

CHAMBER OF DEPUTIES

THE COMMITTEE ON EUROPEAN UNION POLICIES

**DOCUMENT APPROVED BY THE COMMITTEE ON EUROPEAN UNION POLICIES
WITHIN THE FRAMEWORK OF THE SUBSIDIARITY CHECK REFERRED TO IN
ARTICLE 6 OF PROTOCOL 2 ANNEXED TO THE TREATY OF LISBON:**

PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
ESTABLISHING HARMONISED REQUIREMENTS IN THE INTERNAL MARKET ON TRANSPARENCY OF
INTEREST REPRESENTATION CARRIED OUT ON BEHALF OF THIRD COUNTRIES AND AMENDING
DIRECTIVE (EU) 2019/1937
(COM (2023) 637 FINAL)

Approved on 13 March 2024

**PROPOSAL FOR A DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE
COUNCIL ESTABLISHING HARMONISED REQUIREMENTS IN THE INTERNAL
MARKET ON TRANSPARENCY OF INTEREST REPRESENTATION CARRIED OUT
ON BEHALF OF THIRD COUNTRIES AND AMENDING DIRECTIVE (EU)
2019/1937(COM (2023) 637 FINAL)**

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The Committee on European Union Policies of Italy's Chamber of Deputies,

Having examined the Proposal for a Directive establishing harmonised requirements in the internal market on transparency of interest representation carried out on behalf of third countries and amending Directive (EU) 2019/1937 (COM (2023) 637);

Bearing in mind the Proposal for a Regulation amending Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System, and Regulation (EU) 2018/1724, establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services (COM(2023) 636 final);

WHEREAS:

- The Committee broadly endorses the purposes of this proposal considering that the transparency and integrity of the decision-making processes of the Member States and the Union to prevent interference by third countries, as well as public confidence in them, are a cornerstone of European democracy;
- In the current geopolitical climate, given the "pervasiveness" of the new information technologies and the use of social media by third-country actors, it is necessary to better understand the extent, trends and the parties performing interest representation activities on behalf of third countries;

Endorsing the political importance of this proposal, which ultimately sets out to ensure the proper functioning of democracy in Europe and relations between the Union and its citizens, also with an eye on the forthcoming elections to the European Parliament and the beginning of a new European institutional cycle;

Noting, with regard to the principle of conferral, that exclusive recourse to Article 114 TFEU as the legal basis for the proposal, which enables the adoption of measures concerning the legislative, regulatory and administrative approximation of the Member States regarding the internal market, does not seem appropriate. For this provision is not an appropriate basis for the proposal's detailed measures on transparency, which to a large extent are not designed to ensure the proper functioning of the internal market. What they are designed to do is to ensure the defence of democracy, which is, according to the Commission, the primary objective of this proposal. What needs to be debated in the course of examining the proposal for a Directive is whether the legal basis should be supplemented by other provisions;

Noting, furthermore, that the proposal is not wholly consistent with the principle of subsidiarity, insofar as there does not appear to be adequate justification, in terms of necessity and added value, for the decision to proceed with full harmonisation, excluding the possibility of Member States maintaining or introducing additional and even more stringent transparency obligations. Not only

would this approach excessively restrict the Member States' margins of discretion in relation to national specificities, but it could also lead to a paradoxical reduction in transparency standards for those Member States that have already adopted stricter regulation in this area. It would therefore be more consistent with the principle of subsidiarity to define minimum standards or, alternatively, to create a single Europe-wide register;

Deeming the proposal as a whole to be consistent with the principle of proportionality, since the limitations on fundamental rights are proportionate and limited to the minimum necessary, particularly with regard to freedom of association. For transparency requirements are only imposed on entities performing interest representation services on behalf of third countries. Conversely, it is not intended to prevent those same countries from making their views known, but to ensure that this is done in a transparent and accountable manner. Furthermore, it provides for a specific obligation to submit the information contained in the national registers of Member States in a factual and neutral manner and in a manner that avoids stigmatisation of registered entities;

Noting that by regulating the representation of interests of third countries only on the basis of contractual relations, the proposal would have little impact on malicious interference activities conducted by third countries on the basis of non-contractual mechanisms, such as donations;

Considering that since the proposal for a directive provides for the application of the country-of-origin principle, it requires entities carrying out interest representation activities on behalf of third countries to register their activities in the Member State where they are established, and not in the Member State where the interest representation activities are carried out, which entails the risk that many activities may elude the registers of the Member States where they are carried out;

Noting the need for this document to be transmitted to the European Commission, within the framework of the political dialogue, as well as to the European Parliament and the Council,

CONSIDERS THE PROPOSAL TO COMPLY

with the subsidiarity principle within the meaning of article 5 of the Treaty on European Union.