

Declaration of the Industrial Alliance for Processors and Semiconductor Technologies

Objectives

The overall objective of the Alliance is to identify the existing gaps and the technology developments necessary for companies and research and technology organisations active in the sector in the EU, including smaller European actors, to be competitive. This cooperation is needed for them to overcome entry barriers, achieve critical mass and reduce dependencies in a concentrated industry.

The Alliance will call actors of the electronics value chain in the EU, including academia, research and technology organisations, but also users, to join forces to maintain and boost the competitiveness in the sector in the EU.

This cooperation will enhance and foster synergies across existing and future EU initiatives. It will also help to provide the EU with the necessary capabilities in semiconductor technologies to power its critical digital infrastructure and communication networks, as well as verticals such as automotive, industrial automation, healthcare and AI-enabled systems. This translates in two main lines of actions, addressing the main gaps Europe is facing:

- First, the reinforcement of the European electronics design ecosystem, in particular including design at leading-edge nodes and open-source hardware solutions, to develop the most powerful and resource efficient processors.
- Second, the establishment of the necessary manufacturing capacity, which may include assembly testing and advanced packaging, by a diversified mix of local and global players, to produce the next generation of trusted processors and other electronic components and technologies needed to meet this objective. This will translate into a twin track to be developed in parallel: moving Europe towards a production capacity of 16 nm to 10 nm, as well as below 5 nm to 2 nm (and beyond).

Working methods

Any organisation with relevant existing or planned activities in the area of processor and semiconductor technologies, including end-user companies, associations, and research and technology organisations, can join the Alliance by signing up to this Declaration, provided they meet the eligibility criteria set out in the Terms of Reference. Organisations can join at any point in time. For this purpose, an invitation to participate will remain available on the [European Commission's website](#).

The European Commission will act as a facilitator of the Alliance and organise once per year a General Assembly. The General Assembly of the Alliance will be made up of high-level representatives (e.g. CEOs/Executive board members) of every Member Organisation. The European Commission will be an observer to the General Assembly, monitoring progress with a view to its policy and investment agenda and act as a facilitator towards cooperation and engagement of all stakeholders, e.g. by providing secretarial services for the on-boarding of new members.

The European Commission will organise an Alliance Forum. The Alliance Forum will be an inclusive, transparent and open platform to ensure communication and exchanges between the European Commission, Alliance members and all other stakeholders with an interest in the fields of work of the Alliance.

The European Commission will create a Steering Committee to support coordinating and monitoring the work of the Alliance. The Steering Committee is composed of a balanced group of representatives of Member Organisations not subject to control by a third country, acting either directly or by way of measures addressed to a third-country entity, including SMEs. Members of the Steering Committee are appointed by the European Commission on the basis of Member Organisations' proposals. The Steering Committee prepares the General Assemblies and supports the European Commission in facilitating and monitoring the work of the Alliance

The General Assembly or the European Commission may establish working groups of the Alliance, working on specific topics. During its first meeting, it shall establish working groups working around a list of common topics. Representatives put forward to participate in these working groups on behalf of their organisations must attest relevant skills and experience for the working group of concern.

The Members of the Alliance will commit to engage and actively participate to the established working groups.

The European Commission will ensure transparency by disseminating information about meetings and major outcomes on its website.

Deliverables

The objectives of the Alliance will be achieved through the following possible deliverables:

- The development of strategic roadmaps and research and investment plans for processor design, including at leading-edge nodes and alternative architectures, for example through open-source hardware, that support significant improvements in energy performance and speed;
- The development of strategic roadmaps and research and investment plans for advanced process technology manufacturing, including at leading nodes towards the 2nm, that takes into account the full semiconductor value-chain;
- The identification of obstacles and bottlenecks for the advancement of processor design and advanced manufacturing capabilities;
- The identification of the needs of end-users for the next decade;
- The creation of more opportunities for exploitation by SMEs of advanced chip technologies in innovative products;
- The reinforcement of the technology transfers between academia and the industry, including early-stage companies;
- The creation of upskilling and reskilling opportunities for workers and students;

Principles

In their work towards achieving the deliverables mentioned above, the Signatories declare to adhere to the following core requirements:

- ✓ Full compliance with all applicable EU legislation;
- ✓ Activities undertaken in the Alliance, shall be in full compliance with EU and national competition rules. In particular the Signatories of this Declaration also declare to **adhere to the competition law compliance guidelines in Annex II** to this declaration;

Moreover, membership of the Alliance should reflect a balanced representation of stakeholders, including industry stakeholders, research and technology organisations and Member States.

SIGNATURE OF THE DECLARATION

I, the undersigned, certify that I am authorised to sign on behalf of my Organisation, and to declare its adherence under this Declaration.

More information on the process for signature of the Declaration can be found in Annex I.

Organisation:

Name of the legally-authorized representative and her/his title in the Organisation:

Date and place:

Signature:

Annex I

Modalities for signing this declaration

Organisations that are interested to join the Alliance for processor and semiconductor technologies need to sign this declaration and return it to the Commission, together with the dedicated application form and other requested documents, to: EU-Semiconductors-Alliance@ec.europa.eu

For signature of this document, you have two options:

OPTION A: Electronic signature

In case you have the possibility to sign the contract using a qualified electronic signature (QES), please have the contract signed electronically by your authorised representative. Please note that only the qualified electronic signature (QES) within the meaning of Regulation (EU) No 910/2014 (eIDAS Regulation) will be accepted.

Documents signed with a QES benefit from the highest level of security and legal certainty under the eIDAS Regulation. You can find more background information here: <https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/eSignature>

Before sending back your electronically signed document, please check the signature and validity of the certificate with one of the following tools:

- Adobe Acrobat Reader: <https://helpx.adobe.com/acrobat/using/validating-digital-signatures.html>
- EU Trusted List Browser can be consulted in order to check whether the electronic signature provider and the trust service it provides are part of European Union Trusted List: <https://webgate.ec.europa.eu/tl-browser/#/>

OPTION B: Handwritten signature

In case you do not have the possibility to sign the contract using a qualified electronic signature (QES), please print the Declaration and have it signed and dated by your authorised representative using a hand-written signature.

Annex II Guidelines for Competition Law Compliance within Industrial European Alliance for Processors and Semiconductor Technologies

Disclaimer: These guidelines offer general guidance and are without prejudice to the application of EU or national competition rules.

The **Industrial Alliance for Processors and Semiconductor Technologies**¹ (“the alliance”) is a voluntary collaboration of private and public stakeholders open to participation by any company or organisation willing to sign the alliance declaration².

General Principles

The members of the **Industrial Alliance for Processors and Semiconductor Technologies** should strive for these general principles:

- ✓ **Open access:** As mentioned above, the alliance is open to all companies or organisations willing to sign the Declaration, regardless of industry association.
- ✓ **Transparency:** Meetings, discussions, information exchanged and agreements reached will be well documented and minuted. Documents and minutes will be made available to the Commission, on request.
- ✓ **Necessity:** Meetings, discussions, information exchanges will be strictly limited to what is indispensable to achieve the objectives set out below.

Envisaged Actions

The alliance members join forces to reach the objectives of the alliance as outlined in the alliance declaration and, accordingly, engage in discussions and dialogue, data exchange and collaborations³.

In view of those activities and the risk of both intentional and inadvertent competition law infringements that they may pose, the alliance declaration provides that:

*“All members and persons involved in the activities of the **Industrial Alliance for Processors and Semiconductor Technologies** shall fully respect all applicable laws and regulations, in particular EU and national competition rules. The alliance members will adopt a competition compliance program and abide by it.”*

The **Industrial Alliance for Processors and Semiconductor Technologies** has adopted the following guidelines and instructions to ensure that the alliance members take particular care to ban any form of

¹ [<https://digital-strategy.ec.europa.eu/en/policies/alliance-processors-and-semiconductor-technologies>]

² [<https://ec.europa.eu/newsroom/api/document/78327>]

³ In accordance with the below outlined guidelines to ensure full compliance with competition law.

anti-competitive behaviour from their participation and activities in this alliance and comply with EU competition law and relevant national competition laws (hereafter the “competition laws”).⁴

1. Competition risks in the Industrial Alliance for Processors and Semiconductor Technologies

The members of the alliance must always take into account that they may be exposed to certain competition law risks including – but **not limited to** – the following considerations:

- ✓ Members should be aware that even a single verbal or non-verbal exchange or a unilateral disclosure of commercially sensitive information can violate the competition laws;
- ✓ Conversations between members at both formal and informal (including social) meetings may turn to commercially sensitive information being unlawfully exchanged;
- ✓ A court or competition authority may use competitor meetings in the context of an alliance, together with other factors suggesting collusion, as evidence of a cartel or an anti-competitive agreement in the industry;
- ✓ Rules of an alliance or its members on *e.g.* standard setting, if any, may be deemed to restrict competition;⁵ and
- ✓ EU competition law provides that both associations of undertakings and undertakings can be addressed for competition law infringements. A fine imposed on an association of undertakings may be collected from any of its members unless that member can prove that it was not aware of the anti-competitive infringement or actively distanced itself from

⁴ The members are also encouraged to visit the dedicated webpage of the Commission’s DG Competition, which provides information on compliance with EU competition law:

https://ec.europa.eu/competition/antitrust/compliance/index_en.html.

The Commission has issued several sets of guidelines that can help undertakings assess the compatibility of their business arrangements with EU competition law (see notably Communication from the Commission — Notice — Guidelines on the application of Article 81(3) of the Treaty ([OJ C 101, 27.4.2004, p. 97](#)) (“Guidelines on Article 101(3)”), the Communication from the Commission — Guidelines on the applicability of Article 101 of the Treaty on the Functioning of the European Union to horizontal co-operation agreements ([OJ C 11, 14.1.2011, p. 1](#)) (“Horizontal Guidelines”) and Commission Notice – Guidelines on Vertical Restraints ([OJ C 130, 19.5.2010, p. 1](#)) (“Vertical Guidelines”). See also Commission Regulation (EU) No 1217/2010 of 14 December 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to certain categories of research and development agreements ([OJ L 335, 18.12.2010, p. 36](#)) (“R&D Block Exemption Regulation”), Commission Regulation (EU) No 1218/2010 of 14 December 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to certain categories of specialisation agreements, ([OJ L 335, 18.12.2010, p. 43](#)) (“Specialisation Block Exemption Regulation”), Commission Regulation (EU) No 316/2014 of 21 March 2014 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of technology transfer agreements ([OJ L 93, 28.3.2014, p. 17](#)) (“Technology Transfer Block Exemption Regulation”), Commission Regulation (EU) No 330/2010 of 20 April 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices ([OJ L 102, 23.4.2010, p. 1](#)) (“Vertical Block Exemption Regulation”).

⁵ See [Guidelines](#) on the applicability of Article 101 of the Treaty on the Functioning of the European Union to horizontal co-operation agreements (OJ 2011 C 11/1).

the infringement prior to an investigation into the case (effectively reversing the burden of proof).⁶

- ✓ The involvement of the European Commission, notably in the context of the alliance meetings, does not exonerate participants from the application of competition law.

2. Information exchanges to avoid

Members of the alliance must not have formal or informal discussions, in particular with other members who are or may become competitors, relating – but **not limited to** – the following prohibited subjects amounting, in the senses of competition law, to commercially sensitive information⁷:

- ✓ Current or future individual company or industry pricing or any matters likely to have an impact on current or future prices such as competitive strengths and weaknesses, price changes, profit margins, discounts, rebates, surcharges, credit lines offered or other terms of sale;
- ✓ Individual company cost information including any cost components such as production or distribution costs, cost accounting formulas and cost computing methods;
- ✓ Individual company sales or production information including sales volumes, sales revenues, market share, production volumes, production capacity, capacity utilisation, stock levels and supplies, bid amounts and terms, and any limits on sales; current and future company plans and business strategy relating to – but not limited to – bidding, investment, marketing and advertising, production, purchasing, sales or technology;
- ✓ Any matters relating to individual customers, distributors or suppliers such as, for example, boycotting or blacklisting; and
- ✓ Salaries and wages, or limitations on hiring a competitor's employees.

3. Allowed Information exchanges

To the extent that they do not amount, in the sense of competition law, to commercially sensitive information. Members of the alliance may have formal or informal discussions, and exchange of information, on the following subjects:

- ✓ Public policy and regulatory matters of general interest;
- ✓ Non-confidential current or historical information that is in the public domain;
- ✓ Non-confidential technical issues relevant to the industry in general such as standards or health and safety matters;

⁶ 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 (Text with EEA relevance); OJ L 1, 4.1.2003, p. 1–25; in particular Article 23(4).

⁷ See also Communication from the Commission — Guidelines on the applicability of Article 101 of the Treaty on the Functioning of the European Union to horizontal co-operation agreements ([OJ C 11, 14.1.2011, p. 1](#)) (“Horizontal Guidelines”).

- ✓ General, non-proprietary technology and related issues such as the characteristics and suitability of particular equipment (but not a particular company's proposals regarding the adoption of specific equipment or technology);
- ✓ General promotional opportunities relevant to the industry in general (but not a particular company's promotional plans);
- ✓ Non-strategic educational, technical or scientific data that results in consumer benefits;
- ✓ Industry public relations or lobbying initiatives; and
- ✓ Non-strategic information needed to build new business partnerships between members of the alliance.

4. Appropriate conduct at alliance meetings

As a general matter, it should be highlighted that just being present when illegal discussions are taking place may be sufficient to consider a company liable for a competition law infringement, even if that company and/or its representative(s) did not proactively engage in those discussions.

Transparency, notably through the documentation of all exchanges in the context of the alliance meetings is essential. Alliance members should therefore, when attending alliance meetings, always:

- ✓ Carefully review the agenda and purpose of meeting in advance for possible problems under the competition laws and seek advice from the members' legal department if necessary;
- ✓ Be vigilant to ensure that discussions at meetings stick to the agenda items and object if they do not, making sure such an objection is reflected in the meeting minutes; and
- ✓ Ensure that they make or promptly receive detailed, accurate minutes of meetings and immediately voice any objections to the minutes.

5. How to address competition law related problems?

If while present at a formal or informal meeting of the alliance or with representatives of competitors the conversation turns to prohibited anti-competitive subjects, the members of the alliance should:

- ✓ Immediately and expressly state that they cannot be party to discussions on the subject at issue due to competition law concerns and ask that the subject be changed at once;
- ✓ If their objection and request is ignored, immediately leave the meeting in a manner that makes the reason for their departure apparent to all present;
- ✓ Ensure that their departure be recorded in any formal minutes or, if there are no such minutes, record that departure in their own notes of the meeting; and
- ✓ Promptly report the matter to members' legal department and ensure that a note is made thereof for the file.

The presence of a Commission representative does not release participants from liability should the exchange of sensitive information occur.

In addition, members of the alliance should, if they become aware of a competition law infringement or are uncertain whether particular conduct within the alliance is allowed under the competition laws:

- ✓ Immediately inform their company legal counsel and/or compliance officer;
- ✓ If concerns are confirmed, report the anti-competitive conduct to the secretariat of the alliance who can then inform competition authorities about this.

In addition, anyone can make use of the Anonymous Whistleblower Tool, available under this link:

<http://ec.europa.eu/competition/cartels/whistleblower/index.html>

Lastly, members of the alliance should always keep in mind that any failure to take the above actions promptly will make it difficult to later convince a court or competition authority of their opposition to an infringement.