

(GROW)

**From:** [REDACTED] (GROW)  
**Sent:** 06 June 2016 10:16  
**To:** SCHWIMANN Irmfried (GROW); NUNES DE ALMEIDA Joaquim (GROW); HUSAK Tomasz (CAB-BIENKOWSKA); DRZEWOSKA Agnieszka (CAB-BIENKOWSKA)  
**Cc:** [REDACTED] (GROW); [REDACTED] (GROW); [REDACTED] (GROW); [REDACTED] (GROW); [REDACTED] (GROW); [REDACTED] (GROW)  
**Subject:** Flash report - meeting with HU on Paks - 03/06/2016  
**Importance:** High

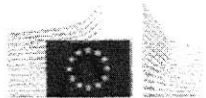
Dear Colleagues,

Please find below the flash report of the meeting on Paks with HU, which took place on 03/06/2016.

Best regards,

[REDACTED]

[REDACTED]



Directorate General Internal Market, Industry, Entrepreneurship and SMEs  
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On Friday 03/06/2016 a meeting on Paks took place with the Hungarian delegation lead by Mr Balázs Sonkodi.

The meeting was held in a good atmosphere and spirit of cooperation.

The main focus of the meeting was to explore the details and the possible commitments that HU could take regarding subcontracting, if the "sole provider" argument would have a solid basis.

Main points raised, discussed:

1. The percentage of subcontracting

- [REDACTED] (HU itself cannot commit, it is for RU since they will do the subcontracting), [REDACTED]
- The exact written form of the RU commitment has not yet been discussed [REDACTED]

- HU sought for Commission advice on how to formalise an "agreement" (commitment) that engages RU to subcontract [REDACTED]
- HU promised to elaborate what are the exact parts of the project that are covered [REDACTED]
- [REDACTED]
- According to HU, subcontracting shall be done in line with the PP Appendix to the IGA without recourse to the possibility of in-house awards foreseen in that appendix.
- GROW asked which guarantees HU can provide to ensure that it will not only be RU companies that win contracts, but fair competition will be applied
- EU asked that in the PP appendix, the term services be replaced by construction services or works. HU promised to look at the appendix.
- The attention of HU was brought to the necessity of using the security exception only in exceptional and duly justified circumstances.

## 2. Transparent publication

- HU confirmed that publication is to be done in EN as well as on a widely, publicly accessible website. More concrete information on various means possible should be looked at.

## 3. Remedies system for subcontracting

- HU promised to assess this issue (HU could not say yet which law will apply, but will look into it) and come back to us

## 4. Monitoring of subcontracting during the lifetime of the project

- HU confirmed that such a monitoring is not a problem for them, they are open to discussion regarding the sequence and the form

## 5. Localisation

- HU affirmed that the [REDACTED] localisation target is EU wide, but this provision is not binding.

Follow up:

HU promised to provide detailed information and elaborate on

- The form HU and RU commitment should take
- The remedy system to be applied in subcontracting procedures
- The monitoring of subcontracting
- The exact parts that are covered by [REDACTED]
- Assurances to ensure that for [REDACTED] the potential bidder won't be ROSATOM subsidiaries
- Exact interpretation of localisation

and come back to us by the end of next week.

### Participants:

HU

- Mr Balázs Sonkodi, Secretary of State
- Olivér Várhelyi, HU Perm Rep, Ambassador
- [REDACTED] LLP

- [REDACTED] Law Firm

**DG GROW**

- Joaquim Nunes de Almeida, Director G
- [REDACTED], G.2
- [REDACTED], G.2
- [REDACTED]

