Defence readiness and facilitating defence investments and conditions for the defence industry (Omnibus V)

2025/0176(COD) - 17/06/2025 - Legislative proposal

PURPOSE: to extend existing provisions in defence-specific legislation and the European Defence Fund to remove regulatory barriers and facilitate EU defence preparedness and industrial strengthening.

PROPOSED ACT: Regulation 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: in order to facilitate investments by Member States in defence, it is necessary to remove regulatory burdens for defence readiness. This facilitation will support the defence industry's growth over time and contribute to support the defence readiness of Member States. While several instruments of Union legislation provide the necessary flexibility for Member States to take actions to facilitate the ramp-up of the defence industry, often national legislation and implementation hamper defence readiness.

The present proposal aims to make the Union legislative framework conducive to the **swift scaling up of defence industrial capacities** and the **strengthening of innovation** in order to reach defence readiness levels that can credibly deter and counter any risk of armed aggression.

The proposal considers the significant defence investment gaps that have accumulated over past decades, which require extraordinary efforts to restore defence readiness by 2030. It also considers the fact that the current regulatory framework is not adapted to this need and requires to be adapted to achieve the defence readiness 2030 objective.

More specifically, the Commission's current proposal involves **extending existing provisions in defence-specific legislation and the European Defence Fund**, as well as in non-defence specific legislation, to remove regulatory barriers and facilitate EU defence readiness and industrial build-up.

This proposal is a part of the **Defence Readiness Omnibus.**

CONTENT: the Commission proposal concerns targeted changes to the following chemicals regulations to accommodate defence needs:

Regulation (EU) No 1907/2006 (REACH)

The Commission notes that the existing possibility for Member States to allow for exemptions in specific cases for certain substances where necessary in the interests of defence has been used in a restrictive way, that does not correspond to the needs of the defence industry to develop, produce and maintain defence material. Therefore, it proposes to amend the REACH Regulation so that it should not only be applicable to specific cases for certain substances.

Regarding Regulation (EU) No 1272/2008 on classification, labelling and packaging of chemical substances (CLP)

To ensure a coherent exemption across chemicals legislations, the Commission proposes that the same exemption for defence as proposed for the REACH amendment should also be introduced in Regulation (EU) No 1272/2008.

Regarding Regulation (EU) No 528/2012 on Biocidal Products

To ensure a coherent exemption across relevant legislations, the Commission proposes that the similar wording as proposed for the REACH amendment should also be introduced in the Biocidal Products Regulation.

Regarding Regulation (EU) No 2019/1021 on Persistent Organic Pollutants

Regulation (EU) 2019/1021 implements the Stockholm Convention on Persistent Organic Pollutants and the Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution on Persistent Organic Pollutants. A party cannot grant exemptions once a decision has been adopted under the Convention to list a chemical in Annex A, B or C to the Convention beyond those granted under the Convention, unless the Party does not accept that listing; thus, defence readiness needs, should be addressed in the EU's preparatory stages before prohibitions or restrictions are established at the international level in the Convention. For this reason, it is important that relevant information is collected, assessed and submitted for the purpose of the risk management evaluation stage within the process of listing a substance within the Convention, as it is at that stage where the Persistent Organic Pollutants Review Committee may consider potential exemptions from possible control measures for that substance. It cannot be excluded that information on the use of chemical substances can contain information that could be sensitive. The Commission therefore proposes that Member States may **make exemptions from the reporting requirements** embedded in art 13(1) of Regulation (EU) 2019/1021 on grounds of protection of national or EU security interests.

Regarding Regulation (EU) 2021/697 establishing the European Defence Fund

Proposed changes aim to:

- clarify and simplify award criteria, introducing the possibility of selecting only the most relevant award criteria, and implementing the EDF through annual or multiannual work programmes;

- clarify the rules applicable to direct awards;

- facilitate the use of indirect management;

- simplify pre-commercial procurement and access rights of co-financing Member States to the results of development projects;

- make costs for testing activities conducted outside of the Union territory (e.g. Ukraine) eligible for funding.