Silicon Europe

Position Paper – Chips Act 2.0

Subject	Position on the published version of the Chips Act 2.0 Regulation, COM(2026) 504 final (3 June 2026)
Submitted by	**Silicon Europe**
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About Silicon Europe

Silicon Europe is a European metacluster founded in 2015, bringing together 14 national and regional semiconductor and microelectronics clusters from 11 countries and representing an ecosystem of more than 2500 companies, research institutes and academic partners spanning the entire value chain, from design and materials to manufacturing, packaging and testing. Through joint advocacy, cross-border cooperation and support for SMEs and start-ups, Silicon Europe has played an active role in shaping and implementing EU semiconductor policy, including the original Chips Act, and this position paper reflects its members' consolidated view on the proposed Chips Act 2.0.

Key recommendations

- **Ensure continuity and predictable funding** for the Chips for Europe Initiative 2.0 between the 2021–2027 and 2028–2034 MFFs, including sufficient funding for the Design Platform, pilot lines, competence centres and strategic projects, with a dedicated and identifiable allocation for semiconductors in the 2028–2034 MFF.
- **Maintain broad value-chain coverage** in the FOAK framework, including specialised projects in areas such as power semiconductors, photonics, quantum, secure chips, advanced packaging, analytical platforms and metrology, as well as design centres, research and development facilities, and testing and validation capabilities.
- **Ensure meaningful cross-border spillovers**, including through structured cooperation between projects and semiconductor ecosystems in different Member States, as well as adequate SME participation and a balanced geographical distribution in strategic projects.
- **Establish transparent and proportionate criteria** for the European Semiconductor Region of Excellence label that account for differences in the size, specialisation and maturity of regional ecosystems, and give the label concrete benefits in Union funding programmes.
- **Maintain the broad definition of "domestic undertaking"** proposed by the Commission, while restricting participation in the B2B Semiconductor Supply Chain Platform to domestic undertakings in order to protect sensitive supply-chain information.
- **Facilitate SME participation in the B2B Platform** by allowing clusters and similar ecosystem organisations to coordinate participation and aggregate data on behalf of SMEs, and give them an advisory role in its design and operation.
- **Guarantee affordable access for SMEs, start-ups and academia** to the Design Platform, PDKs, EDA tools, IP libraries, MPW runs, tape-out services and pilot lines through predictable funding and preferential pricing mechanisms.
- **Create a specific instrument for talent**, with its own budget, quantified targets and a status for European semiconductor talent initiatives.
- **Give associations and clusters a formal role in governance**, as permanent observers in the European Semiconductor Board and with full membership in the Industrial Alliance for Semiconductors, including in the demand accelerators and the demand forum.
- **Ensure proportionate and predictable implementation of accelerated permitting**, including clearly defined deadlines and procedures for strategic semiconductor projects.

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Inclusion of demand-side measures

Silicon Europe welcomes the proposed Chips Act 2.0 and appreciates that it builds on the results of the first Chips Act and addresses its weaknesses – in particular insufficient demand generation for EU-made chips. The proposed measures related to grand challenges, strategic projects, and public procurement can stimulate demand needed to increase the competitiveness of the European semiconductor ecosystem. Nevertheless, with regard to public procurement and the security of supply, it is important to ensure harmonized and proportionate conditions for supply security declarations without placing an excessive burden on SMEs.

Predictable and long term financing

The continuity of Chips for Europe Initiative 2.0 financing between the current Multiannual Financial Framework and the 2028–2034 MFF is essential, so that no gap arises in the financing of the EuroCDP design platform, pilot lines, chips competence centres and the aCCCess coordination platform.

Moreover, it is key to secure sufficient allocation for the semiconductor industry within the European Competitiveness Fund (ECF), among others in relation to the financing of strategic projects, as well as within the future Horizon Europe programme for R&D in enabling technologies. This is all the more pressing as the proposal limits the Chips for Europe Initiative 2.0 to the 2021–2027 MFF (Article 3(1)), and its explanatory memorandum states that the budgets for the Initiative and for strategic projects in the 2028–2034 MFF can only be requested at a later stage.

Broadened focus on the entire semiconductor value chain and technological neutrality

Silicon Europe welcomes the broadened focus of the Chips Act 2.0 across the semiconductor value chain. The proposal should maintain broad support across the entire semiconductor value chain – from research, design and materials through manufacturing equipment and production to packaging, testing and metrology. Moreover, implementation of the proposal should be coordinated with the Critical Raw Materials Act to address supply risks for semiconductor-relevant materials.

Accordingly, Silicon Europe welcomes the revised first-of-a-kind (FOAK) criterion. FOAK should not be interpreted narrowly as a tool for only a handful of the largest manufacturing investments – Silicon Europe considers it important that the FOAK criteria remain open to specialised projects with European added value as well, e.g. in power semiconductors, photonics, quantum, secure chips, advanced packaging. While the proposal itself defines FOAK sufficiently broadly, some implied sections of the value-chain should be mentioned explicitly, including the segment of analytical and metrological platforms, as well as design centres and chip design activities beyond the ‘manufacturing-centred’ scope of Article 2(11), research and development facilities, and testing and validation capabilities. Moreover, the definition should explicitly include innovative mature-node technologies serving European industrial applications, which have potentially disruptive impact.

Silicon Europe is wary of the proposal stating that applicants for FOAK shall be assessed based on “proven experience of the applicant in operating similar initiatives” (Article 15(2)(c)). While further clarification is needed on what should be understood under “similar initiatives”, Silicon Europe stresses that the definition should not be interpreted too strictly, so

as to avoid only already highly developed entities applying. Silicon Europe proposes that Article 15(2)(c) clarifies that, where an application is submitted by a consortium, the requirement for proven experience may be fulfilled by at least one consortium member, which may act as guarantor for the implementation of the initiative. Eligibility for strategic projects should also accommodate multi-site SME networks through appropriate collective legal structures, including cluster associations or European Economic Interest Groupings.

Lastly, Silicon Europe calls for technology neutrality across the proposal and suggests broadening the technology areas covered by the grand challenges and strategic projects (Annex I(7) and Annex II), notably to include Physical AI applications in robotics and advanced manufacturing, power electronics for energy grid modernisation, and energy-efficient semiconductor solutions.

Spillover effects across the European ecosystem

Silicon Europe finds it key to facilitate spillover effects across the European semiconductor ecosystem, so that support is not concentrated solely in already advanced hubs and does not occur in isolation from surrounding regional ecosystems. Silicon Europe considers the IPCEI project setup a suitable model for projects introduced in Chips Act 2.0, as it represents a proven mechanism ensuring genuine cross-border cooperation and the dissemination of benefits across the European ecosystem.

The current criterion for the spillover effects in Article 14(6)(a) is formulated in general terms with regard to the ‘Union value chain’, without explicitly requiring proof of specific structured cooperation with actors in other Member States. Without this clarification, there is a risk that the requirement for a spillover effect will, in practice, be assessed merely by reference to a general benefit to the market, without leading to the actual involvement of other regional ecosystems. Silicon Europe therefore proposes that Article 14(6)(a) requires applicants to demonstrate, where appropriate, concrete forms of cross-border cooperation with semiconductor actors in other Member States.

The same principle should apply to strategic projects. Technical cooperation in any segment of the semiconductor value chain, not only in manufacturing, should count towards the cross-border dimension required by Article 16(1)(d). In addition, strategic projects should provide for adequate participation of SMEs, and multi-site strategic projects should ensure a balanced geographical distribution of their sites across the Union. To make the cross-border requirement viable for SMEs, the competence centres referred to in Article 6 should be tasked, in cooperation with clusters and associations and with dedicated funding, with facilitating the formation of cross-border consortia, including partner search and support in the preparation of applications.

Silicon Europe’s regional clusters can act as effective multipliers of spillover effects, translating the results of major semiconductor investments into tangible benefits for companies and research organisations across Europe. With their strong connections to regional industrial ecosystems, SMEs, start-ups, research laboratories and technology providers, clusters can identify relevant capabilities, connect technology developers with potential users, and facilitate the transfer, demonstration and uptake of technologies beyond the immediate beneficiaries of funded projects. Building on proven initiatives such as the Semiconductor Rendez-vous in Lund (2022) and Prague (2024), as well as international events organised by the Silicon Europe clusters such as Silicon Saxony Days, which brought together major industrial players, SMEs, research organisations and academic stakeholders to share IPCEI results and explore their wider applications at EU level, Silicon Europe cluster members can organise targeted cross-border technology-dissemination activities, matchmaking events and structured B2B exchanges.

Recognising clusters as delivery partners for spillover activities under Chips Act 2.0 would provide a practical, cost-effective mechanism to extend the reach of strategic investments, strengthen interregional value chains and ensure that innovation and industrial capabilities developed in leading semiconductor hubs generate wider economic and technological benefits across the Union.

European Semiconductor Region of Excellence

Silicon Europe advocates for transparent and proportionate criteria that also allow emerging and specialised regional ecosystems to obtain the European Semiconductor Region of Excellence label. In its current form, the proposal lacks measurable indicators or an assessment methodology (Article 28(1) refers only to the coherence and credibility of the Semiconductor Region Investment Plan and the level of commitment of the relevant authorities) and could lead to unpredictable assessment of applications or favour already established hubs, which can more easily demonstrate existing capacities. Assessment criteria should take into account the differing size, specialisation and stage of development of regional ecosystems.

In addition, the benefits of the label need to be operationalised. Article 26(3) only provides that the label ‘may be taken into account’ in Union funding programmes, which risks making it symbolic. The label should carry a clearly defined advantage in relevant EU funding assessments, for example under the European Regional Development Fund (ERDF) or in financing by the European Investment Bank (EIB), so that recognition translates into practical support for regional ecosystems. It should be taken into account in calls of the Chips Joint Undertaking and in the siting of multi-site strategic projects, and label holders should receive technical assistance for implementing their Semiconductor Region Investment Plan. The label should also be tied to defined maximum approval periods – specifically, projects carried out in European Semiconductor Regions of Excellence should take no longer than 9 months from proposal to funding decision.

Overall, clearer information on the application process, the foreseen coordination with national authorities, and the tangible benefits associated with the label would greatly facilitate adoption of the label by the Regions.

Lastly, Silicon Europe calls for the recognition of the important role of the regional clusters in the process and assessment criteria of the European Semiconductor Region of Excellence label.

Definition of “domestic undertaking”

Given the foreign-origin structure of entities in the European semiconductor chain and the dynamic relationships with key actors of the semiconductor chain, Silicon Europe considers it essential to maintain a sufficiently open definition of “domestic undertaking”, which nevertheless assures a clear contribution to the growth of European competitiveness. Silicon Europe welcomes the consideration of partnerships with third countries within the current proposal, whether through FTAs, the Customs Union, or strategic partnerships under Art. 47, or with signatories of the WTO Agreement on Government Procurement, especially where they have a genuine economic presence and contribution in the EU.

The same logic should apply to eligibility for European semiconductor technology initiatives and strategic projects. Consistent with the open definition of "domestic undertaking" set out above, eligibility should continue to be determined by the nature and substance of the application and not by the nationality of the applicant’s ultimate parent undertaking, provided that it meets the conditions applicable to domestic undertakings. A nationality-based

exclusion would penalise long-established Union manufacturing sites with non-EU ownership, several of which are significant contributors to European production capacity across multiple Member States.

Business-to-Business Semiconductor Supply Chain Platform

Silicon Europe considers it crucial to have an effective setup of the Business-to-Business Semiconductor Supply Chain Platform, which does not exclude participation from SMEs and takes possible risks into account.

First, clarification of the frequency and method of data collection is needed.

Second, in order to allow for significant SME participation, clusters or similar organisations should be allowed to act on behalf of participating undertakings. Silicon Europe therefore proposes that Article 34 clarify that participation may be facilitated through recognised clusters or equivalent ecosystem organisations acting as coordinators or intermediaries for SMEs, including through the aggregation and submission of non-commercially sensitive information on behalf of participating undertakings. Moreover, clusters and associations should have a formal advisory role in the design and operation of the Platform, as they bring together the views of SMEs, large undertakings, start-ups, research and technology organisations and regions.

Third, strong emphasis must be placed on data protection. The principle of limiting participation exclusively to domestic undertakings should be maintained, consistent with the wide-but-selective definition of “domestic undertaking” set out above, as the participation of entities from third countries that do not meet that definition, and where, for example, mandatory cooperation between private actors and state security agencies is enshrined in law, or where entities are subject to significant influence or control by the state, would increase the risk of sensitive data leaks. Crisis-response provisions should also clearly define the undertakings and forms of public support subject to priority-rated orders, ensuring predictable obligations for SMEs and mid-caps.

Fourth, beyond its currently proposed functionalities, the platform’s data should also be used for the creation of a monitoring tool focused on the competitiveness of the European semiconductor industry that highlights the competitive strengths of the European ecosystem and identifies potential export opportunities for the EU.

Transparent and affordable conditions for start-ups, SMEs and academia

A further objective of Silicon Europe is achieving transparent and affordable conditions for the use of the Design Platform, pilot lines and prototyping services for SMEs and start-ups, including access to relevant PDKs, EDA tools, IP libraries, MPW and tape-out services.

Silicon Europe considers it beneficial for access to pilot lines and the Design Platform to be supported by priority and predictable financing for fabless start-ups, SMEs and academia (vouchers / grants for design-to-tape-out, subsidised MPW runs, preferential pricing). Article 5(a)(i), as currently worded, states the intention to facilitate access to the Design Platform for academia, start-ups, scale-ups and SMEs. However, without explicitly establishing predictable and prioritised funding mechanisms, there is a risk that access to the Design Platform will, in practice, remain limited to entities with the existing capacity to finance costly tape-out processes, which would effectively exclude precisely those fabless start-ups and SMEs whom the platform is meant to serve. The aim is for entities with genuine design demand to be able to make full use of the pilot lines, for a new generation of EU fabless start-ups to emerge, and for dependence on foreign design ecosystems to decrease.

Furthermore, Silicon Europe proposes explicitly calling for preferential pricing terms for access to publicly funded infrastructure, such as pilot lines and testing facilities, and to the chips competence centres for SMEs and academic institutions, in line with the approach set out in recital 30.

Lastly, cross-regional cooperation between competence centres, vocational institutes, universities and industry should also support joint training and mobility to address semiconductor skills shortages. A European network of existing regional clean rooms, laboratories, and packaging, testing and validation facilities should complement pilot lines and facilitate access for companies.

Talent and skills

The proposal recognises the shortage of skills as a structural challenge, but addresses it mainly as one of the tasks of the competence centres (Article 6(2)(f) and (g)) and refers to generic Union frameworks (recital 29), without a dedicated budget or quantified targets. Silicon Europe calls for a dedicated talent instrument within the Chips for Europe Initiative 2.0, with its own budget and a multiple-year strategy with quantified targets, and for the possibility of recognising European semiconductor talent initiatives in which clusters, universities, vocational training providers and competence centres cooperate. The development of skills should also be among the criteria for strategic projects, as it already is for European semiconductor technology initiatives (Article 14(6)(d)).

Role of associations and clusters in governance

The proposal involves representative organisations of the semiconductor value chain in the work of the European Semiconductor Board only ‘where appropriate’ (Articles 45(3) and 46(4)). National and regional ecosystem organisations, including clusters, have played a central role in mobilising calls for proposals and in coordinating start-ups and SMEs. Silicon Europe proposes that they be granted permanent observer status in the Board and its sub-groups, and that national competent authorities be required to consult national associations and clusters before each meeting of the Board, going beyond the general consultation clause of Article 48(6). Similarly, the Industrial Alliance for Semiconductors implements the demand accelerators and the demand forum (Articles 8(2) and 9(2)), but Article 49(3) lists only enterprises, start-ups, research and technology organisations and user sectors as potential members. Associations and clusters should explicitly be allowed full membership of the Alliance and should be structural participants, not only consultees, in the working groups implementing both demand instruments.

Accelerated permitting

Following the conclusions of the impact assessment accompanying Chips Act 2.0, Silicon Europe welcomes the introduction of clearly defined deadlines and procedures for accelerated permitting for strategic projects and European semiconductor technology initiatives, which it considers appropriate, and calls for its effective implementation. The accelerated procedure should apply consistently across Member States and avoid the reintroduction of duplicative administrative requirements through national implementation. Clearly defined, limited flexibility should accommodate mandatory public consultations and environmental remediation when converting existing industrial sites. In the same spirit of simplification, the assessment carried out by the Commission when granting the status of European semiconductor technology initiative should not be repeated when the same initiative applies for Union or national support, without prejudice to State aid rules.