State where the SEAP has its statutory seat shall determine the competent jurisdiction for the resolution of disputes among ~~the~~ its members in relation to the SEAP, between ~~the~~ its members and the SEAP, and between a SEAP and third parties and over any litigation to which the Union is a party. Text Origin: Council Mandate
Article 31(3)								
381		3. Union legislation on jurisdiction shall apply to disputes between a SEAP and third parties. In cases not covered by Union		3. Union legislation on jurisdiction shall apply to disputes between a SEAP and third parties. In cases not covered by Union		3. ~~Union legislation on~~ Any delegation agreement as referred to in Article 22(3) shall determine which Member State		3. ~~Union legislation on~~ Any delegation agreement as referred to in Article 22(3) shall determine which Member State jurisdiction

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	legislation, the law of the State where the SEAP has its statutory seat shall determine the competent jurisdiction for the resolution of such disputes.	legislation, the law of the State where the SEAP has its statutory seat shall determine the competent jurisdiction for the resolution of such disputes.	jurisdiction shall ~~apply to disputes between a SEAP and third parties. In cases not covered by Union legislation, the law of the State where the SEAP has its statutory seat shall determine the~~ be competent jurisdiction for the resolution of such disputes related to the delegation agreement. The delegation agreement may also provide for amicable dispute settlement mechanisms. This shall be without prejudice to cases in which the Court of Justice of the European Union has jurisdiction under the Treaties.	shall ~~apply to disputes between a SEAP and third parties. In cases not covered by Union legislation, the law of the State where the SEAP has its statutory seat shall determine the~~ be competent jurisdiction for the resolution of such disputes related to the delegation agreement. The delegation agreement may also provide for amicable dispute settlement mechanisms. This shall be without prejudice to cases in which the Court of Justice of the European Union has jurisdiction under the Treaties. Text Origin: Council Mandate
Article 32				
382	Article 32 Winding up and insolvency	Article 32 Winding up and insolvency	Article 32 Winding up and insolvency	Article 32 Winding up and insolvency Text Origin: Commission Proposal
Article 32(1)				
383	1. The Statutes shall determine the procedure to be applied in the case of winding-up of the SEAP following a decision of the assembly of members or in case the Commission repeals the implementing act establishing the	1. The Statutes shall determine the procedure to be applied in the case of winding-up of the SEAP following a decision of the assembly of members or in case the Commission repeals the implementing act establishing the	1. The statutes of a SEAP shall determine the procedure to be applied in the case of winding-up of the SEAP following a decision of the assembly of members or, in the event that in case the Commission repeals the	1. The statutes of a SEAP shall determine the procedure to be applied in the case of winding-up of the SEAP following a decision of the assembly of members or, in the event that in case the Commission repeals the

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	SEAP, as referred to in Article 33(6). Winding-up may include the transfer of activities to another legal entity.	SEAP, as referred to in Article 33(6). Winding-up may include the transfer of activities to another legal entity.	implementing act establishing the SEAP, as referred to in Article 33(6). Winding-up may include the transfer of activities as well as the ownership of defence products to another legal entity.	implementing act establishing the SEAP, as referred to in Article 33(6). Winding-up may include the transfer of activities <u>as well as the ownership of defence products</u> to another legal entity. Text Origin: Council Mandate
Article 32(2)				
384	2. Without undue delay after the adoption of a decision by the assembly of members to wind up the SEAP, and in any event within 10 days after such adoption, the SEAP shall notify the Commission thereof. The Commission shall publish an appropriate notice of the decision to wind-up in the C series of the Official Journal of the European Union.	2. Without undue delay after the adoption of a decision by the assembly of members to wind up the SEAP, and in any event within 10 days after such adoption, the SEAP shall notify the Commission thereof. The Commission shall publish an appropriate notice of the decision to wind-up in the C series of the ~~Official Journal of the European Union~~ <u>Official Journal of the European Union</u> .	2. Without undue delay after the adoption of a decision by the assembly of members to wind up the SEAP, and in any event within 10 days after such adoption, the SEAP shall notify the Commission thereof and designate a representative for the winding-up . The Commission shall publish an appropriate notice of the decision to ~~wind up in the C series of~~ wind up in the Official Journal of the European Union.	2. Without undue delay after the adoption of a decision by the assembly of members to wind up the SEAP, and in any event within 10 days after such adoption, the SEAP shall notify the Commission thereof <u>and designate a representative for the winding-up</u> . The Commission shall publish an appropriate notice of the decision to ~~wind up in the C series of~~ <u>wind up in</u> the Official Journal of the European Union. Text Origin: Council Mandate
Article 32(2a)				
384a			2a. The winding up procedure shall not be closed before the completion of the transfer of ownership of defence products owned by the SEAP.	<u>2a. The winding up procedure shall not be closed before the completion of the transfer of ownership of defence products owned by the SEAP.</u> Text Origin: Council Mandate

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
Article 32(3)								
385		3. Without undue delay after the closure of the winding-up procedure, and in any event within 10 days after such closure, the SEAP shall notify the Commission thereof. The Commission shall publish an appropriate notice of the closure in the C series of the Official Journal of the European Union. The SEAP shall cease to exist on the day of publication of the notice.		3. Without undue delay after the closure of the winding-up procedure, and in any event within 10 days after such closure, the SEAP shall notify the Commission thereof. The Commission shall publish an appropriate notice of the closure in the C series of the ~~Official Journal of the European Union~~ <u>Official Journal of the European Union</u> . The SEAP shall cease to exist on the day of publication of the notice.		3. Without undue delay after the closure of the winding-up procedure, and in any event within 10 days after such closure, the SEAP representative shall notify the Commission thereof. The Commission shall publish an appropriate notice of the closure in the ~~C series of the~~ Official Journal of the European Union. The SEAP shall cease to exist on the ~~day~~ <u>date</u> of publication of the notice.		3. Without undue delay after the closure of the winding-up procedure, and in any event within 10 days after such closure, the SEAP <u>representative</u> shall notify the Commission thereof. The Commission shall publish an appropriate notice of the closure in the ~~C series of the~~ Official Journal of the European Union. The SEAP shall cease to exist on the ~~day~~ <u>date</u> of publication of the notice. Text Origin: Council Mandate
Article 32(4)								
386		4. At any time, in the event that the SEAP is unable to pay its debts, it shall immediately notify the Commission thereof. The Commission shall publish an appropriate notice hereof in the C series of the Official Journal of the European Union.		4. At any time, in the event that the SEAP is unable to pay its debts, it shall immediately notify the Commission thereof. The Commission shall publish an appropriate notice hereof in the C series of the ~~Official Journal of the European Union~~ <u>Official Journal of the European Union</u> .		4. At any time, in the event that the SEAP is unable to pay its debts, it shall immediately notify the Commission thereof. The Commission shall publish an appropriate notice hereof in the ~~C series of~~ the Official Journal of the European Union.		4. At any time, in the event that the SEAP is unable to pay its debts, it shall immediately notify the Commission thereof. The Commission shall publish an appropriate notice ~~hereof in the C series of~~ <u>in</u> the Official Journal of the European Union. Text Origin: Council Mandate
Article 33								
387		Article 33 Reporting and control		Article 33 Reporting and control		Article 33 Reporting and control		Article 33 Reporting and control Text Origin: Commission Proposal

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 33(1)								
G	388	1. A SEAP shall produce an annual activity report, containing a technical description and a financial report of its activities referred to in Article 22. It shall be transmitted to the Commission within six months from the end of the financial year.		1. A SEAP shall produce an annual activity report, containing a technical description and a financial report of its activities referred to in Article 22. It shall be transmitted to the Commission within six months from the end of the financial year.		1. A SEAP shall produce an annual activity report, containing a technical description and a financial report of its activities referred to in Article 22. It shall be transmitted to the Commission within six months from the end of the financial year. The Commission shall distribute the report to all Member States.		1. A SEAP shall produce an annual activity report, containing a technical description and a financial report of its activities referred to in Article 22. It shall be transmitted to the Commission within six months from the end of the financial year. <u>The Commission shall distribute the report to all Member States.</u> Text Origin: Council Mandate
Article 33(1a)								
G	388a			<u>1a. The Commission shall provide the European Parliament with an annual report about the activities of all active SEAPs.</u>				<u>1a. The Commission shall provide the European Parliament and the Council with an aggregated annual report about the activities of all active SEAPs.</u> Text Origin: EP Mandate
Article 33(2)								
G	389	2. The Commission may provide recommendations to the SEAP regarding the matters covered in the annual activity report.		2. The Commission may provide recommendations to the SEAP regarding the matters covered in the annual activity report.		2. The Commission may provide recommendations to the SEAP regarding the matters covered in the annual activity report referred to in paragraph 1.		2. The Commission may provide recommendations to the SEAP regarding the matters covered in the annual activity report <u>referred to in paragraph 1.</u> Text Origin: Council Mandate
Article 33(3)								
G	390	3. A SEAP and the Member		3. A SEAP and the Member		3. A SEAP and the Member		3. A SEAP and the Member

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	States concerned shall inform the Commission of any circumstances which threaten to seriously jeopardise the achievement of the task of the SEAP or to hinder the SEAP from fulfilling the requirements laid down in this Regulation.	States concerned shall inform the Commission of any circumstances which threaten to seriously jeopardise the achievement of the task of the SEAP or to hinder the SEAP from fulfilling the requirements laid down in this Regulation.	States concerned shall inform the Commission of any circumstances which threaten to seriously jeopardise the achievement of the task of the SEAP or to hinder the SEAP from fulfilling the requirements laid down in this Regulation.	States concerned shall inform the Commission of any circumstances which threaten to seriously jeopardise the achievement of the task of the SEAP or to hinder the SEAP from fulfilling the requirements laid down in this Regulation. Text Origin: Commission Proposal
Article 33(4)				
391	4. Where the Commission obtains indications that a SEAP is acting in serious breach of this Regulation, the implementing act establishing it, its statutes or other applicable law, it shall request explanations from the SEAP and/or its members.	4. Where the Commission obtains indications that a SEAP is acting in serious breach of this Regulation, the implementing act establishing it, its statutes or other applicable law, it shall request explanations from the SEAP and/or its members.	4. Where the Commission obtains indications that a SEAP is acting in serious breach of this Regulation, the implementing act establishing it, its statutes or other applicable law, it shall ~~may~~ request explanations from the SEAP ~~and/or~~ its members.	4. Where the Commission obtains indications that a SEAP is acting in serious breach of this Regulation, the implementing act establishing it, its statutes or other applicable law, it shall request explanations from the SEAP ~~and/or~~ <u>or</u> its members. Text Origin: Council Mandate
Article 33(5)				
392	5. Where the Commission concludes, after having given the SEAP and/or its members a reasonable time to provide their observations, that the SEAP is acting in serious breach of this Regulation, the implementing act establishing it, its statutes or other applicable law, it may propose	5. Where the Commission concludes, after having given the SEAP and/or its members a reasonable time to provide their observations, that the SEAP is acting in serious breach of this Regulation, the implementing act establishing it, its statutes or other applicable law, it may propose	5. Where the Commission concludes, after having given the SEAP ~~and/or~~ its members a ~~reasonable time~~ at least two months to provide their observations, that the SEAP is acting in serious breach of this Regulation, the implementing act establishing it, its statutes or other	5. Where the Commission concludes, after having given the SEAP ~~and/or~~ <u>or</u> its members ~~a reasonable time~~ at least two months to provide their observations, that the SEAP is acting in serious breach of this Regulation, the implementing act establishing it, its statutes or other

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		remedial action to the SEAP and its members.		remedial action to the SEAP and its members. <u>The Commission shall inform the Parliament and the Council about its findings and proposals for remedial action in due course.</u>		applicable law, it may propose remedial action to the SEAP and its members.		applicable law, it may propose remedial action to the SEAP and its members. <u>[The Commission shall inform the Parliament and the Council about its findings and proposals for remedial action in due course. - line 388a // delete]</u> Text Origin: Council Mandate
Article 33(6)								
393		6. Where no remedial action is taken, the Commission may repeal the implementing act establishing the SEAP. The repealing act shall be published in the L series of the Official Journal of the European Union. The publication of the act shall trigger the winding-up of the SEAP.		6. Where no remedial action is taken, the Commission may repeal the implementing act establishing the SEAP. The repealing act shall be published in the L series of the ~~Official Journal of the European Union~~ <u>Official Journal of the European Union</u> . The publication of the act shall trigger the winding-up of the SEAP.		6. Where no remedial action as referred to in paragraph 5 of this Article is taken, the Commission may repeal the implementing act establishing the SEAP. The repealing act shall be published in the ~~L series of the~~ Official Journal of the European Union. The publication of the act shall trigger the winding-up of the SEAP as referred to in Article 32.		6. Where no remedial action <u>as referred to in paragraph 5 of this Article</u> is taken, the Commission may repeal the implementing act establishing the SEAP. The repealing act shall be published in the ~~L series of the~~ Official Journal of the European Union. The publication of the act shall trigger the winding-up of the SEAP <u>as referred to in Article 32.</u> Text Origin: Council Mandate
Chapter IV								
394		Chapter IV Security of supply		Chapter IV Security of supply		Chapter IV Security of supply		Chapter IV Security of supply Text Origin: Commission Proposal
Section 1								
395		Section 1 Preparedness		Section 1 Preparedness		Section -1		Section -1

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			PreparednessCooperative defence procurement	~~Preparedness~~ Cooperative <u>defence procurement</u> Text Origin: Council Mandate
Article 34				
396	Article 34 Conditions to open framework agreements to other Member States	Article 34 Conditions to open framework agreements to other Member States	Article 34 ~~Conditions to open~~ Modification of framework agreements to other Member Statesin the context of a crisis under Directive 2009/81/EC	Article 34 ~~Conditions to open~~ Modification of framework agreements ~~to other~~ Member Statesin the context of a crisis under Directive 2009/81/EC Text Origin: Council Mandate
Article 34(1)				
397	1. Where at least two Member States enter into an agreement to commonly procure defence products and where the extreme urgency of the situation justifies it, the rules provided for in paragraphs 2 to 6 may be applied to framework agreements that do not include rules governing the possibility to substantially amend it so that its provisions may apply to contracting authorities/entities which are not originally party to the framework agreement.	1. Where at least two Member States enter into an agreement to commonly procure defence products and where the extreme urgency of the situation justifies it, the rules provided for in paragraphs 2 to 6 may be applied to framework agreements that do not include rules governing the possibility to substantially amend it so that its provisions may apply to contracting authorities/entities which are not originally party to the framework agreement.	1. Where at least two Member States enter into an agreement to commonly procure defence products for themselves or for Ukraine and where ~~the~~ extremejustified by an urgency of ~~the situation justifies it~~ resulting from a crisis within the meaning of Article 1(10) of Directive 2009/81/EC , the rules provided for in paragraphs 2 to ~~64~~ of this Article may be applied to framework agreements that do not include rules governing the possibility to substantially amend it so that its provisions may apply to. When applying the rules in accordance with paragraphs 2 and 2a of this Article, the	1. Where at least two Member States enter into an agreement to commonly procure defence products <u>for themselves or</u> <u>for Ukraine</u> and where ~~the~~ <u>extremejustified by an</u> urgency of ~~the situation justifies it~~ <u>resulting</u> <u>from a crisis within the meaning</u> <u>of Article 1(10) of Directive</u> <u>2009/81/EC</u> , the rules provided for in paragraphs 2 to ~~64~~ <u>of this</u> <u>Article</u> may be applied to framework agreements that do not include rules governing the possibility to substantially amend it ~~so that its provisions may apply to.~~ <u>When applying the rules in</u> <u>accordance with paragraphs 2 and</u> <u>2a of this Article, the</u> contracting

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						contracting authorities/entities authority having concluded the framework agreement shall obtain the agreement of the undertaking with which are not originally party to it concluded the framework agreement.		~~authorities/entities~~ <u>authority having concluded the framework agreement shall obtain the agreement of the undertaking with which ~~are not originally party to it~~ concluded the framework agreement.</u> Text Origin: Council Mandate
Article 34(2)								
398		2. By way of derogation from Article 29(2), second subparagraph, of Directive 2009/81/EC, a contracting authority/entity may modify an existing framework agreement with an undertaking complying with the provisions laid out in Article 10, paragraphs 1 and 2, which has been concluded following one of the procedures provided for by Article 25 of that Directive so that its provisions may apply to contracting authorities/entities which are not originally party to the framework agreement.		2. By way of derogation from Article 29(2), second subparagraph, of Directive 2009/81/EC, a contracting authority/entity may modify an existing framework agreement with an undertaking complying with the provisions laid out in Article 10, paragraphs 1 and 2, which has been concluded following one of the procedures provided for by Article 25 of that Directive so that its provisions may apply to contracting authorities/entities which are not originally party to the framework agreement.		2. ~~By way of derogation from Article 29(2), second subparagraph, of Directive 2009/81/EC, A contracting authority/entity~~ authority of a Member State may modify an existing framework agreement for defence products, where that framework agreement has been concluded with an undertaking complying with ~~the provisions laid out~~ criteria equivalent to those laid down in Article 10, paragraphs 1 and 2, which has been ~~concluded following one of the procedures provided for by Article 25 of that Directive~~ 10(2), (3) and (3a), in order to add new contracting authorities as party to the framework agreement so that its provisions ~~may~~ apply to contracting		2. ~~By way of derogation from Article 29(2), second subparagraph, of Directive 2009/81/EC, A contracting authority/entity~~ authority of a Member State may modify an existing framework agreement for defence products, where that framework agreement has been concluded with an undertaking complying with ~~the provisions laid out~~ criteria equivalent to those laid down in Article ~~10, paragraphs 1 and 2, which has been concluded following one of the procedures provided for by Article 25 of that Directive~~ 10(2), (3) and (3a), in order to add new contracting authorities as party to the framework agreement so that its provisions ~~may~~ apply to contracting

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						~~authorities/entities~~ authorities which ~~are~~ were not originally party to the framework agreement. Article 29(2), first subparagraph, of Directive 2009/81/EC, shall not apply to the contracting authorities not originally party to the framework agreement.		~~authorities/entities~~ authorities which ~~are~~ were not originally party to the framework agreement. <u>Article 29(2), first subparagraph, of Directive 2009/81/EC, shall not apply to the contracting authorities not originally party to the framework agreement.</u> Text Origin: Council Mandate
Article 34(2a)								
398a						2a. By way of derogation from Article 29(2), third subparagraph, of Directive 2009/81/EC, when awarding contracts based on a framework agreement with an estimated value above the threshold set out in Article 8 of Directive 2009/81/EC, a contracting authority of a Member State may make substantial amendments to the quantities laid down in that framework agreement of up to 100 % of the value of the framework agreement, where that framework agreement has been concluded with an undertaking complying with criteria equivalent to those laid down in Article 10, paragraphs 2 to 3a, of this Regulation and		<u>2a. By way of derogation from Article 29(2), third subparagraph, of Directive 2009/81/EC, when awarding contracts based on a framework agreement with an estimated value above the threshold set out in Article 8 of Directive 2009/81/EC, a contracting authority of a Member State may make substantial amendments to the quantities laid down in that framework agreement of up to 100 % of the value of the framework agreement, where that framework agreement has been concluded with an undertaking complying with criteria equivalent to those laid down in Article 10, paragraphs 2 to 3a, of this Regulation and insofar as the</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						insofar as the modification is strictly necessary for the application of paragraph 2 of this Article.		<u>modification is strictly necessary for the application of paragraph 2 of this Article.</u> Text Origin: Council Mandate
Article 34(2b)								
G		398b				2b. For the purpose of the calculation of the value mentioned in paragraph 2a, the updated value shall be the reference point where the contract includes an indexation clause.		<u>2b. For the purpose of the calculation of the value mentioned in paragraph 2a, the updated value shall be the reference point where the contract includes an indexation clause.</u> Text Origin: Council Mandate
Article 34(3)								
G		399		3. By way of derogation from Article 29(2), third subparagraph, of Directive 2009/81/EC, a contracting authority/entity may make substantial amendments to the quantities laid down in an existing framework agreement with an undertaking complying with the provisions laid out in Article 10, paragraphs 1 and 2, insofar as that is strictly necessary for the application of paragraph 2 of this Article. Where quantities laid down in an existing framework agreement are substantially modified pursuant to this paragraph, any economic operator		3. By way of derogation from Article 29(2), third subparagraph, of Directive 2009/81/EC, a contracting authority/entity may make substantial amendments to the quantities laid down in an existing framework agreement with an undertaking complying with the provisions laid out in Article 10, paragraphs 1 and 2, insofar as that is strictly necessary for the application of paragraph 2 of this Article. Where quantities laid down in an existing framework agreement are substantially modified pursuant to this paragraph, any economic operator		<i>deleted</i>
						<i>deleted</i>		<i>deleted</i>

	CLEAN Commission Proposal	V5.EC EP Mandate	V5.EC Council Mandate	V5.EC Draft Agreement
	that meets the contracting authority's/entity's conditions initially laid down in the public procurement procedure for the framework agreement, including requirements for qualitative selection as referred to in Articles 39 to 46 of Directive 2009/81/EC, and which complies with the provisions laid out in Article 10, paragraphs 1 and 2, shall be given the opportunity to join that framework agreement. The contracting authority/entity shall open that possibility by means of an ad hoc notice published in the Official Journal of the European Union.	that meets the contracting authority's/entity's conditions initially laid down in the public procurement procedure for the framework agreement, including requirements for qualitative selection as referred to in Articles 39 to 46 of Directive 2009/81/EC, and which complies with the provisions laid out in Article 10, paragraphs 1 and 2, shall be given the opportunity to join that framework agreement. The contracting authority/entity shall open that possibility by means of an ad hoc notice published in the ~~Official Journal of the European Union~~ <u>Official Journal of the European Union</u> .		
Article 34(4)				
400	4. The principle of non-discrimination shall apply to contracts and framework agreements referred to in paragraphs 2 and 3 with regard to the additional quantities, and particularly to the relationships between contracting authorities/entities of Member States referred to in paragraph 1.	4. The principle of non-discrimination shall apply to contracts and framework agreements referred to in paragraphs 2 and 3 with regard to the additional quantities, and particularly to the relationships between contracting authorities/entities of Member States referred to in paragraph 1.	45. In the cases The principle of non-discrimination shall apply to contracts and framework agreements referred to in paragraphs 2 and 3 with regard to the additional quantities, and particularly 2a, the principle of equal rights and obligations shall apply to the relationships between the contracting authorities/entities of Member States referred to in paragraph 1 authorities which are	~~45. The principle of non-discrimination shall apply to contracts and framework agreements referred to in paragraphs 2 and 3 with regard to the additional quantities, and particularly~~ <u>2a, the principle of equal rights and obligations shall apply</u> to the relationships between ~~the contracting authorities/entities of Member States referred to in paragraph 1~~ <u>authorities which are</u>

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
			party to the framework agreement, in particular regarding the cost of additional quantities procured.	<u>party to the framework agreement, in particular regarding the cost of additional quantities procured.</u> Text Origin: Council Mandate
Article 34(5)				
401	5. Contracting authorities which modified a contract in the cases referred to in paragraphs 2 and 3 of this Article shall publish a notice to that effect in the Official Journal of the European Union. Such notice shall be published in accordance with Article 32 of Directive 2009/81/EC.	5. Contracting authorities which modified a contract in the cases referred to in paragraphs 2 and 3 of this Article shall publish a notice to that effect in the ~~Official Journal of the European Union~~ <u>Official Journal of the European Union</u> . Such notice shall be published in accordance with Article 32 of Directive 2009/81/EC.	54. A contracting ~~authorities~~ <u>authority</u> which ~~has~~ <u>has</u> modified a ~~contract~~ <u>framework agreement</u> in the cases referred to in ~~paragraphs 2 and 3~~ <u>paragraph 2 or 2a</u> of this Article shall publish a notice to that effect in the Official Journal of the European Union. Such ~~a~~ notice shall be published in accordance with Article 32 of Directive 2009/81/EC.	~~54.~~ <u>A</u> contracting ~~authorities~~ <u>authority</u> which ~~has~~ <u>has</u> modified a ~~contract~~ <u>framework agreement</u> in the cases referred to in ~~paragraphs 2 and 3~~ <u>paragraph 2 or 2a</u> of this Article shall publish a notice to that effect in the Official Journal of the European Union. Such <u>a</u> notice shall be published in accordance with Article 32 of Directive 2009/81/EC. Text Origin: Council Mandate
Article 34(6)				
402	6. Contracting authorities/entities may not use the possibility provided for in paragraph 2 and 3 improperly or in such a way as to prevent, restrict or distort competition.	6. Contracting authorities/entities may not use the possibility provided for in paragraph 2 and 3 improperly or in such a way as to prevent, restrict or distort competition.	<i>deleted</i>	<i>deleted</i>
Article 34a				
402a			Article 34a Cases justifying use of the negotiated procedure without publication of a contract notice	<u>Article 34a</u> <u>Cases justifying use of the negotiated procedure without publication of a contract notice in</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						in the context of a defence cooperation initiative		<u>the context of a defence cooperation initiative</u> Text Origin: Council Mandate
	Article 34a(1)							
402b						1. A contracting authority of a Member State, where it establishes a new or joins an existing genuine defence cooperation initiative established by an international agreement or arrangement between Member States and, where relevant, one or more associated countries or Ukraine, with the aim of the convergence of military capabilities, may award a contract to, or conclude a framework agreement on a defence product with, an undertaking, in accordance with Article 28(1)(e) of Directive 2009/81/EC, where all of the following conditions are cumulatively met:		<u>1. A contracting authority of a Member State, where it establishes a new or joins an existing genuine defence cooperation initiative established by an international agreement or arrangement between Member States and, where relevant, one or more associated countries or Ukraine, with the aim of the convergence of military capabilities, may award a contract to, or conclude a framework agreement on a defence product with, an undertaking, in accordance with Article 28(1)(e) of Directive 2009/81/EC, where all of the following conditions are cumulatively met:</u> Text Origin: Council Mandate
	Article 34a(1), point (a)							
402c						(a) the undertaking concerned complies with criteria equivalent to those laid down in Article 10(2), (3) and (3a);		<u>(a) the undertaking concerned complies with criteria equivalent to those laid down in [Article 10(2), (3) and (3a)];</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								Text Origin: Council Mandate
Article 34a(1), point (b)								
G	402d				(b) the defence cooperation initiative referred to in paragraph 1 of this Article was initiated prior to the commencement of the procurement procedure by the contracting authority of the Member State concerned;	<u>(b) the defence cooperation initiative referred to in paragraph 1 of this Article was initiated prior to the commencement of the procurement procedure by the contracting authority of the Member State concerned;</u>		Text Origin: Council Mandate
Article 34a(1), point (c)								
G	402e				(c) one of the other Member States participating in the defence cooperation initiative has already awarded a contract to, or concluded a framework agreement on a defence product with, the same undertaking;	<u>(c) one of the other Member States participating in the defence cooperation initiative has already awarded a contract to, or concluded a framework agreement on a defence product with, the same undertaking;</u>		Text Origin: Council Mandate
Article 34a(1), point (d)								
G	402f				(d) the defence product to be procured is identical to the one referred to in point (c) or is subject to minor modifications only;	<u>(d) the defence product to be procured is identical to the one referred to in point (c) or is subject to minor modifications only;</u>		Text Origin: Council Mandate
Article 34a(1), point (e)								

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
G	402g				(e) the award of the contract or the conclusion of the framework agreement is necessary for the implementation of the defence cooperation initiative referred to in point (b).	<u>(e) the award of the contract or the conclusion of the framework agreement is necessary for the implementation of the defence cooperation initiative referred to in point (b).</u>	Text Origin: Council Mandate	
Article 35								
G	403	Article 35 Procurement		Article 35 Procurement <u>of advance purchase agreements</u>		Article 35 <i>deleted</i>		<i>deleted</i>
Article 35(1)								
G	404	1. By derogation to [Article 168 of the Financial Regulation recast], Member States, associated countries and, where relevant, Ukraine may request the Commission:		1. By derogation ~~to~~ <u>from</u> Article 168 of the Financial Regulation ~~recast~~ , Member States, associated countries and, where relevant, Ukraine may request the Commission: <u>to negotiate and conclude advance purchasing agreements of defence products in the name and on behalf of participating countries. Those agreements may include a prepayment mechanism for the production of such products in exchange for the right to the result, which shall not exceed the parts of the contract on non-recurrent costs and/or the</u>		<i>deleted</i>		<i>deleted</i>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				<u>reservation of manufacturing capacities.</u>				
Article 35(1), point (a)								
405		(a) to engage in a joint procurement with them as as referred to in [Article 168(2) of the Financial Regulation recast] whereby Member States, associated countries or Ukraine may acquire, rent or lease fully the defence products jointly procured;		deleted		deleted		deleted
Article 35(1), point (b)								
406		(b) to act as a central purchasing body to procure on behalf of the interested Member States or in their name defence products, as referred to in [Article 168(3) of the Financial Regulation recast].		deleted		deleted		deleted
Article 35(2)								
407		2. The procurement procedure referred to in paragraph 1, shall comply with the following conditions:		2. The procurement procedure referred to in paragraph 1, shall comply with the following conditions:		deleted		deleted
Article 35(2), point (a)								
408		(a) participation in launching the procurement procedure shall be open to all Member States, associated countries and Ukraine,		(a) participation in launching the procurement procedure shall be open to all Member States, associated countries and Ukraine,		deleted		deleted

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	by way of derogation from [Article 168(2) and (3) of the Financial Regulation recast];	by ~~way of~~ derogation from ~~f~~ Article 168(2) and (3) of the Financial Regulation ~~recast~~ ;		
Article 35(2), point (b)				
409	(b) the Commission invites at least 4 experts with relevant experience for the negotiations from participating countries with production capacities for the concerned defence product to form a joint negotiation team;	(b) the Commission invites at least 4 experts with relevant experience for the negotiations from participating countries with production capacities for the concerned defence product to form a joint negotiation team;	deleted	deleted
Article 35(2), point (c)				
410	(c) participating countries explicitly state whether they decide to run parallel negotiation processes for that product. The decision to run parallel negotiation processes for that product shall be subject to unanimous approval by participating countries;	deleted	deleted	deleted
Article 35(2a)				
410a		<u>2a. Where the agreements referred to in paragraph 1 of this Article include a prepayment mechanism, the up-front payment to the contractor shall be covered by the financial envelope referred to Article 5(1). Contributions of participating countries as referred to in Article 6 shall be taken into</u>		deleted

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>account in equal terms per item ordered by the participating countries.</u>				
		Article 35(2b)						
G		410b		<u>2b. In cases where the negotiated amounts exceed demand, the Commission, at the request of the Member States concerned, shall elaborate a mechanism for reallocation to national stockpiles or building up of the defence industrial readiness pool as referred to in Article 21g.</u>				deleted
		Article 35(3), first subparagraph						
G		411		3. As part of the procurement referred to in paragraph 1(b), the Commission may procure relevant components and raw materials of defence products for the purpose of building strategic reserves.		deleted		deleted
		Article 35(3), second subparagraph						
G		412		When duly justified by the extreme urgency of the situation the Commission may, by way of derogation from Article 172(1) of Regulation (EU, Euratom) 2018/1046, request the delivery of goods or services from the date on which the draft contracts resulting from the procurement carried out		deleted		deleted

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		for the purposes of this Regulation are sent, which shall be no later than 24 hours as from the award.						
	Article 35(4)							
G	413	4. In order to enter into purchase agreements with economic operators, representatives of the Commission, or experts nominated by the Commission, may carry out on-site visits in cooperation with relevant national authorities at the locations of production facilities of relevant defence products.		4. In order to enter into <u>advance</u> purchase agreements with economic operators, representatives of the Commission, or experts nominated by the Commission, may carry out on-site visits in cooperation with relevant national authorities at the locations of production facilities of relevant defence products.		deleted		deleted
	Article 35(5)							
G	414	5. Ownership and export of defence products purchased under this Article shall remain the competence of the participating countries.		deleted		deleted		deleted
	Article 35(6)							
G	415	6. The Commission shall ensure that participating countries are treated equally when carrying out the procurement procedures and when implementing the resulting agreements.		6. The Commission shall ensure that participating countries are treated equally when carrying out the procurement procedures and when implementing the resulting agreements.		deleted		deleted
	Article 35(7)							
G	416	7. The use of procurement		7. The use of procurement				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	pursuant to paragraph 1 shall be without prejudice to other instruments provided for in the Financial Regulation.	pursuant to paragraph 1 shall be without prejudice to other instruments provided for in the Financial Regulation.	<i>deleted</i>	<i>deleted</i>
Article 35(8)				
417	8. In addition to the conditions set out in the Financial Regulation, eligibility criteria equivalent to those laid down in Article 10 of this Regulation shall apply, <i>mutatis mutandis</i> , to tenderers, contractors and subcontractors in contracts resulting from the procurement conducted pursuant to this Article.	8. In addition to the conditions set out in the Financial Regulation, eligibility criteria equivalent to those laid down in Article 10 of this Regulation shall apply, ~~<i>mutatis mutandis</i>~~ <u><i>mutatis mutandis</i></u> , to tenderers, contractors and subcontractors in contracts resulting from the procurement conducted pursuant to this Article.	<i>deleted</i>	<i>deleted</i>
Article 36				
418	Article 36 Advance Purchase of defence products	Article 36 ~~<i>Advance Purchase of defence products</i>~~ <u><i>Procurement for Ukraine</i></u>	~~<i>Article 36</i>~~ <i>deleted</i>	<i>deleted</i>
Article 36(1)				
419	1. Joint purchasing referred to in Article 35 may take the form of advanced purchasing agreements of defence products negotiated and concluded in the name and on behalf of participating countries. Those agreements may include a prepayment mechanism for the production of such products	1. ~~<i>Joint</i>~~ <u><i>By way of derogation from Article 168 of the Financial Regulation, together with at least one Member State, Ukraine may request the Commission to act as a central purchasing body to procure on its behalf or in its name defence products, as</i></u> referred to in Article ~~<i>35 may take the form of</i>~~	<i>deleted</i>	<i>deleted</i>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		in exchange for the right to the result, which shall not exceed the parts of the contract on non-recurrent costs and/or the reservation of manufacturing capacities.		~~advanced purchasing agreements of defence products negotiated and concluded in the name and on behalf of participating countries. Those agreements may include a prepayment mechanism for the production of such products in exchange for the right to the result, which shall not exceed the parts~~ <u>168(3)</u> <del> of the contract on non-recurrent costs and/or the reservation of manufacturing capacities</del> <u>Financial Regulation.</u>				
		Article 36(1a)						
G	419a			<u>1a. In order to enter into purchase agreements with economic operators, representatives of the Commission, or experts nominated by the Commission, may carry out on-site visits in cooperation with relevant national authorities at the locations of production facilities of relevant defence products.</u>				deleted
		Article 36(2)						
G	420	2. Where the agreements referred to in paragraph 1 of this Article include a prepayment mechanism, the up-front payment to the contractor shall be covered		deleted		deleted		deleted

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	by the financial envelope referred to Article 5(1). Contributions of participating countries as referred to in Article 6 shall be taken into account in equal terms per item ordered by the participating countries.			
Article 36(3)				
421	3. In cases where the negotiated amounts exceed demand, the Commission, at the request of the Member States concerned, shall elaborate a mechanism for reallocation to national stockpiles or building up of the defence industrial readiness pool as referred to in Article 14(1), point (b).	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 37				
422	Article 37 Facilitating off-take agreements	Article 37 Facilitating off-take agreements	~~Article 37~~ <i>deleted</i>	<i>deleted</i>
Article 37(1)				
423	1. The Commission shall set up a system to facilitate the conclusion of off-take agreements related to the industrial ramp-up of the EDTIB's manufacturing capacities as well as those of the	1. The Commission shall set up a system to facilitate the conclusion of off-take agreements related to the industrial ramp-up of the EDTIB's manufacturing capacities as well as those of the	<i>deleted</i>	<i>deleted</i>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		Ukrainian DTIB, taking into account the opinion and advice of the Defence Industrial Readiness Board and in compliance with competition and procurement rules.		Ukrainian DTIB, taking into account the opinion and advice of the Defence Industrial Readiness Board and in compliance with competition and procurement rules.				
		Article 37(2)						
G	424	2. The system referred to in paragraph 1 shall allow interested Member States, associated countries and, where relevant, Ukraine to make bids indicating:		2. The system referred to in paragraph 1 shall allow interested Member States, associated countries and, where relevant, Ukraine to make bids indicating:		deleted		deleted
		Article 37(2), point (a)						
G	425	(a) the volume and quality of defence products they intend to purchase;		(a) the volume and quality of defence products they intend to purchase;		deleted		deleted
		Article 37(2), point (b)						
G	426	(b) the intended price or price range;		(b) the intended price or price range;		deleted		deleted
		Article 37(2), point (c)						
G	427	(c) the intended duration of the off-take agreement.		(c) the intended duration of the off-take agreement.		deleted		deleted
		Article 37(3)						
G	428	3. The system referred to in paragraph 1 shall allow manufacturers of defence products which comply with conditions laid		3. The system referred to in paragraph 1 shall allow manufacturers of defence products which comply with conditions laid		deleted		deleted

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement	
	out in Article 10 to make offers indicating:	out in Article 10 to make offers indicating:			
<i>Article 37(3), point (a)</i>					
429	(a) the volume and quality of defence products for which they are seeking to conclude off-take agreements;	(a) the volume and quality of defence products for which they are seeking to conclude off-take agreements;	<i>deleted</i>	<i>deleted</i>	
<i>Article 37(3), point (b)</i>					
430	(b) the intended price or price range at which they are willing to sell;	(b) the intended price or price range at which they are willing to sell;	<i>deleted</i>	<i>deleted</i>	
<i>Article 37(3), point (ba)</i>					
430a			<i>deleted</i>	<i>deleted</i>	
<i>Article 37(3), point (c)</i>					
431	(c) the intended duration of the off-take agreement.	(c) the intended duration of the off-take agreement.	<i>deleted</i>	<i>deleted</i>	
<i>Article 37(4)</i>					
432	4. Based on the bids and offers received pursuant to paragraph 2 and 3, the Commission shall bring relevant manufacturers of defence products in contact with interested Member States and associated countries as well as, where relevant, Ukraine.	4. Based on the bids and offers received pursuant to paragraph 2 and 3, the Commission shall bring relevant manufacturers of defence products in contact with interested Member States and associated countries as well as, where relevant, Ukraine.	<i>deleted</i>	<i>deleted</i>	

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
Article 37(5)								
433		5. On the basis of the contact referred to in paragraph 4, interested Member States and associated countries as well as, where relevant, Ukraine may request the Commission to engage in a joint procurement procedure or in a procurement procedure in their name and/or on their behalf pursuant Article 35.		5. On the basis of the contact referred to in paragraph 4, interested Member States and associated countries as well as, where relevant, Ukraine may request the Commission to engage in a joint procurement procedure or in a procurement procedure in their name and/or on their behalf pursuant Article 35.		<i>deleted</i>		<i>deleted</i>
Article 37(6)								
434		6. The financial envelope referred to in Article 5(1) may cover the parts of the contract on non-recurrent costs and/or the reservation of manufacturing capacities.		6. The financial envelope referred to in Article 5(1) may cover the parts of the contract on non-recurrent costs and/or the reservation of manufacturing capacities.		<i>deleted</i>		<i>deleted</i>
Article 38								
435		Article 38 Acceleration of the permit-granting process for the timely availability and supply of relevant defence products		Article 38 Acceleration of the permit-granting process for the timely availability and supply of relevant defence products		~~Article 38~~ <i>deleted</i>		Article 38 Acceleration of the permit-granting process for the timely availability and supply of relevant defence products Text Origin: EP Mandate
Article 38(1)								
436		1. Member States shall ensure that administrative applications related to the		1. Member States shall ensure that administrative applications related to the		<i>deleted</i>		1. Member States shall ensure that administrative applications related to the

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	planning, construction and operation of production facilities, transfer of inputs within the Union as well as qualification and certification of end products are processed in an efficient and timely manner. To that end, all national authorities concerned shall ensure that the most rapid treatment legally possible is given to such applications.	planning, construction and operation of production facilities, transfer of inputs within the Union as well as qualification and certification of end products are processed in an efficient and timely manner. To that end, all national authorities concerned shall ensure that the most rapid treatment legally possible is given to such applications.	PUBLIC	planning, construction and operation of production facilities, transfer of inputs within the Union as well as qualification and certification of end products are processed in an efficient and timely manner. To that end, all national authorities concerned shall ensure that the most rapid treatment legally possible is given to such applications. Text Origin: EP Mandate
Article 38(2)				
437	2. Member States shall ensure that in the planning and permit-granting process, the construction and operation of plants and installations for the production of relevant defence products are given priority when balancing legal interests in the individual case concerned.	2. Member States shall ensure that in the planning and permit-granting process, the construction and operation of plants and installations for the production of relevant defence products are given priority when balancing legal interests in the individual case concerned.	deleted	2. Member States shall ensure that in the planning and permit-granting process, the construction and operation of plants and installations for the production of relevant defence products are given priority when balancing legal interests in the individual case concerned. Text Origin: EP Mandate
Section 1a				
437a			Section 1 PREPAREDNESS	
Article 39				
438	Article 39 Easing cross-certification process	Article 39 Easing cross-certification process	Article 39 Easing cross-certification process	Article 39 Easing cross-certification process

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
				Text Origin: Commission Proposal
Article 39(1)				
439	1. Member States shall adopt a list of national certification authorities for defence purposes and notify it to the Commission, which shall make it available to Member States.	1. Member States shall adopt a list of national certification authorities for defence purposes and notify it to the Commission, which shall make it available to Member States.	1. Member States shall adopt a list of national certification authorities for defence purposes and notify it to the Commission, which shall make it available to Member States.	1. Member States shall adopt a list of national certification authorities for defence purposes and notify it to the Commission, which shall make it available to Member States. Text Origin: Commission Proposal
Article 39(2)				
440	2. The Commission shall, by the mean of implementing acts, draw and keep updated an official list of national certification authorities for defence purposes as identified by Member States. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(3).	2. The Commission shall, by the mean of implementing acts, draw and keep updated an official list of national certification authorities for defence purposes as identified by Member States. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(3).	2. The Commission, taking into account the views of the EDA , shall, ~~by the mean of implementing acts~~ , draw and keep updated an official list of national certification authorities for defence purposes as identified by Member States, by means of implementing acts . Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(3).	2. The Commission, <u>taking into account the views of the EDA</u> , shall, ~~by the mean of implementing acts~~ , draw and keep updated an official list of national certification authorities for defence purposes as identified by Member States, <u>by means of implementing acts</u> . Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(3). Text Origin: Council Mandate
Article 39(3)				
441	3. A certification authority from one Member State may	3. A certification authority from one Member State may	3. A certification authority from one Member State may	3. A certification authority from one Member State may

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	request from the certification authority of another Member State basic information about the scope of the certification of a certain defence product.	request from the certification authority of another Member State basic information about the scope of the certification of a certain defence product.	request from the certification authority of another Member State ~~basic~~ information about the scope of the certification of a certain defence product.	request from the certification authority of another Member State ~~basic~~ information about the scope of the certification of a certain defence product. Text Origin: Council Mandate
Article 39(3a)				
441a		<u>3a. Member States shall ensure a swift cooperation among the different national certification authorities referred to in paragraph 1. The Defence Industrial Readiness Board shall serve as a coordination and mediation platform, whenever necessary, in order to facilitate an efficient and effective movement of defence products in the internal market.</u>		<u>3a. National certification authorities referred to in paragraph 1 shall cooperate with each other in the performance of their tasks under this Regulation and shall give the authorities of other Member States all the necessary support to this end. The Commission, inviting, where relevant, the European Defence Agency to provide its expertise, shall support such a cooperation in order to facilitate an efficient and effective movement of defence products in the internal market.</u>
Section 2				
442	Section 2 Supply chain surveillance and monitoring	Section 2 Supply chain surveillance and monitoring	~~Section 2~~ Sub-section 1 Supply chain surveillance mapping and monitoring	~~Section 2~~ Sub-section 1 Supply chain ~~surveillance~~ mapping and monitoring Text Origin: Council Mandate
Article 40				
443	Article 40	Article 40	Article 40	Article 40

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	Mapping of defence supply-chains	Mapping of defence supply-chains	Mapping of defence supply-chains ~~chains~~ supply chains	Mapping of defence ~~supply-chains~~ ~~chains~~ supply chains Text Origin: Council Mandate
Article 40(1)				
444	1. The Commission shall carry out a mapping of the Union's defence supply-chains, in cooperation with the Defence Industrial Readiness Board.	1. The Commission, <u>together with the Member States and the European Defence Agency in the framework of the Defence Industrial Readiness Board</u> , shall carry out a mapping of the Union's defence supply-chains, ~~in cooperation with the Defence Industrial Readiness Board~~ <u>aim of building knowledge and capacity for future industrial Readiness Board policy measures and assessing the Union's position in the global defence value chain.</u>	1. The Commission shall ~~carry out a mapping of the Union's defence supply-chains, in cooperation with the Defence Industrial Readiness Board~~ <u>supply chains of crisis-relevant products shall have the aim of analysing the strengths and weaknesses of such supply chains, with an emphasis on bottlenecks, and shall consist of the following activities, to be performed on a regular basis:</u>	1. The ~~Commission shall carry out a~~ mapping of the Union's defence supply-chains, ~~in cooperation with the Defence Industrial Readiness Board~~ <u>shall have the aim of analysing the strengths and weaknesses of such supply chains, with an emphasis on bottlenecks. It shall inform, where relevant, the development of the work programmes of the Programme and the USI as referred to in Articles [x] and [y].</u> Agreement to amend the attendant recital as follows: "The results of the mapping of the Union's defence supply chains will also provide relevant information for the development of Union measures aimed at strengthening the competitiveness of the EDTIB and for assessing the Union's position on global defence supply chains." Text Origin: Council Mandate
Article 40(1), point (a)				

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
G	444a							<u>2. The mapping shall consist of the following activities, to be performed on a regular basis:</u>
Article 40(1), point (b)								
G	444b				(-a)	identification of the relevant manufacturing capacities and supply chains of defence products pursuant to paragraph 3-a;		<u>(-a) identification of the relevant manufacturing capacities and supply chains of defence products pursuant to paragraph 3-a;</u> Text Origin: Council Mandate
Article 40(1), point (c)								
G	444c				(a)	identification of crisis-relevant products and their related manufacturing capacities, pursuant to paragraph 6a;		<u>(a) identification of crisis-relevant products and their related manufacturing capacities, pursuant to paragraph 6a;</u> Text Origin: Council Mandate
Article 40(1), point (d)								
G	444d				(aa)	aggregation, cross-check and assessment of data gathered pursuant to paragraphs 3a, 5 and 6;		<u>(aa) aggregation, cross-check and assessment of data gathered pursuant to paragraphs 3a, 5 and 6;</u> Text Origin: Council Mandate
Article 40(1), point (e)								
G	444e				(b)	identification of early-warning indicators, pursuant to paragraph 8; and		<u>(b) identification of early-warning indicators, pursuant to paragraph 8; and</u> Text Origin: Council Mandate

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement	
Article 40(1), point (f)									
G	444f					(c) identification of the main suppliers of crisis-relevant products and their production capacities, pursuant to paragraphs 8a and 8b.		<u>(c) identification of the main suppliers of crisis-relevant products and their production capacities, pursuant to paragraphs 8a and 8b.</u> Text Origin: Council Mandate	G
Article 40(1a), first subparagraph									
G	444g					The mapping shall inform, where relevant, the development of the work programme as referred to in Articles 19d and 21e. The Commission, in cooperation with the Defence Security of Supply Board, shall carry out the activities regarding points (a), (aa) and (b). The Member States shall carry out the activities regarding points (-a) and (c). Each Member State may request the Commission to carry out, on its behalf, the activities regarding points (-a) and (c).		<u>2a. The Commission, in cooperation with the Board, shall carry out the activities regarding points (a), (aa) and (b). The Member States shall carry out the activities regarding points (-a) and (c). Each Member State may request the Commission to carry out, on its behalf, the activities regarding points (-a) and (c).</u> First sentence of the Council mandate incorporated in para 1. Text Origin: Council Mandate	G
Article 40(1a), second subparagraph									
G	444h					<u>1a. Member States shall map EDTIB's supply chain in their territory and relay the relevant findings to the Commission and the European Defence Agency.</u>		deleted	G

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u><i>The Defence Industrial Readiness Board shall issue guidance to further specify the information to be gathered and define the technical specifications and formats in which the information should be communicated. Member States may request the Commission and the European Defence Agency to assist them with collecting information from relevant undertakings on their territory.</i></u>				
		Article 40(1b)						
G		444i		<u><i>1b. Based on the mapping referred to in paragraph 1, Member States shall, in close cooperation with the identified undertakings, continuously monitor their production capacity and their supply chains and assess their overall ability to respond to the expected evolution of the market demand.</i></u>				<i>deleted</i>
		Article 40(1c)						
G		444j		<u><i>1c. Without prejudice to their national security interests, Member States shall provide the Commission with information arising from paragraphs 1a and 1b that is needed to achieve the</i></u>				<i>deleted</i>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>objectives of this Chapter.</u>				
		Article 40(1d)						
G	444k			<u>1d. The Commission shall regularly update the mapping.</u>				deleted
		Article 40(2)						
G	445	2. The Defence Industrial Readiness Board shall draw up a list of defence products which are critical for the security and defence interests of the Union and of its Member States, in particular the reinforcement of Member States' defence capabilities and the readiness of the EDTIB ('key defence products'). That list shall be updated on a regular basis, at least every year.		deleted		deleted		deleted
		Article 40(3)						
G	446	3. The Commission shall, after consulting the Defence Industrial Readiness Board, develop a framework and methodology for the identification of crisis-relevant products, with an emphasis on identifying bottlenecks, as well as their related manufacturing capacities in the Union.		3. The Commission ~~shall,~~ <u>after, together with the European Defence Agency and</u> consulting the Defence Industrial Readiness Board, ~~shall,~~ develop a framework and methodology for the identification of crisis-relevant products, with an emphasis on identifying bottlenecks, as well as their related manufacturing capacities in the Union.		3. The Commission shall, after consulting the Defence Industrial Readiness ~~Board,~~ Security of Supply Board, develop a framework and methodology for ~~the identification of~~ identifying crisis-relevant products, with an emphasis on ~~identifying~~ existing bottlenecks, as well as their related manufacturing capacities in the Union and for the mapping of		3. The Commission shall, after consulting the ~~Defence Industrial Readiness~~ Board , develop a framework and methodology for ~~the identification of~~ identifying crisis-relevant products, with an emphasis on ~~identifying~~ existing bottlenecks, as well as their related manufacturing capacities in the Union <u>and for the mapping of supply chains of those</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						supply chains of those products. That methodology shall build upon any frameworks or methodologies that may exist within Member States.		<u>products. That methodology shall build upon any frameworks or methodologies that may exist within Member States. For that purpose, the [Board] may issue recommendations on the type of information appropriate for the mapping of supply chains of crisis-relevant products, on the technical specifications and formats for communicating the information, as well as on the periodicity of such communication.</u>
		Article 40(3a)						
G		446a				3-a. On the basis of the framework and methodology developed pursuant to paragraph 3, Member States shall identify on their territory the relevant manufacturing capacities and supply chains of defence products and shall, without unnecessary delay, provide the outcome of this identification to the Commission.		<u>3-a. On the basis of the framework and methodology developed pursuant to paragraph 3, Member States shall identify on their territory the relevant manufacturing capacities and supply chains of defence products and shall provide the outcome of this identification to the Commission.</u> Text Origin: Council Mandate
		Article 40(3b)						
G		446b				3a. The Commission shall aggregate the data provided by Member States pursuant to		<u>3a. The Commission shall aggregate the data provided by Member States pursuant to</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						paragraph 3-a and perform a cross-check with a view to identifying the list of crisis-relevant products and their related manufacturing capacities as well as to assessing the strengths and weaknesses of the Union's supply chains of such products.		<u>paragraph 3-a and perform a cross-check with a view to identifying the list of crisis-relevant products and their related manufacturing capacities as well as to assessing the strengths and weaknesses of the Union's supply chains of such products.</u> Text Origin: Council Mandate
Article 40(4)								
447		4. The mapping referred to in paragraph 1 and identification referred to in paragraph 6 of this Article shall provide an analysis of the Union's strengths and weaknesses as regards the supply chains of crisis-relevant products and shall inform the programming of the Programme established under Chapter II.		4. The mapping referred to in paragraph 1 and identification referred to in paragraph 6 of this Article shall provide an analysis of the Union's ~~strengths and weaknesses as regards the~~ supply chains of crisis-relevant products and shall inform the programming of the Programme established under Chapter II.		<i>deleted</i>		<i>deleted</i>
Article 40(5)								
448		5. To do so, the Commission shall use, inter alia, publicly and commercially available data and relevant non-confidential information from undertakings, the result of similar analysis performed, including in the context of Union law on raw materials and renewable energy, as well as the		5. To ~~do so~~ <u>complement the data provided by Member States</u> , the Commission shall use, inter alia, publicly and commercially available data and relevant non-confidential information from undertakings, the result of similar analysis performed, including in the context of Union law on raw		5. ~~To do so~~ For that purpose , the Commission shall use, ~~inter alia~~ , publicly and commercially available data and relevant ~~non-confidential~~ non-sensitive information from ~~undertakings~~ economic operators , as well as the results ~~the result of similar analysis~~ analyses		5. To ~~do so~~ <u>complement the data provided by Member States</u> , the Commission shall use, ~~inter alia~~ , publicly and commercially available data and relevant non-confidential information from ~~undertakings~~ economic operators , <u>as well as the results</u> ~~the result of similar analysis~~ analyses

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
		evaluations carried out pursuant to Article 66(1). Where this is not enough to identify the crisis-relevant products, the Commission may issue voluntary information requests to relevant actors involved in the concerned value chains and based in the Union, after consulting the Defence Industrial Readiness Board.		materials and renewable energy, as well as the evaluations carried out pursuant to Article 66(1). Where this is not enough to identify the crisis-relevant products, the Commission may issue ~~voluntary~~ information requests to <u>Member States so that they gather information from</u> relevant actors involved in the concerned value chains and based in the Union, after consulting the Defence Industrial Readiness Board. <u>Member States may refuse such requests on the basis of national security interests or decide to classify the information transmitted to the Commission.</u>		performed, including in the context of Union law on raw materials and ~~renewable energy, as well as the evaluations~~ <u>semiconductors and of the relevant activities of the EDA, and the results of the stress tests conducted pursuant to Article 41a and of the evaluation</u> carried out pursuant to Article 66(1). ~~Where this is not enough to identify the crisis-relevant products, the Commission may issue voluntary information requests to relevant actors involved in the concerned value chains and based in the Union, after consulting the Defence Industrial Readiness Board.~~		performed, including in the context of Union law on raw materials and <u>semiconductors and</u> renewable energy, ~~as well as the evaluations~~ <u>the results of the relevant activities of the EDA, and the results of the stress tests conducted pursuant to Article [41a] and of the evaluation</u> carried out pursuant to Article 66(1). ~~Where this is not enough to identify the crisis-relevant products, the Commission may issue voluntary information requests to relevant actors involved in the concerned value chains and based in the Union, after consulting the Defence Industrial Readiness Board.~~ Text Origin: Council Mandate
	Article 40(5a)							
G	448a					6. Where this data is not enough to perform its tasks pursuant to paragraphs 3a, the Commission may issue voluntary information requests to relevant actors involved in the supply chains concerned and based in the Union, after consulting the Defence Security of Supply Board. The Commission's		<u>6. Where this data is not enough to perform its tasks pursuant to paragraphs 3a, the Commission may request relevant actors involved in the supply chains concerned and based in the Union to provide, on a voluntary basis, information to the Member State in whose territory the production site of the addressed</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			request shall explicitly indicate that the economic operator remains free to refuse such a request. Where the economic operator concerned decides to provide such information to the Commission, it shall also transmit a copy of the information provided to the Member State or Member States on whose territory the production site of that economic operator is located.	<u><i>economic operator is located. The Commission's request shall explicitly indicate that the economic operator remains free to refuse such a request. The request for information shall include the contact information of the national competent authorities from the Member State in whose territory the production site of the addressed economic operator is located to which the reply shall be sent. Where the economic operator concerned decides to provide the requested information to the Member State concerned, the latter shall, in turn, make the requested information available to the Commission.</i></u>
Article 40(6)				
449	6. The Commission shall, by means of implementing act, draw up and regularly update a list of crisis-relevant products. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(3).	6. The Commission shall, by means of implementing act, draw up and regularly update a list of crisis-relevant products <u>based on the outcome of the exercise in paragraph 3</u> . Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(3).	~~66a.~~ The Commission shall, by means of ~~an~~ implementing act, draw up and regularly update ~~at~~ the list of crisis-relevant products. ~~Those~~ ~~That~~ implementing ~~aets~~ act shall be adopted in accordance with the examination procedure referred to in Article 58(3).	~~66a.~~ The Commission shall, by means of <u>an</u> implementing act, draw up and regularly update ~~a~~ <u>the</u> list of crisis-relevant products. ~~Those~~ ~~That~~ implementing ~~aets~~ <u>act</u> shall be adopted in accordance with the examination procedure referred to in Article 58(3). Text Origin: Council Mandate
Article 40(7)				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
450	7. The Commission shall inform the Defence Industrial Readiness Board of the aggregate results of the activities carried out pursuant to paragraph 4 on a regular basis.	7. The Commission shall inform the Defence Industrial Readiness Board of the aggregate results of the activities carried out pursuant to ~~paragraph 4~~ <u>this Article</u> on a regular basis. <u>Those results shall constitute classified information.</u>	7. The Commission shall inform the Defence Industrial Readiness ~~Security of Supply~~ Board of the analysis of the strengths and weaknesses of the Union's supply chains of crisis-relevant products and of the aggregate results of the activities carried out pursuant to paragraph 4 on a regular mapping on an annual basis or at the request of one of the members of the Board as identified in Article 57(7). That analysis and results shall constitute classified information.	7. The Commission shall inform the ~~Defence Industrial Readiness~~ [Board] of the aggregate results of the ~~activities carried out pursuant to paragraph 4 on a regular~~ mapping on an annual basis <u>or at the request of one of the members of the [Board] as identified in Article 57(7). Those results shall constitute classified information.</u> Text Origin: EP Mandate
Article 40(8)				
451	8. The Commission shall, on the basis of the outcome of the activities carried out pursuant to paragraph 4 and after consulting the Defence Industrial Readiness Board, develop a list of early warning indicators. The Commission, after consulting the Defence Industrial Readiness Board, shall review the list of early warning indicators on a regular basis, at least every two years.	8. The Commission <u>and the European Defence Agency</u> shall, on the basis of the outcome of the activities carried out pursuant to paragraph 4 and after consulting the Defence Industrial Readiness Board, develop a list of early warning indicators. The Commission, after consulting the Defence Industrial Readiness Board, shall review the list of early warning indicators on a regular basis, at least every two years.	8. The Commission shall, on the basis of the outcome of the activities carried out pursuant to ~~paragraph 4~~ <u>paragraphs 3, 3a and 5</u> and after consulting the Defence Industrial Readiness ~~Security of Supply~~ Board, develop a list of ~~early warning~~ <u>early-warning</u> indicators <u>aimed at identifying factors that may disrupt, compromise or negatively affect the supply of crisis-relevant products.</u> The Commission, after consulting the Defence Industrial Readiness ~~Security of Supply~~ Board, shall review the list of ~~early~~	8. The Commission shall, on the basis of the outcome of the activities carried out pursuant to ~~paragraph 4~~ <u>paragraphs 3, 3a and 5</u> and after consulting the ~~Defence Industrial Readiness~~ Board, develop a list of ~~early~~ <u>early-warning</u> indicators <u>aimed at identifying factors that may disrupt, compromise or negatively affect the supply of crisis-relevant products.</u> The Commission, after consulting the ~~Defence Industrial Readiness~~ [Board], shall review the list of ~~early warning~~ <u>early-warning</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						warningearly-warning indicators on a regular basis, at least every two years.		indicators on a regular basis, at least every two years. Text Origin: Council Mandate
Article 40(8a)								
451a						8a. Member States shall, in cooperation with the Commission where relevant, identify the main suppliers of crisis-relevant products established on their territory, without unnecessary delay, after the adoption of the implementing act referred to in paragraph 3a.		<u>8a. Member States shall, in cooperation with the Commission and the European Defence Agency, where relevant, identify the main suppliers of crisis-relevant products established on their territory, without unnecessary delay, after the adoption of the implementing act referred to in paragraph 6a. Each Member State shall notify the main suppliers of crisis-relevant products established on its territory that they have been identified pursuant to paragraph [8a] and inform them about the obligation to report on disruptions in the supply of crisis-relevant products as set out in Article 41(1)(c) of this Regulation. That notification shall also include the relevant contact information of the national competent authorities to which that report shall be sent.</u> Text Origin: Council Mandate
Article 40(8b)								

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement	
G	451b				8b.	The identification of main suppliers as referred to in paragraph 8a may take into account the following elements:		<u>8b. The identification of main suppliers as referred to in paragraph 8a may take into account the following elements:</u> Text Origin: Council Mandate	G
	Article 40(8b), point (a)								
G	451c				(a)	the market share of the supplier in the market for that crisis-relevant product;		<u>(a) the market share of the supplier in the market for that crisis-relevant product;</u> Text Origin: Council Mandate	G
	Article 40(8b), point (b)								
G	451d				(b)	the importance of the supplier in maintaining a sufficient level of supply of a crisis-relevant product in the Union, taking into account the availability in the Union of alternative means for the provision of that product;		<u>(b) the importance of the supplier in maintaining a sufficient level of supply of a crisis-relevant product in the Union, taking into account the availability in the Union of alternative means for the provision of that product;</u> Text Origin: Council Mandate	G
	Article 40(8b), point (c)								
G	451e				(c)	the impact that a disruption of supply of the crisis-relevant product provided by the supplier could have on the functioning of the internal market.		<u>(c) the impact that a disruption of supply of the crisis-relevant product provided by the supplier could have on the functioning of the internal market.</u>	G

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								Text Origin: Council Mandate
	Article 40(9)							
452		9. Any information obtained pursuant to this Article shall be treated in compliance with the confidentiality obligations set out in Article 61.		9. Any information obtained pursuant to this Article shall be treated in compliance with the confidentiality obligations set out in Article 61.		9. Without prejudice to paragraph 7 of this Article , any information obtained pursuant to this Article shall be treated in compliance with the confidentiality obligations set out in Article 61.		9. <u>Without prejudice to paragraph 7 of this Article</u> , any information obtained pursuant to this Article shall be treated in compliance with the confidentiality obligations set out in Article 61. Text Origin: Council Mandate
	Article 40(10)							
453		10. This Article shall be without prejudice to the protection of Member States' essential security interests, as referred to in Article 346 TFEU (1) (a).		10. This Article shall be without prejudice to the protection of Member States' essential security interests, as referred to in Article 346 TFEU (1) (a).		10. This Article ~~shall be~~ without prejudice to the ~~protection of~~ fright of each Member States' State to protect its essential security interests, ~~as referred to in~~ in accordance with in Article 346 TFEU (1) (a) 346(1), point (a), TFEU.		10. This Article ~~shall be~~ without prejudice to the ~~protection of~~ fright of each Member States' State to protect its essential security interests, ~~as referred to in~~ in accordance with in Article ~~346 TFEU (1) (a)~~ 346(1), point (a), TFEU. Text Origin: Council Mandate
	Article 41							
454		Article 41 Monitoring		Article 41 Monitoring		Article 41 Monitoring of defence supply chains		Article 41 Monitoring
	Article 41(1), first subparagraph							
455		1. The Commission, in consultation with the Defence Industrial Readiness Board, shall carry out regular monitoring of the		1. The Commission, ~~in consultation with~~ <u>together with the Member States and the European Defence Agency in the framework</u>		1. Member States and the Commission, in ~~consultation~~ cooperation with the Defence Industrial		1. <u>Member States and</u> the Commission, in ~~consultation~~ cooperation with the ~~Defence Industrial Readiness~~

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		Union's manufacturing capacities necessary for the supply of crisis-relevant products, identified in accordance with Article 40, paragraph (6) with a view to identifying factors that may disrupt, compromise or negatively affect the supply of the key defence products they contribute to provide. The monitoring shall consist of the following activities:		<u>of</u> the Defence Industrial Readiness Board, shall carry out regular monitoring of the Union's manufacturing capacities necessary for the supply of crisis-relevant products, identified in accordance with Article ~~40, paragraph (6)~~ <u>40(6)</u> with a view to identifying factors that may disrupt, compromise or negatively affect the supply of the ~~key defence~~ <u>crisis-relevant</u> products they contribute to provide. The monitoring shall consist of the following activities:		~~Readiness~~ <u>Security of Supply</u> Board, shall carry out regular monitoring of the Union's manufacturing capacities necessary for the supply of crisis-relevant products, identified in accordance with Article 40(6a), in order to identify possible risks to , paragraph (6) with a view to identifying factors that may disrupt, compromise or negatively affect the supply of the key ~~defence~~ <u>those</u> products they contribute to provide. The monitoring shall consist of the following activities:		<u>[Board]</u> , shall carry out regular monitoring of the Union's manufacturing capacities necessary for the supply of crisis-relevant products, identified in accordance with Article 40, paragraph ~~(6)~~ <u>(6a)</u> , with a view to identifying ~~factors that may disrupt, compromise or negatively affect~~ <u>possible risks to</u> the supply of ~~the key defence~~ <u>crisis-relevant</u> products ~~they contribute to provide~~ . The monitoring shall consist of the following activities: Text Origin: Council Mandate
	Article 41(1), first subparagraph, point (a)							
G	456	(a) monitoring of early warning indicators identified pursuant to Article 40(8);		(a) monitoring <u>by Member States</u> of early warning indicators <u>at national level</u> identified pursuant to Article 40(8);		(a) ~~monitoring of early warning~~ <u>the Commission, in cooperation with the Defence Security of Supply Board, shall monitor early-warning</u> indicators identified pursuant to Article 40(8), including by aggregating any input received from Member States;		(a) ~~monitoring of early warning~~ <u>the Commission, in cooperation with the [Board], shall monitor early-warning</u> indicators identified pursuant to Article 40(8), <u>including by aggregating any input received from Member States on the basis of information collected at national level;</u> Text Origin: Council Mandate
	Article 41(1), first subparagraph, point (b)							
G	457	(b) monitoring by Member		(b) monitoring by Member		(b) ~~monitoring by~~ Member		(b) ~~monitoring by~~ Member

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		States of the integrity of activities carried out by the key market actors referred to in Article 42 and reporting by Member States on major events that may hinder the regular operations of such activities;		States of the integrity of activities carried out by the key market actors referred to in Article 42 and reporting by Member States <u>to the Defence Industrial Readiness Board</u> on major events that may hinder the regular operations of such activities;		States shall monitor, in light of the integrity of activities carried out by the key market actors early-warning indicators, the ability of the main suppliers of crisis-relevant products referred to in Article 42 and reporting by Member States on major events that may hinder the regular operations of such 40(8a) to carry out their activities and report to the Defence Security of Supply Board on any event that may have negative and lasting consequences on the timely availability and supply of those products;		States <u>shall monitor, in light of the integrity of activities carried out by the key market actors</u> <u>early-warning indicators, the ability of the main suppliers of crisis-relevant products</u> referred to in Article ~~42 and reporting by Member States on major~~ <u>40(8a) to carry out their activities and report to the [Board] on any</u> events that may ~~hinder the regular operations of such activities~~ <u>have negative and lasting consequences on the timely availability and supply of those products;</u> Text Origin: Council Mandate
Article 41(1), first subparagraph, point (ba)								
457a				<u>(ba) monitoring by key market actors referred to in Article 42 of their global value chains and reporting to the Defence Industrial Readiness Board on possible disruptions of supply which may affect their activities;</u>				<u>Where main suppliers of crisis-relevant products detect disruptions of supply which may significantly affect their activities related to the production of crisis relevant products, they shall report on such disruptions to the Member State in whose territory they are established. The Member State concerned shall, in turn, communicate that information to the Commission without undue delay;</u>
Article 41(1), first subparagraph, point (c)								

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
458	(c) identifying best practices for preventive risk mitigation and increased transparency of the Union's manufacturing capacities necessary for the supply of crisis-relevant products.	(c) identifying best practices for preventive risk mitigation and increased transparency of the Union's manufacturing capacities necessary for the supply of crisis-relevant products.	(c) ~~identifying the~~ Commission, after consulting the Defence Security of Supply Board, shall identify best practices for preventive risk mitigation and increased transparency of the Union's manufacturing capacities necessary for the supply of crisis-relevant products.	(c) ~~identifying the~~ <u>Commission, after consulting the Board, shall identify</u> best practices for preventive risk mitigation and increased transparency of the Union's manufacturing capacities necessary for the supply of crisis-relevant products. Text Origin: Council Mandate
Article 41(1), second subparagraph				
459	The Commission, after consulting the Defence Industrial Readiness Board, shall establish the frequency of the monitoring.	The Commission, after consulting the Defence Industrial Readiness Board, shall establish the frequency of the monitoring.	The Commission, after consulting the Defence ~~Industrial Readiness~~ Security of Supply Board, shall establish the frequency of the monitoring.	The Commission, after consulting the ~~Defence Industrial Readiness~~ Board, shall establish the frequency of the monitoring.
Article 41(2)				
460	2. The Commission shall pay particular attention to SMEs to minimise administrative burden resulting from the information collection.	2. ~~The Commission~~ <u>Member States</u> shall pay particular attention to SMEs to minimise administrative burden resulting from the information collection <u>and may, in exceptionally burdensome cases, provide dedicated assistance.</u>	2. The Commission and the Member States shall pay particular attention to SMEs in order to minimise ~~the~~ administrative burden resulting from the ~~information collection~~ monitoring referred to in paragraph 1.	2. The Commission <u>and the Member States</u> shall pay particular attention to SMEs <u>in order</u> to minimise <u>the</u> administrative burden resulting from the ~~information collection~~ <u>monitoring referred to in paragraph and may, where necessary, provided dedicated assistance.</u>
Article 41(3)				
461	3. The Commission may invite, after consulting the Defence Industrial Readiness Board, key	3. The Commission may invite, after consulting the Defence Industrial Readiness Board, ~~key~~	3. The Commission may invite, after consulting the Defence ~~Industrial Readiness~~ Security of	3. The Commission may invite, after consulting the ~~Defence Industrial Readiness~~ Board, ~~key~~

	CLEAN Commission Proposal	V5.EC EP Mandate	V5.EC Council Mandate	V5.EC Draft Agreement
	market actors referred to in Article 42, Member States, national defence industry associations and other relevant stakeholders to provide information, on a voluntary basis, for the purpose of carrying out monitoring activities in accordance with paragraph 1, first subparagraph, point (a).	~~market actors referred to in Article 42~~ , Member States, national defence industry associations and other relevant stakeholders to provide information, on a voluntary basis, for the purpose of carrying out monitoring activities in accordance with paragraph 1, first subparagraph, point (a).	Supply Board, ~~key market actors~~ the main suppliers of crisis-relevant products referred to in Article 42 40(8a) , Member States, national defence industry associations and other relevant stakeholders to provide information, on a voluntary basis, for the purpose of carrying out monitoring activities in accordance with paragraph 1, first subparagraph, point (a).	~~market actors~~ the main suppliers of crisis-relevant products referred to in Article ~~42~~ 40(8a) , Member States, national defence industry associations and other relevant stakeholders to provide information, on a voluntary basis, for the purpose of carrying out monitoring activities in accordance with paragraph 1, first subparagraph, point (a). Text Origin: Council Mandate
Article 41(4)				
462	4. For the purposes of paragraph 1, first subparagraph, point (b), Member States may request information, on a voluntary basis, from key market actors referred to in Article 42 where necessary and proportionate.	4. For the purposes of paragraph 1, first subparagraph, point (b), Member States may request information, on a voluntary basis, from key market actors referred to in Article 42 where necessary and proportionate.	4. For the purposes of paragraph 1, first subparagraph, point (b), Member States may request information, on a voluntary basis, from ~~key market actors~~ the main suppliers of crisis-relevant products referred to in Article ~~42~~ 40(8a) where necessary and proportionate.	4. For the purposes of paragraph 1, first subparagraph, point (b), Member States may request information, on a voluntary basis, from ~~key market actors~~ the main suppliers of crisis-relevant products referred to in Article ~~42~~ 40(8a) where necessary and proportionate. Text Origin: Council Mandate
Article 41(5)				
463	5. For the purposes of paragraph 3, national competent authorities shall establish and maintain a list of contacts of all relevant undertakings contributing effectively or potentially to the	5. For the purposes of paragraph 3, national competent authorities shall establish and maintain a list of contacts of all relevant undertakings contributing effectively or potentially to the	5. For the purposes of paragraph 3, ~~national~~ of Member States competent authorities shall establish and maintain a list of contacts of ~~all relevant undertakings contributing~~	5. For the purposes of paragraph 3, ~~national~~ of Member States competent authorities shall establish and maintain a list of contacts of ~~all relevant undertakings contributing~~

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	supply of the key defence products, which are established in their territory. That list shall be transmitted to the Commission. The Commission shall provide for a standardised format for the list of contacts with a view to ensuring interoperability.	supply of the ~~key defence~~ <u>crisis-relevant</u> products, which are established in their territory. ~~That list shall be transmitted to the Commission.~~ The Commission shall provide for a standardised format for the list of contacts with a view to ensuring interoperability.	effectively or potentially to the supply of the key defence ~~the main~~ suppliers of crisis-relevant products, which are established ~~in~~ <u>on</u> their territory. That list shall be transmitted to the Commission. Within the Defence Security of Supply Board , the Commission shall provide for a standardised format for ~~the~~ <u>that</u> list of contacts ~~with a view to ensuring interoperability.~~	~~effectively or potentially to the supply of the key defence~~ <u>the main suppliers of crisis-relevant</u> products, which are established ~~in~~ <u>on</u> their territory. That list shall be transmitted to the Commission. <u>Within the Board</u> , the Commission shall provide for a standardised format for the list of contacts ~~with a view to ensuring interoperability.~~ Text Origin: Council Mandate
Article 41(6)				
464	6. Without prejudice to their essential security interests and the protection of commercially confidential information resulting from agreements entered into by Member States, Member States shall, where appropriate, provide the Defence Industrial Readiness Board with any additional relevant information, in particular on the potential or future adoption at national level measures for the procurement, purchase or manufacturing of crisis-relevant products.	6. Without prejudice to their essential security interests and the protection of commercially confidential information resulting from agreements entered into by Member States, Member States shall, where appropriate, provide the Defence Industrial Readiness Board with any additional relevant information, in particular on the potential or future adoption at national level measures for the procurement, purchase or manufacturing of crisis-relevant products.	6. Without prejudice to ~~their~~ essential security interests and the protection of commercially confidential information ~~resulting from agreements entered into by Member States~~ , Member States shall, ~~where appropriate~~ , provide the Defence Industrial Readiness Security of Supply Board with ~~any~~ additional relevant information, in particular ~~on the potential or~~ the identification of issues related to the supply of crisis-relevant products throughout the Union or relevant future ~~adoption at~~ national level measures for the procurement, purchase or manufacturing of crisis-relevant products.	6. Without prejudice to ~~their~~ essential security interests and the protection of commercially confidential information ~~resulting from agreements entered into by Member States~~ , Member States shall, ~~where appropriate~~ , provide the ~~Defence Industrial Readiness~~ Board with ~~any~~ additional relevant information, in particular ~~on the potential or~~ <u>the identification of issues related to the supply of crisis-relevant products throughout the Union or relevant</u> future ~~adoption at~~ national level measures for the procurement, purchase or manufacturing of crisis-relevant products.

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								Text Origin: Council Mandate
Article 41(7)								
465		7. On the basis of the information collected through the activities under paragraph 1, the Commission shall provide a report of the aggregated findings to the Defence Industrial Readiness Board in the form of regular updates. The Defence Industrial Readiness Board shall meet to assess the results of the monitoring. Where relevant, the chair of the Defence Industrial Readiness Board may invite national defence industrial associations, key market actors, and experts from academia and civil society to such meetings.		7. On the basis of the information collected through the activities under ~~paragraph 1~~ <u>this Article</u>, the Commission shall provide a report of the aggregated findings to the <u>Member States and the European Defence Industrial Readiness Board Agency</u> in the form of regular updates. <u>This analysis and those results shall constitute classified information.</u> The Defence Industrial Readiness Board shall meet to assess the results of the monitoring. Where relevant, the chair of the Defence Industrial Readiness Board may invite national defence industrial associations, key market actors, and experts from academia and civil society to such meetings.		7. On the basis of the information collected through the monitoring activities conducted under ~~paragraph 1~~ <u>this Article</u>, the Commission shall provide a report of the aggregated findings to the Defence Industrial Readiness Security of Supply Board in the form of regular updates. That report shall constitute classified information. The Defence Industrial Readiness Security of Supply Board shall meet to assess the results of the ~~monitoring~~ report and to identify, where appropriate, potential solutions to the issues of common interest. Where relevant, the ~~chair of the Defence Industrial Readiness Board~~ Chair of Commission, after consulting the Defence Industrial Readiness Security of Supply Board, may invite national defence industrial associations, ~~key market actors~~ main suppliers of crisis-relevant products referred to in Article 40(8a), and experts from academia and civil society to such meetings.		7. On the basis of the information collected through the <u>monitoring</u> activities <u>conducted</u> under ~~paragraph 1~~ <u>this Article</u>, the Commission shall provide a report of the aggregated findings to the ~~Defence Industrial Readiness~~ Board in the form of regular updates. <u>That report shall constitute classified information.</u> The ~~Defence Industrial Readiness~~ Board shall meet to assess the results of the ~~monitoring~~ <u>report and to identify, where appropriate, potential solutions to the issues of common interest.</u> Where relevant, the ~~chair of the Defence Industrial Readiness Commission~~, <u>after consulting the</u> Board, may invite national defence industrial associations, ~~key market actors~~ <u>main suppliers of crisis-relevant products referred to in Article 40(8a)</u>, and experts from academia and civil society to such meetings. Text Origin: Council Mandate
Article 41(8)								

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
466	8. This Article shall be without prejudice to the protection of Member States' essential security interests as referred to in Article 346 TFEU (1) (a).	8. This Article shall be without prejudice to the protection of Member States' essential security interests as referred to in Article ~~346 TFEU (1) (a)~~ <u>346(1), point (a) TFEU</u> .	8. This Article ~~shall be~~ without prejudice to the ~~protection of~~ <u>right of each</u> Member States' ~~State to protect its~~ essential security interests as referred to in ~~Article 346 TFEU (1) (a)~~ <u>Article 346(1)(a) TFEU</u> .	8. This Article ~~shall be~~ without prejudice to the ~~protection of~~ <u>right of each</u> Member States' ~~State to protect its~~ essential security interests ~~as referred to in~~ <u>accordance with</u> Article ~~346 TFEU (1) (a)~~ <u>346(1)(a) TFEU</u> . Text Origin: Council Mandate
Article 42				
467	Article 42 Key market actors	Article 42 Key market actors	<i>deleted</i>	<i>deleted</i>
Article 42(1)				
468	1. Member States shall, in cooperation with the Commission, identify key market actors involved in the supply of key defence products established in their territory, taking into account the following elements:	1. Member States shall, in cooperation with the Commission <u>and the European Defence Agency</u> , identify key market actors involved in the supply of ~~key~~ <u>defence</u> <u>crisis-relevant</u> products established in their territory, taking into account the following elements:	<i>deleted</i>	<i>deleted</i>
Article 42(1), point (a)				
469	(a) the Union or global market share of the key market actor in the market for that product;	(a) the Union or global market share of the key market actor in the market for that product;	<i>deleted</i>	<i>deleted</i>
Article 42(1), point (b)				
470	(b) the importance of a market	(b) the importance of a market		

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	actor in maintaining a sufficient level of supply of a product in the Union, taking into account the availability in the Union of alternative means for the provision of that product;	actor in maintaining a sufficient level of supply of a product in the Union, taking into account the availability in the Union of alternative means for the provision of that product;	<i>deleted</i>	<i>deleted</i>
Article 42(1), point (c)				
471	(c) the impact that a disruption of supply of the product provided by the market actor could have on the supply of crisis-relevant products.	(c) the impact that a disruption of supply of the product provided by the market actor could have on the supply of crisis-relevant products.	<i>deleted</i>	<i>deleted</i>
Article 42(2)				
472	2. Member States shall report on major events that may hinder the regular operations of the activities as referred to in paragraph 1.	2. Member States shall report on major events that may hinder the regular operations of the activities as referred to in paragraph 1.	<i>deleted</i>	<i>deleted</i>
Article 42a				
472a		Article 42a Stress tests	Article 41a Stress tests	Article 41a Stress tests Text Origin: Council Mandate
Article 42a(1)				
472b		1. The Commission, upon consultation of the Defence Industrial Readiness Board, shall identify relevant topics for the conduct of stress tests.	-1. The Defence Security of Supply Board shall identify relevant topics for the conduct of stress tests.	-1. The Commission, upon consultation of the Defence Security of Supply Board, shall identify relevant topics for the conduct of stress tests.

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VSEC	Council Mandate	VS.EC	Draft Agreement	
								Text Origin: EP Mandate	
Article 42a(2)									
G	472c			<u>2. The Commission, taking into consideration the results of paragraph 1, shall conduct and coordinate stress tests on a regular basis, including simulations that aim to anticipate and prepare for a supply crisis as referred to in Article 44. In particular, the Commission shall:</u>		1. The Commission, taking into consideration the recommendation of the Defence Security of Supply Board regarding relevant topics identified in line with paragraph -1, may conduct and coordinate stress tests, including simulations that aim to anticipate and prepare for a supply crisis as referred to in Article 44.		<u>1. The Commission, taking into consideration the relevant topics identified in line with paragraph -1, shall conduct and coordinate stress tests, including simulations that aim to anticipate and prepare for a supply crisis as referred to in Article 44.</u> Text Origin: Council Mandate	G
Article 42a(3)									
G	472d					2. In particular, the Commission may:		<u>2. In particular, the Commission may:</u> Text Origin: Council Mandate	G
Article 42a(3), point (a)									
G	472e			<u>(a) develop scenarios and parameters that capture the particular risks associated with a supply crisis, in order to assess the potential impact on the provision of crisis-relevant products and the proper functioning of the internal market;</u>		(a) develop scenarios and parameters that capture the particular risks associated with a supply crisis, in order to assess the potential impact on the provision of crisis-relevant products and the proper functioning of the internal market;		<u>(a) develop scenarios and parameters that capture the particular risks associated with a supply crisis, in order to assess the potential impact on the provision of crisis-relevant products and the proper functioning of the internal market;</u> Text Origin: Council Mandate	G
Article 42a(3), point (b)									

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
472f			<u>(b) facilitate and encourage the development of strategies for emergency preparedness;</u>	(b) facilitate and encourage the development of strategies for emergency preparedness;	<u>(b) facilitate and encourage the development of strategies for emergency preparedness;</u>		Text Origin: Council Mandate	
Article 42a(3), point (c)								
472g			<u>(c) identify, in cooperation with the Defence Industrial Readiness Board, risk mitigation measures after the completion of the stress tests.</u>	(c) identify, in cooperation with the Defence Security of Supply Board, risk mitigation measures after the completion of the stress tests.	<u>(c) identify, in cooperation with the Board, risk mitigation measures after the completion of the stress tests.</u>		Text Origin: Council Mandate	
Article 42a(4)								
472h				2a. The Commission may conduct stress tests on a regular basis. The Defence Security of Supply Board shall provide recommendations regarding the frequency for the conduct of stress tests.	<u>2a. The Commission may conduct stress tests referred to in paragraph 1 on a regular basis. The Defence Security of Supply Board shall provide recommendations regarding the frequency for the conduct of stress tests.</u>		EP equivalent, line 472c Text Origin: Council Mandate	
Article 42a(5)								
472i			<u>4. The Commission shall invite representatives of all Member States to participate in stress tests. Upon consultation of the</u>	3. The Commission shall invite representatives of all Member States to participate in stress tests. The participation of Member States in stress tests	<u>3. The Commission shall invite representatives of all Member States to participate in stress tests. Upon consultation of the Defence Security of Supply</u>			

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>Defence Industrial Readiness Board, the Commission may also invite representatives of the High Representative, the European Defence Agency or other relevant actors to participate in the tests referred to in paragraph 2.</u>		shall be voluntary. After consulting the Defence Security of Supply Board, the Commission may also invite representatives of the High Representative, the EDA or other relevant actors.		<u>Board, the Commission may also invite representatives of the High Representative, the European Defence Agency or other relevant actors to participate in the tests referred to in paragraph 2.</u> Recital reflecting voluntary participation to be included. Text Origin: Council Mandate
		Article 42a(6)						
G	472j					4. Upon a request by two or more Member States, the Commission may conduct stress tests in specific geographical areas or border regions in those Member States.		<u>4. Upon a request by two or more Member States, the Commission may conduct stress tests in specific geographical areas or border regions in those Member States.</u> Text Origin: Council Mandate
		Article 42a(7)						
G	472k			<u>5. The Commission shall present to the Defence Industrial Readiness Board a report with recommendations based on the outcome of the stress tests. The results of the stress tests shall constitute classified information.</u>		5. Upon prior approval by the participating Member States, the Commission shall communicate the results of the stress tests conducted pursuant to this Article, and share a report thereon with the Defence Security of Supply Board and Member States, within two months of completion of the stress tests. Those results and		<u>7. Upon completion of the stress tests conducted pursuant to this Article, the Commission shall communicate the results to the participating Member States. The Commission shall share with the [Board] a report with recommendations based on the results of the stress tests without undue delay. Those results and the report shall constitute</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						that report shall constitute classified information.		<u>classified information.</u> Agreement to add a recital, clarifying that 2 months would be an ideal deadline for the report.
Section 3								
Y	473	Section 3 Supply crisis - prevention and mitigation	Section 3	Supply crisis - prevention and mitigation	Section 3	Sub-section 2 Prevention of a supply crisis—prevention and mitigation		
Article 43								
G	474	Article 43 Alerts and preventive action	Article 43	Alerts and preventive action	Article 43	Alerts and preventive action	Article 43 Alerts and preventive action	<u>Text Origin: Commission Proposal</u>
Article 43(1)								
G	475	1. Where a national competent authority becomes aware of a risk of serious disruption of a crisis-relevant products or has concrete and reliable information of any other relevant risk factor or event materializing affecting the supply of a crisis relevant product, it shall alert the Defence Industrial Readiness Board without undue delay.	1. Where a national competent authority becomes aware of a risk of serious disruption <u>in the supply</u> of a crisis-relevant <u>product, which are not defence</u> products, or has concrete and reliable information of any other relevant risk factor or event materializing affecting the supply of a crisis relevant product, it shall alert the Defence Industrial Readiness Board without undue delay.	1. Where a ~~national~~ competent authority of a Member State becomes aware of a risk of serious disruption in the supply of a crisis-relevant products or has concrete and reliable information of any other relevant risk factor or event ~~materializing~~ materially affecting the supply of a ~~crisis relevant~~ crisis-relevant product, it shall alert the Defence ~~Industrial Readiness~~ Security of Supply Board without undue delay.	1. Where a ~~national~~ competent authority <u>of a Member State</u> becomes aware of a risk of serious disruption <u>in the supply</u> of a crisis-relevant ~~products~~ <u>product</u> or has concrete and reliable information of any other relevant risk factor or event ~~materializing~~ <u>materially</u> affecting the supply of a ~~crisis relevant~~ <u>crisis-relevant</u> product, it shall alert the Defence ~~Industrial Readiness~~ <u>Security of Supply</u> Board without undue delay.		<u>Text Origin: Council Mandate</u>	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 43(1a)								
G	475a			<u>1a. In order to determine whether a risk of serious disruption should trigger an alert as referred to in paragraph 1, Member States shall take into account the following:</u>		1a. In order to determine whether a risk of serious disruption should trigger an alert as referred to in paragraph 1, Member States shall take into account the following:		<u>1a. In order to determine whether a risk of serious disruption should trigger an alert as referred to in paragraph 1, Member States shall take into account the following:</u> Text Origin: Council Mandate
Article 43(1a), point (a)								
G	475b			<u>(a) the market position of economic operators that could be affected by the disruption;</u>		(a) the market position of economic operators that could be affected by the disruption;		<u>(a) the market position of economic operators that could be affected by the disruption;</u> Text Origin: Council Mandate
Article 43(1a), point (b)								
G	475c			<u>(b) the anticipated duration of the potential disruption;</u>		(b) the anticipated duration of the potential disruption;		<u>(b) the anticipated duration of the potential disruption;</u> Text Origin: Council Mandate
Article 43(1a), point (c)								
G	475d			<u>(c) the geographical area and the proportion of the internal market affected by the potential disruption and its possible cross-border effects, as well as its possible impact on particularly vulnerable or exposed geographical areas; and</u>		(c) the geographical area and the proportion of the internal market affected by the potential disruption and its possible cross-border effects, as well as its possible impact on particularly vulnerable or exposed geographical areas; and		<u>(c) the geographical area and the proportion of the internal market affected by the potential disruption and its possible cross-border effects, as well as its possible impact on particularly vulnerable or exposed geographical areas; and</u> Text Origin: Council Mandate

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 43(1a), point (d)								
475e			(d)	<u>the impact of this potential disruption on the supply of crisis-relevant products.</u>	(d)	the impact of the potential disruption on the supply of crisis-relevant products.	(d)	<u>the impact of the potential disruption on the supply of crisis-relevant products.</u> Text Origin: Council Mandate
Article 43(2)								
476		2. Where the Defence Industrial Readiness Board or the Commission become aware of a risk of serious disruption of a crisis relevant product or has concrete and reliable information of any other relevant risk factor or event materializing affecting the supply of a crisis relevant product, including on the basis of early warning indicators, upon an alert pursuant to paragraph 1 or from international partners, the Commission shall, without undue delay, carry out the following preventive actions:	2.	Where <u>the Member States alert</u> the Defence Industrial Readiness Board or the Commission ~~become aware of a~~ <u>the</u> risk of serious disruption <u>of the supply</u> of a crisis relevant product or has concrete and reliable information of any other relevant risk factor or event materializing affecting the supply of a crisis relevant product, including on the basis of early warning indicators, upon an alert pursuant to paragraph 1 or from international partners, the Commission shall, without undue delay, carry out the following preventive actions:	2.	Where the Defence ~~Industrial Readiness~~ Security of Supply Board or the Commission become aware of a risk of serious disruption in the supply of a crisis-relevant of a crisis relevant product or has concrete and reliable information of any other relevant risk factor or event ~~materializing~~ materially affecting the supply of a ~~crisis relevant~~ crisis-relevant product, including on the basis of ~~early warning~~ early-warning indicators, upon an alert pursuant to paragraph 1 or from international partners, the Commission shall, without undue delay, carry out the following preventive actions:	2.	Where the Defence ~~Industrial Readiness~~ Security of Supply Board or the Commission become aware of a risk of serious disruption in the supply of a crisis-relevant of a crisis relevant product or has concrete and reliable information of any other relevant risk factor or event ~~materializing~~ materially affecting the supply of a ~~crisis relevant~~ crisis-relevant product, including on the basis of ~~early warning~~ early-warning indicators, upon an alert pursuant to paragraph 1 or from international partners, the Commission shall, without undue delay, carry out the following preventive actions: Text Origin: Council Mandate
Article 43(2), point (a)								
477		(a) convene an extraordinary meeting of the Defence Industrial Readiness Board to coordinate the	(a)	convene an extraordinary meeting of the Defence Industrial Readiness Board to coordinate the	(a)	convene an extraordinary meeting of the Defence ~~Industrial Readiness~~ Security of Supply	(a)	convene an extraordinary meeting of the Defence ~~Industrial Readiness~~ Security of Supply

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement	
	following actions:	following actions:	Board to coordinate the following actions:	Board to coordinate the following actions: Text Origin: Council Mandate	
Article 43(2), point (a)(1)					
G 478	(1) discuss the severity of the disruptions to the availability and supply of the concerned crisis-relevant products;	(1) discuss the severity of the <u>potential</u> disruptions to the availability and supply of the concerned crisis-relevant products;	~~(1)~~ (i) discuss the severity of the potential disruptions to the availability and supply of the ~~concerned~~ crisis-relevant products concerned ;	~~(1)~~ (i) discuss the severity of the <u>potential</u> disruptions to the availability and supply of the ~~concerned~~ crisis-relevant products <u>concerned</u> ; Text Origin: Council Mandate	G
Article 43(2), point (a)(2)					
G 479	(2) recommend to the Commission to initiate action in accordance with Chapter II of this Regulation;	(2) recommend to the Commission to initiate action in accordance with Chapter II of this Regulation;	<i>deleted</i>	(2) recommend to the Commission to initiate action in accordance with Chapter II <u>and IIa</u> of this Regulation; Text Origin: EP Mandate	G
Article 43(2), point (a)(3)					
G 480	(3) discuss approaches of the national competent authorities, including to assess the state of preparedness of the key market actors;	(3) discuss approaches ~~of the national competent authorities~~ <u>and exchange best practices</u> , including to assess the state of preparedness of the key market actors;	~~(3)~~ (iii) discuss approaches of the ~~national~~ competent authorities of Member States , including to assess the state of preparedness of the ~~key market actors~~ suppliers of crisis-relevant products ;	~~(3)~~ (iii) discuss approaches <u>and exchange best practices</u> of the ~~national~~ competent authorities <u>of Member States</u> , including to assess the state of preparedness of the ~~key market actors~~ <u>main suppliers of crisis-relevant products</u> ; Text Origin: Council Mandate	G
Article 43(2), point (a)(4)					
G 481	(4) enter into dialogue with	(4) <u>invite Member States to</u>	~~(4)~~ (iv) ask Member States to	(4) <u>invite Member States to</u>	G

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	stakeholders of the Union's manufacturing capacities necessary for the supply of crisis-relevant products with a view to identifying, preparing and possibly coordinating preventive measures;	enter into dialogue with stakeholders of the Union's manufacturing capacities necessary for the supply of crisis-relevant products with a view to identifying, preparing and possibly coordinating preventive measures;	enter into dialogue with stakeholders of the Union's manufacturing capacities necessary for the supply of crisis-relevant products with a view to identifying, preparing and possibly coordinating preventive measures;	enter into dialogue with stakeholders of the Union's manufacturing capacities necessary for the supply of crisis-relevant products with a view to identifying, preparing and possibly coordinating preventive measures; Text Origin: EP Mandate
Article 43(2), point (a)(5)				
482	(5) discuss the activation of the supply crisis state referred to in Article 44 where necessary and proportionate.	(5) discuss the activation of the supply crisis state referred to in Article 44 where necessary and proportionate.	~~(5)~~ (v) discuss whether the activation of the ~~supply crisis~~ supply-crisis state referred to in Article 44 ~~where~~ would be necessary and proportionate.	(5) discuss <u>whether</u> the activation of the ~~supply crisis~~ <u>supply-crisis</u> state referred to in Article 44 ~~where~~ <u>would be</u> necessary and proportionate. Text Origin: Council Mandate
Article 43(2), point (b)				
483	(b) on behalf of the Union, enter into consultations or cooperation with relevant third countries and international organisations with a view to seeking cooperative solutions to address supply-chain disruptions, in compliance with international obligations, which may involve, where appropriate, carrying out coordination in relevant international fora.	(b) on behalf of the Union, enter into consultations or cooperation with relevant third countries and international organisations with a view to seeking cooperative solutions to address supply-chain disruptions, in compliance with international obligations, which may involve, where appropriate, carrying out coordination in relevant international fora.	~~(b)~~ (c) on behalf of the Union, after consulting the Defence Security of Supply Board , enter into consultations ~~or cooperation~~ with relevant third countries and international organisations with a view to seeking cooperative solutions to avoid or address ~~supply chain~~ supply chain disruptions, in compliance with international obligations, which may involve, where appropriate, carrying out coordination in relevant international fora;	(b) on behalf of the Union, <u>after consulting the Defence Security of Supply Board</u> , enter into consultations or cooperation with relevant third countries and international organisations with a view to seeking cooperative solutions to <u>avoid or</u> address ~~supply chain~~ <u>supply chain</u> disruptions, in compliance with international obligations, which may involve, where appropriate, carrying out coordination in relevant international fora.;

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement	
								Text Origin: Council Mandate	
		Article 43(2), point (ba)							
G		483a		<u>(ba) ensure synergies with relevant Union programmes and legal frameworks.</u>		(d) ensure synergies with relevant Union programmes.		<u>(d) ensure synergies with relevant Union programmes and legislation.</u>	G
								Text Origin: Council Mandate	
		Article 43(2a)							
G		483b		<u>2a. This Article shall be without prejudice to the right of each Member States to protect its essential security interests in accordance with Article 346(1), point (a) TFEU.</u>		3. This Article is without prejudice to the right of each Member State to protect its essential security interests in accordance with Article 346(1)(a) TFEU.		<u>3. This Article is without prejudice to the right of each Member State to protect its essential security interests in accordance with Article 346(1)(a) TFEU.</u>	G
								Text Origin: Council Mandate	
		Section 3a							
Y		483c				Section 2a Mitigation of a supply crisis			Y
		Section 3b							
Y		483d				Sub-section 1 Activation of the supply crisis state			Y
		Article 44							
G		484	Article 44 Activation of the supply crisis state	Article 44 Activation of the supply crisis state		Article 44 Activation of the supply crisis state		Article 44 Activation of the supply crisis state	G
								Text Origin: Commission Proposal	
		Article 44(1)							

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
485	1. A supply crisis shall be considered to occur where:	1. A supply crisis shall be considered to occur where:	1. A supply crisis shall be considered to occur where:	1. A supply crisis shall be considered to occur where: Text Origin: Commission Proposal
Article 44(1), point (a)				
486	(a) there are serious disruptions in the provision of products, which are not defence products, or serious obstacles to trade in such products within the Union causing their significant shortage; and	(a) there are serious <u>disruptions or an imminent risk of such</u> disruptions in the provision of <u>crisis-relevant</u> products, which are not defence products, or serious obstacles to trade in such products within the Union causing their significant shortage <u>or an imminent risk thereof</u> ; and	(a) there are serious disruptions or an imminent risk of such disruptions in the provision of ~~products, which are not defence~~ crisis-relevant products, or serious obstacles to trade in such products within the Union causing their significant shortage; and	(a) there are serious <u>disruptions or an imminent risk of such</u> disruptions in the provision of ~~products, which are not defence~~ crisis-relevant products, ~~or serious obstacles to trade in such products within the Union causing their significant shortage~~ ; and Text Origin: Council Mandate
Article 44(1), point (b)				
487	(b) such significant shortages prevent the supply, repair or maintenance of defence products to the extent that it would have serious detrimental effect on the functioning of the Union's defence supply chains impacting the society, economy and security of the Union.	(b) such significant shortages prevent the supply, repair or maintenance of defence products to the extent that it would have serious detrimental effect on the functioning of the Union's defence supply chains impacting the society, economy and security of the Union.	(b) such significant shortages ~~prevent the supply, repair or maintenance of defence products to the extent that it would have serious detrimental effect~~ disruptions or the imminent risk thereof are resulting or are likely to result in the adoption of divergent national measures leading to a severe negative impact on the proper functioning of the Union's defence supply chains impacting the society, economy and security of the Union internal market, in	(b) such ~~significant shortages prevent the supply, repair or maintenance of~~ serious disruptions or the imminent risk thereof are resulting or are likely to result in the adoption of divergent national measures related to crisis-relevant products which are not defence products leading to a severe negative impact on the proper functioning of the internal market, in particular obstacles to cross-border trade in such crisis-relevant products and ~~to the extent that it would have serious~~

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						particular obstacles to cross-border trade.		~~detrimental effect~~ on the functioning of the Union's defence supply chains ~~impacting the society, economy and security of the Union.~~
Article 44(2)								
488		2. Where the Commission or the Defence Industrial Readiness Board become aware of a potential supply crisis pursuant to Article 43, the Commission shall assess whether the conditions set out in paragraph 1 of this Article are met. That assessment shall take into account the potential positive and negative impacts and consequences of the supply crisis state on the Union's defence supply chains as well as assessments performed in other relevant Union crisis management frameworks. Where that assessment provides concrete and reliable evidence, the Commission may, after consulting the Defence Industrial Readiness Board, propose to the Council to activate the supply crisis state.		2. Where the Commission or the Defence Industrial Readiness Board become aware of a potential supply crisis pursuant to Article 43, the Commission shall assess whether the conditions set out in paragraph 1 of this Article are met. That assessment shall take into account the potential positive and negative impacts and consequences of the supply crisis state on the Union's defence supply chains as well as assessments performed in other relevant Union crisis management frameworks. Where that assessment provides concrete and reliable evidence, the Commission may, after consulting the Defence Industrial Readiness Board, propose to the Council to activate the supply crisis state, <u>specifying which measures could be triggered upon activation of the supply-crisis state.</u>		2. Where the Commission or the Defence Industrial Readiness Board become aware of a potential supply crisis pursuant to Article 43, the Commission, after consulting that Board , shall assess whether the conditions set out in paragraph 1 of this Article are met. That assessment shall take into account the potential positive and negative impacts and consequences of the supply-crisis state on the Union's defence supply chains as well as of crisis-relevant products within the Union, the results of stress tests conducted pursuant to Article 41a, and assessments performed in other relevant Union crisis management frameworks. Where that assessment provides concrete and reliable evidence, the Commission may, after consulting the Defence Industrial Readiness Board, propose to the		2. Where ~~the Commission or the Defence Industrial Readiness Board become aware of a potential supply crisis,~~ pursuant to Article 43, the Commission <u>or the Defence Security of Supply Board become aware of a risk of serious disruption in the supply of crisis-relevant products or has concrete and reliable information of any other relevant risk factor or event materially affecting the supply of such products, the Commission, after consulting that Board,</u> shall assess whether the conditions set out in paragraph 1 of this Article are met. That assessment shall take into account the potential ~~positive and negative~~ impacts and consequences of the ~~supply crisis~~ <u>supply-crisis</u> state on the ~~Union's defence~~ supply chains ~~as well as of the concerned crisis-relevant products within the Union, the results of stress tests conducted pursuant to Article 41a,~~

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			Council to activate the ~~supply crisis~~ supply-crisis state.	<u>and</u> assessments performed in other relevant Union crisis management frameworks. Where that assessment provides concrete and reliable evidence, the Commission may, after consulting the Defence ~~Industrial Readiness~~ <u>Security of Supply</u> Board, propose to the Council to activate the ~~supply crisis~~ <u>supply-crisis</u> state. <u>When proposing to activate the supply crisis-state to the Council, the Commission shall inform the Parliament thereof.</u>
Article 44(3)				
489	3. The Council, acting by qualified majority, may activate the supply crisis state by means of a Council implementing act. The duration of the supply crisis state shall be specified in the Implementing Act and shall not exceed 12 months.	3. The Council, acting by qualified majority, may activate the supply crisis state by means of a Council implementing act. The <u>implementing act may specify which of the measures set out in this chapter can be activated. The</u> duration of the supply crisis state shall be specified in the implementing act and shall not exceed 12 months.	3. The Council, acting by qualified majority upon a proposal from the Commission , may activate the ~~supply crisis~~ supply-crisis state by means of a Council implementing act. The duration of the ~~supply crisis~~ supply-crisis state shall be specified in the implementing act and shall initially not exceed 12 months. The implementing act shall also specify which of the measures set out in Articles 46 to 53 are activated. In addition, the implementing act may identify for which crisis-relevant product those measures shall be	3. The Council, acting by qualified majority <u>upon a proposal from the Commission</u> , may activate the ~~supply crisis~~ <u>supply-crisis</u> state by means of a Council implementing act. The duration of the ~~supply crisis~~ supply-crisis state shall be specified in the implementing act and shall <u>initially</u> not exceed 12 months. <u>The implementing act shall also specify which of the measures set out in Articles 46 and 47 are activated. In addition, the implementing act may identify for which crisis-relevant products which are not defence products,</u>

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
			activated.	<u>those measures shall be activated.</u>
Article 44(3a)				
489a			3b. The Council may amend the proposal referred to in paragraph 3 acting by qualified majority.	<u>3a. The Council may amend the proposal referred to in paragraph 3 acting by qualified majority.</u>
Article 44(4)				
490	4. The Commission shall report on a regular basis and at least every three months to the Council and to the European Parliament on the state of the crisis.	4. The Commission shall report on a regular basis and at least every three months to the Council and to the European Parliament on the state of the crisis.	4. The Commission shall report on a regular basis and at least every three months to the Council and to the European Parliament on the state of the supply crisis.	4. The Commission shall report on a regular basis and at least every three months to the Council and to the European Parliament on the state of the ~~crisis~~ <u>supply-crisis</u> .
Article 44(5)				
491	5. Before the expiry of the duration of the supply crisis, the Commission shall assess whether it is appropriate to prolong the supply crisis state. Where such assessment provides concrete and reliable evidence that the conditions for the activation of the supply crisis state are still met, the Commission may, after consulting the Defence Industrial Readiness Board, propose to the Council to prolong the supply crisis state.	5. Before the expiry of the duration of the supply crisis, the Commission shall assess whether it is appropriate to prolong the supply crisis state, <u>taking into account the potential negative impacts of the crisis state on the Union's defence industry and other critical sectors</u> . Where such assessment provides concrete and reliable evidence that the conditions for the activation of the supply crisis state are still met, the Commission may, after consulting the Defence Industrial Readiness Board, propose to the Council to prolong the supply	5. Before the expiry of the duration of the ~~supply~~ supply-crisis state , the Commission, taking into consideration the recommendation of the Defence Security of Supply Board , shall assess whether it is ~~appropriate~~ justified to prolong the ~~supply crisis state~~ it . Where such assessment provides concrete and reliable evidence that the conditions for the activation of the supply crisis state are still met, the Commission may, after consulting the Defence ~~Industrial~~	5. Before the expiry of the duration of the ~~supply-crisis~~ <u>supply-crisis state</u> , the Commission, <u>taking into consideration the recommendation of the Defence Security of Supply Board</u> , shall assess whether it is ~~appropriate~~ <u>justified</u> to prolong ~~the supply-crisis state~~ it . Where such assessment provides concrete and reliable evidence that the conditions for the activation of the supply crisis state are still met, the Commission may, after consulting the Defence ~~Industrial Readiness~~ <u>Security of Supply</u>

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
		crisis state.	Readiness Security of Supply Board, propose to the Council to prolong the ~~supply crisis~~ supply-crisis state.	Board, propose to the Council to prolong the ~~supply crisis~~ <u>supply-crisis</u> state.
Article 44(6)				
492	6. The Council, acting by qualified majority, may prolong the supply crisis state by means of a Council implementing act. The duration of the prolongation shall be limited and specified in the Council implementing act.	6. The Council, acting by qualified majority, may prolong the supply crisis state by means of a Council implementing act. The duration of the prolongation shall be limited and specified in the Council implementing act.	6. The Council, acting by qualified majority upon a proposal from the Commission , may prolong the ~~supply crisis~~ supply-crisis state by means of a Council implementing act. The duration of the prolongation shall be limited to a maximum of 12 months and specified in the Council implementing act.	6. The Council, acting by qualified majority <u>upon a proposal from the Commission</u> , may prolong the ~~supply crisis~~ <u>supply-crisis</u> state by means of a Council implementing act. The duration of the prolongation shall be limited <u>to a maximum of 12 months</u> and specified in the Council implementing act.
Article 44(7)				
493	7. The Commission may propose prolonging the supply crisis state once or more frequently where duly justified.	7. The Commission may propose prolonging the supply crisis state once or more frequently where duly justified.	<i>deleted</i>	<i>deleted</i>
Article 44(8)				
494	8. During the supply crisis state, the Commission shall, after consulting the Defence Industrial Readiness Board, assess the appropriateness of an early termination of the crisis state. If the assessment indicates so, the Commission may propose to the Council to terminate the crisis	8. During the supply crisis state, the Commission shall, after consulting the Defence Industrial Readiness Board, assess the appropriateness of an early termination of the crisis state. If the assessment indicates so, the Commission may propose to the Council to terminate the crisis	8. During the ~~supply crisis~~ supply-crisis state, the Commission shall, after consulting the Defence ~~Industrial Readiness~~ Security of Supply Board, assess the appropriateness of an early termination of the ~~supply crisis~~ supply-crisis state. If the assessment ~~so~~ indicates ~~so~~ , the	8. During the ~~supply crisis~~ <u>supply-crisis</u> state, the Commission shall, after consulting the Defence ~~Industrial Readiness~~ <u>Security of Supply</u> Board, assess the appropriateness of an early termination of the ~~supply crisis~~ <u>supply-crisis</u> state. If the assessment <u>so</u> indicates ~~so~~ , the

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	state.	state.	Commission may propose to the Council to terminate the crisis state.	Commission may propose to the Council to terminate the crisis state.
Article 44(9)				
495	9. The Council may terminate the supply crisis state by means of a Council implementing act.	9. The Council may terminate the supply crisis state by means of a Council implementing act.	9. The Council may ~~terminate the supply crisis state~~ , by means of ~~a Council~~ implementing act adopted by qualified majority upon a proposal from the Commission, terminate the supply-crisis state before the expiry date specified in the implementing act referred to in paragraph 3 or 6.	9. The Council may ~~terminate the supply crisis state~~ , by means of ~~a Council~~ <u>an</u> implementing act <u>adopted by qualified majority upon a proposal from the Commission, terminate the supply-crisis state before the expiry date specified in the implementing act referred to in paragraph 3 or 6.</u>
Article 44(10)				
496	10. During the crisis state, the Commission shall, upon request from a Member State or on their own initiative, convene extraordinary meetings of the Defence Industrial Readiness Board where necessary. Member States shall work closely with the Commission, inform in a timely manner about and coordinate any national measures taken with regard to the concerned defence supply chain within the Defence Industrial Readiness Board.	10. During the crisis state, the Commission shall, upon request from a Member State or on their own initiative, convene extraordinary meetings of the Defence Industrial Readiness Board where necessary. Member States shall work closely with the Commission, inform in a timely manner about and coordinate any national measures taken with regard to the concerned defence supply chain within the Defence Industrial Readiness Board.	10. During the ~~crisis~~ supply-crisis state, the Commission shall, upon request from a Member State or on ~~their~~ its own initiative, convene extraordinary meetings of the Defence ~~Industrial Readiness~~ Security of Supply Board where necessary. In line with Article 57(10), the Defence Security of Supply Board shall invite, where relevant, high-level industrial representatives to meet in special configuration in order to discuss issues related to crisis-relevant products. Member States shall work closely with the	10. During the ~~crisis~~ <u>supply-crisis</u> state, the Commission shall, upon request from a Member State or on ~~their~~ <u>its</u> own initiative, convene extraordinary meetings of the Defence ~~Industrial Readiness~~ <u>Security of Supply</u> Board where necessary. <u>In line with Article 57(10), the Defence Security of Supply Board shall invite, where relevant, high-level industrial representatives to meet in special configuration in order to discuss issues related to crisis-relevant products.</u> Member States shall work closely with the

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						Commission, ~~inform in a timely manner about and coordinate any~~ within the Defence Security of Supply Board in order to ensure the coordination of any Union and national measures taken with regard to the ~~concerned defence supply chain within the Defence Industrial Readiness Board~~ concerned.		Commission, ~~inform in a timely manner about and coordinate any~~ <u>within the Defence Security of Supply Board in order to ensure the coordination of any Union</u> and national measures taken with regard to the <u>supply chains of the concerned</u> ~~defence supply chain within the crisis-relevant products which are not~~ defence ~~Industrial Readiness Board~~ <u>products.</u>
Article 44(11)								
497		11. Upon expiry of the period for which the supply crisis state is activated or in the event of its early termination pursuant to paragraph 8 of this Article, the measures taken in accordance with Articles 46 and 47 shall cease to apply immediately.		11. Upon expiry of the period for which the supply crisis state is activated or in the event of its early termination pursuant to paragraph 8 of this Article, the measures taken in accordance with Articles 46 and 47 shall cease to apply immediately.		11. Upon expiry of the period for which the ~~supply crisis~~ supply-crisis state is activated or ~~in the event of~~ upon its early termination pursuant to paragraph ~~89~~ 89 of this Article, the measures taken in accordance with Articles 46 and ~~47~~ to 53 shall immediately cease to apply. By derogation, implementing acts that have been adopted in accordance with Article 49a(3) and (4a) and Article 50(3) shall continue to apply until the priority-rated orders or requests concerned have been completed immediately.		11. Upon expiry of the period for which the ~~supply crisis~~ supply-crisis state is activated or ~~in the event of~~ upon its early termination pursuant to paragraph ~~89~~ 89 of this Article, the measures taken in accordance with Articles 46 and 47 shall <u>immediately</u> cease to apply. <u>By derogation, implementing acts that have been adopted in accordance with Article 47(3) and (4a)] shall continue to apply until the priority-rated orders concerned have been completed immediately.</u>
Article 44(12)								
498	12.	The Commission shall	12.	The Commission shall	12.	The Commission and	12.	The Commission <u>and</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		update the mapping and the monitoring of the Union's defence supply chains pursuant to Articles 40 and 41 taking into account the experience from the crisis no later than six months after the expiry of the supply crisis state.		update the mapping and the monitoring of the Union's defence supply chains pursuant to Articles 40 and 41 taking into account the experience from the crisis no later than six months after the expiry of the supply crisis state-		Member States shall update the mapping and the monitoring of the Union's defence supply chains pursuant to Articles 40 and 41, taking into account the experience from the supply crisis, no later than six months after the expiry or early termination of the supply ~~crisis~~ supply-crisis state.		<u>Member States</u> shall update the mapping and the monitoring of the Union's defence supply chains pursuant to Articles 40 and 41, taking into account the experience from the <u>supply</u> crisis, no later than six months after the expiry <u>or early termination</u> of the ~~supply~~ <u>supply-crisis</u> state.
Article 45								
	499	Article 45 Supply-crisis emergency toolbox		Article 45 Supply-crisis emergency toolbox		Article 45 Supply-crisis ~~emergency~~ toolbox		Article 45 Supply-crisis ~~emergency~~ toolbox Text Origin: Council Mandate
Article 45(1)								
	500	1. Where the supply crisis state is activated pursuant to Article 44 and where necessary in order to address the supply crisis in the Union, the Commission may take the measures provided for in Article 45 and 46, under the conditions laid down therein.		1. Where the supply crisis state is activated pursuant to Article 44 and where necessary in order to address the supply crisis in the Union, the Commission may take the measures provided for in ~~Article 45 and 46~~ <u>Articles 46 and 47</u> , under the conditions laid down therein <u>and according to the Council implementing act adopted pursuant to Article 44</u> .		1. Where the supply ~~crisis~~ ~~state~~ crisis-state is activated pursuant to Article 44 and where necessary in order to address the supply crisis in the Union, the Commission may take the measures provided for in ~~Article 45 and 46~~ , under the conditions laid down therein. Articles 46, 49a and 50.		1. Where the ~~supply~~ ~~crisis~~ <u>supply-crisis</u> state is activated pursuant to Article 44 and where necessary in order to address the supply crisis in the Union, the Commission may take the measures provided for in <u>Articles 46 and 47 in accordance with the implementing act adopted pursuant to</u> Article ~~45 and 46~~ , ~~under the conditions laid down therein~~ <u>44(3)</u> .
Article 45(2)								
	501	2. The Commission shall, after consulting the Defence		2. The Commission <u>and the European Defence Agency</u> shall,		2. The Commission shall, after consulting the Defence		2. The Commission shall, after consulting the Defence

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	Industrial Readiness Board, restrict the application of the measures provided for in Articles 46 and 47 to the crisis-relevant products disturbed or under threat of disturbance on account of the supply crisis. The use of the measures referred to in paragraph 1 of this Article shall be proportionate and restricted to what is necessary for addressing serious disruptions affecting the supply chains of the crisis-relevant products in the Union and must be in the best interest of the Union. The use of those measures shall avoid placing disproportionate administrative burden in particular on SMEs.	after consulting the Defence Industrial Readiness Board, restrict the application of the measures provided for in Articles 46 and 47 to the crisis-relevant products disturbed or under threat of disturbance on account of the supply crisis. The use of the measures referred to in paragraph 1 of this Article shall be proportionate and restricted to what is necessary for addressing serious disruptions affecting the supply chains of the crisis-relevant products in the Union and must be in the best interest of the Union. The use of those measures shall avoid placing disproportionate administrative burden in particular on SMEs.	~~Industrial Readiness~~ Security of Supply Board, restrict the application of the measures provided for in Articles 46 and 47 referred to in paragraph 1 to the crisis-relevant products ~~disturbed or under threat of disturbance~~ subject to serious disruption or at imminent risk of such disruptions on account of the supply crisis. The ~~use~~ application of the measures referred to in paragraph 1 ~~of this Article~~ shall be proportionate and restricted to what is necessary for addressing serious disruptions or mitigating an imminent risk of such disruptions affecting the supply chains of the crisis-relevant products in the Union and ~~must~~ shall be in the best interest of the Union. The ~~use~~ application of those measures shall avoid placing a disproportionate administrative burden, in particular on SMEs.	~~Industrial Readiness~~ Security of Supply Board, restrict the application of the measures provided for in Articles 46 and 47 referred to in paragraph 1 to the crisis-relevant products ~~disturbed or under threat of disturbance~~ which are not defence products that are subject to serious disruption or at imminent risk of such disruptions on account of the supply crisis. The ~~use~~ application of the measures referred to in paragraph 1 ~~of this Article~~ shall be proportionate and restricted to what is necessary for addressing serious disruptions or mitigating an imminent risk of such disruptions affecting the supply chains of the concerned crisis-relevant products in the Union and ~~must~~ shall be in the best interest of the Union. The ~~use~~ application of those measures shall avoid placing a disproportionate administrative burden, in particular on SMEs.
	Article 45(3)			
502	3. Where the supply crisis state is activated pursuant to Article 44 and where appropriate in order to address the supply crisis in	3. Where the supply crisis state is activated pursuant to Article 44 and where appropriate in order to address the supply crisis in	3. Where the ~~supply crisis~~ supply-crisis state is activated pursuant to Article 44 and where appropriate in order to	3. Where the ~~supply crisis~~ supply-crisis state is activated pursuant to Article 44 and where appropriate in order to address the

	CLEAN	Commission Proposal	V5.EC	EP Mandate	V5.EC	Council Mandate	V5.EC	Draft Agreement
		the Union, the Defence Industrial Readiness Board may assess and advise on appropriate and effective emergency measures.		the Union, the Defence Industrial Readiness Board may assess and advise on appropriate and effective emergency measures.		address the supply crisis in the Union, the Defence Industrial Readiness Board ~~may~~ shall assess and advise on appropriate and effective emergency measures.		~~supply-crisis~~ <u>supply-crisis</u> in the Union, the Defence ~~Industrial Readiness~~ <u>Security of Supply</u> Board ~~may~~ shall assess and advise on appropriate and effective ~~emergency~~ measures.
Article 45(4)								
G	503	4. The Commission shall regularly inform the European Parliament and the Council of any measures taken in accordance with paragraph 1 and explain the reasons for its action.		4. The Commission shall regularly inform the European Parliament and the Council of any measures taken in accordance with paragraph 1 and explain the reasons for its action.		4. The Commission shall regularly inform the European Parliament and the Council of any measures taken in accordance with paragraph 1 and explain the reasons for its action.		4. The Commission shall regularly inform the European Parliament and the Council of any measures taken in accordance with paragraph 1 and explain the reasons for its action. Text Origin: Commission Proposal
Article 45(5)								
G	504	5. The Commission may, after consulting the Defence Industrial Readiness Board, issue guidance on the implementation and the use of the emergency measures.		5. The Commission may, after consulting the Defence Industrial Readiness Board, issue guidance on the implementation and the use of the emergency measures.		5. The Commission ~~may,~~ shall, taking into consideration the recommendation of the Defence Industrial Readiness Security of Supply Board, issue guidance on the implementation and the use of the ~~emergency~~ measures provided for in Articles 46 to 53.		5. The Commission ~~may,~~ shall, taking into consideration the recommendation of the Defence Industrial Readiness Security of Supply Board, issue guidance on the implementation and the use of the ~~emergency~~ measures provided for in Articles 46 and 47.
Section 3c								
Y	504a					Sub-Section 2 Measures to address the supply-crisis		
Article 46								

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
505	Article 46 Information gathering	Article 46 Information gathering	Article 46 Information gathering requests	Article 46 Information ~~gathering~~ requests Text Origin: Council Mandate
Article 46(1)				
506	1. Where the supply crisis state is activated pursuant to Article 44, the Commission may request the relevant undertakings contributing to the production of crisis-relevant products, which are not defence products, with the prior agreement of the Member State in which it is established, to provide information about their production capabilities, production capacities and current primary disruptions within a set time limit. The requested information shall be limited to what is necessary to assess the nature of the supply crisis or to identify and assess potential mitigation or emergency measures at Union or national level. The information requests shall not entail the supply of information the disclosure of which would be contrary to the Member States' essential security interests.	1. Where the supply crisis state is activated pursuant to Article 44, the Commission <u>working in liaison with the European Defence Agency</u> may request <u>the Member State, to provide information about the production capabilities and current primary disruptions of</u> the relevant undertakings ~~contributing~~ <u>contribution</u> to the production of crisis-relevant products, ~~which are not defence products, with the prior agreement of the Member State in which it is established, to provide information about in their production capabilities territory, production capacities and current primary disruptions~~ within a set time limit. The requested information shall be limited to what is necessary to assess the nature of the supply crisis or to identify and assess potential mitigation or emergency measures at Union or national level. The information requests	1. Where the supply crisis state is activated pursuant ~~to~~ Council activates this measure in accordance with Article 4444(3), the Commission may, where the available information is not sufficient , request the relevant undertakings ~~an economic operator~~ contributing to the production of crisis-relevant products, ~~which are not defence products, with the prior agreement of the Member State in which it is established~~ whose territory the production site of the addressed economic operator is located , to provide information to that Member State within a set time limit , about their production capabilities, production capacities and current primary disruptions ~~within a set time limit~~ . The Member State concerned shall, in turn, make the requested information available to the Commission. The requested information shall be limited to	1. Where the ~~supply crisis state is activated pursuant to~~ <u>Council activates this measure in accordance with</u> Article ~~44~~ 44(3), the Commission may, <u>where the available information is not sufficient</u> , request the ~~relevant undertakings~~ <u>economic operator</u> contributing to the production of crisis-relevant products, ~~which are not defence products, with the prior agreement of the Member State in which it is established~~ <u>whose territory the production site of the addressed economic operator is located</u> , to provide information <u>to that Member State within a set time limit</u> about their production capabilities, production capacities and current primary disruptions ~~within a set time limit~~ . <u>The Member State concerned shall, in turn, make the requested information available to the Commission.</u> The requested information shall be limited to what is necessary to assess the

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				shall not entail the supply of information the disclosure of which would be contrary to the Member States' essential security interests. <u>In such cases, in order to protect their essential security interests in accordance with Article 346(1), point (a) TFEU Member States may refuse such a request or may decide to classify the information they transmit to the Commission. The Commission shall prepare the request for information in consultation of the Defence Industrial Readiness Board.</u>		what is necessary to assess the nature of the supply crisis or to identify and assess potential mitigation ~~or emergency~~ measures at Union or national level. The information requests shall not entail the supply of information the disclosure of which would be contrary to the Member States' essential security interests.		nature of the supply crisis or to identify and assess potential mitigation ~~or emergency~~ measures ~~at Union or national level. The information requests shall not entail the supply of information the disclosure of which would be contrary to the Member States' essential security interests.~~
	Article 46(2)							
507		2. Before launching a request for information, the Commission may carry out a voluntary consultation of a representative number of relevant undertakings with a view to identifying the appropriate and proportionate content of such a request. The Commission shall prepare the request for information in cooperation with the Defence Industrial Readiness Board.		<i>deleted</i>		2. Before launching a request for information, the Commission may, with the prior agreement of the Member State on whose territory the production site of the economic operator concerned is located , carry out a voluntary consultation of a representative number of relevant ~~undertakings~~ economic operators with a view to identifying the appropriate and proportionate content of such a request. The Commission shall prepare the request for information in cooperation with the Defence		2. Before launching a request for information, <u>with the prior agreement of the Member State on whose territory the production site of the economic operator concerned is located</u> , the Commission may carry out a voluntary consultation of a representative number of relevant ~~undertakings~~ <u>economic operators</u> with a view to identifying the appropriate and proportionate content of such a request. The Commission shall prepare the request for information in cooperation with the ~~Defence~~

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
			Industrial Readiness Security of Supply Board.	~~Industrial Readiness~~ Board.
Article 46(3)				
508	3. The Commission shall use secure means to launch the request for information and handle any acquired information in accordance with Article 61. For this purpose, national competent authorities shall transmit to the Commission the list of contacts established under Article 41(5).	3. The Commission shall use secure means to launch the request for information and handle any acquired information in accordance with Article 61. For this purpose, national competent authorities shall transmit to the Commission the list of contacts established under Article 41(5).	3. The Commission and the Member State concerned shall use secure means to launch the request for information and to handle any ~~acquired~~ information acquired in accordance with Article 61. For this purpose, national competent authorities shall transmit to the Commission the list of contacts established under Article 41(5).	3. The Commission <u>and the Member State concerned</u> shall use secure means to launch the request for information and <u>to</u> handle any ~~acquired~~ information <u>acquired</u> in accordance with Article 61. ~~For this purpose, national competent authorities shall transmit to the Commission the list of contacts established under Article 41(5).~~
Article 46(4)				
509	4. The Commission shall without undue delay forward a copy of the request for information to the national competent authority of the Member State in whose territory the production site of the addressed undertaking is situated. If the national competent authority so requires, the Commission shall transmit the information acquired from the relevant undertaking in accordance with Union law.	<i>deleted</i>	4. The Commission shall without undue delay forward a copy of the request for information to the national competent authority of the Member State in whose territory the production site of the addressed ~~undertaking is situated~~ economic operator is located . ~~If the national competent authority so requires, the Commission shall transmit the information acquired from the relevant undertaking in accordance with Union law.~~	4. The Commission shall without undue delay forward a copy of the request for information to the national competent authority of the Member State in whose territory the production site of the addressed ~~undertaking is situated.~~ ~~If the national competent authority so requires, the Commission shall transmit the information acquired from the relevant undertaking in accordance with Union~~ <u>law economic operator is located.</u>
Article 46(5)				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
510	5. The request for information shall state its legal basis, be limited to the minimum necessary and be proportionate in terms of the granularity and volume of the data and frequency of access to the data requested, have regard for the legitimate aims of the undertaking and the cost and effort required to make the data available, and set out the time limit within which the information is to be provided. It shall also state the penalties provided for in Article 55.	5. The request for information shall state its legal basis, be limited to the minimum necessary and be proportionate in terms of the granularity and volume of the data and frequency of access to the data requested, have regard for the legitimate aims of the undertaking and the cost and effort required to make the data available, and set out the time limit within which the information is to be provided. It shall also state the penalties provided for in Article 55.	5. The request for information shall state its legal basis, be limited to the minimum necessary and be proportionate in terms of the granularity and volume of the data requested and of the and frequency of access to the data requested, have regard for the legitimate ~~aims~~ interests of the ~~undertaking~~ economic operator and the cost and effort required to make the data available, include the contact information of the national competent authorities from the Member State in whose territory the production site of the addressed economic operator is located to which the reply shall be sent , and set out the time limit within which the information is to be provided to the Member State concerned . It shall also state the penalties provided for in Article 55.	5. The request for information shall state its legal basis, be limited to the minimum necessary and be proportionate in terms of the granularity and volume of the data <u>requested and of the</u> and frequency of access to the data requested, have regard for the legitimate ~~aims~~ <u>interests</u> of the ~~undertaking~~ <u>economic operator</u> and the cost and effort required to make the data available, <u>include the contact information of the national competent authorities from the Member State in whose territory the production site of the addressed economic operator is located to which the reply shall be sent</u> , and set out the time limit within which the information is to be provided <u>to the Member State concerned</u> . It shall also state the penalties provided for in Article 55.
Article 46(5a)				
510a				<u>5a. Where the concerned Member State agrees to the launch of a request for information pursuant to paragraph 1 of this Article, it may decide to address that request, as prepared by the Commission</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								<u>pursuant to paragraph 2 and 5 of this Article, directly to the relevant economic operator.</u>
Article 46(6)								
511		6. The owners of the undertakings or their representatives and, in the case of legal persons or associations having no legal personality, the persons authorised to represent them by law or by their constitution shall supply the information requested on behalf of the undertaking or the association of undertakings concerned.		6. The owners of the undertakings or their representatives and, in the case of legal persons or associations having no legal personality, the persons authorised to represent them by law or by their constitution shall supply <u>to the Member State</u> the information requested on behalf of the undertaking or the association of undertakings concerned.		6. ~~The owners of the undertakings or their representatives and, in the case of legal persons or associations having no legal personality, the persons~~ Each economic operator concerned, or anyone duly authorised to represent them by law or by their constitution that economic operator, shall supply the information requested on behalf of the undertaking or the association of undertakings concerned an individual basis.		6. ~~The owners of the undertakings or their representatives and, in the case of legal persons or associations having no legal personality, the persons~~ Each economic operator concerned, or anyone duly authorised to represent them by law or by their constitution to represent that economic operator, shall supply the information requested on ~~behalf of the undertaking or the association of undertakings~~ an individual basis to the Member State concerned.
Article 46(6a)								
511a						6a. The Member State concerned shall ensure that the requested information is made available without undue delay to the Commission.		<u>6a. The Member State concerned shall ensure that the requested information is made available without undue delay to the Commission.</u>
Article 46(7)								
512		7. If an undertaking established in the Union is subject to a request for information from a third country, related to its		7. If an undertaking established in the Union is subject to a request for information from a third country, related to its		7. If an ~~undertaking~~ economic operator established in the Union is subject to a request for information from a third country,		7. If an ~~undertaking~~ economic operator established in the Union is subject to a request for information from a third country,

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	activities for a Union's critical defence supply chain, it shall inform the Commission, in due time, in such a manner as to enable the Commission to request similar information from the undertaking. The Commission shall inform the Defence Industrial Readiness Board of the existence of such request from a third country.	activities for a Union's critical defence supply chain, it shall inform the ~~Commission~~ <u>Member State in which the undertaking is established</u> , in due time, in such a manner as to enable the ~~Commission~~ <u>Member State</u> to request similar information from the undertaking. The ~~Commission~~ <u>Member State</u> shall inform <u>the Commission and</u> the Defence Industrial Readiness Board of the existence of such request from a third country.	related to its activities for a Union's critical defence ~~the supply chain of crisis-relevant products~~ , it shall inform the Member State on whose territory its production site is located, in a timely manner, which shall, in turn, inform the Commission, ~~in due time~~ , in such a manner as to enable the Member State concerned and the Commission to request similar information from the ~~undertaking~~ economic operator . The Commission shall inform the Defence ~~Industrial Readiness~~ Security of Supply Board of the existence of such a request from a third country.	related to its activities for ~~a Union's critical~~ <u>the supply of crisis-relevant products which are not</u> defence ~~supply chain~~ <u>products</u> , it shall inform the <u>Member State on whose territory its production site is located, in a timely manner, which shall, in turn, inform the</u> Commission, ~~in due time~~ , in such a manner as to enable <u>the Member State concerned and</u> the Commission to request similar information from the ~~undertaking~~ <u>economic operator</u> . The Commission shall inform the ~~Defence Industrial Readiness~~ Board of the existence of such <u>a</u> request from a third country.
Article 46(8)				
513	8. If an undertaking supplies incorrect, incomplete or misleading information in response to a request made pursuant to this Article, or does not supply the information within the prescribed time limit, it shall be subject to fines set in accordance with Article 55, except where the undertaking has sufficient reasons for not supplying the requested information.	8. If an undertaking supplies incorrect, incomplete or misleading information in response to a request made pursuant to this Article, or does not supply the information within the prescribed time limit, it shall be subject to fines set in accordance with Article 55, except where the undertaking has sufficient reasons for not supplying the requested information. <u>Sufficient reasons shall be deemed to be in place</u>	8. If an ~~undertaking~~ economic operator supplies incorrect, incomplete or misleading information in response to a request made pursuant to this Article, or does not supply the information within the prescribed time limit, it shall be subject to fines set in accordance with Article 55, except where the ~~undertaking~~ economic operator has sufficient reasons for not supplying the requested	8. If an ~~undertaking~~ <u>economic operator</u> supplies incorrect, incomplete or misleading information in response to a request made pursuant to this Article, or does not supply the information within the prescribed time limit, it shall be subject to fines set in accordance with Article 55, except where the ~~undertaking~~ <u>economic operator</u> has sufficient reasons for not supplying the requested information <u>or not</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
				<u>where the processing of the information requested has the potential to significantly disrupt the operation of the undertaking or when the information is classified.</u>		information or not supplying it within the prescribed time limit, in particular where the processing of the information request by an economic operator has the potential to significantly disrupt its operations, where the information is classified and marked as for national use only or where the disclosure of that information could significantly harm the economic operator's business activity.		<u>supplying it within the prescribed time limit, in particular where the processing of the information request by an economic operator has the potential to significantly disrupt its operations, where the information is classified and marked as for national use only or where the disclosure of that information could significantly harm the economic operator's business activity.</u>
		Article 46(8a)						
G	513a					9. This Article is without prejudice to the right of each Member State to protect its essential security interests, in accordance with paragraph 1(a) of Article 346 TFEU.		<u>8a. This Article is without prejudice to the right of each Member State to protect its essential security interests, in accordance with paragraph 1(a) of Article 346 TFEU.</u>
		Article 47						
G	514	Article 47 Priority-rated orders		Article 47 <u>Supply-crisis</u> priority-rated orders		Article 47 Priority-rated orders	Article 47 Priority-rated orders	Article 47 ~~Priority-rated orders~~ <u>Prioritisation of non-defence products</u>
		Article 47(1)						
G	515	1. Where the crisis state is activated pursuant to Article 44, a Member State which faces or may face severe difficulties either in the placing of an order or in the		1. Where the crisis state is activated pursuant to Article 44, a Member State which faces or may face severe difficulties either in the placing of an order or in the		1. Where the crisis state is activated pursuant to Council activates this measure in accordance with Article 44(3), a Member State which faces or		1. Where the ~~crisis state is activated pursuant to~~ <u>Council activates this measure in accordance with</u> Article 44, a Member State which faces ~~or may~~

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	execution of a contract for the supply of key defence products due to shortages or serious risks of shortages along a Union's critical defence supply chain, may request the Commission to require an undertaking to accept, or to prioritise an order of crisis-relevant products, which are not defence products ('priority rated order').	execution of a contract for the supply of ~~key~~ defence products due to shortages or serious risks of shortages along a Union's critical defence supply chain, may request the Commission to require an undertaking to accept, or to prioritise an order of crisis-relevant products, which are not defence products ('priority rated order').	~~may face~~ severe difficulties either in the placing of an order or in the execution of a contract ~~for~~ related to the supply of key defence crisis-relevant products due to shortages or serious risks of shortages along a Union's critical defence supply chain, may submit a request to the Commission to ~~require an undertaking~~ request an economic operator to accept, or to prioritise ~~an order of crisis-relevant products, which are not defence products ('priority rated order').~~	~~face~~ severe difficulties either in the placing of an order or in the execution of a contract ~~for~~ related to the supply of key defence crisis-relevant products due to shortages or serious risks of shortages along a Union's critical defence supply chain, may submit a request to the Commission to ~~require an undertaking~~ request an economic operator to accept, or to prioritise, ~~a certain~~ an order of crisis-relevant products, ~~which are not defence products. ('priority rated order').~~
Article 47(2)				
516	2. Upon a request referred to in paragraph 1, the Commission may, after consulting the Member State of establishment of the undertaking concerned and with its agreement, notify the undertaking concerned of its intent to impose a priority rated order.	2. Upon a request referred to in paragraph 1, the Commission may, after consulting the Member State of establishment of the undertaking concerned and with its agreement, notify the undertaking concerned of its intent to impose a priority rated order.	2. Upon a request referred to in paragraph 1, the Commission may, ~~after consulting the Member State of establishment of the undertaking concerned and with its agreement, notify the undertaking~~ where the production or supply of such products could not be achieved by other measures provided for in this chapter, address a request to the economic operator concerned of its intent to impose a priority rated order after:	2. Upon a request referred to in paragraph 1, the Commission may, ~~after consulting the Member State of establishment of the undertaking concerned and with its agreement, notify the undertaking concerned of its intent to impose a priority rated order~~ where the production or supply of such products could not be achieved by other measures provided for in this chapter, address a request to the economic operator after:
Article 47(2), point (a)				

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
G	516a				(a)	consultation and receiving prior agreement of the Member State on whose territory the production site of the economic operator concerned is located; and		<u>(a) consultation and receiving prior agreement of the Member State on whose territory the production site of the economic operator concerned is located; and</u>
	Article 47(2), point (b)							
G	516b				(b)	consultation of the Member State on whose territory the executive management structure of the economic operator is located.		<u>(b) consultation of the Member State on whose territory the executive management structure of the economic operator is located.</u>
	Article 47(2a)							
G	516c				2a.	The Commission shall demonstrate that the choice of the recipients and beneficiaries of the request referred to in paragraph 2 is non-discriminatory and complies with Union competition rules.		<u>3. The request referred to in paragraph 2 shall include information about the legal basis for the request, specify the product, specifications and quantities concerned as well as the schedule and time-limit within which the order would have to be performed, and state the reasons justifying the use of the priority rated request.</u>
	Article 47(2b)							
G	516d				2b.	The Commission shall base its request referred to in paragraph 2 on objective, factual, measurable and substantiated data, showing that		<u>4. The Commission shall demonstrate that the choice of the recipients and beneficiaries of the request referred to in paragraph 2 is non-discriminatory and</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						such prioritisation is indispensable in order to ensure the proper functioning of the internal market, as well as having regard to the legitimate interests of the economic operator and the cost and effort required for any change in the production sequence of the supply chain.		<u>complies with Union competition rules.</u> Line 516c EP
Article 47(2c)								
G	516e					3. Where the economic operator to which the request referred to in paragraph 1 is addressed has expressly accepted it, the Commission shall adopt, by means of an implementing act, a priority-rated request providing for:		<u>5. The Commission shall base its request referred to in paragraph 2 on objective, factual, measurable and substantiated data, showing that such prioritisation is indispensable in order to ensure the proper functioning of the internal market, as well as having regard to the legitimate interests of the economic operator and the cost and effort required for any change in the production sequence of the supply chain.</u> Line 516d EP
Article 47(2d)								
G	516f					(a) the legal basis of the priority-rated request which has to be complied with by the		<u>5a. The economic operator concerned shall reply to the Commission within five working</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						economic operator;		<u>days upon receipt of the request referred to in paragraph 2 and state whether it accepts or refuses the request. Where the urgency of the situation requires it, the Commission may, based on a justification of such urgency, request the economic operator to reply within a shorter deadline.</u>
Article 47(2e)								
G		516g				(b) the list of crisis-relevant products subject to the priority-rated request, their specifications, price and the quantities in which they are to be supplied;		<u>6. Where the economic operator to which the request referred to in paragraph 1 is addressed has expressly accepted it, the Commission shall adopt, by means of an implementing act, a priority-rated request providing for:</u> Line 516e EP
Article 47(2e), point (a)								
G		516h				(c) the time limits within which the priority-rated request is to be completed;		<u>(a) the legal basis of the priority-rated request which has to be complied with by the economic operator;</u> Line 516f EP
Article 47(2e), point (b)								
G		516i				(d) the beneficiaries of the priority-rated request;		<u>(b) the list of crisis-relevant products subject to the priority-</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
								<u>rated request, their specifications, price and the quantities in which they are to be supplied;</u> Line 516g EP
		Article 47(2e), point (c)						
G		516j			(e)	the waiver of contractual liability under the conditions laid down in paragraph 7 of this Article; and		<u>(c) the time limits within which the priority-rated request is to be completed;</u> Line 516h EP
		Article 47(2e), point (d)						
G		516k			(f)	the penalties provided for in Article 55 for non-compliance with the obligations stemming from that implementing act.		<u>(d) the beneficiaries of the priority-rated request;</u> Line 516i EP
		Article 47(2f)						
G		516l						<u>(e) the waiver of contractual liability under the conditions laid down in paragraph 11 of this Article; and</u> Line 516j EP
		Article 47(2g)						
G		516m						<u>(f) the penalties provided for in Article 55 for non-compliance with the obligations stemming from that implementing act.</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								line 516I EP
Article 47(e)								
517		3. The notification referred to in paragraph 2 shall include information about the legal basis for the request, specify the product, specifications and quantities concerned as well as the schedule and time-limit within which the order would have to be performed, and state the reasons justifying the use of the priority rated order.		3. The notification referred to in paragraph 2 shall include information about the legal basis for the request, specify the product, specifications and quantities concerned as well as the schedule and time-limit within which the order would have to be performed, and state the reasons justifying the use of the priority rated order.		<i>deleted</i>		<i>deleted</i>
Article 47(f)								
518		4. From the notification referred to in paragraph 2, the undertaking shall reply to the Commission, within five working days and state whether it can accept or not the order. Where the urgency of the situation requires it, the Commission may, based on a justification of such urgency, reduce the deadline for the undertaking to reply.		4. From the notification referred to in paragraph 2, the undertaking shall reply to the Commission, within five working days and state whether it can accept or not the order. Where the urgency of the situation requires it, the Commission may, based on a justification of such urgency, reduce the deadline for the undertaking to reply.		<i>deleted</i>		<i>deleted</i>
Article 47, 7.								
519		5. Where the undertaking declines the priority rated order, it shall provide the Commission with a detailed justification hereor.		5. Where the undertaking declines the priority rated order, it shall provide the Commission with a detailed justification ~~hereor~~ .		54. Where the ~~undertaking~~ economic operator declines the ~~priority rated order~~ request referred to in paragraph 2, it shall provide the		57. Where the ~~undertaking~~ economic operator declines the ~~priority rated order~~ request referred to in paragraph 2, it shall provide the

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						Commission with a detailed justification ~~hereof~~ for that refusal.		Commission with a detailed justification ~~hereof~~ for that refusal. Text Origin: Council Mandate
	Article 47(7a)							
G	519a					4a. Where the economic operator has signed a financing agreement with the Commission in accordance with Article 11(9a), the Commission, having due regard to the justifications provided by the economic operator under paragraph 4 of this Article, may adopt, by means of an implementing act, a priority-rated order imposing on the notified economic operator an obligation to perform the order. Any such implementing act shall provide the information referred to in paragraph 3, points (a) to (f).		<u>8. Having due regard to the justifications provided by the economic operator under paragraph 7 of this Article, and after consulting and receiving prior agreement of the Member State on whose territory the production site of the economic operator concerned is located and the Member State on whose territory the executive management structure of the economic operator is located, the Commission may adopt, by means of an implementing act, a priority-rated order imposing on the notified economic operator an obligation to perform the order. The Commission shall state the reasons why, in line with the proportionality principle and the fundamental rights of the economic operator under the Charter of Fundamental Rights of the European Union, it was necessary to adopt the implementing act in light of the</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
								<u>circumstances described in paragraph 1. Any such implementing act shall provide the information referred to in paragraph 6 points (a) to (f).</u>
		Article 47(7b)						
G		519b				5. The Commission shall take into account the objections raised by the economic operator under paragraph 4 and state the reasons why, in line with the proportionality principle and the fundamental rights of the economic operator under the Charter of Fundamental Rights of the European Union, it was necessary to adopt the implementing act referred to in paragraph 4a, in light of the circumstances described in paragraph 1.		<u>9. The Commission shall not issue the priority-rated order when:</u>
		Article 47(7c), first subparagraph						
G		519c						<u>(a) the economic operator is unable to perform the priority-rated order on account of insufficient production capability or production capacity, or on technical grounds, even under preferential treatment of the order, or;</u>
		Article 47(7c), second subparagraph						

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
G	519d							<u>(b) performance of the order would place an unreasonable economic burden and entail particular hardship for the economic operator, including substantial risks relating to business continuity.</u>
Article 47(6)								
G	520	6. Where the undertaking accepts the priority rated order, the order shall be deemed accepted under the conditions described in the Commission’s order in accordance with the meaning of paragraph 1 and the undertaking shall be legally bound.	6.	Where the undertaking accepts the priority rated order, the order shall be deemed accepted under the conditions described in the Commission’s order in accordance with the meaning of paragraph 1 and the undertaking shall be legally bound.	6.	~~Where the undertaking accepts the priority rated order, the order shall be deemed accepted under the conditions described in the Commission’s order in accordance with the meaning of~~ The priority-rated requests referred to in paragraph 3 and the priority-rated orders referred to in paragraph 1 and the undertaking 4a shall be legally bound.:	~~610. Where the undertaking accepts the priority rated order, the order shall be deemed accepted under the conditions described in the Commission’s order in accordance with the meaning of~~ <u>The priority-rated requests referred to in paragraph 6 or the priority-rated orders referred to in paragraph 1 and the undertaking 8 shall be legally bound.:</u> Text Origin: Council Mandate	
Article 47(6), point (a)								
G	520a				(a)	be placed at a fair and reasonable price, adequately taking into account the economic operator’s opportunity costs when fulfilling the priority-rated requests or the priority-rated orders as compared to existing contractual obligations;		<u>(a) be placed at a fair and reasonable price, adequately taking into account the economic operator’s opportunity costs when fulfilling the priority-rated requests or the priority-rated orders as compared to existing contractual obligations;</u> Text Origin: Council Mandate

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 47(6), point (b)								
G	520b				(b) take precedence over any performance obligation under private or public law, related to the crisis-relevant products subject to the priority-rated request or to the priority-rated order, with the exception of obligations directly related to orders with a military purpose.		(b) <u>take precedence over any performance obligation under private or public law, related to the products subject to the priority-rated request or to the priority-rated order, with the exception of obligations directly related to orders with a military purpose.</u>	
						Text Origin: Council Mandate		
Article 47(7)								
G	521	7. Where the notified undertaking declines the priority rated order, the order shall be deemed refused. Having due regard to the justifications invoked by the undertaking, the Commission may:	7. Where the notified undertaking declines the priority rated order, the order shall be deemed refused. Having due regard to the justifications invoked by the undertaking, the Commission may:	7. Where the notified undertaking declines the priority rated order, the order shall be deemed refused. Having due regard to the justifications invoked by the undertaking, the Commission may:	7. ~~Where the notified undertaking declines the priority rated order, the~~ The economic operator subject to a priority-rated request pursuant to paragraph 3 or to a priority-rated order pursuant to paragraph 4a shall not be liable for any breach of contractual obligation that is governed ~~be deemed refused. Having due regard to the justifications invoked by the undertaking, the Commission may~~ law of a Member State, provided that:		~~711. Where the notified undertaking declines the priority rated order, the~~ The economic operator subject to a priority-rated request pursuant to paragraph 6 or to a priority-rated order pursuant to paragraph 8 shall <u>not be liable for any breach of contractual obligation that is governed</u> ~~be deemed refused. Having due regard to the justifications invoked by the undertaking, the Commission may~~ law of a Member State, provided that:	
						Text Origin: Council Mandate		
Article 47(7), point (a)								
G	522	(a) abstain from pursuing the	(a) abstain from pursuing the	(a) abstain from pursuing the	(a) abstain from pursuing the	(a) ~~abstain from pursuing the~~	(a) ~~abstain from pursuing the~~	

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
		order;		order;		orderthe breach of contractual obligation is necessary for compliance with the required prioritisation;		~~order~~ <u>the breach of contractual obligation is necessary for compliance with the required prioritisation;</u> Text Origin: Council Mandate
	Article 47(7), point (b)							
	523	(b) oblige, by way of implementing acts, the concerned undertakings to accept or perform the priority rated order at a fair and reasonable price.		(b) oblige, by way of implementing acts, the concerned undertakings to accept or perform the priority rated order at a fair and reasonable price.		(b) oblige, by way ofthe implementing acts, the concerned undertakings to accept or perform the priority rated order at a fair and reasonable price.act referred to in paragraph 3 or in paragraph 4a has been complied with; and		(b) ~~oblige, by way ofthe~~ implementing ~~acts, the concerned undertakings to accept or perform the priority rated order at a fair and reasonable price.~~ <u>act referred to in paragraph 6 or in paragraph 8 has been complied with; and</u> Text Origin: Council Mandate
	Article 47(7), point (ba)							
	523a					(c) where applicable, the acceptance of the priority-rated request did not have the sole purpose of unduly avoiding a prior contractual obligation.		<u>(c) where applicable, the acceptance of the priority-rated request did not have the sole purpose of unduly avoiding a prior contractual obligation.</u> Text Origin: Council Mandate
	Article 47(8)							
	524	8. The Commission shall take into account the objections raised by the undertaking under paragraph 7 and state the reasons why, in line with the proportionality principle and the fundamental rights of the		8. The Commission shall take into account the objections raised by the undertaking under paragraph 7 and state the reasons why, in line with the proportionality principle and the fundamental rights of the		8. Any conflict between a priority-rated request or a priority-rated order and a measure under any other prioritisation mechanism of the Union shall be resolved by the		~~812.~~ <u>Any conflict between a priority-rated request or a priority-rated order and a measure under any other prioritisation mechanism of the Union shall be discussed within the Security of</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	undertaking under the Charter of Fundamental rights of the Union, it was necessary to adopt the implementing act referred to in paragraph 7, point (b), in light of the circumstances described in paragraph 1.	undertaking under the Charter of Fundamental rights of the Union, it was necessary to adopt the implementing act referred to in paragraph 7, point (b), in light of the circumstances described in paragraph 1.	Commission shall take into account the objections raised by the undertaking under paragraph 7 and state the reasons why, in line with the proportionality principle and the fundamental rights, based on the weighing of the undertaking under the Charter of Fundamental rights of the Union, it was necessary to adopt the implementing act referred to in paragraph 7, point (b), in light of the circumstances described in paragraph 1 public interest.	<u>Supply Board and resolved by</u> the Commission ~~shall take into account the objections raised by the undertaking under paragraph 7 and state the reasons why, in line with the proportionality principle and the fundamental rights, based on the weighing of the undertaking under the Charter of Fundamental rights of the Union, it was necessary to adopt the implementing act referred to in paragraph 7, point (b), in light of the circumstances described in paragraph 1.~~ <u>public interest.</u>
Article 47(9)				
525	9. The Commission shall state in the implementing act referred to in paragraph 7, point (b), the legal basis of the priority rated order, fix the time-limit within which the order is to be performed, and set out the product, specifications, volume, and any other parameter to be complied with. The Commission shall also state the penalties provided for in Article 55 for non-compliance with the obligation.	9. The Commission shall state in the implementing act referred to in paragraph 7, point (b), the legal basis of the priority rated order, fix the time-limit within which the order is to be performed, and set out the product, specifications, volume, and any other parameter to be complied with. The Commission shall also state the penalties provided for in Article 55 for non-compliance with the obligation.	9. The economic operator subject to a priority-rated request pursuant to paragraph 3 or to a priority-rated order pursuant to paragraph 4a may request the Commission shall state ~~into modify~~ the implementing act referred to in paragraph 7, point (b), the legal basis 3 or in paragraph 4a where it considers it to be duly justified based on one of the priority rated order, fix the time limit within which the order is to be performed, and set out the product, specifications, volume, and any other parameter to	~~913.~~ <u>The economic operator subject to a priority-rated request pursuant to paragraph 6 or to a priority-rated order pursuant to paragraph 8 may request</u> the Commission ~~shall state into modify~~ the implementing act referred to in paragraph ~~7, point (b), the legal basis~~ <u>6 or in paragraph 8 where it considers it to be duly justified based on one</u> of the ~~priority rated order, fix the time limit within which the order is to be performed, and set out the product, specifications, volume, and any other parameter to be complied~~

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						be complied with. The Commission shall also state the penalties provided for in Article 55 for non-compliance with the obligation following grounds:		~~with. The Commission shall also state the penalties provided for in Article 55 for non-compliance with the obligation.~~ <u>following grounds:</u> Text Origin: Council Mandate
		Article 47(9), point (a)						
G		525a				(a) the economic operator is unable to perform the priority-rated request or the priority-rated order on account of insufficient production capability or production capacity, even under preferential treatment of the request or order;		<u>(a) the economic operator is unable to perform the priority-rated request or the priority-rated order on account of insufficient production capability or production capacity, even under preferential treatment of the request or order;</u> Text Origin: Council Mandate
		Article 47(9), point (b)						
G		525b				(b) completion of the request or the order would place an unreasonable economic burden and entail particular hardship for the economic operator.		<u>(b) completion of the request or the order would place an unreasonable economic burden and entail particular hardship for the economic operator.</u> Text Origin: Council Mandate
		Article 47(10)						
G		526		10. Where the undertaking has accepted the priority rated order of the Commission under paragraph 6 or where the Commission has adopted an implementing act under		10. ~~Where the undertaking has accepted the priority rated order of~~ The economic operator shall provide all relevant and substantiated information to		~~1014. Where the undertaking has accepted the priority rated order of~~ <u>The economic operator shall provide all relevant and substantiated information to allow</u>

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	paragraph 7(b), the priority rated order shall:	paragraph 7(b), the priority rated order shall:	allow the Commission under paragraph 6 or where the Commission has adopted an implementing act under paragraph 7(b), the priority rated order shall: to assess the merits of the request for modification.	the Commission ~~under paragraph 6 or where the Commission has adopted an implementing act~~ <u>to assess the merits of the request for modification referred to in</u> paragraph ~~7(b), the priority rated order shall: 13.~~ Text Origin: Council Mandate
Article 47(10), point (a)				
527	(a) be placed at a fair and reasonable price, adequately taking into account the economic operator's opportunity costs when fulfilling the priority rated orders vis-à-vis existing contractual obligations;	(a) be placed at a fair and reasonable price, adequately taking into account the economic operator's opportunity costs when fulfilling the priority rated orders vis-à-vis existing contractual obligations;	<i>deleted</i>	<i>deleted</i>
Article 47(10), point (b)				
528	(b) take precedence over any performance obligation under private or public law with the exception of these directly related to military orders.	(b) take precedence over any performance obligation under private or public law with the exception of these directly related to military orders.	<i>deleted</i>	<i>deleted</i>
Article 47(11)				
529	11. Any conflict between a priority rated order and a measure under any other prioritisation mechanism of the Union shall be resolved by the Commission, based on the weighing of the public	11. Any conflict between a priority rated order and a measure under any other prioritisation mechanism of the Union shall be <u>discussed within the Defence Industrial Readiness Board and</u>	11. Any conflict between a priority rated order and a measure under any other prioritisation mechanism Based on the examination of the Union shall be resolved by reasons and evidence	~~11. Any conflict between a priority rated order and a measure under any other prioritisation mechanism~~ <u>Based on the examination</u> of the ~~Union shall be resolved by~~ <u>reasons and evidence</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
		interest.		resolved by the Commission, based on the weighing of the public interest.		provided by the economic operator, the Commission may, after consulting the Member State on whose territory the executive management structure, based on the weighing of the public interest economic operator is located and the Member State where the production site is located, amend its implementing act to release, partially or in totality, the economic operator concerned from its obligations under this Article.		<u>provided by the economic operator, the Commission may, after consulting the Member State on whose territory the executive management structure, based on the weighing of the public interest economic operator is located and the Member State where the production site is located, amend its implementing act to release, partially or in totality, the economic operator concerned from its obligations under this Article.</u> Text Origin: Council Mandate
Article 47(12)								
530		12. Where the undertaking has agreed to the order of the Commission under paragraph 6 or where the Commission has adopted an implementing act under paragraph 7(b), the undertaking may request the Commission to review the priority rated order where it considers it to be duly justified based on one of the following grounds:		12. Where the undertaking has agreed to the order of the Commission under paragraph 6 or where the Commission has adopted an implementing act under paragraph 7(b), the undertaking may request the Commission to review the priority rated order where it considers it to be duly justified based on one of the following grounds:		12. Where the undertaking has agreed to the an economic operator established in the Union is subject to a measure of a third country which entails a priority-rated order of the Commission under paragraph 6 or where the Commission has adopted an implementing act under paragraph 7(b), the undertaking may or a priority-rated request of a crisis-relevant product which is not a defence product, it shall notify the Commission to review the priority rated order where it		~~12~~ 16. Where ~~the undertaking has agreed to the~~ <u>an economic operator established in the Union is subject to a measure of a third country which entails a priority-rated order of the Commission under paragraph 6 or where the Commission has adopted an implementing act under paragraph 7(b), the undertaking may or a priority-rated request of a crisis-relevant product which is not a defence product, it shall notify</u> the Commission ~~to review the priority rated order where it considers it to~~

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						considers it to be duly justified based on one thereof. The Commission shall then inform the Defence Security of Supply Board of the following grounds: existence of such measures. Where relevant, the Commission may consult with the Defence Security of Supply Board on any appropriate step that may need to be taken in response to that measure.		~~be duly justified based on one thereof. The Commission shall then inform the Security of Supply Board~~ of the ~~following grounds: existence of such measures.~~
Article 47(12), point (a)								
G	531	(a) the undertaking is unable to perform the priority rated order on account of insufficient production capability or production capacity, even under preferential treatment of the order;		(a) the undertaking is unable to perform the priority rated order on account of insufficient production capability or production capacity, even under preferential treatment of the order;		deleted		deleted
Article 47(12), point (b)								
G	532	(b) acceptance of the order would place an unreasonable economic burden and entail particular hardship for the undertaking.		(b) acceptance of the order would place an unreasonable economic burden and entail particular hardship for the undertaking.		deleted		deleted
Article 47(13)								
G	533	13. The undertaking shall provide all relevant and substantiated information to allow the Commission to assess the		13. The undertaking shall provide all relevant and substantiated information to allow the Commission to assess the		13. The undertaking shall provide all relevant and substantiated information to allow Where an economic		~~1317. The undertaking shall provide all relevant and substantiated information to allow~~ <u>Where an economic operator</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		merits of the objections raised.		merits of the objections raised.		operator subject to a priority-rated request pursuant to paragraph 3 or a priority-rated order pursuant to paragraph 4a intentionally, or through gross negligence, does not comply with that request or order, the Commission ~~to assess the merits of the objections raised~~ may, by means of a decision, where deemed necessary and proportionate, impose a fine on the economic operator concerned in accordance with Article 55, except where:		<u>subject to a priority-rated request pursuant to paragraph 6 or a priority-rated order pursuant to paragraph 8 intentionally, or through gross negligence, does not comply with that request or order</u> , the Commission ~~to assess the merits of the objections raised~~ may, by means of a decision, where deemed necessary and proportionate, impose a fine on the economic operator concerned in accordance with Article 55, except where: Text Origin: Council Mandate
		Article 47(13), point (a)						
G		533a				(a) the economic operator is unable to perform the priority-rated request or the priority-rated order on account of insufficient production capability or production capacity, or on technical grounds; or		<u>(a) the economic operator is unable to perform the priority-rated request or the priority-rated order on account of insufficient production capability or production capacity, or on technical grounds; or</u> Text Origin: Council Mandate
		Article 47(13), point (b)						
G		533b				(b) performance or completion of the order would place an unreasonable economic burden and entail particular hardship for the economic		<u>(b) performance or completion of the order would place an unreasonable economic burden and entail particular hardship for the economic</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						operator, including substantial risks relating to business continuity.		<u>operator, including substantial risks relating to business continuity.</u> Text Origin: Council Mandate
Article 47(14)								
534		14. Based on the examination of the reasons and evidence provided by the undertaking, the Commission may, after consulting the Member State of establishment, amend its implementing Act to release, partially or in totality the undertaking concerned from its obligations under this Article.		14. Based on the examination of the reasons and evidence provided by the undertaking, the Commission may, after consulting the Member State of establishment, amend its implementing Act to release, partially or in totality the undertaking concerned from its obligations under this Article.		14. ~~Based on the examination of the reasons and evidence provided by the undertaking, The Commission may, after consulting the Member State of establishment, amend its~~ shall adopt an implementing act ~~to release, partially or in totality the undertaking concerned from its obligations under this Article~~ laying down the practical and operational arrangements for the functioning of priority-rated requests and priority-rated orders, including a methodology for the determination of the price of crisis-relevant products subject to priority-rated orders.		~~1418. Based on the examination of the reasons and evidence provided by the undertaking, The Commission may, after consulting the Member State of establishment, amend its~~ shall adopt an implementing act ~~to release, partially or in totality the undertaking concerned from its obligations under this Article~~ laying down the practical and operational arrangements for the functioning of priority-rated requests and priority-rated orders, including a methodology for the determination of the price of crisis-relevant products subject to priority-rated orders. Text Origin: Council Mandate
Article 47(15)								
535		15. This Article shall be without prejudice to the use of national mechanisms or initiatives having an equivalent effect.		15. This Article shall be without prejudice to the use of national mechanisms or initiatives having an equivalent effect.		15. The implementing acts referred to in this Article shall be ~~without prejudice to the use of national mechanisms or initiatives having an equivalent~~		~~1519. The implementing acts referred to in~~ referred to in this Article shall be ~~without prejudice to the use of national mechanisms or initiatives having an equivalent effect.~~ adopted

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
			effect adopted in accordance with the examination procedure referred to in Article 58(3).	<u>in accordance with the examination procedure referred to in Article 58(3).</u> Text Origin: Council Mandate
Article 47(16)				
536	16. When an undertaking established in the Union is subject to a measure of a third country which entails a priority rated order, it shall notify the Commission thereof. The Commission shall then inform the Committee of the existence of such measures.	16. When an undertaking established in the Union is subject to a measure of a third country which entails a priority rated order, it shall notify the Commission thereof. The Commission shall then inform the Committee of the existence of such measures.	16. ~~When an undertaking established in the Union is subject to a measure of a third country which entails a priority rated order, it shall notify the Commission thereof.~~ This Article is without prejudice to the right of each Member State to protect its essential security interests in accordance with Article 346(1)(b) TFEU. The Commission shall then inform the Committee of the existence of such measures.	~~1620. When an undertaking established in the Union is subject to a measure of a third country which entails a priority rated order, it shall notify the Commission thereof.~~ <u>This Article is without prejudice to the right of each Member State to protect its essential security interests in accordance with Article 346(1)(b) TFEU.</u> ~~The Commission shall then inform the Committee of the existence of such measures.~~ Text Origin: Council Mandate
Article 47(17)				
537	17. Where an undertaking accepts or is obliged to accept and prioritise a priority rated order in accordance with paragraphs 6 or 7(b) it shall be shielded from any contractual or extra-contractual liability in relation to comply with the priority rated requests. The liability shall be excluded only to the extent the violation of	17. Where an undertaking accepts or is obliged to accept and prioritise a priority rated order in accordance with paragraphs 6 or ~~7(b)~~ <u>7, point (b)</u> , it shall be shielded from any contractual or extra-contractual liability in relation to comply with the priority rated ~~requests~~ <u>orders</u> . The liability shall be excluded only to the extent the	deleted	deleted

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	contractual obligations was necessary for compliance with the mandated prioritisation.	violation of contractual obligations was necessary for compliance with the mandated prioritisation.		
Article 47(18)				
538	18. Where an economic operator, after having expressly accepted or been obliged to accept to prioritise the orders requested by the Commission, intentionally or through gross negligence, does not comply with the obligation to prioritise those orders, it shall be subject to fines set in accordance with Article 54, except where the undertaking has sufficient reasons for not complying with the obligation to prioritise those orders.	18. Where an economic operator, after having expressly accepted or been obliged to accept to prioritise the orders requested by the Commission, intentionally or through gross negligence, does not comply with the obligation to prioritise those orders, it shall be subject to fines set in accordance with Article 54, except where the undertaking has sufficient reasons for not complying with the obligation to prioritise those orders.	<i>deleted</i>	<i>deleted</i>
Article 47(19)				
539	19. The Commission shall adopt an implementing act laying down the practical and operational arrangements for the functioning of priority rated requests.	19. The Commission shall adopt an implementing act laying down the practical and operational arrangements for the functioning of priority rated ~~requests~~ <u>orders</u> .	<i>deleted</i>	<i>deleted</i>
Article 47(20)				
540	20. The implementing acts referred to in this Article shall be adopted in accordance with the examination procedure referred to in Article 58 (3).	20. The implementing acts referred to in this Article shall be adopted in accordance with the examination procedure referred to in Article 58 (3).	<i>deleted</i>	<i>deleted</i>

	CLEAN	Commission Proposal	V.S.EC	EP Mandate	V.S.EC	Council Mandate	V.S.EC	Draft Agreement
Section 4								
G	541	Section 4 Security-related supply crisis state		Section 4 ~~Security-related supply crisis~~ <u>Security-crisis</u> state		deleted		Section 4 Security-related ~~supply crisis~~ <u>supply-crisis</u> state
Article 48								
G	542	Article 48 Activation of the security-related supply crisis state		Article 48 Activation of the ~~security-related supply~~ <u>security</u> crisis state		Article 48 deleted		Article 48 Activation of the security-related ~~supply crisis~~ <u>supply-crisis</u> state Text Origin: Commission Proposal
Article 48(1)								
G	543	1. A security-related supply crisis shall be considered to occur where:		1. A ~~security-related supply~~ <u>security</u> crisis shall be considered to occur where: <u>Member States have triggered Article 42(7) TEU.</u>		deleted		1. A security-related ~~supply crisis~~ <u>supply-crisis</u> shall be considered to occur where: Text Origin: Commission Proposal
Article 48(1), point (a)								
G	544	(a) A security crisis has arisen or is deemed to have arisen;		deleted		deleted		(a) ~~A~~ <u>there are serious disruptions or an imminent risk of such disruptions in the provision of defence products, such as disruptions due to the impact of events related to the</u> security ~~crisis has arisen or is deemed to have arisen;~~ <u>of the Union; and</u>
Article 48(1), point (b)								
G	545	(b) there are serious disruptions in the provision of		deleted		deleted		(b) ~~there are serious~~ <u>such</u> disruptions <u>or the risk thereof are</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	products or serious obstacles to trade in defence products within the Union causing significant shortages of defence products or related intermediate products or raw or processed materials.			<u>resulting or are likely to result</u> in the ~~provision of~~ <u>adoption of divergent national measures related to crisis-relevant defence</u> products ~~or serious~~ <u>leading to a severe negative impact on the proper functioning of the internal market, in particular</u> obstacles to <u>cross-border</u> trade in <u>such crisis-relevant</u> defence products within the Union causing significant shortages of defence products ~~or related intermediate products or raw or processed materials.~~
Article 48(2)				
546	2. Where a security-related supply crisis occurs or where the Commission or the Defence Industrial Readiness Board becomes aware of a potential security-related supply crisis pursuant to Article 43, the Commission shall assess, with the support of the High-Representative, whether the conditions of paragraph 1 of this Article are met. That assessment shall take into account the potential positive and negative impacts and consequences of the security-related supply crisis state on the Union's defence supply chains.	<i>deleted</i>	<i>deleted</i>	2. Where ~~a security-related supply crisis occurs or where the Commission or the Defence Industrial Readiness Board becomes aware of a potential security-related supply crisis.~~ pursuant to Article 43, the Commission <u>or the Security of Supply Board become aware of risk of serious disruption in the supply of crisis-relevant defence products or has concrete and reliable information of any other relevant risk factor materially affecting the supply of such products, the Commission, after consulting the Board,</u> shall assess;

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	Where that assessment provides concrete and reliable evidence, the Commission may propose to the Council to activate the security-related supply crisis state.			~~with the support of the High Representative,~~ whether the conditions of paragraph 1 of this Article are met. That assessment shall take into account the potential ~~positive and negative~~ impacts and consequences of the security-related ~~supply crisis~~ <u>supply-crisis</u> state on the ~~Union's~~ defence ~~supply chains~~ <u>supply-chains within the Union, the results of stress tests conducted pursuant to Article 41a, and assessments performed in other relevant Union crisis management frameworks.</u> Where that assessment provides concrete and reliable evidence, the Commission may, <u>after consulting the Security of Supply Board,</u> propose to the Council to activate the security-related ~~supply crisis~~ <u>supply-crisis</u> state. <u>When proposing to activate the security-related supply crisis-state to the Council, the Commission shall inform the Parliament thereof.</u>
Article 48(2a)				
546a				<u>2a. When assessing if the conditions of paragraph 1 of this Article are met pursuant to Article 2, the Commission shall, in particular, take into account</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								<u>whether a crisis affecting the security and defence interests of the Union and its Member States has been identified within the area of CFSP, such as whether the crisis has triggered the activation of the mutual assistance clause pursuant to Article 42(7) TEU.</u>
Article 48(3)								
547		3. The Council, upon the proposal of the Commission and acting by qualified majority, may adopt an Implementing Act activating the security-related supply crisis state where that is appropriate to address the crisis, taking into account the need to ensure a high level of security of the Union, Member States and Union citizens.		3. The Council, upon the proposal of the Commission and acting by qualified majority, ~~may~~ <u>shall</u> adopt an Implementing Act activating the ~~security-related supply~~ <u>security</u> crisis state ~~where that is appropriate to address the crisis, taking into account the need to ensure a high level of security of the Union, Member States and Union citizens.~~		deleted		3. The Council, <u>acting by qualified majority and</u> upon the proposal of the Commission ~~and acting by qualified majority, may adopt an~~ , <u>may activate the security-related supply-crisis state by means of a Council</u> implementing act. <u>The duration of activating the security-related supply-crisis state where that is appropriate to address the crisis, taking into account the need to ensure a high level of security shall be specified in the implementing act and shall initially not exceed 12 months. The implementing act shall specify which</u> of the ~~Union, Member States and Union citizens~~ <u>measures set out in Articles 49 to 54a are activated. In addition, the implementing act may identify for which crisis-</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								<u>relevant defence products those measures shall be activated.</u>
Article 48(4)								
G	548	4. The Council shall set out in the Implementing Act activating the security-related supply crisis state which of the measures set out in Articles 49 to 54 are appropriate to the crisis, taking into account the need to ensure a high level of security of the Union, Member States and Union citizens, and which measures are therefore to be activated.		deleted		deleted		~~43a. The Council shall set out in the Implementing Act activating the security-related supply crisis state which of the measures set out in Articles 49 to 54 are appropriate to the crisis, taking into account the need to ensure a high level of security of the Union, Member States and Union citizens, and which measures are therefore to be activated~~ <u>may amend the proposal referred to in paragraph 3 acting by qualified majority.</u>
Article 48(4a)								
G	548a							<u>4. The Commission shall report on a regular basis and at least every three months to the Council and to the European Parliament on the state of the security-related supply-crisis.</u>
Article 48(5)								
G	549	5. The security-related supply crisis state shall be activated for a maximum period of twelve months. No later than three weeks before the expiry of the period for which the security-related supply		5. The ~~security-related supply~~ <u>security</u> crisis state shall be activated for a maximum period of twelve months. No later than three weeks before the expiry of the period for which the ~~security-~~		deleted		5. ~~The security-related supply crisis state shall be activated for a maximum period of twelve months.~~ No later than three weeks before the expiry of the ~~period for which~~ <u>duration of</u> the security-

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		crisis state was activated, the Commission with the support of the High-Representative shall submit to the Council a report, assessing whether that period should be prolonged. The report shall in particular analyse the security situation and the economic consequences of the security crisis in the Union as a whole and in Member States, as well as the impact of the measures previously activated under this Regulation.		~~related supply~~ <u>security</u> crisis state was activated, the Commission with the support of the High-Representative shall submit to the Council a report, assessing whether that period should be prolonged. The report shall in particular analyse the security situation and the economic consequences of the security crisis in the Union as a whole and in Member States, as well as the impact of the measures previously activated under this Regulation.				related ~~supply-crisis~~ <u>supply-crisis</u> state ~~was activated~~ , the Commission, <u>taking into consideration the recommendation</u> ~~with the support of the High-Representative~~ <u>Security of Supply Board</u> , shall submit to the Council a report, assessing whether that period should be prolonged. The report shall in particular analyse the ~~security situation and the economic consequences of the security crisis in the Union as a whole and in Member States, as well as the~~ impact of the measures previously activated under this Regulation. <u>Where such assessment provides concrete and reliable evidence that the conditions for the activation of the security-related supply-crisis state are still met, the Commission may, after consulting the Security of Supply Board, propose to the Council to prolong the security-related supply-crisis state.</u>
Article 48(5a)								
549a								<u>6. The Council, acting by qualified majority upon a proposal from the Commission, may prolong the security-related</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								<u>supply-crisis state by means of a Council implementing act. The duration of the prolongation shall be limited to a maximum of 6 months and specified in the Council implementing act. The implementing act shall also specify which of the measure set out in Article 49-54a continue to be applied, or, where relevant, are activated. The Council, acting by qualified majority, may repeatedly decide to prolong the period for which the security-related supply-crisis state is activated where that is justified to address the crisis.</u>
Article 48(6)								
550		6. The Commission may propose prolongation to the Council, specifying which of the measures are appropriate for prolongation, when the assessment referred to in paragraph 4 concludes that it is appropriate that the period for which the security-related supply crisis state is activated be prolonged. The prolongation shall be for up to six months. The Council, acting by qualified majority, may repeatedly decide to prolong the period for which the security-related supply		6. <u>If Article 42(7) TEU is still active,</u> the Commission ~~may~~ <u>shall</u> propose <u>a</u> prolongation to the Council, ~~specifying which of the measures are appropriate for prolongation, when the assessment referred to in paragraph 4 concludes that it is appropriate that the period for which the security-related supply crisis state is activated be prolonged. The prolongation shall be for up to six months.~~ The Council, acting by qualified majority, may repeatedly decide to prolong the period for		deleted		~~66a.~~ The Commission may propose ~~prolongation~~ to the Council, ~~specifying which of the measures are appropriate for prolongation, when the assessment referred to in paragraph 4 concludes that it is appropriate that the period for which the security-related supply crisis state is activated be prolonged. The prolongation shall be for up to six months. The Council, acting by qualified majority, may repeatedly decide to prolong the period for which the security-related supply~~

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	crisis state is activated where that is appropriate to address the crisis, taking into account the need to ensure a high level of security of the Union, Member States and European citizens.	which the ~~security-related supply~~ <u>security</u> crisis state is activated where that is appropriate to address the crisis, taking into account the need to ensure a high level of security of the Union, Member States and European citizens.		~~erisis~~ <u>supply-crisis</u> state ~~is activated where that is appropriate~~ <u>as many times as considered necessary</u> to address the <u>supply</u> crisis, ~~taking into account the need to ensure a high level of security of the Union, Member States and European citizens~~ <u>subject to the conditions set out in paragraph 5 of this Article. Upon such proposal from the Commission, paragraph 6a of this Article shall apply.</u>
Article 48(7)				
551	7. The Commission, after consulting the Defence Industrial Readiness Board, may propose to the Council to adopt an implementing act activating additional measures or deactivating any activated measures set out in Articles 49 to 54, in addition to those measures that it had already activated, where that is appropriate to address the crisis, taking into account the need to ensure a high level of security of the Union, Member States and Union citizens.	<i>deleted</i>	<i>deleted</i>	7. <u>During the security-related supply-crisis state</u> , the Commission <u>shall</u> , after consulting the ~~Defence Industrial Readiness~~ <u>Security of Supply</u> Board, ~~may~~ <u>assess the appropriateness of an early termination of the security-related supply-crisis state. If the assessment so indicates, the Commission shall</u> propose to the Council to ~~adopt~~ <u>terminate the crisis state. The Council may, by means of</u> an implementing act ~~activating additional measures or deactivating any activated measures set out in Articles 49 to 54, in addition to those measures that it had already activated, where~~

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								<i>that is appropriate to address the crisis, taking into account the need to ensure a high level of security of the Union, Member States and Union citizens</i> <u>adopted by qualified majority upon a proposal from the Commission, terminate the security-related supply-crisis state before the expiry date specified in the implementing act referred to in paragraph 3 or 6a.</u>
Article 48(8), first subparagraph								
552		8. Upon expiry of the period for which the security-related supply crisis state is activated, the measures taken in accordance with Articles 49 to 54 shall cease to apply.		8. Upon expiry of the period for which the ~~security-related supply~~ <u>security</u> crisis state is activated, the measures taken in accordance with Articles 49 to 54 shall cease to apply.		<i>deleted</i>		8. Upon expiry of the period for which the security-related ~~supply crisis~~ <u>supply-crisis</u> state is activated <u>or upon its termination pursuant to paragraph 7a</u> , the measures taken in accordance with Articles 49 to ~~54~~ <u>54a</u> shall <u>immediately</u> cease to apply. <u>By derogation, implementing acts that have been adopted in accordance with Article 50(3) shall continue to apply until the priority-rated requests concerned have been completed.</u>
Article 48(8), second subparagraph								
553		In the course of the preparation and implementation of the measures set out in Articles 49 to 54, the Commission shall, whenever		In the course of the preparation and implementation of the measures set out in Articles 49 to 54, the Commission shall, whenever		<i>deleted</i>		In the course of the preparation and implementation of the measures set out in Articles 49 to ~~54~~ <u>54a</u> , the Commission shall, whenever

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	possible, act in close coordination with the Defence Industrial Readiness Board, which shall provide advice in a timely manner. The Commission shall inform the Defence Industrial Readiness Board on the action taken.	possible, act in close coordination with the Defence Industrial Readiness Board, which shall provide advice in a timely manner. The Commission shall inform the Defence Industrial Readiness Board on the action taken.		possible, act in close coordination with the ~~Defence Industrial Readiness~~ <u>Security of Supply</u> Board, which shall provide advice in a timely manner. The Commission shall inform the ~~Defence Industrial Readiness~~ <u>Security of Supply</u> Board on the action taken. <u>During the supply-crisis state, the Commission shall, upon request from a Member State or on its own initiative, convene extraordinary meetings of the Defence Security of Supply Board where necessary. In line with Article 57(10), the Defence Security of Supply Board shall invite, where relevant, high-level industrial representatives to meet in special configuration in order to discuss issues related to the defence products. Member States shall work closely with the Commission within the Defence Security of Supply Board in order to ensure the coordination of any Union and national measures taken with regard to the defence supply chains related to the concerned crisis-relevant defence product.</u>
Article 48(9)				

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
554	9. Where the security-related supply crisis state is activated, the Commission may take the measure provided for in Articles 46 and 47, under the conditions laid down therein and in Article 45.	9. Where the ~~security-related supply~~ <u>security</u> crisis state is activated, the Commission may take the measure provided for in Articles 46 and 47, under the conditions laid down therein and in Article 45.	~~deleted~~	9. Where the security-related ~~supply crisis~~ <u>supply-crisis</u> state is activated, the Commission may ~~take the measure~~ <u>propose to the Council to activate the measures</u> provided for in Articles 46 and 47, under the conditions laid down therein and in ~~Article~~ <u>Articles 44 and</u> 45.
Article 49				
555	Article 49 Information gathering	Article 49 Information gathering	~~Article 49~~ ~~deleted~~	Article 49 Information gathering
Article 49, first paragraph				
556	Where the Council activates this measure in accordance with Article 48(4), the Commission may take the measure provided for in Article 46 in relation to defence products, in accordance with the conditions defined therein.	Where the Council activates this measure in accordance with Article 48(4), the Commission may take the measure provided for in Article 46 in relation to defence products, in accordance with the conditions defined therein.	~~deleted~~	Where the Council activates this measure in accordance with Article 48(4), the Commission may take the measure provided for in Article 46 in relation to <u>crisis-relevant</u> defence products, in accordance with the conditions defined therein.
Article 50				
557	Article 50 Prioritisation of defence products (Priority Rated Requests)	Article 50 ~~Prioritisation of defence products~~ ~~(Security-crisis priority rated Requests)~~ <u>orders</u>	Article 50 Prioritisation of defence products (Priority Rated Requests)	Article 50 Prioritisation of defence products ~~(Priority Rated Requests)~~ Text Origin: Council Mandate
Article 50(1)				

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
558		1. Where the Council activates this measure in accordance with Article 48(4), a Member State, which faces or may face severe difficulties either in the placing of an order or in the execution of a contract for the supply of defence products due to shortages or serious risks of shortages of crisis-relevant products and these difficulties may undermine the security of the Union and of its Member States, may ask the Commission to require an undertaking to accept, or to prioritise certain orders of crisis-relevant products ('priority rated requests'). These requests may only concern defence products.		1. Where the Council activates ~~this measure in accordance with~~ <u>the security-crisis state pursuant to</u> Article ~~48(4)~~ <u>48(3)</u>, a Member State, which faces or may face severe difficulties either in the placing of an order or in the execution of a contract for the supply of defence products ~~due to shortages or serious risks of shortages of crisis-relevant products~~ and these difficulties may undermine the security of the Union and of its Member States, may ask ~~the Commission~~ <u>another Member State</u> to require an undertaking <u>based on its territory</u> to accept, or to prioritise certain orders of <u>defence and</u> crisis-relevant products ~~('priority rated requests'). These requests may only concern defence products.~~		1. Where the Council activates this measure in accordance with Article 48(4)~~44~~(3), a Member State may submit a request to the Commission to request an economic operator whose production site is located on its territory to accept, or to prioritise, certain orders of crisis-relevant products which ~~faces or may face~~ are defence products in order to address the severe difficulties that Member State or another Member State faces either in the placing of an order or in the execution of a contract for the supply of ~~defence products due to shortages or serious risks of shortages of crisis-relevant products~~ and these difficulties may undermine the security of the Union and of its Member States, may ask the Commission to require an undertaking to accept, or to prioritise certain orders of crisis-relevant products ('priority rated requests'). These requests may only concern ~~defence~~ such products. Text Origin: Council Mandate		1. Where the Council activates this measure in accordance with Article ~~48(4)~~ <u>48(3)</u>, a Member State may submit a request to the Commission to request an economic operator whose production site is located on its territory to accept, or to prioritise, certain orders of crisis-relevant products which ~~faces or may face~~ are defence products in order to address the severe difficulties that Member State or another Member State faces either in the placing of an order or in the execution of a contract for the supply of ~~defence products due to shortages or serious risks of shortages of crisis-relevant products~~ and these difficulties may undermine the security of the Union and of its Member States, may ask the Commission to require an undertaking to accept, or to prioritise certain orders of crisis-relevant products ('priority rated requests'). These requests may only concern ~~defence~~ such products. Text Origin: Council Mandate
Article 50(1a), first subparagraph								

	CLEAN	Commission Proposal	V.S.EC	EP Mandate	V.S.EC	Council Mandate	V.S.EC	Draft Agreement
G	559	2. Upon a request referred to in paragraph 1, the Commission may, after the consultation of the Member State of establishment of the concerned undertaking and with its prior agreement, require the latter to accept the priority rated requests. The Commission's request shall explicitly indicate that the economic operator remains free to refuse the request.		2. Upon a request referred to in paragraph 1, the ~~Commission may, after the consultation of the~~ Member State ~~of establishment of the concerned~~ <u>on which territory the undertaking is established, shall require the</u> undertaking ~~and with its prior agreement, require the latter~~ <u>established on its territory</u> to accept the priority rated ~~requests~~ <u>order</u> . The Commission's ~~request shall explicitly indicate that the economic operator remains free to refuse the request~~ <u>ensure the application of this provision</u> .		2. Upon a request referred to in paragraph 1, the Commission may, ~~after the consultation of the~~ Member State of establishment of the concerned undertaking and with its prior agreement, require the latter to accept the priority rated requests. The Commission's ~~where the production or the supply of such products could not be achieved by any other measure provided for in this chapter, address a request shall explicitly indicate that to the economic operator remains free to refuse the request~~ <u>concerned after:</u>		2. Upon a request referred to in paragraph 1, the Commission may, ~~after the consultation of the~~ Member State ~~of establishment of the concerned undertaking and with its prior agreement, require the latter to accept the priority rated requests. The~~ <u>Commission's where the production or the supply of such products could not be achieved by any other measure provided for in this chapter, address a</u> request ~~shall explicitly indicate that to the economic operator remains free to refuse the request~~ <u>concerned after:</u> Text Origin: Council Mandate
Article 50(1a), first subparagraph, point (a)								
G	559a				(a) consultation, and receiving prior agreement, of the Member State on whose territory the production site of the economic operator concerned is located; and		(a) <u>consultation, and receiving prior agreement, of the Member State on whose territory the production site of the economic operator concerned is located; and</u> Text Origin: Council Mandate	
Article 50(1a), first subparagraph, point (b)								
G	559b				(b) consultation, and receiving prior agreement, of the Member State on whose territory the executive management		(b) <u>consultation, and receiving prior agreement, of the Member State on whose territory the executive management</u>	

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						structure of the economic operator is located.		<u>structure of the economic operator is located.</u> Text Origin: Council Mandate
		Article 50(1a), second subparagraph						
G		559c				The Commission's request shall explicitly indicate that the economic operator remains free to refuse the request.		<u>The Commission's request shall explicitly indicate that the economic operator remains free to refuse the request.</u> Text Origin: Council Mandate
		Article 50(1b)						
G		559d				2a. The Commission shall demonstrate that the choice of the recipients and beneficiaries of the requests referred to in this Article is non-discriminatory and complies with Union competition rules.		<u>2a. The Commission shall demonstrate that the choice of the recipients and beneficiaries of the requests referred to in this Article is non-discriminatory and complies with Union competition rules.</u> Text Origin: Council Mandate
		Article 50(1c)						
G		559e				2b. The Commission shall base the requests referred to in this Article on objective, factual, measurable and substantiated data, showing that such prioritisation is indispensable in order to ensure the proper functioning of the internal market, as well as having regard		<u>2b. The Commission shall base the requests referred to in this Article on objective, factual, measurable and substantiated data, showing that such prioritisation is indispensable in order to ensure the proper functioning of the internal market, as well as having regard</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						to the legitimate interests of the economic operator and the cost and effort required for any change in the production sequence of the supply chain.		<u>to the legitimate interests of the economic operator and the cost and effort required for any change in the production sequence of the supply chain.</u> Text Origin: Council Mandate
Article 50(3)								
560		3. Where the undertaking to which the request referred to in paragraph 1 is addressed has expressly accepted the request to prioritise the requests, the Commission shall, after the consultation of the Member State of establishment of the concerned undertaking and with its prior agreement, adopt an implementing act providing for:		3. ~~Where the undertaking to which~~ <u>The Member State may ask the Commission to carry out</u> the request ~~referred to in paragraph 1 is addressed has expressly accepted the request to prioritise the requests~~ <u>on its behalf. In such case</u> , the Commission shall, ~~after the consultation of the Member State of establishment of the concerned undertaking and with its prior agreement~~ , adopt an implementing act providing for:		3. Where the ~~undertaking~~ <u>economic operator</u> to which the request referred to in paragraph 1 is addressed has expressly accepted the request ~~to prioritise the requests~~ , the Commission shall, after the consultation <u>and prior agreement</u> of the Member State ~~of establishment of the~~ <u>on whose territory the production site</u> concerned ~~undertaking and with its prior agreement~~ <u>of the economic operator is located and the Member State on whose territory the executive management structure of that economic operator concerned is located</u> , adopt <u>by means of</u> an implementing act <u>a priority-rated request</u> providing for:		3. Where the ~~undertaking~~ <u>economic operator</u> to which the request referred to in paragraph 1 is addressed has expressly accepted the request ~~to prioritise the requests~~ , the Commission shall, after the consultation <u>and prior agreement</u> of the Member State ~~of establishment of the~~ <u>on whose territory the production site</u> concerned ~~undertaking and with its prior agreement~~ <u>of the economic operator is located and the Member State on whose territory the executive management structure of that economic operator concerned is located</u> , adopt <u>by means of</u> an implementing act <u>a priority-rated request</u> providing for: Text Origin: Council Mandate
Article 50(3), point (a)								

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement	
G	561	(a) the legal basis of the priority rated requests which has to be complied with by the undertaking;	(a) the legal basis of the priority rated ~~requests~~ <u>order</u> which has to be complied with by the undertaking;	(a) the legal basis of the ~~priority rated requests~~ <u>priority-rated request</u> which has to be complied with by the ~~undertaking~~ <u>economic operator</u> ; Text Origin: Council Mandate	G
Article 50(3), point (b)					
G	562	(b) the crisis-relevant products subject to the priority rated request and quantity in which they are to be supplied;	(b) the <u>defence products and</u> crisis-relevant products subject to the priority rated ~~request~~ <u>order</u> and quantity in which they are to be supplied;	(b) the <u>list of</u> crisis-relevant products subject to the ~~priority~~ <u>priority-rated</u> request, ~~their specifications and the~~ <u>and</u> quantity in which they are to be supplied; Text Origin: Council Mandate	G
Article 50(3), point (c)					
G	563	(c) the time limits within which the priority rated request is to be completed;	(c) the time limits within which the ~~priority rated~~ <u>priority-rated</u> request is to be completed;	(c) the time limits within which the ~~priority rated~~ <u>priority-rated</u> request is to be completed; Text Origin: Council Mandate	G
Article 50(3), point (d)					
G	564	(d) the beneficiaries of the priority rated request, and	(d) the beneficiaries of the ~~priority rated~~ <u>priority-rated</u> request, ~~and~~ ;	(d) the beneficiaries of the ~~priority rated~~ <u>priority-rated</u> request, ~~and~~ ; Text Origin: Council Mandate	G
Article 50(3), point (da)					
G	564a		(da) the scope of contractual obligations over which the priority-rated request shall have	<u>(da) the scope of contractual obligations over which the priority-rated request shall have</u>	G

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						precedence;		<u>precedence</u> ; Text Origin: Council Mandate
		Article 50(3), point (e)						
	565	(e) the waiver of contractual liability under the conditions laid down in paragraph 5.	(e) the waiver of contractual liability under the conditions laid down in paragraph 5.	(e) the waiver of contractual liability under the conditions laid down in paragraph 5- of this Article; and	(e) the waiver of contractual liability under the conditions laid down in paragraph 5- of this Article; and			<u>of this Article; and</u> Text Origin: Council Mandate
		Article 50(3), point (ea)						
	565a		<u>(ea) the penalties provided for in Article 55 for non-compliance with the obligation by undertakings referred to in paragraph 2.</u>	(f) the penalties provided for in Article 55 for non-compliance with the obligations stemming from that implementing act.	(f) the penalties provided for in Article 55 for non-compliance with the obligations stemming from that implementing act.			<u>(f) the penalties provided for in Article 55 for non-compliance with the obligations stemming from that implementing act.</u> Text Origin: Council Mandate
		Article 50(3a), first subparagraph						
	565b			The implementing act shall be adopted in accordance with the examination procedure referred to in Article 58(3).	The implementing act shall be adopted in accordance with the examination procedure referred to in Article 58(3).			<u>The implementing act shall be adopted in accordance with the examination procedure referred to in Article 58(3).</u> Text Origin: Council Mandate
		Article 50(4)						
	566	4. The priority rated requests shall be placed at a fair and reasonable price adequately taking into account the economic operator's opportunity costs when fulfilling the priority rated requests	4. The priority rated ~~requests~~ <u>order</u> shall be placed at a fair and reasonable price adequately taking into account the economic operator's opportunity costs when fulfilling the priority	4. The ~~priority-rated~~ <u>priority-rated</u> requests shall be placed at a fair and reasonable price adequately taking into account the economic operator's opportunity costs when fulfilling the ~~priority~~	4. The ~~priority-rated~~ <u>priority-rated</u> requests shall be placed at a fair and reasonable price adequately taking into account the economic operator's opportunity costs when fulfilling the ~~priority~~			4. The ~~priority-rated~~ <u>priority-rated</u> requests shall be placed at a fair and reasonable price adequately taking into account the economic operator's opportunity costs when fulfilling the ~~priority~~

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		vis-à-vis existing contractual obligations. The priority rated requests shall take precedence over any prior private or public contractual obligation related to the products subject to the priority rated request under private or public law.		rated ~~requests~~ <u>orders</u> vis-à-vis existing contractual obligations. The priority rated ~~requests~~ <u>order</u> shall take precedence over any prior private or public contractual obligation related to the products subject to the priority rated ~~request~~ <u>order</u> under private or public law.		rated ~~priority-rated~~ requests vis-à-vis existing contractual obligations. The ~~priority-rated~~ ~~priority-rated~~ requests shall take precedence over any prior private or public contractual obligation related to the ~~crisis-relevant~~ products subject to the ~~priority~~ ~~rated~~ ~~priority-rated~~ request under private or public law, under the conditions laid down in the implementing act referred to in paragraph 3.		~~rated~~ <u>priority-rated</u> requests vis-à-vis existing contractual obligations. The ~~priority-rated~~ ~~priority-rated~~ requests shall take precedence over ~~any prior private or public~~ contractual ~~obligation~~ <u>obligations</u> related to the ~~crisis-relevant~~ products subject to the ~~priority~~ ~~rated~~ ~~priority-rated~~ request under private or public law, <u>under the conditions laid down in the implementing act referred to in paragraph 3.</u> Text Origin: Council Mandate
Article 50(5)								
567		5. The economic operator subject to that priority-rated request shall not be liable for any breach of contractual obligation that is governed by the law of a Member State, where:		5. The economic operator subject to that priority-rated ~~request~~ <u>order</u> shall not be liable for any breach of contractual obligation that is governed by the law of a Member State, where:		5. The economic operator subject to ~~that~~ priority-rated request pursuant to paragraph 3 shall not be liable for any breach of contractual obligation that is governed by the law of a Member State, ~~where~~ provided that:		5. The economic operator subject to ~~that~~ priority-rated request <u>pursuant to paragraph 3</u> shall not be liable for any breach of contractual obligation that is governed by the law of a Member State, ~~where~~ <u>provided that:</u> Text Origin: Council Mandate
Article 50(5), point (a)								
568		(a) the breach of contractual obligations is strictly necessary for compliance with the required prioritization,		(a) the breach of contractual obligations is strictly necessary for compliance with the required prioritization,		(a) the breach of contractual ~~obligations~~ obligation is strictly necessary for compliance with the required ~~prioritization~~ prioritisation;		(a) the breach of contractual ~~obligations~~ obligation is strictly necessary for compliance with the required ~~prioritization~~ <u>prioritisation;</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								Text Origin: Council Mandate
		Article 50(5), point (b)						
G	569	(b) the implementing act referred to in paragraph 3 has been complied with and		(b) the implementing act referred to in paragraph 3 has been complied with, and		(b) the implementing act referred to in paragraph 3 has been complied with; and		(b) the implementing act referred to in paragraph 3 has been complied with; and Text Origin: Council Mandate
		Article 50(5), point (c)						
G	570	(c) the acceptance of the priority rated request was not solely made with a view to unduly avoiding a prior performance obligation.		(c) the acceptance of the priority rated ~~request~~ <u>order</u> was not solely made with a view to unduly avoiding a prior performance obligation.		(c) the acceptance of the ~~priority rated~~ <u>priority-rated</u> request ~~was not solely made with a view to~~ <u>did not have the sole purpose of</u> unduly avoiding a prior performance obligation.		(c) the acceptance of the ~~priority rated~~ <u>priority-rated</u> request ~~was not solely made with a view to~~ <u>did not have the sole purpose of</u> unduly avoiding a prior performance obligation. Text Origin: Council Mandate
		Article 50(5a)						
G	570a					5a. The economic operator subject to a priority-rated request may request the Commission to modify the implementing act referred to in paragraph 3 where it considers it to be duly justified based on one of the following grounds:		<u>5a. The economic operator subject to a priority-rated request may request the Commission to modify the implementing act referred to in paragraph 3 where it considers it to be duly justified based on one of the following grounds:</u> Text Origin: Council Mandate
		Article 50(5a), point (a)						
G	570b					(a) the economic operator is unable to perform the priority-		<u>(a) the economic operator is unable to perform the priority-</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						rated request on account of insufficient production capability or production capacity, even under preferential treatment of the request;		<u>rated request on account of insufficient production capability or production capacity, even under preferential treatment of the request;</u> Text Origin: Council Mandate
		Article 50(5a), point (b)						
G		570c				(b) completion of the request would place an unreasonable economic burden and entail particular hardship for the economic operator.		<u>(b) completion of the request would place an unreasonable economic burden and entail particular hardship for the economic operator.</u> Text Origin: Council Mandate
		Article 50(5b)						
G		570d				5b. The economic operator shall provide all relevant and substantiated information to allow the Commission to assess the merits of the request for modification.		<u>5b. The economic operator shall provide all relevant and substantiated information to allow the Commission to assess the merits of the request for modification.</u> Text Origin: Council Mandate
		Article 50(5c)						
G		570e				5c. Based on the examination of the reasons and evidence provided by the economic operator, the Commission may, after consultation and prior agreement of the Member State		<u>5c. Based on the examination of the reasons and evidence provided by the economic operator, the Commission may, after consultation and prior agreement of the Member State on</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						on whose territory the relevant production site of the economic operator is located and the Member State on whose territory the executive management structure of that economic operator concerned is located, amend its implementing act to release, partially or in totality, the economic operator concerned from its obligations under this Article.		<u>whose territory the relevant production site of the economic operator is located and the Member State on whose territory the executive management structure of that economic operator concerned is located, amend its implementing act to release, partially or in totality, the economic operator concerned from its obligations under this Article.</u> Text Origin: Council Mandate
Article 50(6)								
G	571	6. Where an economic operator, after having expressly accepted to prioritise the orders requested by the Commission, intentionally or through gross negligence, does not comply with the obligation to prioritise those orders, it shall be subject to fines set in accordance with Article 55, except where the undertaking has sufficient reasons for not complying with the obligation to prioritise those orders.		6. Where an economic operator, after having expressly ~~accepted to prioritise the orders requested by~~ <u>acknowledged the order from</u> the Commission, intentionally or through gross negligence, does not comply with the obligation to prioritise those orders, it shall be subject to fines set in accordance with Article 55, except where the undertaking has sufficient reasons for not complying with the obligation to prioritise those orders.		6. Where an economic operator, after having expressly accepted to prioritise the orders requested by the Commission, intentionally or through gross negligence, does not comply with the obligation to prioritise those orders, it shall be subject to fines set in accordance with Article 55, except where ~~the undertaking has sufficient reasons for not complying with the obligation to prioritise those orders.:~~		6. Where an economic operator, after having expressly accepted to prioritise the orders requested by the Commission, intentionally or through gross negligence, does not comply with the obligation to prioritise those orders, it shall be subject to fines set in accordance with Article 55, except where ~~the undertaking has sufficient reasons for not complying with the obligation to prioritise those orders.:~~ Text Origin: Council Mandate
Article 50(6), point (a)								
G	571a				(a)	the economic operator is		<u>(a) the economic operator is</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						unable to perform the priority-rated request on account of insufficient production capability or production capacity, or on technical grounds; or		<u>unable to perform the priority-rated request on account of insufficient production capability or production capacity, or on technical grounds; or</u> Text Origin: Council Mandate
		Article 50(6), point (b)						
G		571b				(b) performance or completion of the request would place an unreasonable economic burden and entail particular hardship for the economic operator, including substantial risks relating to business continuity.		<u>(b) performance or completion of the request would place an unreasonable economic burden and entail particular hardship for the economic operator, including substantial risks relating to business continuity.</u> Text Origin: Council Mandate
		Article 50(7)						
G		572		7. This Article shall be without prejudice to the use of national mechanisms or initiatives having an equivalent effect.		7. This Article shall be without prejudice to the use of national mechanisms or initiatives having an equivalent effect.		710. This Article shall be without prejudice to the use of national mechanisms or initiatives having an equivalent effect right of each Member State to protect its essential security interests, in accordance with Article 346(1)(b) TFEU.
		Article 50(8)						
G		573		8. When an undertaking established in the Union is subject to a measure of a third country		8. When an undertaking established in the Union is subject to a measure of a third country		8. When an ~~undertaking~~ <u>economic operator</u> established in the Union is subject

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
	which entails a priority rated request, it shall notify the Commission thereof. The Commission shall then inform the Committee of the existence of such measures.	which entails a priority rated ~~request~~ <u>order</u> , it shall notify the Commission thereof. The Commission shall then inform the Committee of the existence of such measures.	to a measure of a third country which entails a priority ~~rated~~ <u>priority-rated</u> request of a crisis-relevant product which is a defence product , it shall notify the Commission thereof. The Commission shall then inform the ~~Committee~~ Defence Security of Supply Board of the existence of such measures. Where relevant, the Commission may consult with the Defence Security of Supply Board on any appropriate step that may need to be taken in response to that measure.	to a measure of a third country which entails a ~~priority~~ <u>priority-rated</u> request <u>of a crisis-relevant product which is a defence product</u> , it shall notify the Commission thereof. The Commission shall then inform the ~~Committee~~ <u>Defence Security of Supply Board</u> of the existence of such measures. <u>Where relevant, the Commission may consult with the Defence Security of Supply Board on any appropriate step that may need to be taken in response to that measure.</u> Text Origin: Council Mandate
Article 50(9)				
574	9. The implementing act referred to in paragraph 3 shall be adopted in accordance with the examination procedure referred to in Article 58(3).	9. The implementing act referred to in paragraph 3 shall be adopted in accordance with the examination procedure referred to in Article 58(3).	<i>deleted</i>	9. ~~The implementing act referred to in paragraph 3 shall be adopted~~ <u>This Article is without prejudice to the right of each Member State to protect its essential security interests,</u> in accordance with ~~the examination procedure referred to in~~ Article ~~58(3)~~ <u>346(1)(b) TFEU</u> . Moved up here from row 572
Article 51				
575	Article 51	Article 51	Article 51	Article 51

	CLEAN Commission Proposal	V5.EC EP Mandate	V5.EC Council Mandate	V5.EC Draft Agreement
	Intra-EU transfers of defence products	<u>Simplification of</u> intra-EU transfers of defence products	Intra-EU transfers of crisis-relevant defence products	Intra-EU transfers of <u>crisis-relevant</u> defence products
Article 51(1)				
576	1. Where the Council activates this measure in accordance with Article 48(4) and without prejudice to Directive 2009/43/EC and Member States' prerogatives under that Directive, Member States shall ensure that applications related to intra-EU transfers are processed in an efficient and timely manner. To that end, all national authorities concerned shall ensure that the treatment of an application does not exceed 2 working days.	1. Where the Council activates this measure in accordance with Article 48(4) and without prejudice to Directive 2009/43/EC and Member States' prerogatives under that Directive, Member States shall ensure that applications related to intra-EU transfers are processed in an efficient and timely manner. To that end, all national authorities concerned shall ensure that the treatment of an application ~~does not exceed 2 working days~~ <u>is without undue delay.</u>	1. Where the Council activates this measure in accordance with Article ~~48(4)~~ 44(3) of this Regulation , and without prejudice to Directive 2009/43/EC and Member States' prerogatives under that Directive, Member States shall ensure that applications related to intra-EU transfers of crisis-relevant products are processed in an efficient and timely manner. The Council implementing act referred to in Article 44(3) of this Regulation shall specify the timeframe within which To that end, all national authorities concerned shall ensure that the treatment of an application does not exceed 2 working days treat the applications once they have received all necessary information from the applicant.	1. Where the Council activates this measure in accordance with Article ~~48(4)~~ 48(3) , and without prejudice to Directive 2009/43/EC and Member States' prerogatives under that Directive, Member States shall ensure that applications related to intra-EU transfers are processed in an efficient and timely manner. To that end, all national authorities concerned shall ensure that the <u>most rapid</u> treatment ~~of an application does not exceed 2 working days~~ <u>legally possible is given to such applications. The Council implementing act referred to in Article 48(3) shall specify the timeframe within which national authorities concerned shall treat the applications once they have received all necessary information from the applicant. This timeframe shall not be longer than two weeks.</u>
Article 51(2)				
577	2. Transfers of crisis-relevant products cannot be considered as	2. ~~Transfers of~~ <u>Where a Member State imposes, in</u>	2. ~~Transfers of~~ <u>Where a Member State imposes, in</u>	2. ~~Transfers of~~ <u>Where a Member State imposes, in</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		sensitive within the meaning of article 4, paragraph 8 of Directive 2009/43/EC.		<u>accordance with Article 4(8) of Directive 2009/43/EC, export limitation on components which are crisis-relevant products, that Member State shall not require further authorisations for the intra-EU transfer of the components concerned where the recipient provides a declaration of use in which it declares that the components subject to that transfer licence are integrated or are to be integrated into a defence product and</u> cannot be ~~considered as sensitive within the meaning of~~ <u>transferred or exported as such. This shall be without prejudice to the obligations of recipients laid down in</u> Article ~~4, paragraph 8~~ <u>10</u> of Directive 2009/43/EC.		accordance with Article 4(8) of Directive 2009/43/EC, export limitations on components which are crisis-relevant products, that Member State shall not require further authorisations for the intra-EU transfer of the components concerned where the recipient provides a declaration of use in which it declares that the components subject to that transfer licence are integrated or are to be integrated into a defence product and cannot be considered as sensitive within the meaning of transferred or exported as such. This shall be without prejudice to the obligations of recipients laid down in Article 4, paragraph 8		<u>accordance with Article 4(8) of Directive 2009/43/EC, export limitations on components which are crisis-relevant products, that Member State shall not require further authorisations for the intra-EU transfer of the components concerned where the recipient provides a declaration of use in which it declares that the components subject to that transfer licence are integrated or are to be integrated into a defence product and</u> cannot be ~~considered as sensitive within the meaning of~~ <u>transferred or exported as such. This shall be without prejudice to the obligations of recipients laid down in</u> Article ~~4, paragraph 8~~ <u>10</u> of Directive 2009/43/EC.
Article 51(2a)								
G	577a			<u>2a. Member States shall reply to any prior authorisation request for the transfer of defence products as referred to in Article 4(1) of Directive 2009/43/EC, without undue delay and no later than within a week of having received all necessary information from the applicant.</u>				deleted
Article 51(3)								

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
578	3. Member States shall refrain from imposing restrictions to the transfer of defence-related products as defined in Article 2 of Directive 2009/43/EC within the Union. Where Member States impose such restrictions on grounds of security or defence, it shall be done only if those restrictions are:	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 51(3), point (a)				
579	(a) transparent, i.e. enshrined in public statements/documents;	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 51(3), point (b)				
580	(b) duly motivated, i.e. they need to spell out the reasons and the link to security or defence;	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 51(3), point (c)				
581	(c) proportionate, i.e. not going beyond what is strictly necessary;	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 51(3), point (d)				
582	(d) relevant and specific, i.e. a restriction needs to be specific to a defence-related product or a category of defence-related products;	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 51(3), point (e)				

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
583	(e) non-discriminatory.	deleted	deleted	deleted
Article 52				
584	Article 52 Support to emergency defence innovation actions	Article 52 Support to emergency defence innovation actions	deleted	Article 52 Support to emergency defence innovation actions Text Origin: Commission Proposal
Article 52, first paragraph				
585	Where the Council activates this measure in accordance with Article 48(4), innovation actions related to one of the following activities shall be deemed eligible under the Programme, provided for in Chapter II:	Where the Council activates ~~this measure in accordance with~~ <u>the security-crisis state pursuant to</u> Article ~~48(4)~~ <u>48(3)</u> , innovation actions related to one of the following activities shall be deemed eligible under the Programme, provided for in Chapter II:	deleted	<u>1.</u> Where the Council activates this measure in accordance with Article ~~48(4)~~ <u>48(3)</u> , innovation actions related to one of the following activities shall be deemed eligible under the Programme, provided for in Chapter II: Text Origin: Commission Proposal
Article 52, first paragraph, point (a)				
586	(a) activities that aim at rapid adaptation and modification of civilian products for defence applications;	(a) activities that aim at rapid adaptation and modification of civilian products for defence applications;	deleted	(a) activities that aim at rapid adaptation and modification of civilian products for defence applications; Text Origin: Commission Proposal
Article 52, first paragraph, point (b)				

	CLEAN Commission Proposal	VSE.C EP Mandate	VSE.C Council Mandate	VSE.C Draft Agreement
587	(b) activities that aim at very significantly shortening the delivery lead time of defence products;	(b) activities that aim at very significantly shortening the delivery lead time of defence products;	<i>deleted</i>	(b) activities that aim at very significantly shortening the delivery lead time of defence products; Text Origin: Commission Proposal
Article 52, first paragraph, point (c)				
588	(c) activities that aim at significantly simplifying the technical specifications of defence products in order to enable their mass production;	(c) activities that aim at significantly simplifying the technical specifications of defence products in order to enable their mass production;	<i>deleted</i>	(c) activities that aim at significantly simplifying the technical specifications of defence products in order to enable their mass production; Text Origin: Commission Proposal
Article 52, first paragraph, point (d)				
589	(d) activities that aim at significantly simplifying the production process of defence products to enable their mass production.	(d) activities that aim at significantly simplifying the production process of defence products to enable their mass production.	<i>deleted</i>	(d) activities that aim at significantly simplifying the production process of defence products to enable their mass production-; Text Origin: Commission Proposal
Article 52, first paragraph, point (da)				
589a		<u>(da) activities that aim to replace components by alternatives that are available in the EU or are easily adaptable or can be developed in a timely manner by economic entities</u>		<u>(da) activities that aim to replace components by alternatives that are available in the EU or are easily adaptable or can be developed in a timely manner by economic entities</u>

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
				<u>inside EU.</u>				<u>inside EU.</u> Text Origin: EP Mandate
Article 53								
590		Article 53 Certification in security-related supply crisis state		Article 53 Certification in ~~security-related supply~~ <u>security</u> crisis state		Article 53 Certification in ~~security-related supply crisis~~ <u>supply-crisis</u> state		Article 53 Certification ~~in security-related supply crisis state~~
Article 53(1)								
591		1. Where the Council activates this measure in accordance with Article 48(4), Member States shall ensure that administrative procedures related to the certification and where necessary technical adaptations are processed in the most rapid possible way, according to their applicable national laws and regulations.		1. Where the Council activates ~~this measure in accordance with~~ <u>the security-crisis state pursuant to</u> Article ~~48(4)~~ <u>48(3)</u> , Member States shall ensure that administrative procedures related to the certification and where necessary technical adaptations are processed in the most rapid possible way, according to their applicable national laws and regulations.		1. Where the Council activates this measure in accordance with Article 48(4) ~~44(3)~~ , Member States shall ensure that administrative procedures related to the certification of crisis-relevant defence products and , and where necessary, technical adaptations of such products are processed in the most rapid way possible ~~way~~ , ~~according to~~ , in accordance with their applicable national laws and regulations.		1. Where the Council activates this measure in accordance with Article ~~48(4)~~ <u>48(3)</u> , Member States shall ensure that administrative procedures related to the certification <u>of crisis relevant defence products and</u> , and where necessary, technical adaptations <u>of such products</u> are processed in the most rapid <u>way</u> possible ~~way~~ , ~~according to~~ , <u>in accordance with</u> their applicable national laws and regulations.
Article 53(2)								
592		2. Where such status exists in national law, certification of crisis-relevant defence products shall be allocated the status of the highest national significance possible.		2. Where such status exists in national law, certification of <u>defence and</u> crisis-relevant ~~defence~~ products shall be allocated the status of the highest national significance possible.		2. Where such a status exists in national law, certification of crisis-relevant defence products shall be allocated the status of the highest national possible significance ~~possible~~ .		2. Where such <u>a</u> status exists in national law, certification of crisis-relevant defence products shall be allocated the status of the highest ~~national~~ <u>possible</u> significance ~~possible~~ . Text Origin: Council Mandate

	CLEAN	Commission Proposal	V.S.EC	EP Mandate	V.S.EC	Council Mandate	V.S.EC	Draft Agreement
Article 53(3)								
G	593	3. Where this measure is activated, defence products certified in a Member State shall be deemed certified in another Member State without being subject to additional controls.		3. Where this measure is activated, defence products certified in a Member State shall be deemed certified in another Member State without being subject to additional controls.		3. Where this measure is activated, crisis-relevant defence products certified in a Member State shall be deemed certified in another Member State without being subject to additional controls.		3. Where this measure is activated, <u>crisis-relevant</u> defence products certified in a Member State shall be deemed certified in another Member State without being subject to additional controls. Georg KLEIN 10-Oct-2025, 15h51 Text Origin: Council Mandate
Article 53(4)								
G	594	4. The Implementing Act of the Council referred to article 48(3) may lay down more precise provisions on the scope of this measure.		4. The Implementing Act of the Council referred to article 48(3) may lay down more precise provisions on the scope of this measure.		4. The implementing act of the Council referred to in Article 48(3) 44(3) may lay down more precise provisions on the scope of this measure.		4. The Implementing Act of the Council referred to <u>in</u> Article 48(3) may lay down more precise provisions on the scope of this measure.
Article 53(5)								
G	595	5. This measure shall be without prejudice to Member States' essential security interests.		5. This measure shall be without prejudice to Member States' essential security interests.		5. This measure ~~shall be~~ without prejudice to the right of each Member ~~States'~~ State to protect its essential security interests in accordance with Article 346(1), point (b), TFEU.		5. This measure ~~shall be~~ without prejudice to <u>the right of each</u> Member ~~States'~~ <u>State to protect its</u> essential security interests <u>in accordance with Article 346(1), point (b), TFEU.</u> Text Origin: Council Mandate
Article 54								
G	596	Article 54 National fast-tracking of permit granting procedures		Article 54 National fast-tracking of permit granting procedures		Article ~~54~~ 47c National fast-tracking of ~~permit granting~~ permit-granting		Article 54 National fast-tracking of ~~permit granting~~ <u>permit-granting</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						procedures		procedures Text Origin: Council Mandate
Article 54(1)								
597		1. Where the Council activates this measure in accordance with Article 48(4) and where such status exists in national law the planning, construction and operation of production facilities of crisis-relevant products shall be allocated the status of the highest national significance possible and be treated as such in permit granting processes, including those relating to environmental assessments and if national law so provides, in spatial planning.		1. Where the Council activates ~~this measure in accordance with~~ <u>the security-crisis state pursuant to</u> Article ~~48(4)~~ <u>48(3)</u>, and where such status exists in national law the planning, construction and operation of production facilities of <u>defence and</u> crisis-relevant products shall be allocated the status of the highest national significance possible and be treated as such in permit granting processes, including those relating to environmental assessments and if national law so provides, in spatial planning.		1. Where the Council activates this measure in accordance with Article 48(4) and where such status exists in national law <u>44(3) of this Regulation, the security of supply of crisis-relevant products may be considered an imperative reason for overriding public interest within the meaning of Article 6(4) and Article 16(1)(c) of Directive 92/43/EEC and of Article 4(7) of Directive 2000/60.</u> Therefore, the planning, construction and operation of <u>related</u> production facilities of ~~crisis-relevant products shall be allocated the status of the highest national significance possible and be treated as such in permit granting processes, including~~ <u>may be considered of overriding public interest, provided that the remaining other conditions set out in those relating to environmental assessments and if national law so provides, in spatial planning</u> provisions are fulfilled.		1. Where the Council activates this measure in accordance with Article ~~48(4) and where such status exists in national law~~ <u>48(3), the security of supply of crisis-relevant defence products may be considered an imperative reason of overriding public interest within the meaning of Article 6(4) and Article 16(1)(c) of Directive 92/43/EEC and of Article 4(7) of Directive 2000/60.</u> Therefore, the planning, construction and operation of <u>related</u> production facilities ~~of crisis-relevant products shall be allocated the status of the highest national significance possible and be treated as such in permit granting processes, including those relating to environmental assessments and if national law so provides, in spatial planning~~ <u>may be considered of overriding public interest, provided that the remaining other conditions set out in these provisions are fulfilled.</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 54(2)								
598		2. The security of supply of defence products may be considered an imperative reason of overriding public interest within the meaning of Article 6(4) and Article 16(1)(c) of Directive 92/43/EEC and of overriding public interest within the meaning of Article 4(7) of Directive 2000/60. Therefore, the planning, construction and operation of related production facilities may be considered of overriding public interest, provided that the remaining other conditions set out in these provisions are fulfilled.		2. The security of supply of defence products may be considered an imperative reason of overriding public interest within the meaning of Article 6(4) and Article ~~16(1)(c)~~ <u>16(1), point (c)</u> , of Directive 92/43/EEC and of overriding public interest within the meaning of Article 4(7) of Directive 2000/60. Therefore, the planning, construction and operation of related production facilities may be considered of overriding public interest, provided that the remaining other conditions set out in these provisions are fulfilled.		deleted		deleted <i>Merged with the paragraph above.</i>
Article 54a								
598a				<u>Article 54a</u> <u>Continuity of production of relevant defence products</u>				<u>Article 54a</u> <u>Continuity of production of crisis-relevant defence products</u>
Article 54a(1)								
598b				<u>1. Where the Council activates the security-crisis state pursuant to Article 48(3), Member States may decide to use or to encourage companies producing relevant defence products to make use of derogations provided for in Article 17(3) of Directive</u>				<u>1. Where the Council activates this measure in accordance with Article 48(3) and where Directive 2003/88/EC applies to the relevant production activities, Member States may decide to use or to encourage economic operators whose</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
				<u>2003/88/EC in order to allow for the expansion of working shifts hence facilitating continuity of production of defence relevant products, if they deem it necessary to achieve the objectives of this Regulation.</u>				<u>production site is located on their territory and which produce the crisis-relevant defence products concerned to make use of derogations provided for in Article 17(3) of Directive 2003/88/EC in order to allow for the expansion of working shifts hence facilitating continuity of production of the crisis-relevant defence products concerned, if they deem it necessary to achieve the objectives of this Regulation.</u>
Article 54a(2)								
G	598c			<u>2. To that end and where prior authorisation is required, all national authorities concerned shall ensure that the most rapid treatment legally possible is given to applications from entities producing or being part of the supply chain of relevant defence product to use such derogations.</u>				<u>2. To that end and where prior authorisation is required, all national authorities concerned shall ensure that the most rapid treatment legally possible is given to applications from economic operators producing crisis-relevant defence product to use such derogations.</u>
Section 5								
G	599	Section 5 Penalties		Section 5 Penalties		Section 52b Penalties		Section 5 Penalties Text Origin: EP Mandate
Article 55								
G	600	Article 55 Penalties		Article 55 Penalties		Article 55 Penalties		Article 55 Penalties

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								Text Origin: Commission Proposal
Article 55(1)								
601		1. The Commission may, by way of implementing act, impose on the undertakings or associations, including their owners or representatives, being the addressees of information gathering measures referred to in Articles 46, and 48, or of any of the obligations to inform the Commission of a third-country obligation pursuant to Articles 47(16) and 50(8) or to prioritise the production of crisis-relevant products pursuant to Articles 47 or 49, where it deems it to be necessary and proportionate:		1. The Commission may, by way of implementing act, impose on the undertakings or associations, including their owners or representatives, being the addressees of information gathering measures referred to in Articles 46, and 48, or of any of the obligations to inform the Commission of a third-country obligation pursuant to Articles 47(16) and 50(8) or to prioritise the production of crisis-relevant products <u>and defence products</u> pursuant to Articles 47, <u>49 or 50</u> ~~or 49~~ , where it deems it to be necessary and proportionate:		1. The Commission may, by way of implementing ~~act~~ <u>acts</u> , impose on the ~~undertakings or associations, including their owners or representatives, being the economic operators that are~~ addressees of information gathering measures referred to in Articles 46, and 48, or of ~~requests~~ <u>pursuant to Article 46(1) or that are subject to</u> any of the obligations to inform the Commission of a third-country obligation pursuant to Articles 47 ~~49a(16)12~~ and 50(8) or to prioritise the production of crisis-relevant products pursuant to Articles 47 ~~or 49~~ <u>49a and 50</u> , where it deems it to be necessary and proportionate:		1. The Commission may, by way of implementing ~~act~~ <u>acts</u> , impose on the ~~undertakings or associations, including their owners or representatives, being the economic operators that are~~ addressees of information gathering measures referred to in Articles 46, and 48, or of ~~requests~~ <u>pursuant to Article 46 or that are subject to</u> any of the obligations to inform the Commission of a third-country obligation pursuant to Articles 47(16) and 50(8) or to prioritise the production of crisis-relevant products pursuant to Articles 47 ~~or 49~~ <u>and 50</u> , where it deems it to be necessary and proportionate:
Article 55(1), point (a)								
602		(a) fines not exceeding EUR 300 000, where it, intentionally or through gross negligence, supplies incorrect, incomplete or misleading information in response to a request made pursuant to Article		(a) fines not exceeding ~~EUR 300 000~~ <u>0,5 % of the undertaking's net annual worldwide turnover</u> , where it, intentionally or through gross negligence, supplies incorrect, incomplete or misleading		(a) fines not exceeding EUR ~~300 000~~ <u>100 000</u> where ~~it~~ <u>the economic operator</u> , intentionally or through gross negligence, supplies incorrect, incomplete or misleading information in response		(a) fines not exceeding EUR 300 000; where ~~it~~ <u>the economic operator</u> , intentionally or through gross negligence, supplies incorrect, incomplete or misleading information in response to a

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	46 and 48, or does not supply the information within the prescribed time limit;	information in response to a request made pursuant to Article 46 and 48, or does not supply the information within the prescribed time limit;	to a request made pursuant to Article 46 and 48 46(1) , or does not supply the information within the prescribed time limit, in accordance with Article 46(8) ;	request made pursuant to <u>Article 46 and 48</u> 46(1) , or does not supply the information within the prescribed time limit, <u>in accordance with Article 46(8)</u> ;] References to articles are to be double-checked Text Origin: Council Mandate
Article 55(1), point (b)				
603	(b) fines not exceeding EUR 150 000, where it, intentionally or through gross negligence, does not comply with the obligation to inform the Commission of a third-country obligation pursuant to Article 47(16) and 50(8);	(b) fines not exceeding ~~EUR 150 000~~ <u>0,2% of the undertaking's net annual worldwide turnover</u> , where it, intentionally or through gross negligence, does not comply with the obligation to inform the Commission of a third-country obligation pursuant to Article 47(16) and 50(8);	(b) fines not exceeding EUR ~~150 000~~ 50 000 where ~~it~~ the economic operators , intentionally or through gross negligence, does not comply with the obligation to inform the Commission of a third-country obligation pursuant to Article ~~47~~ 49a (~~16~~ 12) and Article 50(8);	(b) fines not exceeding EUR 150 000; where ~~it~~ <u>the economic operators</u> , intentionally or through gross negligence, does not comply with the obligation to inform the Commission of a third-country obligation pursuant to <u>Article 47</u> 49a (~~16~~ 12) and <u>Article 50(8)</u> ;] References to articles are to be double-checked Text Origin: Council Mandate
Article 55(1), point (c)				
604	(c) periodic penalty payments not exceeding 1,5 % of the average daily turnover in the preceding business year for each working day of non-compliance from the date established in the decision in which	(c) periodic penalty payments not exceeding ~~1,5~~ <u>3</u> % of the average daily turnover in the preceding business year for each working day of non-compliance from the date established in the	(c) periodic penalty payments not exceeding 1,5 % of the average daily turnover in the preceding business year for each working day of non-compliance from the date established in the decision in which	(c) periodic penalty payments not exceeding 1,5 % of the average daily turnover in the preceding business year for each working day of non-compliance from the date established in the decision in which

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	the priority-rated order was issued, where it, intentionally or through gross negligence, does not comply with an obligation to prioritise the production of crisis-relevant products pursuant to Article 47. Where the undertaking concerned is an SME, the periodic penalty payments imposed shall not exceed 0,5 % of its average daily turnover in the preceding business year;	decision in which the priority-rated order was issued, where it, intentionally or through gross negligence, does not comply with an obligation to prioritise the production of crisis-relevant products pursuant to Article 47. Where the undertaking concerned is an SME, the periodic penalty payments imposed shall not exceed ~~0,5~~ % of its average daily turnover in the preceding business year;	the priority-rated order was issued, where ~~it~~ the economic operator , intentionally or through gross negligence, does not comply with an obligation to prioritise the production of crisis-relevant products pursuant to Article ~~47~~ 49a(4a) , in accordance with Article 49a(13) ; where the ~~undertaking~~ economic operator concerned is an SME, the periodic penalty payments imposed shall not exceed 0,5 % of its average daily turnover in the preceding business year;	the priority-rated order was issued, where ~~it~~ the economic operator , intentionally or through gross negligence, does not comply with an obligation to prioritise the production of crisis-relevant products pursuant to Article ~~47~~ 49a(4a) , in accordance with Article 49a(13) ; where the ~~undertaking~~ economic operator concerned is an SME, the periodic penalty payments imposed shall not exceed 0,5 % of its average daily turnover in the preceding business year; References to articles are to be double-checked Text Origin: Council Mandate
Article 55(1), point (d)				
605	(d) fines not exceeding EUR 300 000, where it, intentionally or through gross negligence, does not comply with the obligation to prioritise the production of crisis-relevant products pursuant to Article 49.	(d) fines not exceeding ~~EUR 300 000~~ 0,5% of the undertaking's net annual worldwide turnover , where it, intentionally or through gross negligence, does not comply with the obligation to prioritise the production of crisis-relevant products pursuant to Article 49.	(d) fines not exceeding EUR ~~300 000~~ 100 000 where ~~it~~ the economic operator , intentionally or through gross negligence, does not comply with the obligation to prioritise the production of crisis-relevant products pursuant to Article ~~49~~ 49a(4) and Article 50(3) , in accordance with Article 49a(13) and Article 50(6) , respectively.	(d) fines not exceeding EUR 300 000, where ~~it~~ the economic operator , intentionally or through gross negligence, does not comply with the obligation to prioritise the production of crisis-relevant products pursuant to Article ~~49~~ 49a(4) and Article 50(3) , in accordance with Article 49a(13) and Article 50(6) , respectively. The implementing acts shall be

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						The implementing acts shall be adopted in accordance with the examination procedure referred to in Article 58(3).		<u>adopted in accordance with the examination procedure referred to in Article 58(3).</u> References to articles are to be double-checked Text Origin: Council Mandate
		Article 55(1), point (da)						
G	605a			<u>(da) fines not exceeding 0,5% of the undertaking's net annual worldwide turnover, where it, intentionally or through gross negligence, does not comply with the obligation to prioritise the production of defence products pursuant to Article 50(2).</u>				deleted
		Article 55(1a)						
G	605b			<u>1a. Fines referred to in paragraph 1 shall be calculated on the basis of the net annual worldwide turnover of the undertaking in the financial year preceding that of the decision to impose the fine.</u>				deleted Text Origin: EP Mandate
		Article 55(2)						
G	606	2. Before taking a decision pursuant to paragraph 1 of this Article, the Commission shall provide an opportunity for the	2.	Before taking a decision pursuant to paragraph 1 of this Article, the Commission shall provide an opportunity for the	2.	Before taking a decision pursuant to paragraph 1 of this Article, the Commission shall provide an opportunity for the	2.	Before taking a decision pursuant to paragraph 1 of this Article, the Commission shall provide an opportunity for the

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	concerned undertakings and associations, including their owners or representatives, to be heard in accordance with Article 56. It shall take into account any duly reasoned justification presented by them for the purpose of determining whether fines or periodic penalty payments are deemed necessary and proportionate.	concerned undertakings and associations, including their owners or representatives, to be heard in accordance with Article 56. It shall take into account any duly reasoned justification presented by them for the purpose of determining whether fines or periodic penalty payments are deemed necessary and proportionate.	~~economic operator concerned undertakings and associations, including their owners or representatives, to be heard in accordance with Article 56. #The~~ The Commission shall take into account any duly reasoned justification presented by ~~them~~ the economic operator for the purpose of determining whether fines or periodic penalty payments are deemed necessary and proportionate.	~~economic operator concerned undertakings and associations, including their owners or representatives, to be heard in accordance with Article 56. #The~~ The Commission shall take into account any duly reasoned justification presented by ~~them~~ the economic operator for the purpose of determining whether fines or periodic penalty payments are deemed necessary and proportionate. Text Origin: Council Mandate
Article 55(3)				
607	3. Implementing acts referred to in this Article shall be adopted in accordance with the examination procedure referred to in Article 58(3).	3. Implementing acts referred to in this Article shall be adopted in accordance with the examination procedure referred to in Article 58(3).	deleted	3. Implementing acts referred to in this Article shall be adopted in accordance with the examination procedure referred to in Article 58(3). Text Origin: Commission Proposal
Article 55(4)				
608	4. In fixing the amount of the fine or periodic penalty payment, the Commission shall take into consideration the nature, gravity and duration of the infringement, including in cases of non-compliance with the obligation to	4. In fixing the amount of the fine or periodic penalty payment, the Commission shall take into consideration the nature, gravity and duration of the infringement, including in cases of non-compliance with the obligation to	4. In fixing the amount of the fine or periodic penalty payment, the Commission shall take into consideration the nature, gravity and duration of the infringement, including in relation to cases of non-compliance with the obligation	4. In fixing the amount of the fine or periodic penalty payment, the Commission shall take into consideration the nature, gravity and duration of the infringement, including in <u>relation to</u> cases of non-compliance with the obligation

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	accept and prioritise a priority-rated order set out in Article 47, whether the undertakings or associations, including their owners or representatives referred to in paragraph (1), have partially complied with the priority-rated order.	accept and prioritise a priority-rated order set out in Article 47, whether the undertakings or associations, including their owners or representatives referred to in paragraph (1), have partially complied with the priority-rated order.	to accept ~~and~~ prioritise a priority-rated order set out in Article ~~47~~ 49a(4a) or a priority-rated request set out in Article 49a(3) or Article 50(3) , whether the ~~undertakings or associations, including their owners or representatives referred to in paragraph (1), have~~ economic operator has partially complied with the priority-rated order or the priority-rated requested .	to accept ~~and~~ prioritise a priority-rated order set out in Article ~~47~~ 47(8) or a priority-rated request set out in Article 47(6) or Article 50(3) , whether the ~~undertakings or associations, including their owners or representatives referred to in paragraph (1), have~~ economic operator has partially complied with the priority-rated order or the priority-rated requested . Text Origin: Council Mandate
Article 55(5)				
609	5. The fines shall constitute external assigned revenue within the meaning of Article 21(5) of the Financial Regulation to the Programme and of the Ukraine Support Instrument.	5. The fines shall constitute external assigned revenue within the meaning of Article 21(5) of the Financial Regulation to the ~~Programme and of the~~ Ukraine Support Instrument.	5. The fines shall constitute external assigned revenue within the meaning of Article 21(5) of the Financial Regulation and shall be directed to the Programme and of the Ukraine Support Instrument.	5. The fines shall constitute external assigned revenue within the meaning of Article 21(5) of the Financial Regulation ~~to the Programme and of~~ and shall be directed to the Ukraine Support Instrument. Text Origin: EP Mandate
Article 55a				
609a			Article 55a Limitation period for the imposition of penalties	<u>Article 55a</u> <u>Limitation period for the imposition of penalties</u> Text Origin: Council Mandate
Article 55a(1)				

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement	
G		609b				1. The powers conferred on the Commission by Article 55 shall be subject to the following limitation periods:		<u>1. The powers conferred on the Commission by Article 55 shall be subject to the following limitation periods:</u> Text Origin: Council Mandate	G
		Article 55a(1), point (a)							
G		609c				(a) two years in the case of infringements of provisions concerning requests for information pursuant to Article 46(1);		<u>(a) two years in the case of infringements of provisions concerning requests for information pursuant to Article 46(1);</u> Text Origin: Council Mandate	G
		Article 55a(1), point (b)							
G		609d				(b) two years in the case of infringements of provisions concerning information obligations pursuant to Article 49a(12) and Article 50(8);		<u>(b) two years in the case of infringements of provisions concerning information obligations pursuant to Article 49a(12) and Article 50(8);</u> Text Origin: Council Mandate	G
		Article 55a(1), point (c)							
G		609e				(c) three years in the case of infringements of provisions concerning the obligation related to the prioritisation of the production of crisis-relevant products pursuant to Articles 49a and 50.		<u>(c) three years in the case of infringements of provisions concerning the obligation related to the prioritisation of the production of crisis-relevant products pursuant to Articles 49a and 50.</u>	G

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
								Text Origin: Council Mandate
		Article 55a(2)						
G		609f				2. The limitation periods referred to in paragraph 1 shall begin to run on the day on which the infringement is committed. Where there are continuous or repeated infringements, the limitation periods shall begin to run on the day on which the last infringement was committed.		<u>2. The limitation periods referred to in paragraph 1 shall begin to run on the day on which the infringement is committed. Where there are continuous or repeated infringements, the limitation periods shall begin to run on the day on which the last infringement was committed.</u> Text Origin: Council Mandate
		Article 55a(3)						
G		609g				3. Any action taken by the Commission or the competent authorities of the Member States for the purpose of ensuring compliance with this Regulation shall interrupt the limitation period.		<u>3. Any action taken by the Commission or the competent authorities of the Member States for the purpose of ensuring compliance with this Regulation shall interrupt the limitation period.</u> Text Origin: Council Mandate
		Article 55a(4)						
G		609h				4. The interruption of the limitation period shall apply for all the parties which are held responsible for participation in the infringement.		<u>4. The interruption of the limitation period shall apply for all the parties which are held responsible for participation in the infringement.</u> Text Origin: Council Mandate

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
Article 55a(5)								
609i					5.	Each interruption shall start the time running afresh. However, the limitation period shall expire at the latest on the day on which a period equal to twice the limitation period has elapsed without the Commission having imposed a fine or a periodic penalty payment. That period shall be extended by the time during which the limitation period is suspended because the decision of the Commission is the subject of proceedings pending before the Court of Justice of the European Union.	5.	<u>Each interruption shall start the time running afresh. However, the limitation period shall expire at the latest on the day on which a period equal to twice the limitation period has elapsed without the Commission having imposed a fine or a periodic penalty payment. That period shall be extended by the time during which the limitation period is suspended because the decision of the Commission is the subject of proceedings pending before the Court of Justice of the European Union.</u>
Text Origin: Council Mandate								
Article 55b								
609j					Article 55b	Limitation period for the enforcement of penalties		<u>Article 55b</u> <u>Limitation period for the enforcement of penalties</u>
Text Origin: Council Mandate								
Article 55b(1)								
609k					1.	The power of the Commission to enforce decisions taken pursuant to Article 55 shall be subject to a limitation period of three years.	1.	<u>The power of the Commission to enforce decisions taken pursuant to Article 55 shall be subject to a limitation period of three years.</u>

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
								Text Origin: Council Mandate
Article 55b(2)								
G		609l				2. Time shall begin to run on the day on which the decision becomes final.		<u>2. Time shall begin to run on the day on which the decision becomes final.</u> Text Origin: Council Mandate
Article 55b(3)								
G		609m				3. The limitation period for the enforcement of fines and periodic penalty payments shall be interrupted by:		<u>3. The limitation period for the enforcement of fines and periodic penalty payments shall be interrupted by:</u> Text Origin: Council Mandate
Article 55b(3), point (a)								
G		609n				(a) a notification of a decision varying the original amount of the fine or periodic penalty payment or refusing an application for variation;		<u>(a) a notification of a decision varying the original amount of the fine or periodic penalty payment or refusing an application for variation;</u> Text Origin: Council Mandate
Article 55b(3), point (b)								
G		609o				(b) any action of the Commission or of a Member State, acting at the request of the Commission, designed to enforce payment of the fine or periodic penalty payment.		<u>(b) any action of the Commission or of a Member State, acting at the request of the Commission, designed to enforce payment of the fine or periodic penalty payment.</u> Text Origin: Council Mandate

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 55b(4)								
G	609p				4.	Each interruption as referred to in paragraph 3 shall start time running afresh.	4.	<u>Each interruption as referred to in paragraph 3 shall start time running afresh.</u> Text Origin: Council Mandate
Article 55b(5)								
G	609q				5.	The limitation period for the enforcement of fines and periodic penalty payments shall be suspended for as long as:	5.	<u>The limitation period for the enforcement of fines and periodic penalty payments shall be suspended for as long as:</u> Text Origin: Council Mandate
Article 55b(5), point (a)								
G	609r				(a)	time to pay is allowed;	(a)	<u>time to pay is allowed;</u> Text Origin: Council Mandate
Article 55b(5), point (b)								
G	609s				(b)	enforcement of payment is suspended pursuant to a decision of the Court of Justice of the European Union.	(b)	<u>enforcement of payment is suspended pursuant to a decision of the Court of Justice of the European Union.</u> Text Origin: Council Mandate
Article 56								
G	610	Article 56 Right to be heard for the imposition of fines or periodic penalty payments		Article 56 Right to be heard for the imposition of fines or periodic penalty payments		Article 56 Right to be heard for the imposition of fines or periodic penalty payments		Article 56 Right to be heard for the imposition of fines or periodic penalty payments Text Origin: Commission

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
				Proposal
Article 56(1)				
611	1. Before adopting a decision pursuant to Article 55, the Commission shall ensure that the concerned undertakings and associations, including their owners or representatives, have been given the opportunity to submit observations on:	1. Before adopting a decision pursuant to Article 55, the Commission shall ensure that the concerned undertakings and associations, including their owners or representatives, have been given the opportunity to submit observations on:	1. Before adopting a decision pursuant to Article 55, the Commission shall ensure that the economic operators concerned ~~undertakings and associations, including their owners or representatives,~~ have been given the opportunity to submit observations on:	1. Before adopting a decision pursuant to Article 55, the Commission shall ensure that the <u>economic operators</u> concerned ~~undertakings and associations, including their owners or representatives,~~ have been given the opportunity to submit observations on: Text Origin: Council Mandate
Article 56(1), point (a)				
612	(a) the preliminary findings of the Commission, including any matter to which the Commission has taken objections;	(a) the preliminary findings of the Commission, including any matter to which the Commission has taken objections;	(a) the preliminary findings of the Commission, including any matter in relation to which the Commission has ~~taken~~ raised objections;	(a) the preliminary findings of the Commission, including any matter <u>in relation</u> to which the Commission has ~~taken~~ <u>raised</u> objections; Text Origin: Council Mandate
Article 56(1), point (b)				
613	(b) the measures that the Commission may intend to take in view of the preliminary findings pursuant to point (a) of this paragraph.	(b) the measures that the Commission may intend to take in view of the preliminary findings pursuant to point (a) of this paragraph.	(b) the measures that the Commission may intend to take in view of the preliminary findings pursuant to point (a) of this paragraph.	(b) the measures that the Commission may intend to take in view of the preliminary findings pursuant to point (a) of this paragraph. Text Origin: Commission Proposal
Article 56(2)				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
614	2. The concerned undertakings and associations, including their owners or representatives may submit their observations to the Commission's preliminary findings within a time limit which shall be fixed by the Commission in its preliminary findings, and which may not be less than 14 working days.	2. The concerned undertakings and associations, including their owners or representatives may submit their observations to the Commission's preliminary findings within a time limit which shall be fixed by the Commission in its preliminary findings, and which may not be less than 14 working days.	2. The economic operators concerned ~~undertakings and associations, including their owners or representatives~~ may submit to the Commission their observations ~~to on~~ the Commission's preliminary findings within a time limit which shall be fixed by the Commission in its preliminary findings, and which may not be less than 14 working days.	2. The <u>economic operators</u> concerned ~~undertakings and associations, including their owners or representatives~~ may submit <u>to the Commission</u> their observations ~~to on~~ the Commission's preliminary findings within a time limit which shall be fixed by the Commission in its preliminary findings, and which may not be less than 14 working days. Text Origin: Council Mandate
Article 56(3)				
615	3. The Commission shall base its imposition of fines or periodic penalty payments only on objections on which the concerned undertakings and associations, including their owners or representatives, have been able to comment.	3. The Commission shall base its imposition of fines or periodic penalty payments only on objections on which the concerned undertakings and associations, including their owners or representatives, have been able to comment.	3. The Commission shall base its imposition of fines or periodic penalty payments only on objections on which the economic operators concerned ~~undertakings and associations, including their owners or representatives~~ , have been able to comment.	3. The Commission shall base its imposition of fines or periodic penalty payments only on objections on which the <u>economic operators</u> concerned ~~undertakings and associations, including their owners or representatives~~ , have been able to comment. Text Origin: Council Mandate
Article 56(4)				
616	4. Where the Commission has informed the concerned undertakings and associations, including their owners or representatives, of its preliminary findings as referred to in paragraph	4. Where the Commission has informed the concerned undertakings and associations, including their owners or representatives, of its preliminary findings as referred to in paragraph	4. Where the Commission has informed the economic operators concerned ~~undertakings and associations, including their owners or representatives~~ , of its preliminary findings as referred to	4. Where the Commission has informed the <u>economic operators</u> concerned ~~undertakings and associations, including their owners or representatives~~ , of its preliminary findings as referred to

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	(1), it shall give access, if so requested, to the Commission's file under the terms of a negotiated disclosure, subject to the legitimate interest of undertakings in the protection of their business secrets, or in order to preserve business secrets or other confidential information of any person. The right of access to the file shall not extend to confidential information and internal documents of the Commission or the authorities of the Member States. In particular, the right of access shall not extend to correspondence between the Commission and the authorities of the Member States. Nothing in this paragraph shall prevent the Commission from disclosing and using information necessary to prove an infringement.	(1), it shall give access, if so requested, to the Commission's file under the terms of a negotiated disclosure, subject to the legitimate interest of undertakings in the protection of their business secrets, or in order to preserve business secrets or other confidential information of any person. The right of access to the file shall not extend to confidential information and internal documents of the Commission or the authorities of the Member States. In particular, the right of access shall not extend to correspondence between the Commission and the authorities of the Member States. Nothing in this paragraph shall prevent the Commission from disclosing and using information necessary to prove an infringement.	in paragraph ~~(+)~~ 1, it shall give access, if so requested, to the Commission's file under the terms of a negotiated disclosure, subject to the legitimate interest of ~~undertakings~~ economic operators in the protection of their business secrets, or in order to preserve business secrets or other confidential information of any person. The right of access to the file shall not extend to confidential information and internal documents of the Commission or the authorities of the Member States.; in particular, ~~the right of access shall not extend to~~ correspondence between the Commission and the authorities of the Member States. Nothing in this paragraph shall prevent the Commission from disclosing and using information necessary to prove an infringement.	in paragraph ~~(+)~~ 1 , it shall give access, if so requested, to the Commission's file under the terms of a negotiated disclosure, subject to the legitimate interest of ~~undertakings~~ economic operators in the protection of their business secrets, or in order to preserve business secrets or other confidential information of any person. The right of access to the file shall not extend to confidential information and internal documents of the Commission or the authorities of the Member States.; in particular, ~~the right of access shall not extend to~~ correspondence between the Commission and the authorities of the Member States. Nothing in this paragraph shall prevent the Commission from disclosing and using information necessary to prove an infringement. Text Origin: Council Mandate
Chapter V				
617	Chapter V Governance, evaluation and control	Chapter V Governance, evaluation and control	~~Chapter V~~ Section 2c Governance, evaluation and control	~~Chapter V~~ Section 2c Governance, ~~evaluation and control~~ Text Origin: Council Mandate

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Article 56a								
G	617a			<u>Article 56a</u> <u>Exercise of the delegation</u>				deleted
Article 56a(1)								
G	617b			<u>1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.</u>				deleted
Article -56a(2)								
G	617c			<u>2. The power to adopt delegated acts referred to in Article 18(2)(2-a) and in Article 21da(2) shall be conferred on the Commission for a period of 5 years from ... [date of entry into force of this Regulation]. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the 5-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.</u>				deleted Text Origin: EP Mandate
Article -56a(3)								

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement	
G	617d			<u>3. The delegation of power referred to in Article 18(2)(2-a) and in Article 21da(2) 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 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.</u>				deleted	G
Article -56a(4)									
G	617e			<u>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.</u>				deleted	G
Article -56a(5)									
G	617f			<u>5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.</u>				deleted	G
Article 56a(6)									

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
617g				<u>6. A delegated act adopted pursuant to Article 18(2)(2-a) and to Article 21da(2) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of [two months] of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by [two months] at the initiative of the European Parliament or of the Council.</u>				deleted
Article 57								
618		Article 57 Defence Industrial Readiness Board		Article 57 Defence Industrial Readiness Board		Article 57 Defence Industrial Readiness Board ~~Security of Supply~~		Article 57 Defence ~~Industrial Readiness~~ <u>Security of Supply</u> Board Text Origin: Council Mandate
Article 57(1)								
619		1. The Defence Industrial Readiness Board is hereby established.		1. The Defence Industrial Readiness Board is hereby established.		1. The Defence Industrial Readiness Board is hereby established. ~~Security of Supply~~		1. The Defence ~~Industrial Readiness~~ <u>Security of Supply</u> Board is hereby established. Text Origin: Council Mandate
Article 57(2)								

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
620	2. The general task of the Board is to assist and provide advice and recommendations to the Commission pursuant to this Regulation, in particular pursuant to its Chapter IV [Security of Supply].	2. The general task of the Board is to ~~assist and provide advice and recommendations to the Commission~~ <u>carry out the measures</u> pursuant to <u>Chapter IV</u> of this Regulation, ~~in particular pursuant to its Chapter IV~~ [Security of Supply].	2. The general task of the Defence Security of Supply Board is to assist and provide ~~advice and~~ recommendations to the Commission pursuant to this Regulation, in particular pursuant to its Chapter IV [Security of Supply].	2. The general task of the <u>Defence Security of Supply</u> Board is to assist and provide ~~advice and~~ recommendations to the Commission pursuant to this <u>Regulation, in particular pursuant to its Chapter IV</u> [Security of Supply]. Text Origin: Council Mandate
Article 57(3)				
621	3. To assist the Commission in the implementation of the measures referred to in Chapter II, the Defence Industrial Readiness Board shall assist the latter in the identification of funding priority areas, taking into account the defence capability priorities commonly agreed by Member States within the framework of the Common Foreign and Security Policy (CFSP), in particular in the context of the Capability Development Plan.	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 57(4)				
622	4. The Commission shall maintain a regular flow of information to the Defence Industrial Readiness Board on any planned measures or measures that	4. The Commission shall maintain a regular flow of information to the Defence Industrial Readiness Board on any planned measures or measures that	4. The Commission shall maintain a regular flow of information to the Defence ~~Industrial Readiness~~ Security of Supply Board on any planned	4. The Commission shall maintain a regular flow of information to the Defence ~~Industrial Readiness~~ <u>Security of Supply</u> Board on any planned

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		have been taken related to the activation of the supply crisis or security-related supply crisis state. The Commission shall provide the necessary information through a secured IT system.		have been taken related to the activation of the ~~supply crisis or security-related supply crisis~~ <u>supply-crisis or security-crisis</u> state. The Commission shall provide the necessary information through a secured IT system.		measures ~~or~~ <u>and on</u> measures that have been taken ~~related to~~ <u>following</u> the activation of the supply crisis or security-related supply crisis ~~supply-crisis~~ state. The Commission shall provide the necessary information through a secured IT system.		measures ~~or~~ <u>and on</u> measures that have been taken ~~related to~~ <u>following</u> the activation of the ~~supply crisis or security-related supply crisis state~~ <u>states pursuant to Articles 44 and 48</u> . The Commission shall provide the necessary information through a secured IT system. Text Origin: Council Mandate
Article 57(5)								
623		5. For the purposes of the supply-crisis state as referred to in Article 44, the Defence Industrial Readiness Board shall assist the Commission in the following tasks:		5. For the purposes of the supply-crisis state as referred to in Article 44, the Defence Industrial Readiness Board shall ~~assist the Commission in~~ <u>carry out</u> the following tasks:		5. For the purposes of ~~the preparing for and addressing a supply-crisis state~~ as referred to in Article ~~44~~ <u>44(1)</u> , the Defence Industrial Readiness ~~Security of Supply~~ Board shall assist the Commission in the following tasks:		5. For the purposes of ~~the supply-crisis~~ <u>preparing for and addressing a crisis</u> state ~~as referred to in~~ <u>pursuant to</u> Article 44 ~~or Article 48~~ , the Defence ~~Industrial Readiness~~ <u>Security of Supply</u> Board shall assist the Commission in ~~the following tasks~~ : Text Origin: Council Mandate
Article 57(5), point (a)								
624		(a) analysing crisis-relevant information gathered by Member States or the Commission;		(a) analysing crisis-relevant information gathered by Member States or the Commission;		(a) analysing crisis-relevant information gathered by Member States or the Commission;		(a) analysing crisis-relevant information gathered by Member States or the Commission; Text Origin: Commission Proposal
Article 57(5), point (aa)								
624a						(aa) assessing possible		<u>(aa)</u> <u>assessing possible</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						preparedness measures;		<u>preparedness measures;</u> Text Origin: Council Mandate
		Article 57(5), point (b)						
G		625	(b) assessing whether the criteria for activation or deactivation of the supply-crisis state have been fulfilled;	(b) assessing whether the criteria for activation or deactivation of the supply-crisis state have been fulfilled;	(b) assessing whether the criteria for activation or deactivation of the supply-crisis state have been fulfilled;	(b) assessing whether the criteria for activation or deactivation of the supply-crisis state have been fulfilled;	(b) assessing whether the criteria for activation or deactivation of the ~~supply-crisis~~ <u>state crisis states pursuant to Articles 44 and 48</u> have been fulfilled;	G
		Article 57(5), point (ba)						
G		625a			(ba) facilitating coordinated action with Member States;	(ba) facilitating coordinated action with Member States;	(ba) facilitating coordinated action with Member States;	G
		Article 57(5), point (c)						
G		626	(c) providing guidance on the implementation of the measures chosen to respond to supply crisis at Union level;	(c) providing guidance on the implementation of the measures chosen to respond to supply crisis at Union level;	(c) ~~providing guidance on the implementation of the measures chosen to respond to supply crisis at Union level,~~ including on the activation of the measures referred to in Article 46 to 53;	(c) providing guidance on the implementation of the measures chosen to respond to ~~supply crisis~~ <u>the crises</u> at Union level, <u>including on the activation of the measures referred to in Articles 46 to 47 and 49 to 54a;</u>	(c) providing guidance on the implementation of the measures chosen to respond to ~~supply crisis~~ <u>the crises</u> at Union level, <u>including on the activation of the measures referred to in Articles 46 to 47 and 49 to 54a;</u>	G
		Article 57(5), point (d)						
Y		627	(d) performing a review of national crisis measures;	(d) performing a review of national crisis measures;	deleted	(d) <u>/performing a review of national crisis measures;</u> <u>// delete!</u>	(d) <u>/performing a review of national crisis measures;</u> <u>// delete!</u>	Y
		To be discussed further						

	CLEAN	Commission Proposal	V.S.EC	EP Mandate	V.S.EC	Council Mandate	V.S.EC	Draft Agreement
Article 57(5), point (da)								
G	627a				(da) identifying specific response measures for the Member States for ensuring the timely availability and supply of crisis-relevant products;	<u>(da) identifying specific response measures for the Member States for ensuring the timely availability and supply of crisis-relevant products;</u> Text Origin: Council Mandate		
Article 57(5), point (e)								
G	628	(e) facilitating exchanges and sharing of information, including with other crisis-relevant bodies at Union level, as well as, as appropriate, third countries, with particular attention paid to developing countries, and international organisations.	(e) facilitating exchanges and sharing of information, including with other crisis-relevant bodies at Union level, as well as, as appropriate, third countries, with particular attention paid to developing countries, and international organisations.	(e) facilitating exchanges and sharing of information, including with other crisis-relevant bodies at Union level, as well as, as appropriate, with third countries, ~~with particular attention paid to developing countries,~~ and international organisations., representatives of industry, civil society and academia;	(e) facilitating exchanges and sharing of information, including with other crisis-relevant bodies at Union level, as well as, as appropriate, <u>with</u> third countries, ~~with particular attention paid to developing countries,~~ and international organisations., <u>representatives of industry, civil society and academia;</u> Text Origin: Council Mandate			
Article 57(5), point (ea)								
G	628a				(f) identifying relevant topics for the conduct of stress tests;	<u>(f) identifying relevant topics for the conduct of stress tests;</u> Text Origin: Council Mandate		
Article 57(5), point (eb)								
G	628b				(g) the development of a framework and methodology for identifying crisis-relevant products and the list of early-	<u>(g) the development of a framework and methodology for identifying crisis-relevant products and the list of early-</u>		

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						warning indicators;		<u>warning indicators;</u> Text Origin: Council Mandate
		Article 57(5), point (ec)						
G		628c				(h) carrying out the mapping regarding crisis-relevant products and early warning indicators;		<u>(h) carrying out the mapping regarding crisis-relevant products and early warning indicators;</u> Text Origin: Council Mandate
		Article 57(5), point (ed)						
G		628d				(i) assessing whether a prolongation of the supply-crisis state is necessary and proportionate and whether a termination is appropriate;		<u>(i) assessing whether a prolongation of the crisis state is necessary and proportionate and whether a termination is appropriate;</u> Text Origin: Council Mandate
		Article 57(5), point (ee)						
G		628e				(j) assessing the results of the monitoring and identifying, where appropriate, potential solutions to issues of common interest; and		<u>(j) assessing the results of the monitoring and identifying, where appropriate, potential solutions to issues of common interest; and</u> Text Origin: Council Mandate
		Article 57(5), point (ef)						
G		628f				(k) identifying an appropriate frequency for the conduct of stress tests.		<u>(k) identifying an appropriate frequency for the conduct of stress tests.</u> Text Origin: Council Mandate
		Article 57(6)						

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
629	6. For the purposes of the security-related supply-crisis state as referred to in Article 48, the Defence Industrial Readiness Board shall:	6. For the purposes of the ~~security-related supply-crisis~~ <u>security-crisis</u> state as referred to in Article 48, the Defence Industrial Readiness Board shall:	<i>deleted</i>	<i>deleted</i>
Article 57(6), point (a)				
630	(a) facilitate coordinated action by the Commission and the Member States;	(a) facilitate coordinated action by the Commission and the Member States;	<i>deleted</i>	<i>deleted</i>
Article 57(6), point (b)				
631	(b) adopt opinions and guidance, including specific response measures, for the Member States for ensuring the timely availability and supply of crisis-relevant products;	(b) adopt opinions and guidance, including specific response measures, for the Member States for ensuring the timely availability and supply of crisis-relevant products;	<i>deleted</i>	<i>deleted</i>
Article 57(6), point (c)				
632	(c) assist and provide guidance on the activation of measures as referred to in Articles 49 to 54;	(c) assist and provide guidance on the activation of measures as referred to in Articles 49 to 54;	<i>deleted</i>	<i>deleted</i>
Article 57(6), point (d)				
633	(d) provide a forum for the coordination of actions of the Council, the Commission, and other relevant Union bodies.	(d) provide a forum for the coordination of actions of the Council, the Commission, and other relevant Union bodies.	<i>deleted</i>	<i>deleted</i>
Article 57(7)				

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
634		7. The Defence Industrial Readiness Board shall be composed of the representatives of the Commission, the High-Representative and Head of the European Defence Agency, Member States and associated countries. Each Member State or associated country shall nominate one representative and one alternate representative. The Board shall be chaired by the Commission for the purposes of the tasks laid down in this Regulation. The secretariat of the Defence Industrial Readiness Board shall be ensured by the Commission.		7. The Defence Industrial Readiness Board shall be composed of the representatives of the Commission, the High-Representative and Head of the European Defence Agency, <u>the Chair of the European Union Military Committee</u>, Member States and associated countries, <u>as well as representatives from the European Parliament as observers</u>. Each Member State or associated country shall nominate one representative and one alternate representative. The Board shall be ~~chaired~~<u>co-chaired</u> by the Commission <u>and the Member State holding the rotating presidency of the Council</u> for the purposes of the tasks laid down in this Regulation. The secretariat of the Defence Industrial Readiness Board shall be ensured by the Commission.		7. The Defence Industrial Readiness ~~Security of Supply~~ Board shall be composed of the representatives ~~of from all~~ <u>Member States</u>, the Commission, the High-Representative and Head of the European Defence Agency, Member States and associated countries. Each Member State or associated country shall nominate one ~~High~~ Representative and one ~~alternate~~<u>the EDA. It shall be co-chaired by a</u> representative. The Board shall be chaired by ~~of the~~ Commission for the purposes ~~and~~ of the tasks laid down in this Regulation <u>Member State holding the rotating presidency of the Council</u>. The secretariat of the Defence Industrial Readiness ~~Security of Supply~~ Board shall be ensured by the Commission. Only Member States shall have voting rights.		7. The Defence ~~Industrial Readiness~~<u>Security of Supply</u> Board shall be composed of ~~the~~ representatives ~~of from all Member States~~, the Commission, the ~~High-Representative and Head of the European Defence Agency~~, ~~Member States and associated countries~~. Each Member State or associated country shall nominate one ~~High~~ Representative and one ~~alternate~~<u>the EDA. It shall be co-chaired by a</u> representative. ~~The Board shall be chaired by of the~~ Commission ~~for the purposes and~~ of the ~~tasks laid down in this Regulation~~ <u>Member State holding the rotating presidency of the Council</u>. The secretariat of the Defence ~~Industrial Readiness~~<u>Security of Supply</u> Board shall be ensured by the Commission. <u>Only Member States shall have voting rights. The Chairs shall invite representatives of the European Parliament to attend, as observers, the meetings of the Board.</u> Text Origin: Council Mandate
Article 57(7a)								
634a					7a.	Associated countries shall	7a.	<u>Associated countries shall</u>

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						have the right to become members, without voting rights, of the Defence Security of Supply Board in accordance with the conditions set out under the Agreement on the European Economic Area.		<u>have the right to become members, without voting rights, of the Defence Security of Supply Board in accordance with the conditions set out under the Agreement on the European Economic Area.</u> Text Origin: Council Mandate
Article 57(8)								
635		8. The Defence Industrial Readiness Board shall meet whenever the situation requires, upon request from the Commission or a Member State or an associated country. It shall adopt its rules of procedure on the basis of a proposal submitted by the Commission.		8. The Defence Industrial Readiness Board shall meet whenever the situation requires, upon request from the Commission or a Member State or an associated country. It shall adopt its rules of procedure on the basis of a proposal submitted by the Commission. <u>These rules of procedure shall foresee dispute settlement procedures and prevent the blocking of activities and regular work of the Defence Industrial Readiness Board's by individual Member States.</u>		8. The Defence ~~Industrial Readiness~~ Security of Supply Board shall meet whenever the situation requires, upon request from the Commission ~~or~~ , a Member State or an associated country which has become a member thereof . It shall adopt its rules of procedure on the basis of a proposal submitted by the Commission.		8. The Defence ~~Industrial Readiness~~ Security of Supply Board shall meet whenever the situation requires, upon request from the Commission ~~or~~ , a Member State or an associated country <u>which has become a member thereof</u> . It shall adopt its rules of procedure on the basis of a proposal submitted by the Commission. <u>These rules of procedure shall provide mechanisms to ensure the good functioning of the Board in carrying out its tasks, including by foreseeing dispute settlement procedures related to potential disputes between the co-chairs.</u> Text Origin: Council Mandate
Article 57(9)								
636		9. The Defence Industrial		9. The Defence Industrial		9. The Defence ~~Industrial~~		9. The Defence ~~Industrial~~

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	Readiness Board may issue opinions, upon the request of the Commission or on its own initiative. The Defence Industrial Readiness Board shall endeavour to find solutions which command the widest possible support.	Readiness Board may issue opinions, upon the request of the Commission or on its own initiative. The Defence Industrial Readiness Board shall endeavour to find solutions which command the widest possible support.	Readiness Board may issue ~~opinions~~ Security of Supply ~~recommendations~~ , upon the request of the Commission or on its own initiative. The Defence Industrial Readiness Security of Supply Board shall endeavour to find solutions which command the widest possible support.	~~Readiness~~ Security of Supply Board may issue ~~opinions~~ recommendations , upon the request of the Commission or on its own initiative. The Defence ~~Industrial Readiness~~ Security of Supply Board shall endeavour to find solutions which command the widest possible support. Text Origin: Council Mandate
Article 57(10)				
637	10. The Defence Industrial Readiness Board shall invite, at least once a year, representatives from National Defence Industrial Associations and selected industrial representatives, taking into account the necessity to ensure a balanced geographical representation (structured dialogue with defence industry). Where the supply crisis state referred to in Article 44 or the security supply crisis state referred to in Article 48 has been activated, the Defence Industrial Readiness Board shall invite high-level industrial representatives to meet in special configuration in order to discuss issues linked to crisis-relevant products.	10. The Defence Industrial Readiness Board shall invite, at least once a year, representatives from National Defence Industrial Associations and selected industrial representatives, taking into account the necessity to ensure a balanced geographical representation (structured dialogue with defence industry). Where the supply crisis state referred to in Article 44 or the security ~~supply~~ crisis state referred to in Article 48 has been activated, the Defence Industrial Readiness Board shall invite high-level industrial representatives to meet in special configuration in order to discuss issues linked to crisis-relevant products.	10. The Defence ~~Industrial Readiness~~ Security of Supply Board shall invite, at least once a year, representatives from National Defence Industrial Associations and selected industrial representatives to take part, as observers, in its work , taking into account the necessity to ensure a balanced geographical representation (structured dialogue with defence industry). Where the supply crisis ~~supply-crisis~~ state referred to in Article 44 or the security supply crisis state referred to in Article 48 ~~(3)~~ has been activated, the Defence ~~Industrial Readiness~~ Security of Supply Board shall invite, where relevant , high-level industrial	10. The Defence ~~Industrial Readiness~~ Security of Supply Board shall invite, at least once a year, representatives from National Defence Industrial Associations and selected industrial representatives to take part, as observers, in its work , taking into account the necessity to ensure a balanced geographical representation ~~(structured dialogue with defence industry)~~ . Where ~~the supply~~ a crisis state referred to in ~~Article~~ either Articles 44 or ~~the security supply crisis state referred to in Article~~ 48 has been activated, the Defence ~~Industrial Readiness~~ Security of Supply Board shall invite, where relevant , high-level industrial

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						representatives to ~~meet intake part~~ , as observers, in its work, meeting in a special configuration in order to discuss issues linked to crisis-relevant products.		representatives to ~~meet intake part~~ , <u>as observers, in its work, meeting in a</u> special configuration in order to discuss issues linked to crisis-relevant products. Text Origin: Council Mandate
Article 57(11)								
638		11. The Defence Industrial Readiness Board shall invite the representatives of other crisis-relevant bodies at Union level as observers to the relevant meetings of the Board.		11. The Defence Industrial Readiness Board shall invite the representatives of other crisis-relevant bodies at Union level as observers to the relevant meetings of the Board.		11. The Defence ~~Industrial Readiness~~ Security of Supply Board shall invite the representatives of other crisis-relevant bodies at Union level as observers to ~~the~~ its relevant meetings ~~of the Board~~ .		11. The Defence ~~Industrial Readiness~~ Security of Supply Board shall invite the representatives of other crisis-relevant bodies at Union level as observers to ~~the~~ its relevant meetings ~~of the Board~~ . Text Origin: Council Mandate
Article 57(12)								
639		12. The Defence Industrial Readiness Board shall invite, where relevant and notably with a view to actions reinforcing the Ukrainian DTIB, in line with its rules of procedure and with due respect to the security and defence interests of the Union and its Member States, a representative from Ukraine to attend meetings as an observer.		12. The Defence Industrial Readiness Board shall invite, ~~where relevant and notably with a view to actions reinforcing the Ukrainian DTIB~~ , in line with its rules of procedure and with due respect to the security and defence interests of the Union and its Member States, a representative from Ukraine to attend meetings as an observer, <u>in particular with a view to actions reinforcing the Ukrainian DTIB</u> .		12. The Defence ~~Industrial Readiness~~ Security of Supply Board shall invite, where relevant and notably with a view to actions reinforcing the Ukrainian DTIB, in line with its rules of procedure and with due respect to the security and defence interests of the Union and its Member States, a representative from Ukraine to attend meetings as an observer.		12. The Defence ~~Industrial Readiness~~ Security of Supply Board shall invite, where relevant and notably with a view to actions reinforcing the Ukrainian DTIB, in line with its rules of procedure and with due respect to the security and defence interests of the Union and its Member States, a representative from Ukraine to attend meetings as an observer. Text Origin: Council Mandate
Article 57(13)								

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
640	13. The Commission shall ensure transparency and provide members of the Board with equal access to information, in order to ensure that the decision-making process reflects the situation and the needs of all Member States.	13. The Commission shall ensure transparency and provide members of the Board with equal access to information, in order to ensure that the decision-making process reflects the situation and the needs of all Member States.	13. The Commission shall ensure transparency ~~inclusiveness~~ and provide members of the ~~Board~~ Member States with equal access to information, in order to ensure that the decision-making process of the Defence Security of Supply Board reflects the situation and the needs of all Member States.	13. The Commission shall ensure ~~transparency~~ inclusiveness and provide members of the Board with equal access to information, in order to ensure that the decision-making process of the Defence Security of Supply Board reflects the situation and the needs of all Member States. <u>The Board shall take the necessary measures to ensure the safe handling and processing of [confidential/sensitive/classified] information in accordance with articles 60 and 61.</u> Part in square brackets to be revisited in light of agreed definition of classified/sensitive information Text Origin: Council Mandate
Article 57(14)				
641	14. The Commission may, on its own initiative or on the proposal of the Defence Industrial Readiness Board, set up working groups on an ad hoc basis to support the Defence Industrial Readiness Board in its work for the purpose of examining specific questions on the basis of the tasks referred to in paragraph 1. Member States shall	14. The Commission may, on its own initiative or on the proposal of the Defence Industrial Readiness Board, set up working groups on an ~~ad hoc~~ ad hoc basis to support the Defence Industrial Readiness Board in its work for the purpose of examining specific questions on the basis of the tasks referred to in paragraph 1. Member States shall	14. The ~~Commission~~ Defence Security of Supply Board may, on its own initiative or on the proposal of the ~~Defence Industrial Readiness Board~~ Commission , set up working groups, on an ad hoc basis, working groups consisting of experts appointed by Member States to support the ~~Defence Industrial Readiness Board~~ in its	14. The Commission may, on its own initiative or on the proposal of the Defence ~~Industrial Readiness~~ Security of Supply Board, set up working groups on an ~~ad hoc~~ ad hoc basis to support the Defence ~~Industrial Readiness~~ Security of Supply Board in its work for the purpose of examining specific questions on

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	nominate experts for the working groups.	nominate experts for the working groups.	work for the purpose of examining specific questions on the basis of the tasks referred to in paragraph 1. ~~Member States shall nominate experts for~~ The EDA may be invited to meetings of such working groups.	the basis of the tasks referred to in paragraph 1. Member States shall nominate experts for the working groups. <u>The EDA may be invited to meetings of such working groups.</u> Text Origin: EP Mandate
Article 57(15)				
642	15. The Commission shall set up a working group on legal, regulatory and administrative hurdles. The objectives of this working group are:	15. The Commission shall set up a working group on legal, regulatory and administrative hurdles. The objectives of this working group are:	15. The ~~Commission~~ Defence Security of Supply Board shall set up a working group consisting of experts appointed by Member States on legal, regulatory and administrative hurdles. The objectives of ~~this~~ that working group ~~are~~ shall be :	15. The Commission shall set up a working group <u>within the meaning of paragraph 14</u> on legal, regulatory and administrative hurdles. The objectives of this working group ~~are~~ <u>shall be</u> : Text Origin: EP Mandate
Article 57(15), point (a)				
643	(a) to identify existing or potential legal, regulatory and administrative obstacles at international, EU and national levels to the achievement of the objectives listed in Article 4;	(a) to identify existing or potential legal, regulatory and administrative obstacles at international, EU and national levels to the achievement of the objectives listed in Article 4;	(a) to identify existing or potential legal, regulatory and administrative obstacles at international, EU Union and national levels to the achievement of the objectives listed in Article 41(4) ;	(a) to identify existing or potential legal, regulatory and administrative obstacles at international, ~~EU~~ Union and national levels to the achievement of the objectives listed in Article ~~41(4)~~ ; Text Origin: Council Mandate
Article 57(15), point (b)				
644	(b) to identify potential solutions and/or mitigation measures to identified obstacles.	(b) to identify potential solutions and/or mitigation measures to identified obstacles.	(b) to identify potential solutions ~~and/or~~ and mitigation measures to identified obstacles.	(b) to identify potential solutions ~~and/or~~ and mitigation measures to identified obstacles.

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
								Text Origin: Council Mandate
	Article 57a							
G	644a					Chapter V Evaluation and control		Chapter V Governance, evaluation and control Text Origin: Council Mandate
	Article 58							
G	645	Article 58 Committee Procedure		Article 58 Committee Procedure		Article 58 Committee Procedure		Article 58 Committee Procedure Text Origin: Commission Proposal
	Article 58(1)							
G	646	1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.		1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.		1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.		1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011. Text Origin: Commission Proposal
	Article 58(2)							
G	647	2. The EDA shall be invited to provide its views and expertise to the committee as an observer. The EEAS shall also be invited to assist in the work of the committee.		2. The EDA shall be invited to provide its views and expertise to the committee as an observer. The EEAS <u>and the European Parliament</u> shall also be invited to assist in the work of the committee.		2. The EDA shall be invited to provide its views and expertise to the committee as an observer. The ~~EEAS~~ European External Action Service shall also be invited to assist in the work of the committee.		2. The EDA shall be invited to provide its views and expertise to the committee as an observer. The ~~EEAS~~ European External Action Service shall also be invited to assist in the work of the committee.

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
								Text Origin: Council Mandate
	Article 58(2a)							
G	647a			<u>2a. Where relevant, Ukraine shall be invited to send a representative to the committee.</u>		2a. The Commission may, on its own initiative or upon request from one or several Member States, invite, where relevant, representatives of Ukraine to attend meetings of the committee where specific draft implementing acts relating to the Ukraine Support Instrument are discussed, with a view to allowing them to share views and respond to questions from Member States. Representatives of Ukraine shall not be present during deliberations, nor participate in voting of the committee.		<u>2a. The Commission may, on its own initiative or upon request from one or several Member States, invite, where relevant, representatives of Ukraine to attend meetings of the committee. Representatives of Ukraine shall not be present during deliberations, nor participate in voting of the committee.</u> Council to provide recital specifying cooperation with Ukraine Text Origin: Council Mandate
	Article 58(3)							
G	648	3. Where reference is made to this paragraph, Article 5 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.		3. Where reference is made to this paragraph, Article 5 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. Text Origin: Commission Proposal
	Article 58(4)							
G	649	4. Where the committee delivers no opinion, the		4. Where the committee delivers no opinion, the		4. Where the committee delivers no opinion, the		4. Where the committee delivers no opinion, the

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	Commission shall not adopt the draft implementing act and Article 5(4), third subparagraph, of Regulation (EU) No 182/2011 shall apply.	Commission shall not adopt the draft implementing act and Article 5(4), third subparagraph, of Regulation (EU) No 182/2011 shall apply.	Commission shall not adopt the draft implementing act and Article 5(4)2a(4), third subparagraph, of Regulation (EU) No 182/2011 shall apply.	Commission shall not adopt the draft implementing act and Article 5(4), third subparagraph, of Regulation (EU) No 182/2011 shall apply. Text Origin: EP Mandate
Article 58a				
G 649a		<u>Article 58a</u> <u>Parliamentary scrutiny</u>		deleted
Article 58a(1)				
G 649b		<u>1. The Commission shall maintain a high level of information and involvement of the European Parliament on the implementation of the provisions laid down in this Regulation, in particular with a view to protect adherence to European ethical standards and due respect of fundamental rights.</u>		deleted Text Origin: EP Mandate
Article 58a(2)				
G 649c		<u>2. In the context of the provisions laid down in Chapter IV, the Commission shall ensure an adequate level of information and involvement of the European Parliament.</u>		deleted Text Origin: EP Mandate
Article 58a(3)				

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
649d				<u>3. In the context of the provisions laid down in Chapters II-IIc, the Commission shall consult the European Parliament on the Work Programmes and shall ensure annual reporting of the activities implemented in this framework.</u>				deleted Text Origin: EP Mandate
Article 59								
650		Article 59 EU – UA Framework agreement		Article 59 EU – UA Framework agreement		Article 59 ~~EU – UA Framework agreement~~ Administrative arrangement		Article 59 ~~EU – UA Framework agreement~~ Financing agreement with Ukraine Text Origin: Council Mandate
Article 59(1)								
651		1. The Commission shall conclude a framework agreement with Ukraine for the implementation of the actions set out in this Regulation which concern Ukraine or legal entities established in Ukraine receiving Union funds.		1. The Commission shall conclude a framework agreement with Ukraine for the implementation of the actions set out in this Regulation which concern Ukraine or legal entities established in Ukraine receiving Union funds.		1. The Commission shall conclude a framework agreement with Ukraine an administrative arrangement with Ukrainian competent authorities for the implementation of the actions set out in this Regulation which concern Ukraine or legal entities established in Ukraine receiving Union funds.		1. The Commission shall conclude ~~a framework agreement~~ with Ukraine a financing agreement within the meaning of Article 114(2) of the Financial Regulation for the implementation of the actions set out in this Regulation which concern Ukraine or legal entities established in Ukraine receiving Union funds.
Article 59(2)								
652		2. The framework agreement concluded with Ukraine, taken as a whole, and contracts and agreements signed with legal		2. The framework agreement concluded with Ukraine, taken as a whole, and contracts and agreements signed with legal		2. The ~~framework agreement~~ administrative arrangement concluded with ~~Ukraine~~ Ukrainian competent		2. The ~~framework~~ financing agreement concluded with Ukraine, taken as a whole, and contracts and agreements signed with legal

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		entities established in Ukraine receiving Union funds, shall ensure that the obligations set out in Article 129 of the Financial Regulation can be fulfilled.		entities established in Ukraine receiving Union funds, shall ensure that the obligations set out in Article 129 of the Financial Regulation can be fulfilled.		authorities , taken as a whole, and contracts and agreements signed with legal entities established in Ukraine receiving Union funds, shall ensure that the obligations set out in Article 129 of the Financial Regulation can be fulfilled.		entities established in Ukraine receiving Union funds, shall ensure that the obligations set out in Article 129 of the Financial Regulation can be fulfilled.
Article 59(3)								
653		3. The framework agreement shall lay down the obligations of the Ukrainian authorities and bodies entrusted of budget implementation tasks to take all the necessary measures including legislative, regulatory and administrative measures to respect the principles of sound financial management, transparency and non-discrimination, to ensure the visibility of Union action when managing the Union funds, to fulfil the appropriate control and audit obligations and assume the resulting responsibilities, and to protect the financial interests of the Union, by, in particular, detailed enacting provisions concerning:		3. The framework agreement shall lay down the obligations of the Ukrainian authorities and bodies entrusted of budget implementation tasks to take all the necessary measures including legislative, regulatory and administrative measures to respect the principles of sound financial management, transparency and non-discrimination, to ensure the visibility of Union action when managing the Union funds, to fulfil the appropriate control and audit obligations and assume the resulting responsibilities, and to protect the financial interests of the Union, by, in particular, detailed enacting provisions concerning:		3. The ~~framework agreement~~ administrative arrangement shall lay down the obligations of the Ukrainian authorities and bodies entrusted ~~of~~ with budget implementation tasks to take all ~~the~~ necessary measures, including legislative, regulatory and administrative measures, to respect the principles of sound financial management, transparency and non-discrimination, to ensure the visibility of Union action when managing the Union funds, to fulfil the appropriate control and audit obligations and assume the resulting responsibilities, and to protect the financial interests of the Union, by, in particular, detailed enacting provisions concerning:		3. The ~~framework~~ financing agreement shall lay down the obligations of the Ukrainian authorities and bodies entrusted ~~of~~ with budget implementation tasks to take all ~~the~~ necessary measures, including legislative, regulatory and administrative measures, to respect the principles of sound financial management, transparency and non-discrimination, to ensure the visibility of Union action when managing the Union funds, to fulfil the appropriate control and audit obligations and assume the resulting responsibilities, and to protect the financial interests of the Union, by, in particular, detailed enacting provisions concerning:
Article 59(3), point (a)								
654	(a)	the activities related to	(a)	the activities related to	(a)	the activities related to	(a)	the activities related to

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	control, supervision, monitoring, evaluation, reporting and audit of Union funding under the Programme, as well as investigations, anti-fraud measures and cooperation;	control, supervision, monitoring, evaluation, reporting and audit of Union funding under the Programme, as well as investigations, anti-fraud measures and cooperation;	control, supervision, monitoring, evaluation, reporting and audit of Union funding under the ~~Programme~~ Ukraine Support Instrument , as well as investigations, anti-fraud measures and cooperation;	control, supervision, monitoring, evaluation, reporting and audit of Union funding under the ~~Programme~~ Ukraine Support Instrument , as well as investigations, anti-fraud measures and cooperation; Text Origin: Council Mandate
Article 59(3), point (b)				
655	(b) rules on taxes, duties and charges in accordance with Article 27(9) and (10) of Regulation (EU) 2021/947;	(b) rules on taxes, duties and charges in accordance with Article 27(9) and (10) of Regulation (EU) 2021/947;	(b) rules on taxes, duties and charges in accordance with Article 27(9) and (10) of Regulation (EU) 2021/947 ³⁵ ; 35. Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14/06/2021, p. 1).	(b) rules on taxes, duties and charges in accordance with Article 27(9) and (10) of Regulation (EU) 2021/947 ^L ; <u>1. Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14/06/2021, p. 1).</u> Text Origin: Council Mandate
Article 59(3), point (c)				
656	(c) the right of the Commission to monitor activities under this Regulation carried out	(c) the right of the Commission to monitor activities under this Regulation carried out	(c) the right of the Commission to monitor activities under this Regulation carried out	(c) the right of the Commission to monitor activities under this Regulation carried out

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
		by the legal entities established in Ukraine, along the whole project cycle, including for cooperation for common procurement action, to take part in these as observer, as appropriate, and to make recommendations for the improvement of such activities and commitment by the Ukrainian authorities to make their best efforts to implement such recommendations of the Commission and to report on this implementation;		by the legal entities established in Ukraine, along the whole project cycle, including for cooperation for common procurement action, to take part in these as observer, as appropriate, and to make recommendations for the improvement of such activities and commitment by the Ukrainian authorities to make their best efforts to implement such recommendations of the Commission and to report on this implementation;		by the legal entities established in Ukraine, along the whole project cycle, including for cooperation for common procurement action, to take part in ~~these~~ those activities as observer, as appropriate, and to make recommendations for the improvement of such activities, and a ~~and~~ commitment by the Ukrainian authorities to make their best efforts to implement such recommendations of the Commission and to report on this implementation;		by the legal entities established in Ukraine, along the whole project cycle, including for cooperation for common procurement action, to take part in ~~these~~ those activities as observer, as appropriate, and to make recommendations for the improvement of such activities, and a ~~and~~ commitment by the Ukrainian authorities to make their best efforts to implement such recommendations of the Commission and to report on this implementation; Text Origin: Council Mandate
	Article 59(3), point (d)							
657		(d) the obligations referred to in Article 64(2), including precise rules and timeframe on collection of data by Ukraine and access for the Commission and OLAF;		(d) the obligations referred to in Article 64(2), including precise rules and timeframe on collection of data by Ukraine and access for the Commission and OLAF;		(d) the obligations referred to in Article 64(2), including precise rules and timeframe ~~on~~ regarding the collection of data by Ukraine and access ~~for~~ to such data by the Commission and the European Anti-Fraud Office (OLAF) ~~OLAF~~ ;		(d) the obligations referred to in Article 64(2), including precise rules and timeframe ~~on~~ regarding the collection of data by Ukraine and access ~~for~~ to such data by the Commission and the European Anti-Fraud Office (OLAF) ~~OLAF~~ ; Text Origin: Council Mandate
	Article 59(3), point (e)							
658		(e) the preservation of security interests, including a level of protection of classified information and confidentiality equivalent to that set out in Articles 59 and 60;		(e) the preservation of security interests, including a level of protection of classified information and confidentiality equivalent to that set out in Articles 59 and 60;		(e) the ~~preservation of security interests, including a level of~~ protection and handling of classified information ~~and confidentiality equivalent to that~~		(e) the ~~preservation of security interests, including a level of~~ protection and handling of classified information ~~and confidentiality equivalent to that~~

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
						set out in Articles 59 and 60 in accordance with applicable rules;		~~set out in Articles 59 and 60~~ in accordance with applicable rules; Text Origin: Council Mandate
	Article 59(3), point (f)							
G	659	(f) provisions on protection of personal data.	(f) provisions on protection of personal data.	(f) provisions on protection of personal data.	(f) provisions on protection of personal data.			Text Origin: Commission Proposal
	Article 59(4)							
G	660	4. Funding shall only be granted to Ukraine after the framework agreement has entered into force and that the actions needed to implement the requirements it establishes have been implemented by the parties.	4. Funding shall only be granted to Ukraine after the framework agreement has entered into force and that the actions needed to implement the requirements it establishes have been implemented by the parties.	4. Funding shall only be granted to Ukraine after the framework agreement has entered into force and that the actions needed to implement the requirements it establishes have been implemented by the parties.	4. Funding shall only be granted to Ukraine after the framework agreement has entered into force and that the actions needed to implement the requirements it establishes have been implemented by the parties.	4. Funding shall only be granted to Ukraine after the framework agreement has entered into force and that the actions needed to implement the requirements it establishes have been implemented by the parties.	4. Funding shall only be granted to Ukraine after the framework agreement has entered into force and that the actions needed to implement the requirements it establishes have been implemented by the parties.	Text Origin: Council Mandate
	Article 59(4a)							
G	660a		<u>4a. The framework agreement shall be concluded without undue delay, and no later than.../ 6 months after the entry into force of this Regulation].</u>		5. The Commission shall ensure that, from its side, all necessary steps are taken for the administrative arrangement to become effective no later than six months after the entry into force of this Regulation.		<u>5. The Commission shall ensure that, from its side, all necessary steps are taken for the financing arrangement to become effective no later than six months after the entry into force of this Regulation.</u>	Text Origin: Council Mandate
	Article 60							

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
661		Article 60 Application of the rules on classified information		Article 60 Application of the rules on classified information		Article 60 Application of the rules on ~~Protection of~~ classified information		Article 60 ~~Application of the rules on~~ <u>Protection of</u> classified information Text Origin: Council Mandate
Article 60(1)								
662		1. The originatorship of classified foreground information generated in implementing eligible actions listed under Article 11, shall be under the responsibility of the participating Member States who will establish the applicable security framework under relevant national laws.		1. The originatorship of classified foreground information generated in implementing eligible actions listed under Article 11, shall be under the responsibility of the participating Member States who will establish the applicable security framework under relevant national laws.		1. The originatorship of Classified foreground information generated in implementing eligible actions listed ~~that is created,~~ handled, stored, exchanged or shared under Article 11, ~~this Regulation shall be under the responsibility of the participating~~ protected in accordance with the security rules set out in Commission Decision (EU, Euratom) 2015/444³⁶ or the Agreement between the Member States who will establish the applicable security framework under relevant national laws of the European Union, meeting within the Council, regarding the protection of classified information exchanged in the interests of the European Union, as appropriate.		1. ~~The originatorship of~~ Classified ~~foreground~~ information generated in implementing eligible ~~actions listed~~ <u>that is created, handled, stored, exchanged or shared</u> under ~~Article 11, this Regulation shall be under the responsibility of the participating~~ <u>protected in accordance with the security rules set out in Commission Decision (EU, Euratom) 2015/444³⁶ or the Agreement between the</u> Member States ~~who will establish the applicable security framework under relevant national laws of the European Union, meeting within the Council, regarding the protection of classified information exchanged in the interests of the European Union, as appropriate.~~
						36. Commission Decision (EU, Euratom) 2015/444 of 13 March 2015 on the security rules for protecting EU		<u>36. Commission Decision (EU, Euratom) 2015/444 of 13 March 2015 on the security rules for protecting EU classified</u>

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			classified information (OJ L 72, 17/03/2015, p. 53).	<u>information (OJ L 72, 17/03/2015, p. 53).</u> Text Origin: Council Mandate
Article 60(2)				
663	2. Such a security framework shall be without prejudice to the possibility for the Commission to have access to the necessary information for carrying out the action.	2. Such a security framework shall be without prejudice to the possibility for the Commission to have access to the necessary information for carrying out the action.	2. Such a security framework ~~The participating Member States shall be without prejudice to the possibility for the Commission to have access to the necessary~~ decide who is the originator of classified foreground information for carrying out the action generated in the implementation of eligible actions listed under Article 11.	2. ~~Such a security framework~~ <u>The participating Member States</u> shall ~~be without prejudice to the possibility for the Commission to have access to the necessary~~ decide who is the originator of classified foreground information ~~for carrying out the action generated in the implementation of eligible actions listed under Article 11.~~ Text Origin: Council Mandate
Article 60(3)				
664	3. The Commission shall protect classified information received in accordance with the security rules set out in Decision (EU, Euratom) 2015/444 and Decision 2013/488/EU.	3. The Commission shall protect classified information received in accordance with the security rules set out in Decision (EU, Euratom) 2015/444 and Decision 2013/488/EU.	3. The Commission shall ~~protect~~ have access to the classified information ~~received in accordance with the security rules set out in Decision (EU, Euratom) 2015/444 and Decision 2013/488/EU~~ necessary for carrying out the tasks assigned to it under this Regulation concerning the eligible actions listed under Article 11.	3. The Commission shall ~~protect~~ have access to the classified information ~~received in accordance with the security rules set out in Decision (EU, Euratom) 2015/444 and Decision 2013/488/EU~~ necessary for carrying out the tasks assigned to it under this Regulation concerning the eligible actions listed under Article 11. Text Origin: Council Mandate
Article 60(4)				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
665	4. The applicable security framework for the action has to be put in place at the latest before the signature of the grant agreement or the contract. The relevant documents shall form integral part of the Grant Agreement.	4. The applicable security framework for the action has to be put in place at the latest before the signature of the grant agreement or the contract. The relevant documents shall form integral part of the Grant Agreement.	4. In the context of a SEAP, the rules on the protection of classified information referred to in Article 27(1), point (l), The applicable security framework for the action has to be put in place at the latest before the signature of the grant agreement or the contract. The relevant documents shall form integral part of the Grant Agreement comply with paragraph 1 of this Article.	4. <u>In the context of a SEAP, the rules on the protection of classified information referred to in Article 27(1), point (l),</u> ~~The applicable security framework for the action has to be put in place at the latest before the signature of the grant agreement or the contract.~~ The relevant documents shall ~~form integral part of the Grant Agreement~~ comply with paragraph 1 of this Article. Text Origin: Council Mandate
Article 60(4a)				
665a			4a. Where a SEAP includes associated countries or Ukraine among its members or observers, such SEAP shall ensure a level of protection equivalent to that afforded by the Agreement between the Member States of the European Union, meeting within the Council, regarding the protection of classified information exchanged in the interests of the European Union.	4a. <u>Where a SEAP includes associated countries or Ukraine among its members or observers, such SEAP shall ensure a level of protection equivalent to that afforded by the Agreement between the Member States of the European Union, meeting within the Council, regarding the protection of classified information exchanged in the interests of the European Union.</u> Text Origin: Council Mandate
Article 60(5)				
666	5. The Commission shall make available approved and	5. The Commission shall make available approved and	5. The Commission applicable security	5. The ~~Commission~~ applicable security framework for an action

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		accredited existing systems to facilitate the exchange of classified information between the Commission, the High-Representative / Head of Agency, the Member States and associated countries and, where appropriate, with the applicants and the recipients.		accredited existing systems to facilitate the exchange of classified information between the Commission, the High-Representative / Head of Agency, the <u>European Parliament, the</u> Member States and associated countries and, where appropriate, with the applicants and the recipients.		~~framework for an action shall make available approved and accredited existing systems to facilitate the exchange of classified information between the Commission, the High-Representative / Head of Agency, the~~ be put in place by participating Member States and associated countries and, where appropriate, with the applicants and the recipients at the latest before the signature of the grant agreement or the contract. The relevant documents shall form an integral part of the grant agreement or the contract.		shall ~~make available approved and accredited existing systems to facilitate the exchange of classified information between the Commission, the High-Representative / Head of Agency, the~~ be put in place by participating Member States ~~and associated countries and, where appropriate, with the applicants and the recipients~~ at the latest before the signature of the grant agreement or the contract. The relevant documents shall form an integral part of the grant agreement or the contract. Text Origin: Council Mandate
Article 60(5a)								
666a						6. The Commission shall set up a system that is security accredited in accordance with Decision (EU, Euratom) 2015/444 in order to facilitate the exchange of classified information between the Commission and the Member States and associated countries, where appropriate, with the applicants and the recipients.		<u>6. The Commission shall set up a system that is security accredited in accordance with Decision (EU, Euratom) 2015/444 in order to facilitate the exchange of classified information between the Commission and the Member States and associated countries, where appropriate, with the applicants and the recipients.</u> Text Origin: Council Mandate
Article 61								

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
667	Article 61 Confidentiality and processing of information	Article 61 Confidentiality and processing of information	Article 61 Confidentiality and processing of information	Article 61 Confidentiality ~~and processing~~ of information Text Origin: Council Mandate
Article 61(1)				
668	1. Information received as a result of the application of this Regulation shall be used only for the purpose for which it was requested.	1. Information received as a result of the application of this Regulation shall be used only for the purpose for which it was requested.	1. Information received as a result of the application of this Regulation shall be used only for the purpose for which it was requested.	1. Information received as a result of the application of this Regulation shall be used only for the purpose for which it was requested. Text Origin: Commission Proposal
Article 61(2)				
669	2. Member States, the Commission and the High- Representative / Head of Agency shall ensure the protection of trade and business secrets and other sensitive and classified information acquired and generated in application of this Regulation in accordance with Union law and the respective national law.	2. Member States, the Commission and the High- Representative / Head of Agency shall ensure the protection of trade and business secrets and other sensitive and classified information acquired and generated in application of this Regulation in accordance with Union law and the respective national law.	2. Member States, the Commission, the European External Action Service and the ~~High Representative / Head of Agency~~ EDA shall ensure the protection of trade and business secrets and other sensitive ~~and classified~~ information acquired and generated in application of this Regulation in accordance with Union law and ~~the~~ respective national law.	2. Member States, the Commission, <u>the European External Action Service</u> and the ~~High Representative / Head of Agency~~ <u>EDA</u> shall ensure the protection of trade and business secrets and other sensitive ~~and classified~~ information acquired and generated in application of this Regulation in accordance with Union law and ~~the~~ respective national law. Text Origin: Council Mandate
Article 61(3)				
670	3. Member States, the	3. Member States, <u>the</u>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	Commission and the High-Representative / Head of Agency shall ensure that classified information provided or exchanged under this Regulation is not downgraded or declassified without the prior written consent of the originator.	Commission and the High-Representative / Head of Agency shall ensure that classified information provided or exchanged under this Regulation is not downgraded or declassified without the prior written consent of the originator.	<i>deleted</i>	<i>deleted</i>
Article 61(4)				
671	4. The Commission shall not share any information in a way that can lead to the identification of an entity when the sharing of the information results in potential commercial or reputational damage to that entity or in divulging any trade secrets.	4. The Commission shall not share any information in a way that can lead to the identification of an entity when the sharing of the information results in potential commercial or reputational damage to that entity or in divulging any trade secrets.	<i>deleted</i>	<i>deleted</i>
Article 61(5)				
672	5. The Commission shall handle information containing any data of an entity or any trade secrets in a way not less stringent than the handling of Sensitive non Classified Information, including the application of the “need to know principle” and the handling and sharing in appropriate encrypted environments.	5. The Commission shall handle information containing any data of an entity or any trade secrets in a way not less stringent than the handling of Sensitive non Classified Information, including the application of the “need to know principle” and the handling and sharing in appropriate encrypted environments.	5. The Commission shall handle information containing any data of an entity or any trade secrets in a way not less stringent than the handling of sensitive ~~non~~ Classified information, including the application of the “ ~~need to know principle~~ need-to-know-principle ” and the ~~handling and sharing in~~ use of appropriate encrypted environments for the handling and sharing of such information.	5. The Commission shall handle information containing any data of an entity or any trade secrets in a way not less stringent than the handling of sensitive ~~non~~ ~~Classified~~ information, including the application of the “ ~~need to know principle~~ need-to-know-principle ” and the ~~handling and sharing in~~ use of appropriate encrypted environments for the handling and sharing of such information.

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
				Text Origin: Council Mandate
Article 62				
673	Article 62 Personal data protection	Article 62 Personal data protection	Article 62 Personal data protection	Article 62 Personal data protection Text Origin: Commission Proposal
Article 62(1)				
674	1. This Regulation shall be without prejudice to the obligations of Member States relating to their processing of personal data under Regulation (EU) 2016/679 of the European Parliament and of the Council ⁽¹⁾ and Directive 2002/58/EC of the European Parliament and of the Council ⁽²⁾, or the obligations of the Commission and, where appropriate, other Union institutions, bodies, offices and agencies, relating to their processing of personal data under Regulation (EU) 2018/1725 of the European Parliament and of the Council ⁽³⁾, when fulfilling their responsibilities. 1. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of	1. This Regulation shall be without prejudice to the obligations of Member States relating to their processing of personal data under Regulation (EU) 2016/679 of the European Parliament and of the Council ~~(1)~~ and Directive 2002/58/EC of the European Parliament and of the Council ~~(2)~~, or the obligations of the Commission and, where appropriate, other Union institutions, bodies, offices and agencies, relating to their processing of personal data under Regulation (EU) 2018/1725 of the European Parliament and of the Council ~~(3)~~, when fulfilling their responsibilities. 1. <u>11</u> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the	1. This Regulation shall be without prejudice to the obligations of Member States relating to their processing of personal data under Regulation (EU) 2016/679 of the European Parliament and of the Council ~~(1)~~ and Directive 2002/58/EC of the European Parliament and of the Council ~~(2)~~, or the obligations of the Commission and, where appropriate, other Union institutions, bodies, offices and agencies, relating to their processing of personal data under Regulation³⁷ and Regulations (EU) 2016/679³⁸ and (EU) 2018/1725³⁹ of the European Parliament and of the Council ~~(3)~~, when fulfilling their responsibilities. 1. Regulation (EU) 2016/679 of the	1. This Regulation shall be without prejudice to <del>the obligations of Member States relating to their processing of personal data under Regulation (EU) 2016/679 of the European Parliament and of the Council ~~(1)~~ and Directive 2002/58/EC of the European Parliament and of the Council ~~(2)~~, or the obligations of the Commission and, where appropriate, other Union institutions, bodies, offices and agencies, relating to their processing of personal data under Regulation¹ and Regulations (EU) 2016/679² and (EU) 2018/1725³ of the European Parliament and of the Council ~~(3)~~, when fulfilling their responsibilities.</del> 1. <u>Regulation (EU) 2016/679</u> <u>Directive 2002/58/EC</u> of the European Parliament

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1). 2. Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications) (OJ L 201, 31.7.2002, p. 37). 3. Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).	processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1). 2. [2] Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications) (OJ L 201, 31.7.2002, p. 37). 3. [3] Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).	European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1). 2. Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications) (OJ L 201, 31.7.2002, p. 37). 37. Directive 2002/58/EC of the European Parliament and of the Council of 12 July 2002 concerning the processing of personal data and the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications) (OJ L 201, 31.7.2002, p. 37). 38. Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1). 39. Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No	and of the Council of ~~27 April 2016 on the protection of natural persons with regard to~~ 12 July 2002 concerning the processing of personal data and ~~on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)~~ the protection of privacy in the electronic communications sector (Directive on privacy and electronic communications) (OJ L ~~119, 4.5.2016, p. 1~~) 201, 31.7.2002, p. 37). 2. ~~Directive 2002/58/EC~~ Regulation (EU) 2016/679 of the European Parliament and of the Council of ~~12 July 2002 concerning~~ 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) ~~of privacy in the electronic communications sector (Directive on privacy and electronic communications)~~ (OJ L ~~201, 31.7.2002, p. 37~~) 119, 4.5.2016, p. 1). 3. Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39). Text Origin: Council Mandate

	CLEAN	Commission Proposal	VSE.C	EP Mandate	VSE.C	Council Mandate	VSE.C	Draft Agreement
						45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39). 3. Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC (OJ L 295, 21.11.2018, p. 39).		
Article 62(2)								
G	675	2. Personal data shall not be processed or communicated except in cases where this is strictly necessary for the purposes of this Regulation. In such cases Regulations (EU) 2016/679 and (EU) 2018/1725 shall apply as appropriate.		2. Personal data shall not be processed or communicated except in cases where this is strictly necessary for the purposes of this Regulation. In such cases Regulations (EU) 2016/679 and (EU) 2018/1725 shall apply as appropriate.		deleted		G
Article 62(3)								
G	676	3. Where the processing of personal data is not strictly necessary to the fulfilment of the mechanisms established in this Regulation, personal data shall be rendered anonymous in such a manner that the data subject is not identifiable.		3. Where the processing of personal data is not strictly necessary to the fulfilment of the mechanisms established in this Regulation, personal data shall be rendered anonymous in such a manner that the data subject is not identifiable.		deleted		G
Article 63								
G	677	Article 63		Article 63		Article 63		Article 63 G

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	Audits	Audits	Audits	Audits Text Origin: Commission Proposal
Article 63, first paragraph				
678	Audits on the use of the Union contribution carried out by persons or entities, including by persons or entities other than those mandated by the Union institutions, bodies, offices or agencies, shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation. The Court of Auditors shall examine the accounts of all revenue and expenditure of the Union in accordance with Article 287 TFEU.	Audits on the use of the Union contribution carried out by persons or entities, including by persons or entities other than those mandated by the Union institutions, bodies, offices or agencies, shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation. The Court of Auditors shall examine the accounts of all revenue and expenditure of the Union in accordance with Article 287 TFEU.	Audits on the use of the Union contribution carried out by persons or entities, including by persons or entities other than those mandated by the Union institutions, bodies, offices or agencies, shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation. The European Court of Auditors shall examine the accounts of all revenue and expenditure of the Union in accordance with Article 287 TFEU.	Audits on the use of the Union contribution carried out by persons or entities, including by persons or entities other than those mandated by the Union institutions, bodies, offices or agencies, shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation. The <u>European</u> Court of Auditors shall examine the accounts of all revenue and expenditure of the Union in accordance with Article 287 TFEU. Text Origin: Council Mandate
Article 64				
679	Article 64 Protection of the financial interests of the Union	Article 64 Protection of the financial interests of the Union	Article 64 Protection of the financial interests of the Union	Article 64 Protection of the financial interests of the Union Text Origin: Commission Proposal
Article 64(1)				
680	1. Where an associated country participates in the	1. Where an associated country participates in the	1. Where an associated country participates in the	1. Where an associated country participates in the

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	Programme by means of a decision adopted pursuant to the Agreement on the European Economic Area or on the basis of any other legal instrument, the associated country shall grant the necessary rights and access required for the authorising officer responsible, OLAF and the Court of Auditors to comprehensively exercise their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, as provided for in Regulation (EU, Euratom) No 883/2013.	Programme by means of a decision adopted pursuant to the Agreement on the European Economic Area or on the basis of any other legal instrument, the associated country shall grant the necessary rights and access required for the authorising officer responsible, OLAF and the Court of Auditors to comprehensively exercise their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, as provided for in Regulation (EU, Euratom) No 883/2013.	Programme by means of a decision adopted pursuant to the Agreement on the European Economic Area or on the basis of any other legal instrument, the associated country shall grant the necessary rights and access required for the authorising officer responsible, OLAF and the European Court of Auditors to comprehensively exercise their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, as provided for in Regulation (EU, Euratom) No 883/2013.	Programme by means of a decision adopted pursuant to the Agreement on the European Economic Area or on the basis of any other legal instrument, the associated country shall grant the necessary rights and access required for the authorising officer responsible, OLAF and the <u>European</u> Court of Auditors to comprehensively exercise their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, as provided for in Regulation (EU, Euratom) No 883/2013. Text Origin: Council Mandate
	Article 64(2)			
681	2. The agreement referred to in Articles 59 shall provide for the obligations of Ukraine:	2. The agreement referred to in Articles 59 shall provide for the obligations of Ukraine:	2. The agreement referred to in ~~Articles~~ Article 59 shall provide for the obligations of Ukraine:	2. The agreement referred to in ~~Articles~~ <u>Article</u> 59 shall provide for the obligations of Ukraine: Text Origin: Council Mandate
	Article 64(2), point (a)			
682	(a) to take appropriate measures to prevent, detect and correct fraud, corruption, conflicts of interests and irregularities affecting the financial interests of the Union, to avoid double funding	(a) to take appropriate measures to prevent, detect and correct fraud, corruption, conflicts of interests and irregularities affecting the financial interests of the Union, to avoid double funding	(a) to take appropriate measures to prevent, detect and correct irregularities , fraud, corruption, and conflicts of ~~interests and irregularities~~ interest affecting the financial interests of	(a) to take appropriate measures to prevent, detect and correct <u>irregularities</u> , fraud, corruption, <u>and</u> conflicts of ~~interests and irregularities~~ <u>interest</u> affecting the financial interests of

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	and to take legal actions to recover funds that have been misappropriated;	and to take legal actions to recover funds that have been misappropriated;	the Union, to detect and avoid double funding and to take legal ~~actions~~ action to recover funds that have been misappropriated;	the Union, to <u>detect and</u> avoid double funding and to take legal ~~actions~~ <u>action</u> to recover funds that have been misappropriated; Text Origin: Council Mandate
Article 64(2), point (b)				
683	(b) to regularly check that the financing provided has been used in accordance with the applicable rules, in particular regarding the prevention, detection and correction of fraud, corruption, conflicts of interests and irregularities;	(b) to regularly check that the financing provided has been used in accordance with the applicable rules, in particular regarding the prevention, detection and correction of fraud, corruption, conflicts of interests and irregularities;	(b) to regularly check that the financing provided has been used in accordance with the applicable rules, in particular regarding the prevention, detection and correction of irregularities , fraud, corruption, and conflicts of ~~interests and irregularities~~ interest ;	(b) to regularly check that the financing provided has been used in accordance with the applicable rules, in particular regarding the prevention, detection and correction of <u>irregularities</u> , fraud, corruption, ~~and~~ conflicts of ~~interests and irregularities~~ <u>interest</u> ; Text Origin: Council Mandate
Article 64(2), point (c)				
684	(c) to accompany a request for payment under the Programme by a declaration that the funds were used in accordance with the principle of sound financial management and for their intended purpose and managed appropriately in particular in accordance with Ukrainian rules complemented by international standards, on prevention, detection and correction of irregularities, fraud, corruption and conflicts of interests;	(c) to accompany a request for payment under the Programme by a declaration that the funds were used in accordance with the principle of sound financial management and for their intended purpose and managed appropriately in particular in accordance with Ukrainian rules complemented by international standards, on prevention, detection and correction of irregularities, fraud, corruption and conflicts of interests;	(c) to accompany a request for payment under the ~~Programme~~ Ukraine Support Instrument by a declaration that the funds were used in accordance with the principle of sound financial management and for their intended purpose and managed appropriately, in particular in accordance with Ukrainian rules complemented by international standards, on prevention, detection and correction of irregularities, fraud, corruption and conflicts of	(c) to accompany a request for payment under the ~~Programme~~ <u>Ukraine Support Instrument</u> by a declaration that the funds were used in accordance with the principle of sound financial management and for their intended purpose and managed appropriately, in particular in accordance with Ukrainian rules complemented by international standards, on prevention, detection and correction of irregularities, fraud, corruption and conflicts of

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
			interestsinterest;	~~interests~~ interest; Text Origin: Council Mandate
Article 64(2), point (d)				
685	(d) to expressly authorise the Commission, OLAF, the Court of Auditors and, where applicable, EPPO to exert their rights as provided for in Article 129(1) of the Financial Regulation, in application of the principle of proportionality.	(d) to expressly authorise the Commission, OLAF, the Court of Auditors and, where applicable, EPPO to exert their rights as provided for in Article 129(1) of the Financial Regulation, in application of the principle of proportionality.	(d) to expressly authorise the Commission, OLAF, the European Court of Auditors and, where applicable, ~~EPPO~~ the European Public Prosecutor's Office to exert their rights as provided for in Article 129(1) of the Financial Regulation, in application of the principle of proportionality.	(d) to expressly authorise the Commission, OLAF, the <u>European</u> Court of Auditors and, where applicable, ~~EPPO~~ <u>the European Public Prosecutor's Office</u> to exert their rights as provided for in Article 129(1) of the Financial Regulation, in application of the principle of proportionality. Text Origin: Council Mandate
Article 65				
686	Article 65 Information, communication and publicity	Article 65 Information, communication and publicity	Article 65 Information, communication and publicity	Article 65 Information, communication and publicity Text Origin: Commission Proposal
Article 65(1)				
687	1. The recipients of Union funding shall acknowledge the origin of the funds and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information	1. The recipients of Union funding shall acknowledge the origin of the funds and ensure the visibility of the Union funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information	1. The recipients of Union funding shall acknowledge the origin of the funds and ensure the visibility of ~~the Union~~ that funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information	1. The recipients of Union funding shall acknowledge the origin of the funds and ensure the visibility of ~~the Union~~ <u>that</u> funding, in particular when promoting the actions and their results, by providing coherent, effective and proportionate targeted information

	CLEAN Commission Proposal	V.S.E.C EP Mandate	V.S.E.C Council Mandate	V.S.E.C Draft Agreement
	to multiple audiences, including the media and the public.	to multiple audiences, including the media and the public.	to multiple audiences, including the media and the public.	to multiple audiences, including the media and the public. Text Origin: Council Mandate
Article 65(2)				
G 688	2. The Commission shall implement information and communication actions relating to the Programme, to actions taken pursuant to the Programme and to the results obtained.	2. The Commission shall implement information and communication actions relating to the Programme <u>and the Ukraine Support Instrument</u> , to actions taken pursuant to ~~the Programme~~ <u>both</u> and to the results obtained.	2. The Commission shall implement information and communication actions relating to ~~the Programme~~ this Regulation to actions taken pursuant to ~~the Programme~~ this Regulation and to the results obtained.	2. The Commission shall implement information and communication actions relating to ~~the Programme~~ <u>this Regulation</u> to actions taken pursuant to ~~the Programme~~ <u>this Regulation</u> and to the results obtained. Text Origin: Council Mandate
Article 65(3)				
G 689	3. Financial resources allocated to the Programme shall contribute to the corporate communication of the political priorities of the Union, insofar as those priorities are related to the objectives referred to in Article 4.	3. Financial resources allocated to the Programme shall contribute to the corporate communication of the political priorities of the Union, insofar as those priorities are related to the objectives referred to in Article 4.	3. Financial resources allocated to the Programme and the Ukraine Support Instrument shall contribute to the corporate communication of the political priorities of the Union, insofar as those priorities are related to the objectives referred to in Article 4 and Article 19e .	3. Financial resources allocated to the Programme <u>and the Ukraine Support Instrument</u> shall contribute to the corporate communication of the political priorities of the Union, insofar as those priorities are related to the objectives referred to in Article 4 <u>and Article 19e</u> . Text Origin: Council Mandate
Article 65(4)				
Y 690	4. Financial resources allocated to the Programme may contribute to the organisation of dissemination activities, match-	4. Financial resources allocated to the Programme may contribute to the organisation of dissemination activities, match-	4. Financial resources allocated to the Programme and the Ukraine Support Instrument may contribute to the organisation	4. Financial resources allocated to the Programme <u>and the Ukraine Support Instrument</u> may contribute to the organisation

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
		making events and awareness-raising activities, in particular aiming at opening up supply chains to foster the cross-border participation of SMEs.		making events and awareness-raising activities, in particular aiming at opening up supply chains to foster the cross-border participation of SMEs. <u>In particular, the FAST programme shall benefit from a dissemination campaign to foster uptake by SMEs and small mid-caps.</u>		of dissemination activities, match-making events and awareness-raising activities, in particular aiming ~~at opening~~ to open up supply chains to foster the cross-border participation of SMEs.		of dissemination activities, match-making events and awareness-raising activities, in particular aiming ~~at opening~~ to open up supply chains to foster the cross-border participation of SMEs. <u>In particular, the FAST programme shall benefit from a dissemination campaign to foster uptake by SMEs and small mid-caps. // delete]</u> Added after ITM to show completeness of 4-column extract. Text Origin: Council Mandate
Article 65(4a)								
G	690a			<u>4a. Member States, with the assistance of the Commission, shall provide economic entities of the EDTIB, in particular SMEs and small mid-caps, with the necessary information to facilitate their participation under this Regulation.</u>				deleted
Article 66								
G	691	Article 66 Evaluation		Article 66 ~~Evaluation~~ <u>Review</u>		Article 66 Evaluation and review		Article 66 <u>Monitoring,</u> evaluation <u>and review</u> Text Origin: Council Mandate
Article 66(-1)								

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
691a								<u>-1. The Commission shall monitor the implementation of the Programme and of the Ukraine Support Instrument on a regular basis and report annually on progress made, including on the level of involvement of SMEs and small mid-caps and on the overall expenditure of the Programme and USI broken down by type of actions and by form of Union contribution, to the European Parliament and to the Council.</u>
Article 66(-1a)								
691b								<u>The Commission shall put in place necessary monitoring arrangements ensuring that data for monitoring the implementation and the results of the Programme and of the Ukraine Support Instrument are collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements may be imposed on recipients of Union funds and, where appropriate, on Member States.</u>
Article 66(1)								
692	1.	By 30 June 2027, the Commission shall draw up a report	1.	By 30 June 2027, the Commission shall draw up a report	1.	By 30 June 2027, the Commission shall draw up a report,	1.	By 30 June 2027, the Commission shall draw up a report.

	CLEAN	Commission Proposal	V5.EC	EP Mandate	V5.EC	Council Mandate	V5.EC	Draft Agreement
		evaluating the implementation of the measures set out in this Regulation and their results, as well as the opportunity to extend their applicability and provide for their funding, particularly with regard to the evolution of the security context and any persistent risks in relation to the supply of defence products. The evaluation report shall build on consultations of the Member States and key stakeholders.	~~evaluating~~ <u>reviewing</u>	the implementation of the measures set out in this Regulation and their results <u>with regards to the objectives outlined in Article 4</u> , as well as the opportunity to extend their applicability and provide for ~~their~~ <u>an increased</u> funding <u>in the next multi-annual financial framework</u> , particularly with regard to the evolution of the security context and any persistent risks in relation to the supply of defence products. The evaluation report shall build on consultations of the Member States and key stakeholders. <u>Furthermore, the report shall evaluate the progress made towards the objectives outlined in the European Defence Industrial Strategy and its further development, in particular with regard to:</u>		based on indicators where appropriate , evaluating the implementation of the measures set out in this Regulation and their results, ~~as well as the opportunity to extend their applicability and provide for their funding,~~ particularly with regard to the evolution of the security context and any persistent risks in relation to the supply of defence products. The and assessing the need for a possible revision of this Regulation. That evaluation report shall build on consultations of the Member States and key stakeholders.		<u>based on indicators where appropriate</u> , evaluating the implementation of the measures set out in this Regulation and their results, ~~as well as the opportunity to extend their applicability and provide for their funding,~~ particularly with regard to the evolution of the security context and any persistent risks in relation to the supply of defence products <u>and assessing the need for a possible revision of this Regulation</u> . The evaluation report shall build on consultations of the Member States and key stakeholders <u>and shall evaluate the contribution of EDIP to the progress made towards increasing: the value of defence equipment procured in the Union in a collaborative manner; the value of intra-EU defence trade; and the value of Member States defence investment that is procured within the Union.</u>
Article 66(1), point (a)								
692a			(a)	<u>at least 40 % of defence equipment procured in the Union are procured in a collaborative manner by 2030;</u>				deleted
Article 66(1), point (b)								

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement	
G	692b			<u>(b) the value of intra-EU defence trade represents at least 35 % of the value of the EU defence market by 2030;</u>				deleted	G
	Article 66(1), point (c)								
G	692c			<u>(c) Member States procure at least 50 % and 60 % of their defence investments within the Union by 2030 and 2035 respectively;</u>				deleted	G
	Article 66(2)								
G	693	2. The Commission shall present the report to the European Parliament and the Council, accompanied, where appropriate, by relevant legislative proposals.	2.	The Commission shall present the report to the European Parliament and the Council, accompanied, where appropriate, by relevant legislative proposals.	2.	The Commission shall present the report to the European Parliament and the Council, accompanied, where appropriate, by relevant legislative proposals.	2.	The Commission shall present the report to the European Parliament and the Council, accompanied, where appropriate, by relevant legislative proposals. Text Origin: Commission Proposal	G
	Article 66(2a)								
G	693a			<u>2a. Based on this evaluation, the Commission shall present, where appropriate, a new legislative proposal in order to adapt the Regulation to the objectives set out in Article 4</u>				deleted	G
	Article 67								
G	694	Article 67 Entry into force	Article 67	Entry into force	Article 67	Entry into force	Article 67	Entry into force	G

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								Text Origin: Commission Proposal
	Article 67, first paragraph							
G	695	This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union.		This Regulation shall enter into force on the day following that of its publication in the ~~Official Journal of the European Union~~ <u>Official Journal of the European Union.</u>		This Regulation shall enter into force on the day following that of its publication in the ~~Official Journal of the European Union~~ <u>Official Journal of the European Union.</u>		This Regulation shall enter into force on the day following that of its publication in the ~~Official Journal of the European Union~~ <u>Official Journal of the European Union.</u> Text Origin: Council Mandate
	Article 67, second paragraph							
G	696	This Regulation shall be binding in its entirety and directly applicable in all Member States.		This Regulation shall be binding in its entirety and directly applicable in all Member States.		This Regulation shall be binding in its entirety and directly applicable in all Member States.		This Regulation shall be binding in its entirety and directly applicable in all Member States. Text Origin: Commission Proposal
	Formula							
G	697	Done at Brussels,		Done at Brussels,		Done at Brussels,		Done at Brussels, Text Origin: Commission Proposal
	Formula							
G	698	For the European Parliament		For the European Parliament		For the European Parliament		For the European Parliament Text Origin: Commission Proposal
	Formula							
G	699	The President		The President		The President		The President

	CLEAN	Commission Proposal	V.S.E.C	EP Mandate	V.S.E.C	Council Mandate	V.S.E.C	Draft Agreement
								Text Origin: Commission Proposal
	Formula							
G	700	For the Council		For the Council		For the Council		For the Council Text Origin: Commission Proposal
	Formula							
G	701	The President		The President		The President		The President Text Origin: Commission Proposal