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2026/0068 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing a framework of measures for the acceleration of industrial capacity and decarbonisation in strategic sectors and amending Regulations (EU) 2018/1724, (EU) 2024/1735 and (EU) 2024/3110

(Text with EEA relevance)

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

[…]

Whereas:

[…]

(16) The Union and Member States maintain an open investment environment, as enshrined in the Treaty on the Functioning of the European Union (TFEU) and embedded in their international commitments. This includes commitments under the World Trade Organisation Agreement on Government Procurement (GPA)[1], as well as bilateral trade agreements, to open public procurement procedures and other forms of public intervention. At the same time, the Union retains the right to apply general or security exceptions. The Commission will regularly assess whether the conditions for excluding a third country from the scope of the provisions deeming content originating in third countries to be equivalent to Union origin, are in place, and will take appropriate action. Where the relevant agreements provide for dedicated dispute settlement mechanisms, any outcome arising from such mechanisms should be adhered to. Economic security aims at protecting and strengthening the internal market. Member States cannot rely on economic security to

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1 World Trade Organisation (WTO), Agreement on Government Procurement 2012, available at https://www.wto.org/english/docs_e/legal_e/rev-gpr-94_01_e.pdf.

prevent, condition, or otherwise hinder in any way investments coming from other Member States.

[…]

CHAPTER I
GENERAL PROVISIONS

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[…]

Article 3

Definitions

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

[…]

(6) ‘contract’ means public contract as defined in Article 2(1), point (5), of Directive 2014/24/EU[2], supply, works and service contracts as defined in Article 2, point (1), of Directive 2014/25/EU[3], and concessions as defined in Article 5, point (1), of Directive 2014/23/EU;

(7) ‘contracting authority’ means a contracting authority as defined in Article 6 of Directive 2014/23/EU, Article 2(1), point (1), of Directive 2014/24/EU and Article 3 of Directive 2014/25/EU;

(8) ‘contracting entity’ means a contracting entity as defined in Article 7 of Directive 2014/23/EU and Article 4 of Directive 2014/25/EU;

(9) ‘economic operator’ means the manufacturer, the authorised representative, the importer, the distributor, the dealer and the fulfilment service provider and, for the purposes of

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[2] Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC (OJ L 94, 28.3.2014, pp. 65–242, ELI: http://data.europa.eu/eli/dir/2014/24/oj).

[3] Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, pp. 243–374, ELI: http://data.europa.eu/eli/dir/2014/25/oj).

public procurement procedures, it means economic operator as set out in Article 5, point (2), of Directive 2014/23/EU, Article 2(1), point (10), of Directive 2014/24/EU and Article 2, point (6), of Directive 2014/25/EU;

(10) 'public procurement procedure' means either of the following:

(a) a procedure for the award of works or a service concession covered by Directive 2014/23/EU;

(b) any type of award procedure covered by Directive 2014/24/EU for the conclusion of a public contract or Directive 2014/25/EU for the conclusion of a supply, works and service contract with the exception of procedures concerning lots according to Article 5(10) of Directive 2014/24/EU and Article 16(10) of Directive 2014/25/EU;

(11) 'greenhouse gas intensity' means emissions (measured in tCO2eq) released during the production of industrial products referred to in Article 10(2);

(12) 'manufacturer' means any natural or legal person that manufactures a product or that has a product designed or manufactured, and markets that product under their name or trademark;

(13) 'system boundary' means the group of chemical or physical processes included in the calculation of the greenhouse gas intensity of products;

(14) 'precursor' means any input material into a production process that is part of the system boundaries.

(15) 'chemical industry' means activities classified under NACE Rev. 2, Code C20 (Manufacture of chemicals and chemical products), carried out by manufacturers established in the Union;

(16) 'sustainable carbon sources' means biomass that complies with the sustainability criteria laid down in Article 29 of Directive (EU) 2018/2001, waste and carbon from capturing carbon dioxide emissions.

(17) 'substance' means substance as defined in Article 2, point (7), of Regulation (EC) No 1272/2008;

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(18) ‘mixture’ means a mixture as defined in Article 2, point (8), of Regulation (EC) No 1272/2008;

(19) ‘made available on the market’ means any supply of a product for distribution, consumption or use on the Union market during a commercial activity, whether against payment or free of charge;

(20) ‘fuel cell vehicle’ or ‘FCV’ means a vehicle equipped with a powertrain containing exclusively energy converters transforming chemical energy (input) into electrical energy (output), or vice versa, and electric machines as propulsion energy converters;

(21) ‘motor vehicle’ means any vehicle of categories M and N referred to in Article 4(1), points (a) and (b), of Regulation (EU) 2018/858 of the European Parliament and of the Council[4];

(22) 'off-vehicle charging hybrid electric vehicle' or 'OVC-HEV' means a vehicle equipped with a powertrain containing at least two different categories of propulsion energy converters where one of the propulsion energy converters is an electric machine that can be charged from an external source';

(23) ‘pure electric vehicle’ or ‘PEV’ means a vehicle equipped with a powertrain containing exclusively electric machines as propulsion energy converters and exclusively rechargeable electric energy storage systems as propulsion energy storage systems;

(24) ‘main specific components’ means the main specific components as listed in the Annex to Commission Implementing Regulation 2025/1178[5];

(25) ‘vehicle’s traction battery’ means the electric vehicle battery specifically designed to provide electric power for traction as defined in Article 3(14) of Regulation (EU) 2023/1542.

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4 Regulation (EU) 2018/858 of the European Parliament and of the Council of 30 May 2018 on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles, amending Regulations (EC) No 715/2007 and (EC) No 595/2009 and repealing Directive 2007/46/EC (OJ L 151, 14.6.2018, p. 1, ELI: http://data.europa.eu/eli/reg/2018/858/oj).

5 Commission Implementing Regulation (EU) 2025/1178 of 23 May 2025 on laying down rules for the application of Regulation (EU) 2024/1735 of the European Parliament and of the Council as regards the list of net-zero technology final products and their main specific components for the purposes of assessing the contribution to resilience (OJ L, 2025/1178, 18.6.2025, ELI: http://data.europa.eu/eli/reg_impl/2025/1178/oj).

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(26) ‘e-powertrain components’ means power electronics, transport propulsion electric motors and e-axles and their components, rotors and stators;

(27) ‘main electronic systems’ means advanced driver assistance systems (including lidars, radars, sensors, cameras, ECUs and integration platforms), central computing units, wireless access systems, in-vehicle infotainment head units and chassis electronics;

(28) ‘vehicle component’ means any part of a vehicle, including processed material;

(29) ‘assembled’ means the process of the final assembly of the vehicle;

(30) ‘vehicle manufacturer’ means a natural or legal person who is responsible for all aspects of the type-approval of a vehicle, system, component or separate technical unit, or the individual vehicle approval, or the authorisation process for parts and equipment, for ensuring conformity of production and for market surveillance matters regarding that vehicle, system, component, separate technical unit, part and equipment produced, irrespective of whether or not that person is directly involved in all stages of the design and construction of that vehicle, system, component or separate technical unit concerned;

[…]

(39) ‘active material’ means a material which reacts chemically to produce electric energy when the battery cell discharges or to store electric energy when the battery is being charged;

(40) ‘electric vehicle battery’ means an electric vehicle battery as defined in Article 3(1), point (14), of Regulation (EU) 2023/1542 of the European Parliament and of the Council[6];

(41) ‘supplier’ means a manufacturer established in the Union, the authorised representative of a manufacturer who is not established in the Union, or an importer, who places a product on the Union market;

[…]

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6 Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC (OJ L 191, 28.7.2023, p. 1, ELI: http://data.europa.eu/eli/reg/2023/1542/oj).

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CHAPTER III
STRENGTHENING THE UNION'S STRATEGIC INDUSTRIAL VALUE CHAINS

PUBLIC

Article 6a

Scope

1. The chapter shall apply to, as relevant;

   (a) steel, and any product the performance of which depends mainly on steel, intended for use in buildings, infrastructure and motor vehicles for civil purposes;

   (b) concrete and mortar, and any product the performance of which depends mainly on concrete and mortar, intended for use in buildings and infrastructure for civil purposes;

   (c) aluminium, and any product the performance of which depends mainly on aluminium, intended for use in buildings, infrastructure and motor vehicles for civil purposes;

   (d) new pure electric vehicles (PEV), off-vehicle charging hybrid electric vehicles (OVC-HEV), fuel cell vehicles (FCV), small electric vehicles, corporate zero- and low-emission vehicles as referred to in [Proposal for a Regulation of 16 December 2025 on clean corporate vehicles] and small zero-emission vehicles as referred to in [Proposal for a Regulation (EU) 2019/631 [as amended by the Proposal for a Regulation of 16 December 2025 amending Regulation (EU) 2019/631 as regards CO2 emission standards for new light duty vehicles and vehicle labelling].

Article 7

Union origin

1. For the purposes of this Chapter, content of Union origin refers to content originating in the Union.

2. The origin of products and components shall be determined in accordance with Regulation (EU) No 952/2013 of the European Parliament and of the Council.

Article 7a

Low-carbon products

1. For the purposes of this Chapter, a product covered by Annex II shall be considered low-carbon when it complies with the requirements set out in delegated acts, as follows:

   (a) for construction products referred to in Regulation (EU) 2024/3110 and covered by a harmonised technical specification or a European Technical Assessment, the delegated acts adopted pursuant to Article 5(5) or Article 22(9) of Regulation (EU) 2024/3110;

   (b) for all other products, delegated acts adopted pursuant to Article 4 of Regulation (EU) 2024/1781, as applicable.

Article 8

Public procurement

1. Notwithstanding Article 7, for the purposes of public procurement, content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union, or that are parties to the Agreement on Government Procurement, where relevant obligations of the Union exist under that agreement, shall also be deemed to be of Union origin.

2. The Commission shall adopt implementing acts in accordance with Article 31(3) to exclude, in whole or in part, a third country from the scope of paragraph 1 if any of the following criteria is met:

   (a) that third country has failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the sectors listed in Annex I;

   (b) such exclusion is justified to avoid dependencies or any other developments that may threaten the security of supply in the Union of the products in question;

   (c) such exclusion is justified under any other exception under the applicable agreement.

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Those implementing acts shall set out the procedure for the regular monitoring of the criteria set out in the first subparagraph of this paragraph. The Commission shall repeal any such implementing act if those criteria are no longer met.

2a. From the date of entry into force of this Regulation, the Commission shall make available and maintain a freely accessible digital tool that lists third countries referred to in paragraph 1 and, where appropriate, third countries referred to in paragraph 2, in order to assist contracting authorities, contracting entities and economic operators with the implementation of this Article.

2b. Contracting authorities and contracting entities shall exclude access to procurement procedures referred to in Part I of Annex II and Part I of Annex III by economic operators owned or controlled by an entity established in third countries which have not concluded an international agreement with the Union guaranteeing such access.

2c. For public procurement procedures referred to in Part I of Annex II and Part I of Annex III, contracting authorities and contracting entities shall apply the Union origin requirements and low-carbon requirements laid down therein in accordance with paragraphs 1 and 2 of this Article and Article 7a.

2d. Contracting authorities and contracting entities may decide not to apply the requirements set out in Annexes II and III where any of the following conditions are fulfilled:

(a) the required products or services can only be supplied by one specific economic operator, and no reasonable alternative or substitute exists, and the absence of competition is not the result of an artificial narrowing down of the parameters of the public procurement procedure;

(b) no suitable tenders or no suitable requests to participate were submitted, including in response to a similar former public procurement procedure launched by the same contracting authority or contracting entity in the two years preceding the start of the planned new procurement procedure;

(c) their application would require a contracting authority or contracting entity to acquire goods, services or works having disproportionate costs or would result in technical incompatibility in their operation and maintenance. Estimated cost differences exceeding 25%, based on objective and transparent data, may be presumed by contracting authorities and contracting entities to be disproportionate.

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(d) the contract in question is governed by Article 32(2)(c) of Directive 2014/24/EU and Article 50(d) of Directive 2014/25/EU.

7. Contracting authorities and contracting entities shall require economic operators supplying products or services to submit a self-declaration, or an equivalent document, demonstrating compliance with the requirements set out in this Article.

[Legal remedies against the award decision of a third party shall not have any suspensive effect within the meaning of Article 2(1) point a and Article 3(3) of Directive 89/665/EEC as far as the compliance with the requirements of this Article covered by the self-declaration, or an equivalent document is concerned.]

Article 9

Other forms of public intervention

-1. Without prejudice to Articles 107 and 108 TFEU, when deciding to set up new public support schemes or to update existing schemes, Member States shall design those schemes to contribute to the objective of strengthening the Union's strategic industrial value chains through the application of Union origin or low-carbon requirements, or both, laid down in Part II of Annex II and Part II of Annex III, in accordance with paragraphs 1 and 2 of this Article and Article 7a. This is without prejudice to Article 13.

Member States shall apply the requirements referred to in the first subparagraph to public support schemes accounting for at least 45% of the total national budget allocated to the public support schemes covered by Part II of Annex II and accounting for 100% of the total national budget allocated to the public support schemes covered by Part II of Annex III.

1. Notwithstanding Article 7, for the purposes of public support schemes, content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union shall also be deemed to be of Union origin.

1a. The digital tool referred to in Article 8(2a) shall assist relevant public authorities with the implementation of this Article.

2. The Commission shall adopt implementing acts in accordance with Article 31(3) to exclude, in whole or in part, a third country from the scope of paragraph 1 if any of the following criteria is met:

(a) that third country has failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the sectors listed in Annex I;

(b) such exclusion is justified to avoid dependencies or any other developments that may threaten the security of supply in the Union of the products in question;

(c) such exclusion is justified under any other exception under the applicable agreement.

Those implementing acts shall set out the procedure for the regular monitoring of the criteria set out in the first subparagraph of this paragraph. The Commission shall repeal any such implementing act if those criteria are no longer met.

The competent authority may implement support schemes that do not meet the requirements laid down in Part II of Annex II and Part II of Annex III, in whole or in part, if the application of such requirements:

(a) would lead to significant delays due to the unavailability of the required components or final products. Estimated delays in excess of seven months, based on objective, transparent and verifiable data, may be presumed to be significant;

(b) would incur disproportionate costs. Disproportionate costs shall be presumed to exist where, based on objective, transparent and verifiable data, compliance would increase the cost of the underlying final product or technology by more than 30%.

2b. When designing and implementing a public support scheme covered by Part II of Annex II and Part II of Annex III, the competent authority shall assess the contribution of products and technologies to the overall target laid down therein on the basis of an open, non-discriminatory and transparent process.

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Article 10

[paragraph 1 moved to Article 7a; paragraph 2 moved to Article 15a]

Article 11

[Paragraphs 1 to 4 were moved to Article 8 paragraphs 2b, 2c, 2d and 7]

Article 12

[Paragraphs (1) to (3) were moved to Article 9]

Article 13

Financial support for corporate vehicles

For the purposes of Article 4 of the [Proposal for a Regulation of 16 December 2025 on clean corporate vehicles], the 'made in the European Union' criterion for providing financial support for the uptake of corporate cars and vans shall comply with the criteria set out in Part II of Annex III to this Regulation.

For the purposes of this Article, the 'made in the European Union' criterion refers to content originating in the Union as laid down in Article 7. The origin of products and components shall be determined in accordance with Regulation (EU) No 952/2013 of the European Parliament and of the Council.

Article 14

CO2 emission performance standards credits

1. For the purposes of Article 5(1) and (2) of Regulation (EU) 2019/631 [as amended by the Proposal for a Regulation of 16 December 2025 amending Regulation (EU) 2019/631 as regards CO2 emission performance standards for new light duty vehicles and vehicle labelling], the 'made in the EU' criterion for small zero-emission vehicles shall comply with the criteria set out in Part III of Annex III to this Regulation.

   For the purposes of this Article, 'made in the EU' refers to content originating in the Union as laid down in Article 7. The origin of products and components shall be determined in accordance with Regulation (EU) No 952/2013 of the European Parliament and of the Council.

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2. For the purposes of Article 5b of Regulation (EU) 2019/631 [as amended by the Proposal for a Regulation of 16 December 2025 amending Regulation (EU) 2019/631 as regards CO2 emission standards for new light duty vehicles and vehicle labelling], 'low-carbon steel made in the EU' shall be understood as follows:

(a) 'low-carbon' shall comply with the conditions referred to in Article 7a(1) of this Regulation;

(b) 'content of Union origin' refers to content originating in the Union; the origin of products and components shall be determined in accordance with Regulation (EU) No 952/2013 of the European Parliament and of the Council.

Article 15

Certification of a motor vehicle's compliance with Union origin requirements

From [OP please insert date: six months after entry into force], when issuing a motor vehicle's certificate of conformity in accordance with Articles 36 and 37 of Regulation (EU) 2018/858, for motor vehicles in compliance with the relevant Union origin requirements laid down in Annex III to this Regulation, vehicle manufacturers shall provide an accompanying document certifying the compliance of the motor vehicle.

Article 15a

Classification systems for creating lead markets

To support the creation of lead markets by informing investment decisions towards products granted a lower greenhouse gas intensity performance class, the Commission is empowered to adopt delegated acts in accordance with Article 30 in order to supplement this Regulation by establishing voluntary classification systems based on the greenhouse gas intensity for products manufactured through activities listed in Annex I of Directive 2003/87/EC ('industrial products') when they are placed on the Union market, to the extent that these products are not already regulated by a Delegated Act under Regulation (EU) 2024/1781 or included in the working plans adopted in accordance with that Regulation.

Emissions and all other relevant data used for the calculation of the greenhouse gas intensity shall be verified by verifiers accredited under Commission Implementing Regulation (EU) 2018/2067 of

the European Parliament and of the Council[7] or verifiers accredited under the delegated acts adopted pursuant to Article 18 of Regulation (EU) 2023/956, as appropriate. Emissions shall be monitored in accordance with the rules laid down in Chapter III of Commission Implementing Regulation (EU) 2018/2066 and the data monitoring methods and quality requirements set out in Annex VII to Delegated Regulation (EU) 2019/331. For imported products, emissions may be monitored in accordance with Annex IV to Regulation (EU) 2023/956 and the data monitoring methods and quality requirements established by implementing acts adopted pursuant to Article 7(7), point (a), of Regulation (EU) 2023/956, where it provides for an equivalent dataset.

Such delegated acts shall specify, as appropriate, the following elements:

(a) the identification of the product for which a manufacturer may apply for a label on greenhouse gas intensity;

(b) the relevant system boundaries, covering emissions from the industrial manufacturing process, emissions from relevant precursors and emissions from electricity consumption. These emissions are considered independently of whether these emissions occur in the manufacturer's facility or in other facilities, recognising that certain precursors might be acquired from other installations;

(c) the methodology for the calculation of the greenhouse gas intensity of the product

(d) a classification with performance classes;

(e) complementary rules concerning the governance of the label, including competent entities; and

(f) complementary rules on accreditation, monitoring and verification,

In developing those rules, the Commission shall at least take into account:

(a) the latest applicable product benchmark values as defined under Directive 2003/87/EC;

(b) data already available under the EU ETS and CBAM;

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[7] Commission Implementing Regulation (EU) 2018/2067 of 19 December 2018 on the verification of data and on the accreditation of verifiers pursuant to Directive 2003/87/EC of the European Parliament and of the Council (OJ L 334, 31.12.2018, pp. 94, ELI: http://data.europa.eu/eli/reg_impl/2018/2067/oj).

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(c) new Union rules concerning accounting for emissions, including from electricity consumption, low-carbon fuels and renewable fuels of non-biological origin;

(d) emerging low-carbon production technologies, as well as the estimated emissions' reduction potential of emerging technologies;

(e) the need to incentivise the uptake of recycled materials in all production routes; and

(f) the alignment with climate neutrality objectives, as laid down in Regulation (EU) 2021/1119 of the European Parliament and of the Council[8].

Article 16

Delegation of powers

1. [The Commission is empowered to adopt delegated acts in accordance with Article 30 to supplement this Regulation by laying down Union-level demand-side measures, including but not limited to any instrument or mechanism at Union level promoting the use of sustainable carbon sources, including the obligation for manufacturers and downstream users of chemical substances and mixtures to include a given share of sustainable carbon sources in their production and supply, for products from the chemical industry in order to promote the following activities:]

[…]

CHAPTER VI
FINAL PROVISIONS

[…]

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8 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/1119/oj).

PUBLIC

Article 29

Review

By [OP: Please insert the date three years after the date of entry into force this Regulation], the Commission shall assess the necessity of amending this Regulation, in particular Chapters III and IV thereof. That review shall be carried out periodically every three years after the first review.

When carrying out its review, the Commission shall pay particular attention to the effectiveness of this Regulation and the persistence of the circumstances that have justified the adoption of this Regulation and to the necessity to introduce Union origin requirements for products from certain sectors critical to the Union's economic security, notably the building of ships and of rail rolling stock.

[…]

Article 32a

Guidance

Where appropriate, the Commission shall issue guidance on the application of this Regulation with a view to ensuring its uniform implementation across the Member States.

[…]

Article 34

Amendments to Regulation (EU) 2024/1735

Regulation (EU) 2024/1735 is amended as follows:

(1) in Article 3 the following points (34), (35) and (36) are added:

'(34) 'industrial battery' means an industrial battery as defined in Article 3(1), point (13), of Regulation (EU) 2023/1542 of the European Parliament and the Council*;'

(35) 'stationary battery energy storage system' means a stationary battery energy storage system as defined in Article 3(1), point (15), of Regulation (EU) 2023/1542;'

(36) 'hydronic heat pump' means a space heater using ambient heat from an air source, water source or ground source, and/or waste heat for heat generation and heating space through a water circuit.'

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* Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC (OJ L 191, 28.7.2023, p. 1, ELI: http://data.europa.eu/eli/reg/2023/1542/oj).;'

(2) in Article 9, the following paragraph (14) is added:

'14. All net-zero technology manufacturing projects shall be considered strategic projects contributing to resilience and decarbonisation or resource efficiency for the purpose of [Article 14(1)] of [Proposal for a Regulation on speeding-up environmental assessment].;'

(3) Article 25 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. For public procurement procedures falling within the scope of Directive 2014/23/EU, 2014/24/EU or 2014/25/EU, where contracts have net-zero technologies listed in Article 4(1), points (a) to (d), (h) and (i), of this Regulation as part of their subject matter, or in the case of works contracts and works concessions including said technology, contracting authorities and contracting entities shall apply minimum mandatory requirements regarding environmental sustainability established in the implementing act referred to in paragraph 5 of this Article.;'

(b) in paragraph 7, the first subparagraph is replaced by the following:

'The tender's resilience contribution shall be taken into account in the case of public procurement procedures referred to in paragraph 1, in accordance with this paragraph.'

(c) in paragraph 7, point (a) is replaced by the following:

'(a) an obligation for the duration of the contract not to supply more than 50 % of the value of the specific net-zero technology final product referred to in this paragraph from each individual third country as determined by the Commission;'

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(d) in paragraph 7, point (b) is replaced by the following:

‘(b) an obligation for the duration of the contract that no more than 50 % of the value of all the main specific components of the specific net-zero technology referred to in this paragraph taken together is supplied or provided directly by the successful tenderer or by a subcontractor from each individual third country as determined by the Commission;;’

(4) The following Articles 28d and 25a are inserted:

‘Article 28d

Union origin

1. For the purposes of Articles 25a, 26 and 28a and 28c, content of Union origin refers to content originating in the Union.

2. The origin of products and components shall be determined in accordance with Regulation (EU) No 952/2013 of the European Parliament and of the Council.

Article 25a

Origin requirements for public procurement procedures

1a. For public procurement procedures referred to in Annex II, contracting authorities and contracting entities shall apply the Union origin requirements laid down therein. Requirements relating to particular main specific components shall only apply to the extent that those components are included in the final product.

1b. Notwithstanding Article 28d, for the purposes of public procurement, content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union, or that are parties to the Agreement on Government Procurement, where relevant obligations of the Union exist under that agreement, shall also be deemed to be of Union origin .

1c. The Commission shall adopt implementing acts in accordance with Article 45(2) to exclude, in whole or in part, a third country from the scope of paragraph 2 if any of the following criteria is met:

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(a) that third country has failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the net-zero technologies listed in Article 4, point (1);

(b) such exclusion is justified to avoid dependencies or any other developments that may threaten the security of supply in the Union of the products in question;

(c) such exclusion is justified under any other exception under the applicable agreement.

Those implementing acts shall set out the procedure for the regular monitoring of the criteria set out in the first subparagraph of this paragraph. The Commission shall repeal any such implementing act if those criteria are no longer met.

1d From the date of entry into force of this Regulation, the Commission shall make available and maintain a freely accessible digital tool that lists third countries referred to in paragraph 1 and, where appropriate, third countries referred to in paragraph 2, in order to assist contracting authorities, contracting entities and economic operators with the implementation of this Article.

1. Contracting authorities and contracting entities shall exclude access to procurement procedures tenders referred to in Annex II by economic operators owned or controlled by an entity established in third countries which have not concluded an international agreement with the Union guaranteeing such access.

3. Contracting authorities and contracting entities may decide not to apply one or several requirements set out in Annex II where any of the following conditions are fulfilled:

(a) the required products can only be supplied by one specific economic operator, and no reasonable alternative or substitute exists, and the absence of competition is not the result of an artificial narrowing down of the parameters of the public procurement procedure;

(b) no suitable tenders or no suitable requests to participate have been submitted, including in response to a similar former public procurement procedure

launched by the same contracting authority or contracting entity in the two years preceding the start of the planned new procurement procedure;

(c) their application would require a contracting authority or contracting entity to acquire goods, services or works having disproportionate costs or would result in technical incompatibility in operation and maintenance. Estimated cost differences in excess of 25%, based on objective and transparent data, may be presumed by contracting authorities and contracting entities to be disproportionate.

(d) their application would lead to significant delays to the delivery of the project due to the unavailability of the required components or final products. Estimated delays in excess of seven months, based on objective, transparent and verifiable data, may be presumed to be significant.

4. Contracting authorities and contracting entities shall require economic operators supplying products falling within the scope of this Article to submit a self-declaration, or an equivalent document, demonstrating compliance with the requirements set out in this Article.

[Legal remedies against the award decision of a third party shall not have any suspensive effect within the meaning of Article 2(1) point a and Article 3(3) of Directive 89/665/EEC as far as the compliance with the requirements of this Article covered by the self-declaration, or an equivalent document is concerned.]'

(5) Article 26 is amended as follows:

(a) the heading is replaced by the following:

'Auctions for net-zero technologies'

(b) paragraph 1 is amended as follows:

the introductory wording is replaced by the following:

'When designing auctions for net-zero technologies listed in Article 4(1), points (a) to (g), (i) and (j), Member states shall include:''

in point (a), the following point (iv) is added:

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‘(iv) limitation to high-risk suppliers as defined in Article 28b of this Regulation;

point (b), is replaced by the following: ‘pre-qualification criteria or award criteria as referred to in paragraphs 2 and 2a’.

‘(c) The following paragraph 2a is inserted: ‘2a. Where the auctions have net-zero technologies listed in Annex II as part of their subject-matter, Member States shall include the pre-qualification or award criteria laid down in Annex II.’ Criteria relating to particular main specific components shall only apply to the extent that those components are included in the final product.’;

(d) in paragraph 3, the first subparagraph is replaced by the following: ‘The Commission is empowered to adopt an implementing act further specifying the pre-qualification and award criteria referred to in paragraph 1points (a), (i), (ii) and (iii), and paragraph 2.’

da The following paragraph 3a is inserted: 'With respect to the Union origin requirements for auctions for net-zero technologies, notwithstanding Article 28d, content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union shall also be deemed to be of Union origin.'

db The following paragraph 3b is inserted: 'The Commission shall adopt implementing acts in accordance with Article 45(2) to exclude, in whole or in part, a third country from the scope of paragraph 1 if any of the following criteria is met:

(a) that third country has failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the net-zero technologies listed in Article 4, point (1);

(b) such exclusion is justified to avoid dependencies or any other developments that may threaten the security of supply in the Union of the products in question;

(c) such exclusion is justified under any other exception under the applicable agreement.

Those implementing acts shall set out the procedure for the regular monitoring of the criteria set out in the first subparagraph of this paragraph. The Commission shall repeal any such implementing act if those criteria are no longer met.

The digital tool referred to in Article 25a (3a) shall assist relevant public authorities with the implementation of this Article.

(e) paragraph 4 is replaced by the following: '4. Member States shall give to each of the criteria referred to in paragraphs 2 and 2a, when applied as award criteria, a minimum weight of 5 % and a combined weight of between 15 % and 30 % of the award criteria. That is without prejudice to the possibility to give a higher weighting to the criteria referred to in the fourth subparagraph of paragraph 2, in accordance with any limit for non-price criteria set out in State aid rules.'.

(f) paragraph 5 is replaced by the following: '5. Member States shall not be required to apply one or several of the pre-qualification and award criteria laid down in paragraph 1, points (a), (i), (ii) and (iii), and paragraph 1, point (b), where the application of those criteria would result in disproportionate costs or in significant delays to the delivery of the project due to the unavailability of the required components or final products. Estimated cost differences in excess of 20% per auction, based on objective and verifiable data, may be presumed by Member States to be disproportionate. Delays in excess of seven months, based on objective, transparent and verifiable data, may be presumed to be significant.'

(g) paragraph 7 is replaced by the following: '7. Paragraphs 1 to 5 shall apply to at least 40% of the volume auctioned per year per Member State or alternatively to at least 8 Gigawatt per year per Member State. Paragraph 1, points (a)(ii) and (iv), shall apply to 100% of the volume auctioned per Member State.'

(h) in paragraph 8, the introductory wording is replaced by the following: 'By 31 December 2027, the Commission shall carry out a comprehensive assessment of the application of the criteria referred to in paragraph 2 and their effect on the accelerated deployment of renewable energy technologies. By 31 December 2029 and every two years thereafter, the Commission shall carry out

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a comprehensive assessment of the application of the criteria referred to in paragraphs 2 and 2a and their effect on the accelerated deployment of renewable energy technologies. In particular, the Commission shall assess the impact of the criteria on:''

(6) The following Articles 28a to 28e are inserted:

'Article 28a

Origin requirements for other forms of public intervention

1. Without prejudice to Articles 107 and 108 TFEU, support schemes referred to in Annex II shall include the requirements laid down therein. Requirements relating to particular main specific components shall only apply to the extent that those components are included in the final product.

3. When additional financial compensation is granted, it shall not exceed 15% of the cost of the final product for the consumer, including transport and installation costs where relevant, with the exception of schemes targeting citizens living in energy poverty, as defined in Article 2, point (1), of Regulation (EU) 2023/955 of the European Parliament and of the Council ([57]), for which the limit shall be 20 %.[1]

3a. Notwithstanding Article 28d, content originating in third countries with which the Union has concluded an agreement establishing a free trade area or a customs union shall also be deemed to be of Union origin.

3b. The Commission shall adopt implementing acts in accordance with Article 45(2) to exclude, in whole or in part, a third country from the scope of paragraph 1 based on any of the following criteria:

(a) that third country has failed to provide national treatment related to Union products or entities under the agreements referred to in paragraph 1 in relation to any of the net-zero technologies listed in Article 4, point (1);

(b) such exclusion is justified to avoid dependencies or any other developments that may threaten the security of supply in the Union of the products in question;

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(c) such exclusion is justified under any other exception under the applicable agreement.

Those implementing acts shall set out the procedure for the regular monitoring of the criteria set out in the first subparagraph of this paragraph. The Commission shall repeal any such implementing act if those criteria are no longer met.

3c. The digital tool referred to in Article 25a (3a) shall assist relevant public authorities with the implementation of this Article.

3d When designing and implementing a scheme pursuant to paragraph 1, the authority shall assess the fulfilment of the requirements on the basis of an open, non-discriminatory and transparent process.

Article 28c

Origin requirements for Member State support to construction and manufacturing of net-zero technologies

1. Without prejudice to Articles 107 and 108 TFEU and in accordance with the Union's international commitments, when supporting the construction or manufacturing of net-zero technology final products referred to in Annex II of this Regulation, Member States shall ensure that the Union origin requirements laid down in that Annex are met. Requirements relating to particular main specific components shall only apply to the extent that those components are included in the final product.

2. Member States may decide not to apply one or several requirements referred to in paragraph 1 where any of the following conditions are fulfilled:

(a) the required components can only be supplied by one specific economic operator, and no reasonable alternative or substitute exists, and the absence of competition is not the result of an artificial narrowing down of the parameters of the public procurement procedure;

(b) their application would result in disproportionate costs or technical incompatibility in operation or maintenance. Estimated cost differences in excess of 25%, based on objective and transparent data, may be presumed to be disproportionate;

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(c) their application would jeopardise the project or lead to significant delays to the delivery of the project due to the unavailability of the required components or final products. Delays in excess of seven months, based on objective, transparent and verifiable data, may be presumed to be significant.

Article 28b

Limitations to high-risk suppliers

3a. When designing auctions referred to in Article 26, Member States shall include the pre-qualification criterion referred to in paragraph 3d.

3b. When deciding to set up new schemes or to update existing schemes referred to in Articles 28 and 28a, Member States, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law shall design those schemes in such a way as to ensure that beneficiaries shall be eligible to the scheme only where the requirement referred to in paragraph 3d is fulfilled.

3c. When supporting the construction or manufacturing of net-zero technology final products referred to in Annex II to this Regulation, Member States shall ensure that the requirement referred to in paragraph 4 is fulfilled.

3d. When net-zero technologies or their main specific components include control systems, management control systems, supervisory control and data acquisition systems, remote access systems or firewalls, suppliers identified as high-risk suppliers in accordance with Regulation xxxx/xxxx [CSA2] shall not be involved in the following processes:

(a) the supply of those products or systems;

(b) the design, development or production of those products or systems;

(c) the management, control or operation of those products or systems;

(d) the development, maintenance, operation, or updating of their software.

[moved to Article 28d]

[moved to Article 34(5) points da and db = amendments to Article 26 NZIA]

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[moved to Article 28a (3) and (4)]

Article 28h

[Delegation of power

…].'

(7) Article 42 is amended as follows:

(a) the following paragraph 2a is inserted:

'2a. Member States, public authorities, contracting authorities and contracting entities applying Chapter IV of this Regulation shall report on the application of exemptions in accordance with the provisions of that Chapter.'

(b) paragraph 3 is replaced by the following:

'3. Where they are not already included in, or in accordance with the elements of, the national energy and climate plans, each Member State shall submit to the Commission a report setting out the data referred to in paragraphs 2 and 2a by 15 March 2027 and every three years thereafter.;'

(8) The following Annex II is added:

'ANNEX II

Union origin requirements for net-zero technologies

Part I – Public procurement

1. In accordance with Article 25a, for public procurement procedures for which the call for competition or commencement takes place after the entry into force of this Regulation falling within the scope of Directives 2014/23/EU, 2014/24/EU or 2014/25/EU where contracts, works contracts or work concessions include the procurement of the following net-zero technologies, procurement documents shall include the requirements laid down below:

(a) Battery energy storage systems:

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From [OP: Please insert the date = 1 year after entry into force of this Regulation] until [3 years after entry into force of this Regulation], the battery energy storage systems shall originate in the Union and, for projects including battery energy storage exceeding 1 Megawatt-hour, contain a battery management system that originates in the Union.

From [OP: Please insert the date = 3 years after entry into force of this Regulation], the battery energy storage systems shall originate in the Union and contain battery cells, a battery management system as well as one additional main specific component that originate in the Union.

(b) Solar PV technologies: From [OP: Please insert the date = 3 years after entry into force of this Regulation], the PV inverter and the PV cells or equivalent shall originate in the Union.

(c) Hydronic heat pumps: From [OP: Please insert: 3 years after the entry into force of this Regulation] the hydronic heat pump shall originate in the Union.

(d) Onshore and offshore wind technologies:

From [OP: Please insert the date = 1 year after the entry into force of this Regulation] until [OP: Please insert the date = 3 years after entry into force of this Regulation], one main specific component shall originate in the Union.

From [OP: Please insert the date = 3 years after the entry into force of this Regulation], two main specific components shall originate in the Union.

(e) Nuclear fission technologies:

For public procurement procedures for which the call for competition or commencement takes place after [OP: Please insert the date = 4 years after entry into force of this Regulation] where works contracts or work concessions include the construction of a new-build nuclear power plant, including small modular nuclear reactors (SMR), at least two main specific components shall originate in the Union.

For public procurement procedures for which the call for competition or commencement takes place after [OP: Please insert the date = 6 years after entry into force of this Regulation] where works contracts or work concessions include the

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construction of a new-build nuclear power plant, including small modular nuclear reactors (SMR), at least three main specific components shall originate in the Union.

These requirements shall not apply to research, development and innovation projects including first industrial deployment of nuclear power plants.

Part II – Auctions

In accordance with Article 26, when auctions have the following net-zero technologies as part of their subject-matter, Member States shall include the pre-qualification or award criteria laid down below:

(a) Battery energy storage systems:

For auctions published from [OP: Please insert the date = 1 year after entry into force of this Regulation] until [OP: Please insert the date = 3 years after entry into force of this Regulation], the battery energy storage system shall originate in the Union and, for projects including battery energy storage exceeding 1 Megawatt-hour, contain a battery management system that originates in the Union.

For auctions published after [OP: Please insert the date = 3 years after entry into force of this Regulation], the battery energy storage system shall originate in the Union and contain battery cells, a battery management system as well as one additional main specific components that originate in the Union.

(b) Solar PV technologies: For auctions published after [OP: Please insert the date = 3 years after entry into force of this Regulation], PV inverter and the PV cells or equivalent shall originate in the Union.

(c) Hydrogen:

For auctions published after [OP: Please insert the date = 1 year after the entry into force of this Regulation], the electrolysers used to produce the hydrogen shall originate in the Union, and the stacks as well as one additional main specific component shall originate in the Union.

For auctions published after [OP: Please insert the date = 3 years after the entry into force of this Regulation], the electrolysers used to produce the hydrogen shall

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originate in the Union, and the stacks as well as two additional main specific components shall originate in the Union.

(d) Onshore and offshore wind technologies:

For auctions published from [OP: Please insert the date = 1 year after entry into force of this Regulation] until [OP: Please insert the date = 3 years after entry into force of this Regulation], one main specific component of the wind turbine shall originate in the Union.

For auctions published after [OP: Please insert the date = 3 years after entry into force of this Regulation], two main specific components of the wind turbine shall originate in the Union.

Part III – Other forms of public intervention

In accordance with Article 28a, when deciding to set up new schemes or to update existing schemes benefitting households or companies that support the demand for net-zero technology final products listed in this paragraph, Member States, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law, shall design the schemes in such a way as to ensure that beneficiaries shall be eligible to the scheme or to additional financial compensation only where the requirements laid down below are fulfilled:

(a) Battery energy storage systems:

For schemes set up or updated between [OP: Please insert the date = 1 year after entry into force of this Regulation] and [OP: Please insert the date = 3 years after entry into force of this Regulation], the battery energy storage systems shall originate in the Union and, for projects including battery energy storage exceeding 1 Megawatt-hour, contain a battery management system that originates in the Union.

For schemes set up or updated from [OP: Please insert the date = 3 years after entry into force of this Regulation], the battery energy storage systems shall originate in the Union and contain battery cells, a battery management system as well as one additional main specific components that originate in the Union.

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(b) Solar PV technologies: For schemes set up or updated from [OP: Please insert the date = 3 years after entry into force of this Regulation], the PV inverter and the PV cells or equivalent shall originate in the Union.

(c) Hydronic heat pumps: For schemes set up or updated from [OP: Please insert the date = 3 years after entry into force of this Regulation], the hydronic heat pump shall originate in the Union.

IV – Member State support to construction or manufacturing of net-zero technologies

In accordance with article 28c, when supporting the construction or manufacturing of the following net-zero technology final products, Member States shall ensure that the Union origin requirements laid down below are fulfilled:

(a) Hydrogen:

From [OP: Please insert the date = 1 year after entry into force of this Regulation] when setting up new support schemes for investments into supporting the manufacturing capacity of electrolysers, Member States shall ensure that the electrolyser originates in the Union and the stack and at least one additional main specific component of the electrolyser originate in the Union.

From [OP: Please insert the date = 3 years after entry into force of this Regulation] when setting up new support schemes for investments into supporting the manufacturing capacity of electrolysers, Member States shall ensure that the electrolyser originates in the Union and the stack and at least two additional main specific components of the electrolyser originate in the Union.

(b) Nuclear:

For projects for which the application for support takes place after [OP: Please insert the date = 4 years after entry into force of this Regulation] when supporting the construction of new-build nuclear power plants, including small modular nuclear reactors (SMR), Member States shall ensure that at least two main specific components of the nuclear fission technology final products originate in the Union.

For projects for which the application for support takes place after [OP: Please insert the date = 6 years after entry into force of this Regulation] when supporting the construction of new-build nuclear power plants, including small modular nuclear

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reactors (SMR), Member States shall ensure that at least three main specific components of the nuclear fission technology final products originate in the Union.

These requirements shall not apply to research, development and innovation projects including first industrial deployment of nuclear power plants.'

[…]

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ANNEX II

Low-carbon and Union origin requirements for energy intensive industries

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Part I

Part I – Public procurement procedures

Where, in the context of public procurement procedures for which the call for competition or commencement takes place on or after 1 January 2029 falling within the scope of Directives 2014/23/EU, 2014/24/EU or 2014/25/EU, where the contracts, works contracts or work concessions include the procurement of products from energy intensive industries, contracting authorities and contracting entities shall require the following minimum percentage shares:

(a) Steel, and any product the performance of which depends mainly on steel, intended for use in buildings, infrastructure and motor vehicles for civil purposes: at least 25% of the total volume of steel used shall be low-carbon and of Union origin;

(b) concrete and mortar, and any product the performance of which depends mainly on concrete and mortar, intended for use in buildings and infrastructure for civil purposes: at least 5% of the total volume of concrete and mortar used, including the clinker and cement used to produce them, shall be low-carbon and of Union origin;

(c) aluminium, and any product the performance of which depends mainly on aluminium, intended for use in buildings, infrastructure and motor vehicles for civil purposes: at least 25% of the total volume of aluminium used shall be low-carbon and of Union origin.

Part II

Part II – Other forms of public intervention

For schemes established or updated on or after 1 January 2029 that benefit households or companies and that primarily aim to support the construction or renovation of buildings for residential and commercial purposes and infrastructure and the lease and purchase of motor vehicles for civil

purposes, Member States, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law, shall ensure that only beneficiaries that comply with the following minimum requirements, are eligible.

(a) steel, and any product the performance of which depends primarily on steel : at least 25% of the total volume of steel used in the product or project that receives support shall be low-carbon and of Union origin;

(b) concrete and mortar, and any product the performance of which depends mainly on concrete and mortar: at least 5% of the total volume of concrete and mortar used, including the clinker and cement used to produce them, in the product or project that receives support shall be low-carbon and of Union origin;

(c) aluminium, and any product the performance of which depends mainly on aluminium: at least 25% of the total volume of aluminium used in the product or project that receives support shall be low-carbon and of Union origin.

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ANNEX III

Union origin requirements for motor vehicles

PUBLIC

Part I

Part I – Public procurement procedures of electric vehicles

New pure electric vehicles (PEV), off-vehicle charging hybrid electric vehicles (OVC-HEV) or fuel cell vehicles (FCV) purchased, leased, rented or hire-purchased in public procurement procedures that fall within the scope of Directive 2014/24/EU, or Directive 2014/25/EU, for which the call for competition or commencement takes place on or after [OP: Please insert the date = six months after the date of entry into force of this Regulation] shall comply with the Union origin requirements set out in this Annex.

New PEV, OVC-HEV and FCV that are used for the provision of services sourced through public procurement procedures that fall within the scope of Directive 2014/24/EU, or Directive 2014/25/EU, shall comply with the Union origin requirements set out in this Annex.

Motor vehicles referred to in subparagraphs 1 and 2 shall include the following Union origin requirements:

(a) the motor vehicle is assembled within the Union;

(b) the ratio between the total ex-works price of vehicle components - excluding the vehicle battery - originating in the Union and the total ex-works price of all components – excluding the battery – is at least 70%;

(c) the vehicle’s traction battery contains at least three main specific components of batteries, among which the battery cells, originating in the Union;

(d) the vehicle’s traction battery contains at least five main specific components of batteries, among which the battery cells, the cathode active material, and the battery management system, originating in the Union;

(e) the ratio between the total ex-works price of e-powertrain components originating in the Union and the total ex-works price of all e-powertrain components is at least 50%;

(f) the ratio between the total ex-works price of main electronic systems originating in the Union and the total ex-works price of all main electronic systems is equal to or greater than 50%.

The requirements set out in points d), e) and f) apply from [OP: please insert date 3 years after the date of entry into force of this Regulation].

By way of derogation to the requirements set out above, small electric vehicles of subcategory M1E, as defined in Regulation (EU) 2018/858, shall include the following Union origin requirements:

1. the vehicle is assembled within the Union; and

2. one of the following criteria is fulfilled:

   (a) the ratio between the total ex-works price of vehicle components - excluding the vehicle battery - originating in the Union and the total ex-works price of all vehicle components – excluding the battery – is equal to or greater than 70%; or

   (b) the vehicle's traction battery contains at least three main specific components of batteries, among which the battery cells, originating in the Union.

All PEV, OVC-HEV or FCV from a vehicle manufacturer can be considered compliant, for a period of twelve months, with the Union origin requirements if the manufacturer provides a self-declaration that the total number of all PEV, OVC-HEC or FCV compliant with the Union origin requirements that were assembled by that vehicle manufacturer during the period from 1 January to 31 December (included) of the previous year represent a percentage equal or greater than 85% of the total number of PEV, OVC-HEV or FCV from the same vehicle manufacturer that were registered within the Union in the same period.

Where public procurement procedures concern public service contracts referred to in subparagraph 2, motor vehicles already registered in the Union shall be deemed to comply with the requirements set out in this Annex until 31 December 2035.

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Part II

Part II – Other forms of public intervention and financial support for corporate vehicles

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For schemes established or updated after [OP: Please insert the date = six months after the date of entry into force of this Regulation] that support the purchase, lease, rent or hire-purchase of new PEV, OVC-HEV or FCV, Member States, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law shall ensure that only motor vehicles that comply with the below minimum Union origin requirements are eligible under the scheme.

For the purpose of considering corporate cars and vans 'made in the European Union' in accordance with Article 4 of the [Proposal for a Regulation of 16 December 2025 on clean corporate vehicles], the below requirements apply.

(a) the motor vehicle is assembled within the Union;

(b) the ratio between the total ex-works price of vehicle components - excluding the vehicle battery - originating in the Union and the total ex-works price of all vehicle components – excluding the battery – is equal to or greater than 70%;

(c) the vehicle's traction battery contains at least three main specific components of batteries, among which the battery cells, originating in the Union;

(d) the vehicle's traction battery contains at least five main specific components of batteries, among which the battery cells, the cathode active material, and the battery management system, originating in the Union;

(e) the ratio between the total ex-works price of e-powertrain components originating in the Union and the total ex-works price of all e-powertrain components is equal to or greater than 50%;

(f) the ratio between the total ex-works price of main electronic systems originating in the Union and the total ex-works price of all main electronic systems is equal to or greater than 50%.

The requirements set out in points d), e) and f) apply from [OP: please insert date three years after the date of entry into force of this Regulation].

By way of derogation to the requirements set out above, small electric vehicles of subcategory M1E, as defined in Regulation (EU) 2018/858, shall include the following Union origin requirements:

1. the vehicle is assembled within the Union; and

2. one of the following criteria is fulfilled:

   (a) the ratio between the total ex-works price of vehicle components - excluding the vehicle battery - originating in the Union and the total ex-works price of all vehicle components – excluding the battery – is equal to or greater than 70%; or

   (b) the vehicle's traction battery contains at least three main specific components of batteries, among which the battery cells, originating in the Union.

All PEV, OVC-HEV or FCV from a vehicle manufacturer can be considered compliant, for a period of twelve months, with the Un ion origin requirements if the manufacturer provides a self-declaration that all PEV, OVC-HEV or FCV compliant with the Union origin requirements that were assembled by that vehicle manufacturer during the period from 1 January to 31 December (included) of the previous year represent a percentage equal or greater than 85% of the total number of PEV, OVC-HEV or FCV from the same vehicle manufacturer that were registered within the Union in the same period.

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Part III

Part III – Super credits for small zero-emission vehicles

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For the purpose of considering vehicles as “made in the EU” in accordance with Article 5 of Regulation (EU) 2019/631 [as amended by the Proposal for a Regulation of 16 December 2025 amending Regulation (EU) 2019/631 as regards CO2 emission performance standards for new light duty vehicles and vehicle labelling], the following criteria apply:

1. the vehicle is assembled within the Union; and

2. one of the following criteria is fulfilled:

   (a) the ratio between the total ex-works price of vehicle components - excluding the vehicle battery - originating in the Union and the total ex-works price of all vehicle components – excluding the battery – is equal to or greater than 70%; or

   (b) the vehicle’s traction battery contains at least three main specific components of batteries, among which the battery cells, originating in the Union.

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ANNEX IV

Amendment to Regulation (EU) 2018/1724

Annexes I and II are amended as follows:

1. Annex I is amended as follows:

(a) the following row 'Permit-granting procedures' is added in the table for 'Areas of information related to businesses' before the row 'AJ. Critical raw materials projects':

''Permit granting procedures	Information on permit-granting procedures for industrial manufacturing projects including Net-zero technology manufacturing and critical raw material projects.';'

(b) in row 'R. Net-zero technology manufacturing projects', in the second column, point 1 is deleted;

(c) in row 'AJ. Critical raw materials projects', in the second column, point 2 is deleted;

2. Annex II is amended as follows:

(a) row 'Starting, running, and closing business' is amended as follows:

'(a) in the second column, the following second subparagraph is added:

'Permission for exercising a business activity, including procedures related to all relevant permits to build and operate critical raw materials projects[1], procedures for all relevant permits to build, expand, convert and operate net-zero technology manufacturing projects[2], and procedures related to industrial manufacturing projects.';

(b) in the third column, the following second subparagraph is added:

'Confirmation of the request for permission for business activity, as well as all outputs pertaining to the procedures related to critical raw material, net-zero technology manufacturing and manufacturing industry projects (ranging from the acknowledgement that the application is complete to the notification of the

comprehensive decision on the outcome of the procedure, including by the designated contact point).;

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[1] Procedure related to all relevant permits to build and operate critical raw materials projects, including building, chemical and grid connection permits and environmental assessments and authorisations where these are required, and encompassing all applications and procedures from the acknowledgment that the application is complete to the notification of the comprehensive decision on the outcome of the procedure by the single point of contact concerned pursuant to Article 9 of Regulation (EU) 2024/1252.

[2] Procedures for all relevant permits to build, expand, convert and operate netzero technology manufacturing projects, and net-zero strategic projects, including building, chemical and grid connection permits, environmental assessments and authorisations where required, and encompassing all applications and procedures.'

(b) rows 'Critical raw materials projects' and 'Net-zero technology manufacturing projects' are deleted.

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