

ARTICLE

THE REGULATION ON SEMICONDUCTORS ENTERS INTO FORCE

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The European regulation on semiconductors (European Chips Act) entered into force on 21 September. This major legislation establishes a set of provisions designed to ensure the EU's **security of supply, resilience** and **technological leadership** in the field of semiconductor technologies and applications.

The regulation is composed of three pillars:

The first pillar is based on **Europe's technological leadership** through the transfer of knowledge from laboratories to factories and the promotion of the industrial exploitation of innovative technologies by European companies. This will be financed by the EU funds with €3.3 billion, complemented by equivalent funds from the Member States.

The second pillar aims to **guarantee EU supply** in two ways. Firstly, by attracting **investment** from the public and private sectors. Secondly, by boosting **production capacity**. A special framework will be put in place for so-called "first-of-a-kind" facilities that contribute to security of supply and a resilient ecosystem in the interests of the Union. State aid could be granted to these first-of-a-kind facilities.

The third pillar establishes a **coordination mechanism between Member States and the Commission**, to strengthen co-operation among Member States, monitor supply, prevent shortages, and activate an alert system in the event of a crisis.

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