

CALL FOR EVIDENCE

FOR AN EVALUATION AND IMPACT ASSESSMENT RUN IN PARALLEL

TITLE OF THE INITIATIVE	Review of the Chips Act (Chips Act 2)
LEAD DG – RESPONSIBLE UNIT	Directorate-General for Communications Networks, Content and Technology / Unit C3 “Microelectronics and Photonics”
LIKELY TYPE OF INITIATIVE	Regulation (EU) 202X/XXXX of the European Parliament and of the Council of XXXX establishing a framework of measures for strengthening Europe’s semiconductor ecosystem and amending Regulation (EU)2023/1781 (Chips Act) (Text with EEA relevance)
INDICATIVE PLANNING	Q2 2026
ADDITIONAL INFORMATION	European Chips Act - European Commission
<i>This document is for information purposes only. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by this document, including its timing, are subject to change.</i>	

A. Political context, evaluation, problem definition & subsidiarity check

Political context

The Chips Act, which has been in force since September 2023, has already resulted in over EUR 80 billion in announced manufacturing capacity investments; the approval of eight State aid decisions on first-of-a-kind semiconductor facilities; the implementation of over 80% of its research, development, and innovation (R&D&I) programme; and a crisis response mechanism supported by the European Semiconductor Board.

The Regulation requires a mandatory review by 2026. This review will be an opportunity to reascertain the Regulation’s relevance and correct any possible shortcomings. The review should consider the current geopolitical context and the need for the EU to have technological sovereignty, particularly as regards the production of very advanced nodes that are needed for strategic sectors such as security, defence and automotive. The review may help identify possible activities to support digital leadership policy under the next MFF, including the [European Competitiveness Fund](#).

This review will respond to the Member States’ ‘[Semiconductor Coalition](#)’ call for them to reinforce their cooperation and strengthen the EU’s competitiveness and strategic autonomy in the semiconductor sector. The European Parliament also [urged](#) the Commission to launch an ambitious Chips Act 2.0.

Evaluation

The Chips Act aims to ensure the EU’s resilience and technological sovereignty in semiconductor technologies and applications. In particular, it aims to (i) support technological capacity building and innovation in the EU;(ii) attract investment and enhance production capacity in semiconductor manufacturing and in advanced packaging, test and assembly; and (iii) anticipate future chips crises and address them through close coordination with Member States.

The evaluation of the Chips Act will serve as a stocktaking exercise and will take a two-pronged approach: (i) extensive consultation, including public and targeted consultations as well as this Call for Evidence; and (ii) an analysis of the implementation of the regulation.

The analysis of the implementation of the Regulation will incorporate, if relevant, the results from the consultation and other sources such as commissioned studies and academic research to evaluate the Chips Act in line with the Better Regulation criteria (i.e. effectiveness, efficiency, relevance, coherence and EU added value). Various methods of assessment will be considered, including cost-benefit analyses, case studies and workshops. The evaluation will also assess opportunities to simplify the Chips Act and reduce identified regulatory burdens.

Problem the initiative aims to tackle
The instruments of the Chips Act appear to be largely fit for purpose¹. In Pillar 1, the Chips for Europe Initiative is fit for purpose for building Europe's next generation technological capacities and for promoting innovation. In Pillar 2, the concept of First-of-a-Kind facilities attracts investments in semiconductor manufacturing and in advanced packaging, testing and assembly. Finally, in Pillar 3, the toolbox for addressing a future chips crisis appears to be largely suitable². However, the Chips Act lacks sufficiently effective tools to overcome three key obstacles to fully achieving its goals. Firstly, the EU does not currently have manufacturing capacity for advanced semiconductor nodes below 10 nanometres and is fully dependent on non-EU countries for supply of leading-edge chips. Demand for such chips in the EU is currently limited and does not justify the large-scale investment needed for a typical leading-edge fab. Nonetheless, chips at these nodes are fundamental for strategic sectors such as defence, security, automotive, space, and high-performance computing. The volumes required by these sectors are relatively low and may not justify a fully-fledged commercial foundry, but the strategic importance of leading-edge chips requires the EU to secure access to them. Secondly, Europe also has a competitive edge on mainstream/essential semiconductors (power electronics, microcontrollers, photonics, sensors). As this competitive edge faces growing challenges from potential non-market policies and practices in third countries, continuous innovation should be fostered in this domain, including for advancing security and energy efficiency of those components.³ Thirdly, current insight into the resilience of key market actors, supply chains and the overall EU semiconductor ecosystem is rather limited. The EU and its Member States do not understand the resilience of supply chains and the EU ecosystem sufficiently well to be able to guarantee security of supply and address disruptions and crises omit. From the economic security perspective, current insight into the susceptibility of key market actors (for example, to technology leakage risks) is insufficient. Furthermore, there may be potential for burden reduction and simplification in the process of applying State aid measures for 'first-of-a-kind' facilities under Pillar 2 of the Chips Act.
Basis for EU action (legal basis and subsidiarity check)
Legal basis
The legal basis of this initiative is Art 114 and Art 173 of the Treaty on the Functioning of the European Union (TFEU).
Practical need for EU action
Semiconductors are increasingly recognised as critical to the EU's economic security. Economic security is increasingly a policy area that is being coordinated by the EU, especially in light of current geopolitical instability. The strategic importance of semiconductors extends across numerous sectors and impacts all Member States, regardless of the size of their domestic semiconductor industries. The global nature of semiconductor supply and value chains, as well as the scale of investment and demand necessary for sustainable business models together mean that the aggregation of demand across the Union may provide an effective means of enabling as part of a coherent EU wide policy for semiconductors. To secure the EU's position in future-defining technologies (e.g. chips for Artificial Intelligence) and to promote the EU's strategic autonomy, action at EU level is vital in order to leverage the Single Market and jointly devise

¹ Special report 12/2025: The EU's strategy for microchips | European Court of Auditors

² [European Chips Act | Shaping Europe's digital future](#)

³European Commission. *The future of European competitiveness: In-depth analysis and recommendations* (Part B of The Draghi report: A competitiveness strategy for Europe), prepared by Mario Draghi [The Draghi report on EU competitiveness](#)

solutions to address dependencies in leading-edge chips. Individual Member States are not able to address such dependencies on their own. The EU can, by enabling joint action and increased coordination, pool the strengths of different Member States in the various segments of the semiconductor value chain. These actions will help safeguard critical industrial sectors, ensure that the EU can sustain its digital transition, and enable future EU markets of leading-edge chips – including AI chips for data centres (cloud/edge) and high-performance computing infrastructures (e.g. AI factories and gigafactories).

Likewise, insight into the resilience of key market actors, supply chains and the semiconductor ecosystem in the EU and elsewhere is needed. This requires cooperation between the EU and its Member States.

B. Objectives and policy options

The revision of the Chips Act is intended to ensure the EU's resilience and technological sovereignty in semiconductor technologies and applications. The revision of the Chips Act should therefore focus on two key objectives:

- reducing the EU's dependency on other parts of the world for leading-edge chips, notably by increasing the EU's manufacturing capacity in advanced semiconductors for critical sectors; and
- increasing insight into the resilience of key market actors, supply chains and the overall EU semiconductor ecosystem in order to ensure that the EU is better able to monitor the semiconductor ecosystem (including from the economic security perspective) and prepare potential crisis responses.

The following policy options could be considered:

- **Maintaining the current framework** – this would imply continuing with the current framework and maintaining the current approach, including the principles laid out by the Chips Act Communication that individual Member States have to respect when notifying State aid for semiconductor manufacturing capacity, namely *First of a Kind* facilities, without additional investments from the EU. Regarding monitoring actors, supply chains and the ecosystem, the EU and Member States would maintain a voluntary regime for data-gathering from private actors (except in a crisis as under Article 25 of the Chips Act).
- **Targeted amendments to the Chips Act** – this scenario would amend the Regulation to bring forward the strategic nature of design and manufacturing capacity of both leading-edge chips and legacy chips on which Europe is overly dependent on 3rd countries, and define strategic projects to implement this policy, and their selection criteria. In due course, the implementation of the revised regulation may tap into future funding schemes in addition to the State aid possibilities currently outlined in the Chips Act Communication. This could range from small-scale manufacturing for critical sectors, which would merit bespoke solutions, to advanced high-volume fabs. Dependence on non-EU countries for access to leading-edge chips could be reduced to varying degrees and for critical sectors or larger parts of the economy. As regards monitoring and economic security, the EU and its Member States would enhance the data-gathering tools at their disposal. Obligatory provision of certain information could be required for certain key market actors, certain sectors, certain situations and/or other cases.

In both scenarios, the vast majority of aspects of the Chips Act not explicitly mentioned in the options set out above would remain the same. The revision of the Chips Act is likely to be accompanied by a separate communication that will outline a renewed EU semiconductor strategy.

C. Likely impacts

The impact assessment will look at the economic, social, environmental and fundamental rights impacts of various policy options. The initiative will assess the direct and indirect impacts on competitiveness, EU dependencies, economic security, the ability to monitor key market actors, supply chains, the EU's semiconductor ecosystem, and any other relevant impacts that can be identified.

Economically, the initiative will probably have a positive impact because it supports the development of a robust manufacturing base in the EU. It is expected to enhance economic resilience, drive innovation and attract investment in the EU's semiconductor ecosystem, thereby boosting the sector's global competitiveness.

Socially, the initiative will contribute to job creation, economic growth, and improved access to critical digital technologies, thus reinforcing the EU's sovereignty and societal resilience.

Environmentally, the initiative will support the development of sustainable production facilities that reduce material use, improve energy efficiency and enable greater circularity, thus positioning semiconductors as key enablers of a more sustainable digital future.

The initiative will not have a negative impact on fundamental rights.

D. Better Regulation instruments

Impact assessment and evaluation

The proposed regulation will be conducted on the basis of a 'back-to-back' evaluation / impact assessment that respects the Better Regulation requirements.

The evaluation of the Chips Act will be based on extensive consultation and an analysis of the Regulation's implementation. The latter will incorporate the results of the former and other sources such as commissioned studies and academic research in order to evaluate the Chips Act in line with the criteria set out by Better Regulation (i.e. effectiveness, efficiency, relevance, coherence and EU added value). The findings of the evaluation will be used to inform the impact assessment regarding possible policy options and alternative ways of tackling any identified problems in the future.

The impact assessment will be informed by findings from an external study that will be commissioned by DG CNECT and, given the technical nature of the initiative, from workshops with stakeholders on key topics of the review. The assessment will support the preparation of a possible legislative proposal and inform the Commission's decision on possible future changes to the Regulation.

Consultation strategy

The consultation will include a public consultation and targeted consultations with relevant industrial players and key stakeholders across different segments of the value chain, including Member States and regional authorities.

The public consultation will seek feedback from stakeholders on the current Chips Act in order to evaluate it in line with the Better Regulation criteria. It will also request feedback on how the Chips Act could be adapted (and possibly simplified) in order to ensure that it addresses changing market, technological and geopolitical realities and remains fit for purpose. The public consultation will include a balanced mix of backward-looking and forward-looking questions.

Both the public consultation and this call for evidence will be accessible in all official EU languages on the Commission's [public consultations 'Have your say'](#) page.

A factual summary report and a synopsis report will be drafted at the end of the consultation process. The factual summary report will be published eight weeks after the consultation closes. The synopsis report will be annexed to the impact assessment.

Why we are consulting?

The consultation aims to ensure that all stakeholders (including those who will be directly affected by this initiative) can provide their views and input on the review of the Chips Act. This will also improve the evidence-base underpinning the initiative.

Target audience

All individuals and organisations are welcome to contribute to this consultation. The consultation aims to consult a broad range of stakeholders that are listed below according to their interest and presumed expertise in the subject-matter:

- national competent authorities (including semiconductor-relevant authorities);
- EU bodies (including the Chips Joint Undertaking, EISMEA, the EIB, and the EIF), which are responsible for implementing key aspects of the Chips Act;
- The supply industry, such as semiconductor manufacturers (including integrated device manufacturers (IDMs)), fabless companies, design houses, equipment manufacturers and other relevant actors across the semiconductor value chain;
- industrial users – downstream companies that rely on a stable supply of semiconductors in critical sectors such as automotive, telecommunications, healthcare, energy, defence and security;

- start-ups and SMEs – emerging and scaling companies active in the semiconductor value chain;
- research and technology organisations (RTOs) and academia;
- trade associations;
- industry associations;
- investors – venture capital firms and private equity firms;
- non-governmental organisations (NGOs) – any relevant NGOs or non-profit organisations such as think tanks with an interest in the semiconductor sector;
- industry experts – professionals and consultants with in-depth expertise in the semiconductor industry.

In line with the Commission's Better Regulation policy to develop initiatives that are informed by the best available knowledge, the Commission is also inviting scientific researchers, academic organisations, learned societies and scientific associations with expertise in semiconductor policies to submit relevant published and pre-print scientific research, analyses and data. The Commission is particularly interested in submissions that synthesise the current state of knowledge in relevant field(s).