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'I' ITEM NOTE

From: Budget Committee

To: Permanent Representatives Committee

Subject: Budgetary scrutiny of the proposal establishing the Security Action for Europe (SAFE) Instrument: Conclusions of the Council's delegations

- *Approval of a letter*

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1. On 20 March 2025, the Commission issued a proposal for a Council Regulation establishing the Security Action for Europe (SAFE) through the reinforcement of European defence industry Instrument¹, based on Article 122 TFEU.
 2. In this context, upon request of the European Parliament, the budgetary scrutiny procedure provided for in the joint declaration on budgetary scrutiny of new proposals based on Article 122 TFEU with potential implications for the Union budget was initiated in relation to the proposal establishing the SAFE Instrument.

¹ Doc. 7306/25 + COR 1.

3. Without prejudice to the powers of the Council under Article 122 TFEU, the European Parliament and the Council engaged in a constructive dialogue with a view to seeking a joint understanding of the budgetary implications of the envisaged legal act having due regard to the urgency of the matter.
 4. To this effect, meetings of the Joint Committee consisting of representatives of the European Parliament and of the Council at the appropriate level, with the participation of the Commission, took place on 8 April and 19 May 2025.
 5. On 4 June 2025, the European Parliament addressed a letter to the Council containing the conclusions of the European Parliament's delegation to the Joint Committee, and looking forward to receive the Council's conclusions.
 6. In view of the above, the Permanent Representatives Committee is invited to approve the letter set out in the ANNEX to be sent on behalf of the Council to the President of the European Parliament, in accordance with point (k) of Article 19(7) of the Council's Rules of Procedure.
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DRAFT LETTER

From: Chair of the Permanent Representatives Committee

To: Chair of the Committee on Budgets of the European Parliament

cc: Piotr Serafin, Member of the European Commission

Subject: Procedure of budgetary scrutiny on the proposal for a Council Regulation establishing the Security Action for Europe (SAFE) through the reinforcement of European defence industry Instrument – Conclusions of the Council’s delegation

Dear Chair Van Overtveldt,

Thank you for your letter, received by the Council on 4 June 2025, in which you outlined the overall conclusions from a majority of the European Parliament’s delegation regarding the budgetary implications of the SAFE instrument.

The Council agrees with the European Parliament that the scrutiny procedure provides both branches of the budgetary authority with an opportunity to engage in meaningful dialogue about the budgetary implications of proposed legal acts under Article 122 TFEU when those implications are likely to be appreciable. Our two joint meetings dedicated to the SAFE instrument clearly demonstrated this.

As the Council indicated to the Joint Committee, the Council believes that the SAFE instrument is not expected to have “appreciable” budgetary implications, within the meaning of the Joint Declaration.

Recalling that the scope of the budgetary scrutiny procedure is engaging in a constructive dialogue with a view to seek a joint understanding of the budgetary implications of a proposed legal act under Article 122 TFEU, and noting that the procedure should take place during a period not exceeding two months, the Council would like to thank the European Parliament for its constructive input and cooperation in concluding the budgetary scrutiny of the SAFE instrument.

The Council looks forward to our continued cooperation on these matters in the event of future applications of the procedure.

(Complimentary close)
