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Delegations will find attached document COM(2025) 308 final.

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Proposal for a

COUNCIL DECISION

on the signing, on behalf of the European Union, of a broad package of agreements to consolidate, deepen and expand the bilateral relations with the Swiss Confederation, and on the provisional application of the Agreement on the terms and conditions for the participation of the Swiss Confederation in the European Union Agency for the Space Programme

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

The European Union and the Swiss Confederation (hereafter also referred to as “Switzerland”) are closely intertwined from an economic, historical, cultural, social and political perspective. The Union is Switzerland’s largest trading partner, while Switzerland is the Union’s fourth largest trading partner. Over 1.5 million Union citizens live in Switzerland and just under 450 000 Swiss nationals live in the Union. Every day several hundred thousand frontier workers cross the EU-Swiss border in both directions.

The Union and Switzerland are tied together by multiple bilateral agreements. Through agreements on the free movement of persons, land transport, air transport, trade in agricultural products and mutual recognition in relation to conformity assessment, Switzerland takes part in the Union’s internal market¹. Through the Agreement between the European Union, the European Community and the Swiss Confederation on the Swiss Confederation’s association with the implementation, application and development of the Schengen acquis, Switzerland is also a Schengen associated country. During the COVID-19 pandemic, cooperation between the Union and Switzerland on cross-border health threats increased. Switzerland has also traditionally been a strong partner in research and innovation. The country has collaborated with the Union on numerous Union funding programmes focused notably on research, innovation, and education.

While the EU-Switzerland relationship is close, it has also been hampered by several longstanding structural problems. To solve those problems, between 2014 and 2021, the Union and Switzerland conducted negotiations on an Institutional Framework Agreement. The Institutional Framework Agreement would have also provided the governance framework for additional agreements in fields related to the internal market in which Switzerland participates, including agreements for which negotiations had been authorised by the Council, notably on food safety (2003 and 2008) and electricity (2006). In addition, it would have provided the governance framework for the agreement on health, for which negotiations had been authorised by the Council in 2008.

Negotiators reached an agreement on a draft Institutional Framework Agreement text at technical level in November 2018. In reaction to the Federal Council’s refusal to endorse the draft text, negotiations on the other agreements came to a halt as both the Council, in its conclusions of 19 February 2019, and the European Parliament, in its recommendation of 26 March 2019, made the conclusion of new internal market access agreements or improved conditions under existing agreements conditional on the conclusion of the Institutional Framework Agreement. On 26 May 2021, despite further attempts to find solutions, the Swiss Federal Council decided to unilaterally terminate the negotiations on the Institutional Framework Agreement. Switzerland’s unilateral decision brought the bilateral cooperation in the areas of research, innovation and education to a temporary halt.

¹ Agreement between the European Community and the Swiss Confederation on the Carriage of Goods and Passengers by Rail and Road, Agreement between the European Community and the Swiss Confederation Air Transport, Agreement between the European Community, of the one part, and the Swiss Confederation, of the other, on the free movement of persons, Agreement between the European Community and the Swiss Confederation on mutual recognition in relation to conformity assessment, Agreement between the European Community and the Swiss Confederation on trade in agricultural products, all signed on 21 June 1999 (OJ L 114, 30.4.2002, p. 1).

Following the breakdown of the negotiations on the Institutional Framework Agreement, the European Commission and Switzerland initiated exploratory talks in March 2022 to discuss the future of EU-Switzerland relations. These talks led to a Common Understanding that recorded both sides' political understanding on the way forward for a future negotiation and identified the components and parameters of a broad negotiating package, as well as landing zones and solutions on key institutional and sectoral points.

The Common Understanding was endorsed by the Swiss Federal Council and by the European Commission in November 2023. Both sides committed to use it as a basis for seeking their negotiating mandates and recorded their ambition of concluding the negotiations in the course of 2024.

Consequently, on 20 December 2023, the Commission adopted a Recommendation for a Council decision to authorise negotiations on the broad package of measures identified and defined during the exploratory talks². The overall objective of these negotiations was to modernise and strengthen bilateral relations between the Union and Switzerland, ensure fair competition between Union and Swiss companies operating within the internal market, and safeguard the rights of Union citizens in Switzerland, including preventing discrimination between citizens of different Member States. This would allow citizens, businesses, and researchers on both sides to fully benefit from the geographical proximity, shared values, and economic links between the Union and Switzerland. In parallel, the Federal Council undertook the corresponding preparatory work on the Swiss side. Following the completion of the relevant processes in Switzerland, the Council adopted a decision on 12 March 2024, authorising the Commission to launch negotiations on the broad package of measures, along with detailed negotiating directives³.

The negotiations on the broad package were launched on 18 March 2024 by the President of the European Commission, Ursula von der Leyen, and the then President of the Swiss Confederation, Viola Amherd. The Commission conducted the negotiations in consultation with the Council, including the General Affairs Council and the EFTA Working Party as the special committee appointed by the Council for the purpose of negotiations with Switzerland. Due regard has been given to the resolution of the European Parliament of 4 October 2023 and the Commission kept the European Parliament fully informed in accordance with Article 218(10) of the Treaty on the Functioning of the European Union (TFEU).

After nine months of intense negotiations, Presidents von der Leyen and Amherd announced the successful completion of discussions on all elements of the broad package on 20 December 2024. The broad package includes the update of five agreements that presently give Switzerland access to the Union's internal market; the update of the dispute settlement mechanism in the Agreement on trade in agricultural products, along the lines of the established practice in the Union's and Switzerland's trade agreements with other partners; a new protocol on food safety that will establish a Common Food Safety Area covering all dimensions of the food chain and replacing the sanitary and phytosanitary annexes to the Agreement on trade in agricultural products; a new agreement on electricity that will allow the participation of Switzerland in the Union's internal electricity market; a new agreement on health that will allow Switzerland to take part in Union mechanisms and bodies addressing

² COM(2023) 798 final, 20.12.2023.

³ Council Decision (EU, Euratom) 2024/995 of 12 March 2024 authorising the opening of negotiations with the Swiss Confederation on institutional provisions in agreements between the European Union and the Swiss Confederation related to the internal market, on an agreement on the Swiss Confederation's participation in Union programmes and on an agreement that forms the basis for the Swiss Confederation's permanent contribution to the Union's cohesion (OJ L, 2024/995, 26.3.2024).

serious cross-border threats to health, notably the European Centre for Disease Prevention and Control and the Early Warning and Response System; a new agreement on Switzerland's permanent and fair financial contribution to economic and social cohesion within the Union, reflecting the level of partnership and cooperation between the parties; and a new agreement that will allow Switzerland to participate in several Union programmes open to association of third countries: Horizon Europe, Euratom Research and Training, ITER/F4E (Fusion for Energy), Digital Europe, Erasmus+, as well as EU4Health, a programme that aims to complement the cooperation established in the health agreement that the two partners negotiated as part of the same broad package. In addition to the elements listed above, the broad package also includes a separate protocol on parliamentary cooperation.

This proposal concerns the signature, on behalf of the European Union, of the following agreements and instruments within the broad package:

- Amending Protocol to the Agreement between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on the free movement of persons;
- Institutional Protocol to the Agreement between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on the free movement of persons;
- Amending Protocol to the Agreement between the European Community and the Swiss Confederation on air transport;
- Institutional Protocol to the Agreement between the European Community and the Swiss Confederation on air transport;
- State aid Protocol to the Agreement between the European Community and the Swiss Confederation on air transport
- Institutional Protocol to the Agreement between the European Community and the Swiss Confederation on the Carriage of Goods and Passengers by Rail and Road;
- Amending Protocol to the Agreement between the European Community and the Swiss Confederation on the Carriage of Goods and Passengers by Rail and Road;
- State aid Protocol to the Agreement between the European Community and the Swiss confederation on the Carriage of Goods and Passengers by Rail and Road;
- Amending Protocol to the Agreement between the European Community and the Swiss Confederation on mutual recognition in relation to conformity assessment;
- Institutional protocol to the Agreement between the European Community and the Swiss Confederation on mutual recognition in relation to conformity assessment;
- Amending Protocol to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products;
- Protocol to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products establishing a Common Food Safety Area;
- Agreement between the European Union and the Swiss Confederation on electricity;
- Agreement between the European Union and the Swiss Confederation on health;
- Agreement between the European Union and the Swiss Confederation on Switzerland's regular financial contribution towards reducing economic and social disparities in the European Union;

- Agreement between the European Union and the Swiss Confederation on the terms and conditions for the participation of the Swiss Confederation in the European Union Agency for the Space Programme;
- Protocol between the European Union and the Swiss Confederation on parliamentary cooperation.

This proposal also concerns the provisional application of the agreement on Switzerland's participation in the European Union Agency for the Space Programme as that agreement foresees its provisional application as from 1 January 2026 or 1 January of the year following its signature, depending on whether or not that signature takes place before 1 July 2026.

The abovementioned agreements and protocols are accompanied by a Joint Declaration by the European Union and the Swiss Confederation on the establishment of a high-level dialogue on the broad bilateral package and the possible further development of the bilateral relations between the European Union and Switzerland, which should be approved and signed on behalf of the Union.

While the agreement on Switzerland's participation in Union programmes forms an integral part of the broader package negotiated between the two partners in 2024, the Commission decided to expedite the proposal for its signature with the aim of starting its provisional application from 1 January 2025. The Commission made separate proposals to that effect⁴.

The proposed approach will allow to give effect to the transitional arrangements that the Commission granted to Switzerland during the negotiations of the broad package. At the same time, it does not affect the broad package approach established by the Common Understanding and confirmed by the Council mandate.

The agreement on Switzerland's participation in Union programmes includes a sunset clause, which provides that the provisional application of that agreement will cease if Switzerland does not complete its procedures necessary for the entry into force of the package by the end of 2028. The Commission proposal on the signing of the agreement on Switzerland's participation in Union programmes therefore provides that it will be concluded as part of the broad package of agreements that were the subject of the negotiations conducted in 2024.

- **Consistency with existing policy provisions in the policy area**

The introduction of institutional provisions will ensure a more consistent and uniform application of the Union *acquis* in the parts of the internal market in which Switzerland participates or in policy areas in which Switzerland has committed to dynamic alignment, to the principle of uniform interpretation and application, and to dispute settlement with a role for the Court of Justice of the European Union for matters of Union law. The principles of non-discrimination of Union citizens and a level playing field between Union and Swiss companies is at the heart of the various agreements.

- **Consistency with other Union policies**

The broad package of the EU-Switzerland agreements fully respects the Treaties and preserves the integrity and the autonomy of the Union legal order. It promotes the values, objectives and interests of the Union, and ensures consistency, effectiveness and continuity of its policies and actions.

⁴ COM(2025) 159 final and COM(2025) 160 final, 9.4.2025.

The institutional and substantive changes to the existing agreements, as well as, where relevant, the introduction of State aid rules, and the new agreements will help achieve the Union's policy objectives in the following policy areas:

- internal market,
- competition,
- employment and social affairs,
- free movement of persons,
- transport,
- agriculture,
- food safety and quality,
- animals and animal products,
- plants and plant products,
- consumer protection,
- energy,
- health,
- trade.

In addition, the agreement associating Switzerland to Union programmes and the agreement on Switzerland's participation in the European Union Agency for the Space Programme will contribute to furthering the Union's policy objectives in the following policy areas:

- education and training,
- research and innovation,
- digital economy and society,
- health,
- space.

The Agreement between the European Union and the Swiss Confederation on Switzerland's regular financial contribution towards reducing economic and social disparities in the European Union will contribute to the achievement of the Union's policy objectives in relation to its economic and social cohesion.

By ensuring that Switzerland makes an adequate financial contribution to the management and operation of the agencies and bodies in which it participates, and the information systems to which it has access, the Union's financial interests will be protected.

The forum for cooperation and dialogue between members of the European Parliament and the Swiss Federal Assembly established by a dedicated protocol is in line with the practice in association and strategic partnership agreements the Union concludes with third countries.

While several agreements and protocols covered by this proposal rely on the technical and digital systems for their implementation, the proposal does not introduce any requirements mandating changes with respect to the use or architecture of these systems. The "digital by default" principle remains unaffected by the proposal.

2. LEGAL BASIS

Together, the agreements and protocols that are the subject of the proposed decision are intrinsically linked and constitute a coherent whole and lay down the architecture of a reinforced and comprehensive partnership in a broad range of areas covered by the Treaties, based on an appropriate balance of rights and obligations. Hence, the appropriate substantive legal basis for the proposed Council Decision on the signing of the aforementioned agreements and protocols is Article 217 TFEU. The procedural legal basis is Article 218(5) TFEU, read in conjunction with the second subparagraph of Article 218(8) TFEU. Thus, the legal basis for the proposed Council Decision is Article 217 TFEU, read in conjunction with Article 218(5) TFEU and the second subparagraph of Article 218(8) TFEU.

The Commission considers that the Union has competence in all areas covered by the agreements and protocols which are the subject of this proposal and that therefore the agreements and protocols should be signed by the Union alone.

3. BUDGETARY IMPLICATIONS

In the agreements in fields related to the internal market in which Switzerland participates, the agreement on health and the agreement on the European Union Agency for the Space Programme, Switzerland has agreed to make financial contributions to the Union budget for the management and operation of the agencies and bodies in which it participates, and the information systems to which it has access, taking into account the scope of each agreement.

In most cases, the payment modalities are laid out in dedicated annexes, which follow the same model. A set of standard provisions common to the agreements and protocols concerned require that Switzerland pays an annual financial contribution due at the dates specified in the calls for funds issued by the European Commission. This contribution will be composed of the sum of an operational contribution and a participation fee.

Where other financing arrangements already exist for agencies or information systems, these are maintained.

The specific financing arrangements for the agencies and information systems are described in the section that details the provisions of the agreements. The Legislative Financial Statement presented with this proposal illustrates the future budgetary implications of these arrangements and their payment modalities.

4. OTHER ELEMENTS

• Implementation by bodies established under the agreements and protocols

The package of agreements bound together by similar institutional provisions and/or other interlinkages. All agreements covered by the broad package include Joint Committees consisting of representatives of the Union and Switzerland, which largely follow the same model. All agreements in fields related to the internal market, the agreement on trade in agricultural products, the agreement on health and the agreement on Switzerland's regular financial contribution to the Union's social and economic cohesion allow for the possibility to set up working groups. Several agreements contain dispute settlement mechanisms, based on the same model, which ensures that breaches of obligations by one of the Parties under the agreement concerned or across the package of agreements can be addressed. Finally, the protocol on parliamentary cooperation sets up a Joint Parliamentary Committee composed of representatives of the European Parliament and of the Swiss Federal Assembly.

- **Detailed explanation of the specific provisions of the proposal**

Composition of the broad package and nature of the agreements and protocols

The broad package consists of several agreements and protocols that have different purposes and setups, even if they share common elements. The package notably includes agreements and a protocol in fields related to the internal market in which Switzerland participates, an agreement on trade in agricultural products, cooperation agreements, and protocol on parliamentary cooperation. Several of these agreements and protocols are accompanied by joint declarations. The package is completed by a joint declaration on the establishment of a high-level dialogue between the Union and Switzerland.

Agreements in fields related to the internal market in which Switzerland participates

As a result of institutional changes, four out of five *existing* agreements will be considered as agreements in fields related to the internal market in which Switzerland participates, which has notably implications as regards their interconnection. A new agreement and a new protocol will also have this status.

Existing agreements that will be considered as agreements in fields related to the internal market

- Agreement between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on the free movement of persons (hereinafter “Free movement of persons agreement”),
- Agreement between the European Community and the Swiss Confederation on air transport (hereinafter “Air transport agreement”),
- Agreement between the Swiss Confederation and the European Community on the Carriage of Goods and Passengers by Rail and Road (hereinafter “Land transport agreement”),
- Agreement between the Swiss Confederation and the European Community on mutual recognition in relation to conformity assessment (hereinafter “Mutual recognition agreement”).

New agreement and protocol that will be considered as agreements in fields related to the internal market

- Agreement between the European Union and the Swiss Confederation on electricity (hereinafter “Electricity agreement”),
- Protocol to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products establishing a Common Food Safety Area (hereinafter “Protocol on the Common Food Safety Area”).

Agreement on trade in agricultural products

- Agreement between the European Community and the Swiss Confederation on trade in agricultural products (hereinafter “Agreement on trade in agricultural products”). The amended agreement will no longer be considered as an agreement in a field related to the internal market in which Switzerland participates.

Cooperation agreements

Several agreements can be considered as cooperation agreements and thus they do not constitute agreements in fields related to the internal market in which Switzerland participates. Their setup and content differ depending on their purpose. These agreements are:

- Agreement between the European Union and the Swiss Confederation on health (hereinafter “Health agreement”),
- Agreement between the European Union and the Swiss Confederation on Switzerland’s regular financial contribution towards reducing economic and social disparities in the European Union (hereinafter “Agreement on cohesion”),
- Agreement between the European Union and the Swiss Confederation on the terms and conditions for the participation of the Swiss Confederation in the European Union Agency for the Space Programme (hereinafter “Agreement on the Agency for the Space Programme”),
- Agreement between the European Union and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part, on the participation of the Swiss Confederation in Union programmes (hereinafter “Agreement on Union programmes”).

The Agreement on Union programmes will not be described in detail as its signing is the subject of separate proposals⁵.

Protocol on parliamentary cooperation

The Protocol between the European Union and the Swiss Confederation on parliamentary cooperation (hereinafter “Protocol on parliamentary cooperation”) provides a legal basis and mechanisms for political cooperation between the European Parliament and the Swiss Federal Assembly.

High-level dialogue

The “Joint Declaration by the European Union and the Swiss Confederation on the establishment of a high-level dialogue on the broad bilateral package and the possible further development of the bilateral relations between the European Union and Switzerland” will provide a framework for political discussions between the European Commissioner and Swiss Federal Councillor in charge of EU-Swiss relations. High-level dialogues are a common tool the Union relies on to provide impulses to cooperation with third countries in a specific field.

Agreements in fields related to the internal market in which Switzerland participates

Institutional provisions

Identical institutional provisions have been included in all agreements in fields related to the internal market in which Switzerland participates, subject to technically justified adaptations, either as part of the new agreements or by means of institutional protocols. The Health agreement applies the same institutional solutions by analogy. The institutional provisions comprise the following elements:

- (1) *uniform interpretation and application*: an obligation to interpret and apply the agreements concerned uniformly within the internal market, and, to the extent that they include concepts of Union law, in conformity with the case-law of the Court of Justice of the European Union, both prior or subsequent to the signature of the corresponding agreement;

⁵ COM(2025) 159 final and COM(2025) 160 final, 9.4.2025.

- (2) *dynamic alignment*: an obligation, subject to limited exceptions, for the parties to integrate into the agreements concerned all legal acts of the Union that fall under their scope; due to its monist legal order, these acts shall become, by their integration into the agreements, part of the Swiss legal order. In exchange, Switzerland will be involved during the preparation of the acts to be integrated into the agreements concerned, for instance Switzerland will participate in the corresponding committees and groups of experts without the right to vote. For historical reasons, in the case of the agreements on mutual recognition and on land transport, Switzerland is obliged to adopt provisions of national law achieving the result to be attained by those acts;
- (3) *dispute settlement*: an effective mechanism for the resolution of disputes based on third-party arbitration; the arbitral tribunal is under an obligation to refer questions regarding provisions of the agreements that involve concepts of Union law to the Court of Justice of the European Union, whose opinions are legally binding on the arbitral tribunal;
- (4) *interconnection between the agreements*: the possibility for the parties to take proportionate and effective compensatory measures as part of a procedure to settle disputes in case where a party considers that the other party has not complied with a decision of the arbitral tribunal; these compensatory measures can be taken in either the agreement concerned or in any other agreement related to the internal market, including the suspension in part or in full of such agreement or agreements.

State aid provisions

In addition, substantive and procedural rules, including surveillance and enforcement mechanisms, equivalent to the ones applied within the Union are included in those agreements in which a level playing for competition on the internal market needs to be ensured, notably the agreements on air transport, land transport and electricity. Such State aid rules are spelled out either in the main body of the agreement, as is the case for the Electricity agreement, or in dedicated protocols, as is the case for the agreements on air transport and land transport. In both cases, general and sectoral State aid rules that complement the above-mentioned framework are spelled out in dedicated annexes.

Participation in agencies and information systems

Switzerland will gain additional access to agencies and/or information systems under the following agreements in fields related to the internal market in which Switzerland participates: the Free movement of persons agreement, the Mutual recognition agreement, the Protocol on the Common Food Safety Area and the Electricity agreement. Switzerland will also gain additional access to an agency and information systems under the Health agreement.

The above-mentioned standard provisions will apply to the financing arrangements linked to the additional access to agencies and information systems Switzerland will gain via the broad package. In principle, these standard provisions should apply to the financing arrangements linked to any further access to agencies, bodies, information systems and other activities to which Switzerland may gain in the future under agreements that are part of the package or under further agreements the Union and Switzerland may conclude.

The operational contribution that will be part of Switzerland's annual financial contribution will be based on a contribution key defined as the ratio of the Gross Domestic Product (GDP) of

Switzerland at market prices to the GDP of the Union at market prices⁶. The contribution key will be applied to the annual Union voted budget inscribed on the relevant Union budget subsidy line(s) of the year in question, subject, where appropriate, to adjustments that take into account the scope of an agreement. The operational contribution for the information systems and other activities will be calculated by applying the contribution key to the relevant budget of the year in question as set out in documents implementing the budget (such as work programmes or contracts). The annual participation fee will amount to 4% of the operational contribution.

All reference amounts will be based on commitment appropriations.

The agreements that will grant Switzerland access to agencies also include an appendix on the rights, privileges and immunities of those agencies and their staff, which follow a standard model and reflect the provisions of Protocol (No 7) on the privileges and immunities of the European Union.

Free movement of persons agreement

The updated Free movement of persons agreement will provide for dynamic alignment by Switzerland on current and future Union legal acts in the area of free movement of persons and the posting of workers.

The amending protocol to the Free movement of persons agreement makes changes to its structure. In its current version, the agreement includes a significant number of substantive provisions in its Annex I. That annex is replaced by a list of Union legal acts to which Switzerland will dynamically align and that will cover, to a large extent, the substance of those provisions.

The replacement of the substantive provisions of the agreement by the integration of the Union *acquis* will be accompanied by a number of exceptions to dynamic alignment in the following areas: prior notification period and controls, financial guarantees and sanctions on service providers, proof of self-employment, acquisition of permanent residence, purchase of immovable property, identity cards, expulsions and certain matters of cantonal law concerning the coordination of social security schemes. Some of these exceptions are already included in the existing agreement. The existing provision on the rights of students will be revised, so that it is no longer possible for the Parties to discriminate against the other Party's students as regards tuition fees, as well as associated public support mechanisms, in universities principally funded with public funds. The current level of access of Union students to those universities in Switzerland will be guaranteed.

Moreover, a non-regression clause stipulates that Switzerland will not be obliged to integrate new *acquis* regarding the posting of workers if its effect would be to meaningfully weaken or reduce the level of protection of posted workers with regard to the terms and conditions of employment.

Via a protocol attached to the updated agreement, the parties will take a commitment that Union and Swiss rules on the granting of long-term residence permits are applied in a non-

⁶ The respective GDPs to be applied will be the latest available as of 1 January of the year in which the annual payment is made as provided by Statistical Office of the European Union (EUROSTAT), with due regard to the Agreement between the European Community and the Swiss Confederation on cooperation in the field of statistics (OJ L 90, 28.3.2006, p. 2).

discriminatory manner, notably regarding the minimum duration of prior residence of five years.

The existing safeguard clause will be adapted and aligned with the institutional protocol. It can be activated in case of serious economic or social difficulties triggered by the application of the agreement. If the parties cannot agree on an appropriate, agreed solution to remedy the situation, the party alleging serious economic difficulties may bring the issue to the arbitral tribunal. It will only be able to take safeguard measures if the arbitral tribunal considers that the situation justifies them.

Several joint declarations accompanying the agreement clarify the parties' joint understanding of provisions concerning e.g. the prevention and action against the abuse of rights under the free movement of persons *acquis*, notification procedures in the context of the taking up of employment, or effective control systems, including Switzerland's dual enforcement system regarding the provision of services.

Under the agreement, Switzerland will have access and will financially contribute in accordance with the standard financial modalities to the following information systems:

- the European network of Employment Services (EURES) as established by Regulation (EU) 2016/589⁷,
- the Electronic Exchange of Social Security Information (EESSI) as established by Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009⁸,
- the modules of the Internal Market Information system (IMI) as established by Regulation (EU) 1024/2012⁹ relating to the posting of workers, services, professional qualifications, the European Professional Card, Regulated Professions and the Single Digital Gateway.

Participation in the EURES platform will promote labour mobility, facilitate the exchange of job vacancies and job seeker profiles and ensure a high-quality matching across languages and national contexts, including through the use of the European Skills, Competences, Qualifications and Occupations classification (ESCO).

The existing financing arrangements will continue to apply to Switzerland's financial contribution to the Mutual Information System on Social Protection (MISSOC), to which it already has access.

⁷ Regulation (EU) 2016/589 of the European Parliament and of the Council of 13 April 2016 on a European network of employment services (EURES), workers' access to mobility services and the further integration of labour markets, and amending Regulations (EU) No 492/2011 and (EU) No 1296/2013 (OJ L 107, 22.4.2016, p. 1).

⁸ Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1) and (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems (OJ L 284, 30.10.2009, p. 1).

⁹ Regulation (EU) No 1024/2012 of the European Parliament and of the Council of 25 October 2012 on administrative cooperation through the Internal Market Information System and repealing Commission Decision 2008/49/EC (OJ L 316, 14.11.2012, p. 1).

Air transport agreement

The updated Air transport agreement will provide for dynamic alignment by Switzerland on current and future Union legal acts in the area of air transport.

The amending protocol to the Air transport agreement does not change the agreement's objectives and makes limited changes to the main text and the annex to the agreement. Most notable is the mutual exchange of cabotage rights (enabling the respective airlines to fly between two points in a Member State's or Switzerland's territory) between the Parties.

No additional access to information systems is foreseen. The existing financial modalities regarding Switzerland's participation in the European Union Aviation Safety Agency (EASA), as established by Regulation (EU) 2018/1139¹⁰, will continue to apply. The existing arrangements regarding the rights, privileges and immunities of EASA and its staff will be replaced by the above-mentioned model.

A protocol on State aid is attached to the agreement and will be accompanied by a joint declaration.

Land transport agreement

Under the updated Land transport agreement, as in its original version, Switzerland will be obliged to adopt provisions of national law achieving the result to be attained by the Union legal acts listed in the annex to the agreement.

The updated agreement will clarify that railway undertakings may operate international passenger rail services between the Union and Switzerland, including international cabotage, under their own responsibility. The amending protocol will integrate relevant Union *acquis* into the agreement guaranteeing the right to operate international rail freight services in the Union and Switzerland.

Switzerland will benefit from certain exceptions. For example, Switzerland will be able to give priority to rail services which are part of the Swiss interval-service timetable. Inversely, the Union or its Member States may give priority on their territories to Union companies operating passenger rail services over a Swiss international passenger rail service that operates a part of the international service under the Swiss interval-service timetable. Switzerland will also have the right to adopt capacity management instruments providing for a minimum number of train paths per hour for defined types of traffic, including freight, regional and long-distance passenger traffic that may also serve an international purpose. It will also have the possibility to oblige passenger transport companies to participate in the Swiss ticketing and price integration system, while guaranteeing pricing freedom to the companies. Swiss competent authorities will also be able to directly award public service contracts in rail transport, subject to specific conditions guaranteeing that the Union's internal market for the Union's territory is not affected.

¹⁰ Regulation (EU) 2018/1139 of the European Parliament and of the Council of 4 July 2018 on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency, and amending Regulations (EC) No 2111/2005, (EC) No 1008/2008, (EU) No 996/2010, (EU) No 376/2014 and Directives 2014/30/EU and 2014/53/EU of the European Parliament and of the Council, and repealing Regulations (EC) No 552/2004 and (EC) No 216/2008 of the European Parliament and of the Council and Council Regulation (EEC) No 3922/91 (OJ L 212, 22.8.2018, p. 1).

While being covered by an exception to dynamic alignment, the existing Swiss system of charges for heavy goods vehicles will be brought closer to the Union's charging system.

Switzerland shall interact with the European Union Agency for Railways as established by Regulation (EU) 2016/796¹¹ as a third country. In line with the applicable Union legislation, and following their approval by its Management Board, the agency shall agree on arrangements with the relevant Swiss authorities detailing the nature and extent of the latter's participation in the agency's work.

No additional access to information systems is foreseen. The existing financial modalities will continue to apply to Switzerland's access to TACHOnet, as established by Regulation (EU) No 165/2014 and Commission Implementing Regulation (EU) 2016/68¹².

A protocol on State aid is attached to the agreement and will be accompanied by a joint declaration. The amending protocol will also be accompanied by a joint declaration.

Mutual recognition agreement

Under the updated Mutual recognition agreement Switzerland will be obliged to adopt provisions of national law achieving the result to be attained by the Union legal acts listed in the annex to the agreement. Should the scope of the agreement be extended in the future, the additional areas will also be subject to the same approach.

The amending protocol to the Mutual recognition agreement only makes limited changes to the main text and the annex to the agreement to better define the agreement's purpose and scope, the applicable procedures and the role of the parties' authorities and economic operators, as well as cooperation between the parties.

In all areas covered by the agreement's Annex 1, Switzerland will be obliged to adopt legislation to attain the same result as the Union *acquis* listed in that annex. The relevant provisions under Swiss law will no longer be listed in the annex. The sole exception to this rule concerns Chapter 11 of Annex 1, where provisions of Swiss law will continue to be listed. This reflects an agreed exception with respect to Directive 2007/45/EC¹³.

In certain areas, Switzerland's access to decision-shaping will be limited. As a rule, it will not have access to relevant expert groups and comitology committees dealing with medicinal products. Nor shall it have access to the European Medicines Agency. In the area of medical devices, Switzerland's role in committees and expert groups will be limited to one of observer.

¹¹ Regulation (EU) 2016/796 of the European Parliament and of the Council of 11 May 2016 on the European Union Agency for Railways and repealing Regulation (EC) No 881/2004 (OJ L 138, 26.5.2016, p. 1).

¹² Regulation (EU) No 165/2014 of the European Parliament and of the Council of 4 February 2014 on tachographs in road transport, repealing Council Regulation (EEC) No 3821/85 on recording equipment in road transport and amending Regulation (EC) No 561/2006 of the European Parliament and of the Council on the harmonisation of certain social legislation relating to road transport (OJ L 60, 28.2.2014, p. 1) and Commission Implementing Regulation (EU) 2016/68 of 21 January 2016 on common procedures and specifications necessary for the interconnection of electronic registers of driver cards (OJ L 15, 22.1.2016, p. 51), as amended by Commission Implementing Regulation (EU) 2017/1503 of 25 August 2017 (OJ L 221, 26.8.2017, p. 10).

¹³ Directive 2007/45/EC of the European Parliament and of the Council of 5 September 2007 laying down rules on nominal quantities for prepacked products, repealing Council Directives 75/106/EEC and 80/232/EEC, and amending Council Directive 76/211/EEC (OJ L 247, 21.9.2007, p. 17).

Under the updated agreement Switzerland will have access and will contribute financially to the EudraGMDP information system on the Community code relating to medicinal products for human use, as established by Directive 2004/27/EC¹⁴.

Electricity agreement

The Electricity agreement will provide for dynamic alignment by Switzerland on current and future Union legal acts in the area of electricity.

The purpose of the Electricity agreement is to allow Switzerland's access to the Union's internal electricity market. It aims e.g. to foster cross-border electricity trade; to guarantee the integrity and transparency of the electricity market as well as the equal treatment of all market participants therein; to ensure the stability of electricity networks and security of supply; as well as to promote electricity produced from renewable energy sources. The agreement defines the rules and concepts applicable to the internal electricity markets as well as the roles and responsibilities of actors such as transmission system and distribution system operators. It also foresees a transitional arrangement for pre-existing long-term capacity reservations on interconnectors at the Swiss border, which are not compatible with the *acquis*.

With regard to environmental protection in the electricity sector, Switzerland is obliged to adopt or maintain provisions of Swiss law laying down requirements that ensure at least the same level of protection as laid down in the relevant *acquis*. Such provisions may not constitute an obstacle to the free access to the Swiss market of goods and services from the Union that comply with the requirements laid down in the relevant *acquis*. An exception to the obligation of dynamic alignment is foreseen that allows Switzerland to take necessary, proportionate and non-distorting measures to ensure security of electricity supply, by establishing and having in place electricity reserves, to the extent they are compatible with the agreement.

Under the agreement, Switzerland will be able to participate in and will have to contribute to the financing of the European Union Agency for the Cooperation of Electricity Regulators (ACER), as established by Regulation (EU) 2019/942¹⁵. The agreement includes a standard appendix on the rights, privileges and immunities of ACER and its staff. Switzerland will also have access and will financially contribute, in accordance with the standard financial modalities, to the Union Database, as established by Directive (EU) 2018/2001, on the promotion of the use of energy from renewable sources¹⁶.

The agreement includes provisions on State aid and will be accompanied by a joint declaration.

¹⁴ Directive 2004/27/EC of the European Parliament and of the Council of 31 March 2004 amending Directive 2001/83/EC on the Community code relating to medicinal products for human use (OJ L 136, 30.4.2004, p. 34).

¹⁵ Regulation (EU) 2019/942 of the European Parliament and of the Council of 5 June 2019 establishing a European Union Agency for the Cooperation of Energy Regulators (OJ L 158, 14.6.2019, p. 22).

¹⁶ Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (OJ L 328, 21.12.2018, p. 82).

Protocol on the Common Food Safety Area

The Protocol on the Common Food Safety Area will provide for dynamic alignment and simultaneous application by Switzerland across the entire Union *acquis* linked to the food chain.

The current SPS-related annexes to the existing Agreement on trade in agricultural products will be removed from the Agreement on trade in agricultural products and their subject matter will be dealt with in the Protocol on the Common Food Safety Area. It is from those annexes that the Agreement on trade in agricultural products in its current form derives its present qualification as an agreement in a field related to the internal market in which Switzerland participates.

The Protocol on the Common Food Safety Area which supplements the Agreement on trade in agricultural products will remain linked to the Agreement on trade in agricultural products in that if either the agreement or protocol is ended, the other instrument will be automatically ended as well.

The protocol establishes a Common Food Safety Area that covers all dimensions of the food chain. Its objectives are *e.g.* to enhance food and feed safety, to ensure a high level of human, animal and plant health, to combat antimicrobial resistance, and to enhance animal protection and promote high standards of animal welfare.

In addition to dynamic alignment with regard to all legal acts in the Union *acquis* related to the entire food chain, the Protocol on the Common Food Safety Area includes an obligation for Switzerland to temporarily apply any non-legislative acts based on the applicable secondary legislation from the date such non-legislative acts become applicable in the Union, and until the date of the Joint Committee's decision on the act's incorporation, in order to guarantee their simultaneous application across the entire Common Food Safety Area.

Exceptions to the obligation of dynamic alignment will allow Switzerland, under certain conditions, to maintain provisions of national law regarding genetically modified organisms and animal welfare. In addition, Switzerland will also be able to maintain its measures regarding the import of bovine meat from cattle potentially treated with hormonal growth promoters, provided such bovine meat is not moved into the Union.

It will be possible to take compensatory measures in case of non-compliance by a party with the decision of an arbitral tribunal in either the Protocol on the Common Food Safety Area or any other agreement in a field related to the internal market in which Switzerland participates, or the Agreement on trade in agricultural products.

To allow Switzerland to prepare the change from the current system based on equivalence to a system based on the principle according to which the Union *acquis* itself applies simultaneously in its territory, the Protocol on the Common Food Safety Area foresees that the current SPS-related annexes to the Agreement on trade in agricultural products will continue to have legal effects for a transitional period of maximum 24 months. After expiry of that period, all provisions of the Protocol on the Common Food Safety Area will fully apply.

The protocol foresees Switzerland's access to the European Food Safety Authority (EFSA), as established by Regulation (EC) No 178/2002¹⁷, and includes the standard appendix on its rights, privileges and immunities as well as those of its staff. The protocol also foresees a financial contribution of Switzerland in accordance with the above-mentioned standard financial modalities to the financing of EFSA as well as the following information systems:

- the EUROPHYT Portal, as established by Commission Directive 94/3/EC¹⁸,
- the Rapid Alert System for Food and Feed (RASFF), as established by Regulation (EC) No 178/2002¹⁹,
- the platform for sanitary and phytosanitary certification (TRACES), as established by Regulation (EU) 2017/625²⁰, and
- the Animal Diseases Information System (ADIS), as established by Regulation (EU) 2020/2002²¹.

Agreement on trade in agricultural products

Once amendments to the Agreement on trade in agricultural products introduced by the specific amending protocol will enter into force, the agreement on trade in agricultural products will no longer be considered as an agreement in a field related to the internal market in which Switzerland participates.

After deletion of the SPS-related annexes to the Agreement on trade in agricultural products, the scope of the amended agreement, including its remaining annexes will be limited to trade aspects. Accordingly, the concepts of uniform interpretation and application of the Union *acquis*, the role of the Court of Justice of the European Union, dynamic alignment and State aid rules are not relevant. The institutional framework foreseen in this agreement therefore differs from the one in the Protocol on the Common Food Safety Area.

¹⁷ Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety (OJ L 31, 1.2.2002, p. 1).

¹⁸ Commission Directive 94/3/EC of 21 January 1994 establishing a procedure for the notification of interception of a consignment or a harmful organism from third countries and presenting an imminent phytosanitary danger (OJ L 32, 5.2.1994, p. 37).

¹⁹ Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety (OJ L 31, 1.2.2002, p. 1).

²⁰ Regulation (EU) 2017/625 of the European Parliament and of the Council of 15 March 2017 on official controls and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health and plant protection products, amending Regulations (EC) No 999/2001, (EC) No 396/2005, (EC) No 1069/2009, (EC) No 1107/2009, (EU) No 1151/2012, (EU) No 652/2014, (EU) 2016/429 and (EU) 2016/2031 of the European Parliament and of the Council, Council Regulations (EC) No 1/2005 and (EC) No 1099/2009 and Council Directives 98/58/EC, 1999/74/EC, 2007/43/EC, 2008/119/EC and 2008/120/EC, and repealing Regulations (EC) No 854/2004 and (EC) No 882/2004 of the European Parliament and of the Council, Council Directives 89/608/EEC, 89/662/EEC, 90/425/EEC, 91/496/EEC, 96/23/EC, 96/93/EC and 97/78/EC and Council Decision 92/438/EEC (OJ L 95, 7.4.2017, p. 1).

²¹ Commission Implementing Regulation (EU) 2020/2002 of 7 December 2020 laying down rules for the application of Regulation (EU) 2016/429 of the European Parliament and of the Council with regard to Union notification and Union reporting of listed diseases, to formats and procedures for submission and reporting of Union surveillance programmes and of eradication programmes and for application for recognition of disease-free status, and to the computerised information system (OJ L 412, 8.12.2020, p. 1).

The amending protocol will update the dispute settlement mechanism along the lines of the established practice in the Union's and Switzerland's trade agreements. The applicable dispute settlement procedure will be based on the one included in the agreements in fields of the internal market in which Switzerland participates. The agreement also shares with them a set of common provisions regarding the arbitral tribunal. No role is foreseen for the Court of Justice of the European Union in dispute settlement. Compensatory measures in case of non-compliance by a party with the decision of an arbitral tribunal can be taken in either the Agreement on trade in agricultural products or the Protocol on the Common Food Safety Area, but not in other agreements in fields related to the internal market in which Switzerland participates.

Cooperation agreements in the areas of health, cohesion and space

Health agreement

The Health agreement aims at strengthening EU-Switzerland cooperation regarding serious cross-border threats to health by integrating Switzerland in the relevant mechanisms and bodies.

It does not constitute an agreement in a field related to the internal market in which Switzerland participates. However, it applies the above-mentioned identical institutional provisions *by analogy* and includes an obligation of dynamic alignment with the relevant Union acquis.

The agreement shares with the agreements in fields related to the internal market in which Switzerland participates a set of common provisions regarding the arbitral tribunal, including a role for the Court of Justice of the European Union. In case of disputes, compensatory measures to remedy a potential imbalance can be taken in either the Health agreement or the health component (EU4Health) of the Agreement on Union programmes.

The agreement foresees Switzerland's access and financial contribution in accordance with the standard financial modalities to the European Centre for Disease Prevention and Control (ECDC), as established by Regulation (EC) No 851/2004²². It includes the standard appendix on the rights, immunities and privileges of the ECDC and its staff.

In the case of the Early Warning and Response System (EWRS), as established by Regulation (EU) 2022/2371²³, the Swiss financial contribution under the current Multiannual Financial Framework (MFF) will be part of its contribution to the financing of the ECDC on the one hand and the EU4Health programme on the other. If, under the next MFF, the EWRS would be financed through different sources, the aforementioned modalities will apply to the Switzerland's contribution to the EWRS.

Agreement on cohesion

The Agreement on cohesion is not an agreement in a field related to the internal market in which Switzerland participates.

²² Regulation (EC) No 851/2004 of the European Parliament and of the Council of 21 April 2004 establishing a European Centre for disease prevention and control (OJ L 142, 30.4.2004).

²³ Regulation (EU) 2022/2371 of the European Parliament and of the Council of 23 November 2022 on serious cross-border threats to health and repealing Decision No 1082/2013/EU (OJ L 314, 6.12.2022, p. 26).

It establishes the basis for a regular financial contribution of Switzerland to the reduction of economic and social disparities in the Union, in complement to the Union and Member State measures in the area of cohesion.

The agreement lays down the parameters and rules for the determination of Switzerland's financial contribution. Contribution periods will be defined in function of the applicable multiannual financial framework of the Union. The first contribution period is foreseen to run from 1 January 2030 to 31 December 2036. It will be complemented by a one-time additional financial commitment covering the period between the end of 2024 and the end of 2029.

At the beginning of every contribution period, the parties will have to conclude a Memorandum of Understanding (MoU) describing the thematic areas in which the Swiss financial contribution may be used during that period, e.g.: inclusive human and social development, sustainable and inclusive economic development, green transition, democracy and participation, or migration.

The MoU should also spell out the amount of the financial contribution, determined on the basis of the rules set out in the agreement. Switzerland's financial contribution will not be transferred to the Union budget.

The MoU will form the basis for country-specific implementation agreements between Switzerland and beneficiary Member States. These agreements will specify the country-specific allocation of funds, as well as their distribution between thematic areas, support measures, the structures for management and control and applicable conditions, and competent authorities in the Member State in question.

The agreement's dispute settlement mechanism has commonalities but also differences with the one included in the agreements in fields related to the internal market in which Switzerland participates. It notably shares with them a set of common provisions regarding the arbitral tribunal. However, it does not foresee a role for the Court of Justice of the European Union. In case of disputes, compensatory measures to remedy a potential imbalance can be taken in either the Agreement on cohesion or any of the agreements listed in the Agreement on cohesion.

Agreement on the Agency for the Space Programme

The Agreement on the Agency for the Space Programme is not an agreement in a field related to the internal market in which Switzerland participates. It spells out the conditions under which Switzerland has a right to participate in the European Union Agency for the Space Programme (EUSPA), as established by Regulation (EU) 2021/696²⁴. It is based on the EU-Switzerland agreement of 2014 on the European Satellite Navigation Programmes²⁵. The Agreement on the Agency for the Space Programme foresees that the Parties will provisionally apply it following its signature.

²⁴ Regulation (EU) 2021/696 of the European Parliament and of the Council of 28 April 2021 establishing the Union Space Programme and the European Union Agency for the Space Programme and repealing Regulations (EU) No 912/2010, (EU) No 1285/2013 and (EU) No 377/2014 and Decision No 541/2014/EU (OJ L 170, 12.5.2021, p. 69).

²⁵ Cooperation Agreement between the European Union and its Member States, of the one part, and the Swiss Confederation, of the other, on the European Satellite Navigation Programmes (OJ L 15, 20.01.2014, p. 3).

The agreement establishes the Swiss financial contribution to the EUSPA, using the same contribution key to calculate the operation and participation fees as the one established in the agreements in fields related to the internal market in which Switzerland participates as of 2028. Depending on the date as of when the agreement will be provisionally applied, the percentage of the operational fee on the basis of which the participation fees will be calculated will be 2% and 3% for 2026 and 2027 respectively. As of 2028, the percentage will be the same as the one used in other agreements that foresee the participation of Switzerland in agencies, *i.e.* 4%.

The agreement also allows Switzerland's participation in activities related to other components of the space programme, beyond Galileo and the European Geostationary Navigation Overlay Service (EGNOS) as established in the 2014 agreement, if a protocol to the Agreement on Union programmes so provides.

The agreement includes the standard appendix regarding EUSPA's rights, immunities and privileges and those of its staff.

Protocol on parliamentary cooperation

The Protocol on parliamentary cooperation establishes a Joint Parliamentary Committee as forum for dialogue and debate between members of the European Parliament and the Swiss Federal Assembly. Its aim is to further the mutual understanding of and reflection on the broad EU-Switzerland relationship, including its possible further development. The Joint Parliamentary Committee shall be informed on a regular basis of the decisions and recommendations of the Joint Committees established by any of the agreements that form part of the broad package. It may request any relevant information regarding the implementation of any agreement within the broad package and may make recommendations to the Parties.

Joint declaration on the establishment of a high-level dialogue between the Union and Switzerland

The aims of the high-level dialogue to be established are:

- to promote the mutual understanding and cooperation on the negotiated broad bilateral package and the possible further development of their bilateral relations;
- to discuss issues of mutual interest, in particular Switzerland's participation in the internal market and possibilities to strengthen their partnership; and
- to evaluate the implementation of the broad bilateral package, the work of the Joint Committees and the possible further development of their bilateral relations.

Signing and texts of the agreements

The texts of the agreements and protocols are submitted to the Council together with this proposal. The texts of the joint declarations accompanying various agreements or protocols are submitted together with this proposal, together with a joint declaration on the establishment of a high-level dialogue between the Union and Switzerland and two unilateral declarations by Switzerland with regard to respectively the Free movement of persons agreement and the Health agreement.

In accordance with the Treaties, it is for the Commission to ensure the signing of the agreements and protocols, subject to their conclusion at a later date. In addition, the text of the joint declaration on the high-level dialogue should be signed by the European Commission on behalf of the Union.

Table 1: Overview of institutional and other provisions common to the agreements in fields related the internal market in which Switzerland participates and the Health agreement

Provisions of the agreement	Identical provisions on
General provisions	<ul style="list-style-type: none"> – institutional objectives and/ or purpose of the agreement – nature of the agreement and relation of protocols to the agreement (in case of an existing agreement)
Alignment of the agreement on legal acts of the Union	<ul style="list-style-type: none"> – obligation for the Joint Committee to integrate new acts falling within the scope of the agreement into the agreement – participation in the drafting of a legal act (“decision shaping”) and the integration of legal acts in the agreement – fulfilment of constitutional obligations by Switzerland
Interpretation and application of the agreement	<ul style="list-style-type: none"> – uniform interpretation, effective and harmonious application, and exclusivity principles – procedure in the event of difficulty of interpretation or application, compensatory measures and cooperation between jurisdictions
Other provisions	<ul style="list-style-type: none"> – Joint Committee – Switzerland’s financial contribution to the financing of the agencies and information systems to which it has access – handling of information – references in Union legal acts to: territories and nationals of Member States, entry into force and implementation of legal acts, addressees, rights and obligations of Member States
Final provisions	<ul style="list-style-type: none"> – entry into force and implementation – modifications and termination
Annex on implementation of Switzerland’s financial contribution	<ul style="list-style-type: none"> – list of activities, bodies and information systems – payment modalities – transitional arrangements (where relevant)
Annex / appendix on the arbitral tribunal	<ul style="list-style-type: none"> – registry and secretarial services of the arbitral tribunal – initiation of dispute settlement – composition of the arbitral tribunal – arbitration proceedings – decisions of the arbitral tribunal

Appendix on privileges and immunities of agencies	<ul style="list-style-type: none"> – inviolability of premises, building and archives of the agency – tax exemption of assets, revenues and goods and services for official use – diplomatic status of correspondence and communications – privileges, immunities, taxation and coverage social security of officials covered by the Staff Regulations
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Table 2: Provisions on State aid common to the Electricity agreement and the State aid protocols to the Agreements on air transport and on land transport

Part / chapter of the State aid protocol or annexes	Identical provisions on
Main text	<ul style="list-style-type: none"> – State aid-related objectives – relation of the protocol to the existing agreement (in case of an existing agreement) – State aid incompatible and compatible with the agreement, and existing aid – surveillance, transparency, modalities of cooperation and consultations – integration of legal acts – ratification and entry into force, modifications and termination
Annex on exemptions and clarifications	<ul style="list-style-type: none"> – measures compatible with the proper functioning of the internal market
Annex on general and sectoral acts applicable in the Union	<ul style="list-style-type: none"> – general acts applicable to all sectors, complemented with sectoral rules specific to the area covered by the agreement in question

Proposal for a

COUNCIL DECISION

on the signing, on behalf of the European Union, of a broad package of agreements to consolidate, deepen and expand the bilateral relations with the Swiss Confederation, and on the provisional application of the Agreement on the terms and conditions for the participation of the Swiss Confederation in the European Union Agency for the Space Programme

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 217, in conjunction with Article 218(5) and the second subparagraph of Article 218(8) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 12 March 2024, the Council authorised the Commission to open negotiations with the Swiss Confederation (hereafter also referred to as “Switzerland”) for a broad package of measures related to bilateral relations with Switzerland, comprising of institutional and State aid provisions in, and, where necessary, specific adaptations to, agreements between the Union and Switzerland in fields related to the internal market¹, of an agreement on Switzerland’s participation in Union programmes and an agreement that forms the basis for Switzerland’s permanent contribution towards reducing economic and social disparities between regions². The Council had also authorised the Commission to open negotiations with Switzerland on new agreements on electricity, health, food safety, the participation of Switzerland in the European Union Agencies for the Union Space Programme and for Railways, and on the amendment of the Agreement between the European Community and the Swiss Confederation on air transport to allow for cabotage.
- (2) The Commission has negotiated, on behalf of the Union, a broad package of agreements which includes protocols on institutional, State aid and amending provisions to existing agreements between the European Community and the Swiss

¹ Agreement between the European Community and the Swiss Confederation on the Carriage of Goods and Passengers by Rail and Road, Agreement between the European Community and the Swiss Confederation Air Transport, Agreement between the European Community, of the one part, and the Swiss Confederation, of the other, on the free movement of persons, Agreement between the European Community and the Swiss Confederation on mutual recognition in relation to conformity assessment, Agreement between the European Community and the Swiss Confederation on trade in agricultural products, all signed on 21 June 1999 (OJ L 114, 30.4.2002, p. 1).

² Council Decision (EU, Euratom) 2024/995 of 12 March 2024 authorising the opening of negotiations with the Swiss Confederation on institutional provisions in agreements between the European Union and the Swiss Confederation related to the internal market, on an agreement on the Swiss Confederation’s participation in Union programmes and on an agreement that forms the basis for the Swiss Confederation’s permanent contribution to the Union’s cohesion (OJ L, 2024/995, 26.3.2024).

Confederation in fields related to the internal market in which Switzerland participates, a Protocol to the existing Agreement between the European Community and the Swiss Confederation on trade in agricultural products establishing a Common Food Safety Area, an Agreement between the European Union and the Swiss Confederation on electricity, an Agreement between the European Union and the Swiss Confederation on health, an Agreement between the European Union and the Swiss Confederation on Switzerland's regular financial contribution towards reducing economic and social disparities in the European Union, an Agreement between the European Union and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part, on the participation of the Swiss Confederation in Union programmes, an Agreement between the European Union and the Swiss Confederation on the terms and conditions for the participation of the Swiss Confederation in the European Union Agency for the Space Programme, as well as a Protocol between the European Union and the Swiss Confederation on parliamentary cooperation.

- (3) The institutional protocols lay down an obligation for the Joint Committee to integrate all acts of Union law falling within the scope of the agreements as well as provisions to ensure that Switzerland is bound by the rules in question. They ensure the uniform interpretation and application of all agreements in fields related to the internal market in which Switzerland participates and that, where the application of those agreements involves concepts of Union law, these are interpreted and applied in accordance with the case-law of the Court of Justice of the European Union. The institutional protocols lay down an effective mechanism for the resolution of disputes based on arbitration, including the referral to the Court of Justice of the European Union of all questions of Union law arising from the case. In case of non-compliance with the decision of the arbitral tribunal, proportionate compensatory measures may be adopted in the agreement concerned or in any of the agreements in fields related to the internal market in which Switzerland participates.
- (4) The amending protocols to the existing agreements make the necessary substantive changes consistent with the new institutional framework. In addition, the amending protocol to the agreement on air transport provides for the mutual exchange of cabotage rights.
- (5) The State aid protocols to the existing agreements on air transport and land transport guarantee a level playing field for Switzerland's participation in the internal market in the areas covered by those agreements. Switzerland will apply substantive and procedural rules, including surveillance and enforcement mechanisms, equivalent to those which apply within the Union.
- (6) The amending protocol to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products provides an update of the agreement's dispute settlement mechanism, along the lines of the established practice in trade agreements of the Union.
- (7) A separate protocol to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products establishes a Common Food Safety Area covering all dimensions of the food chain. This protocol includes the institutional provisions which are common to all agreements in fields related to the internal market in which Switzerland participates.
- (8) The new Agreement between the European Union and the Swiss Confederation on electricity lays down the rules and conditions under which Switzerland can participate

in the internal electricity market. The agreement includes the institutional provisions which are common to all agreements in fields related to the internal market in which Switzerland participates as well as rules on State aid which are almost identical to those which apply in the areas of air and land transport.

- (9) The new Agreement between the European Union and the Swiss Confederation on health aims at strengthening cooperation between the Union and Switzerland regarding serious cross-border threats to health and applies, by analogy, the institutional provisions which are common to the agreements in the fields related to the internal market in which Switzerland participates. This agreement is linked to Switzerland's participation in the Programme for the Union's action in the field of health ("EU4Health Programme").
- (10) The new Agreement between the European Union and the Swiss Confederation on Switzerland's regular financial contribution towards reducing economic and social disparities in the European Union establishes the legal basis and lays down the parameters for Switzerland's regular financial contribution, within the framework of the broad package, to the reduction of economic and social disparities in the Union. The agreement includes a dispute settlement mechanism; in case of non-compliance with an arbitral ruling, proportionate compensatory measures may be adopted in any of the agreements to which the package relates.
- (11) The new Agreement between the European Union and the Swiss Confederation on the terms and conditions for the participation of the Swiss Confederation in the European Union Agency for the Space Programme lays down the conditions under which Switzerland can participate in the work of the Agency.
- (12) Identical provisions in the different institutional protocols and new agreements ensure Switzerland's financial contribution to the costs of the information systems and Agencies in which it participates.
- (13) The Protocol between the European Union and the Swiss Confederation on parliamentary cooperation establishes a Joint Parliamentary Committee as forum for dialogue and debate between members of the European Parliament and the Swiss Federal Assembly, with a view to furthering the mutual understanding of and reflection on the broad EU-Switzerland relationship, including its possible further development.
- (14) The agreements and protocols that are the subject of this decision constitute a coherent whole and lay down the architecture of a reinforced and comprehensive partnership in a broad range of areas covered by the Treaties, based on an appropriate balance of rights and obligations. The decision on the signing of these agreements and protocols should thus be based on the substantive legal basis provided in the Treaty on the Functioning of the European Union for the establishment of an association involving reciprocal rights and obligations, common action and special procedure.
- (15) With the aim to increase the breadth of their cooperation, the Agreement on the terms and conditions for the participation of the Swiss Confederation in the European Union Agency for the Space Programme provides that the Parties shall apply it provisionally, in accordance with their respective internal procedures and legislation, as from 1 January 2026, if the date of signature of that Agreement is before 1 July 2026, or as from 1 January of the year following its signature, if the date of signature of that Agreement is after 30 June 2026. That agreement should therefore be applied provisionally, pending its entry into force.

- (16) The signing of the Agreement between the European Union and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part, on the participation of the Swiss Confederation in Union programmes is the subject of separate procedures.
- (17) The signing of the Joint Declaration between the European Union and the Swiss Confederation on the establishment of a high-level dialogue on the broad bilateral package and the possible further development of the bilateral relations between the European Union and Switzerland on behalf of the European Union should be approved.
- (18) The agreements and protocols that are the subject of this decision should be signed on behalf of the Union and the joint declarations accompanying those agreements and protocols should be approved,

HAS ADOPTED THIS DECISION:

Article 1

The signing, on behalf of the Union, of the following agreements and protocols is hereby authorised subject to their conclusion³:

- (a) Amending Protocol to the Agreement between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on the free movement of persons;
- (b) Institutional Protocol to the Agreement between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on the free movement of persons;
- (c) Amending Protocol to the Agreement between the European Community and the Swiss Confederation on air transport;
- (d) Institutional Protocol to the Agreement between the European Community and the Swiss Confederation on air transport;
- (e) State Aid Protocol to the Agreement between the European Community and the Swiss Confederation on air transport;
- (f) Amending Protocol to the Agreement between the European Community and the Swiss Confederation on the carriage of goods and passengers by rail and road;
- (g) Institutional Protocol to the Agreement between the European Community and the Swiss Confederation on the carriage of goods and passengers by rail and road;
- (h) State Aid Protocol to the Agreement between the European Community and the Swiss confederation on the carriage of goods and passengers by rail and road;
- (i) Amending Protocol to the Agreement between the European Community and the Swiss Confederation on mutual recognition in relation to conformity assessment;
- (j) Institutional protocol to the Agreement between the European Community and the Swiss Confederation on mutual recognition in relation to conformity assessment;

³ The texts of the agreements and protocols will be published together with the decision on their conclusion.

- (k) Amending Protocol to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products;
- (l) Protocol to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products establishing a Common Food Safety Area;
- (m) Agreement between the European Union and the Swiss Confederation on electricity;
- (n) Agreement between the European Union and the Swiss Confederation on health;
- (o) Agreement between the European Union and the Swiss Confederation on Switzerland's regular financial contribution towards reducing economic and social disparities in the European Union;
- (p) Agreement between the European Union and the Swiss Confederation on the terms and conditions for the participation of the Swiss Confederation in the European Union Agency for the Space Programme;
- (q) Protocol between the European Union and the Swiss Confederation on parliamentary cooperation.

Article 2

1. The signing of the Joint Declaration between the European Union and the Swiss Confederation on the establishment of a high-level dialogue on the broad bilateral package and the possible further development of the bilateral relations between the European Union and Switzerland is hereby approved⁴.
2. The following joint declarations accompanying agreements and protocols referred to in Article 1 of this Decision are hereby approved:
 - (a) the following joint declarations accompanying the amending protocol referred to in Article 1, point (a), of this Decision⁵:
 - Joint Declaration on Union citizenship;
 - Joint Declaration on preventing and acting against abuse of rights conferred by Directive 2004/38/EC;
 - Joint Declaration on refusing social assistance and terminating residence prior to the acquisition of permanent residence;
 - Joint Declaration on the notification of the taking up of employment;
 - Joint Declaration on the Convention of the Recognition of Qualifications;
 - Joint Declaration on job vacancies;
 - Joint Declaration on common objectives regarding the freedom to provide services up to 90 working days and ensuring posted workers' rights;
 - Joint Declaration on effective control systems including Switzerland's dual enforcement system;

⁴ The Declaration is published in OJ L, [XXX].

⁵ The Declarations are published in OJ L, [XXX].

- Joint Declaration on the principle of “Equal pay for equal work in the same place” and on a proportionate and adequate level of protection of posted workers;
 - Joint Declaration on the participation of Switzerland in the activities of the European Labour Authority;
 - Joint Declaration on the declaratory registration system of frontier workers;
 - Joint Declaration concerning the inclusions of two EU legal acts in Annex I to the Agreement;
- (b) the joint declaration accompanying the State aid protocol referred to in Article 1, point (e), of this Decision⁶;
 - (c) the joint declaration accompanying the amending protocol referred to in Article 1, point (f), of this Decision⁷;
 - (d) the joint declaration accompanying the State aid protocol referred to in Article 1, point (h), of this Decision⁸;
 - (e) the joint declaration accompanying the agreement referred to in Article 1, point (m), of this Decision⁹.
3. The Council takes note of the following declarations by Switzerland:
- (a) Declaration by Switzerland on measures to be taken in respect of self-employed persons in the context of the notification procedure for work-related short-term stays accompanying the amending protocol referred to in Article 1, point (a), of this Decision¹⁰;
 - (b) Declaration by the Swiss Confederation regarding the inclusion of the institutional elements by analogy in the Agreement on Health accompanying the agreement referred to in Article 1, point (n), of this Decision¹¹.

Article 3

Subject to reciprocity, the agreement referred to in Article 1, point (p), of this Decision shall be applied provisionally in accordance with Article 15(3) of that agreement¹².

⁶ The Declaration is published in OJ L, [XXX].

⁷ The Declaration is published in OJ L, [XXX].

⁸ The Declaration is published in OJ L, [XXX].

⁹ The Declaration is published in OJ L, [XXX].

¹⁰ The Declaration is published in OJ L, [XXX].

¹¹ The Declaration is published in OJ L, [XXX].

¹² The date from which the Agreement will be provisionally applied will be published in the Official Journal.

Article 4

This Decision shall enter into force on the day of its adoption.

Done at Brussels,

*For the Council
The President*

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT
**“REVENUE”- FOR PROPOSALS HAVING BUDGETARY IMPACT ON THE
REVENUE SIDE OF THE BUDGET**

PART I:

EUROPEAN UNION AGENCY FOR THE SPACE PROGRAMME

1. NAME OF THE PROPOSAL:

Proposal for a Council Decision on the signing of a broad package of agreements to consolidate, deepen and expand the bilateral relations with the Swiss Confederation.

2. BUDGET LINES:

Part I details the financial impact of the Agreement between the European Union and the Swiss Confederation on the terms and conditions for the participation of the Swiss Confederation in the European Union Agency for the Space Programme (hereafter the “Agreement on the Agency for the Space Programme”). Part II details the financial impact of the other agreements in the broad package that foresee a financial contribution of Switzerland to various agencies and information systems.

Revenue line (Chapter/Article/Item):

- Article 04 10 01 – European Union Agency for the Space Programme (EUSPA) – external assigned revenue

The revenues will be assigned to the following expenditure line (Chapter/Article/Item):

- Article 04 10 01 – European Union Agency for the Space Programme (EUSPA) – voted budget.

3. FINANCIAL IMPACT¹

- ☐ Proposal has no financial implications
- ☐ Proposal has no financial impact on expenditure but has a financial impact on revenue
- ☒ Proposal has a financial impact on assigned revenue

¹ All figures for years 2026 and 2027 which are quoted in this section are indicative and correspond to the latest estimates available.

The effect is as follows:

(EUR million to three decimal place)

Revenue line	Impact on revenue	XX months period starting dd/mm/yyyy (if applicable)	Year N (2026)
04 10 01	4 098 115	24 months starting 01/01/2026	4 098 115

Revenue line	2026	2027
04 10 01	4 098 115	4 185 977

Expenditure line	2026	2027
04 10 01	4 098 115	4 185 977

4. ANTI-FRAUD MEASURES

Article 325 of the Treaty on the functioning of the European Union (TFEU) requires the Commission to counter fraud and any illegal activities affecting the financial interests of the Union. Preventing and detecting fraud is therefore a general obligation for all Commission Services in the framework of their daily activities involving the use of resources.

Any fraud or irregularities involving Union funds has a particularly negative impact on the reputation of the Commission and the implementation of Union policies. The current Commission Anti-Fraud Strategy (CAFS) (COM(2019)196) was adopted on 29 April 2019, to replace the 2011 Strategy. It is a policy document setting out the Commission's priorities in the fight against fraud in view of the 2021-2027 multiannual financial framework. The 2019 CAFS' main objectives are to 1) "further improve the understanding of fraud patterns, fraudsters' profiles and systemic vulnerabilities relating to fraud affecting the EU budget" (data collection and analysis), and 2) "optimise coordination, cooperation and workflows for the fight against fraud, in particular among Commission services and executive agencies" (coordination, cooperation and processes). The strategy is accompanied by an Action Plan which was revised in July 2023 and which, like its predecessor, seeks to strengthen all parts of the anti-fraud cycle: prevention, detection, investigation and correction.

The guiding principles and target standards of the 2019 CAFS are:

- zero tolerance for fraud;
- fight against fraud as an integral part of internal control;
- cost-effectiveness of controls;
- professional integrity and competence of Union staff;
- transparency on how Union funds are used;

- fraud prevention, notably fraud-proofing of spending programmes;
- effective investigation capacity and timely exchange of information;
- swift correction (including recovery of defrauded funds and judicial/administrative sanctions);
- good cooperation between internal and external players, in particular between the Union and national authorities responsible, and among the departments of all institutions and bodies of the Union concerned;
- effective internal and external communication on the fight against fraud.

Article 11 of the Agreement on the Agency for the Space Programme and Annex III to the agreement on Switzerland's participation in EUSPA contain detailed provisions concerning the financial as regards Swiss participants in activities of the Agency for the Space Programme, which also includes anti-fraud measures. Annex III provides the necessary details, processes as well as allow for flawless execution of tasks by the bodies in order to safeguard the financial interests of the Union (the European Commission or by other persons mandated by the European Commission, which includes the European Anti-Fraud Office (OLAF) and the European Court of Auditors. the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, to the imposition of the administrative penalties.

In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and ensure that any third parties involved in the implementation of Union funds grant equivalent rights. As expressly provided in Article 11(4) of the Agreement on the Agency for the Space Programme, reviews and audits may be carried out also after the suspension of application of a Protocol, cessation of application or termination of the Agreement.

The Agreement on the Agency for the Space Programme ensures the possibility for OLAF may carry out administrative investigations, including on-the-spot checks and inspections, on the territory of the Swiss Confederation of a Swiss entity that is party to a relevant funding agreement or a Swiss entity third party implementing the funding agreement under a contract, in accordance with, and to the extent provided in, the relevant funding agreement and other applicable contract. When exercising their duties in the territory of the Swiss Confederation, the European Commission and OLAF shall act in a manner compatible with Swiss law.

Reviews and audits may be carried out by the Union officials, in particular officials of the European Commission and the European Court of Auditors, or by other persons mandated by the European Commission. When exercising their duties in the territory of the Swiss Confederation, the European Commission or other persons mandated by the European Commission shall act in a manner compatible with Swiss law.

The Swiss authorities shall cooperate, in accordance with applicable international cooperation instruments with the authorities of the Union or of the Member States competent for the investigation and prosecution of criminal offences affecting the financial interests of the Union, including bringing to judgment alleged perpetrators and accomplices of the said criminal offences. Requests submitted pursuant to applicable international cooperation instruments may include as applicable requests made in relation to investigations or prosecutions of the EPPO. This allows for a cooperation with the EPPO as provided for in

Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law.

Furthermore the Agreement on the Agency for the Space Programme provides for effective mechanism to ensure enforcement of Commission decisions on the territory of the Swiss Confederation.

5. OTHER REMARKS

Switzerland's annual financial contribution to the financing of EUSPA will take the form of the sum of an operational contribution on the one hand, and a participation fee on the other, as defined in Article 4 of the Agreement on the Agency for the Space Programme and Annex I to that agreement.

The operational contribution will be based on a contribution key defined as the ratio of the Gross Domestic Product (GDP) of Switzerland at market prices to the GDP of the Union at market prices. The GDPs to be applied will be the latest available as of 1 January of the year in which the annual payment will be made as provided by Statistical Office of the European Union (EUROSTAT), with due regard to the Agreement on cooperation in the field of statistics². If this agreement ceases to apply, the GDP of Switzerland shall be the one established on the basis of data provided by the Organisation for Economic Co-operation and Development (OECD).

The operational contribution will be calculated by applying the contribution key to the annual Union voted budget inscribed on the relevant Union budget subsidy line(s) of the year in question. All reference amounts will be based on commitment appropriations.

The annual participation fee shall be a percentage of the annual operational. The annual participation fee shall have the following values:

- in 2026: 2 %
- in 2027: 3 %
- in 2028 and subsequent years: 4 %.

All financial contributions by Switzerland or payments from the Union, and the calculation of amounts due or to be received will be made in euro.

The European Commission shall issue calls for funds to Switzerland that correspond to the contribution of Switzerland. Switzerland shall pay the amount indicated in the call for funds at the latest 45 days after receipt of the call for funds.

Any delay in the payment of the financial contribution shall give rise to the payment of default interest by Switzerland on the outstanding amount from the due date. The interest rate for amounts receivable not paid on the due date shall be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the Official Journal of the European Union, in force on the first calendar day of the month in which the due date falls, or 0%, whichever is higher, plus 3.5 percentage points.

² Agreement between the European Community and the Swiss Confederation on cooperation in the field of statistics (OJ L 90, 28.3.2006, p. 2)

PART II:

OTHER AGENCIES AND INFORMATION SYSTEMS

1. NAME OF THE PROPOSAL:

Proposal for a Council Decision on the signing of a broad package of agreements to consolidate, deepen and expand the bilateral relations with the Swiss Confederation.

2. BUDGET LINES:

Part II details the financial impact of the other agreements in the broad package that foresee a financial contribution of Switzerland to various agencies and information systems, except for the Agreement between the European Union and the Swiss Confederation on the terms and conditions for the participation of the Swiss Confederation in the European Union Agency for the Space Programme. Part I details the financial impact of the latter agreement.

Under the agreements in fields related to the internal market in which Switzerland participates, the Health agreement and the agreement on the Agency for the Space Programme enter into force, Switzerland will financially contribute to the Union budget for the management and operation of the agencies and bodies, the information systems and other activities to which it has access under those agreements. A set of standard financial modalities were negotiated and integrated in the specific agreements. These do not concern the agreements on the participation on Switzerland's participation in respectively the European Union Agency for the Space Programme and in the Union programmes.

A detailed description of the financial modalities is included in section 5 of this document.

The information systems to which Switzerland will gain access and will have to financially contribute in accordance with the agreed financial modalities are:

- the European network of Employment Services (EURES) as established by Regulation (EU) 2016/589;
- the Electronic Exchange of Social Security Information (EESSI) as established by Regulation (EC) 883/2004 and Regulation (EC) 987/2009;
- the modules of Internal Market Information system (IMI) as established by Regulation (EU) 1024/20127 relating to the posting of workers, services, professional qualifications, the European Professional Card, Regulated Professions and the Single Digital Gateway;
- the EudraGMDP information system on the Community code relating to medicinal products for human use, as established by Directive 2004/27/EC;
- the EUROPHYT Portal, as established by Commission Directive 94/3/EC of 21 January 1994;
- the Rapid Alert System for Food and Feed (RASFF), as established by Regulation (EC) No 178/2002;
- the platform for sanitary and phytosanitary certification (TRACES), as established by Regulation (EU) 2017/625;
- the Animal Diseases Information System (ADIS), as established by Regulation (EU) 2020/2002;

- the Union Database, as established by Directive (EU) 2018/2001, on the promotion of the use of energy from renewable sources.

The agencies to which Switzerland will gain access and will have to financially contribute in accordance with the agreed financial modalities are:

- the European Centre for Disease Prevention and Control (ECDC), as established by Regulation (EC) No 851/2004;
- the European Food Safety Authority (EFSA), as established by Regulation (EC) No 178/2002;
- the European Union Agency for the Cooperation of Electricity Regulators (ACER), as established by Regulation (EU) 2019/942.

Where alternative funding sources presently exist, these will be maintained. Should this situation change in the course of the lifecycle of the agreements, the standard financial modalities should apply. The following information systems and agencies are concerned:

- TACHOnet, as established by Regulation (EU) No 165/2014 and Commission Implementing Regulation (EU) 2016/68;
- the Early Warning and Response System (EWRS), as established by Regulation (EU) 2022/2371;
- the European Union Aviation Safety Agency (EASA), as established by Regulation (EU) 2018/1139;
- the Mutual Information System on Social Protection (MISSOC).

To take into account that Switzerland will not have access to the activities of the Agency for the Cooperation of Energy Regulators (ACER) falling outside of the scope of the agreement on electricity, its annual operational contribution to ACER will be calculated on the basis of an annual reference amount corresponding to 85% of the amount of the annual Union voted budget inscribed in the relevant Union budget subsidy line(s).

Under the current MFF (2021-2027) no contribution will be required from Switzerland for the financing of the EWRS in accordance with the above-mentioned financial modalities. Instead, its contribution will be covered by its contributions to the financing of the ECDC and the EU4Health programme as these are the EWRS's two funding sources under the current MFF.

The precise impact of Switzerland's contributions on the budget cannot be determined at the time of drafting this file as Switzerland will only start contributing after the concerned agreements have entered into force and their entry into force depends on Switzerland fulfilling certain constitutional obligations. This process may take several years, which might mean that the agreements will not enter into force during the current Multiannual Financial Framework.

As the agreed financing arrangements will generate a recurrent revenue stream for the Union budget and the standard provisions will provide the model for Switzerland's contributions to the management and operation of any additional agency or information system to which Switzerland will gain access in the future, it is nevertheless relevant to illustrate how the financial modalities could impact the budget. The amounts mentioned apply the financial modalities to the 2024 budget, which served as reference during the negotiations on the financing arrangements and payment modalities.

- **Information systems**

European network of employment services (EURES)

Revenue line (Chapter/Article/Item):

- R6 1 2 0 – European Social Fund Plus – Assigned revenue

The revenues will be assigned to the following expenditure lines (Chapter/Article/Item):

Article 07 02 04 - ESF+ — Employment and Social Innovation (EaSI) strand, and

- Article 07 10 09 – European Labour Authority (ELA): expenditure related to the EURES platform

Electronic Exchange of Social Security Information (EESSI)

Revenue line (Chapter/Article/Item):

- 6 1 2 0 – European Social Fund Plus – Assigned revenue
- R 6 6 3 0 – Pilot projects, preparatory actions, prerogatives and other actions

The revenues will be assigned to the following expenditure lines (Chapter/Article/Item):

- Article 07 02 04 – ESF+ — Employment and Social Innovation (EaSI) strand;
- Item 07 20 03 01 – Free Movement of workers, coordination of social security schemes and measures for migrants, including migrants from third countries

Internal Market Information (IMI)

Revenue line (Chapter/Article/Item):

- 6 00 03 00 – Single Market Programme – Assigned revenue

The revenues will be assigned to the following expenditure line (Chapter/Article/Item):

- Item 03 01 01 01 – Support expenditure for the Single Market Programme (03 01 01 01 02)

EudraGMDP

Revenue line (Chapter/Article/Item):

- 6 6 2

The revenues will be assigned to the following expenditure line (Chapter/Article/Item):

- 6 10 03 01 – Union contribution to the European Medicines Agency

EUROPHYT, iRASFF, TRACES, ADIS

Revenue line (Chapter/Article/Item):

- 60 30

The revenues will be assigned to the following expenditure line (Chapter/Article/Item):

- Article 03 02 06 – Contributing to a high level of health and welfare for humans, animals and plants

Union Database, as established by Directive (EU) 2018/2001

Revenue line (Chapter/Article/Item):

- 6 06 08 – other contributions and refunds – Assigned revenue

The revenues will be assigned to the following expenditure line (Chapter/Article/Item):

- 02 20 04 02 – Support activities for the European energy policy and internal energy market
- **Agencies**

European Centre for Disease Prevention and Control (ECDC) and European Food Safety Authority (EFSA)

Revenue line (Chapter/Article/Item):

- 6 6 2

The revenues will be assigned to the following expenditure line (Chapter/Article/Item):

- Article 06 10 01 – European Centre for Disease Prevention and Control
- Article 06 10 02 – European Food Safety Authority

European Union Agency for the Cooperation of Energy Regulators (ACER)

Revenue line (Chapter/Article/Item):

- 6 06 08 – Decentralised agencies – Assigned revenue

The revenues will be assigned to the following expenditure line (Chapter/Article/Item):

- Article 02 10 06 – European Union Agency for the Cooperation of Energy Regulators (ACER)

3. FINANCIAL IMPACT

- ☐ Proposal has no financial implications
- ☐ Proposal has no financial impact on expenditure but has a financial impact on revenue
- ☒ Proposal has a financial impact on assigned revenue

The effect is as follows:

- **Information systems**

European network of employment services (EURES)

Revenue line	Impact on annual revenue (2024 estimate)
R 6 1 2 0	999 897

Situation following action	
Revenue line	Estimated annual revenue
R 6 1 2 0	999 897
Expenditure line	Estimated annual expenditure
07 02 04 07 10 09	999 897

Electronic Exchange of Social Security Information (EESSI)

Revenue lines	Impact on annual revenue (2024 estimate)
R 6 1 2 0 R 6 6 3 0	227 136

Situation following action	
Revenue line	Estimated annual revenue
R6 1 2 0 R 6 6 3 0	227 136
Expenditure line	Estimated annual expenditure
07 02 04 07 20 03 01	227 136

Internal Market Information (IMI)

Revenue line	Impact on annual revenue (2024 estimate)
6 00 03 00	96 346

Situation following action	
Revenue line	Estimated annual revenue
6 00 03 00	96 346
Expenditure line	Estimated annual expenditure
Item 03 01 01 01 (03 01 01 01 02)	96 346

EudraGMDP

Revenue line	Impact on annual revenue (2024 estimate)
6 6 2	6 525

Situation following action	
Revenue line	Estimated annual revenue
6 6 2	6 525
Expenditure line	Estimated annual expenditure
6 10 03 01	6 525

EUROPHYT, iRASFF, TRACES, ADIS

Revenue line	Impact on annual revenue (2024 estimate)
6 0 3 0	727 804

Situation following action

Revenue line	Estimated annual revenue
6 0 3 0	727 804
Expenditure line	Estimated annual expenditure
Article 03 02 06	727 804

Union Database, as established by Directive (EU) 2018/2001

Revenue line	Impact on annual revenue (2024 estimate)
6 06 08	875 000

Situation following action	
Revenue line	Estimated annual revenue
6 06 08	875 000
Expenditure line	Estimated annual expenditure
02 20 04 02	875 000

- **Agencies**

European Centre for Disease Prevention and Control (ECDC)

Revenue line	Impact on annual revenue (2024 estimate)
6 6 2	3 670 862

Situation following action	
Revenue line	Estimated annual revenue
6 6 2	3 670 862
Expenditure line	Estimated annual expenditure
Article 06 10 01	3 670 862

European Food Safety Authority (EFSA)

Revenue line	Impact on annual revenue (2024 estimate)
6 6 2	7 755 340

Situation following action	
Revenue line	Estimated annual revenue
6 6 2	7 755 340
Expenditure line	Estimated annual expenditure
Article 06 10 02	7 755 340

European Union Agency for the Cooperation of Energy Regulators (ACER)³

Revenue line	Impact on annual revenue (2024 estimate)
06 06 08	981 805

³ Based on an annual reference amount corresponding to 85% of the amount of the annual Union voted budget inscribed in the relevant EU budget subsidy line(s).

Situation following action	
Revenue line	Estimated annual revenue
6 06 08	981 805
Expenditure line	Estimated annual expenditure
02 10 06	981 805

4. ANTI-FRAUD MEASURES

Article 325 of the Treaty on the functioning of the European Union (TFEU) requires the Commission to counter fraud and any illegal activities affecting the financial interests of the Union. Preventing and detecting fraud is therefore a general obligation for all Commission Services in the framework of their daily activities involving the use of resources.

Any fraud or irregularities involving Union funds has a particularly negative impact on the reputation of the Commission and the implementation of Union policies. The current Commission Anti-Fraud Strategy (CAFS) (COM(2019)196) was adopted on 29 April 2019, to replace the 2011 Strategy. It is a policy document setting out the Commission's priorities in the fight against fraud in view of the 2021-2027 multiannual financial framework. The 2019 CAFS' main objectives are to 1) "further improve the understanding of fraud patterns, fraudsters' profiles and systemic vulnerabilities relating to fraud affecting the EU budget" (data collection and analysis), and 2) "optimise coordination, cooperation and workflows for the fight against fraud, in particular among Commission services and executive agencies" (coordination, cooperation and processes). The strategy is accompanied by an Action Plan which was revised in July 2023 and which, like its predecessor, seeks to strengthen all parts of the anti-fraud cycle: prevention, detection, investigation and correction.

The guiding principles and target standards of the 2019 CAFS are:

- zero tolerance for fraud;
- fight against fraud as an integral part of internal control;
- cost-effectiveness of controls;
- professional integrity and competence of Union staff;
- transparency on how Union funds are used;
- fraud prevention, notably fraud-proofing of spending programmes;
- effective investigation capacity and timely exchange of information;
- swift correction (including recovery of defrauded funds and judicial/administrative sanctions);
- good cooperation between internal and external players, in particular between the Union and national authorities responsible, and among the departments of all institutions and bodies of the Union concerned;
- effective internal and external communication on the fight against fraud.

5. OTHER REMARKS

Switzerland's annual financial contribution to the financing of information systems and agencies will take the form of the sum of an operational contribution on the one hand, and a participation fee on the other.

The operational contribution will be based on a contribution key defined as the ratio of the Gross Domestic Product (GDP) of Switzerland at market prices to the GDP of the Union at market prices. The GDPs to be applied will be the latest available as of 1 January of the year in which the annual payment will be made as provided by Statistical Office of the European Union (EUROSTAT), with due regard to the Agreement on cooperation in the field of statistics⁴. If this agreement ceases to apply, the GDP of Switzerland shall be the one established on the basis of data provided by the Organisation for Economic Co-operation and Development (OECD).

The operational contribution for agencies will be calculated by applying the contribution key to the annual Union voted budget inscribed on the relevant Union budget subsidy line(s) of the year in question. The operational contribution for the information systems and other activities will be calculated by applying the contribution key to the relevant budget of the year in question as set out in documents implementing the budget (such as work programmes or contracts). All reference amounts will be based on commitment appropriations.

The annual participation fee shall be 4% of the annual operational contribution.

All financial contributions by Switzerland or payments from the Union, and the calculation of amounts due or to be received will be made in euro.

The European Commission will communicate to Switzerland at the latest on 16 April of the financial year, the following information in relation to Switzerland's participation:

- the amounts in commitment appropriations of the annual Union budget inscribed on the relevant Union subsidy budget line(s) of the year in question for each agency and the amounts in commitment appropriations in relation to the Union voted budget of the year in question for the relevant budget of the information systems;
- the amount of the participation fee;
- as regards agencies, in year N+1 the amounts in budgetary commitments made on commitment appropriations authorised in year N on the relevant Union budget subsidy line(s) in relation to the annual Union budget inscribed on the relevant Union subsidy budget lines of year N.

Based on its draft budget, the European Commission shall provide an estimate of above-mentioned information as soon as possible, and at the latest, by 1 September of the financial year.

The European Commission shall issue calls for funds to Switzerland that correspond to the contribution of Switzerland for each of the agencies, information systems and other activities in which Switzerland participates. Switzerland shall pay the amount indicated in the call for funds at the latest 60 days after a call for funds has been issued.

In each call for funds, Switzerland may make separate payments for each agency, information system or other activity.

⁴ Agreement between the European Community and the Swiss Confederation on cooperation in the field of statistics (OJ L 90, 28.3.2006, p. 2)

Any delay in the payment of the financial contribution shall give rise to the payment of default interest by Switzerland on the outstanding amount from the due date.

The interest rate for amounts receivable not paid on the due date shall be the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the Official Journal of the European Union, in force on the first calendar day of the month in which the due date falls, or 0%, whichever is higher, plus 3.5 percentage points.