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► B REGULATION (EU) 2022/2560 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
of 14 December 2022
on foreign subsidies distorting the internal market
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**REGULATION (EU) 2022/2560 OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL**

of 14 December 2022

on foreign subsidies distorting the internal market

CHAPTER 1

GENERAL PROVISIONS

Article 1

Subject matter and scope

1. The purpose of this Regulation is to contribute to the proper functioning of the internal market by establishing a harmonised framework to address distortions caused, directly or indirectly, by foreign subsidies, with a view to ensuring a level playing field. This Regulation lays down rules and procedures for investigating foreign subsidies that distort the internal market and for redressing such distortions. Such distortions can arise with respect to any economic activity, and in particular in concentrations and public procurement procedures.

2. This Regulation addresses foreign subsidies granted to an undertaking, including a public undertaking which is directly or indirectly controlled by the State, engaging in an economic activity in the internal market. Among others, an undertaking acquiring control of or merging with an undertaking established in the Union or an undertaking participating in a public procurement procedure in the Union is considered to be engaging in an economic activity in the internal market.

Article 2

Definitions

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

- (1) ‘an undertaking’, in the context of public procurement procedures, means ‘economic operator’ as defined in Article 1, point (14) of Directive 2009/81/EC, 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;
- (2) ‘contract’, in the context of public procurement procedures and unless otherwise specified, means a public contract as defined in Article 2(1), point (5) of Directive 2014/24/EU, ‘contracts’ as defined in Article 1, point (2) of Directive 2009/81/EC and ‘supply, works and service contracts’ as defined in Article 2, point (1) of Directive 2014/25/EU, as well as ‘concessions’ as defined in Article 5, point (1) of Directive 2014/23/EU;
- (3) ‘a public procurement procedure’ means:
 - (a) 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;

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- (b) a procedure for the award of a works or a service concession covered by Directive 2014/23/EU;
 - (c) procedures for awarding contracts falling under Directive 2009/81/EC, unless exempted by Member States on the basis of Article 346 TFEU;
 - (d) procedures for the award of contracts referred to in Article 10 (4), point (a) of Directive 2014/23/EU, Article 9(1), point (a) of Directive 2014/24/EU or Article 20(1), point (a) of Directive 2014/25/EU;
- (4) ‘contracting authority’ in the context of public procurement procedures, means contracting authority as defined in Article 1, point (17) of Directive 2009/81/EC, 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;
- (5) ‘contracting entity’ in the context of public procurement procedures, means contracting entity as defined in Article 1, point (17) of Directive 2009/81/EC, Article 7 of Directive 2014/23/EU and Article 4 of Directive 2014/25/EU;
- (6) ‘a multi-stage procedure’ means a public procurement procedure in accordance with Articles 28 to 32 of Directive 2014/24/EU and Articles 46 to 52 of Directive 2014/25/EU, either the restricted procedure, a competitive procedure with negotiation, a negotiated procedure without prior publication, a competitive dialogue or an innovation partnership, or a similar procedure according to Directive 2014/23/EU.

*Article 3***Existence of a foreign subsidy**

1. For the purposes of this Regulation, a foreign subsidy shall be deemed to exist where a third country provides, directly or indirectly, a financial contribution which confers a benefit on an undertaking engaging in an economic activity in the internal market and which is limited, in law or in fact, to one or more undertakings or industries.
2. For the purposes of this Regulation, a financial contribution shall include, *inter alia*:
 - (a) the transfer of funds or liabilities, such as capital injections, grants, loans, loan guarantees, fiscal incentives, the setting off of operating losses, compensation for financial burdens imposed by public authorities, debt forgiveness, debt to equity swaps or rescheduling;
 - (b) the foregoing of revenue that is otherwise due, such as tax exemptions or the granting of special or exclusive rights without adequate remuneration; or

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- (c) the provision of goods or services or the purchase of goods or services.

A financial contribution provided by a third country shall include a financial contribution provided by:

- (a) the central government and public authorities at all other levels;
- (b) a foreign public entity whose actions can be attributed to the third country, taking into account elements such as the characteristics of the entity and the legal and economic environment prevailing in the State in which the entity operates, including the government's role in the economy; or
- (c) a private entity whose actions can be attributed to the third country, taking into account all relevant circumstances.

Article 4

Distortions in the internal market

1. A distortion in the internal market shall be deemed to exist where a foreign subsidy is liable to improve the competitive position of an undertaking in the internal market and where, in doing so, that foreign subsidy actually or potentially negatively affects competition in the internal market. A distortion in the internal market shall be determined on the basis of indicators, which can include, in particular, the following:

- (a) the amount of the foreign subsidy;
- (b) the nature of the foreign subsidy;
- (c) the situation of the undertaking, including its size and the markets or sectors concerned;
- (d) the level and evolution of economic activity of the undertaking on the internal market;
- (e) the purpose and conditions attached to the foreign subsidy as well as its use on the internal market.

2. Where the total amount of a foreign subsidy to an undertaking does not exceed EUR 4 million over any consecutive period of three years, that foreign subsidy shall be considered unlikely to distort the internal market.

3. Where the total amount of a foreign subsidy to an undertaking does not exceed the amount of *de minimis* aid as defined in Article 3 (2), first subparagraph, of Regulation (EU) No 1407/2013 per third country over any consecutive period of three years, that foreign subsidy shall not be considered to distort the internal market.

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4. A foreign subsidy may be considered not to distort the internal market to the extent that it is aimed at making good the damage caused by natural disasters or exceptional occurrences.

*Article 5***Categories of foreign subsidies most likely to distort the internal market**

1. A foreign subsidy is most likely to distort the internal market where it falls under one of the following categories:

- (a) a foreign subsidy granted to an ailing undertaking, namely an undertaking which will likely go out of business in the short or medium term in the absence of any subsidy, unless there is a restructuring plan that is capable of leading to the long-term viability of that undertaking and that plan includes a significant own contribution by the undertaking;
- (b) a foreign subsidy in the form of an unlimited guarantee for the debts or liabilities of the undertaking, namely without any limitation as to the amount or the duration of such guarantee;
- (c) an export financing measure that is not in line with the OECD Arrangement on officially supported export credits;
- (d) a foreign subsidy directly facilitating a concentration;
- (e) a foreign subsidy enabling an undertaking to submit an unduly advantageous tender on the basis of which the undertaking could be awarded the relevant contract.

2. An undertaking under investigation shall be granted the possibility to provide relevant information as to whether a foreign subsidy falling under one of the categories set out in paragraph 1 does not distort the internal market in the specific circumstances of the case.

*Article 6***Balancing test**

1. The Commission may, on the basis of information received, balance the negative effects of a foreign subsidy in terms of distortion in the internal market, according to Articles 4 and 5 against the positive effects on the development of the relevant subsidised economic activity on the internal market, while considering other positive effects of the foreign subsidy such as the broader positive effects in relation to the relevant policy objectives, in particular those of the Union.

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2. The Commission shall take into account the assessment under paragraph 1 when deciding whether to impose redressive measures or to accept commitments, and the nature and level of those redressive measures or commitments.

*Article 7***Commitments and redressive measures**

1. The Commission may impose redressive measures in order to remedy the distortion in the internal market actually or potentially caused by a foreign subsidy, unless it has accepted commitments offered by the undertaking under investigation pursuant to paragraph 2.

2. The Commission may accept commitments offered by the undertaking under investigation where such commitments fully and effectively remedy the distortion in the internal market. When accepting such commitments, the Commission shall make them binding on the undertaking under investigation in a decision with commitments in accordance with Article 11(3). The undertaking's compliance with the commitments agreed upon shall, where appropriate, be monitored.

3. Commitments or redressive measures shall be proportionate and fully and effectively remedy the distortion actually or potentially caused by the foreign subsidy in the internal market.

4. Commitments or redressive measures may consist, inter alia, of the following:

- (a) offering access under fair, reasonable, and non-discriminatory conditions to infrastructure, including research facilities, production capabilities or essential facilities, that were acquired or supported by the foreign subsidies distorting the internal market unless such access is already provided for by Union legislation;
- (b) reducing capacity or market presence, including by means of a temporary restriction on commercial activity;
- (c) refraining from certain investments;
- (d) the licensing on fair, reasonable and non-discriminatory terms of assets acquired or developed with the help of foreign subsidies;
- (e) the publication of results of research and development;
- (f) the divestment of certain assets;
- (g) requiring the undertakings to dissolve the concentration concerned;

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- (h) the repayment of the foreign subsidy, including an appropriate interest rate, calculated in accordance with the method set out in Commission Regulation (EC) No 794/2004 ⁽¹⁾;
- (i) requiring the undertakings concerned to adapt their governance structure.

5. The Commission shall, where appropriate, impose reporting and transparency requirements, including periodic reporting regarding the implementation of the commitments and redressive measures listed in paragraph 4.

6. Where the undertaking under investigation proposes to repay the foreign subsidy including an appropriate interest rate, the Commission shall accept such repayment as commitment only where it can ascertain that the repayment is transparent, verifiable and effective, while taking into account the risk of circumvention.

*Article 8***Information on future concentrations and public procurement procedures**

In decisions adopted pursuant to Articles 11, 25 and 31, and where proportionate and necessary, the undertaking under investigation may be required to inform the Commission, for a limited period of time, of its participation in concentrations or public procurement procedures. That requirement is without prejudice to notification obligations pursuant to Articles 21 and 29.

CHAPTER 2

EX OFFICIO REVIEW AND GENERAL PROVISIONS FOR THE REVIEW OF FOREIGN SUBSIDIES*Article 9***Ex officio review of foreign subsidies**

1. The Commission may on its own initiative examine information from any source, including Member States, a natural or legal person or an association, regarding alleged foreign subsidies distorting the internal market.

2. *Ex officio* reviews into public procurements shall be limited to awarded contracts.

Such reviews shall not result in the cancellation of the decision awarding a contract or in a termination of a contract.

⁽¹⁾ Commission Regulation (EC) No 794/2004 of 21 April 2004 implementing Council Regulation (EU) 2015/1589 laying down detailed rules for the application of Article 108 of the Treaty on the Functioning of the European Union (OJ L 140, 30.4.2004, p. 1).



Article 10

Preliminary review

1. Where the Commission considers that the information referred to in Article 9 indicates the possibility that a foreign subsidy distorting the internal market exists, the Commission shall seek all the information it considers necessary to assess, on a preliminary basis, whether the financial contribution under examination constitutes a foreign subsidy and whether it distorts the internal market. To that end, the Commission may, in particular:

- (a) request information in accordance with Article 13; and
- (b) conduct inspections within and outside the Union in accordance with Article 14 or Article 15.

2. Where a Member State has informed the Commission that a relevant national procedure is envisaged or has been opened, the Commission shall inform that Member State of the start of the preliminary review. In particular, the Commission shall inform Member States that have notified the Commission about a national procedure pursuant to Regulation (EU) 2019/452 of the start of the preliminary review. Where the preliminary review is initiated in relation to a public procurement procedure, the Commission shall also inform the contracting authority or contracting entity concerned.

3. Where the Commission, based on the preliminary review, has sufficient indications that an undertaking has been granted a foreign subsidy that distorts the internal market, it shall:

- (a) adopt a decision to initiate an in-depth investigation ('decision to initiate the in-depth investigation') which summarises the relevant issues of fact and law and includes the preliminary assessment of the existence of a foreign subsidy and of the actual or potential distortion in the internal market;
- (b) inform the undertaking under investigation;
- (c) inform Member States and, where the in-depth investigation is initiated in relation to a public procurement procedure, the contracting authority or contracting entity concerned; and
- (d) publish a notice in the *Official Journal of the European Union* inviting the submission of views in writing within a period of time prescribed by the Commission.

4. Where the Commission, in the course of a preliminary review, concludes that there are insufficient indications to initiate an in-depth investigation, either because there is no foreign subsidy or because there are insufficient indications of an actual or potential distortion in the internal market, it shall close the preliminary review, inform the undertaking under investigation and Member States that were informed pursuant to paragraph 2, as well as the contracting authority or contracting entity concerned where the preliminary review was initiated in relation to a public procurement procedure.



Article 11

In-depth investigation

1. During the in-depth investigation, the Commission shall further assess the foreign subsidy identified in the decision to initiate the in-depth investigation and seek all the information it considers necessary in accordance with Articles 13, 14 and 15.

2. Where the Commission finds, pursuant to Articles 4 to 6, that a foreign subsidy distorts the internal market, it may adopt an implementing act in the form of a decision imposing redressive measures ('decision with redressive measures'). That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 48(2).

3. Where the Commission, pursuant to Articles 4 to 6, finds that a foreign subsidy distorts the internal market and the undertaking under investigation offers commitments which the Commission deems appropriate and sufficient to fully and effectively remedy the distortion, it may adopt an implementing act in the form of a decision in order to make those commitments binding on the undertaking ('decision with commitments'). A decision accepting the repayment of a foreign subsidy in accordance with Article 7(6) shall be considered a decision with commitments. That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 48(2).

4. The Commission shall adopt an implementing act in the form of a decision to raise no objection ('no objection decision') where it finds that:

- (a) the preliminary assessment as set out in its decision to initiate the in-depth investigation is not confirmed; or
- (b) a distortion in the internal market is outweighed by positive effects within the meaning of Article 6.

That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 48(2).

5. The Commission shall, as far as possible, endeavour to adopt a decision within a period of 18 months from the opening of the in-depth investigation.

Article 12

Interim measures

1. To preserve competition in the internal market and prevent irreparable damage, the Commission may adopt an implementing act in the form of a decision ordering interim measures, where:

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- (a) there are sufficient indications that a financial contribution constitutes a foreign subsidy and distorts the internal market; and
- (b) there is a risk of serious and irreparable damage to competition on the internal market.

That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 48(2).

2. The interim measures may, in particular, but not exclusively, consist of the measures mentioned under Article 7(4), points (a), (c), and (d). No interim measures may be taken with regard to public procurement procedures.

3. The interim measures shall apply either for a specific period of time, which may be renewed in so far that is necessary and appropriate, or until the final decision is taken.

Article 13

Requests for information

1. To carry out the duties assigned to it by this Regulation, the Commission may require information in line with this Article.

2. The Commission may require an undertaking under investigation to provide all necessary information, including information regarding its tender in a public procurement procedure.

3. The Commission may also require such information from other undertakings or associations of undertakings, including information regarding their tenders in public procurement procedures, taking due account of the principle of proportionality.

4. A request for information pursuant to paragraph 2 or 3 shall:

- (a) state its legal basis and its purpose, specify what information is required and set an appropriate time limit within which the information is to be provided;
- (b) contain a statement that if the information supplied is incorrect, incomplete or misleading, the fines or periodic penalty payments provided for in Article 17 could be imposed;
- (c) contain a statement that, pursuant to Article 16, a lack of cooperation allows the Commission to take a decision on the basis of the facts that are available to it.

5. At the request of the Commission, Member States shall provide it with all necessary information to carry out the duties assigned to it by this Regulation. Paragraph 4, point (a) shall apply *mutatis mutandis*.

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6. The Commission may also request a third country to provide all necessary information. Paragraph 4, points (a) and (c) shall apply *mutatis mutandis*.

7. The Commission may interview a natural or legal person who consents to be interviewed for the purpose of collecting information relating to the subject matter of an investigation. Where an interview is not conducted on the premises of the Commission or by telephone or other electronic means, prior to the interview the Commission shall:

- (a) inform the Member State in whose territory the interview is to take place; or
- (b) obtain the agreement of the third country in whose territory the interview is to take place.

*Article 14***Inspections within the Union**

1. In order to carry out the duties assigned to it by this Regulation, the Commission may conduct the necessary inspections of undertakings and associations of undertakings.

2. Where the Commission undertakes such an inspection, the officials authorised by the Commission to conduct an inspection shall be empowered to:

- (a) enter any premises, land and means of transport of the undertaking or association of undertakings;
- (b) examine books and other business records, irrespective of the medium on which they are stored, access any information which is accessible to the entity subject to the inspection and take, or request copies or extracts from, those books or records;
- (c) ask any representative or member of staff of the undertaking or association of undertakings for explanations of facts or documents relating to the subject-matter and purpose of the inspection and to record the answers;
- (d) seal any business premises and books or records for the period of time of, and to the extent necessary for, the inspection.

3. The undertaking or association of undertakings shall submit to inspections ordered by decision of the Commission. The officials and other accompanying persons authorised by the Commission to conduct an inspection shall exercise their powers upon production of a Commission decision:

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- (a) specifying the subject matter and purpose of the inspection;
- (b) containing a statement that, pursuant to Article 16, a lack of co-operation allows the Commission to take a decision on the basis of the facts that are available to it;
- (c) referring to the possibility to impose fines or periodic penalty payments provided for in Article 17; and
- (d) stating the right to have the decision reviewed by the Court of Justice pursuant to Article 263 TFEU.

4. In good time before the inspection, the Commission shall give notice of the inspection to the Member State in whose territory it is to be conducted and of the date on which it is to begin.

5. Officials and other persons authorised or appointed by the Member State in whose territory the inspection is to be conducted shall, at the request of the Member State or of the Commission, actively assist the officials and other accompanying persons authorised by the Commission. To that end, they shall enjoy the powers specified in paragraph 2.

6. Where officials or other accompanying persons authorised by the Commission find that an undertaking or association of undertakings opposes an inspection within the meaning of this Article, the Member State in the territory of which the inspection takes place shall provide them with the necessary assistance and shall request, where appropriate, the assistance of the police or of an equivalent enforcement authority so as to enable them to conduct their inspection. If the assistance provided for in this paragraph requires authorisation from a judicial authority according to national rules, such authorisation shall be applied for. Such authorisation may also be applied for as a precautionary measure.

7. Upon request of the Commission, a Member State shall in its own territory carry out any inspection or other fact-finding measure under its national law in order to establish whether there is a foreign subsidy distorting the internal market.

Article 15

Inspection outside the Union

In order to carry out the duties assigned to it by this Regulation, the Commission may conduct inspections in the territory of a third country, provided that the government of that third country has been officially notified and raises no objection to the inspection. The Commission may also ask the undertaking or association of undertakings to give its consent to the inspection. Article 14(1), (2), and (3), points (a) and (b) shall apply *mutatis mutandis*.

*Article 16***Non-cooperation**

1. The Commission may take a decision pursuant to Article 10, Article 11, Article 25(3), point (c) or Article 31(2), on the basis of the facts available, where an undertaking under investigation or a third country that granted the foreign subsidy:

- (a) provides incomplete, incorrect or misleading information in response to a request for information under Article 13;
- (b) fails to provide the information requested within the time limit prescribed by the Commission;
- (c) refuses to submit to the Commission's inspection within or outside the Union ordered under Article 14 or Article 15; or
- (d) otherwise impedes the preliminary review or the in-depth investigation.

2. Where an undertaking or association of undertakings, a Member State or the third country has supplied incorrect or misleading information to the Commission, that information shall be disregarded.

3. Where an undertaking, including a public undertaking which is directly or indirectly controlled by the State, fails to provide the necessary information to determine whether a financial contribution confers a benefit on it, that undertaking may be deemed to have received such benefit.

4. When applying facts available, the result of the procedure may be less favourable to the undertaking than if it had cooperated.

*Article 17***Fines and periodic penalty payments**

1. The Commission may, by decision, impose fines or periodic penalty payments where an undertaking or an association of undertakings, intentionally or negligently:

- (a) supplies incomplete, incorrect or misleading information in response to a request for information under Article 13, or does not supply the information within the prescribed time limit;
- (b) produces the required books or other records related to the business in incomplete form during inspections under Article 14;
- (c) in response to a question asked in accordance with Article 14(2), point (c):
 - (i) gives an incorrect or misleading answer;

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- (ii) fails to rectify within a time-limit set by the Commission an incorrect, incomplete or misleading answer given by a member of staff; or
- (iii) fails or refuses to provide a complete answer on facts relating to the subject-matter and purpose of an inspection ordered by a decision adopted pursuant to Article 14(3);
- (d) refuses to submit to inspections ordered under Article 14 or has broken seals affixed in accordance with Article 14(2), point (d); or
- (e) fails to comply with the conditions for access to the file or the terms of disclosure imposed by the Commission pursuant to Article 42(4).

2. Fines imposed under paragraph 1 shall not exceed 1 % of the aggregate turnover of the undertaking or association of undertakings concerned in the preceding financial year.

3. Periodic penalty payments imposed under paragraph 1 shall not exceed 5 % of the average daily aggregate turnover of the undertaking or association of undertakings concerned in the preceding financial year for each working day of delay, calculated from the date established in the decision, until it submits complete and correct information as required by the Commission, or until it submits to an inspection.

4. Before adopting any decision in accordance with paragraph 1, point (a) the Commission shall set a final time limit of two weeks to receive the missing information from the undertaking or from the association of undertakings.

5. Where an undertaking does not comply with a decision with commitments pursuant to Article 11(3), a decision ordering interim measures pursuant to Article 12 or a decision with redressive measures pursuant to Article 11(2), the Commission may, by decision, impose:

- (a) fines not exceeding 10 % of the aggregate turnover of the undertaking concerned in the preceding financial year; or
- (b) periodic penalty payments not exceeding 5 % of the average daily aggregate turnover of the undertaking concerned in the preceding financial year for each day of non-compliance, starting from the day of the Commission decision imposing such penalty payments, until the Commission finds that the undertaking concerned complies with the decision.

The Commission may also impose such fines or periodic penalty payments where an undertaking does not comply with a decision adopted pursuant to Article 11, 25 or 31, which obliged the undertaking to inform the Commission of its future participation in concentrations or public procurement procedures pursuant to Article 8.

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6. When setting the amount of the fine or periodic penalty payment, the Commission shall have regard to the nature, gravity and duration of the infringement, taking due account of the principles of proportionality and appropriateness.

7. Where the undertaking or association of undertakings concerned has satisfied the obligation which the periodic penalty payment was intended to enforce, the Commission may reduce the definitive amount of the periodic penalty payment compared to that under the original decision imposing periodic penalty payments.

*Article 18***Revocation**

1. The Commission may revoke a decision taken pursuant to Article 11(2), (3) or (4), Article 25(3), and Article 31(1), (2) or (3), and adopt a new implementing act in the form of a decision in any of the following cases where:

- (a) the undertaking to which the initial decision was addressed acts contrary to its commitments or the redressive measures imposed;
- (b) the initial decision was based on incomplete, incorrect or misleading information;
- (c) commitments or redressive measures are not effective.

That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 48(2).

2. The revocation and adoption of a new decision by the Commission under paragraph 1 shall not affect the decision of the contracting authority or contracting entity awarding a contract. They shall also not affect a contract already concluded following such an award decision.

CHAPTER 3

CONCENTRATIONS*Article 19***Distortions in the internal market caused by foreign subsidies in concentrations**

When assessing whether a foreign subsidy in a concentration distorts the internal market within the meaning of Article 4 or 5, that assessment shall be limited to the concentration concerned. Only foreign subsidies granted in the three years prior to the conclusion of the agreement, the announcement of the public bid, or the acquisition of a controlling interest shall be considered in the assessment.

*Article 20***Concentrations and notification thresholds**

1. For the purposes of this Regulation, a concentration shall be deemed to arise where a change of control on a lasting basis results from either of the following:

- (a) the merger of two or more previously independent undertakings or parts of undertakings;
- (b) the acquisition, by one or more persons already controlling at least one undertaking, or by one or more undertakings, whether by purchase of securities or assets, by contract or by any other means, of direct or indirect control of the whole or parts of one or more other undertakings.

2. The creation of a joint venture performing on a lasting basis all the functions of an autonomous economic entity shall constitute a concentration within the meaning of paragraph 1.

3. For the purposes of this Regulation, a notifiable concentration shall be deemed to arise where, in a concentration:

- (a) at least one of the merging undertakings, the acquired undertaking or the joint venture is established in the Union and generates an aggregate turnover in the Union of at least EUR 500 million; and
- (b) the following undertakings were granted combined aggregate financial contributions of more than EUR 50 million from third countries in the three years preceding the conclusion of the agreement, the announcement of the public bid, or the acquisition of a controlling interest:
 - (i) in the case of an acquisition, the acquirer or acquirers and the acquired undertaking;
 - (ii) in the case of a merger, the merging undertakings;
 - (iii) in the case of a joint venture, the undertakings creating a joint venture and the joint venture.

4. A concentration shall not be deemed to arise where:

- (a) credit institutions or other financial institutions or insurance companies, the normal activities of which include transactions and dealing in securities for their own account or for the account of others, hold on a temporary basis securities which they have acquired in an undertaking with a view to reselling them, provided that they do not exercise voting rights in respect of those securities with a view to determining the competitive conduct of that undertaking or provided that they exercise such voting rights only with a view to preparing the disposal of all or part of that undertaking or of its assets or the disposal of those securities and that any such disposal takes place within one year of the date of acquisition;

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- (b) control is acquired by an office-holder according to the law of a Member State relating to liquidation, winding up, insolvency, cessation of payments, compositions or analogous proceedings;
- (c) the operations referred to in paragraph 1, point (b) are carried out by the financial holding undertakings as defined in Article 2, point 15 of Directive 2013/34/EU of the European Parliament and of the Council ⁽²⁾ provided that the voting rights in respect of the holding are exercised, in particular in relation to the appointment of members of the management and supervisory bodies of the undertakings in which they have holdings, only to maintain the full value of those investments and not to determine directly or indirectly the competitive conduct of those undertakings.

The period of one year referred to in the first subparagraph, point (a) may be extended by the Commission on request where the institutions or companies concerned can show that the disposal was not reasonably possible within the period set.

5. Control shall be constituted by rights, contracts or any other means which, either separately or in combination and having regard to the considerations of fact or law involved, confer the possibility of exercising decisive influence on an undertaking, in particular by:

- (a) ownership or the right to use all or part of the assets of an undertaking;
- (b) rights or contracts which confer decisive influence on the composition, voting or decisions of the organs of an undertaking.

6. Control shall be acquired by persons or undertakings which:

- (a) are holders of the rights or entitled to rights under the contracts concerned; or
- (b) while not being holders of such rights or entitled to rights under such contracts, have the power to exercise the rights deriving therefrom.

Article 21

Prior notification of concentrations

1. Notifiable concentrations shall be notified to the Commission prior to their implementation and following the conclusion of the agreement, the announcement of the public bid, or the acquisition of a controlling interest.

⁽²⁾ Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

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2. The undertakings concerned may also notify the proposed concentration when they demonstrate to the Commission a good faith intention to conclude an agreement or, in the case of a public bid, where they have publicly announced their intention to make such a bid, provided that the intended agreement or bid would result in a notifiable concentration under paragraph 1.

3. A concentration which consists in a merger within the meaning of Article 20(1), point (a) or in the acquisition of joint control within the meaning of Article 20(1), point (b) shall be notified jointly by the parties to the merger or by those acquiring joint control as the case may be. In all other cases, the notification shall be made by the person or undertaking acquiring control of the whole or parts of one or more undertakings.

4. Where the undertakings concerned fail to meet their obligation to notify, the Commission may review a notifiable concentration in accordance with this Regulation by requesting the notification of that concentration. In that case the Commission shall not be bound by the time limits referred to in Article 24(1) and (4).

5. The Commission may request the prior notification of any concentration which is not a notifiable concentration within the meaning of Article 20 at any time prior to its implementation where the Commission suspects that foreign subsidies may have been granted to the undertakings concerned in the three years prior to the concentration. Such concentration shall be deemed to be a notifiable concentration for the purposes of this Regulation.

Article 22

Calculation of turnover

1. Aggregate turnover shall comprise the amounts derived by the undertakings concerned in the preceding financial year from the sale of products and the provision of services falling within the undertakings' ordinary activities after deduction of sales rebates and of value added tax and other taxes directly related to turnover. The aggregate turnover of an undertaking concerned shall not include the sale of products or the provision of services between any of the undertakings referred to in paragraph 4.

Turnover in the Union shall comprise products sold and services provided to undertakings or consumers in the Union.

2. By way of derogation from paragraph 1, where the concentration consists of the acquisition of parts, whether or not constituted as legal entities, of one or more undertakings, only the turnover relating to the parts which are the object of the concentration shall be taken into account with regard to the seller or sellers.

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However, two or more transactions within the meaning of the first subparagraph of this paragraph which take place within a two-year period between the same persons or undertakings shall be treated as one and the same concentration arising on the date of the latest transaction.

3. The following shall be used instead of turnover:

(a) for credit institutions and other financial institutions, the sum of the following income items as defined in Council Directive 86/635/EEC ⁽³⁾, after deduction of value added tax and other taxes directly related to those items, where appropriate:

(i) interest income and similar income;

(ii) income from securities:

— income from shares and other variable yield securities,

— income from participating interests,

— income from shares in affiliated undertakings;

(iii) commissions receivable;

(iv) net profit on financial operations;

(v) other operating income;

(b) for insurance undertakings, the value of gross premiums written which comprises all amounts received and receivable in respect of insurance contracts issued by or on behalf of the insurance undertakings, including also outgoing reinsurance premiums, and after the deduction of taxes and parafiscal contributions or levies charged by reference to the amounts of individual premiums or the total volume of premiums.

For the purposes of point (a), for a credit institution or financial institution the turnover in the Union shall comprise the income items, as defined in that point, which are received by the branch or division of that institution established in the Union.

For the purpose of point (b), for an insurance undertaking, the turnover in the Union shall comprise gross premiums received from Union residents.

4. Without prejudice to paragraph 2, the aggregate turnover of an undertaking concerned shall be calculated by adding together the respective turnovers of:

⁽³⁾ Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).

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- (a) the undertaking concerned;
- (b) the undertakings in which the undertaking concerned, directly or indirectly:
 - (i) owns more than half the capital or business assets,
 - (ii) has the power to exercise more than half the voting rights,
 - (iii) has the power to appoint more than half the members of the supervisory board, the administrative board or bodies legally representing those undertakings, or
 - (iv) has the right to manage the affairs of those undertakings;
- (c) the undertakings which have in the undertaking concerned any of the rights or powers referred to in point (b);
- (d) the undertakings in which an undertaking as referred to in point (c) has any of the rights or powers referred to in point (b);
- (e) the undertakings in which two or more undertakings as referred to in points (a) to (d) jointly have any of the rights or powers referred to in point (b).

5. Where undertakings concerned jointly have the rights or powers listed in paragraph 4, point (b), in calculating the aggregate turnover of the undertakings concerned:

- (a) account shall be taken of the turnover resulting from the sale of products and the provision of services between the joint undertaking and any third undertakings, and this turnover shall be apportioned equally amongst the undertakings concerned;
- (b) no account shall be taken of the turnover resulting from the sale of products or the provision of services between the joint undertaking and each of the undertakings concerned or any other undertaking connected with any one of them, as set out in paragraph 4, points (b) to (e).

*Article 23***Aggregation of financial contributions**

The aggregate financial contribution to an undertaking concerned shall be calculated by adding together the respective financial contributions provided by third countries to all undertakings referred to in Article 22 (2) and Article 22(4), points (a) to (e).



Article 24

Suspension of concentrations and time limits

1. A notifiable concentration shall not be implemented before its notification.

In addition:

- (a) where the Commission receives a complete notification, the concentration shall not be implemented for a period of 25 working days after that receipt;
- (b) where the Commission initiates an in-depth investigation no later than 25 working days after receipt of the complete notification, the concentration shall not be implemented for a period of 90 working days after the opening of the in-depth investigation. That period shall be extended by 15 working days where the undertakings concerned offer commitments pursuant to Article 7 with a view to remedying the distortion in the internal market;
- (c) where the Commission has adopted a decision under Article 25(3), point (a) or (b), the concentration may be implemented thereafter.

The period of time referred to in points (a) and (b) shall begin on the working day following that of the receipt of the complete notification or of the adoption of the relevant Commission decision.

2. Paragraph 1 shall not prevent the implementation of a public bid or of a series of transactions in securities including those convertible into other securities admitted to trading on a market such as a stock exchange, by which control is acquired from various sellers, provided that:

- (a) the concentration is notified to the Commission pursuant to Article 21 without delay; and
- (b) the acquirer does not exercise the voting rights attached to the securities in question or does so only to maintain the full value of its investments based on a derogation granted by the Commission under paragraph 3 of this Article.

3. The Commission may, upon request, grant a derogation from the obligations laid down in paragraphs 1 or 2. A request to grant a derogation shall state the grounds for such request. In deciding on the request, the Commission shall take into account in particular the effects of the suspension on one or more of the undertakings concerned by the concentration or on a third party and the risk of a distortion in the internal market posed by the concentration. Such a derogation may be made subject to certain conditions and obligations in order to ensure that there is no distortion in the internal market. A derogation may be applied for and granted at any time, either before notification or after the transaction.

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4. The time limits provided for in paragraph 1, point (b) of this Article shall be extended if the undertakings concerned make a request to that effect not later than 15 working days after the opening of the in-depth investigation pursuant to Article 10. The undertakings concerned may make only one such request.

The time limits provided for in paragraph 1, point (b) of this Article may be extended at any time following the opening of the in-depth investigation, by the Commission with the agreement of the undertakings concerned.

The total duration of any extension or extensions pursuant to this paragraph shall not exceed 20 working days.

5. The Commission may, exceptionally, suspend the time limits provided for in paragraph 1 where the undertakings have not supplied the complete information which it has required under Article 13 or have refused to submit to an inspection ordered by decision pursuant to Article 14.

6. The Commission may adopt a decision pursuant to Article 25(3) without being bound by the time limits referred to in paragraphs 1 and 4 of this Article, where:

- (a) it finds that a concentration has been implemented in breach of the commitments attached to a decision taken under Article 25(3), point (a); or
- (b) a decision has been revoked pursuant to Article 25(1).

7. Any transaction carried out in breach of paragraph 1 shall be considered valid only after a decision pursuant to Article 25(3) has been adopted.

8. This Article shall have no effect on the validity of transactions in securities including those convertible into other securities admitted to trading on a market such as a stock exchange, unless the buyer and seller were aware or ought to have been aware that the transaction was carried out in breach of paragraph 1.

Article 25

Procedural rules applicable to the preliminary review and the in-depth investigation of notified concentrations

1. Articles 10, 11(1), (3) and (4), Articles 12 to 16 and 18 shall apply to notified concentrations.

2. The Commission may initiate an in-depth investigation under Article 10(3) no later than 25 working days after receipt of the complete notification.

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3. After the in-depth investigation, the Commission shall adopt an implementing act in the form of one of the following decisions:

- (a) a decision with commitments pursuant to Article 11(3);
- (b) a no objection decision pursuant to Article 11(4); or
- (c) a decision prohibiting a concentration, where the Commission finds that a foreign subsidy distorts the internal market pursuant to Articles 4 to 6.

Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 48(2).

4. Decisions pursuant to paragraph 3 shall be adopted within 90 working days after the opening of the in-depth investigation, extended as the case may be pursuant to Article 24(1), point (b), and paragraphs (4) and (5). If the Commission does not adopt a decision within that time limit, the undertakings concerned shall be allowed to implement the concentration.

5. In any request for information to an undertaking, the Commission shall specify whether time limits will be suspended pursuant to Article 24(5), in the event the undertaking fails to provide complete information in the prescribed time limit.

6. The Commission may, where it finds that a concentration notifiable under Article 21(1) or notified upon request of the Commission under Article 21(5) has already been implemented and that foreign subsidies in that concentration distort the internal market pursuant to Articles 4, 5 and 6, adopt one of the following measures:

- (a) require the undertakings concerned to dissolve the concentration, in particular through the dissolution of the merger or the disposal of all the shares or assets acquired, to restore the situation prevailing prior to the implementation of the concentration; or, where that restoration is not possible through dissolution of the concentration, any other measure appropriate to achieve such restoration as far as possible;
- (b) order any other appropriate measure to ensure that the undertakings concerned dissolve the concentration or take other restorative measures as required in its decision.

The Commission may impose the measures referred to in points (a) and (b) of this paragraph either in a decision pursuant to paragraph 3, point (c), of this Article or by separate decision.

The Commission may adopt, by means of an implementing act in the form of a decision, any of the measures referred to in points (a) or (b) of this paragraph where it finds that a concentration has been implemented in breach of a decision taken pursuant to paragraph (3), point (a), of this Article which has found that, in the absence of the commitments, the concentration would fulfil the criterion laid down in paragraph 3, point (c) of this Article.

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Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 48(2).

7. The Commission may also adopt an implementing act in the form of a decision ordering interim measures referred to in Article 12 where:

- (a) a concentration has been implemented in breach of Article 21;
- (b) a concentration has been implemented in breach of a decision with commitments under paragraph 3, point (a) of this Article.

Those implementing acts shall be adopted in accordance with the advisory procedure referred to in Article 48(2).

*Article 26***Fines and periodic penalty payments applicable to concentrations**

1. The Commission may impose fines or periodic penalty payments as set out in Article 17.

2. The Commission may, by decision, also impose fines upon undertakings concerned not exceeding 1 % of their aggregate turnover in the preceding financial year where those undertakings, intentionally or negligently, supply incorrect or misleading information in a notification pursuant to Article 21 or supplement thereto.

3. The Commission may, by decision, also impose fines upon undertakings concerned not exceeding 10 % of their aggregate turnover in the preceding financial year where those undertakings, intentionally or negligently:

- (a) fail to notify a notifiable concentration in accordance with Article 21 prior to its implementation, unless they are expressly authorised to do so by Article 24;
- (b) implement a notified concentration in breach of Article 24;
- (c) implement a notified concentration prohibited in accordance with Article 25(3), point (c);
- (d) circumvented or attempted to circumvent the notification requirements, as referred to in Article 39(1).



CHAPTER 4

PUBLIC PROCUREMENT PROCEDURES

*Article 27***Foreign subsidies distorting the internal market in the context of public procurement procedures**

Foreign subsidies that cause or risk causing a distortion in a public procurement procedure shall be understood as foreign subsidies that enable an economic operator to submit a tender that is unduly advantageous in relation to the works, supplies or services concerned. The assessment pursuant to Article 4 of whether there is a distortion in the internal market and whether a tender is unduly advantageous in relation to the works, supplies or services concerned shall be limited to the public procurement procedure in question. Only foreign subsidies granted during the three years prior to the notification shall be taken into account in the assessment.

*Article 28***Notification thresholds in public procurement procedures**

1. For the purposes of this Regulation, a notifiable foreign financial contribution in a public procurement procedure shall be deemed to arise where:

- (a) the estimated value of that public procurement or framework agreement net of VAT, calculated in accordance with the provisions laid down in Article 8 of Directive 2014/23/EU, Article 5 of Directive 2014/24/EU and Article 16 of Directive 2014/25/EU, or a specific procurement under the dynamic purchasing system, is equal to or greater than EUR 250 million; and
- (b) the economic operator, including its subsidiary companies without commercial autonomy, its holding companies, and, where applicable, its main subcontractors and suppliers involved in the same tender in the public procurement procedure was granted aggregate financial contributions in the three years prior to notification or, if applicable, the updated notification, equal to or greater than EUR 4 million per third country.

2. Where the contracting authority or contracting entity decides to divide the procurement into lots, a notifiable foreign financial contribution in a public procurement procedure shall be deemed to arise where the estimated value of the procurement net of VAT exceeds the threshold laid down in paragraph 1, point (a) and the value of the lot or the aggregate value of all the lots to which the tenderer applies is equal to or greater than EUR 125 million and the foreign financial contribution is equal to or greater than the threshold laid down in paragraph 1, point (b).

3. Procedures for the award of contracts falling within the scope of Directive 2009/81/EC shall not fall under this Chapter.

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4. Procedures for the award of contracts provided by Article 32(2), point (c), of Directive 2014/24/EU, and Article 50, point (d), of Directive 2014/25/EU shall be covered by the provisions of Chapter 2 of this Regulation and shall be excluded from the application of Chapter 4 of this Regulation.

5. By way of derogation from Article 29(1), where the works, supplies or services can be supplied only by a particular economic operator, in accordance with Article 31(4), of Directive 2014/23/EU, Article 32(2), point (b), of Directive 2014/24/EU and Article 50, point (c), of Directive 2014/25/EU and the estimated value of the contract is equal to or greater than the value set in paragraph 1, point (a), of this Article economic operators submitting a tender or a request to participate shall inform the Commission of all foreign financial contributions if the condition set out in paragraph 1, point (b) of this Article is fulfilled. Without prejudice to the possibility to initiate a review under Chapter 2 of this Regulation, the submission of such information shall not be considered a notification and shall not be subject to investigations under this Chapter.

6. The contracting authority or contracting entity shall state in the contract notice or, where a procedure without a prior publication is conducted, in the procurement documents, that the economic operators are under the notification obligation as set out in Article 29. However, the absence of such a statement is without prejudice to the application of this Regulation for contracts falling under its scope.

Article 29

Prior notification or declaration of foreign financial contributions in the context of public procurement procedures

1. Where the conditions for the notification of financial contributions in accordance with Article 28(1) and (2) are met, economic operators participating in a public procurement procedure, shall notify the contracting authority or contracting entity of all foreign financial contributions as defined in Article 28(1), point (b). In all other cases, economic operators shall list in a declaration all foreign financial contributions received and confirm that the foreign financial contributions received are not notifiable in accordance with Article 28(1), point (b). In an open procedure, the notification or declaration shall be submitted only once, together with the tender. In a multi-stage procedure, the notification or declaration shall be submitted twice, first with the request to participate and then as an updated notification or updated declaration with the submitted tender or final tender.

2. Once the notification or declaration is submitted, the contracting authority or contracting entity shall transfer the notification or declaration to the Commission without delay.

3. Where a notification or declaration is missing from the request to participate or the tender, the contracting authority or contracting entity may request the economic operators concerned to submit the relevant document within 10 working days. Tenders or requests to participate from economic operators subject to the obligations specified under this Article and ultimately not accompanied by the notification or declaration submitted in accordance with paragraph 1, despite a request made by the

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contracting authority or contracting entity in accordance with this paragraph, shall be declared irregular and rejected by the contracting authority or contracting entity. The contracting authority or contracting entity shall inform the Commission of that rejection.

4. The Commission shall examine the content of the notification received without undue delay. Where the Commission finds that the notification is incomplete, it shall communicate its findings to the contracting authority or contracting entity and to the economic operator concerned, and request that the economic operator completes its content within 10 working days. Where a notification accompanying a tender or request to participate remains incomplete despite a request made by the Commission in accordance with this paragraph, the Commission shall adopt a decision declaring that tender irregular. In that decision the Commission shall also request the contracting authority or contracting entity to adopt a decision rejecting such an irregular tender or request to participate.

5. The obligation to notify foreign financial contributions under this Article shall apply to economic operators, groups of economic operators referred to in Article 26(2) of Directive 2014/23/EU, Article 19(2) of Directive 2014/24/EU and Article 37(2) of Directive 2014/25/EU, as well as to main subcontractors and main suppliers known at the time of submission of the complete notification or declaration, or complete updated notification or declaration. For the purposes of this Regulation, a subcontractor or supplier shall be deemed to be main where their participation ensures key elements of the contract performance and in any case where the economic share of their contribution exceeds 20 % of the value of the submitted tender.

6. On behalf of groups of economic operators, main subcontractors and main suppliers, the main contractor within the meaning of Directives 2014/24/EU and 2014/25/EU or main concessionaire within the meaning of Directive 2014/23/EU shall ensure the submission of the notification or declaration. For the purposes of Article 33, the main contractor or main concessionaire is responsible only for the veracity of data linked to its own foreign financial contributions.

7. Where the contracting authority or contracting entity examining tenders suspects the presence of foreign subsidies, although a declaration was submitted, it shall communicate such suspicions to the Commission without delay. Without prejudice to the powers of contracting authorities or contracting entities, laid down in Directives 2014/24/EU and 2014/25/EU, to examine whether a tender is abnormally low, the contracting authority or contracting entity shall not perform an assessment of whether a tender is abnormally low where such an assessment would be initiated on the suspicions indicating a possible presence of foreign subsidies alone. Where the Commission concludes that there is no unduly advantageous tender within the meaning of this Regulation, it shall inform the relevant contracting authority or contracting entity thereof. Other legal or natural persons may report to the Commission any information relating to foreign subsidies distorting the internal market and may communicate any suspicions that a false declaration has possibly been made.

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8. Without prejudice of the possibility for the Commission to start an *ex officio* procedure, where the Commission suspects that an economic operator may have benefitted from foreign subsidies in the three years prior to the submission of the tender or request to participate in the public procurement procedure, it may before the award of the contract request the notification of the foreign financial contributions provided by third countries to that economic operator in any public procurement procedure which are not notifiable under Article 28(1) or fall within the scope of Article 30(4). If the Commission has required the notification of such a financial contribution, the financial contribution shall be deemed to be a notifiable foreign financial contribution in a public procurement procedure and be subject to the provisions set out in Chapter 4.

*Article 30***Procedural rules applicable to the preliminary review and the in-depth investigation of notified financial contributions in public procurement procedures**

1. Articles 10, 11 (1), (3) and (4), 13, 14, 15, 16, 18 and 23 shall apply to notified financial contributions in public procurement procedures.

2. The Commission shall carry out a preliminary review no later than 20 working days after it receives a complete notification. In duly justified cases, the Commission may extend this time limit by 10 working days once.

3. The Commission shall decide whether to initiate an in-depth investigation within the time limit for completing the preliminary review and inform the economic operator concerned and the contracting authority or the contracting entity without delay.

4. Where the Commission had closed a preliminary review without adopting a decision and receives new information leading it to suspect that a submitted notification or declaration was incomplete, or where such a notification or declaration is not transferred to the Commission, it may request additional information in accordance with Article 29(4). The Commission may reopen a preliminary review based on this new information. Where the preliminary review is initiated under this Chapter, and without prejudice to the possibility to initiate a preliminary review under Chapter 2, as the need may arise, the starting point for the determination of the duration of the preliminary review is the receipt of the new notification or declaration by the Commission.

5. The Commission may adopt a decision closing the in-depth investigation no later than 110 working days after it has received the complete notification. This period may be extended once by 20 working days, after consultation with the contracting authority or contracting entity, in duly justified exceptional cases including the investigations referred to in paragraph 6 or in cases referred to in Article 16(1), points (a) and (b).

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6. By way of derogation from paragraph 2, where the public procurement procedure is a multi-stage procedure, the Commission shall examine the complete notification submitted with the request to participate within 20 working days from the receipt of that notification, without closing the preliminary review or reaching a decision on opening an in-depth investigation. After the deadline of 20 working days elapses, the preliminary review shall be suspended until the submission of a final tender or a tender in the case of a restricted procedure. Once the tender or final tender containing a complete updated notification is submitted, the preliminary review shall be resumed and the Commission has 20 working days to finalise it, taking into account any additional information. The Commission shall adopt a decision closing any ensuing in-depth investigation within 90 working days from the submission of the completed updated notification.

*Article 31***Commission decisions**

1. Where, after an in-depth investigation, the Commission finds that an economic operator benefits from a foreign subsidy distorting the internal market pursuant to Articles 4, 5 and 6, and where the economic operator concerned offers commitments that fully and effectively remedy the distortion in the internal market, it shall adopt an implementing act in the form of a decision with commitments pursuant to Article 11(3). That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 48(2).

2. Where the economic operator concerned does not offer commitments or where the Commission considers that the commitments referred to in paragraph 1 are neither appropriate nor sufficient to fully and effectively remedy the distortion, the Commission shall adopt an implementing act in the form of a decision prohibiting the award of the contract to the economic operator concerned ('decision prohibiting the award of the contract'). That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 48(2). Following that decision, the contracting authority or contracting entity shall reject the tender.

3. Where, after an in-depth investigation, the Commission does not find that an economic operator benefits from a foreign subsidy distorting the internal market, it shall adopt an implementing act in the form of a decision pursuant to Article 11(4). That implementing act shall be adopted in accordance with the advisory procedure referred to in Article 48(2).

4. The assessment under Article 6 shall not result in a modification of the tender or final tender submitted by the economic operator that is incompatible with Union law.

*Article 32***Evaluations in public procurement procedures involving a notification and suspension of award**

1. During the preliminary review and the in-depth investigation, all procedural steps in the public procurement procedure may continue, except for the award of the contract.

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2. If the Commission decides to open an in-depth investigation pursuant to Article 30(3), the contract shall not be awarded to an economic operator submitting a notification under Article 29 until the Commission takes a decision under Article 31(3) or before the time limits set in Article 30(5) or (6) elapse. If the Commission has not adopted a decision within the applicable time limit, the contract may be awarded to any economic operator, including the economic operator submitting the notification.

3. Where the contracting authority or contracting entity finds that the most economically advantageous tender was submitted by an economic operator, which submitted a declaration within the meaning of Article 29 and where the Commission has not opened a review in line with Articles 29(8), 30(3) or 30(4), the contract may be awarded to the economic operator submitting such a tender before the Commission takes any of the decisions referred to in Article 31 or before the time limits laid down in Articles 30(2), 30(5) or 30(6) elapse or before the Commission takes any of the decisions referred to in Article 31 regarding other tenders under investigation.

4. Where the Commission adopts a decision in accordance with Article 31(2) concerning a tender which the contracting authority or contracting entity has found to be the most economically advantageous tender, the contract may be awarded to the economic operator not subject to a decision under Article 31(2) having submitted the next best tender.

5. Where the Commission adopts a decision in accordance with Article 31(1) or (3), the contract may be awarded to any economic operator having submitted the most economically advantageous tender, including, to the economic operator having submitted the notification under Article 29.

6. The contracting authority or the contracting entity shall inform the Commission without undue delay of any decision relating to the cancellation of the public procurement procedure, the rejection of the tender or request to participate by the economic operator concerned, the submission of a new tender by the economic operator concerned or the award of the contract.

7. The principles governing public procurement procedures, including the principles of proportionality, non-discrimination, equal treatment, transparency and competition, shall be observed as regards all economic operators involved in the public procurement procedure. The investigation of foreign subsidies pursuant to this Regulation shall not result in the contracting authority or the contracting entity treating the economic operators concerned in a way that is contrary to those principles. Environmental, social and labour requirements shall apply to economic operators in accordance with Directives 2014/23/EU, 2014/24/EU and 2014/25/EU, or other Union law.

8. Time limits referred to in this Chapter shall begin on the working day following that of the receipt of the notification or of the adoption of the relevant Commission decision.



Article 33

Fines and periodic penalty payments applicable to financial contributions in the context of public procurement procedures

1. The Commission may impose fines or periodic penalty payments as set out in Article 17.

2. The Commission may, by decision, also impose fines upon the economic operators concerned that do not exceed 1 % of their aggregate turnover in the preceding financial year, where those economic operators intentionally or negligently supply incorrect or misleading information in a notification or declaration pursuant to Article 29 or in a supplement thereto.

3. The Commission may, by decision, impose fines upon the economic operators concerned that do not exceed 10 % of their aggregate turnover in the preceding financial year where those economic operators, intentionally or negligently:
 - (a) fail to notify foreign financial contributions in accordance with Article 29 during the public procurement procedure;

 - (b) circumvent or attempt to circumvent the notification requirements, as referred to in Article 39(1).

CHAPTER 5

COMMON PROCEDURAL PROVISIONS

Article 34

Relationship between procedures

1. A financial contribution notified in the context of a concentration under Article 21 or in the context of a public procurement under Article 29 may be relevant to and assessed under this Regulation in relation to another economic activity.

2. A financial contribution assessed in the context of an *ex officio* procedure in relation to a specific economic activity under Article 10 or Article 11 may be relevant to and assessed under this Regulation in relation to another economic activity.

Article 35

Communication of information

1. Where a Member State considers that a foreign subsidy may exist and may distort the internal market, it shall transfer information thereon to the Commission. The Commission may on the basis of that information decide to start a preliminary review pursuant to Article 10, or request a notification pursuant to Article 21(5) or Article 29(8).

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2. A natural or legal person or association may communicate to the Commission any information it may have about foreign subsidies that may distort the internal market. The Commission may on the basis of that information decide to start a preliminary review pursuant to Article 10, or request a notification pursuant to Article 21(5) or Article 29(8).

3. The Commission shall make accessible to Member States and the contracting authorities or contracting entities concerned, on a dedicated electronic database, the non-confidential versions of all decisions adopted under this Regulation.

*Article 36***Market investigation**

1. Where the information available to the Commission substantiates a reasonable suspicion that foreign subsidies in a particular sector, for a particular type of economic activity or based on a particular subsidy instrument may distort the internal market, the Commission may conduct a market investigation into the particular sector, the particular type of economic activity or into the use of the subsidy instrument concerned. In the course of that market investigation, the Commission may require the undertakings or associations of undertakings concerned to supply the necessary information and may carry out the necessary inspections. The Commission may also request Member States or the third country concerned to supply information.

2. The Commission shall, where relevant, publish a report on the results of its market investigation into particular sectors, particular types of economic activity or particular subsidy instruments and seek comments.

3. The Commission may use the information obtained from such market investigations in the framework of procedures under this Regulation.

4. Articles 13, 14, 15 and 17 shall apply to market investigations.

*Article 37***Third-country dialogue**

1. Where, following a market investigation pursuant to Article 36, the Commission suspects the existence of repeated foreign subsidies distorting the internal market, or where several enforcement actions under this Regulation identify foreign subsidies distorting the internal market granted by the same third country, the Commission may engage in a dialogue with the third country concerned, to explore options aimed at obtaining the cessation or modification of such subsidies with a view to eliminating their distortive effects on the internal market. The Commission shall inform the European Parliament and the Council of any relevant developments.

2. That third-country dialogue shall not prevent the Commission from taking action under this Regulation. Individual measures adopted pursuant to this Regulation shall not be addressed within that dialogue.

*Article 38***Limitation periods**

1. The powers of the Commission under Articles 10 and 11 shall be subject to a limitation period of 10 years, starting on the day on which a foreign subsidy is granted to an undertaking. Any action taken by the Commission under Article 10, 13, 14 or 15 with respect to a foreign subsidy shall interrupt the limitation period. After each interruption, the limitation period of 10 years shall start to run afresh.

2. The powers of the Commission to impose fines or periodic penalty payments under Articles 17, 26 and 33 shall be subject to a limitation period of three years, starting on the day on which the infringement referred to in Article 17, 26 or 33 took place. In the case of continuing or repeated infringements, the limitation period shall start on the day on which the infringement ceases. Any action taken by the Commission with respect to an infringement referred to in Articles 17, 26 or 33 shall interrupt the limitation period for the imposition of fines or periodic penalty payments. After each interruption, the limitation period of three years shall start to run afresh.

3. The powers of the Commission to enforce decisions imposing fines or periodic penalty payments under Articles 17, 26 and 33 shall be subject to a limitation period of five years, starting on the day on which the Commission decision imposing fines or periodic penalty payments is taken. Any action taken by the Commission, or by a Member State acting upon request of the Commission, intended to enforce payment of the fine or periodic penalty payment shall interrupt that limitation period. After each interruption, the limitation period of five years shall start to run afresh.

4. The limitation period shall expire at the latest on the day on which twice the amount of time of that limitation period has elapsed provided that the Commission has not:

- (a) taken a decision pursuant to Article 10 or 11 in the instances set out in paragraph 1 of this Article; or
- (b) imposed a fine or a periodic penalty payment in the situation set out in paragraph 2 of this Article.

5. The limitation period shall be suspended for as long as the decision of the Commission is the subject of proceedings pending before the Court of Justice of the European Union.

*Article 39***Anti-circumvention**

1. An undertaking shall not arrange financial operations or contracts to circumvent the notification requirements laid down in Article 21(1) and (5) and Article 29(1), (5) and (8).

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2. Where the Commission suspects that an undertaking has engaged or is engaging in a practice referred to in paragraph 1, it may require that undertaking to provide any information that the Commission deems necessary to determine whether the undertaking has engaged in or is engaging in the practices referred to in paragraph 1, and may initiate a review pursuant to Article 21(4), or Article 30(4).

*Article 40***Publication of decisions**

1. The Commission shall make public a summary notice of the decisions adopted pursuant to Article 10(3), point (a), allowing any natural or legal person, Member States or the third country that granted the foreign subsidy, to express their views.

2. The Commission shall publish the decisions adopted pursuant to Article 11(2), (3) and (4), Article 25(3) and (6), and Article 31(1), (2) and (3) in the *Official Journal of the European Union*.

3. When making public summary notices and decisions, the Commission shall take due account of the legitimate interests of undertakings in the protection of their business secrets and other confidential information.

*Article 41***Addressees of decisions**

1. The Commission shall notify a decision addressed to an undertaking or to an association of undertakings without delay and shall give that undertaking or association of undertakings the opportunity to indicate to the Commission which information in the decision it considers to be confidential.

2. The Commission shall inform the contracting authority or contracting entity concerned about a decision adopted pursuant to Article 31(1) and (3) addressed to an economic operator participating in a public procurement procedure.

3. Decisions adopted pursuant to Article 29(4) and Article 31(2) shall be addressed to the contracting authority or contracting entity concerned. The Commission shall provide the economic operator to which the award of the contract is prohibited with a copy of that decision.

*Article 42***Disclosure and rights of defence**

1. The Commission shall, before adopting a decision pursuant to Articles 11, 12, 17, 18, 25(3), 26, 31 or 33 give the undertaking under investigation the opportunity to submit observations on the grounds on which the Commission intends to adopt its decision.

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2. By way of derogation from paragraph 1, a decision pursuant to Article 12 may be taken provisionally, without the undertaking under investigation being given the opportunity to submit its observations beforehand, provided that the Commission gives it that opportunity as soon as possible after having taken its decision.

3. The Commission shall base its decision only on grounds on which the undertakings concerned have been given the opportunity to submit their observations.

4. In order to be able to exercise its right pursuant to paragraph 1, the undertaking under investigation shall be entitled to have access to the file of the Commission. The right of access to the file shall not extend to confidential information or internal documents of the Commission or the Member States or, in particular, to correspondence between the Commission and the Member States.

The right of access to the file shall be subject to the legitimate interest of undertakings or associations of undertakings in the protection of their business secrets and other confidential information. The Commission may ask the undertaking under investigation and the undertakings or associations of undertakings that provided information to the Commission to agree on terms to disclose that information. If the undertakings or associations of undertakings disagree on those terms, the Commission shall have the power to impose the terms on which the information is to be disclosed.

Nothing in this paragraph shall prevent the Commission from using and disclosing, to the extent necessary, information that demonstrates the existence of a foreign subsidy distorting the internal market.

Article 43

Professional secrecy and confidentiality

1. Information acquired under this Regulation shall be used only for the purposes for which it was acquired, unless the provider of the information agrees otherwise.

2. Member States and the Commission, their officials and other persons working under their supervision shall ensure the protection of confidential information acquired in application of this Regulation in accordance with the relevant applicable rules. To that end, they shall not disclose information covered by the obligation of professional secrecy that they have acquired pursuant to this Regulation.

3. Paragraphs 1 and 2 shall not prevent the publication of statistics and reports which do not contain information allowing the identification of specific undertakings or associations of undertakings.

4. The disclosure of any information communicated under this Regulation shall not prejudice the essential security interests of Member States.



CHAPTER 6

RELATIONSHIP TO OTHER INSTRUMENTS

*Article 44***Relationship to other instruments**

1. This Regulation is without prejudice to the application of Articles 101, 102, 106, 107 and 108 TFEU, Council Regulation (EC) No 1/2003 ⁽⁴⁾ and of Regulation (EC) No 139/2004.

2. This Regulation is without prejudice to the application of Regulation (EU) 2016/1037 of the European Parliament and of the Council ⁽⁵⁾.

3. This Regulation is without prejudice to the application of Regulation (EU) 2019/452.

4. This Regulation is without prejudice to the application of Regulation (EU) 2022/1031 of the European Parliament and of the Council ⁽⁶⁾.

5. This Regulation takes precedence over Regulation (EU) 2016/1035 until that Regulation becomes applicable pursuant to its Article 18. Where, after that date, a foreign subsidy falls within the scope of application of both Regulation (EU) 2016/1035 and this Regulation, Regulation (EU) 2016/1035 takes precedence. However, the provisions applicable to public procurement and concentrations of this Regulation take precedence over Regulation (EU) 2016/1035.

6. This Regulation takes precedence over Regulation (EEC) No 4057/86.

7. This Regulation is without prejudice to the application of Regulation (EU) 2019/712. Concentrations, as defined in Article 20 of this Regulation, involving air carriers shall be subject to the provisions of Chapter 3 of this Regulation. Public procurement procedures involving air carriers shall be subject to the provisions of Chapter 4 of this Regulation.

⁽⁴⁾ Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty (OJ L 1, 4.1.2003, p. 1).

⁽⁵⁾ Regulation (EU) 2016/1037 of the European Parliament and of the Council of 8 June 2016 on protection against subsidised imports from countries not members of the European Union (OJ L 176, 30.6.2016, p. 55).

⁽⁶⁾ Regulation (EU) 2022/1031 of the European Parliament and of the Council of 23 June 2022 on the access of third-country economic operators, goods and services to the Union's public procurement and concession markets and procedures supporting negotiations on access of Union economic operators, goods and services to the public procurement and concession markets of third countries (International Procurement Instrument – IPI) (OJ L 173, 30.6.2022, p. 1).

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8. This Regulation shall be interpreted consistently with Directives 2009/81/EC, 2014/23/EU, 2014/24/EU and 2014/25/EU, and Council Directives 89/665/EEC ⁽⁷⁾ and 92/13/EEC ⁽⁸⁾.

9. This Regulation shall not prevent the Union from exercising its rights or fulfilling its obligations under international agreements. An investigation pursuant to this Regulation shall not be carried out and measures shall not be imposed or maintained where such investigation or measures would be contrary to the Union's obligations emanating from any relevant international agreement it has entered into. In particular, no action shall be taken under this Regulation which would amount to a specific action against a subsidy within the meaning of Article 32.1 of the Agreement on Subsidies and Countervailing Measures and granted by a third country which is a member of the World Trade Organisation.

CHAPTER 7

TRANSITIONAL AND FINAL PROVISIONS

*Article 45***Review by the Court of Justice**

In accordance with Article 261 TFEU, the Court of Justice of the European Union shall have unlimited jurisdiction to review decisions by which the Commission has imposed fines or periodic penalty payments. It may cancel, reduce or increase the fine or periodic penalty payment imposed.

*Article 46***Guidelines****▼C1**

1. The Commission shall publish, at the latest on 13 January 2026, and shall regularly update thereafter, guidelines regarding:

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- (a) the application of the criteria for determining the existence of a distortion according to Article 4(1);
- (b) the application of the balancing test in accordance with Article 6;
- (c) the application of its power to request the prior notification of any concentration according to Article 21(5) or foreign financial contributions received by an economic operator in a public procurement procedure according to Article 29(8), and

⁽⁷⁾ Council Directive 89/665/EEC of 21 December 1989 on the coordination of the laws, regulations and administrative provisions relating to the application of review procedures to the award of public supply and public works contracts (OJ L 395, 30.12.1989, p. 33).

⁽⁸⁾ Council Directive 92/13/EEC of 25 February 1992 coordinating the laws, regulations and administrative provisions relating to the application of Community rules on the procurement procedures of entities operating in the water, energy, transport and telecommunications sectors (OJ L 76, 23.3.1992, p. 14).

▼B

- (d) the assessment of a distortion in a public procurement procedure according to Article 27.

2. Before issuing the guidelines referred to in paragraph 1, the Commission shall conduct appropriate consultations with stakeholders and Member States. The guidelines shall be built on experience gained in the course of implementing and enforcing this Regulation.

*Article 47***Implementing acts**

1. The Commission is empowered to adopt implementing acts concerning:

- (a) the form, content and procedural details of notifications of concentrations pursuant to Article 21, including a possible simplified procedure, taking utmost account of the goal of limiting administrative burden for notifying parties pursuant to Article 21 of this Regulation and Article 4 of Regulation (EC) No 139/2004;
- (b) the form, content and procedural details of notifications of foreign financial contributions and declaration of no foreign financial contribution in public procurement procedures pursuant to Article 29, including a possible simplified procedure;
- (c) procedural details for oral statements pursuant to Article 13(7), Article 14(2), point (c) and Article 15;
- (d) details of the disclosure pursuant to Article 42 and professional secrecy pursuant to Article 43;
- (e) the form, content and procedural details of transparency requirements;
- (f) detailed rules on the calculation of time limits;
- (g) the procedural details and time limits for proposing commitments under Articles 25 and 31;
- (h) detailed rules on the procedural steps referred to in Articles 29 to 32 concerning investigations regarding public procurement procedures.

2. Implementing acts referred to in paragraph 1 shall be adopted in accordance with the advisory procedure referred to in Article 48(2).

3. Before the adoption of any measures pursuant to paragraph 1, the Commission shall make public a draft thereof and seek comments within the time limit. That time limit shall be set by the Commission and be no less than four weeks.

▼C1

4. The first implementing acts referred to in paragraph 1 shall be adopted by 13 July 2023.

▼B*Article 48***Committee procedure**

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

*Article 49***Delegated acts**

1. The Commission is empowered to adopt a delegated act in accordance with Article 50 for the purposes of amending, where necessary, the threshold for notifications of concentrations as set out in Article 20(3), point (a), by increasing the threshold by up to 20 % or decreasing the threshold by up to 20 %, after having:

- (a) assessed that threshold in the light of its experience gained in the course of implementing and enforcing this Regulation; and
- (b) established the necessity of amending that threshold in order to:
 - (i) ensure that the notification procedures set out in Chapter 3 enable the accurate identification of foreign subsidies distorting the internal market;
 - (ii) ensure a reasonable administrative burden on the Commission and the undertakings concerned; and
 - (iii) enhance the effectiveness of the application of this Regulation.

2. For the purposes of evaluating the necessity of amending the threshold for notifications, pursuant to paragraph 1, the Commission shall conduct its assessment, covering a defined period of time which cannot be shorter than two years, in particular on the basis of the following objective criteria:

- (a) the proportion of notifications pursuant to Article 21(1) which resulted either in the Commission closing the preliminary review pursuant to Article 10(4) or in the Commission adopting a no objection decision pursuant to Article 25(3), point (b);
- (b) the proportion of notifications pursuant to Article 21(1) which resulted either in the Commission adopting a decision prohibiting a concentration pursuant to Article 25(3), point (c), or a decision with commitments pursuant to Article 25(3), point (a);

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- (c) the proportion of notifications pursuant to Article 21(5) which resulted in the Commission adopting either a decision prohibiting a concentration pursuant to Article 25(3), point (c), or a decision with commitments pursuant to Article 25(3), point (a);
- (d) the proportion of *ex officio* reviews pursuant to Article 9 in the context of concentrations not notifiable within the meaning of Article 20 which resulted either in a decision with redressive measures pursuant to Article 11(2) or in a decision with commitments pursuant to Article 11(3);
- (e) the comparison between the threshold set out in Article 20(3), point (a), and the average aggregate turnover, above that threshold, in the cases which resulted in either a decision prohibiting a concentration pursuant to Article 25(3), point (c), or a decision with commitments pursuant to Article 25(3), point (a);
- (f) the number of notifications pursuant to Article 21(1) and the evolution of that number.

3. In order to raise the thresholds in Article 20(3), point (a), the assessment referred to in paragraph 2 of this Article shall demonstrate that:

- (a) a large part of decisions prohibiting a concentration pursuant to Article 25(3), point (c), or decisions with commitments pursuant to Article 25(3), point (a), concerned cases where the aggregate turnover, above the threshold referred to in Article 20(3), point (a), was substantially higher than that threshold; or
- (b) a large part of the notifications pursuant to Article 21(1) resulted either in the Commission closing the preliminary review pursuant to Article 10(4) or in the Commission adopting a no objection decision pursuant to Article 25(3), point (b).

4. In order to decrease the thresholds in Article 20(3), point (a), the assessment referred in paragraph 2 of this Article shall demonstrate that:

- (a) a large part of notifications pursuant to Article 21(5) resulted in the Commission adopting either a decision prohibiting a concentration pursuant to Article 25(3), point (c), or a decision with commitments pursuant to Article 25(3), point (a); or
- (b) a large part of *ex officio* reviews of foreign subsidies in the context of concentrations which were not notifiable concentrations within the meaning of Article 20 resulted in the Commission adopting either a decision with redressive measures pursuant to Article 11(2) or a decision with commitments pursuant to Article 11(3).

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5. The Commission is empowered to adopt a delegated act in accordance with Article 50 for the purposes of amending, where necessary, the thresholds for notifications as set out in Articles 28(1), point (a), and 28(2) for public procurement by increasing by up to 20 % or decreasing by up to 20 %, after having:

- (a) assessed those thresholds in the light of its experience gained in the course of implementing and enforcing this Regulation; and
- (b) established the necessity of amending those thresholds in order to:
 - (i) ensure that the notification procedures set out in Chapter 4 enable the accurate identification of foreign subsidies distorting the internal market;
 - (ii) ensure a reasonable administrative burden on the Commission and the economic operators concerned; and
 - (iii) enhance the effectiveness of the application of this Regulation.

6. For the purposes of evaluating the necessity of amending the threshold for notifications, pursuant to paragraph 5, the Commission shall conduct its assessment, covering a defined period of time which cannot be shorter than two years, in particular on the basis of the following objective criteria:

- (a) the proportion of notifications pursuant to Article 29(1) which resulted either in the Commission closing the preliminary review pursuant to Article 10(4) or in the Commission adopting a no objection decision pursuant to Article 31(3);
- (b) the proportion of notifications pursuant to Article 29(1) which resulted either in the Commission adopting a decision prohibiting the award of the contract pursuant to Article 31(2) or a decision with commitments pursuant to Article 31(1);
- (c) the proportion of notifications pursuant to Article 29(8) which resulted in the Commission adopting either a decision prohibiting the award of the contract pursuant to Article 31(2) or a decision with commitments pursuant to Article 31(1);
- (d) the number of decisions with redressive measures pursuant to Article 11(2) and of decisions with commitments pursuant to Article 11(3), following an *ex officio* review pursuant to Article 9 in the context of a foreign financial contribution in a public procurement procedure which was not notifiable within the meaning of Article 28(1) or which fell within the scope of Article 30(4), in relation to the overall number of such *ex officio* reviews;

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- (e) the comparison between the respective thresholds set out in Articles 28(1), point (a), and 28(2) and the average estimated value of the contracts or the average value of the lots, above the respective threshold, in the cases which resulted with either a decision prohibiting the award of the contract pursuant to Articles 31(2) or a decision with commitments pursuant to Article 31(1);
- (f) the number of notifications pursuant to Article 29(1) and the evolution of that number.

7. In order to increase the thresholds for notifications, the assessment referred to in paragraph 6 shall demonstrate that:

- (a) a large part of the decisions prohibiting the award of the contract pursuant to Article 31(2) and decisions with commitments pursuant to Article 31(1) concerned cases where the estimated value of the contracts, above the threshold referred to in Article 28(1), point (a), or where the value of the lots applied for, above the threshold referred to in Article 28(2), was substantially higher than the respective thresholds set out in Articles 28(1), point (a), and 28(2); or
- (b) a large part of the notifications pursuant to Article 29(1) resulted either in the Commission closing the preliminary review pursuant to Article 10(4) or in the Commission adopting a no objection decision pursuant to Article 31(3).

8. In order to decrease the thresholds, the assessment referred to in paragraph 6 shall demonstrate that:

- (a) a large part of the notifications pursuant to Article 29(8) resulted in the Commission adopting either a decision with commitments pursuant to Article 31(1) or a decision prohibiting the award of the contract pursuant to Article 31(2); or
- (b) a large part of the *ex officio* reviews of foreign subsidies in the context of foreign financial contributions in a public procurement procedure which were not notifiable within the meaning of Article 28(1) or fell within the scope of Article 30(4) resulted in the Commission adopting either a decision with redressive measures pursuant to Article 11(2) or a decision with commitments pursuant to Article 11(3).

9. The Commission is empowered to adopt delegated acts in accordance with Article 50 for the purposes of reducing the timelines for preliminary review and in-depth investigations as set out in Article 25(2) and (4) for notified concentrations and in Article 30(2), (5) and (6) for notified financial contributions in public procurement procedures. The Commission may adopt such delegated acts to reduce the timelines in Article 25(2) and (4) and Article 30(2), (5) and (6) where its practice in the application of this Regulation demonstrates that the Commission's assessment can be performed within a shorter period of time.

▼B*Article 50***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.

▼C1

2. The power to adopt delegated acts referred to in Articles 49(1) and (5) shall be conferred on the Commission for a period of five years from 13 January 2025.

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3. ►**C1** The power to adopt delegated acts referred to in Article 49 (9) shall be conferred on the Commission for a period of five years from 13 January 2025. ◄ The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-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.

4. The delegation of power referred to in Article 49(1), (5) and (9) 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 on 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.

5. 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.

6. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

7. A delegated act adopted pursuant to Article 49(1) (5) and (9) 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 51***Separate delegated acts for different delegated powers**

The Commission shall adopt a separate delegated act in respect of each power delegated to it pursuant to this Regulation.

▼B*Article 52***Reporting and review**

1. The Commission shall present an annual report on the application and implementation of this Regulation to the European Parliament and to the Council.

▼C1

2. By 14 July 2026 and every three years thereafter, the Commission shall review its practice of implementing and enforcing this Regulation, in particular with regard to the application of Articles 4, 5, 6 and 9, and the notification thresholds set out in Article 20(3), Article 28(1) and (2), and present a report to the European Parliament and the Council, accompanied, where the Commission considers it appropriate, by relevant legislative proposals. In the context of its review, the Commission shall report on developments in international relations regarding third countries' subsidy control systems.

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3. Where the Commission considers it appropriate to combine the report with relevant legislative proposals, such proposals may include:

- (a) amending the thresholds for notifications as set out in Articles 20 and 28;
- (b) exempting certain categories of undertakings concerned from the obligation to notify pursuant to Articles 21 and 29, especially where the practice of the Commission enables the identification of economic activities where foreign subsidies are unlikely to distort the internal market;
- (c) establishing specific thresholds for notifications for certain economic sectors or differentiated thresholds for different types of public procurement contracts, especially where the practice of the Commission enables the identification of economic activities where foreign subsidies are more likely to distort the internal market, including as regards strategic sectors and critical infrastructure;
- (d) amending the timelines for review and in-depth investigations as set out in Articles 25 and 30;
- (e) abrogating this Regulation, if the Commission considers that multi-lateral rules to address foreign subsidies distorting the internal market have rendered this Regulation fully redundant.

*Article 53***Transitional provisions****▼C1**

1. This Regulation shall apply to foreign subsidies granted in the five years prior to 13 July 2023 where such foreign subsidies distort the internal market after 13 July 2023.

▼C1

2. By way of derogation to paragraph 1, this Regulation shall apply to foreign financial contributions granted in the three years prior to 13 July 2023 where such foreign financial contributions were granted to an undertaking notifying a concentration or notifying financial contributions in the context of a public procurement procedure pursuant to this Regulation.

3. This Regulation shall not apply to concentrations for which the agreement was concluded, the public bid was announced, or a controlling interest was acquired before 13 July 2023.

4. This Regulation shall not apply to public procurement contracts that have been awarded or procedures initiated before 13 July 2023.

▼B*Article 54***Entry into force and date of application**

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

▼C1

2. It shall apply from 13 July 2023.

3. By way of derogation from paragraph 2 of this Article, Articles 47 and 48 shall apply from 12 January 2023 and Article 14(5), (6) and (7) shall apply from 13 January 2024.

4. By way of derogation from paragraph 2 of this Article, Articles 21 and 29 shall apply from 13 October 2023.

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