

## LI-Statement 56<sup>th</sup> EEA Council 24<sup>th</sup> of May 2023 – Functioning of the EEA

Dear Vice-President, dear Ministers, dear Managing Director,

The Internal Market turned 30. It has long outgrown its children shoes. It is a pinnacle of the European project and bedrock of Europe's prosperity. For Liechtenstein, the celebrations will continue in the two years to come:

In 2024, we will celebrate the 30<sup>th</sup> anniversary of the EEA Agreement and in 2025, the entry into force of the Agreement in our country. But besides celebrating our EEA membership, we are set to work hard to preserve its most valued achievements as they cannot be taken for granted.

Let me give you an example of a field where our full engagement will be required in the months to come: A part of the EU's response to a new quality and urgency of long-existing challenges to Europe's economic competitiveness, are laws that raise challenges with regard to their relation to the Internal Market.

Examples of such EU legal acts are the Net Zero Industry-, Critical Raw Materials- or Chips Act or the Foreign Subsidies Act and Anti-Coercion Instrument.

Many of these strategically important acts pose a unique and novel challenge for the EEA/EFTA States: They are often multi-pronged. With multi-pronged I refer to their legal basis and/or effects.

This kind of legislation has a clear bearing on the Internal Market but often also relates to policy fields outside the EEA Agreement such as trade.

Some of the proposals were marked EEA-relevant by the Commission, others not.

For the EEA/EFTA States such legal acts raise the essential question of what it means to be in or out. We need to ask ourselves what non-inclusion would mean for our participation in and the integrity of the Internal Market versus the impact of our integration on trade relations with third countries.

More fundamentally, the question arises of how we adapt if EU legislative activity will increasingly be multi-dimensional.

Going ahead, we hope for constructive discussions with our EU partners on how to tackle the related legal and policy questions together in a way that prevents a fragmentation of the Internal Market and preserves the integrity of the EEA Agreement.

Besides addressing such fundamental questions, we are of course constantly engaging with the core homework of our EEA membership.

By that I mean: Speeding up incorporation of EU legal acts, lifting constitutional requirements and implementing EEA law.

In short: Making our national contribution to the homogeneity of the Internal Market.

If it comes to reducing the backlog, we stand ready to work closely and transparently with our EU partners, to reduce it with great efficiency.

We just lifted the two oldest of our constitutional requirements where the six months deadline has already passed and will lift the remaining four by the end of the summer. For the seven constitutional requirements, where the six months deadline has not yet passed, we will continue our efforts to lift them within the 6-months period or – due to the summer recess – shortly thereafter.

If it comes to implementation, the most recent Internal Market Scoreboard states that Liechtenstein further reduced its transposition deficit from 0.7 to 0.4 per cent. Liechtenstein thereby now falls below the 0.5 per cent benchmark that ESA looks at in line with the European Commission's Single Market Act.

A field in which Liechtenstein has been investing much woman- and man power in recent years, is the digitalization. This is a big task for a small State with a lean national administration.

We expect our new cyber security law to enter into force this summer which will allow us to lift our constitutional requirements with regard to the NIS-1 Directive.

We want to use this tailwind to implement the NIS-2 Directive as quickly as possible.

Against this background, I would like to thank the EU once again for the inclusion of the EEA/EFTA States into the NIS Cooperation Group, which currently discusses the implementation of the NIS-2 Directive, thereby helping us greatly to prepare for our national implementation!

And then there is the area of financial services. An area where my Government tries to create the best conditions for our financial sector to unfold its full creative potential and be at the forefront of cutting-edge developments with the necessary legal certainty.

Accordingly, we were one of the first states in the world to comprehensively regulate token and trusted technology service providers. We will therefore not tire to emphasize that a simultaneous entry into force of the MiCA proposal in the EEA/EFTA- as in EU Member States is crucial for Liechtenstein to ensure our financial intermediaries have access to its passporting rights as of day one.

We also highly welcome the Commission's pilot regime for market infrastructures based on distributed ledger technology.

The trading of securities tokens is an important development of the financial market. The pilot regime advances this development and will allow us to gain initial experiences.

Liechtenstein supports this goal and we are eagerly working on the national entry into force of the pilot regime. As a state with an innovative financial center and corresponding regulation, we stand ready to share our experience and expertise with EU partners.

To conclude: While we are warming up for celebrating our own big anniversaries in the coming two years, we are working hard on nurturing the EEA Agreement, be it with regard to the bigger picture or the nitty-gritty details.

Both are necessary for it to maintain its much-lauded flexibility and robustness until its next anniversary. For the close partnership with the EU in both these tasks – the celebration and the hard work – I would like to take this opportunity to also thank you personally.