Massive arms trafficking ring dismantled by Italian and Austrian action, coordinated by Eurojust

The Hague, 26 March 2019



Italian and Austrian authorities have, with the continuous and effective support of Eurojust, dismantled an international ring trafficking firearms to supply to Camorra organised crime in Naples. A total of 22 arrests were made, and 139 firearms and 1 600 rounds of ammunition were seized. Among those arrested were two Austrian gunsmiths, who illegally sold more than 800 pistols and 50 Kalashnikovs with removed serial numbers to organised crime groups.

To view the recording of the press briefing, click here

The very complex Italian investigation — which lasted for more than one year, with the full dedication and commitment of the Carabinieri of Torre Annunziata under the leadership of the District Antimafia Prosecutor's Office of Naples — triggered leads towards Austria.

On the basis of an Italian request for a <u>European Investigation Order</u> (EIO), proactively channelled to the Austrian authorities and broadly supported by Eurojust, an Austrian investigation was carried out in Klagenfurt. Fundamental evidence was then gathered in the framework of the Austrian investigation. Thanks to the outstanding and professional cooperation of the Austrian Police and the Prosecutor's Office, supported by Eurojust, an exchange of information was ensured for the overall period of the investigation, and exceptional results were obtained.

During the course of the delicate investigation — involving, among other things, controlled deliveries and combined surveillance — Eurojust held three coordination meetings to bring together the involved judicial and police authorities of both Italy and Austria. During the investigations, the following actions were planned, coordinated and carried out:

- (1) The arrest in Italy of a first Italian courier, who was found in possession of 15 pistols (all with removed serial numbers), including 10 revolvers, five automatic rifles and more than 400 rounds of ammunition;
- (2) The arrest in Italy of two other Italian couriers, who were found in possession of 12 pistols, including 10 revolvers and two automatic rifles (all with removed serial numbers) and 600 rounds of ammunition;
- (3) The arrest in Italy of another individual, who was found in possession of four rifles and two carbines (all with removed serial numbers);

- (4) The arrest in Italy of a fifth courier, who was found in possession of 11 pistols (with removed serial numbers) and more than 600 rounds of ammunition;
- (5) The subsequent arrest, in Austria, of two Austrian gunsmiths. Firearms intended for the criminal market were hidden in Austria and uncovered by targeted searches carried out in several premises, resulting in the following seizures:
 - 88 guns (all with removed serial numbers) and a huge quantity of ammunition;
 - six Kalashnikovs with related ammunition; and
 - one 'Scorpion' machine gun with related ammunition.

Beginning in 2011, the two arrested Austrian gunsmiths had illegally sold more than 800 new pistols to Italian criminals, all with removed serial numbers, as well as 50 Kalashnikovs and 10 machine guns with ammunition, with an estimated value of approximately EUR 500 000; and

- (6) The arrest in Italy of 17 Italians suspected of being members of a very dangerous criminal ring belonging to the Camorra.
- ĭ Photos © *Carabinieri Napoli*

Background information:

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(6) The arrest in Italy of 17 Italians suspected of being members of a very dangerous criminal ring belonging to the Camorra.

➤ Photos © *Carabinieri Napoli*

Background information:

ESMA reappoints the chair of its Supervisory Convergence Standing Committee

The Board of Supervisors of the European Securities and Markets Authority (ESMA) has reappointed the current chair João Sousa Gião, who is a Member of the Board of Directors of the Comissão do mercado de valores mobiliários (CMVM) of Portugal, of its Supervisory Convergence Standing Committee (SCSC).

The appointment is effective immediately and will run until 30 March 2021.

The standing committees are expert groups drawn from ESMA staff and the national competent authorities for securities markets regulation in the Member States, and are responsible for the development of policy in their respective areas.

Daily News 26 / 03 / 2019

COLLEGE MEETING: European Commission recommends common EU approach to the security of 5G networks

Following the support from Heads of State or Government expressed at the European Council on 22 March for a concerted approach to the security of 5G networks, the European Commission is today recommending a set of concrete actions to assess cybersecurity risks of 5G networks and to strengthen preventive measures. The recommendations are a combination of legislative and policy instruments meant to protect our economies, societies and democratic systems. With worldwide 5G revenues estimated at €225 billion in 2025, 5G is a key asset for Europe to compete in the global market and its cybersecurity is crucial for ensuring the strategic autonomy of the Union. Today's Recommendation sets out a series of operational measures at national and at EU level. For more information please see the press release and Questions & Answers. (For more information: Nathalie Vandystadt — Tel.: +32 229 67083; Marietta Grammenou- Tel.: +32 229 83583)

COLLEGE MEETING: Initiative citoyenne européenne: la Commission enregistre l'initiative « #NewRightsNow »

La Commission européenne a décidé aujourd'hui d'enregistrer une initiative citoyenne européenne intitulée « #NewRightsNow - Renforcer les droits des travailleurs "ubérisés" ». Les organisateurs demandent à la Commission de « créer une obligation pour les plateformes numériques de verser un revenu minimum garanti aux "indépendants" ou "auto-entrepreneurs" travaillant régulièrement pour leur compte. » Les organisateurs font valoir qu'une telle mesure permettrait de « sécuriser et stabiliser leurs revenus et [...] agirait concrètement contre la précarisation de l'emploi des travailleurs dits "ubérisés". » En vertu des traités, l'UE peut adopter des actes juridiques pour faciliter aux Européens l'accès aux activités non salariées et leur exercice. La Commission a dès lors considéré l'initiative comme recevable sur le plan juridique et décidé de l'enregistrer. À ce stade de la procédure, la Commission n'a pas analysé l'initiative sur le fond, mais s'est prononcée uniquement sur sa recevabilité juridique. L'enregistrement de cette initiative aura lieu le 1er avril 2019 et marquera le début d'un processus de douze mois au cours duquel les signatures de soutien seront collectées par ses organisateurs. Si, en l'espace d'un an, l'initiative recueille un million de déclarations de soutien, provenant d'au moins sept États membres différents, la Commission procédera à son analyse et disposera d'un délai de trois mois pour réagir. <u>Le communiqué de presse</u> et la liste des <u>initiatives</u> <u>citoyennes européennes</u> sont disponibles en ligne. (Pour plus d'informations: Natasha Bertaud - Tél.: +32 229 67456; Katarzyna Kolanko - Tél.: +32 229 63444)

COLLEGE MEETING: Commission continues modernising its way of working

The European Commission has today taken stock of the work done to further streamline its way of working and optimise the use of its scarce human resources, as called for by President Juncker at the start of his mandate. Today's Communication draws the lessons from the 2016 synergies and efficiencies exercise. Its main takeaway is that substantial, serious and successful work has been done to make the Commission deliver even better on its priorities under very challenging circumstances, and in parallel to dealing with several crises and a number of new important tasks. The synergies and efficiencies initiative has allowed the Commission to redirect its resources and put staff to priority policy fields like financial services and migration and home affairs. Staff across the Commission are now working in a more linked-up and collaborative fashion, also thanks to the good use of the latest digital technologies. Of course, the Commission will not stop there — it will continue on its way to being the best possible public administration - modern, attractive, effective and efficient. (For more information: Alexander Winterstein - Tel.: +32 229 93265; Andreana Stankova -Tel.: +32 229 57857)

COLLEGE MEETING: European Commission appoints Mr David O'Sullivan as Special Adviser to the President on EU-US relations

The European Commission has today decided to appoint David O'Sullivan, former

EU Ambassador to the United States of America, as Special Adviser to President Jean-Claude **Juncker** on EU-U.S. relations. In this capacity, he will advise the President on strategy and priorities in relations with the U.S. Mr O'Sullivan was the Ambassador of the European Union to the United States from 2014 to 2019. Previously, he was the Chief Operating Officer of the European External Action Service (EEAS), in charge of its establishment at the time. Mr O'Sullivan's career includes a number of senior positions within the European Commission: Chief of Staff to Commission President Romano Prodi (1999-2000) and Secretary-General of the European Commission (2000-2005). He also has extensive experience in trade policy as Director-General for Trade (2005-2010) and Chief Negotiator for the Doha Development Round. (For more information: Alexander Winterstein — Tel.: +32 229 93265; Andreana Stankova — Tel.: +32 229 57857)

Le Plan Juncker soutient les petites et moyennes entreprises innovantes en France

Le Plan d'investissement pour l'Europe — <u>le Plan Juncker</u> — soutient le Groupe Banque européenne d'investissement (BEI)pour investir 100 millions d'euros dans le fonds Predirec ABL-2. Ce fonds permettra aux petites et moyennes entreprises d'obtenir un meilleur accès au financement. Pierre **Moscovici**, commissaire européen en charge des affaires économiques et financières, de la fiscalité et des douanes, a déclaré: « Je me réjouis de cet accord, car le coup de pouce financier que nous donnons aux PME françaises a un impact direct et positif sur la croissance et la compétitivité en France. C'est pourquoi le Plan Juncker s'attache tant à donner aux entrepreneurs les moyens de leur réussite, avec déjà plus de 237 000 PME soutenues par le fonds EFSI dans le pays. » Un communiqué de presse est disponible <u>ici</u>. Le Plan Juncker a déjà généré près de 390 milliards d'euros d'investissement, dont 64,3 milliards en France, et soutenu 929 000 entreprises dans toute l'Europe. (Pour plus d'informations: Annika Breidthardt — Tel.: +32 229-56153; Enda McNamara — Tel.: +32 229 58615)

Copyright reform: the Commission welcomes European Parliament's vote in favour of modernised rules fit for digital age

Today, the European Parliament voted in favour of the new Copyright Directive designed to bring tangible benefits to citizens, all creative sectors, the press, researchers, educators, and cultural heritage institutions. Vice-President for the Digital Single Market, Andrus Ansip, and Commissioner for Digital Economy and Society, Mariya Gabriel, welcomed the outcome in a joint statement: "We welcome the approval of the Directive on copyright in the Digital Single Market by the European Parliament. This Directive protects creativity in the digital age and ensures that the EU citizens benefit from wider access to content and new guarantees to fully protect their freedom of expression online. The new rules will strengthen our creative industries, which represent 11.65 million jobs, 6.8% of GDP and are worth €915,000 million per year. Today's vote ensures the right balance between the interests of all players — users, creators, authors, press — while putting in place proportionate obligations on online platforms." You can read the full

statement <u>here</u>. Questions & Answers are available <u>here</u>. (*For more information: Nathalie Vandystadt — Tel.:* +32 229 67083; Marietta Grammenou-Tel.: +32 229 83583; Inga Höglund — +32 229 50698)

Road safety: Commission welcomes agreement on new EU rules to help save lives

Early this morning, the EU institutions have reached a provisional political agreement on the revised General Safety Regulation. As of 2022 new safety technologies will become mandatory in European vehicles to protect passengers, pedestrians and cyclists. New technologies on the market can help reduce the number of fatalities and injuries on our roads, 90% of which are due to human error. In May 2018, the Commission proposed to make certain vehicle safety measures mandatory, including systems that reduce the dangerous blind spots on trucks and buses and technology that warns the driver in case of drowsiness or distraction. Commissioner Elżbieta Bieńkowska, responsible for Internal Market, Industry, Entrepreneurship and SMEs, said: "Every year, 25,000 people lose their lives on our roads. The vast majority of these accidents are caused by human error. We can and must act to change this. With the new advanced safety features that will become mandatory, we can have the same kind of impact as when the safety belts were first introduced. Many of the new features already exist, in particular in high—end vehicles. Now we raise the safety level across the board, and pave the way for connected and automated mobility of the future." The measures, proposed under the Third "Europe on the Move" set of actions, could help save over 25,000 lives and avoid at least 140,000 serious injuries by 2038. This will contribute to the EU's long-term goal of moving close to zero fatalities and serious injuries by 2050 ("Vision Zero"). In addition to protecting people on European roads, the new advanced safety features will help drivers get gradually used to the new driving assistance. A press release in all languages is available online. (For more information: Lucía Caudet— Tel.: +32 229 56282; Victoria von Hammerstein - Tel.: +32 229 55040; Mirna Talko -Tel.: +32 229 87278)

Clean Energy for All Europeans: Commission welcomes European Parliament's adoption of new electricity market design proposals

New rules making the EU's electricity market fit for the future and putting the consumer at the centre of the energy transition have been signed off by the European Parliament today — an important step in enabling the European Union and its Member States to embrace the clean energy transition, follow up on the already adopted 2030 climate legislation and meet the Paris Agreement commitments. With the completion of these last four legislative acts, the negotiations on the Clean Energy for All Europeans package are concluded and the EU is on the right path to decarbonise its economy in the second half of the century while maintaining its global competitiveness and creating growth and jobs. Commissioner for Climate Action and Energy Miguel Arias Cañete said: "I thank the European Parliament for its strong support for the clean and fair energy transition, taking the EU a step closer towards delivering the Energy Union with citizens at its core, one of the key priorities President Juncker set out for this Commission. Today's approval of the new

electricity market design will make energy markets more flexible and facilitate the integration of a greater share of renewable energy. An integrated EU energy market is the most cost-effective way to ensure secure and affordable supplies to all EU citizens. I am particularly pleased that we have agreed on a common framework for capacity mechanisms that will ensure such mechanisms will be in line with our climate objectives in the future while taking into account legitimate security of supply concerns." Today the European Parliament completed the parliamentary approval of the new Electricity market Regulation and Electricity market Directive as well as of the <u>Regulations on Risk Preparedness</u> and on the <u>Agency for the Cooperation of</u> Energy Regulators (ACER). The Governance of the Energy Union Regulation the revised Energy Efficiency Directive, the revised Renewable Energy Directive and the Energy Performance of Buildings Directive have already entered into force last year. The full press release is available online. (For more information: Anna-Kaisa Itkonen - Tel.: +32 229 56186; Lynn Rietdorf - Tel.: +32 229 74959)

European Commission welcomes the Parliament's endorsement to put an end to seasonal clock changes

The European Parliament endorsed today the Commission's proposal to discontinue the seasonal changes of clocks. As announced in the State of the Union speech of President Juncker in September last year, the Commission proposed to end seasonal clock changes in Europe, giving Member States the freedom to decide whether they want to permanently apply summer- or wintertime. The proposal took into account a number of elements, including the results of a public consultation held by the Commission in July/August 2018 that received 4.6 million responses from all 28 Member States, the highest number of responses ever received in any Commission public consultation, with a wide majority in favour of stopping the seasonal change. Commissioner for Transport, Violeta Bulc said: "Members of the European Parliament sent a clear signal today: they want to stop seasonal clock changes by 2021. This will directly impact everyone living in the EU, and will make their lives easier. I fully understand the importance of ensuring a coordinated approach amongst different Member States on their final choice of standard time. I look forward discussing this with them at the Transport Council in June." (For more information: Enrico Brivio - Tel.: + 32 229 56172; Stephan Meder - Tel.: +32 229 13917)

Connecting Europe: Commission is proposing to invest €421 million for safer, smarter and greener transport infrastructure

The European Commission is proposing to invest €421 million in 69 key projects that will improve mobility for citizens and businesses alike. The projects selected aim at promoting digitalisation, making roads safer, and fostering multimodal connections in line with the <u>'Europe on the Move'</u> initiatives. This action to finance and modernise the EU's transport infrastructure follows calls by the EU's <u>Innovation and Networks Executive</u>

Agency (INEA) and the projects will be supported via the Connecting Europe Facility (CEF), the EU's financial mechanism supporting transport infrastructure. Commissioner for Transport, Violeta Bulc said: "We are delivering on the EU's connectivity objectives. These projects, on strategic sections of Europe's transport network, will help the transition towards safe, smart, inclusive and sustainable mobility. We expect our funding to trigger €1.3 billion in total investment in the EU economy." The largest part of the funding will be devoted to supporting multimodal logistics platforms (€109 million), which make it possible to shift freight between different transport modes. Intelligent Transport Systems for road (ITS) (€80.2 million) and innovation and new technologies (€71.4 million) closely follow, further demonstrating the EU's dedication to reducing congestion and emissions whilst at the same time increasing safety. In total, CEF has so far supported 688 projects, with a total of €22.9 billion. Please find a full press release here including factsheets on every Member State and a MEMO on the Connecting Europe Facility (CEF) for transport. (For more information: Enrico Brivio -Tel.: + 32 229 56172; Stephan Meder - Tel.: +32 229 13917)

La Commission enregistre deux nouvelles spécialités traditionnelles garanties

La Commission européenne a approuvé la demande d'inscription du « Lait de foin de brebis » et du <u>« Lait de foin de chèvre »</u> dans le registre des Spécialités Traditionnelles Garanties (STG). Les dénominations sont protégées en allemand, anglais italien, français et anglais, à savoir « Schaf-Heumilch » / « Sheep's Haymilk » / « Latte fieno di pecora » / « Lait de foin de brebis » / « Leche de heno de oveja » et « Ziegen-Heumilch » / « Goat's Haymilk » / « Latte fieno di capra » / « Lait de foin de chèvre »/ « Leche de heno de cabra ». La production de lait de foin est la forme de production laitière la plus naturelle. Le lait provient d'animaux issus d'exploitations laitières traditionnelles durables et la production de lait de foin ne recourt à aucun aliment fermenté. Le label « Spécialité Traditionnelle Garantie » met l'accent sur la tradition plutôt que sur l'origine et désigne des produits dont la composition ou les moyens de production présentent un caractère traditionnel. Cette nouvelle appellation va rejoindre plus de 1445 produits déjà protégés dont la liste est disponible dans la base de données <u>DOOR</u>. Pour plus d'informations, voir aussi les pages sur la <u>politique de</u> qualité. (Pour plus d'informations: Daniel Rosario - Tél: +32 2 29 56185; Clémence Robin - Tél: +32 229 52 509)

Mergers: Commission approves Danish Agro's acquisition of Konekesko's Baltic and Finnish agrimachinery businesses, subject to conditions

The European Commission has approved, under the EU Merger Regulation, the acquisition by Danish Agro of Konekesko's agricultural machinery distribution businesses in Finland, Estonia, Latvia and Lithuania. Danish Agro and Konekesko are both active in the distribution of agricultural machinery implements, spare parts and the provision of related after-sales services. The Commission examined the effects of the proposed transaction on competition in the following markets, where the activities of Danish Agro and Konekesko overlap: (i) the distribution of agricultural machinery, (ii) the

distribution of agricultural machinery implements, (iii) the distribution of agricultural machinery spare parts, and (iv) the provision of related aftersales services. The Commission was concerned that the transaction, as notified, was likely to lead to higher prices and lower service quality for Estonian customersof forage harvesters and combine harvesters. To address the Commission's concerns, the companies offered to divest Danish Agro's activities of distribution and sale of agricultural machinery implements, spare parts and provision of after-sales services in Estonia. The commitments fully address the Commission's concerns in relation to the distribution of forage harvesters and combine harvesters in Estonia and ensure that the divestment business will be a viable competitor to the merged entity. Therefore, the Commission concluded that the proposed transaction, as modified by the commitments, would no longer raise competition concerns in Estonia. The decision is conditional upon full compliance with the commitments. The full press release is available online. (For more information: Ricardo Cardoso - Tel.: +32 229 80100; Maria Tsoni - Tel.: +32 229 90526)

Mergers: Commission opens in-depth investigation into Novelis' proposed acquisition of Aleris

The European Commission has opened an in-depth investigation to assess the proposed acquisition of Aleris by Novelis under the EU Merger Regulation. Novelis and Aleris are both global manufacturers of aluminium flat rolled products with significant production facilities in the European Economic Area (EEA), in particular in Belgium, Germany, Italy and the United Kingdom. With the proposed transaction, Novelis would reinforce its strong market position as a supplier of various flat rolled products. The Commission's initial market investigation raised several concerns resulting from the combination of both companies' offer of aluminium automotive body sheets. At this stage, the Commission is concerned that, following the transaction, customers would face a reduced choice in suppliers, as well ashigher prices for aluminium automotive body sheets. The Commission will also further investigate whether the transaction could have an effect on the supply and prices of certain aluminium flat rolled products used in other industries, where the activities of the companies also overlap. The transaction was notified to the Commission on 18 February 2019. The Commission now has 90 working days, until 8 August 2019, to take a decision. The opening of an in-depth investigation does not prejudge the outcome of the investigation. Commissioner Margrethe Vestager, in charge of competition policy, said: "European industries should be able to access aluminium products at fair prices to be able to compete in global markets. Our in-depth investigation aims to ensure that the acquisition of Aleris by Novelis does not have a negative impact on effective competition in aluminium markets and does not lead to less choice and higher prices for European industrial customers." The full press release is available online. (For more information: Ricardo Cardoso - Tel.: +32 229 80100; Maria Tsoni -Tel.: +32 229 90526)

Mergers: Commission clears acquisition of Luxoft by DXC

The European Commission has approved, under the EU Merger Regulation, the acquisition of Luxoft Holding, Inc. ("Luxoft") of Switzerland by DXC

Technology Company ("DXC") of the US. Luxoft offers strategic consulting, custom software development services and digital solution engineering to clients in a number of industries.DXC provides end-to-end IT services to private and public sector clients from a diverse array of industries. The Commission concluded that the proposed acquisition would raise no competition concerns given the companies' minimal combined market position resulting from the proposed transaction. The transaction was examined under the simplified merger review procedure. More information is available on the Commission's competition website, in the public case register under the case number M.9280. (For more information: Ricardo Cardoso – Tel.: +32 229 80100; Maria Tsoni – Tel.: +32 229 90526)

ANNOUNCEMENTS

High Representative/Vice-President Mogherini in Afghanistan

High Representative/Vice-President Federica Mogherini visited Kabul today to discuss the current political situation, as well as the European Union's initiatives to support to peace in Afghanistan. Federica Mogherini met with the President of the Islamic Republic of Afghanistan, Ashraf Ghani, together with the First Lady of Afghanistan, Rula Ghani, as well as with Chief Executive Officer, Abdullah Abdullah. During her visit, Federica Mogherini also had an exchange of views with Tadamichi Yamamoto, Special Representative of the UN Secretary-General. The High Representative reconfirmed the European Union's strong commitment to support an Afghan-led and Afghan-owned peace process, including through the <u>five points</u> outlined at the Geneva Ministerial Conference on Afghanistan last November. "Just a few years ago, talking about peace seemed to be completely out of the vocabulary. But today Afghanistan finds itself at a critical moment in its history. You are faced, with a unique window of opportunity to start discussing the prospects for peace in the country", said Federica Mogherini at a joint press point with President Ghani. "We will be at your side in this difficult but important journey and will, as always, do all we can to accompany the Afghan people and their democratically elected institutions at this particular moment of their history." The press conference, as well as additional coverage of the visit, is available on **EbS**. A full press release covering the High Representative's visit is also available online. For more information on EU-Afghanistan relations, consult the dedicated factsheet and the website of the EU Delegation to Afghanistan. (For more information: Maja Kocijancic - Tel.: +32 229 86570; Adam Kaznowski - Tel.: +32 229 89359)

Commissioner Gabriel in the Vatican to discuss opportunities and challenges of digital technologies for society

Commissioner for the Digital Economy and Society, Mariya **Gabriel**, will travel to the Vatican tomorrow in order to exchange views with the Roman Catholic Church government about digital issues and how new technologies can advance human development and the society. She will meet with H. Eminence Cardinal Pietro Parolin, Secretary of State and with H.E. Mgr Paul Richard Gallagher, Secretary for Relations with States and she will participate in a workshop on the effects of technological developments on solidarity, sovereignty and governance structures. Commissioner **Gabriel** stated "The EU and the Catholic"

Church share common values and we are proud to be allies in our goal to shape a more just digital world at the service of humankind. I am confident that we will be positively referred by future generations on our endeavours to build a digital future that puts people at the centre, respects their dignity and protects our values." Finally, the Commissioner will speak about the EU's efforts in fighting disinformation, in light of the European elections in May, at the inauguration of the 2019 academic year at the Luiss School of Journalism. (For more information: Nathalie Vandystadt — Tel.: +32 229 67083; Marietta Grammenou- Tel.: +32 229 83583)

Upcoming events of the European Commission (ex-Top News)

Questions and Answers — Commission recommends common EU approach to the security of 5G networks

Why is the roll out of 5G networks crucial for Europe?

Fifth generation (5G) networks will form the future backbone of our societies and economies, connecting billions of objects and systems, including in critical sectors such as energy, transport, banking, and health, as well as industrial control systems carrying sensitive information and supporting safety systems. Democratic processes, such as elections, increasingly rely on digital infrastructures and 5G networks, highlighting the need to address any vulnerabilities and making the Recommendation presented today by the Commission all the more pertinent ahead of the European Parliament elections in May.

5G is also a key asset for Europe to compete in the global market. Worldwide 5G revenues should reach the equivalent of €225 billion in 2025. Benefits of 5G introduction across four key industrial sectors, namely automotive, health, transport and energy, may reach €114 billion per year.

5G roll out is under the responsibility of the Member States. Together with operators, EU countries are currently taking important steps to prepare it. For 2019, the auction procedure in at least one spectrum band is scheduled in 11 Member States: Austria, Belgium, Czech Republic, France, Germany, Greece, Hungary, Ireland, Netherlands, Lithuania, and Portugal. Six more auctions are scheduled for 2020 in Spain, Malta, Lithuania, Slovakia, Poland, and the UK.

At EU level, the <u>5G Action Plan</u> sets the target dates of 2020 for commercial launch in all Member States and 2025 for comprehensive roll-out in cities and along major transport paths. The latest report from the Commission's 5G Observatory shows that European operators are competing with other leading world regions as they prepare for the commercial launch of 5G this year.

Europe is a world leader in 5G trial activities, mainly thanks to the Commission's 5G Public-Private Partnership, with 139 trials, mainly in key vertical sectors, reported in 23 Member States.

The <u>European Electronic Communications Code</u> will support the deployment and take-up of 5G networks, notably as regards assignment of radio spectrum, investment incentives and favourable framework conditions, while the recently adopted rules on <u>open Internet</u> provide legal certainty as regards the deployment of 5G applications. On the private side, market players are planning their infrastructure investment and setting up partnerships for taking the technology solutions from the trial phase to commercial deployment.

Why the risks related to future 5G networks need to be assessed?

Once rolled out, 5G networks will form the backbone for a wide range of services essential for the functioning of the internal market and the maintenance and operation of vital societal and economic functions — such as energy, transport, banking, and health, as well as industrial control systems. The organisation of democratic processes, such as elections, will also rely more and more on digital infrastructure and 5G networks.

Any vulnerability in 5G networks could be exploited in order to compromise such systems and digital infrastructure — potentially causing very serious damage or in order to conduct large-scale data theft or espionage. The dependence of many critical services on 5G networks would make the consequences of systemic and widespread disruption particularly serious. This justifies the need for a robust risk-based approach, rather than one relying primarily on ex-post mitigation measures.

Member States have expressed concerns about potential security risks related to 5G networks and have been exploring or taking measures to address these risks, as well as stating that they were looking forward to a common approach at EU level in the <u>conclusions of the European Council</u> of 22 March 2019.

Why do we need to act at European level to secure 5G networks?

The interconnected and transnational nature of the digital infrastructures and the cross-border nature of the threats involved, mean that any vulnerability in 5G networks or a cyber-attack targeting the future networks in one Member State would affect the Union as a whole. This is why concerted measures taken both at national and European levels must ensure a high level of cybersecurity.

Ensuring the cybersecurity of 5G networks is an issue of strategic importance for the EU, at a time when cyber-attacks are on the rise and more sophisticated than ever, and when the need to protect human rights and fundamental freedoms online becomes increasingly important.

At their meeting of 22 March 2019, the EU Heads of State or Government stated that they were looking forward to the Commission recommending a concerted approach to the security of 5G networks. The European Parliament's <u>Resolution</u>

on security threats connected with the rising Chinese technological presence in the Union also calls on the Commission and Member States to take action at Union level.

Furthermore, the cybersecurity of 5G networks is key for ensuring the strategic autonomy of the Union, as recognised in the <u>Joint Communication</u> <u>"EU-China, a Strategic Outlook".</u> Foreign investment in strategic sectors, acquisitions of critical assets, technologies and infrastructure in the EU, involvement in EU standard-setting and supply of critical equipment can pose risks to the EU's security. This is particularly relevant for critical infrastructure, such as 5G networks that will be essential for our future and need to be fully secure.

How will the EU coordination work? What are the necessary steps?

1. At national level

Each Member State should complete a national risk assessment of 5G network infrastructures by the end of June 2019. On this basis, Member States should update existing security requirements for network providers and include conditions for ensuring the security of public networks, especially when granting rights of use for radio frequencies in 5G bands. These measures should include reinforced obligations on suppliers and operators to ensure the security of the networks. The national risk assessments and measures should consider various risk factors, such as technical risks and risks linked to the behaviour of suppliers or operators, including those from third countries. National risk assessments will be a central element towards building a coordinated EU risk assessment.

EU Member States have the right to exclude companies from their markets for national security reasons, if they do not comply with the country's standards and legal framework.

2. At EU level

Member States should exchange information with each other and with the support of the Commission and the European Agency for Cybersecurity (ENISA), will complete a coordinated risk assessment by 1 October 2019. On that basis, Member States will agree on a set of mitigating measures that can be used at national level. These can include certification requirements, tests, controls, as well as the identification of products or suppliers that are considered potentially non-secure. This work will be done by the Cooperation Group of competent authorities, as set out under the Directive on Security of Network and Information Systems, with the help of the Commission and ENISA. This coordinated work should support Member States' actions at national level and provide guidance to the Commission for possible further steps at EU level. In addition, Member States should develop specific security requirements that could apply in the context of public procurement related to 5G networks, including mandatory requirements to implement cybersecurity certification schemes.

Today's Recommendation will make use of the wide-range of instruments already

in place or agreed to reinforce cooperation against cyber-attacks and enable the EU to act collectively in protecting its economy and society, including the first EU-wide legislation on cybersecurity (Directive on Security of Network and Information Systems), the <u>Cybersecurity Act</u> recently approved by the European Parliament, and the <u>new telecoms rules</u>.

The Recommendation will also help Member States to implement these new instruments in a coherent manner when it comes to 5G security.

What EU legislation is already in place or is being implemented to protect future 5G networks?

The EU has a **range of instruments** to protect electronic communications networks, including the first EU-wide legislation on cybersecurity (Directive on Security of Network and Information Systems), the <u>Cybersecurity Act</u> recently approved by the European Parliament, and the <u>new telecoms rules</u>.

In addition, EU Member States can exclude companies from their markets for national security reasons, if they do not comply with the country's standards and legal framework.

Rules in the field of telecoms: Member States have to ensure that the integrity and security of public communications networks are maintained, with obligations to ensure that operators take technical and organisational measures to appropriately manage any risks to the security of networks and services. It also provides that competent national regulatory authorities have powers, including the power to issue binding instructions and ensure compliance with them. In addition, Member States are allowed to attach conditions concerning the security of public networks against unauthorised access to the general authorisation, for the purpose of protecting the confidentiality of communications.

Tools in the field of cybersecurity: The future European cybersecurity certification framework for digital products, processes and services, which was recently agreed by the European Parliament, should provide an essential supporting tool to promote consistent levels of security. It should allow for the development of cybersecurity certification schemes to respond to the needs of users of 5G-related equipment and software.

To support the implementation of these obligations and instruments, the Union has set up a number of cooperation bodies. The European Agency for Cybersecurity (ENISA), the Commission, Member States and national regulatory authorities have developed technical guidelines for national regulatory authorities on incident reporting, security measures and threats and assets. The Cooperation Group established by the Directive on Security of Network and Information Systems brings together competent authorities in order to support and facilitate cooperation, in particular by providing strategic guidance.

Ensuring cybersecurity also requires maintaining a sufficient level strategic autonomy, through achieving a critical mass of investment in cybersecurity and advanced digital technologies in the EU. The Commission therefore proposed making this objective a priority in the next EU budget period,

notably through its proposal for a <u>Digital Europe Programme</u>, and proposed a new <u>European Cybersecurity Competence Centre and network</u> to implement relevant projects in the area of cybersecurity.

Rules in the field of public procurement: EU rules on public procurement help obtain better value for taxpayer money by ensuring that public contracts are awarded through competitive, open, transparent and well-regulated tender procedures.

EU public procurement directives do not differentiate between EU and non-EU economic operators but include a number of safeguards. For example, they allow contracting authorities to reject under certain conditions tenders that are unjustifiably low or that do not respect of security, labour and environmental standards. They also allow contacting authorities to protect their essential security and defence interests.

Rules on screening foreign direct investment: The new Regulation will enter into force in April 2019 and will fully apply from November 2020. It will provide a powerful instrument to detect and raise awareness of foreign investment in critical assets, technologies and infrastructure. It will further allow security and public order threats posed by acquisitions in sensitive sectors to be collectively identified and addressed. Member States should use the period between entry into force and the start of application of the Regulation to make the necessary changes to their national domestic practices and legislation and put in place the administrative structures to ensure effective cooperation at EU level with the Commission in accordance with the established mechanisms.

Horizontal sanctions regime to counter cyber-attacks: Proposed by the Commission and the High Representative, the new regime will have worldwide coverage and will enable a flexible EU response irrespective of the location from where cyber-attacks are launched and regardless of whether they are carried out by state or non-state actors. This sanctions regime, when adopted, would enable the Union to respond to cyber-attacks with a 'significant effect', which threaten the integrity and security of the EU, its Member States and our citizens.

What is the role of the European Agency for Cybersecurity in this coordination?

The <u>Cybersecurity Act</u>, recently approved by the European Parliament, gives a permanent and stronger mandate to the European Agency for Cybersecurity (European Network and Information Security Agency-ENISA).

ENISA is already providing support to the Commission in the area of security of telecommunications networks. Together with Member States and national regulatory authorities, ENISA has developed technical guidelines for national regulatory authorities on incident reporting, security measures and threats and assets.

In addition, the Recommendation asks ENISA to provide support for the development of a coordinated EU risk assessment on 5G networks.

ENISA will also work towards the development of Europe-wide certification schemes, as foreseen in the Cybersecurity Act.

What are the next steps?

- Member States should complete their national risk assessments by **30 June 2019** and update necessary security measures. The national risk assessment should be transmitted to the Commission and European Agency for Cybersecurity by **15 July 2019**.
- In parallel, Member States and the Commission will start coordination work within the Cooperation Group set up under the Directive on Security of Network and Information Systems. ENISA will complete a 5G threat landscape that will support Member States in the delivery by 1 October 2019 of the EU-wide risk assessment.
- By **31 December 2019**, the Cooperation Group should agree on a toolbox of mitigating measures to address the identified cybersecurity risks at national and Union level.
- Once the Cybersecurity Act, recently approved by the European Parliament, enters into force in the coming weeks, the Commission and ENISA will take all necessary steps to set up the EU-wide certification framework. Member States are encouraged to cooperate with the Commission and ENISA to prioritise a certification scheme covering 5G networks and equipment.
- By **1 October 2020**, Member States in cooperation with the Commission should assess the effects of the Recommendation in order to determine whether there is a need for further action. This assessment should take into account the outcome of the coordinated European risk assessment and of the effectiveness of the measures.

For More Information

Recommendation on Cybersecurity of 5G Networks

Press release

Security Union: 15 out of 22 legislative initiatives agreed so far

Press release: EU negotiators agree on strengthening Europe's cybersecurity

5G Action Plan

<u>Press release: Joint Communication 'EU-China — A Strategic Outlook'</u>