



**COUNCIL OF  
THE EUROPEAN UNION**

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PRESSE 294

### **Council agrees transitional rules on bilateral investment treaties**

The Council today<sup>1</sup> approved a draft regulation on bilateral investment treaties with third countries, following an agreement reached with the European Parliament on 29 May (10892/12).

The agreed text will be sent to the Parliament, which is expected to adopt it at second reading without further amendment.

The draft regulation is aimed at ensuring a smooth transition from the current system of bilateral investment treaties (BITs) between member states and third countries to a system whereby EU BITs are negotiated by the Commission. It will thus give form to an EU competence for foreign direct investment, introduced by article 207 of the Treaty of Lisbon as part of the EU's common commercial policy.

The Council has two objectives with this proposal: To ensure legal certainty to the fullest possible extent, together with maximum protection for EU investors, and to maintain the EU as a preferred destination for foreign direct investment.

Beyond the scope of the regulation, an EU investment policy, based on the EU's new exclusive competence in this field, will gradually be developed.

The European Parliament voted at first reading on the proposal in May 2011.

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<sup>1</sup> The decision was taken without discussion at a meeting of the General Affairs Council.

**P R E S S**