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NOTE

From:	Presidency
To:	Permanent Representatives Committee
Subject:	Proposal for a Regulation of the European Parliament and of the Council laying down measures to strengthen solidarity and capacities in the Union to detect, prepare for and respond to cybersecurity threats and incidents - Analysis of the final compromise text with a view to agreement

INTRODUCTION

1. On 18 April 2023, the Commission adopted the proposal for a Regulation of the European Parliament and of the Council laying down measures to strengthen solidarity and capacities in the Union to detect, prepare for and respond to cybersecurity threats and incidents, the “EU Cyber Solidarity Act”.

2. The purpose of this proposal is to strengthen the competitive position of industry and service sectors and support their digital transformation. The proposal aims at increasing the resilience of citizens, businesses and entities operating in critical and highly critical sectors against the growing cybersecurity threats with societal and economic impacts. Other objectives of this Regulation are: to strengthen common EU detection and situational awareness of cyber threats and incidents; to reinforce preparedness of critical entities across the EU and strengthen solidarity by developing common response capacities against significant or large-scale cybersecurity incidents, including by making incident response support available for third countries; to enhance Union resilience and contribute to effective response by reviewing and assessing significant or large-scale incidents.
3. On 20 December 2023 the Permanent Representatives Committee gave a mandate to start the negotiations with the European Parliament.
4. In the European Parliament, the file was assigned to the Committee on Industry, Research and Energy (ITRE) and MEP Lina Gálvez Muñoz (Group of the Progressive Alliance of Socialists and Democrats, Spain) has been appointed as rapporteur. The adoption of the report in ITRE was on 7 December 2023 and the decision to start the negotiations with the Council was taken in the Plenary on 11 December 2023.
5. The opinion on the Cyber Solidarity Act was adopted by the European Economic and Social Committee on 13 July 2023¹ and the European Court of Auditors on 5 October 2023². The European Committee of the Regions (CoR) adopted its opinion on 30 November³.

¹ 12041/23

² 13841/23

³ 16649/23

STATE OF PLAY

- 6 Following the adoption of the Council's and Parliament's position, interinstitutional negotiations started. The first political trilogue took place on 13 February 2024.
- 7 The co-legislators reached a provisional agreement on a compromise text at the second trilogue on 5 March 2024. Complementary work was carried out at technical level after the trilogue which resulted in the final compromise text set out in Annex I to this note.
- 8 The provisional political agreement concluded that a statement by the European Commission would be published in the C-Series of the Official Journal, and which would have a reference and a link to it in the L-Series, together with the legislative act. This statement can be found in the addendum to this note.

CONCLUSION

- 9 The Permanent Representatives Committee is therefore invited to:
 - confirm its agreement on the final compromise text as set out in the annex to this note with a view to reaching an agreement at first reading with the European Parliament;
 - authorise the Chair of the Permanent Representatives Committee to send a letter to inform the Chair of the European Parliament's ITRE Committee that, should the European Parliament adopt its position at first reading on the text of the proposal in the exact form as set out in the annex to this note, and subject to revision of that text by the lawyer-linguists of both institutions, the Council will approve the European Parliament's position and the act will be adopted in the wording which corresponds to the European Parliament's position.

PE-CONS No/YY - 2023/0109 (COD)

**REGULATION (EU) 2024/...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

of ...

**laying down measures to strengthen solidarity and capacities in the Union to detect, prepare
for and respond to cybersecurity threats and incidents (*Cyber Solidarity Act*)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article
173(3) and Article 322(1), point (a) thereof,

Having regard to the proposal from the European Commission,

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

Having regard to the opinion of the Court of Auditors⁴

Having regard to the opinion of the European Economic and Social Committee⁵,

Having regard to the opinion of the Committee of the Regions⁶,

Acting in accordance with the ordinary legislative procedure⁷,

⁴ OJ C [...], [...], p. [...].

⁵ *OJ C 349, 29.9.2023, p. 167.*

⁶ *OJ C, C/2024/1049, 09.02.2024, ELI: <http://data.europa.eu/eli/C/2024/1049/oj>.*

⁷ *Position of the European Parliament of ... [(OJ ...)/(not yet published in the Official Journal)] and decision of the Council of*

Whereas:

- (1) The use of and dependence on information and communication technologies have become fundamental aspects in all sectors of economic activity *and society* as our public administrations, companies and citizens are more interconnected and interdependent across sectors and borders than ever before, *simultaneously introducing possible vulnerabilities*.

- (2) The magnitude, frequency and impact of cybersecurity incidents are increasing *at a Union-wide and global level*, including supply chain attacks aiming at cyberespionage, ransomware or disruption. They represent a major threat to the functioning of network and information systems. In view of the fast-evolving threat landscape, the threat of possible large-scale incidents causing significant disruption or damage to critical infrastructures demands heightened preparedness of the Union's cybersecurity framework. That threat goes beyond Russia's *war of aggression* against Ukraine, and is likely to persist given the multiplicity of actors involved in current geopolitical tensions. Such incidents can impede the provision of public services *as cyberattacks are frequently targeted at local, regional or national public services and infrastructures, with local authorities being particularly vulnerable, including due to their limited resources. They can also impede* the pursuit of economic activities, including in *sectors of high criticality or other* critical sectors, generate substantial financial losses, undermine user confidence, cause major damage to the economy *and the democratic systems* of the Union, and could even have health or life-threatening consequences.

Moreover, cybersecurity incidents are unpredictable, as they often emerge and evolve within very short periods of time, not contained within any specific geographical area, and occurring simultaneously or spreading instantly across many countries. ***It is important to have close cooperation between the public sector, the private sector, academia, civil society and the media.***

- (3) It is necessary to strengthen the competitive position of industry and services sectors in the Union across the digitised economy and support their digital transformation, by reinforcing the level of cybersecurity in the Digital Single Market ■ as recommended in three different proposals of the Conference on the Future of Europe⁸. It is necessary to increase the resilience of citizens, businesses, ***including microenterprises and small and medium-sized enterprises (SMEs) as well as startups*** and entities operating critical infrastructures, against the growing cybersecurity threats, which can have devastating societal and economic impacts. Therefore, investment in infrastructures and services ***and building capabilities to develop cybersecurity skills*** that will support faster detection and response to cybersecurity threats and incidents is needed, and Member States need assistance in better preparing for, as well as responding to ***and initial recovery from*** significant and large-scale cybersecurity incidents. ***Building on the existing structures and in close cooperation with them,*** the Union should also increase its capacities in these areas, notably as regards the collection and analysis of data on cybersecurity threats and incidents.

⁸ <https://futureu.europa.eu/en/>

- (4) The Union has already taken a number of measures to reduce vulnerabilities and increase the resilience of critical infrastructures and entities against cybersecurity risks, in particular Directive (EU) 2022/2555 of the European Parliament and of the Council⁹, Commission Recommendation (EU) 2017/1584¹⁰, Directive 2013/40/EU of the European Parliament and of the Council¹¹ and Regulation (EU) 2019/881 of the European Parliament and of the Council¹². In addition, the Council Recommendation on a Union-wide coordinated approach to strengthen the resilience of critical infrastructure invites Member States to take urgent and effective measures, and to cooperate loyally, efficiently, in solidarity and in a coordinated manner with each other, the Commission and other relevant public authorities as well as the entities concerned, to enhance the resilience of critical infrastructure used to provide essential services in the internal market.

⁹ Directive (EU) 2022/2555 of the European Parliament and of the Council of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 (OJ L 333, 27.12.2022).

¹⁰ Commission Recommendation (EU) 2017/1584 of 13 September 2017 on coordinated response to large-scale cybersecurity incidents and crises (OJ L 239, 19.9.2017, p. 36).

¹¹ Directive 2013/40/EU of the European Parliament and of the Council of 12 August 2013 on attacks against information systems and replacing Council Framework Decision 2005/222/JHA (J L 218, 14.8.2013, p. 8).

¹² Regulation (EU) 2019/881 of the European Parliament and of the Council of 17 April 2019 on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act) (OJ L 151, 7.6.2019, p. 15).

- (5) The growing cybersecurity risks and an overall complex threat landscape, with a clear risk of rapid spill-over of cyber incidents from one Member State to others and from a third country to the Union requires *to strengthen* solidarity at Union level to better detect, prepare for, *respond to, and recover from*, cybersecurity threats and incidents, *in particular by reinforcing the capabilities of existing structures*. Member States have also invited the Commission to present a proposal on a new Emergency Response Fund for Cybersecurity in the Council Conclusions on an EU Cyber Posture¹³.
- (6) The Joint Communication on the EU Policy on Cyber Defence¹⁴ adopted on 10 November 2022 announced an EU Cyber Solidarity Initiative with the following objectives: strengthening of common EU detection, situational awareness and response capabilities by promoting the deployment of an EU infrastructure of Security Operations Centres ('SOCs'), supporting gradual building of an EU-level cybersecurity reserve with services from trusted private providers and testing of critical entities for potential vulnerabilities based on EU risk assessments.

¹³ Council conclusions on the development of the European Union's cyber posture approved by the Council at its meeting on 23 May 2022, (9364/22).

¹⁴ Join Communication to the European Parliament and the Council EU Policy on Cyber Defence JOIN/2022/49 final.

- (7) It is necessary to strengthen the detection and situational awareness of cyber threats and incidents throughout the Union and to strengthen solidarity by enhancing Member States' and the Union's preparedness and capabilities to ***prevent and*** respond to significant, ***large-scale and large-scale-equivalent*** cybersecurity incidents. Therefore a pan-European ***network of Cyber Hubs*** ('European ***Cybersecurity Alert System***') should be ***established*** to build ***coordinated detection and situational awareness capabilities, reinforcing the Union's threat*** detection and ***information sharing*** capabilities; a Cybersecurity Emergency Mechanism should be established to support Member States ***upon their request*** in preparing for, responding to, and ***initially*** recovering from significant and large-scale cybersecurity incidents; a Cybersecurity Incident Review Mechanism should be established to review and assess specific significant or large-scale incidents. ***The actions under this Regulation should be conducted with due respect for Member States' competences and should complement and not duplicate the activities conducted by the CSIRTs network, EU-CyCLONe and the NIS Cooperation Group, established in Directive (EU) 2022/2555.*** These actions shall be without prejudice to Articles 107 and 108 of the Treaty on the Functioning of the European Union ('TFEU').

- (8) To achieve these objectives, it is also necessary to amend Regulation (EU) 2021/694 of the European Parliament and of the Council¹⁵ in certain areas. In particular, this Regulation should amend Regulation (EU) 2021/694 as regards adding new operational objectives related to the European **Cybersecurity Alert System** and the Cybersecurity Emergency Mechanism under Specific Objective 3 of **the Digital Europe Programme ('DEP')**, which aims at guaranteeing the resilience, integrity and trustworthiness of the Digital Single Market, at strengthening capacities to monitor cyber-attacks and threats and to respond to them, and at reinforcing cross-border cooperation **and coordination** on cybersecurity. ***The European Cybersecurity Alert System could play an important role in supporting Member States in anticipating and protecting against cyber threats, and the EU Cybersecurity Reserve could play an important role in supporting Member States, Union institutions, bodies, offices and agencies, and DEP-associated third countries in responding to and mitigating the impacts of significant incidents, large-scale cybersecurity incidents, and large-scale equivalent cybersecurity incidents.***

¹⁵ **Regulation** (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (OJ L 166, 11.5.2021, p. 1).

Those impacts could include considerable material or non-material damage and serious public security and safety risks. In light of the specific roles that the European Cybersecurity Alert System and the EU Cybersecurity Reserve could play, this Regulation should amend Regulation (EU) 2021/694 as regards the participation of legal entities that are established in the Union but are controlled from third countries, in cases where there is a real risk that the necessary and sufficient tools, infrastructures and services, or technology, expertise and capacity, are not available in the Union and the benefits of including such entities outweigh the security risk. The specific conditions under which financial support may be granted for *actions implementing the European Cybersecurity Alert System and the EU Cybersecurity Reserve* should be established and the governance and coordination mechanisms necessary in order to achieve the intended objectives should be defined. Other amendments to Regulation (EU) 2021/694 should include descriptions of proposed actions under the new operational objectives, as well as measurable indicators to monitor the implementation of these new operational objectives.

- (9) *To strengthen the Union's response to cybersecurity threats and incidents cooperation with international organisations as well as trusted and like-minded international partners is vital. In this context trusted and like-minded international partners should be understood as countries that share the Union's principles of democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law, and that do not undermine the essential security interests of the Union or its Member States.*

Such cooperation could also be beneficial with regard to the actions of this Regulation, in particular the European Cybersecurity Alert System and the EU Cybersecurity Reserve. Regulation (EU) 2021/694, as amended by this Regulation, provides as regards the European Cybersecurity Alert System and the EU Cybersecurity Reserve that if certain availability and security conditions are fulfilled, the tenders for those infrastructure, tools and services could be open to legal entities controlled from third countries, subject to security requirements. When assessing the security risk of opening the procurement in this way, it is important to take into account the principles and values which the Union shares with like-minded international partners, where those principles are related to essential security interests of the Union. Additionally, when such security requirements are under consideration under Regulation (EU) 2021/694, several elements could be taken into account, such as an entity's corporate structure and decision-making process, the security of data and classified or sensitive information and ensuring that the action's results are not subject to control or restrictions by non-eligible third countries.

- (10) The financing of actions under this Regulation should be provided for in Regulation (EU) 2021/694, which should remain the relevant basic act for these actions enshrined within the Specific Objective 3 of DEP. Specific conditions for participation concerning each action will be provided for in the relevant work programmes, in line with the applicable provision of Regulation (EU) 2021/694.
- (11) Horizontal financial rules adopted by the European Parliament and by the Council on the basis of Article 322 TFEU apply to this Regulation. Those rules are laid down in ***Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council***¹⁶ and determine in particular the procedure for establishing and implementing the Union budget, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also include a general regime of conditionality for the protection of the Union budget as established in Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council¹⁷.

¹⁶ ***Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1, ELI: <http://data.europa.eu/eli/reg/2018/1046/oj>).***

¹⁷ ***Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I, 22.12.2020, p. 1, ELI: <http://data.europa.eu/eli/reg/2020/2092/oj>).***

- (12) *While prevention and preparedness measures are essential to enhance the resilience of the Union in facing significant incidents, large-scale cybersecurity incidents, and large-scale-equivalent cybersecurity incidents, the occurrence, timing and magnitude of such incidents are by their nature unpredictable. The financial resources required to ensure an adequate response can vary significantly from year to year and should be capable of being made available immediately. Reconciling the budgetary principle of predictability with the necessity to react rapidly to new needs therefore requires adaptation of the financial implementation of the work programmes. Consequently, it is appropriate to authorise carry-over of unused appropriations, limited to the following year and solely to the EU Cybersecurity Reserve and the mutual assistance actions, in addition to the carry-over of appropriations authorised under Article 12(4) of the Financial Regulation.*

- (13) To more effectively prevent, assess, and respond to ***and recover from*** cyber threats and incidents, it is necessary to develop more comprehensive knowledge about the threats to critical assets and infrastructures on the territory of the Union, including their geographical distribution, interconnection and potential effects in case of cyber-attacks affecting those infrastructures. A ***proactive approach to identifying, mitigating and preventing cyber threats includes an increased capacity of advanced detection capabilities***. The European ***Cybersecurity Alert System consists*** of several interoperating Cross-Border ***Cyber Hubs***, each grouping together ***three or more*** National ***Cyber Hubs***. That infrastructure should serve national and Union cybersecurity interests and needs, leveraging ***state-of-the-art technology for advanced collection of relevant and, where appropriate, anonymised data*** and analytics tools, enhancing ***coordinated*** cyber detection and management capabilities and providing real-time situational awareness. That infrastructure should serve to ***improve the cybersecurity posture, by increasing detection, aggregation and analysis of data and information with the aim to prevent*** cybersecurity threats and incidents and thus complement and support Union entities and networks responsible for crisis management in the Union, notably the EU Cyber Crises Liaison Organisation Network ('EU-CyCLONe')
I.

- (14) ***Participation in the European Cybersecurity Alert System is voluntary for Member States.*** Each Member State should designate a ***single entity*** at national level tasked with coordinating cyber threat detection activities in that Member State. These National ***Cyber Hubs*** should act as a reference point and gateway at national level for participation in the European ***Cybersecurity Alert System*** and should ensure that cyber threat information from public and private entities is shared and collected at national level in an effective and streamlined manner. ***National Cyber Hubs could strengthen the cooperation and information sharing between public and private entities and could also support the exchange of relevant data and information with relevant sectoral and cross-sectoral communities, including relevant industry Information Sharing and Analysis Centers (‘ISACs’). Close and coordinated cooperation between public and private entities is central to strengthening the Union’s resilience in the cybersecurity sphere. This is particularly valuable in the context of sharing cyber threat intelligence to improve active cyber protection. As part of this cooperation and information sharing, National Cyber Hubs could request and receive specific information.***

Those Hubs are neither obliged nor empowered by this Regulation to enforce such requests. Where appropriate and in accordance with national and Union law, the information requested or received could include telemetry, sensor and logging data from entities, such as managed security service providers, that operate in sectors of high criticality or other critical sectors within that Member State, in order to enhance rapid detection of potential cyber threats and incidents at an earlier stage, thereby improving situational awareness. If the National Cyber Hub is not the competent authority designated or established by the relevant Member State under Directive (EU) 2022/2555, it is crucial that it coordinates with that competent authority in respect of such data requests and receipt.

- (15) As part of the European ***Cybersecurity Alert System***, a number of ***Cross-Border Cyber Hubs*** should be established. These should bring together National ***Cyber Hubs*** from at least three Member States, so that the benefits of cross-border threat detection and information sharing and management can be fully achieved. The general objective of ***Cross-Border Cyber Hubs***’ should be to strengthen capacities to analyse, prevent and detect cybersecurity threats and to support the production of high-quality intelligence on cybersecurity threats, notably through the sharing of ***relevant and, where appropriate, anonymised information in a trusted and secure environment***, from various sources, public or private, as well as through the sharing and joint use of state-of-the-art tools, and jointly developing detection, analysis and prevention capabilities in a trusted ***and secure*** environment. They should provide new additional capacity, building upon and complementing existing ***SOCs*** and **■** ‘***CSIRTs***’ **■** and other relevant actors, ***including the CSIRTs network***.

- (16) *A Member State selected by the European Cybersecurity Competence Centre ('ECCC') following a call for expression of interest to set up a National Cyber Hub or enhance the capabilities of an existing one, should purchase relevant tools, infrastructures and services jointly with the ECCC. Such a Member State should be eligible to receive a grant to operate the tools, infrastructures and services. A Hosting Consortium consisting of at least three Member States, which has been selected by the ECCC following a call for expression of interest to set up a Cross-Border Cyber Hub or enhance the capabilities of an existing one, should purchase relevant tools, infrastructures and services jointly with the ECCC. Such a Hosting Consortium should be eligible to receive a grant to operate the tools, infrastructures and services. The procurement procedure to purchase the relevant tools, infrastructures and services should be carried out jointly by the ECCC and relevant contracting authorities from the Member States selected following these calls for expressions of interest.*

This procurement should be in accordance with Article 165(2) of Regulation (EU) 2018/1046, and Article 90 of Decision no GB/2023/1 of the Governing Board of the ECCC. Private entities should therefore not be eligible to participate in the calls for expression of interest to jointly purchase tools, infrastructures and services with the ECCC, or to receive grants to operate those tools, infrastructures and services. However, the Member States should have the possibility to involve private entities in the setting up, enhancement and operation of their National Cyber Hubs and Cross-Border Cyber Hub in other ways which they deem appropriate, in compliance with national and Union law. Private entities could also be eligible to receive Union funding in accordance with Regulation (EU) 2021/887 in order to provide support to National Cyber Hubs.

- (17) *In order to enhance cyber threat detection and situational awareness in the Union, a Member State which is selected following a call for expression of interest to set up a National Cyber Hub or enhance the capabilities of an existing one, should commit to apply to participate in a Cross-Border Cyber Hub. If a Member State is not a participant in a Cross-Border Cyber Hub within two years from the date on which the tools, infrastructures and services are acquired, or on which it receives grant funding, whichever occurs sooner, it should not be eligible to participate in further Union support actions to enhance the capabilities of its National Cyber Hub provided for in Chapter II of this Regulation. In such cases entities from Member States could still participate in calls for proposals on other topics under DEP or other European funding programs, including calls on capacities for cyber detection and information sharing, provided that those entities meet the eligibility criteria established in the programs.*

- (18) ■ CSIRTs exchange information in the context of the CSIRTs network, in accordance with Directive (EU) 2022/2555. The ***European Cybersecurity Alert System*** should constitute a new capability that is complementary to the CSIRTs network ***by contributing to building a Union situational awareness allowing the reinforcement of the capabilities of the latter. Cross -Border Cyber Hubs should coordinate and cooperate closely with the CSIRTs Network. They should act*** by pooling ***data*** and sharing ***relevant and, where appropriate, anonymised information*** on cybersecurity threats from public and private entities, enhancing the value of such data through expert analysis and jointly acquired infrastructures and ***state-of-the-art tools, and contributing to Union’s technological sovereignty, its open strategic autonomy, competitiveness and resilience and to*** ■ the development of Union capabilities ■ .

- (19) The **Cross-Border Cyber Hub** should act as a central point allowing for a broad pooling of relevant data and cyber threat intelligence, enable the spreading of threat information among a large and diverse set of *stakeholders (such as* Computer Emergency Response Teams (‘CERTs’), CSIRTs, ISACs, operators of critical infrastructures). *Members of the Hosting Consortium should specify in the consortium agreement the relevant information to be shared among the participants of the Cross-Border Cyber Hub.* The information exchanged among participants in a Cross-Border **Cyber Hub** could include *for instance* data from networks and sensors, threat intelligence feeds, indicators of compromise, and contextualised information about incidents, threats, *vulnerabilities and near misses, techniques and procedures, adversarial tactics, threat actors specific information, cybersecurity alerts and recommendations regarding the configuration of cybersecurity tools to detect cyberattacks.* In addition, **Cross-Border Cyber Hubs** should also enter into cooperation agreements with other **Cross-Border Cyber Hubs**.

Those cooperation agreements should, in particular, specify information sharing principles and interoperability. Their clauses concerning interoperability, in particular information sharing formats and protocols, should be guided by and therefore take as their starting point guidelines issued by ENISA. Those guidelines should be issued swiftly to ensure that they can be taken into account by the Cross-Border Cyber Hubs at an early stage. They should take into account international standards, best practices, and the existing functioning of established Cross-Border Cyber Hubs.

- (20) *The Cross-Border Cyber Hubs and the CSIRTs network should cooperate closely to ensure synergies and complementarity of activities. For that purpose, they should agree on procedural arrangements on cooperation and sharing of relevant information. This could include sharing of relevant information on cyber threats, significant cybersecurity incidents and ensuring that experiences with state-of-the-art tools, notably Artificial Intelligence and data analytics technology, used within the Cross-Border Cyber Hubs, is shared with the CSIRTs network.*

- (21) Shared situational awareness among relevant authorities is an indispensable prerequisite for Union-wide preparedness and coordination with regards to significant and large-scale cybersecurity incidents. Directive (EU) 2022/2555 establishes the EU–CyCLONe to support the coordinated management of large-scale cybersecurity incidents and crises at operational level and to ensure the regular exchange of relevant information among Member States and Union institutions, bodies, *offices* and agencies. ***Directive (EU) 2022/2555 also establishes the CSIRTs network to promote swift and effective operational cooperation among all Member States. To ensure situational awareness and strengthen solidarity, in situations where Cross-Border Cyber Hubs obtain information related to a potential or ongoing large-scale cybersecurity incident, they should provide relevant information to the CSIRTs network and inform, as an early warning, EU-CyCLONe. In particular, depending on the situation, information to be shared could include technical information, information about the nature and motives of the attacker or potential attacker, and higher-level non-technical information about a potential or ongoing large-scale cybersecurity incident. In this context, due regard should be paid to the need-to-know principle and to the potentially sensitive nature of the information shared.***

Directive (EU) 2022/2555 also recalls the Commission's responsibilities in the Union Civil Protection Mechanism ('UCPM') established by Decision 1313/2013/EU of the European Parliament and of the Council, as well as for providing analytical reports for the Integrated Political Crisis Response Mechanism ('IPCR') arrangements under Implementing Decision (EU) 2018/1993. *When Cross-Border Cyber Hubs share relevant information and early warnings related to a potential or ongoing large-scale cybersecurity incident with EU-CyCLONe, it is imperative that this information is shared through these networks with Member States' authorities as well as the Commission. In this respect, it is recalled that EU-CyCLONe's purpose is to support the coordinated management of large-scale cybersecurity incidents and crises at operational level and to ensure the regular exchange of relevant information among Member States and Union institutions, bodies, offices and agencies. EU-CyCLONe's tasks include developing a shared situational awareness for such incidents and crises. It is of paramount importance that EU-CyCLONe ensures, in line with that purpose and its tasks, that information referred to in this recital is shared immediately with the relevant Member State representatives and the Commission. To this end, it is crucial that EU-CyCLONe's rules of procedure include appropriate provisions.*

- (22) Entities participating in the European **Cybersecurity Alert System** should ensure a high-level of interoperability among themselves including, as appropriate, as regards data formats, taxonomy, data handling and data analysis tools, and secure communications channels, a minimum level of application layer security, situational awareness dashboard, and indicators. The adoption of a common taxonomy and the development of a template for situational reports to describe the **causes of detected cyber threats and cybersecurity risks**, should take into account **existing work done** in the context of the implementation of Directive (EU) 2022/2555.
- (23) In order to enable the exchange **of relevant data and information** on cybersecurity threats from various sources, on a large-scale basis, in a trusted **and secure** environment, entities participating in the European **Cybersecurity Alert System** should be equipped with state-of-the-art and highly-secure tools, equipment and infrastructures, **as well as skilled personnel**. This should make it possible to improve collective detection capacities and timely warnings to authorities and relevant entities, notably by using the latest artificial intelligence and data analytics technologies.

- (24) By collecting, *analysing*, sharing and exchanging *relevant data and information*, the European *Cybersecurity Alert System* should enhance the Union's technological sovereignty *and open strategic autonomy in the area of cybersecurity, competitiveness and resilience*. The pooling of high-quality curated data *could* also contribute to the development of advanced artificial intelligence and data analytics technologies. *Human oversight and therefore a skilled labour force remains essential for effectively pooling high-quality data.*

- (25) While the European *Cybersecurity Alert System* is a civilian project, the cyber defence community could benefit from stronger civilian detection and situational awareness capabilities developed for the protection of critical infrastructure. ■
- (26) Information sharing among participants of the European *Cybersecurity Alert System* should comply with existing legal requirements and in particular Union and national data protection law, as well as the Union rules on competition governing the exchange of information. The recipient of the information should implement, insofar as the processing of personal data is necessary, technical and organisational measures that safeguard the rights and freedoms of data subjects, and destroy the data as soon as they are no longer necessary for the stated purpose and inform the body making the data available that the data have been destroyed.

(27) *Preserving confidentiality and information security are of paramount importance for all three pillars of this Regulation, whether for encouraging the sharing of information in the context of the European Cybersecurity Alert System, preserving the interests of the entities applying for support under the Cybersecurity Emergency Mechanism, or ensuring that reports under the Incident Review Mechanism can yield useful lessons learned without negatively impacting the entities affected by the incidents. The participation of Member States and entities in these Mechanisms depend on relationships of trust between their components. Where information is confidential pursuant to Union or national rules, its exchange under this Regulation should be limited to that which is relevant and proportionate to the purpose of the exchange. That exchange should also preserve the confidentiality of that information, including protecting the security and commercial interests of any entities concerned. Information sharing under this Regulation could take place using non-disclosure agreements, or guidance on information distribution such as the traffic light protocol. The Traffic Light Protocol (TLP) is to be understood as a means to provide information about any limitations with regard to the further spreading of information. It is used in almost all CSIRTs and in some ISACs. In addition to these general requirements, when it comes to the European Cybersecurity Alert System, Hosting Consortia agreements should lay down specific rules regarding the conditions for information exchange within the relevant Cross-Border Cyber Hub. These agreements could, in particular, require that information only be exchanged in accordance with Union and national law.*

In respect of the deployment of the EU Cybersecurity Reserve, specific confidentiality rules are necessary. Support will be requested, assessed and provided in a crisis context and in respect of entities operating in sensitive sectors. For the Reserve to function effectively, it is essential that users and entities are able to share, and provide access to, without delay, all information that is necessary for each entity to play its part in the assessment of requests and deployment of support. Accordingly, this Regulation should provide that all such information is used or shared only where necessary for the Reserve's operation, and that information that is confidential or classified pursuant to national and Union law should be used and shared only in accordance with that law. Additionally, users should always be able, where appropriate, to use information sharing protocols such as TLP to further specify limitations. Whilst users have discretion in this regard, it is important that when applying these limitations, they take into account the possible consequences, in particular with regard to delayed assessment or delivery of the requested services. In order to have an efficient Reserve, it is important that the Contracting Authority clarifies these consequences to the user before it submits a request. These safeguards are limited to the request and provision of Reserve services and do not affect information exchange in other contexts, such as in the procurement of the Reserve.

- (28) In view of the increasing risks and number of cyber incidents affecting Member States, it is necessary to set up a crisis support instrument, *namely the Cybersecurity Emergency Mechanism*, to improve the Union's resilience to significant, large-scale and large-scale-equivalent cybersecurity incidents and complement Member States' actions through emergency financial support for preparedness, response and *initial* recovery of essential services. *As the full recovery from an incident is a comprehensive process of restoring the functioning of the entity affected by the incident to the state from before the incident and could be a long process that entails significant costs, the support from the EU Cybersecurity Reserve should be limited to the initial stage of the recovery process, leading to the restoration of basic functionalities of the systems.* That instrument should enable the rapid *and effective* deployment of assistance in defined circumstances and under clear conditions and allow for a careful monitoring and evaluation of how resources have been used. Whilst the primary responsibility for preventing, preparing for and responding to cybersecurity incidents and crises lies with the Member States, the *Cybersecurity* Emergency Mechanism promotes solidarity between Member States in accordance with Article 3(3) of the Treaty on European Union ('TEU').

- (29) The **Cybersecurity** Emergency Mechanism should provide support to Member States complementing their own measures and resources, and other existing support options in case of response to, and **initial** recovery from significant and large-scale cybersecurity incidents, such as the services provided by the European Union Agency for Cybersecurity ('ENISA') in accordance with its mandate, the coordinated response and the assistance from the CSIRTs network, the mitigation support from the EU-CyCLONe, as well as mutual assistance between Member States including in the context of Article 42(7) of TEU, the PESCO Cyber Rapid Response Teams¹⁸ . It should address the need to ensure that specialised means are available to support preparedness, **response and recovery** to cybersecurity incidents across the Union and in **DEP-associated** third countries.

¹⁸ Council Decision (CFSP) 2017/ 2315 of 11 December 2017 establishing permanent structured cooperation (PESCO) and determining the list of participating Member States.



- (30) This Regulation is without prejudice to procedures and frameworks to coordinate crisis response at Union level, in particular the *Union Civil Protection Mechanism established under Decision No. 1313/2013/EU of the European Parliament and of the Council*¹⁹, the *EU Integrated Political Crisis Response Arrangements under Council Implementing Decision (EU) 2018/1993*²⁰ (IPCR Arrangements), *Commission Recommendation 2017/1584*²¹ and Directive (EU) 2022/2555. *Support provided under the Cybersecurity Emergency Mechanism can complement assistance provided in the context of the Common Foreign and Security Policy and the Common Security and Defence Policy, including through the Cyber Rapid Response Teams, taking into account the civilian nature of the Mechanism. Support provided under the Cybersecurity Emergency Mechanism can complement actions implemented in the context of Article 42(7) TEU, including assistance provided by one Member State to another Member State, or form part of the joint response between the Union and Member States or in situations referred to in Article 222 TFEU. The implementation of this Regulation should also be coordinated with the implementation of measures under the Cyber Diplomacy Toolbox* ■ , where appropriate.

¹⁹ *Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism (OJ L 347, 20.12.2013, p. 924).*

²⁰ *Council Implementing Decision (EU) 2018/1993 of 11 December 2018 on the EU Integrated Political Crisis Response Arrangements (OJ L 320, 17.12.2018, p. 28).*

²¹ *Commission Recommendation (EU) 2017/1584 of 13 September 2017 on coordinated response to large-scale cybersecurity incidents and crises (OJ L 239, 19.9.2017, p. 36).*

- (31) Assistance provided under this Regulation should be in support of, and complementary to, the actions taken by Member States at national level. To this end, close cooperation and consultation between **Member States**, the Commission, **ENISA**, and, where relevant, the **ECCC** should be ensured. When requesting support under the **Cybersecurity** Emergency Mechanism, the Member State should provide relevant information justifying the need for support.
- (32) Directive (EU) 2022/2555 requires Member States to designate or establish one or more cyber crisis management authorities and ensure they have adequate resources to carry out their tasks in an effective and efficient manner. It also requires Member States to identify capabilities, assets and procedures that can be deployed in the case of a crisis as well as to adopt a national large-scale cybersecurity incident and crisis response plan where the objectives of and arrangements for the management of large-scale cybersecurity incidents and crises are set out. Member States are also required to establish one or more CSIRTs tasked with incident handling responsibilities in accordance with a well-defined process and covering at least the sectors, subsectors and types of entities under the scope of that Directive, and to ensure they have adequate resources to carry out effectively their tasks. This Regulation is without prejudice to the Commission's role in ensuring the compliance by Member States with the obligations of Directive (EU) 2022/2555. The **Cybersecurity** Emergency Mechanism should provide assistance for actions aimed at reinforcing preparedness as well as incident response actions to mitigate the impact of significant and large-scale cybersecurity incidents, to support **initial** recovery **or** restore the **basic functionalities of the services provided by entities operating in sectors of high criticality or other critical sectors**.

- (33) As part of the preparedness actions, to promote a consistent approach and strengthen security across the Union and its internal market, support should be provided for testing and assessing cybersecurity of entities operating in *sectors of high criticality* identified pursuant to Directive (EU) 2022/2555 in a coordinated manner, *including through exercise and training*. For this purpose, the Commission, *after consulting* ENISA , the NIS Cooperation Group established by Directive (EU) 2022/2555 *and EU-CyCLONe*, should regularly identify relevant sectors or subsectors, which should be eligible to receive financial support for coordinated testing at Union level. The sectors or subsectors should be selected from Annex I to Directive (EU) 2022/2555 ('Sectors of High Criticality'). The coordinated testing exercises should be based on common risk scenarios and methodologies. The selection of sectors and development of risk scenarios should take into account relevant Union-wide risk assessments and risk scenarios, including the need to avoid duplication, such as the risk evaluation and risk scenarios called for in the Council conclusions on the development of the European Union's cyber posture  conducted by the Commission, the High Representative and the NIS Cooperation Group, in coordination with relevant civilian and military bodies and agencies and established networks, including the *EU-CyCLONe*, as well as the risk assessment of communications networks and infrastructures requested by the Joint Ministerial Call of Nevers and conducted by the NIS Cooperation Group, with the support of the Commission and ENISA, and in cooperation with the Body of European Regulators for Electronic Communications (BEREC), the coordinated risk assessments to be conducted under Article 22 of Directive (EU) 2022/2555 and digital operational resilience testing as provided for in Regulation (EU) 2022/2554 of the European Parliament and of the Council²² The selection of sectors should also take into account the Council Recommendation on a Union-wide coordinated approach to strengthen the resilience of critical infrastructure.

²² Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011.

- (34) In addition, the **Cybersecurity** Emergency Mechanism should offer support for other preparedness actions and support preparedness in other sectors, not covered by the coordinated testing of entities operating in **sectors of high criticality and other** critical sectors. Those actions could include various types of national preparedness activities.

(35) *When Member States receive grants to support preparedness actions, entities in sectors of high criticality may participate in those actions on a voluntary basis. It is good practice that following such actions, participating entities draw up a remediation plan to implement any resulting recommendations of specific measures to benefit to the fullest extent from the action. While it is important that Member States request as part of the actions, that participating entities draw up and implement such remediation plans, Member States are neither obliged nor empowered by this Regulation to enforce such requests. Such requests are without prejudice to requirements for entities and supervision powers for competent authorities as outlined in Directive (EU) 2022/2555.*

- (36) The **Cybersecurity** Emergency Mechanism should also provide support for incident response actions to mitigate the impact of significant and large-scale cybersecurity incidents, to support **initial** recovery or restore the functioning of essential services. Where appropriate, it should complement the UCPM to ensure a comprehensive approach to respond to the impacts of cyber incidents on citizens.
- (37) The **Cybersecurity** Emergency Mechanism should support **technical** assistance provided by **a Member State to another**. Member State affected by a significant or large-scale cybersecurity incident, including by ■ CSIRTs **as referred to** in Article **11(3) point (f)** of Directive (EU) 2022/2555. Member States providing **such** assistance should be allowed to submit requests to cover costs related to dispatching of expert teams in the framework of mutual assistance. The eligible costs could include travel, accommodation and daily allowance expenses of cybersecurity experts.

- (38) *Given the essential role that private companies play in the detection, preparedness and response to large-scale cybersecurity incidents, it is important to recognise the value of voluntary pro bono cooperation with such companies, whereby they offer services without remuneration in cases of large-scale and large-scale equivalent cybersecurity incidents and crises. ENISA, in cooperation with EU-CyCLONe could monitor the evolution of such pro bono initiatives and promote their compliance with the criteria applicable to trusted providers under this Regulation, including in relation to the trustworthiness of companies, their experience as well as the ability to handle sensitive information in a secure manner.*

- (39) *In order to ensure the effective use of Union funding, pre-committed services should be converted, in accordance with the relevant contract, into preparedness services related to incident prevention and response, in the event that those pre-committed services are not used for incident response during the time for which they are pre-committed. These services should be complementary and not duplicate the preparedness actions to be managed by the ECCC.*

(40) *As part of the Cybersecurity Emergency Mechanism, a Union-level Cybersecurity Reserve should gradually be set up, consisting of services from **trusted** providers to support response and **initiate** recovery actions in cases of significant, **large-scale or large-scale-equivalent** cybersecurity incidents **affecting Member States, Union institutions, bodies and agencies, or DEP-associated third countries**. The EU Cybersecurity Reserve should ensure the availability and readiness of services. **It should therefore include services that are committed in advance, including for instance capacities that are on stand-by and deployable at short notice**. The services from the EU Cybersecurity Reserve should serve to support national authorities in providing assistance to affected entities operating in **sectors of high criticality or** other critical sectors as a complement to their own actions at national level. **The services from the EU Cybersecurity Reserve may also serve to support Union institutions, bodies and agencies, under similar conditions. The EU Cybersecurity Reserve could also contribute to strengthening the competitive position of industry and service sectors in the Union across the digital economy, including microenterprises and small and medium-sized enterprises as well as start-ups, including by incentivizing investment in research and innovation. It is important to take into account the European Cybersecurity Skills Framework (ECSF) when procuring the services for the Reserve**. When requesting support from the EU Cybersecurity Reserve, **users should include in their application appropriate information regarding the affected entity and potential impacts, information about the requested service from the Reserve, the support provided to the affected entity at the national level, which should be taken into account when assessing the request from the applicant. To ensure complementarity with other forms of support available to the affected entity, the request should also include, where available, information on contractual arrangements in place for incident response and initial recovery services, as well as insurance contracts potentially covering such type of incident.***

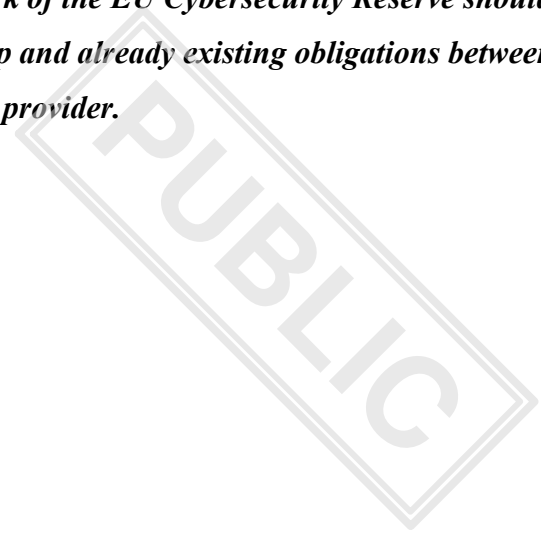
- (41) *Requests for support from the EU Cybersecurity Reserve from Member States' cyber crisis management authorities and CSIRTs, or CERT-EU, on behalf of the and Union institution, bodies, offices and agencies, should be assessed by the contracting authority, which is ENISA in cases where it has been entrusted with the administration and operation of the EU Cybersecurity Reserve. Requests for support from DEP-associated third countries should be assessed by the Commission. To facilitate the submission and assessment of requests for support, ENISA could set up a secure platform.*

- (42) *Where multiple concurrent requests are received, those requests should be prioritised in accordance with criteria laid down by this Regulation. In light of the general objectives of this Regulation, these criteria should include the severity of the incident, the type of entity affected, the potential impact on the affected Member State(s) or users, the potential cross-border nature and risk of spillover, and the measures already taken by the user to assist the response and initial recovery. In light of those same objectives and given that requests from Member State users are exclusively intended to support entities across the Union operating in sectors of high criticality or other critical sectors, it is appropriate to give higher priority to Member State users' requests where those criteria lead to two or more requests being assessed as equal. This is without prejudice to any obligations that Member States may have, under relevant hosting agreements, to take measures to protect and assist Union institutions, bodies, offices or agencies.*

- (43) *The Commission should have overall responsibility for the functioning of the EU Cybersecurity Reserve. Given the extensive experience gained by ENISA with the cybersecurity support action, ENISA is the most suitable Agency to implement the EU Cybersecurity Reserve, therefore the Commission should entrust ENISA, partially or, where the Commission considers it appropriate, entirely with the operation and administration of the EU Cybersecurity Reserve. The entrustment should be carried out in accordance with the applicable rules under Regulation (EU) 2018/1046 and in particular should be subject to the relevant conditions for signing a contribution agreement being fulfilled. Any aspects of operating and administering the EU Cybersecurity Reserve not entrusted to ENISA should be subject to direct management by the Commission, including prior to the signing of the contribution agreement.*

- (44) *Member States should have a key role in the constitution, deployment and post-deployment of the EU Cybersecurity Reserve. As Regulation (EU) 2021/694 is the relevant basic act for actions implementing the EU Cybersecurity Reserve, the actions under the EU Cybersecurity Reserve should be provided for in the relevant work programmes referred to in Article 24 of Regulation (EU) 2021/694. In accordance with Article 24(6) of Regulation (EU) 2021/694, these work programmes should be adopted by the Commission by means of implementing acts in accordance with the examination procedure referred to in Article 5 of Regulation (EU) No 182/2011. Furthermore, the Commission, in coordination with the NIS Cooperation Group, should determine the priorities and the evolution of the EU Cybersecurity Reserve.*

- (45) *The contracts established within the framework of the EU Cybersecurity Reserve should not affect the business-to-business relationship and already existing obligations between the affected entity or the users and the service provider.*



- (46) For the purpose of selecting private service providers to provide services in the context of the EU Cybersecurity Reserve, it is necessary to establish a set of minimum criteria that should be included in the call for tenders to select these providers, so as to ensure that the needs of Member States' authorities and entities operating in *sectors of high criticality or other* critical sectors are met. ***In order to address specific needs of Member States, when procuring services for the EU Cybersecurity Reserve, the contracting authority should, where appropriate, develop additional selection criteria to those laid down in this Regulation. It is important to encourage the participation of smaller providers, active at regional and local level.***

- (47) *When selecting providers for inclusion in the Reserve, the contracting authority should aim to ensure that the Reserve, when taken as a whole, contains providers that are able to accommodate users' language requirements. To this end, the contracting authority, before preparing tender specifications, should inquire whether the potential users of the Reserve have specific language requirements, so that Reserve support services can be provided in a language from among the Union or the Member State's official languages, likely to be understood by the user or affected entity. In case more than one language is required by a user for the provision of Reserve support services and the services have been procured in those languages for this user, the user should be able to specify, in the request for Reserve support, in which of these languages the services should be provided in relation to the specific incident giving rise to the request.*
- (48) To support the establishment of the EU Cybersecurity Reserve, ***it is important that*** the Commission ***requests*** ENISA to prepare a candidate ***cybersecurity*** certification scheme pursuant to Regulation (EU) 2019/881 for managed security services in the areas covered by the ***Cybersecurity*** Emergency Mechanism.

- (49) In order to support the objectives of this Regulation of promoting shared situational awareness, enhancing Union's resilience and enabling effective response to significant and large-scale cybersecurity incidents, the ***Commission or EU-CyCLONe, with the approval of the Member States concerned***, should be able to ask ENISA to review and assess threats, ***known exploitable*** vulnerabilities and mitigation actions with respect to a specific significant or large-scale cybersecurity incident. After the completion of a review and assessment of an incident, ENISA should prepare an incident review report, in collaboration with ***the Member State concerned***, relevant stakeholders, including representatives from the private sector, **■** the Commission and other relevant EU institutions, bodies, ***offices and agencies***. Building on the collaboration with stakeholders, including the private sector, the review report on specific incidents should aim at assessing the causes, impacts and mitigations of an incident, after it has occurred. Particular attention should be paid to the input and lessons shared by the managed security service providers that fulfil the conditions of highest professional integrity, impartiality and requisite technical expertise as required by this Regulation. The report should be delivered ***to EU-CyCLONe, the CSIRTs network, and the Commission and should*** feed into ***their work as well as that of ENISA***. When the incident relates to a ***DEP-associated third*** country, it ***should*** also be shared by the Commission with the High Representative.

- (50) Taking into account the unpredictable nature of cybersecurity attacks and the fact that they are often not contained in a specific geographical area and pose high risk of spill-over, the strengthening of resilience of neighbouring countries and their capacity to respond effectively to significant and large-scale cybersecurity incidents contributes to the protection of the Union, *and particularly its internal market and industry*, as a whole. *Such activities could further contribute to the EU cyber diplomacy. Therefore, DEP-associated third countries* may be supported from the EU Cybersecurity Reserve, *in all or part of their territories*, where this is provided for in the *agreement through which the third country is associated* to DEP. The funding for *DEP-associated* third countries should be supported by the Union in the framework of relevant partnerships and funding instruments for those countries. The support should cover services in the area of response to and *initiate* recovery from significant or large-scale cybersecurity incidents.

- (51) *The conditions set for the EU Cybersecurity Reserve and trusted providers in this Regulation should apply when providing support to the DEP-associated third countries. DEP-associated third countries should be able to request the service from the EU Cybersecurity Reserve when the entities targeted and for which they request support from the EU Cybersecurity Reserve are entities operating in sectors of high criticality or other critical sectors and when the incidents detected lead to significant operational disruptions or might have spillover effects in the Union. DEP-associated third countries should only be eligible to receive support where the agreement through which they are associated to DEP specifically provides for such support. In addition, such third countries should remain eligible only so long as three criteria are fulfilled. First, the third country should be complying in full with relevant terms of that agreement. Second, given the complementary nature of the Reserve, the third country should have taken adequate steps to prepare for significant or large-scale equivalent cybersecurity incidents. Third, the provision of support from the Reserve should be consistent with the Union's policy towards and overall relations with that country and with other Union's policies in the field of security. In the context of its assessment on the compliance with this third criterion, the Commission should consult the High Representative for the alignment of granting such support with the Common Foreign Security Policy.*

- (52) *The provision of support to DEP-associated third countries may affect relations with third countries and the Union security policy, including in the context of the Common Foreign and Security Policy and Common Defence and Security Policy. Accordingly, it is appropriate that the Council is granted implementing powers to authorise and specify the time period during which such support can be provided. The Council should act on the basis of a Commission proposal, taking due account of the Commission's assessment of the three criteria. The same is true of renewals and of ordinary proposals to amend or revoke such acts. Where, exceptionally, the Council considers that there has been a significant change of circumstances in respect of the third criterion, the Council should be able to act on its own initiative and without awaiting a Commission proposal. Such significant changes are likely to require urgent action, to have particularly important implications for relations with third countries, and not to require detailed assessment in advance by the Commission. Moreover, the Commission should cooperate with the High Representative in respect of such requests and support. The Commission should also take into account any views provided by ENISA in respect of the same requests and support. The Commission should inform the Council about the outcome of the assessment of the requests, including relevant considerations made in that regard, and the services that are deployed.*

- (53) *Without prejudice to the rules relating to the Union's annual budget under the Treaties, the Commission should take into account the obligations arising from this Regulation when assessing the budgeting and staffing needs of ENISA.*

- (54) *The Commission communication on the Cyber Skills Academy published on 18 April 2023 acknowledged the shortage of skilled professionals. These are needed to pursue the objectives of this Regulation. The EU urgently needs professionals with the skills and competences to prevent, detect, deter cyber attacks and defend the EU, including its most critical infrastructures, against such attacks and ensure its resilience. To that end, it is important to encourage cooperation among stakeholders, including the private sector, academia and public sector. It is equally important to create synergies, in all territories of the Union, for the investment in education and training to promote the creation of safeguards to avoid brain drain and that the skills gap does not widen more in some regions than in others. It is urgent to close the cybersecurity skills gap, with a particular focus on reducing the gender gap in the cybersecurity workforce to promote women's presence and participation in the design of digital governance.*

- (55) *In order to boost the innovation in the Digital Single Market, strengthening research and innovation (R&I) in cybersecurity is important. This contributes to increasing the resilience of Member States and the open strategic autonomy of the Union, both of which are objectives of this Regulation. Synergies are essential to strengthen cooperation and coordination among the different stakeholders, including the private sector, civil society and academia.*
- (56) *This Regulation should take into account the commitment of the European Declaration on Digital Rights and Principles for the Digital Decade to protect the interests of our democracies, people, businesses and public institutions against cybersecurity risks and cybercrime including data breaches and identity theft or manipulation.*

- (57) *In order to supplement certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission to specify the types and number of response services required for the EU Cybersecurity Reserve. 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-Making²³. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should 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.*
- (58) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission to specify *further the detailed* procedural arrangements for *allocating the EU Cybersecurity Reserve support services. Those powers should be exercised in accordance with Regulation (EU) 182/2011 of the European Parliament and of the Council²⁴.*

²³ *Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L 123, 12.5.2016, p.1, ELI: http://data.europa.eu/eli/agree_interinst/2016/512/oj).*

²⁴ *Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13, ELI: <http://data.europa.eu/eli/reg/2011/182/oj>).*

- (59) *The Commission should carry out an evaluation of the measures laid down in this Regulation on a regular basis. The first evaluation should take place in the first two years from the date of application of this Regulation and at least every four years thereafter, taking into account the timing of the revision of the Multiannual Financial Framework. The Commission should submit a report on progress made to the European Parliament and to the Council. In order to assess the different elements required, including the extent of information shared within the European Cybersecurity Alert System, the Commission should base itself exclusively on information that is readily available or voluntarily provided. Taking into consideration geopolitical developments and in order to ensure continuity and further development of the measures laid down in this Regulation beyond 2027, it is important that the Commission assess the necessity to allocate an appropriate budget in the Multiannual Financial Framework for the period 2028-2034.*
- (60) The objective of this Regulation can be better achieved at Union level than by the Member States. Hence, the Union may adopt measures, in accordance with the principles of subsidiarity and proportionality as set out in Article 5 of the Treaty on European Union. This Regulation does not go beyond what is necessary in order to achieve that objective,

HAVE ADOPTED THIS REGULATION:

Chapter I
GENERAL OBJECTIVES, SUBJECT MATTER, AND DEFINITIONS

Article 1
Subject-matter and objectives

1. This Regulation lays down measures to strengthen capacities in the Union to detect, prepare for and respond to cybersecurity threats and incidents, in particular through the following actions:
 - (a) the *establishment* of a pan-European **network of Cyber Hubs** ('European **Cybersecurity Alert System**') to build and enhance *coordinated* detection and *common* situational awareness capabilities;
 - (b) the *establishment* of a Cybersecurity Emergency Mechanism to support Member States *and other users* in preparing for, responding to, *mitigating the impact of and initiating* recovery from significant, *large-scale* and large-scale *equivalent* cybersecurity incidents;
 - (c) the establishment of a European Cybersecurity Incident Review Mechanism to review and assess significant or large-scale incidents.

2. This Regulation pursues the *general objectives of reinforcing the competitive position of industry and service sectors in the Union across the digital economy, including microenterprises and small and medium-sized enterprises as well as start-ups, and of contributing to the Union's technological sovereignty and open strategic autonomy in the area of cybersecurity, including by boosting innovation in the Digital Single Market. It pursues those objectives by strengthening solidarity at Union level, reinforcing the cybersecurity ecosystem, enhancing Member States' cyber resilience and developing the skills, know-how, abilities and competencies of the workforce in relation to cybersecurity.*

2a. The achievement of the general objectives shall be pursued through the following specific objectives:

- (a) to strengthen common ***coordinated*** Union detection ***capacities and common*** situational awareness of cyber threats and incidents ■ ;
- (b) to reinforce preparedness of entities operating in ***sectors of high criticality and other*** critical sectors across the Union and strengthen solidarity by developing ***coordinated preparedness testing and enhanced*** response ***and recovery*** capacities ***to handle*** significant, ***large-scale or large-scale-equivalent*** cybersecurity incidents, including ***the possibility of*** making Union cybersecurity incident response support available for ***DEP-associated*** third countries;
- (c) to enhance Union resilience and contribute to effective response by reviewing and assessing significant or large-scale incidents, including drawing lessons learned and, where appropriate, recommendations. ■

■

- 2b. *The actions under this Regulation shall be conducted with due respect to the Member States' competences and shall be complementary to the activities carried out by the CSIRTs network, NIS Cooperation Group, and EU-CyCLONe.*
3. *This Regulation is without prejudice to the Member States' essential State functions, including ensuring the territorial integrity of the State, maintaining law and order and safeguarding national security. In particular, national security remains the sole responsibility of each Member State.*
4. *The exchange of information that is confidential pursuant to Union or national rules shall be limited to that which is relevant and proportionate to the purpose of that exchange. The exchange of such information under this Regulation shall preserve the confidentiality of the information, and protect the security and commercial interests of the entities concerned. It shall not entail the supply of information the disclosure of which would be contrary to the Member States' essential interests of national security, public security or defence.*

Article 2

Definitions

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

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- (1) ‘**Cross-Border Cyber Hub**’ means a multi-country platform, *established by a written consortium agreement* that brings together in a coordinated network structure National **Cyber Hubs** from at least three Member States ■, and that is designed to *enhance the monitoring, detection and analysis of* cyber threats *to prevent* incidents and to support the production of *cyber threat* intelligence, notably through the exchange of *relevant and, where appropriate, anonymised data and information*, as well as through the sharing of state-of-the-art tools and jointly developing cyber detection, analysis, and prevention and protection capabilities in a trusted environment;
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- (2) ‘Hosting Consortium’ means a consortium composed of participating **Member** States, **■** that have agreed to establish and contribute to the acquisition of tools, **infrastructures and services** for, and operation of, a **Cross-Border Cyber Hub**;
- (3) ‘**CSIRT**’ means a **CSIRT** designated or established pursuant to Article 10 of Directive (EU) 2022/2555;
- (4) ‘entity’ means an entity as defined in Article 6, point (38), of Directive (EU) 2022/2555;
- (5) ‘entities operating in **sectors of high criticality or other** critical sectors’ means type of entities listed in **Annexes** I and **■** II of Directive (EU) 2022/2555;
- (6) ‘**incident handling**’ means **incident handling** as defined in Article 6, point (8), of Directive (EU) 2022/2555;
- (7) ‘**risk**’ means **risk** as defined in Article 6, point (9), of Directive (EU) 2022/2555;
- (8) ‘cyber threat’ means a cyber threat as defined in Article 2, point (8), of Regulation (EU) 2019/881;
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- (9) ***‘incident’ means an incident as defined in Article 6, point (6), of Directive (EU) 2022/2555;***
- (10) ***‘significant cybersecurity incident’ means a cybersecurity incident fulfilling criteria set out in Article 23(3) of Directive (EU) 2022/2555;***
- (11) ***‘large-scale cybersecurity incident’ means an incident as defined in Article 6, point (7) of Directive (EU) 2022/2555;***
- (12) ***‘large-scale-equivalent cybersecurity incident’ means, in the case of Union institutions, bodies, offices and agencies, a major incident as defined in Article 3 point (8) of Regulation (EU, Euratom) 2023/2841 of the European Parliament and the Council²⁵ and, in the case of DEP-associated third countries, an incident which causes a level of disruption that exceeds a DEP-associated third country’s capacity to respond to it;***
- (13) ***‘DEP-associated third country’ means a third country which is party to an agreement with the Union allowing for its participation in the Digital Europe Programme pursuant to Article 10 of Regulation (EU) 2021/694;***

²⁵ ***Regulation (EU, Euratom) 2023/2841 of the European Parliament and of the Council of 13 December 2023 laying down measures for a high common level of cybersecurity at the institutions, bodies, offices and agencies of the Union (OJ L, 2023/2841, 18.12.2023, ELI: <http://data.europa.eu/eli/reg/2023/2841/oj>).***

(14) *‘contracting authority’ means the Commission or, to the extent that operation and administration of the EU Cybersecurity Reserve has been entrusted to ENISA under Article 12(6) of this Regulation, ENISA;*

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(15) *‘managed security service provider’ means a managed security service provider as defined in Article 6, point (40), of Directive (EU) 2022/2555;*

(16) *‘trusted managed security service providers’ means managed security service providers selected to be included in the EU Cybersecurity Reserve in accordance with Article 16 of this Regulation.*

Chapter II

THE EUROPEAN **CYBERSECURITY ALERT SYSTEM**

Article 3

Establishment of the European *Cybersecurity Alert System*

1. A pan-European *network of infrastructure that consists of National Cyber Hubs and Cross-Border Cyber Hubs joining on a voluntary basis, the European Cybersecurity Alert System shall be established to support the development of advanced capabilities for the Union to enhance detection, analysis and data processing capabilities in relation to cyber threats and the prevention of incidents in the Union.*

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2. The European *Cybersecurity Alert System* shall:

- (-a) *contribute to better protection and response to cyber threats by supporting and cooperating with, and reinforcing the capacities of, relevant entities, in particular CSIRTs, the CSIRTs network, EU-CyCLONe and the competent authorities designated or established pursuant to Article 8 of Directive (EU) 2022/2555;*
- (a) pool *relevant data and information* on cyber threats and incidents from various sources *within the Cross-Border Cyber Hubs and share analysed or aggregated information* through *Cross-Border Cyber Hubs, where relevant with the CSIRTs Network*;
- (b) *collect and support the production of* high-quality, actionable information and cyber threat intelligence, through the use of state-of-the art tools *and advanced technologies, and share that information and cyber threat intelligence*;

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- (d) contribute to *enhance coordinated* detection of cyber threats and *common* situational awareness across the Union, *and to the issuing of alerts, including, where relevant, by providing concrete recommendations to entities*;
- (e) provide services and activities for the cybersecurity community in the Union, including contributing to the development *of* advanced *tools and technologies, such as* artificial intelligence and data analytics tools.

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3. *Actions implementing the European Cybersecurity Alert System shall be supported by funding from the Digital Europe Programme and implemented in accordance with Regulation (EU) 2021/694 and in particular Specific Objective 3 thereof.*

Article 4
National *Cyber Hubs*

1. *Where a Member State decides to participate in the European Cybersecurity Alert System, it shall designate or, where applicable, establish a National Cyber Hub for the purposes of this Regulation ('National Cyber Hub').*

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- 1b. As part of the functions referred to in paragraph 1a, National Cyber Hubs may cooperate with private sector entities to exchange relevant data and information for the purpose of detecting and preventing cyber threats and incidents, including with sectoral and cross-sectoral communities of essential and important entities. Where appropriate and in accordance with national and Union law, the information requested or received by National Cyber Hubs may include telemetry, sensor and logging data.*

1c. The National Cyber Hub shall be a single entity acting under the authority of a Member State. It may be a CSIRT, or where applicable, a national cyber crisis management authority or other competent authority designated or established under Directive (EU) 2022/2555, or another entity. It shall:

- (a) have the capacity to act as a reference point and gateway to other public and private organisations at national level for collecting and analysing information on cyber threats and incidents and to contribute to a Cross-Border Cyber Hub as referred to in Article 5 of this Regulation; and**
- (b) be capable of detecting, aggregating, and analysing data and information relevant to cyber threats and incidents, such as cyber threat intelligence, by using in particular state-of-the-art technologies, and with the aim to prevent incidents.**

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3. A Member State selected pursuant to Article 8a paragraph 1 shall commit to apply for its National Cyber Hub to participate in a Cross-Border Cyber Hub.

Article 5
Cross-Border *Cyber Hubs*

1. *Where at least three Member States are committed to ensuring that their National Cyber Hubs work together to coordinate their cyber-detection and threat monitoring activities, those Member States may establish a Hosting Consortium for the purposes of this Regulation ('Hosting Consortium').*
- 1a. *A Hosting Consortium shall be a consortium composed of at least three participating Member States that have agreed to establish and contribute to the acquisition of tools, infrastructure and services for, and operation of, a Cross-Border Cyber Hub as referred to in paragraph 3a.*

3. *Where a Hosting Consortium is selected in accordance with Article 8a(3), its members shall conclude a written consortium agreement which:*
- (a) sets out their internal arrangements for implementing the hosting and usage agreement referred to in Article 8a(3);*
 - (b) establishes the Hosting Consortium's Cross-Border Cyber Hub; and*
 - (c) includes the specific clauses required pursuant to Article 6(1) and (2).*
- 3a. *A Cross-Border Cyber Hub shall be a multi-country platform established by a written consortium agreement as referred to in paragraph 3. It shall bring together in a coordinated network structure the National Cyber Hubs of the Hosting Consortium's Member States. It shall be designed to enhance the monitoring, detection and analysis of cyber threats, to prevent incidents and to support the production of cyber threat intelligence, notably through the exchange of relevant and, where appropriate, anonymised data and information, as well as through the sharing of state-of-the-art tools and jointly developing cyber detection, analysis and prevention and protection capabilities in a trusted environment.*

4. A ***Cross-Border Cyber Hub*** shall be represented for legal purposes by a ***member of the corresponding Hosting Consortium*** acting as ***a coordinator***, or by the ***Hosting Consortium*** if it has legal personality. ***The responsibility for compliance of the Cross-Border Cyber Hub with this Regulation and the hosting and usage agreement shall be determined in the written consortium agreement referred to in paragraph 3.***
5. ***A Member State may join an existing Hosting Consortium with the agreement of the Hosting Consortium members. The written consortium agreement referred to in paragraph 3 and the hosting and usage agreement shall be modified accordingly. This shall not affect the European Cybersecurity Industrial, Technology and Research Competence Centre ('ECCC')'s ownership rights over the tools, infrastructures and services already jointly procured with that Hosting Consortium.***

Article 6

Cooperation and information sharing within and between ***Cross-Border Cyber Hubs***

1. Members of a Hosting Consortium shall ***ensure that their National Cyber Hubs exchange, in accordance with the Consortium Agreement referred to in Article 5(3), relevant and where appropriate, anonymised information, such as*** information relating to cyber threats, near misses, vulnerabilities, techniques and procedures, indicators of compromise, adversarial tactics, threat-actor-specific information, cybersecurity alerts and recommendations regarding the configuration of cybersecurity tools to detect cyber attacks, ***among themselves within the Cross-Border Cyber Hub*** where such information sharing:
 - (a) ***fosters and enhances the detection of cyber threats and reinforces the capabilities of the CSIRTs network to prevent and respond to*** incidents or to mitigate their impact;
 - (b) enhances the level of cybersecurity, ***for example*** through raising awareness in relation to cyber threats, limiting or impeding the ability of such threats to spread, supporting a range of defensive capabilities, vulnerability remediation and disclosure, threat detection, containment and prevention techniques, mitigation strategies, or response and recovery stages or promoting collaborative threat research between public and private entities.

2. The written consortium agreement referred to in Article 5(3) shall establish:
- (a) a commitment to share *among the members of the Consortium information as* referred to in paragraph 1, and the conditions under which that information is to be exchanged. *The agreement may specify that the information shall be exchanged in accordance with Union and national law;*
 - (b) a governance framework *clarifying and* incentivising the sharing of *relevant and, where appropriate, anonymised* information *referred to in paragraph 1* by all participants;
 - (c) targets for contribution to the development of advanced *tools and technologies, such as* artificial intelligence and data analytics tools.
- 2a. *Cross-Border Cyber Hubs shall conclude cooperation agreements with one another, specifying interoperability and information sharing principles among the Cross-Border Cyber Hubs. Cross-Border Cyber Hubs shall inform the Commission about the agreements concluded.*

3. **Exchange of information as referred to in paragraph 1 between Cross-Border Cyber Hubs shall be ensured by a high level of interoperability. To support such interoperability, without undue delay and at the latest 12 months after the date of entry into force of this Regulation, ENISA, in close consultation with the Commission, shall issue interoperability guidelines specifying in particular information sharing formats and protocols, taking into account international standards and best practices, as well as the functioning of any established Cross-Border Cyber Hubs. Interoperability requirements of Cross-Border Cyber Hubs cooperation agreements shall be based on the guidelines issued by ENISA.**

Article 7

Cooperation and information sharing with *Union-level networks*

- 1. *Cross-Border Cyber Hubs and the CSIRTs Network shall cooperate closely, in particular for the purpose of sharing information. To that end, they shall agree on procedural arrangements on cooperation and sharing of relevant information and, without prejudice to paragraph 1, the types of information to be shared.***
- 1. Where the *Cross-Border Cyber Hubs* obtain information relating to a potential or ongoing large-scale cybersecurity incident, they shall *ensure, for the purpose of common situational awareness, that relevant information as well as early warnings are provided to Member States' authorities and the Commission through EU-CyCLONe and the CSIRTs network*, without undue delay.**

Article 8

Security

1. Member States participating in the European **Cybersecurity Alert System** shall ensure a high level of **cybersecurity, including confidentiality and data security, as well as** physical security of the European **Cybersecurity Alert System network**, and shall ensure that the **network is** adequately managed and controlled in such a way as to protect it from threats and to ensure its security and that of the systems, including that of **information and** data exchanged through the **network**.
2. Member States participating in the European **Cybersecurity Alert System** shall ensure that the sharing of information **referred to in Article 6(1) of this Regulation** within the European **Cybersecurity Alert System with any entity other than a public authority or body of a Member State** does not negatively affect the security interests of the Union **or the Member States**.

Article 8a

Funding of the European Cybersecurity Alert System

- 1. Following a call for expression of interest, Member States intending to participate in the European Cybersecurity Alert System shall be selected by the European Cybersecurity Competence Centre ('ECCC') to take part in a joint procurement of tools, infrastructures and services with the ECCC, in order to set up National Cyber Hubs, as referred to in Article 4(1), or enhance the capabilities of existing ones. The ECCC may award grants to the selected Member States to fund the operation of those tools, infrastructures and services. The Union financial contribution shall cover up to 50% of the acquisition costs of the tools, infrastructures and services, and up to 50% of the operation costs, with the remaining costs to be covered by the Member State. Before launching the procedure for the acquisition of the tools, infrastructures and services, the ECCC and the Member State shall conclude a hosting and usage agreement regulating the usage of the tools, infrastructures and services.*

2. *If a Member State's National Cyber Hub is not a participant in a Cross-Border Cyber Hub within two years from the date on which the tools, infrastructures and services were acquired, or on which it received grant funding, whichever occurred sooner, the Member State shall not be eligible for additional Union support under this Chapter until it has joined a Cross-Border Cyber Hub.*
3. *Following a call for expression of interest, a Hosting Consortium shall be selected by the ECCC to participate in a joint procurement of tools, infrastructures and services with the ECCC. The ECCC may award to the Hosting Consortium a grant to fund the operation of the tools, infrastructures and services. The Union financial contribution shall cover up to 75% of the acquisition costs of the tools, infrastructures and services, and up to 50% of the operation costs, with the remaining costs to be covered by the Hosting Consortium. Before launching the procedure for the acquisition of the tools, infrastructures and services, the ECCC and the Hosting Consortium shall conclude a hosting and usage agreement regulating the usage of the tools, infrastructures and services.*

4. *The ECCC shall prepare, at least every two years, a mapping of the tools, infrastructures and services necessary and of adequate quality to establish or enhance National Cyber Hubs and Cross-Border Cyber Hubs, and their availability, including from legal entities established or deemed to be established in Member States and controlled by Member States or by nationals of Member States. When preparing the mapping, the ECCC shall consult the CSIRTs Network, any existing Cross-Border Cyber Hubs, ENISA and the Commission.*

Chapter III
CYBERSECURITY EMERGENCY MECHANISM

Article 9

Establishment of the Cybersecurity Emergency Mechanism

1. A **Cybersecurity** Emergency Mechanism is established to *support improvement of* the Union's resilience to **cyber** threats and prepare for and mitigate, in a spirit of solidarity, the short-term impact of significant, **large-scale and large-scale-equivalent** cybersecurity incidents (the 'Mechanism').
 - 1a. *In the case of Member States, the actions provided under the Cybersecurity Emergency Mechanism shall be provided upon request and shall be complementary to Member States' efforts and actions to prepare for, respond to and recover from cybersecurity incidents.*
2. Actions implementing the **Cybersecurity Emergency** Mechanism shall be supported by funding from **the Digital Europe Program ('DEP')** and implemented in accordance with Regulation (EU) 2021/694 and in particular Specific Objective 3 thereof.

- 2a. *The actions under the Cybersecurity Emergency Mechanism shall be implemented primarily through the ECCC in accordance with Regulation (EU) 2021/887 of the European Parliament and of the Council with the exception of actions implementing the EU Cybersecurity Reserve as referred to in Article 10(1)(b), which shall be implemented by the Commission and ENISA.*

Article 10

Type of actions

1. The **Cybersecurity Emergency** Mechanism shall support the following types of actions:
 - (a) preparedness actions, *namely*:
 - (i) *the coordinated preparedness testing of entities operating in sectors of high criticality across the Union as specified in Article 11;*
 - (ii) *other preparedness actions for entities operating in sectors of high criticality and other critical sectors, as specified in Article 11a;*
 - (b) ■ actions ■ supporting response to and *initiating* recovery from significant, *large-scale and large-scale-equivalent* cybersecurity incidents, to be provided by trusted *managed security service* providers participating in the EU Cybersecurity Reserve established under Article 12;
 - (c) mutual assistance actions *as specified* in Article *16a*.

Article 11

Coordinated preparedness testing of entities

- 1. *The Cybersecurity Emergency Mechanism shall support the voluntary coordinated preparedness testing of entities operating in sectors of high criticality.*
- 1a. *The coordinated preparedness testing may consist of preparedness activities, such as penetration testing, and threat assessment.*
- 1b. *Support for preparedness actions under this Article shall be provided to Member States primarily in the form of grants and under the conditions defined in the relevant work programmes referred to in Article 24 of the Digital Europe Programme.*

1. For the purpose of supporting the coordinated preparedness testing of entities referred to in Article 10(1), point (a)(i), across the Union, the Commission, after consulting the NIS Cooperation Group, **EU-CyCLONe** and ENISA, shall identify the sectors, or sub-sectors, concerned, from the Sectors of High Criticality listed in Annex I to Directive (EU) 2022/2555 *for which a call for proposals to award grants may be issued. The participation of Member States in those calls is voluntary.*
- 1a. When identifying the sectors or sub-sectors under paragraph 1, the Commission shall take into account coordinated risk assessments and resilience testing at Union level, and the results thereof.*
2. The NIS Cooperation Group in cooperation with the Commission, *the High Representative and* ENISA, and, *within the remit of its mandate, EU-CyCLONe*, shall develop common risk scenarios and methodologies for the coordinated testing exercises *under Article 10 (1), point (a)(i) of this Regulation and, where appropriate, for other preparedness actions under Article 10(1)(a)(ii).*

3. *When an entity operating in a sector of high criticality voluntarily participates in coordinated testing exercises and these exercises result in recommendations of specific measures, which may be integrated by the participating entity in a remediation plan, the Member State authority responsible for the testing exercise shall, where appropriate, review the follow-up of those measures by the participating entities with a view to reinforcing preparedness.*

Article 11a

Other preparedness actions

- 1. The Cybersecurity Emergency Mechanism shall also support preparedness actions not covered by Article 11 of this Regulation on Coordinated preparedness actions for entities. Such actions shall include preparedness actions for entities in sectors not identified for coordinated testing pursuant to Article 11. Such actions may support vulnerability monitoring, risk monitoring, exercises and trainings.*
- 2. Support for preparedness actions under this Article, shall be provided to Member States upon request and primarily in the form of grants and under the conditions defined in the relevant work programmes referred to in Article 24 of Regulation (EU) 2021/694.*

Article 12

Establishment of the EU Cybersecurity Reserve

1. An EU Cybersecurity Reserve shall be established, in order to assist, ***upon request***, users referred to in paragraph 3, in responding or providing support for responding to significant, ***large-scale, or large-scale-equivalent*** cybersecurity incidents, and ***initiating*** recovery from such incidents.
2. The EU Cybersecurity Reserve shall consist of ■ response services from trusted providers selected in accordance with the criteria laid down in Article 16. The Reserve ***may*** include pre-committed services. The ***pre-committed*** services ***of a trusted provider shall be convertible, in cases where those services are not used for incident response during the time for which those services are pre-committed, into preparedness services related to incident prevention and response.*** The Reserve shall be deployable ***upon request*** in all Member States, ***Union institutions, bodies, offices and agencies and in DEP-associated third countries referred to in Article 17(1).***

3. ***The*** users of the services from the EU Cybersecurity Reserve shall ***be the following***:
- (a) Member States' cyber crisis management authorities and CSIRTs as referred to in Article 9 (1) and (2) and Article 10 of Directive (EU) 2022/2555, respectively;
 - (b) ***CERT-EU, in accordance with Article 13 of Regulation (EU, Euratom) 2023/2841.***
 - (c) ***Competent authorities such as Computer Security Incident Response Teams and cyber crisis management authorities of DEP-associated third countries in accordance with Article 17(3).***

5. The Commission shall have overall responsibility for the implementation of the EU Cybersecurity Reserve. The Commission shall determine the priorities and evolution of the EU Cybersecurity Reserve *in coordination with the NIS Cooperation Group and*, in line with the requirements of the users referred to in paragraph 3, and shall supervise its implementation, and ensure complementarity, consistency, synergies and links with other support actions under this Regulation as well as other Union actions and programmes. *These priorities shall be revised every two years. The Commission shall inform the European Parliament and the Council of these priorities and revisions thereof.*
6. *Without prejudice to the Commission's overall responsibility for the implementation of the EU Cybersecurity Reserve referred to in paragraph 5 and subject to a contribution agreement as defined in point (18) of Article 2 of the Financial Regulation, the Commission shall entrust the operation and administration of the EU Cybersecurity Reserve, in full or in part, to ENISA. Aspects not entrusted to ENISA shall remain subject to direct management by the Commission.*

7. *ENISA shall prepare, at least every two years, a mapping of the services needed by the users referred to in paragraph 3 points (a) and (b). The mapping shall also include the availability of such services, including from legal entities established or deemed to be established in Member States and controlled by Member States or by nationals of Member States. In mapping that availability, ENISA shall assess the skills and capacity of the Union cybersecurity workforce relevant to the EU Cybersecurity Reserve objectives. When preparing the mapping, ENISA shall consult the NIS Cooperation Group, EU-CyCLONe, the Commission and, where applicable, the Interinstitutional Cybersecurity Board. In mapping the availability of services, ENISA shall also consult relevant cybersecurity industry stakeholders, including managed security service providers. ENISA shall prepare a similar mapping, after informing the Council and consulting EU-CyCLONe and the Commission and, where relevant, the High Representative, to identify the needs of users referred to in paragraph 3, point (c).*

8. The Commission *is empowered to adopt delegated acts, in accordance with Article 20a to supplement this Regulation by specifying* the types and the number of response services required for the EU Cybersecurity Reserve. *When preparing those delegated acts, the Commission shall take into account the mapping referred to in paragraph 7, and may exchange advice and cooperate with the NIS Cooperation Group and ENISA.*

Article 13

Requests for support from the EU Cybersecurity Reserve

1. The users referred to in Article 12(3) may request services from the EU Cybersecurity Reserve to support response to and *initiate* recovery from significant, *large-scale or large-scale-equivalent* cybersecurity incidents.

2. To receive support from the EU Cybersecurity Reserve, the users referred to in Article 12(3) shall take ***all appropriate*** measures to mitigate the effects of the incident for which the support is requested, including, ***where relevant***, the provision of direct technical assistance, and other resources to assist the response to the incident, and █ recovery efforts.
3. Requests for support █ shall be transmitted to the ***contracting authority in the following way***:
- (a) ***in the case of users referred to in Article 12(3), point (a), of this Regulation, such requests shall be transmitted via the Single Point of Contact designated or established by the Member State in accordance with Article 8(3) of Directive (EU) 2022/2555;***
 - (b) ***in the case of the user referred to in Article 12(3), point (b), of this Regulation such requests shall be transmitted by CERT-EU;***
 - (c) ***in the case of users referred to in Article 12(3), point (c), of this Regulation, such requests shall be transmitted via the single point of contact referred to in Article 17(4) of this Regulation.***

4. ***In the case of requests from users referred to in Article 12(3), point (a), of this Regulation***, Member States shall inform the CSIRTs network, and where appropriate EU-CyCLONe, about their ***users***' requests for incident response and ***initial*** recovery support pursuant to this Article.
5. Requests for incident response and ***initial*** recovery support shall include:
- (a) appropriate information regarding the affected entity and potential impacts of the incident ***on:***
 - (i) ***affected Member State(s) and users, including the risk of spill over to another Member State, in the case of users referred to in Article 12(3), point (a), of this Regulation;***
 - (ii) ***affected Union institutions, bodies, offices and agencies, in the case of user referred to in Article 12(3), point (b), of this Regulation;***
 - (iii) ***affected DEP-associated countries, in the case of users referred to in Article 12(3), point (c), of this Regulation;***

- (aa) *information regarding the requested service, including the planned use of the requested support, including an indication of the estimated needs;*
- (b) *appropriate* information about measures taken to mitigate the incident for which the support is requested, as referred to in paragraph 2;
- (c) *where relevant, available* information about other forms of support available to the affected entity **■** .

6. ENISA, in cooperation with the Commission and ***EU-CyCLONe***, shall develop a template to facilitate the submission of requests for support from the EU Cybersecurity Reserve.
7. The Commission may, by means of implementing acts, specify further the detailed *procedural* arrangements for the *way in which* the EU Cybersecurity Reserve support services *shall be requested and responded to under this Article, Article 14(1) and 17(4a), such as arrangements for submitting the requests and delivering the responses and templates for the reports referred to in Article 14(6)*. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 21(2).

Article 14


Implementation of the support from the EU Cybersecurity Reserve

- 1. *In the case of requests from users referred to in Article 12(3)(a) and (b), requests for support from the EU Cybersecurity Reserve, shall be assessed by the contracting authority. A response shall be transmitted to the users referred to in Article 12(3)(a) and (b) without delay and in any event no later than 48 hours from the submission of the request to ensure effectiveness of the support action. The contracting authority shall inform the Council and the Commission of the results of the process.***
- 1a. *As regards information shared in the course of requesting and providing the services of the EU Cybersecurity Reserve, all parties involved in the application of this Regulation shall:***
 - (a) limit the use and sharing of that information to what is necessary to discharge their obligations or functions under this Regulation;***
 - (b) use and share any information that is confidential or classified pursuant to national and Union law only in accordance with that law; and***
 - (c) ensure effective, efficient and secure information exchange, where appropriate by using and respecting relevant information-sharing protocols including the traffic light protocol.***

2. *In assessing individual requests under Article 14(1) and 17(4a), the contracting authority or the Commission, as applicable, shall first assess whether the criteria referred to in Article 13(1) and (2) are fulfilled. If that is the case, they shall assess the duration and nature of support that is appropriate, having regard to the objective referred to in Article 1(2)(b) and the following criteria, where relevant:*
- (a) the *scale and* severity of the cybersecurity incident;
 - (b) the type of entity affected, with higher priority given to incidents affecting essential entities as defined in Article 3(1) of Directive (EU) 2022/2555;
 - (c) the potential impact on the affected Member State(s), *Union institutions, bodies, offices and agencies or DEP-associated third countries*;
 - (d) the potential cross-border nature of the incident and the risk of spill over to other Member States, *Union institutions, bodies, offices and agencies or DEP-associated third countries*;
 - (e) the measures taken, by the user to assist the response, and *initial* recovery efforts, as referred in Article 13(2) and Article 13(5), point (b).

- 2a. *To prioritise requests, in the case of concurrent requests from users referred to in Article 12(3), the criteria referred to in paragraph 2 shall be taken into account, where relevant, without prejudice to the principle of sincere cooperation between Member States and Union institutions, bodies, offices agencies and offices where two or more requests are assessed as equal under those criteria referred to paragraph 2, higher priority shall be given to requests from Member State users. Where operation and administration of the EU Cybersecurity Reserve has been entrusted, in full or in part, to ENISA under Article 12(6) of this Regulation, ENISA and Commission shall closely cooperate to prioritise requests in line with this paragraph.*
3. The EU Cybersecurity Reserve services shall be provided in accordance with specific agreements between the *trusted* provider and the user to which the support under the EU Cybersecurity Reserve is provided. Those *services may be provided in accordance with specific* agreements *between the trusted provider, the user and the affected entity. All agreements referred to in this paragraph* shall include, *inter alia*, liability conditions.

4. The agreements referred to in paragraph 3 *shall* be based on templates prepared by ENISA, after consulting Member States *and, where appropriate, other users of the EU Cybersecurity Reserve*.
5. The Commission, *ENISA and the users of the Reserve* shall bear no contractual liability for damages caused to third parties by the services provided in the framework of the implementation of the EU Cybersecurity Reserve.
- 5a. *Users may use the EU Cybersecurity Reserve services provided in response to a request under Article 13(1) of this Regulation only in order to support response to and initiate recovery from significant incidents, large-scale cybersecurity incidents or large-scale-equivalent cybersecurity incidents. They may use those services only in respect of:*
- (a) entities operating in sectors of high criticality or other critical sectors, in the case of users referred to in Article 12(3), points (a) and equivalent entities in the case of users referred to in Article 12(3), point (c); and*
 - (b) Union institutions, bodies, offices and agencies, in the case of the user referred to in Article 12 (3), point (b).*

6. Within *two months* from the end of *a* support action, *any user that has received support shall provide* a summary report about the service provided, results achieved and  lessons learned, *as follows*:
- (a) *users referred to in Article 12(3), point (a), of this Regulation shall provide the summary report to the Commission, ENISA, the CSIRTs network and EU-CyCLONe;*
 - (b) *users referred to in Article 12(3), point (b), of this Regulation shall provide the summary report to the Commission, ENISA and the IICB;*
 - (c) *users referred to in Article 12(3)(c) of this Regulation shall share this report with the Commission, which will share it with the Council and the High Representative.*

- 6a. *Where operation and administration of the EU Cybersecurity Reserve has been entrusted, in full or in part, to ENISA under Article 12(6) of this Regulation, ENISA shall report to and consult the Commission on a regular basis in that respect. In that context, ENISA shall immediately send to the Commission any requests it receives from users referred to in Article 12(3)(c) and, where required for the purposes of prioritisation under this Article, any requests it has received from users referred to in Article 12(3)(a) or (b). The obligations in this paragraph shall be without prejudice to Article 14 of Regulation (EU) 2019/881.***
- 7. *In the case of users referred in Article 12(3), points (a) and (b), the contracting authority shall report to the NIS Cooperation Group, on a regular basis and at least twice per year, about the use and the results of the support*** ■ .
- 7a. *In case of users referred to in Article 12(3)(c), the Commission shall report to the Council and inform the High Representative on a regular basis and at least twice per year, about the use and the results of the support.***

Article 16

Trusted providers

1. In procurement procedures for the purpose of establishing the EU Cybersecurity Reserve, the contracting authority shall act in accordance with the principles laid down in the Regulation (EU, Euratom) 2018/1046 and in accordance with the following principles:
 - (a) ensure ***that the services included in*** the EU Cybersecurity Reserve, ***when taken as a whole, are such that the Reserve*** includes services that may be deployed in all Member States, taking into account in particular national requirements for the provision of such services, including ***on languages***, certification or accreditation;
 - (b) ensure the protection of the essential security interests of the Union and its Member States;
 - (c) ensure that the EU Cybersecurity Reserve brings EU added value, by contributing to the objectives set out in Article 3 of Regulation (EU) 2021/694, including promoting the development of cybersecurity skills in the EU.

2. When procuring services for the EU Cybersecurity Reserve, the contracting authority shall include in the procurement documents the following selection criteria:
- (a) the provider shall demonstrate that its personnel has the highest degree of professional integrity, independence, responsibility, and the requisite technical competence to perform the activities in their specific field, and ensures the permanence/continuity of expertise as well as the required technical resources;
 - (b) the provider, ***and any relevant*** subsidiaries and subcontractors, ***shall comply with applicable rules on the protection of classified information and*** shall have in place ***appropriate measures, including, where relevant, agreements between one another,*** to protect ***confidential*** information relating to the service, and in particular evidence, findings and reports ■ ;

- (c) the provider shall provide sufficient proof that its governing structure is transparent, not likely to compromise its impartiality and the quality of its services or to cause conflicts of interest;
- (d) the provider shall have appropriate security clearance, at least for personnel intended for service deployment, ***where required by a Member State***;
- (e) the provider shall have the relevant level of security for its IT systems;
- (f) the provider shall be equipped with the hardware and software necessary to support the requested service, ***which shall not contain known exploitable vulnerabilities, shall include the latest security updates and shall in any case comply with any applicable provision of Regulation (EU) .../... of the European Parliament and of the Council²⁶ (2022/0272(COD))***;
- (g) the provider shall be able to demonstrate that it has experience in delivering similar services to relevant national authorities or entities operating in ***sectors of high criticality or other*** critical sectors;

²⁶ ***Regulation (EU) .../... of the European Parliament and of the Council of ... on ... (OJ L, ..., ELI: ...).***

- (h) the provider shall be able to provide the service within a short timeframe in the Member State(s) where it can deliver the service;
- (i) the provider shall be able to provide the service in *one or more official languages of the Union or of a Member State as required, if any, by the Member State(s) or users referred to in Articles 12(3), points (b) and (c)* where *the provider* can deliver the service.
- (j) once an *European cybersecurity* certification scheme for managed security *services pursuant to* Regulation (EU) 2019/881 is in place, the provider shall be certified in accordance with that scheme *within a period of two years after the scheme has entered into application.*

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- (k) *the provider shall include in the tender, the conversion conditions for any unused incident response service that could be converted into preparedness services closely related to incident response, such as exercises or trainings.*

2a. *For the purposes of procuring services for the EU Cybersecurity Reserve, the contracting authority may, where appropriate, develop selection criteria in addition to those referred to in paragraph 2, in close cooperation with Member States.*

Article 16a
Mutual assistance

1. *The Cybersecurity Emergency Mechanism shall provide support for technical assistance from one Member State to another Member State affected by a significant or large-scale cybersecurity incident, including in cases referred to in Article 11(3), point (f), of Directive (EU) 2022/2555.*
2. *The support for the technical mutual assistance referred to in paragraph 1 shall be granted in the form of grants and under the conditions defined in the relevant work programmes referred to in Article 24 of the Digital Europe Programme.*

Article 17

Support to **DEP-associated** third countries

1. *A **DEP-associated** third **country** may request support from the EU Cybersecurity Reserve where **the agreement, through which it is associated to DEP provides** for participation in the Reserve. Those agreements shall include provisions requiring the **DEP-associated third country to comply with the obligations set out in paragraph 1a and 4 of this Article. For the purpose of participation of a third country in the EU Cybersecurity Reserve, the partial association of a third country to DEP may include an association limited to the operational objective referred to in Article 6(1)(g) of Regulation (EU) 2021/694.***

1a. Within three months of the conclusion of the agreement referred to in paragraph 1 and in any event prior to receiving any support from the EU Cybersecurity Reserve, the DEP-associated third countries shall provide to the Commission information about their cyber resilience and risk management capabilities, including at least information on national measures taken to prepare for significant, large-scale or large-scale-equivalent cybersecurity incidents, as well as information on responsible national entities, including CSIRTs or equivalent entities, their capabilities and the resources allocated to them. The DEP-associated third country shall provide updates to this information on a regular basis and at least once per year. The Commission shall share this information with the High Representative and ENISA for the purpose of facilitating the consultation referred to in paragraph 6.

1b. *The Commission shall assess regularly, and at least once a year, the following criteria in respect of each DEP-associated third country referred to in paragraph 1:*

- (a) whether that country is complying with the terms of the agreement referred to in paragraph 1, insofar as those terms relate to participation in the EU Cybersecurity Reserve;*
- (b) whether that country has taken adequate steps to prepare for significant or large-scale equivalent cybersecurity incidents, based on the information referred to in paragraph 1a; and*
- (c) whether the provision of support is consistent with the Union's policy towards and overall relations with that country and whether it is consistent with other Union's policies in the field of security.*

The Commission shall consult the High Representative when conducting this assessment, with regard to the criterion referred to in point (c) of this paragraph.

Where the Commission concludes that a DEP-associated third country meets all of the conditions referred to in the first subparagraph, the Commission shall submit a proposal to the Council to adopt an implementing act in accordance with paragraph 1c authorising the provision of support from the EU Cybersecurity Reserve to that country.

- 1c. The Council may adopt the implementing acts referred to in paragraph 1b. Those implementing acts shall apply for a maximum of one year. They may be renewed. They may include a limit, which shall not be less than 75 days, on the number of days for which support can be provided in response to a single request. For the purposes of this Article, the Council shall act expeditiously. It shall adopt the implementing acts referred to in this paragraph, as a rule, within eight weeks of the adoption of the Commission proposal.*
- 1d. The Council may amend or repeal the implementing acts referred to in paragraph 1b at any time, acting on a proposal of the Commission. Where the Council considers that there has been a significant change concerning the criterion referred to in paragraph 1b, point (c), the Council may amend or repeal the implementing act referred to in paragraph 1b, acting on the duly motivated initiative of one or more Member States.*
- 1e. In the exercise of its implementing powers under this Article, the Council shall apply paragraph 1b and shall explain its assessment of those criteria. In particular, where it acts on its own initiative pursuant to paragraph 1d, second subparagraph, the Council shall explain the significant change referred to in that subparagraph.*

2. Support from the EU Cybersecurity Reserve *to a DEP-associated third country* shall comply with any specific conditions laid down in the *agreement*, referred to in paragraph 1.
3. Users from *DEP-associated* third countries eligible to receive services from the EU Cybersecurity Reserve shall include competent authorities such as *Computer Security Incident and Response Teams* and cyber crisis management authorities.
4. Each *DEP-associated* third country eligible for support from the EU Cybersecurity Reserve shall designate an authority to act as a single point of contact for the purpose of this Regulation.

- 4a. *Requests for support from the EU Cybersecurity Reserve under this Article shall be assessed by the Commission. The Contracting Authority may only provide support to a third country where, and so long as, a Council implementing act authorising such support in respect of that country, as referred to in paragraph 1b, is in force. A response shall be transmitted to the users referred to in Article 12(3) point (c) without undue delay.*
6. *Upon receipt of a request for support under this Article, the Commission shall immediately inform the Council. The Commission shall keep the Council informed about the assessment of the request. The Commission shall also cooperate with the High Representative about the requests received and the implementation of the support granted to **DEP-associated** third countries from the EU Cybersecurity Reserve. Additionally, the Commission shall also take into account any views provided by ENISA in respect of those requests.*

Article 17a

Coordination with Union crisis management mechanisms

- 1. Where a significant cybersecurity incident, a large-scale or large-scale-equivalent cybersecurity incident originates from or results in a disaster as defined in Article 4, point (1), of Decision No 1313/2013/EU, the support provided under this Regulation for responding to such incident shall complement actions under, and be without prejudice, to Decision No 1313/2013/EU.*
- 2. In the event of a large-scale or large-scale-equivalent cybersecurity incident where the EU Integrated Political Crisis Response Arrangements under Implementing Decision (EU) 2018/19934 (IPCR Arrangements) are triggered, support provided under this Regulation for responding to such incident shall be handled in accordance with the relevant procedures under the IPCR Arrangements.*

Chapter IV
CYBERSECURITY INCIDENT REVIEW MECHANISM

Article 18
Cybersecurity Incident Review Mechanism

1. At the request of the Commission *or EU-CyCLONe*, **ENISA shall, with the support of** the CSIRTs network **and with the approval of the Member States concerned**, review and assess threats, **known exploitable** vulnerabilities and mitigation actions with respect to a specific significant or large-scale cybersecurity incident. Following the completion of a review and assessment of an incident, ENISA shall deliver an incident review report **with the aim of drawing lessons-learned to avoid or mitigate future incidents to the EU-CyCLONe**, the CSIRTs network, the **Member States concerned** and the Commission to support them in carrying out their tasks, in particular in view of those set out in Articles 15 and 16 of Directive (EU) 2022/2555. **When an incident has an impact on a DEP-associated third country, ENISA shall also share the report with the Council. In such cases**, the Commission shall share the report with the High Representative.

2. To prepare the incident review report referred to in paragraph 1, ENISA shall collaborate ***with and gather feedback from*** all relevant stakeholders, including representatives of Member States, the Commission, other relevant EU institutions, bodies, ***offices*** and agencies, ***industry, including*** managed security services providers and users of cybersecurity services. Where appropriate, ENISA shall, ***in cooperation with CSIRTs and where relevant competent authorities under Directive (EU) 2022/2555 of the Member States concerned, also collaborate with entities affected by significant or large-scale cybersecurity incidents***. Consulted representatives shall disclose any potential conflict of interest.
3. The report shall cover a review and analysis of the specific significant or large-scale cybersecurity incident, including the main causes, ***known exploitable*** vulnerabilities and lessons learned. ***ENISA*** shall ***ensure that the report complies*** with Union or national law concerning the protection of sensitive or classified information. ***If the relevant Member State(s) or other user(s) as referred to in Article 12(3) so requests, the report shall contain only anonymised data. It shall not include any details about actively exploited vulnerabilities that remain unpatched.***

4. Where appropriate, the report shall draw recommendations to improve the Union's cyber posture *and may include best practices and lessons learned from relevant stakeholders.*
5. *ENISA may issue a publicly available* version of the report. *That report shall only include reliable public information, or other information with the consent of the Member State(s) concerned and, as regards information relating to a user as referred to in article 12(3), points (b) or (c), with the consent of that user.*

Chapter V
FINAL PROVISIONS

Article 19
Amendments to Regulation (EU) 2021/694

Regulation (EU) 2021/694 is amended as follows:

(1) Article 6 is amended as follows:

(a) paragraph 1 is amended as follows:

(1) the following point (aa) is inserted:

‘(aa) support the development of an European ***Cybersecurity Alert System***, including the development, deployment and operation of National ***Cyber Hubs and Cross-Border Cyber Hubs*** that contribute to situational awareness in the Union and to enhancing the cyber threat intelligence capacities of the Union;’;

(2) the following point (g) is added:

‘(g) establish and operate a **Cybersecurity** Emergency Mechanism to support Member States in preparing for and responding to significant cybersecurity incidents, complementary to national resources and capabilities and other forms of support available at Union level, including the establishment of an EU Cybersecurity Reserve;’;

(b) Paragraph 2 is replaced by the following:

‘2. The actions under Specific Objective 3 shall be implemented primarily through the European Cybersecurity Industrial, technology and research Competence Centre and the Network of National Coordination Centres, in accordance with Regulation (EU) 2021/887 of the European Parliament and of the Council with the exception of actions implementing the EU Cybersecurity Reserve, which shall be implemented by the Commission and, in accordance with Article 12(6) of Regulation (EU) .../... [insert reference to Cybersolidarity Act], by ENISA.’;

(2) Article 9 is amended as follows:

(a) in paragraph 2, points (b), (c) and (d) are replaced by the following:

‘(b) , EUR **1 760 806 000** for Specific Objective 2 – Artificial Intelligence;

(c) , EUR **1 372 020 000** for Specific Objective 3 – Cybersecurity and Trust;

(d) , EUR **482 640 000** for Specific Objective 4 – Advanced Digital Skills;’;

(b) the following paragraph 8 is added:

‘8. By *way of* derogation *from* Article **12(1)** of Regulation (EU, Euratom) 2018/1046, unused commitment and payment appropriations for actions *in the context of the implementation of the EU Cybersecurity Reserve and the mutual assistance actions*, pursuing the objectives set out in Article 6(1), point (g) of this Regulation, shall be automatically carried over and may be committed and paid up to 31 December of the following financial year. *The European Parliament and the Council shall be informed of appropriations carried over in accordance with art. 12(6) of Regulation (EU, Euratom) 2018/1046.*’;

(3) *Article 12 is amended as follows:*

(1) *paragraph 5 is replaced by the following:*

‘5. The work programme may also provide that legal entities established in associated countries and legal entities that are established in the Union but are controlled from third countries are not eligible to participate in all or some actions under Specific Objective 3, for duly justified security reasons. In such cases, calls for proposals and calls for tenders shall be restricted to legal entities established or deemed to be established in Member States and controlled by Member States or by nationals of Member States.’;

The first subparagraph of this paragraph shall not apply, insofar as concerns legal entities that are established in the Union but are controlled from third countries, to any action implementing the European Cybersecurity Alert System where both of the following conditions are fulfilled in respect of that action:

- ‘(a) there is a real risk, taking into account the results of the mapping referred to in Article 8a(4) of Regulation (EU) .../... [Cyber Solidarity Act], that the tools, infrastructures and services necessary and sufficient for that action to adequately contribute to the objective of the European Cybersecurity Alert System will not be available from legal entities established or deemed to be established in Member States and controlled by Member States or by nationals of Member States; and*
- (b) the security risk of procuring from such legal entities within the European Cybersecurity Alert System is proportionate to the benefits and does not undermine the essential security interests of the Union and its Member States.’;*

The first subparagraph of this paragraph shall not apply, insofar as concerns legal entities that are established in the Union but are controlled from third countries, to actions implementing the EU Cybersecurity Reserve where both of the following conditions are fulfilled:

- ‘(a) there is a real risk, taking into account the results of the mapping referred to in Article 12(7) of Regulation (EU) .../... [Cyber Solidarity Act], that the technology, expertise or capacity necessary and sufficient for the EU Cybersecurity Reserve to adequately perform its functions will not be available from legal entities established or deemed to be established in Member States and controlled by Member States or by nationals of Member States; and*
- (b) the security risk of including such legal entities within the EU Cybersecurity Reserve is proportionate to the benefits and does not undermine the essential security interests of the Union and its Member States.’;*

(2) *paragraph 6 is replaced by the following:*

‘6. If duly justified for security reasons, the work programme may also provide that legal entities established in associated countries and legal entities that are established in the Union but are controlled from third countries may be eligible to participate in all or some actions under Specific Objectives 1 and 2, only if they comply with the requirements to be fulfilled by those legal entities to guarantee the protection of the essential security interests of the Union and the Member States and to ensure the protection of classified documents information. Those requirements shall be set out in the work programme.’;

The first subparagraph of this paragraph shall also apply, insofar as concerns legal entities that are established in the Union but are controlled from third countries, to actions under Specific Objective 3:

- ‘(a) to implement the European Cybersecurity Alert System in cases where paragraph 5, second subparagraph of this Article applies; and*
- (b) to implement the EU Cybersecurity Reserve in cases where paragraph 5, third subparagraph of this Article applies.’;*

(3) In Article 14, paragraph 2 is replaced by the following:

- ‘2. The Programme may provide funding in any of the forms laid down in the Regulation **(EU, Euratom) 2018/1046**, including in particular through procurement as a primary form, or grants and prizes.

Where the achievement of the objective of an action requires the procurement of innovative goods and services, grants may be awarded only to beneficiaries that are contracting authorities or contracting entities as defined in Directives 2014/24/EU²⁷ and 2014/25/EU²⁸ of the European Parliament and of the Council.

Where the supply of innovative goods or services that are not yet available on a large-scale commercial basis is necessary to achieve the objectives of an action, the contracting authority or the contracting entity may authorise the award of multiple contracts within the same procurement procedure.

For duly justified reasons of public security, the contracting authority or the contracting entity may require that the place of performance of the contract be situated within the territory of the Union.

When implementing procurement procedures for the EU Cybersecurity Reserve established by Article 12 of Regulation (EU) .../... [*Cyber Solidarity Act*], the Commission and ENISA may act as a central purchasing body to procure on behalf of or in the name of third countries associated to the Programme in line with Article 10. The Commission and ENISA may also act as wholesaler, by buying, stocking and reselling or donating supplies and services, including rentals, to those third countries. By derogation from Article 169(3) of Regulation (EU) .../... [FR Recast], the request from a single third country is sufficient to mandate the Commission or ENISA to act.

When implementing procurement procedures for the EU Cybersecurity Reserve established by Article 12 of Regulation (EU) .../... *[Cyber Solidarity Act]*, the Commission and ENISA may act as a central purchasing body to procure on behalf of or in the name of Union institutions, bodies, *offices* and agencies. The Commission and ENISA may also act as wholesaler, by buying, stocking and reselling or donating supplies and services, including rentals, to Union institutions, bodies, *offices* and agencies. By derogation from Article 169(3) of Regulation (EU) .../... [FR Recast], the request from a single Union institution, body or agency is sufficient to mandate the Commission or ENISA to act.

The Programme may also provide financing in the form of financial instruments within blending operations.’;

- (4) The following article 16a is added:

‘Article 16a

In the case of actions implementing the European ***Cybersecurity Alert System*** established by Article 3 of Regulation (EU) .../... ***[Cyber Solidarity Act]***, the applicable rules shall be those set out in Articles 4 and 5 of Regulation (EU) .../... ***[Cyber Solidarity Act]***. In the case of conflict between the provisions of this Regulation and Articles 4 and 5 of Regulation (EU) .../... ***[Cyber Solidarity Act]***, the latter shall prevail and apply to those specific actions.

In the case of EU Cybersecurity Reserve established by Article 12 of Regulation (EU) .../... [Cyber Solidarity Act], specific rules for the participation of third countries associated to the Programme are laid down in article 17 of Regulation (EU) .../... [Cyber Solidarity Act]. In the case of conflict between the provisions of this Regulation and Article 17 of Regulation (EU) .../... [Cyber Solidarity Act], the latter shall prevail and apply to those specific actions.’;

(5) Article 19 is replaced by the following:

‘Grants under the Programme shall be awarded and managed in accordance with Title VIII of **Regulation (EU, Euratom) 2018/1046** and may cover up to 100 % of the eligible costs, without prejudice to the co-financing principle as laid down in Article 190 of **Regulation (EU, Euratom) 2018/1046**. Such grants shall be awarded and managed as specified for each specific objective.

Support in the form of grants may be awarded directly by the ECCC without a call for proposals to the **selected Member States** referred to in Article 4 of Regulation **(EU) .../... [Cyber Solidarity Act]** and the Hosting Consortium referred to in Article 5 of Regulation **(EU) .../... [Cyber Solidarity Act]**, in accordance with Article 195(1), point (d) of the **Regulation (EU, Euratom) 2018/1046**.

Support in the form of grants for the **Cybersecurity** Emergency Mechanism as set out in Article 9 of Regulation **(EU) .../... [Cyber Solidarity Act]** may be awarded directly by the ECCC to Member States without a call for proposals, in accordance with Article 195(1), point (d) of **Regulation (EU, Euratom) 2018/1046**.

For actions specified in Article 10(1), point (c) of Regulation **(EU) .../... [Cyber Solidarity Act]**, the ECCC shall inform the Commission and ENISA about Member States' requests for direct grants without a call for proposals.

For the support of mutual assistance for response to a significant or large-scale cybersecurity incident as defined in Article 10(c), of Regulation **(EU) .../... [Cyber Solidarity Act]**, and in accordance with Article 193(2), second subparagraph, point (a), of **Regulation (EU, Euratom) 2018/1046**, in duly justified cases, the costs may be considered to be eligible even if they were incurred before the grant application was submitted.';

- (6) Annexes I and II are amended in accordance with the Annex to this Regulation.

Article 20

Evaluation *and* Review

1. ***By...[two years from the date of application of this Regulation]and at least every four years thereafter, the Commission shall carry out an evaluation of the functioning of the measures laid down in this Regulation and shall submit a report to the European Parliament and to the Council.***
2. ***The evaluation referred to in paragraph 1 shall assess in particular:***
 - (a) ***the number of National Cyber Hubs and Cross-Border Cyber Hubs established, the extent of information shared, including, if possible, the impact on the work of the CSIRT Network, and the extent to which those have contributed to strengthening common Union detection and situational awareness of cyber threats and incidents and to the development of state-of-the-art technologies; and the use of DEP funding for cybersecurity infrastructures, tools and services jointly procured, and if the information is available, the level of cooperation between National Cyber Hubs and sectoral and cross-sectoral communities of essential and important entities.***

- (b) *the use and effectiveness of actions under the Cybersecurity Emergency Mechanism supporting preparedness including trainings, initial recovery and response to significant and large-scale cybersecurity incidents, including the use of DEP funding and the lessons learned and recommendations from the implementation of the Mechanism;*
- (c) *the use and effectiveness of the EU Cybersecurity Reserve in relation to type of users, including the use of DEP funding, the uptake of services, including their type, the average time for responding to the requests and for the Reserve to be deployed, the percentage of services converted into the preparedness services related to incident prevention and response and the lessons learned and recommendations from the implementation of the EU Cybersecurity Reserve;*

(d) the contribution of this Regulation to strengthening the competitive position of the industry and service sectors in the Union across the digital economy, including microenterprises and small and medium-sized enterprises as well as start-ups and the contribution to the overall objective of reinforcing the cybersecurity skills and capacities of the workforce.

3. On the basis of the reports referred to in paragraph 1, the Commission shall, where appropriate, submit a legislative proposal to the European Parliament and to the Council to amend this Regulation.

Article 20a

Exercise of the delegation

1. *The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.*
2. *The power to adopt delegated acts referred to in Article 12(8) shall be conferred on the Commission for a period of 5 years renewable from ...[date of entry into force of the basic legislative act]. 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.*

3. *The delegation of power referred to in Article 12(8) 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.*
4. *Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.*
5. *As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.*

6. *A delegated act adopted pursuant to Article 12(8) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.*

Article 21

Committee procedure

1. The Commission shall be assisted by the Digital Europe Programme Coordination Committee established by Regulation (EU) 2021/694. That committee shall be a committee within the meaning of Regulation (EU) 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) 182/2011 shall apply.

Article 22

Entry into force

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

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg,

For the European Parliament
The President

For the Council
The President

Annex

Regulation (EU) 2021/694 is amended as follows:

- (1) In Annex I, the section/ chapter ‘Specific Objective 3 – Cybersecurity and Trust’ is replaced by the following:

‘Specific Objective 3 – Cybersecurity and Trust

The Programme shall stimulate the reinforcement, building and acquisition of essential capacities to secure the Union’s digital economy, society and democracy by reinforcing the Union cybersecurity industrial potential and competitiveness, as well as by improving capabilities of both the private and public sectors to protect citizens and businesses from cyber threats, including by supporting the implementation of Directive (EU) 2016/1148.

Initial and, where appropriate, subsequent actions under this objective shall include:

1. Co-investment with Member States in advanced cybersecurity equipment, infrastructures and know-how that are essential to protect critical infrastructures and the Digital Single Market at large. Such co-investment could include investments in quantum facilities and data resources for cybersecurity, situational awareness in cyberspace including National **Cyber Hubs** and Cross-Border **Cyber Hubs** forming the European **Cybersecurity Alert System** , as well as other tools to be made available to public and private sector across Europe.
2. Scaling up existing technological capacities and networking the competence centres in Member States and making sure that those capacities respond to public sector and industry needs, including through products and services that reinforce cybersecurity and trust within the Digital Single Market.

3. Ensuring wide deployment of effective state-of-the-art cybersecurity and trust solutions across the Member States. Such deployment includes strengthening the security and safety of products, from their design to their commercialisation.
4. Support closing the cybersecurity skills gap, *taking gender balance into account*, by, for example, aligning cybersecurity skills programmes, adapting them to specific sectorial needs and facilitating access to targeted specialised training.
5. Promoting solidarity among Member States in preparing for and responding to significant cybersecurity incidents through deployment of cybersecurity services across borders, including support for mutual assistance between public authorities and the establishment of a reserve of trusted cybersecurity providers at Union level.;

- (2) In Annex II the section/chapter ‘Specific Objective 3 – Cybersecurity and Trust’ is replaced by the following:

‘Specific Objective 3 – Cybersecurity and Trust

- 3.1. The number of cybersecurity infrastructure, or tools, or both jointly procured ***including in the context of the European Cybersecurity Alert System.***
- 3.2. The number of users and user communities getting access to European cybersecurity facilities
- 3.3 The number of actions supporting preparedness and response to cybersecurity incidents under the Cybersecurity Emergency Mechanism.’

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