

**Commission Implementing Regulation (EU).../...**

**of XXX**

**on detailed arrangements for the conduct of proceedings by  
the Commission pursuant to Regulation (EU) 2022/2560 of  
the European Parliament and of the Council on foreign  
subsidies distorting the internal market**

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**CHINA CHAMBER OF COMMERCE FOR IMPORT AND  
EXPORT OF MACHINERY AND ELECTRONIC  
PRODUCTS**

**WRITTEN SUBMISSION**

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On behalf of its member enterprises, China Chamber of Commerce for Import and Export of Machinery and Electronic Products (“CCCME”) submits this written statement in response to the request of European Commission (“the Commission”) in its notice of *Commission Implementing Regulation (EU).../...of XXX on detailed arrangements for the conduct of proceedings by the Commission pursuant to Regulation (EU) 2022/2560* (“the EU Foreign Subsidies Regulation”) of the European Parliament and of the Council on foreign subsidies distorting the internal market (“Draft Implementing Regulation”) and its two Annexes.

CCCME is an industry-based, nationwide non-profit organization, which is voluntarily formed by various economic types of entities engaged in areas of manufacturing, import and export, and related activities of machinery and electronic products in China. CCCME has more than 10,000 member enterprises, among which some have invested in or are planning to set up investment in the EU internal market.

## **I. OVERVIEW**

1. CCCME and its member enterprises fully understand that the EU Foreign Subsidies Regulation (“the Regulation”) and the Draft Implementing Regulation aim to create a fair and just investment environment for enterprises. Nevertheless, we submit that excessively complicated and uncertain procedures may expose non-EU enterprises to unfair treatment, thereby discouraging them to invest in the EU, and ultimately resulting in the damage of the interests and competitiveness of the EU countries.
2. In order to build a healthy, orderly and efficient EU market, the EU needs to uphold an open and inclusive attitude and build a fair and just investment environment, so as to attract more leading companies across the globe to seek business cooperation in the EU, thus achieving mutual complementarity in the interest of development goals and resource sharing between companies inside and outside the EU market.

## **II. RECOMMENDATIONS**

3. Regarding the Draft Implementing Regulation and its annexes,

CCCME and its member enterprises suggest that the European Commission shall clarify and improve the substantive rules and procedural elements in the following aspects:

**A. Reduce procedural uncertainty.**

4. Specify the possible circumstances that the European Commission may initiate an ex officio review. As mentioned by the Regulation that “the Commission should have the power to examine any foreign subsidy, to the extent it is in the scope of this Regulation, in any sector of the economy on its own initiative, relying thereby on information from all available sources”<sup>1</sup>, such general investigation tool would enable the Commission to start investigations on a wider range of business activities and bring great uncertainty to the operation of non-EU enterprises in the EU Single Market. Hence, it is suggested that the Commission can clearly define the scopes and details of such initiation of investigations.
5. Clarify the legal effect and deadline of the prior consultation procedure. The Draft Implementing Regulation set out the procedures for prior consultation whereby the investigating

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<sup>1</sup> REGULATION (EU) 2022/2560 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 December 2022 on foreign subsidies distorting the internal market, page L 330/2.

authority may exempt the information required to be provided according to the specific circumstances of the applicants. However, the legal effect of such consultation and the time required have not been determined yet. Therefore, CCCME would submit that the Commission can clarify the above two aspects in further detail to avoid ambiguity.

6. Give enterprises the rights to be fully informed and to appeal. Firstly, more detailed information should be stated in the Draft Implementing Regulation. For example, listing the notification authority and its contact information to ensure that the enterprises can consult on the relevant issues when needed.
7. Moreover, during the process of implementation of the Regulation, the investigating authorities shall truthfully and timely disclose to the enterprise any possible violation of the regulations to the undertaking under investigation and allow it to exercise its full rights to appeal.
8. Besides, for every procedure outlined, the interested parties shall be allowed to comment and request hearings and certain

exemptions.

**B. Alleviate the burden on enterprises caused by notifications, and handle the evidence and information submitted by notifying parties in a way which respects the confidentiality, fairness and transparency.**

9. According to the Draft Implementing Regulation, the notification obligation requires the notifying parties to provide the information related to financial contributions received in the past three years. It is foreseeable that the process of collecting and sorting out information, hiring professionals for assistance and establishing internal management programme will increase the non-operating and administrative cost to the notifying parties. Hence, CCCME suggested that the Commission can take into account the administrative burden and related cost of the notifying parties, simplify the notification procedure as far as possible and reduce unnecessary notifiable information.

10. In addition, the information submitted by the notifying parties often involves business secrets and confidential data. Thus, CCCME requests the Commission to further narrow down the

scope of information and data to be notified as much as possible and take adequate measures to protect the legitimate rights and interests of the notifying parties.

**C. Consider the overall interests.**

11. In addition to the implementation of the Regulation itself, the EU shall fully consider the positive influences brought by the active participation and investment in the EU Single Market from non-EU companies on EU enterprises, consumers and the environment.

12. Also, public views and opinions shall be solicited on possible violations of the regulation by economic entities to ensure the balancing of the overall interests of the EU.

13. Furthermore, the Commission is suggested to count in the positive influences brought by foreign financial contributions on labor and environment conditions in the countries where non-European enterprises are located in.

14. It is hoped that the European Commission can take into consideration all the above positive influences with due

diligence.

### **III. CONCLUSION**

15. Although the European Commission aims to create a fair business environment, the complicated and uncertain rules and procedures of the Regulation and the Draft Implementing Regulation are likely to discourage foreign enterprises from investing in the EU internal market, thus damaging the interest and competitiveness of the EU countries.

16. In the face of global challenges such as climate change, growing energy demands, and the imbalance between population growth and resources, it is of great significance for the EU to stress cooperation as the primary goal and maintain a regional trade environment that is open and orderly rather than divided and chaotic to overcome obstacles and achieve win-win cooperation with other countries. Competition and cooperation are not polar opposites, and countries will gain from cooperation and lose from confrontation.

17. Therefore, CCCME submits that the European Commission would take a long-term perspective by comprehensively



taking into account the interests of the EU internal market and the well-being of EU consumers, and the EU Foreign Subsidies Regulation shall be applied with full caution and due consideration.