



**2021/0406(COD)**

19.4.2022

**\*\*\*I**

## **DRAFT REPORT**

on the proposal for a regulation of the European Parliament and of the Council  
on the protection of the Union and its Member States from economic coercion  
by third countries  
(COM(2021)0775 – C9-0000/2021 – 2021/0406(COD))

Committee on International Trade

Rapporteur: Bernd Lange

### ***Symbols for procedures***

- \* Consultation procedure
- \*\*\* Consent procedure
- \*\*\*I Ordinary legislative procedure (first reading)
- \*\*\*II Ordinary legislative procedure (second reading)
- \*\*\*III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

### ***Amendments to a draft act***

#### **Amendments by Parliament set out in two columns**

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

#### **Amendments by Parliament in the form of a consolidated text**

New text is highlighted in ***bold italics***. Deletions are indicated using either the ▬ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**on the proposal for a regulation of the European Parliament and of the Council on the protection of the Union and its Member States from economic coercion by third countries**

**(COM(2021)0775 – C9-0000/2021 – 2021/0406(COD))**

**(Ordinary legislative procedure: first reading)**

*The European Parliament,*

- having regard to the Commission proposal to Parliament and the Council (COM(2021)0775),
  - having regard to Article 294(2) and Article 207(2) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0000/2021),
  - having regard to the opinion of the Committee on Legal Affairs on the proposed legal basis,
  - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to the opinion of the Committee on Legal Affairs on the use of delegated acts,
  - having regard to the provisional agreement approved by the committee responsible under Rule 74(4) of its Rules of Procedure, the undertaking given by the Commission to take over Parliament's position, and the undertaking given by the Council representative by letter of 14 December 2021 to approve that position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
  - having regard to Rules 59, 40 and 41 of its Rules of Procedure,
  - having regard to the opinion of the Committee on Foreign Affairs,
  - having regard to the report of the Committee on International Trade (A9-0000/2021),
1. Adopts its position at first reading hereinafter set out;
  2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
  3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

## Amendment 1

### Proposal for a regulation Recital 3

*Text proposed by the Commission*

(3) Pursuant to Article 1 of the United Nations Charter, the purposes of the United Nations include the purpose to develop friendly relations among nations based on respect for the principle of equal rights.

*Amendment*

(3) Pursuant to Article 1 of the United Nations Charter, the purposes of the United Nations include the purpose to develop friendly relations among nations based on respect for the principle of equal rights. ***Moreover, in accordance with the Declaration On Principles Of International Law Friendly Relations And Co-Operation Among States in accordance with the Charter Of The United Nations, international relations are to be conducted in line with the principles of sovereign equality and non-intervention.***

Or. en

## Amendment 2

### Proposal for a regulation Recital 4 a (new)

*Text proposed by the Commission*

*Amendment*

***(4a) The international law of state responsibility for internationally wrongful acts has been codified by the United Nations' International Law Commission in 2001<sup>1a</sup> and should guide the Union's action where the Union faces economic coercion from a third country that constitutes an internationally wrongful act. The "Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations" <sup>1b</sup> states that no State may use or encourage the use of economic political or any other type of measures to coerce another State in order***

*to obtain from it the subordination of the exercise of its sovereign rights and to secure from it advantages of any kind. Those codified rules of customary international law are binding.*

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*<sup>1a</sup> Articles on Responsibility of States for Internationally Wrongful Acts, adopted by the United Nations' International Law Commission at its fifty-third session, in 2001, and taken note of by the United Nations General Assembly in resolution 56/83.*

*<sup>1b</sup> United Nations General Assembly Resolution 2625 (XXV) of 24 Oct 1970.*

Or. en

### Amendment 3

#### Proposal for a regulation

##### Recital 6

*Text proposed by the Commission*

(6) Whilst always acting within the framework of international law, it is essential that the Union possess an appropriate instrument to deter and counteract economic coercion by third countries in order to safeguard its rights and interests and those of its Member States. This is particularly the case where third countries take measures affecting trade or investment that interfere in the legitimate sovereign choices of the Union or a Member State by seeking to prevent or obtain the cessation, modification or adoption of a particular act by the Union or a Member State. Such measures affecting trade or investment may include not only actions taken on, and having effects within, the territory of the third country, but also actions taken by the third country, including through entities controlled or directed by the third country and present in

*Amendment*

(6) Whilst always acting within the framework of international law, it is essential that the Union possess an appropriate instrument to deter and counteract economic coercion by third countries in order to safeguard its rights and interests and those of its Member States. This is particularly the case where third countries take, ***fail to take or threaten to take*** measures affecting trade or investment that interfere in the legitimate sovereign choices of the Union or a Member State by seeking to prevent or obtain the cessation, modification or adoption of a particular act, ***including any form of a particular policy choice or a stance with regard to a policy choice such as European Parliament resolutions***, by the Union or a Member State. Such measures affecting trade or investment ***or threat thereof*** may include not only actions

the Union, that cause harm to economic activities in the Union.

***taken, failures to act, or actions threatened or to be*** taken on, and having effects within, the territory of the third country, but also actions ***taken or threatened to be*** taken by the third country, including through entities controlled or directed by the third country and present in the Union, that cause harm to economic activities in the Union.

Or. en

#### **Amendment 4**

##### **Proposal for a regulation Recital 7 a (new)**

*Text proposed by the Commission*

*Amendment*

***(7a) This Regulation complements Union law in the field of trade such as Regulation (EU) 2021/167 of the European Parliament and of the Council<sup>1a</sup>. It should apply only in the event of coercion by third countries to which other instruments of Union law are not applicable.***

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***<sup>1a</sup> Regulation (EU) 2021/167 of the European Parliament and of the Council of 10 February 2021 amending Regulation (EU) No 654/2014 concerning the exercise of the Union's rights for the application and enforcement of international trade rules (OJ L 49, 12.2.2021, p. 1).***

Or. en

#### **Amendment 5**

##### **Proposal for a regulation Recital 9**



*Text proposed by the Commission*

(9) In accordance with the principle of proportionality, it is necessary and appropriate, for creating an effective and comprehensive framework for Union action against economic coercion, to lay down rules on the examination, determination and counteraction with regard to third countries' measures of economic coercion. In particular, the Union's response measures should be preceded by an examination of the facts, a determination of the existence of economic coercion, and, wherever possible, efforts to find a solution in cooperation with the third country concerned. Any measures imposed by the Union should be commensurate with the injury caused by the third countries' measures of economic coercion. The criteria for defining the Union response measures should take into account in particular the need to avoid or minimise collateral effects, administrative burdens and costs imposed on Union economic operators as well as the Union's interest. Therefore, this Regulation does not go beyond what is necessary in order to achieve the objectives pursued, in accordance with Article 5(4) of the Treaty on European Union.

*Amendment*

(9) In accordance with the principle of proportionality, it is necessary and appropriate, for creating an effective and comprehensive framework for Union action against economic coercion, to lay down rules on the examination, determination and counteraction with regard to third countries' measures of economic coercion. In particular, the Union's response measures should be preceded by an examination of the facts, a determination of the existence of economic coercion, and, wherever possible, efforts to find a solution in cooperation with the third country concerned. Any measures imposed by the Union should be commensurate with the injury caused by the third countries' measures of economic coercion. The criteria for defining the Union response measures should take into account in particular the need to avoid or minimise ***the risks of escalation in international trade relations***, collateral effects, administrative burdens and costs imposed on Union economic operators as well as the Union's interest. Therefore, this Regulation does not go beyond what is necessary in order to achieve the objectives pursued, in accordance with Article 5(4) of the Treaty on European Union.

Or. en

**Amendment 6**

**Proposal for a regulation**

**Recital 13**

*Text proposed by the Commission*

(13) The Commission should examine whether third-country measures are coercive, on its own initiative or following information received from any source,

*Amendment*

(13) The Commission ***could and, in particular in the case of a substantiated complaint***, should examine whether third-country measures are coercive, on its own

including legal and natural persons or a Member State. Following this examination, the Commission should determine in a decision whether the third-country measure is coercive. The Commission should communicate any affirmative determination to the third country concerned, together with a request that the economic coercion cease and a request, where appropriate, that any injury be repaired.

initiative or following information received from any source, including legal and natural persons or a Member State. Following this examination, the Commission should determine in a decision whether the third-country measure is coercive. The Commission should communicate any affirmative determination to the third country concerned, together with **a request** that the economic coercion cease and a request, where appropriate, that any injury be repaired.

Or. en

## Amendment 7

### Proposal for a regulation Recital 14

*Text proposed by the Commission*

(14) The Union should **support and** cooperate with third countries affected by the same or similar measures of economic coercion or other interested third countries. The Union should participate in international coordination in bilateral, plurilateral or multilateral fora that are **geared towards** the prevention or elimination of the economic coercion.

*Amendment*

(14) The Union should cooperate with third countries affected by the same or similar measures of economic coercion or other interested third countries. The Union should participate in international coordination in **any** bilateral, plurilateral or multilateral fora that are **suitable for** the prevention or elimination of the economic coercion.

Or. en

## Amendment 8

### Proposal for a regulation Recital 15

*Text proposed by the Commission*

(15) The Union **should only impose countermeasures when other** means such as negotiations, **mediation or** adjudication

*Amendment*

(15) The Union **is encouraged to use proactively all available means of engagement with the third country**

do not lead to the prompt and effective cessation of the economic coercion and to reparation of the injury it has caused to the Union or its Member States, and where action is necessary to protect the interests and rights of the Union and its Member States and it is in the Union's interest. It is appropriate that the Regulation sets out the applicable rules and procedures for the imposition and application of Union response measures and permits expeditious action where necessary to preserve the effectiveness of any Union response measures.

*concerned* such as negotiations, adjudication, ***in particular through the dispute settlement mechanism of the World Trade Organisation, or mediation and should impose measures in cases where such means*** do not lead to the prompt and effective cessation of the economic coercion and to reparation of the injury it has caused to the Union or its Member States, and where action is necessary to protect the interests and rights of the Union and its Member States and it is in the Union's interest. It is appropriate that the Regulation sets out the applicable rules and procedures for the imposition and application of Union response measures and permits expeditious action where necessary to preserve the effectiveness of any Union response measures

Or. en

## Amendment 9

### Proposal for a regulation

#### Recital 16

##### *Text proposed by the Commission*

(16) Union response measures adopted in accordance with this Regulation should be selected and designed on the basis of objective criteria, including: the effectiveness of the measures in inducing the cessation of coercion by the third country; their potential to provide relief to economic operators within the Union affected by the third-country measures of economic coercion; the aim of avoiding or minimising negative economic and other effects on the Union; and the avoidance of disproportionate administrative complexity and costs. It is also essential that the selection and design of Union response measures take account of the Union's interest. Union response measures should be selected from a wide array of options in

##### *Amendment*

(16) Union response measures adopted in accordance with this Regulation should be selected and designed on the basis of objective criteria, including: the effectiveness of the measures in inducing the cessation of coercion ***and reparation of the injury caused*** by the third country; their potential to provide relief to economic operators within the Union affected by the third-country measures of economic coercion; the aim of avoiding or minimising negative economic and other effects on the Union; and the avoidance of disproportionate administrative complexity and costs. It is also essential that the selection and design of Union response measures take account of the Union's interest. Union response measures should

order to allow the adoption of the most suitable measures in any given case.

be selected from a wide array of options in order to allow the adoption of the most suitable measures in any given case.

Or. en

## Amendment 10

### Proposal for a regulation

#### Recital 21

##### *Text proposed by the Commission*

(21) It is important to ensure an effective communication and exchange of views and information between the Commission on the one hand and the European Parliament and the Council on the other, in particular on efforts to engage with the third country concerned to explore options with a view to obtaining the cessation of the economic coercion and on matters that may lead to the adoption of Union response measures under this Regulation.

##### *Amendment*

(21) It is important to ensure an effective communication and exchange of views and information between the Commission on the one hand and the European Parliament and the Council on the other, in particular on efforts to engage with the third country concerned to explore options with a view to obtaining the cessation of the economic coercion ***or reparation of the injury caused*** and on matters that may lead to the adoption of Union response measures under this Regulation, ***including the stages of examination of third-country measures and determination with regard to measures of economic coercion.***

Or. en

## Amendment 11

### Proposal for a regulation

#### Article 1 – paragraph 1

##### *Text proposed by the Commission*

1. This Regulation lays down rules and procedures in order to ensure the effective protection of the interests of the Union and its Member States where a third country seeks, through ***measures*** affecting trade or investment, to coerce the Union or

##### *Amendment*

1. This Regulation lays down rules and procedures in order to ensure the effective protection of the interests of the Union and its Member States where a third country seeks, through ***any form of action, failure to act or threat thereof and***

a Member State into adopting or refraining from adopting a particular act. This Regulation provides a framework for the Union to respond in such situations with the objective ***to deter, or have the third country desist from*** such actions, whilst permitting the Union, in the last resort, to counteract such actions.

affecting trade or investment, to coerce the Union or a Member State into adopting or refraining from adopting a particular act, ***including a particular policy choice, legal act or a stance with regard to a policy choice***. This Regulation provides a framework for the Union to respond in such situations with the objective ***of deterring, obtaining the cessation of*** such actions ***or repairing the injury caused***, whilst permitting the Union, in the last resort, to counteract such actions.

Or. en

## Amendment 12

### Proposal for a regulation Article 1 – paragraph 2

*Text proposed by the Commission*

2. Any action taken under this Regulation shall be consistent with the Union’s obligations under international law ***and conducted in the context of the principles and objectives of the Union’s external action.***

*Amendment*

2. Any action taken under this Regulation shall be consistent with the Union’s obligations under international law.

Or. en

## Amendment 13

### Proposal for a regulation Article 1 a (new)

*Text proposed by the Commission*

*Amendment*

***Article 1a***

***Definitions***

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

***(a) “coercion” means any third country action or measure interfering in***

*the legitimate sovereign choices of the Union or a Member State by seeking to prevent or obtain the cessation, modification or adoption of a particular act by the Union or a Member State;*

*(b) “third country action or measure” means any type of measure, form of action, failure to act or threat thereof that is attributable to the relevant third country;*

*(c) “economic coercion” means coercion through a third-country action or measure affecting trade or investment;*

*(d) “particular act” means a particular policy choice, legal act or a stance with regard to a policy choice of the Union or a Member State;*

*(e) “injury” means negative impact suffered by the Union or a Member State, including Union economic operators;*

*(f) “Union response measure” means any measure adhering to the Union’s international obligations or permitted under international law vis-à-vis the third country responsible for economic coercion, which are commensurate with the injury suffered by the Union or a Member State and aimed at obtaining the cessation of economic coercion or the reparation for the injury caused;*

*(g) “Union interest” means first and foremost the need to preserve the policy space of the Union or its Member States to take legitimate sovereign choices, as well as strategic economic interests of the Union, including economic and social coherence.*

Or. en

## Amendment 14

### Proposal for a regulation Article 2 – paragraph 1 – introductory part

*Text proposed by the Commission*

1. This Regulation applies *where a third country*:

*Amendment*

1. This Regulation applies *only in the event of economic coercion*.

Or. en

## **Amendment 15**

### **Proposal for a regulation**

#### **Article 2 – paragraph 1 – indent 1**

*Text proposed by the Commission*

— *interferes in the legitimate sovereign choices of the Union or a Member State by seeking to prevent or obtain the cessation, modification or adoption of a particular act by the Union or a Member State*

*Amendment*

*deleted*

Or. en

## **Amendment 16**

### **Proposal for a regulation**

#### **Article 2 – paragraph 1 – indent 2**

*Text proposed by the Commission*

— *by applying or threatening to apply measures affecting trade or investment.*

*Amendment*

*deleted*

Or. en

## **Amendment 17**

### **Proposal for a regulation**

#### **Article 2 – paragraph 1 – subparagraph 1**

*Text proposed by the Commission*

*Amendment*

***For the purposes of this Regulation, such third-country actions shall be referred to as measures of economic coercion.***

***deleted***

Or. en

## **Amendment 18**

### **Proposal for a regulation**

#### **Article 2 – paragraph 2 – introductory part**

*Text proposed by the Commission*

*Amendment*

2. In determining ***whether the conditions set out in paragraph 1 are met***, the following ***shall be taken*** into account:

2. In determining ***economic coercion, the Commission shall take*** the following into account:

Or. en

## **Amendment 19**

### **Proposal for a regulation**

#### **Article 2 – paragraph 2 – point a**

*Text proposed by the Commission*

*Amendment*

(a) the intensity, severity, frequency, duration, breadth and magnitude of the third country's measure and the pressure arising from it;

(a) the intensity, severity, frequency, duration, breadth and magnitude of the third country's measure ***or failure to act*** and the pressure arising from it; ***the Commission shall assess whether such pressure is sufficient to adopt a Union response measure;***

Or. en

## **Amendment 20**

### **Proposal for a regulation**

#### **Article 2 – paragraph 2 – point b**



*Text proposed by the Commission*

(b) whether the third country is engaging in a pattern of interference seeking to obtain from the Union or from Member States or other countries particular acts;

*Amendment*

(b) whether the third country is engaging in a **clear** pattern of interference seeking to obtain from the Union or from Member States or other countries particular acts;

Or. en

**Amendment 21**

**Proposal for a regulation  
Article 2 – paragraph 2 – point c**

*Text proposed by the Commission*

(c) the extent to which the third-country measure encroaches upon an area of the Union's or Member States' sovereignty;

*Amendment*

(c) the extent to which the third-country measure **or failure to act** encroaches upon an area of the Union's or Member States' sovereignty;

Or. en

**Amendment 22**

**Proposal for a regulation  
Article 2 – paragraph 2 – point d**

*Text proposed by the Commission*

(d) whether the third country is acting based on a **legitimate** concern that is **internationally** recognised;

*Amendment*

(d) whether the third country is acting based on a concern that is recognised **as legitimate under international law**;

Or. en

**Amendment 23**

**Proposal for a regulation  
Article 3 – paragraph 1**

*Text proposed by the Commission*

1. The Commission may examine any measure of a third country in order to determine whether it meets the conditions set out in Article 2(1). The Commission shall act expeditiously.

*Amendment*

1. The Commission may ***or, in the case of a duly substantiated complaint, shall*** examine any measure of a third country ***or threat thereof*** in order to determine whether it meets the conditions set out in Article 2. The Commission shall act expeditiously

Or. en

**Amendment 24**

**Proposal for a regulation  
Article 3 – paragraph 2**

*Text proposed by the Commission*

2. The Commission ***may*** carry out the examination referred to in paragraph 1 on its own initiative or ***following information*** received from any source. The Commission shall ensure the protection of confidential information in line with Article 12, which may include the identity of the supplier of the information.

*Amendment*

2. The Commission ***shall*** carry out the examination referred to in paragraph 1 ***based on substantiated information collected*** on its own initiative or received from any ***reliable*** source. The Commission shall ensure the protection of confidential information in line with Article 12, which may include ***concealing*** the identity of the supplier of the information.

Or. en

**Amendment 25**

**Proposal for a regulation  
Article 3 – paragraph 3 – subparagraph 1**

*Text proposed by the Commission*

The Commission may publish a notice in the Official Journal of the European Union ***or*** through other suitable public communication means with an invitation to submit information within a specified time limit. In that event, the Commission shall

*Amendment*

The Commission ***shall inform the European Parliament and the Council of any development in the ongoing examination of third-country measures. It*** may publish a notice, in the Official Journal of the European Union ***and***

notify the third country concerned of the initiation of the examination.

through other suitable public communication means, with an invitation to submit information within a specified time limit ***and an indication of the timeline for the determination referred to in Article 4, which shall not exceed six months***. In that event, the Commission shall notify the third country concerned of the initiation of the examination.

Or. en

## Amendment 26

### Proposal for a regulation Article 4 – paragraph 1

#### *Text proposed by the Commission*

Following an examination carried out in accordance with Article 3, the Commission shall adopt a decision determining whether the measure of the third country concerned meets the conditions set out in Article **2(1)**. The Commission shall act expeditiously.

#### *Amendment*

Following an examination carried out in accordance with Article 3, the Commission shall adopt a decision determining whether the measure of the third country concerned meets the conditions set out in Article **2**. The Commission shall act expeditiously ***The Commission shall publish that decision in the Official Journal of the European Union and through other suitable public communication means.***

Or. en

## Amendment 27

### Proposal for a regulation Article 4 – paragraph 2

#### *Text proposed by the Commission*

Prior to adopting its decision, the Commission may invite the third country concerned to submit its observations.

#### *Amendment*

Prior to adopting its decision, the Commission may invite the third country concerned to submit its observations ***within a specified time limit that shall not unduly delay the Commission's decision.***

## Amendment 28

### Proposal for a regulation Article 4 – paragraph 3

#### *Text proposed by the Commission*

Where the Commission decides that the measure of the third country concerned meets the conditions set out in Article 2(1), it shall notify the third country concerned of its decision and request it to cease the economic coercion and, where appropriate, repair the injury suffered by the Union or its Member States.

#### *Amendment*

Where the Commission decides that the measure of the third country concerned meets the conditions set out in Article 2(1), it shall notify the third country concerned of its decision and request it to cease the economic coercion and, where appropriate, repair the injury suffered by the Union or its Member States ***within a specified period of time.***

Or. en

## Amendment 29

### Proposal for a regulation Article 5 – paragraph 1 – introductory part

#### *Text proposed by the Commission*

The Commission shall be open to engage on behalf of the Union with the third country concerned, to explore options with a view to obtaining the cessation of the economic coercion. Such options may include:

#### *Amendment*

The Commission shall be open to engage on behalf of the Union with the third country concerned, to explore options with a view to obtaining the cessation of the economic coercion ***and, where appropriate, reparation of the injury it has caused to the Union or its Member States.*** Such options may include:

Or. en

## Amendment 30

### Proposal for a regulation Article 5 – paragraph 1 – indent 1 a (new)

*Text proposed by the Commission*

*Amendment*

- *submitting the matter to international adjudication;*

Or. en

### **Amendment 31**

#### **Proposal for a regulation**

#### **Article 5 – paragraph 1 – indent 3**

*Text proposed by the Commission*

*Amendment*

— *submitting the matter to international adjudication.*

*deleted*

Or. en

### **Amendment 32**

#### **Proposal for a regulation**

#### **Article 5 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

The Commission shall keep the European Parliament and the Council informed of *relevant* developments.

The Commission shall keep the European Parliament and the Council *fully* informed, *in a timely manner*, of developments *in the engagement with the third country concerned*.

Or. en

### **Amendment 33**

#### **Proposal for a regulation**

#### **Article 6 – paragraph 1**

*Text proposed by the Commission*

*Amendment*

The Commission shall enter into

The Commission shall enter into

consultations or cooperation, on behalf of the Union, with any other country affected by the same or similar measures of economic coercion or with any interested third country, with a view to obtaining the cessation of the coercion. This may involve, where appropriate, coordination in relevant international fora and coordination in response to the coercion.

consultations or cooperation, on behalf of the Union, with any other country affected by the same or similar measures of economic coercion or with any interested third country, with a view to obtaining the cessation of the coercion. This may involve, where appropriate, coordination in relevant international fora and coordination in response to the coercion. ***Such cooperation shall not unduly delay the application of this instrument.***

Or. en

### Amendment 34

#### Proposal for a regulation Article 7 – paragraph 1 – introductory part

*Text proposed by the Commission*

1. The Commission shall adopt an implementing act ***determining that it shall take*** a Union response measure ***where***:

*Amendment*

1. The Commission shall adopt an implementing act ***taking*** a Union response measure ***on the following conditions***:

Or. en

### Amendment 35

#### Proposal for a regulation Article 7 – paragraph 1 – point a

*Text proposed by the Commission*

(a) action pursuant to the Articles 4 and 5 has not resulted in the cessation of the economic coercion and reparation of the injury it has caused to the Union or ***a*** Member ***State*** within ***a reasonable*** period of time;

*Amendment*

(a) action pursuant to the Articles 4 and 5 has not resulted in the cessation of the economic coercion and, ***where appropriate, in the*** reparation of the injury it has caused to the Union or ***its*** Member ***States*** within ***the*** period of time ***set in the decision referred to in Article 4***;

Or. en

## Amendment 36

### Proposal for a regulation

#### Article 7 – paragraph 1 – point c

*Text proposed by the Commission*

(c) action is in the Union's interest.

*Amendment*

(c) action is in the Union's interest ***in that particular case.***

Or. en

## Amendment 37

### Proposal for a regulation

#### Article 7 – paragraph 1 – subparagraph 1

*Text proposed by the Commission*

In the implementing act, the Commission shall also determine the appropriate Union response from among the measures provided for in Annex I. Such measures may also apply with regard to natural or legal persons designated in accordance with Article 8. The Commission may also adopt measures ***which it can take*** pursuant to other legal instruments.

*Amendment*

In the implementing act ***referred to in the first subparagraph***, the Commission shall ***justify that the conditions referred to in points (a), (b) and (c) are met. It shall*** also determine ***and justify*** the appropriate Union response from among the measures provided for in Annex I. Such measures may also apply with regard to natural or legal persons designated in accordance with Article 8. The Commission may also adopt measures ***that are not listed in Annex I*** pursuant to other legal instruments. ***Any such adoption shall be coordinated and consistent with action under this Regulation.***

Or. en

## Amendment 38

### Proposal for a regulation

#### Article 7 – paragraph 1 – subparagraph 2

*Text proposed by the Commission*

The implementing act shall be adopted in

*Amendment*

The implementing act shall be adopted in

accordance with the examination procedure referred to in Article 15(2).

accordance with the examination procedure referred to in Article 15(2). ***The Commission shall publish the decision in the Official Journal of the European Union and through other suitable public communication means.***

Or. en

## Amendment 39

### Proposal for a regulation Article 7 – paragraph 2

#### *Text proposed by the Commission*

2. The Union response measures shall apply from a specified date after the adoption of the implementing act referred to in paragraph 1. The Commission shall set this date of application, taking into account the circumstances, to allow for the notification of the third country concerned pursuant to paragraph 3 and for it to cease the economic coercion.

#### *Amendment*

2. The Union response measures shall apply from a specified date after the adoption of the implementing act referred to in paragraph 1. The Commission shall set this date of application, taking into account the circumstances, to allow for the notification of the third country concerned pursuant to paragraph 3 and for it to cease the economic coercion ***and, where appropriate, to repair the injury caused.***

Or. en

## Amendment 40

### Proposal for a regulation Article 7 – paragraph 3

#### *Text proposed by the Commission*

3. The Commission shall, upon adoption of the implementing act, notify the third country concerned of the Union response measures adopted pursuant to paragraph 1. In the notification, the Commission shall, on behalf of the Union, call on the third country concerned to promptly cease the economic coercion, offer to negotiate a solution, and inform the

#### *Amendment*

3. The Commission shall, upon adoption of the implementing act, notify the third country concerned of the Union response measures adopted pursuant to paragraph 1. In the notification, the Commission shall, on behalf of the Union, call on the third country concerned to promptly cease the economic coercion, offer to negotiate a solution ***including the***



third country concerned that the Union response measure will apply, unless the economic coercion ceases.

***reparation of the injury caused by it to the Union and its Members States***, and inform the third country concerned that the Union response measure will apply, unless the economic coercion ceases ***or, where appropriate, it repairs the injury caused.***

Or. en

## Amendment 41

### Proposal for a regulation Article 7 – paragraph 4

#### *Text proposed by the Commission*

4. The implementing act referred to in paragraph 1 shall state that the application of the Union response measures shall be deferred for a period specified in that implementing act, where the Commission has credible information that the third country has ceased the economic coercion before the start of application of the adopted Union response measures. In that event, the Commission shall publish a notice in the Official Journal of the European Union indicating that there is such information and the date from which the deferral shall apply. If the third country ceases the economic coercion before the Union response measures start to apply, the Commission shall terminate the Union response measures in accordance with Article 10.

#### *Amendment*

4. The implementing act referred to in paragraph 1 shall state that the application of the Union response measures shall be deferred for a period specified in that implementing act, where the Commission has credible information that the third country has ceased the economic coercion ***or, where appropriate, has repaired the injury caused*** before the start of application of the adopted Union response measures. In that event, the Commission shall publish a notice in the Official Journal of the European Union indicating that there is such information and the date from which the deferral shall apply. If the third country ceases the economic coercion ***or, where appropriate, repairs the injury caused*** before the Union response measures start to apply, the Commission shall terminate the Union response measures in accordance with Article 10.

Or. en

## Amendment 42

### Proposal for a regulation Article 7 – paragraph 6

*Text proposed by the Commission*

6. On duly justified imperative grounds of urgency to avoid irreparable damage to the Union or its Member States by the measures of economic coercion the Commission shall adopt immediately applicable implementing acts imposing Union response measures, in accordance with the procedure referred to in Article 15(3). The requirements set out in paragraphs 2 to 5 shall apply. Those acts shall remain in force for a period not exceeding three months.

*Amendment*

6. On duly justified imperative grounds of urgency to avoid irreparable damage to the Union or its Member States by the measures of economic coercion the Commission shall adopt ***implementing acts referred to in Article 7(1) as*** immediately applicable implementing acts imposing Union response measures, in accordance with the procedure referred to in Article 15(3). ***The conditions referred to in paragraph 1 except point (a) and*** requirements set out in paragraphs 2 to 5 shall apply. Those acts shall remain in force for a period not exceeding three months ***after which an implementing act referred to in Article 7(1) may be adopted as appropriate. The Commission shall publish the implementing acts in the Official Journal of the European Union and through other suitable public communication means.***

Or. en

**Amendment 43**

**Proposal for a regulation  
Article 8 – paragraph 1 – introductory part**

*Text proposed by the Commission*

1. The Commission may provide, in the implementing act referred to in Article 7(1), or in a separate implementing act, that:

*Amendment*

1. The Commission may provide, in the implementing act referred to in Article 7(1) ***and (6)***, or in a separate implementing act, that:

Or. en

**Amendment 44**

**Proposal for a regulation  
Article 9 – paragraph 2 – point a**

*Text proposed by the Commission*

(a) the effectiveness of the measures in inducing the cessation of the economic coercion;

*Amendment*

(a) the effectiveness of the measures in inducing the cessation of the economic coercion **and reparation of the injury caused**;

Or. en

**Amendment 45**

**Proposal for a regulation**

**Article 9 – paragraph 3 – introductory part**

*Text proposed by the Commission*

3. The Commission may decide to apply Union response measures under Articles 7 or 8 consisting of restrictions on foreign direct investment or on trade in services also with regard to services supplied, or direct investments made, within the Union by one or more legal persons established in the Union and owned or controlled by persons of the third country concerned where necessary to achieve the objectives of this Regulation. The Commission may decide on such application where Union response measures not covering such situations would be insufficient to effectively achieve the objectives of this Regulation, in particular where such measures could be avoided. In assessing whether to adopt such a decision the Commission shall consider, in addition to the criteria in paragraphs 1 and 2, amongst other things:

*Amendment*

3. The Commission may decide to apply Union response measures under Articles 7 or 8 consisting of restrictions on foreign direct investment or on trade in services also with regard to services supplied, or direct investments made, within the Union by one or more legal persons established in the Union and owned or controlled by persons of the third country concerned where necessary to achieve the objectives of this Regulation. The Commission may decide on such application where Union response measures not covering such situations would be insufficient to effectively achieve the objectives of this Regulation, in particular where **the effect of** such measures could be avoided **or circumvented**. In assessing whether to adopt such a decision the Commission shall consider, in addition to the criteria in paragraphs 1 and 2, amongst other things:

Or. en

## Amendment 46

### Proposal for a regulation

#### Article 9 – paragraph 3 – point b

*Text proposed by the Commission*

(b) the effective contribution of such intra-Union restrictions to the objective of obtaining the cessation of the measure of economic coercion;

*Amendment*

(b) the **possible** effective contribution of such intra-Union restrictions to the objective of obtaining the cessation of the measure of economic coercion;

Or. en

## Amendment 47

### Proposal for a regulation

#### Article 10 – paragraph 2

*Text proposed by the Commission*

2. Where the third country concerned suspends the economic coercion, **or where it is necessary in the Union's interest**, the Commission **may** suspend the application of the respective Union response measure for the duration of the third country's suspension, **or as long as** necessary in **light of** the Union's interest. The Commission shall suspend the Union response measures if the third country concerned has offered, and the Union has concluded, an agreement to submit the matter to binding international third-party adjudication and the third country is also suspending its measures of economic coercion. The Commission shall, by means of an implementing act, decide to suspend the Union response measure. These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 15(2).

*Amendment*

2. Where the third country concerned suspends the economic coercion the Commission **shall** suspend the application of the respective Union response measure for the duration of the third country's suspension **or, where it is** necessary in the Union's interest, **the Commission may suspend the application for as long as necessary**. The Commission shall suspend the Union response measures if the third country concerned has offered, and the Union has concluded, an agreement to submit the matter to binding international third-party adjudication and the third country is also suspending its measures of economic coercion. The Commission shall, by means of an implementing act, decide to suspend the Union response measure. These implementing acts shall be adopted in accordance with the examination procedure referred to in Article 15(2).

Or. en

## Amendment 48

### Proposal for a regulation Article 10 – paragraph 5

*Text proposed by the Commission*

5. On duly justified imperative grounds of urgency, the Commission shall adopt immediately applicable implementing acts suspending, amending **or terminating** Union response measures adopted in accordance with Article 7. Those implementing acts shall be adopted in accordance with the procedure referred to in Article 15(3) and **they** shall remain in force for a period not exceeding two months.

*Amendment*

5. On duly justified imperative grounds of urgency, the Commission shall adopt immediately applicable implementing acts suspending **or** amending Union response measures adopted in accordance with Article 7. Those implementing acts shall be adopted in accordance with the procedure referred to in Article 15(3) and shall remain in force for a period not exceeding two months, **after which an implementing act referred to in paragraphs 2, 3 or 4 may be adopted as appropriate.**

Or. en

## Amendment 49

### Proposal for a regulation Article 11 – paragraph 1

*Text proposed by the Commission*

1. Before the adoption of Union response measures or the amendment of such measures, the Commission shall, and before the suspension or termination of such measures, respectively, the Commission may, seek information and views regarding the economic impact on Union operators **and Union's interest**, through a notice published in the Official Journal of the European Union or through other suitable public communication means. The notice shall indicate the period within which the input is to be submitted.

*Amendment*

1. Before the adoption of Union response measures or the amendment of such measures, the Commission shall, and before the suspension or termination of such measures, respectively, the Commission may, seek information and views regarding the economic impact on Union operators, through a notice published in the Official Journal of the European Union or through other suitable public communication means. The notice shall indicate the period within which the input is to be submitted.

Or. en

## Amendment 50

### Proposal for a regulation

#### Article 11 – paragraph 4 – point b

*Text proposed by the Commission*

(b) the interaction of such measures with relevant Member State legislation;

*Amendment*

(b) the interaction of such measures with relevant **Union and** Member State legislation;

Or. en

## Amendment 51

### Proposal for a regulation

#### Article 11 – paragraph 4 – point d

*Text proposed by the Commission*

(d) **the Union's interest.**

*Amendment*

**deleted**

Or. en

## Amendment 52

### Proposal for a regulation

#### Article 11 – paragraph 5

*Text proposed by the Commission*

5. The Commission shall take utmost account of the information gathered during the information gathering exercise. An analysis of the envisaged measures shall accompany the draft implementing act when submitted to the committee in the context of the examination procedure referred to in Article 15(2).

*Amendment*

5. The Commission shall take utmost account of the information gathered during the information gathering exercise. An analysis of the envisaged measures shall accompany the draft implementing act when submitted to the committee in the context of the examination procedure referred to in Article 15(2). **The Commission shall inform the European Parliament in accordance with Article 10 of Regulation (EU) No 182/2011.**

Or. en

## Amendment 53

### Proposal for a regulation Article 11 – paragraph 6

*Text proposed by the Commission*

6. Prior to the adoption of an implementing act in accordance with Article 7(6) or Article 10(5), the Commission shall seek information and views from relevant stakeholders ***in a targeted manner***, unless the imperative grounds of urgency are such that information seeking and consultations are not possible or not needed for objective reasons, for instance to ensure compliance with international obligations of the Union.

*Amendment*

6. Prior to the adoption of an implementing act in accordance with Article 7(6) or Article 10(5), the Commission shall seek information and views from relevant stakeholders, unless the imperative grounds of urgency are such that information seeking and consultations are not possible or not needed for objective reasons, for instance to ensure compliance with international obligations of the Union.

Or. en

## Amendment 54

### Proposal for a regulation Article 12 – paragraph 1

*Text proposed by the Commission*

1. Information received pursuant to this Regulation shall be used only for the purpose for which it was requested.

*Amendment*

1. Information received pursuant to this Regulation shall be used only for the purpose for which it was ***supplied, requested, obtained***.

Or. en

## Amendment 55

### Proposal for a regulation Article 12 – paragraph 2

*Text proposed by the Commission*

2. The supplier of information may request that information supplied be treated

*Amendment*

2. The supplier of information may request that information supplied be treated

as confidential. In such cases, it shall be accompanied by a non-confidential summary or a statement of the reasons why the information cannot be summarised. The Commission, the Council, the European Parliament, Member States or their officials **shall not reveal** any information of a confidential nature received pursuant to this Regulation, without specific permission from the supplier of such information.

as confidential. In such cases, it shall be accompanied by a non-confidential **meaningful** summary or a statement of the reasons why the information cannot be summarised. The Commission, the Council, the European Parliament, Member States or their officials **are prohibited from revealing** any information of a confidential nature received pursuant to this Regulation, without specific permission from the supplier of such information.

Or. en

## Amendment 56

### Proposal for a regulation Article 12 – paragraph 3

#### *Text proposed by the Commission*

3. Paragraph 2 shall not preclude the Commission to disclose general information in a summary form, which does not contain information allowing to identify the supplier of the information. Such disclosure shall take into account the legitimate interest of the parties concerned in not having confidential information disclosed.

#### *Amendment*

3. Paragraph 2 shall not preclude the Commission to disclose general information in a summary **but meaningful** form, which does not contain information allowing to identify the supplier of the information. Such disclosure shall take into account the legitimate interest of the parties concerned in not having confidential information disclosed.

Or. en

## Amendment 57

### Proposal for a regulation Article 16 – paragraph 2

#### *Text proposed by the Commission*

2. No later than three **years after the adoption of the first implementing act under this Regulation or six** years after the entry into force of this Regulation, **whichever is earlier**, the Commission shall

#### *Amendment*

2. No later than three years after the entry into force of this Regulation, the Commission shall review this Regulation and its implementation, **in particular, in view of the review of the Blocking**



review this Regulation and its implementation and shall report to the European Parliament and the Council.

*Statute<sup>1a</sup>*, and shall report to the European Parliament and the Council. ***In addition, the Commission shall mention any development relating to this Regulation in occasion of the relevant reporting to the European Parliament and Council of the Chief Trade Enforcement Officer.***

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***<sup>1a</sup> Council Regulation (EC) No 2271/96 of 22 November 1996 protecting against the effects of the extra-territorial application of legislation adopted by a third country, and actions based thereon or resulting therefrom (OJ L 309, 29.11.1996, p. 1).***

Or. en

## EXPLANATORY STATEMENT

The EU needs an anti-coercion instrument (ACI) urgently to fill an unfortunate gap in EU law: while facing a shift from rules-based to power-based international trade, the EU currently has no tool to discourage and, where necessary, respond to economic coercion to protect the legitimate interests of the Union and its Member States.

Triggers for this instrument need to be broadly defined and country-neutral. Economic coercion can indeed take many different forms, such as Washington's threat to retaliate on the digital tax of several EU Member States; China's blockade of imports from Lithuania after Taiwan opened a de-facto Embassy in Vilnius, the "spontaneous" boycotts of Western brands and bans on Members of the European Parliament critical of China; Russian import ban on agricultural goods from EU Member States.

While resorting, where possible, to existing dispute settlement mechanisms and looking for a global and common strategy, the EU should be able to intervene more swiftly in a situation where a country, by applying or threatening to apply measures affecting trade and investments, seeks to pressure the EU or its Member States into making or refraining from making a political choice. The non-availability of such a tool is a weakness of our legal system since countering economic coercion is permitted under international law. The mere existence of such a tool would have a deterrent effect. Additionally, we should take account of the fact that our trade partners already have similar instruments in place - the EU is catching up, not escalating an arms race.

Furthermore, it must be understood that measures taken under ACI are a last resort in the EU's response to coercive actions of a third country with the sole purpose of protecting the Union's legitimate policy space. It is not an offensive tool the EU can use indiscriminately.

Over recent years, we have experienced global trade tensions and the impact of COVID-19 pandemic on global supply chains, whose vulnerabilities were further exposed following Russia's military invasion of Ukraine in February 2022. In this context, I believe that the EU cannot be a credible interlocutor on the global arena without a powerful trade instrument preserving its interests, rights and sovereign political choices. The recent Versailles Declaration of the Heads of States and Governments of 10 and 11 March 2022 highlights the role of EU trade policy in achieving the objective of building European strategic autonomy through a more robust economic base by making the latter more resilient, competitive and fit for the green and digital transitions, while leaving no one behind.

The European Parliament called on the Commission to table a proposal for an anti-coercion instrument in 2020, which led to a joint declaration of the EU institutions annexed to the amended enforcement regulation<sup>1</sup>. In that context, both the Member States and the European Parliament expressed concerns with respect to trade practices of certain third countries seeking to coerce the Union and/or its Member States to take or withdraw particular policy measures. I am looking forward to the Council's common position on this new instrument.

I welcome that the President of the European Commission took up our concerns in September

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<sup>1</sup> Joint declaration OJ C 49, 12.2.2021, p.1.

2020 and, as promised, the Commission tabled a proposal for the ACI before the end of 2021. This new tool will complete the EU's trade toolbox, together with the new rules on reciprocity for access to global procurement markets and on distortive foreign subsidies, on which this Parliament has been working strenuously as part of the review of the EU's trade policy. As we have also pointed out in our report on the effects of COVID-19 on trade<sup>2</sup>, the purpose of such review is to ensure that trade contributes to the overarching objective of EU's strategic autonomy.

Therefore, I generally support the Commission's proposal for a trade instrument and the amendments proposed in my draft report focus on the following seven points:

1. **An even broader definition of economic coercion to ensure actual deterrence.** This instrument shall also cover the threat of measures by a third country, which as such qualifies as economic coercion, as well as any measure interfering with a particular policy choice of the EU, whatever form the latter will take.
2. **Where necessary, a swift and effective EU response will make this instrument credible:** EU countermeasures shall be proportionate and swift, when urgent, and shall aim not only at the cessation of the coercion but, whenever possible, also at addressing the injury caused by coercion.
3. **The rule of law must be preserved** through legal certainty and countermeasures compatible with international law; the procedure needs to find the right balance between the need for a swift reaction and the importance of providing indications of the timeframe of necessary procedural steps.
4. **Engagement for a negotiated solution but without unduly delaying the process:** enough space for dialogue with the third country as well as for cooperation in international fora and with other EU trade partners should be ensured without unduly delaying the imposition of countermeasures.
5. **The Union interest is at the heart of this instrument:** to efficiently counter third countries' measures unduly interfering in the legitimate sovereign choices of the Union and/or Member States is, in this context, a decisive part of the Union interest. The Union interest must also ensure that any measures taken under this regulation take account of the economic and social coherence of the Union and do not negatively affect them.
6. **Coherence must be ensured** with other instruments addressing extraterritorial effects of measures taken by non-EU countries, like the Blocking Statute. For this purpose, an early review of this regulation might be necessary.
7. **Democratic scrutiny at all stages:** the involvement of stakeholders - while ensuring full confidentiality - is vital to identify coercion, determine its size and effects and thus design effective counter-measures. Parliament, which shall exercise democratic scrutiny on this instrument, shall be kept informed together with the Council at all relevant stages, from the examination to the continuous review of the EU measures.

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<sup>2</sup> European Parliament resolution of 7 July 2021 on the trade-related aspects and implications of COVID-19 (2020/2117(INI)).