



EUROPEAN COMMISSION

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C(2018) 3543 final*

*M Roberto FICO
President of the
Camera dei Deputati
Piazza Montecitorio
IT – 00100 ROMA*

Dear President,

The Commission would like to thank the Camera dei Deputati for its Opinion on the proposal for a Regulation of the European Parliament and of the Council establishing a framework for screening of foreign direct investments into the European Union {COM(2017) 487 final} and on the Commission Communication Welcoming Foreign Direct Investment while Protecting Essential Interests {COM(2017) 494 final}.

The proposal and the Communication form part of a broader package of measures aiming to design a new legal framework to enable Europe to protect its essential interests against foreign direct investments that may pose a threat to security or public order. At the same time, the Commission aims at maintaining an open and welcoming environment for foreign direct investment into the European Union, which is essential for its economic and social development.

The Commission is pleased that the Camera dei Deputati shares the view that action at the Union's level is necessary and welcomes its support to the proposal, which is part of the priorities in the Joint Declaration on legislative priorities for 2018-19¹.

The Commission shares the concerns expressed by the Camera dei Deputati on the current limitations of information on investments in the Union. Enhanced cooperation and information exchange is a crucial element of the package announced by President Juncker. As announced in his State of the Union address on 13 September 2017, the Commission has already established an expert group² which will provide a permanent

¹ https://ec.europa.eu/commission/sites/beta-political/files/joint-declaration-eu-legislative-priorities-2018-19_en.pdf

² Commission Decision of 29.11.2017 setting up the group of experts on the screening of foreign direct investments into the European Union {C(2017) 7866 final}.

forum for consultations with Member States on all issues related to the inflow of foreign direct investments. In addition, following the entry into force of the Regulation, all Member States will need to report annually on such investments. The Commission expects that the exchange of information and enhanced transparency will enable the sound evaluation of foreign direct investments against the security and public order of the European Union.

As to the Camera dei Deputati's view that the proposal should take a more incisive approach so as to allow the Commission to intervene at the specific request of a Member State, and provide for the possibility of increasing the executive force of the Commission's opinion and the transmission of Member States' annual reports to the European Parliament, the Commission is willing to consider it constructively if the co-legislators express an interest to this end.

With regard to the Camera dei Deputati's view that a level playing field needs to be assured by taking action against those countries that set barriers to foreign direct investments from the European Union, the Commission would like to reassure the Camera dei Deputati that the Union has tools at its disposal that aim to create a level playing field between European and third country investors. Policy tools such as trade defence instruments currently under modernisation, policy instruments of the internal market, including competition rules, and ambitious trade and investment agreements, contribute all to this objective. The Commission takes the view that the European Union framework for the screening of foreign direct investments should be limited to enabling action in exceptional cases where such an investment may affect security or public order interests, and that level playing field needs to be addressed outside of the scope of the proposed Regulation by other means, such as the above mentioned policy instruments.

The points made above are based on the initial proposal presented by the Commission which is currently in the legislative process involving both the European Parliament and the Council.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Camera dei Deputati and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Cecilia Malmström
Member of the Commission*