

Chips Act 2.0

2026/0139(COD) - 03/06/2026 - Legislative proposal

PURPOSE: to establish a framework of measures to strengthen the EU's semiconductor ecosystem (Chips Act 2.0).

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: the semiconductor sector has become a cornerstone of the EU's economic stability, technological sovereignty, and security. The accelerating integration of advanced digital technologies, most notably artificial intelligence (AI), has significantly increased global demand for semiconductors, while simultaneously intensifying competition across international markets. Those developments have exposed structural vulnerabilities in the Union's semiconductor supply chains, including dependencies on limited external suppliers, insufficient domestic production capacity, and fragmentation across Member States.

In light of those developments, it is necessary to reinforce and complement the framework established by Regulation (EU) 2023/1781 (Chips Act) in order to support the transition from innovation to industrial scale, to enhance resilience and economic security, and to ensure the effective functioning of the internal market.

The Chips Act 2.0 will complement other new initiatives as part of the Commission's **European Technological Sovereignty Package**, including the [Cloud and AI Development Act](#), in contributing to a more competitive, secure and resilient European digital economy.

CONTENT: the proposed regulation establishes a framework for strengthening the semiconductor ecosystem, and addressing and preventing dependencies that can threaten the security of supply of semiconductors at Union level, in particular through the following measures:

- the continuation and further development of the Chips for Europe Initiative - **Chips for Europe Initiative 2.0**;
- setting the criteria to recognise and support European semiconductor technology initiatives that are first-of-a-kind initiatives and strategic projects that foster the indispensability, resilience, and prosperity of the Union's semiconductor ecosystem;
- enhancing the **coordination mechanism** between the Member States and the Commission which concerns the mapping and monitoring the Union's semiconductor sector, crisis prevention and response to semiconductor shortages and, where relevant, requests for information and consultation with stakeholders from the semiconductor supply chain.

The proposal's general objectives are to:

- **increase the competitiveness** of the European semiconductor value chain to improve its technological sovereignty and resilience by accelerating the industrial deployment of research and innovation, ensuring security of supply and reducing strategic dependencies in cutting-edge and mature semiconductor technologies;

- **enhance crisis preparedness** to ensure EU's security of supply by increasing the resilience of the European semiconductors supply chain and protecting EU's economic security.

The Chips for Europe Initiative 2.0 now comprises six components:

- (1) design capacities for integrated semiconductor technologies;
- (2) pilot lines for preparing innovative production, and testing and experimentation facilities;
- (3) advanced technology and engineering capacities for accelerating the development of quantum chips;
- (4) a network of competence centres and skills development;
- (5) 'Chips Fund' activities for access to capital by start-ups, scale-ups and SMEs; and
- (6) building and strengthening advanced design, prototyping, and industrial deployment capacities for photonic integrated circuit technologies across the Union.

The proposal also sets out provisions for the security of supply and demand, fast-tracking permit-granting procedures, increasing supply chain resilience, namely for the public procurement of critical infrastructures.