**ORDINARY LEGISLATIVE procedure – First reading**

**Follow up to the European Parliament legislative resolution on the proposal for a regulation of the European Parliament and of the Council establishing the European Cybersecurity Industrial, Technology and Research Competence Centre and the Network of National Coordination Centres**

**1. Rapporteur:** Julia REDA (Greens-EFA / DE)

**2. Reference numbers:** 2018/0328 (COD) / A8-0084/2019 / P8\_TA-PROV(2019)0419

**3. Date of adoption of the resolution:** 17 April 2019

**4. Legal basis:** Article 173(3) and the first paragraph of Article 188 of the Treaty on the Functioning of the European Union

**5. Competent Parliamentary Committee:** Committee on Industry, Research and Energy (ITRE)

**6. Commission's position:**

The European Parliament’s resolution of 17 April 2019 formally closes the Parliament’s first reading. The Commission reserves its position on the Parliament’s amendments in view of future negotiations between the Parliament and the Council on the proposal.

The main amendments compared to the Commission proposal are the following:

* The European Parliament has added **European Defence Fund** as a financing source of the Competence Centre in addition to Digital Europe and Horizon Europe Programmes. The European Defence Fund should, according to the European Parliament, fund operational and administrative costs of activities related to dual use and defence. The European Parliament also added that the cooperation between the civil and defence spheres shall be reactive and include defensive cyber defence technology, applications and services. This is specified in a **definition on “cyber defence’ and ‘defence dimensions of cybersecurity”** in Article 2 and in Article 4 in relation to the relevant tasks of the Centre. The Commission has continuously insisted that the European Defence Fund should not be among the programmes financing the Competence Centre. Even if indirect management is now possible in accordance with the European Defence Fund Regulation, it is only exceptional and limited (e.g. it cannot cover selection of projects) and only possible if provided for in the European Defence Fund Regulation. With regard to the definitions of “cyber defence” and “defence dimensions of cybersecurity”, such definitions do not exist currently in any Union law. The Commission prefers to delete such definitions. In case there is a need to include such definitions, the drafting should be reviewed in order to be correct and sound and the Commission should insist to specify that any definition in this context can only be for the purposes of the Competence Centre Regulation.
* The European Parliament amendments also propose that the Centre shall have **additional and more detailed missions and tasks** to those defined in the Commission proposal. These would for example include enhancement of capabilities, knowledge and infrastructure, promoting “security by design”, supporting cybersecurity research in the field of cybercrime etc. The Commission can accept additional priorities introduced by the European Parliament as long as these are broadly in line with the spirit of the Commission proposal, although the Commission has continuously insisted that the tasks should not be too detailed and prescriptive.
* The European Parliament suggests **different voting modalities** according to the type of decision taken by the Governing Board. These different types of decisions concern governance and organisation, allocation of budget, joint actions and any other decision. Although the amendments deviate from the original proposal, the Commission will still hold at least 50 % of the voting rights, which has been central for the Commission in order to fulfil its budgetary responsibilities. The Commission can support the amendments proposed by the European Parliament.