

Simplification of intra-EU transfers of defence-related products and the simplification of security and defence procurement

2025/0177(COD) - 17/06/2025 - Legislative proposal

PURPOSE: to speed up defence investments in the EU by simplifying intra-EU transfers of defence-related products and security and defence procurement.

PROPOSED ACT: Directive of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the EU is facing an acute and growing threat, as underscored in the White Paper on European Defence Readiness 2030, linked in particular to the return of **full-scale conflict in Europe**. Russia's invasion of Ukraine has exposed vulnerabilities in the European defence landscape, highlighting the importance of a cohesive and resilient defence industrial base. A well-functioning European defence market is essential to ensure that Member States have access to the necessary defence capabilities, technologies and products to respond effectively to current and future security challenges.

To help Member States and industry strengthen their defence capabilities and infrastructure to achieve the levels of preparedness and deterrence required to face a high-intensity conflict, it is essential to **simplify and harmonise regulations**. By streamlining and harmonising regulatory frameworks, the Union can create a more conducive environment for defence industries to operate, innovate and produce the capabilities needed to ensure European security and defence preparedness.

The proposal is part of a **package** of measures to extend to the defence sector and more specifically for defence readiness purposes including defence production and supply chain, the provisions that other areas currently benefit from. It also complements the targeted amendments presented in April 2025 to existing EU funding programmes to support faster, more flexible and coordinated investments in Europe's defence technological and industrial base (EDTIB).

This proposal is a part of the **Defence Readiness Omnibus**. It contains simplification proposals aimed at removing regulatory barriers, facilitating and accelerating defence procurement and intra-EU transfers of defence-related products, and facilitating European defence preparedness and industrial construction.

CONTENT: the proposal concerns **limited and targeted changes** to Directives 2009/81/EC on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security and 2009/43/EC on simplifying terms and conditions of transfers of defence-related products within the Community.

For Directive 2009/43/EC

- the cases where Member States may provide for **exemptions** from prior authorisation for transfers of defence-related products will be extended to include transfers necessary for the implementation of projects funded by EU defence industrial programmes, transfers in the framework of structured cross-border industrial partnerships, transfers to EU institutions and bodies and the European Defence Agency, and transfers in case of an emergency resulting from a crisis;

- the general **transfer licence will be extended** to cover transfers by certified entities, in addition to transfer to certified European defence undertakings;
- general transfer licences will be introduced for EU defence industrial projects, such as the European Defence Fund (EDF), to cover all defence-related products and all transfers necessary for the implementation of the project;
- modification of the provision on information to be provided by suppliers of defence-related products to provide them with the required **flexibility**, while maintaining transparency and control.

For Directive 2009/81/EC

- the thresholds of Directive 2009/81/EC will be raised to enable Member States to focus on **critical contracts** and reduce the administrative burden on the industry for **smaller procurement procedures**;
- open procedure and dynamic purchasing system are introduced to enhance the range of tools at the disposal of the Member States;
- the **innovation partnership** procedure: a modified and more flexible innovation partnership procedure will be introduced to support the procurement of innovative solutions;
- **simplified procedure** for procurement of results of competitive parallel research and development projects: a simplified procedure will be introduced for the direct procurement of innovative products or services that result from competitive parallel research and development projects;
- a temporary derogation will be introduced to allow Member States to use the **negotiated procedure** without prior publication for common procurements, including off-the-shelf procurement. This will be available for procurement of identical defence products or products subject only to minor modifications conducted by at least three Member States;
- the rules governing framework **procurement agreements** will be clarified, and the **maximum duration of a framework agreement** will be extended from **7 to 10 years**;
- the **statistical reporting obligations** related to defence procurement will be **reduced** to ease the administrative burden for Member States.