Council of the European Union

Brussels, 22 March 2024
(OR. en)

7667/24

Interinstitutional File:
2024/0017 (COD)

POLCOM 97
COMER 44
FDI 26
RELEX 317
DUAL USE 24
RECH 121
ENER 130
ENV 288
CODEC 783

'I' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee (Part 2)
No. Cion doc.:	5882/24 + ADD 1
Subject:	Proposal for a Regulation of the European Parliament and of the Council on the screening of foreign investments in the Union and repealing Regulation (EU) 2019/452 of the European Parliament and of the Council *- Optional consultation of the Committee of the Regions*

1. On 25 January 2024, the Commission submitted to the Council the proposal for a Regulation of the European Parliament and of the Council on the screening of foreign investments in the Union and repealing Regulation (EU) 2019/452 of the European Parliament and of the Council[1].

2. The proposal aims is to help identify and address security or public order risks related to foreign direct investments (FDIs) that affect at least two Member States or the EU as a whole, because the high degree of integration of the internal market means that an FDI in an EU company may create a risk beyond the borders of the Member State hosting the FDI.

[1] 5882/24 + ADD 1.

3. In its proposal, the Commission suggests that the Committee of the Regions[2] be consulted on an optional basis.

4. The proposal is based on Articles 207 and 114 TFEU, for the European Parliament and for the Council to act in accordance with the ordinary legislative procedure and after consulting the Economic and Social Committee. Thus, in principle, the opinion of the Committee of the Regions is not required. However, considering the subject matter of the proposal and its possible impact for European regions, it would appear appropriate to also consult the Committee of the Regions.

5. The Permanent Representatives Committee is therefore invited to decide, in accordance with Articles 304 and 307 of the Treaty on the Functioning of the European Union and Article 19(7)(h) of the Council's Rules of Procedure[3], to consult the Committee of the Regions on the above proposal and to request it to give its opinion as soon as possible.

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[2] The sole purpose of this note is to decide on the consultation of another institution/body and not on the substance.

[3] Council Decision 2009/937/EU of 1 December 2009 adopting the Council's Rules of Procedure, OJ L 325, 11/12/2009, p. 35.