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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on Competitiveness and Growth (Industry)
Subject:	Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2024/1252 - Explanatory Note to the Presidency compromise proposal

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PRESIDENCY NOTE

Explanatory note of the revised text - (doc. ST 5820/2026)

Article	Reasoning
Recital 2	Deletion of “including defence” Covered by “all areas”.
Recital 4	<p>Replacing “critical” with “strategic” raw materials to align it with Art 24(1), which concerns only “large companies operating in the Union that use strategic raw materials to manufacture [...]”.</p> <p>Addition to the recital to reflect information sharing with Member States during the identification process.</p>
Recital 5	<p>A deletion to the recital regarding Commission effective monitoring, as it is covered in Recital 7.</p> <p>Replacing “critical” with “strategic” raw materials to align it with Art 24(1).</p> <p>[Addition to the recital “among which are those” regarding the mitigation measures that can be adopted by a delegated act, to mirror the inclusion of the last sentence in the first paragraph of Art. 24(5b), where measures ensuring the continuity of production in case of supply disruption include supply concentration benchmarks]</p> <p>Addition to the recital clarifying the aim of the mitigation measures and the involvement of the European Critical Raw Materials Board (Board).</p>
Recital 6	Replacement of critical with “strategic” raw materials to align it with Art 24(1).
Recital 7	<p>Addition to the recital on i) the information sharing during the monitoring of compliance and ii) the submission of an assessment by the Commission to the Board.</p> <p>This addition is necessary for clarifying the scope of the new paragraph (5aa) in Article 24.</p>
Article 7(3)	Addition of phrase “ <i>at least once per year</i> ” to establish a minimum frequency and ensure that applicants can apply annually.
Article 24(1)	Addition of sentence “ <i>in the course of this identification, the Commission shall inform the Member State concerned and exchange relevant information with it regarding the identified companies operating in its territory</i> ” to ensure the Commission informs Member States about companies designated as large within their territories and to facilitate coordination with national authorities.
Article 24(4)	<p>Addition of the word “<i>strategic</i>”, for alignment.</p> <p>Addition of sentence “<i>and where a delegated act has been adopted pursuant to paragraph 5b, shall take the appropriate mitigation measures identified thereof.</i>” This addition provides better clarity to the text differentiating between the obligations of the selected large companies after the identification of vulnerabilities (“take effort to mitigate those vulnerabilities”) and those after the adoption of the relevant delegated acts (“take the appropriate mitigation measures identified thereof”).</p>
Article 24 (5a)	Addition of sentence “ <i>Where appropriate, the Commission shall provide the Member State in which the company operates with the relevant information on</i>

	<i>the compliance</i> ” to clarify that compliance-related information should be shared with Member States whenever necessary to ensure effective enforcement.
Article 24 (5aa)	New paragraph introducing a procedural clarification that where significant vulnerabilities to supply disruptions are identified, the Commission shall submit an assessment to the Board. This will ensure that the Board is made aware of potential risks at an early stage, and oversight is maintained allowing stronger Member States participation to the process. This procedure acts as an intermediary safeguard, ensuring that Member States can have a comprehensive discussion on the vulnerabilities before the delegated acts are issued.
Article 24 (5b)	Safeguards have been added regarding the Commission’s empowerment to adopt a delegated act. Such additions clarify the nature and scope of the risk-mitigation measures that the Commission may specify and establish that any such measures must be proportionate and aimed at ensuring the continuity of production in the event of supply disruptions. All risk-mitigation measures should be based on the assessment submitted under Article 24(5aa), thus ensuring the involvement of the Board as well.
Article 29 (2)	Addition of “ <i>by 31 December 2027</i> ” to establish a clear deadline for the adoption of the delegated act.

CY Presidency Industry WP Team

