Follow-up to the European Parliament non-legislative resolution on the proposal for a Council decision on the conclusion, on behalf of the European Union, of the Agreement establishing an association between the European Union and the Principality of Andorra and the Republic of San Marino respectively

1. **Rapporteur:** Željana ZOVKO (EPP / HR)

2. **References:** 2024/0101R(NLE) / A10-0003/2026 / P10_TA(2026)0039

3. **Date of adoption of the resolution:** 11 February 2026

4. **Competent Parliamentary Committee:** Committee on Foreign Affairs (AFET)

5. **Brief analysis/ assessment of the resolution and requests made in it:** The resolution presents the interim report on the Association Agreement between the EU, Andorra, and San Marino. The European Parliament welcomes the Association Agreement as an important step forward in significantly strengthening the mutually beneficial political and economic partnership between the EU and Andorra and San Marino. The European Parliament underlines that this Agreement is the most comprehensive Association Agreement with any third country and insists that it should be preserved as an 'EU-only' agreement, reasoning that it would allow for its swift entry into force (paragraph 8). The European Parliament calls on the Commission to continuously monitor the adoption and implementation of the *acquis* falling under the scope of the Association Agreement, taking into account the respective dimensions and resources of the two States, and to provide the necessary institutional and policy support to them; and calls for the establishment of an adequate monitoring and surveillance mechanism at European level to prevent and counteract any restrictions and distortions of competition within the internal market (paragraph 12). More specifically, the Commission and the European Supervisory Authorities are called upon to thoroughly scrutinise the adoption of, and compliance with, the relevant acquis before granting the Associated States access to the market for financial services; and to continuously monitor their compliance with the regulatory and supervisory frameworks established by Protocol 3 on Financial Services (paragraph 21). The European Parliament calls on the Commission to closely monitor the enforcement of anti-money laundering legislation in the Associated States and stresses that the Commission should carry out an evaluation as laid out in Protocol 3 on Financial Services, supported by the European Supervisory Authorities and within a 15-year timeframe (paragraph 22). It also calls on the European Supervisory Authorities to inform the European Parliament about the application of the Protocol on financial services (paragraph 38).

6. **Response to requests and overview of actions taken, or intended to be taken, by the Commission:**

The Commission welcomes the adoption of the European Parliament resolution on this report in view of the consent procedure on the Agreement establishing an association between the EU and the Principality of Andorra and the Republic of San Marino.

The Agreement provides for the participation of Andorra and San Marino in the Union's internal market, and related horizontal and flanking policies, while also replacing the current customs unions between the Union and each of those countries. This Agreement also includes a framework for possible cooperation outside the four freedoms in fields of cooperation such as research and technological development, education, training and youth, social policy, environment, consumer protection, culture, and regional policy.

In reference to **paragraph 8**, the Commission recalls that it proposed that the agreement be signed and concluded by the Union only. However, in order to reach the necessary unanimous support in the Council and the political need to see this Agreement signed and partly provisionally applied as swiftly as possible, and without prejudice to any assessment of and position on competences in other cases, the Commission revised its proposal for the Agreement to be signed by the EU and its Member States.

As regards the call in **paragraph 12** for the continuous monitoring of the adoption and implementation of the EU acquis under the scope of the Agreement and to ensure the effective functioning of the Union's internal market, the Commission stresses that the Agreement provides for dynamic alignment with EU law to ensure a homogeneous internal market and level playing field. The Agreement also includes provisions establishing a dispute settlement mechanism with the Court of Justice of the European Union being competent in disputes concerning the interpretation or application of the Agreement.

The Commission takes note of the call to provide the necessary support to Andorra and San Marino (paragraph 12). The Commission is preparing a platform and capabilities dedicated to the implementation of this Agreement and remains ready to provide technical support to Andorra and San Marino for that purpose. The Commission also stresses the necessity for Andorra and San Marino to prepare their own national administrative capacities and resources for the application of this Agreement.

In response to the call in **paragraph 21** to thoroughly scrutinise the adoption of, and compliance with, the relevant EU law before granting the Associated States access to the market for financial services, and to continuously monitor their compliance with the regulatory and supervisory frameworks established by Protocol 3 on Financial Services, the Commission recalls that the Protocol allows for a staggered access to the Union’s internal market for financial services, whereby Andorra and San Marino may decide not to seek access to the entire Union’s internal market for financial services. Such a possibility should not last longer than 15 years after the entry into force of the Association Agreement. The Commission also confirms that access of Andorra and San Marino to the Union’s internal market in financial services depends on a comprehensive evaluation of the full and effective implementation of the Union’s acquis for the financial sector and the robustness of Andorra’s and San Marino’s regulatory and supervisory frameworks. It will require the adoption by the Commission of a positive recommendation that all necessary conditions set out in the Association Agreement have been fulfilled, taking into account the opinions of the relevant European Supervisory Authorities and the Single Resolution Board. The relevant European Supervisory Authorities and the Single Resolution Board will conduct that comprehensive evaluation of the financial sector of Andorra and San Marino under the oversight of the Commission.

As regards the call in **paragraph 22** for the Commission to closely monitor the enforcement of anti-money laundering legislation in the Associated States and that the Commission carry out an evaluation as laid out in Protocol 3 on Financial Services, supported by the European Supervisory Authorities and within a 15-year timeframe, the Commission underlines that the comprehensive evaluation mentioned in the previous paragraph, to be carried out within a 15-year timeframe, also covers anti-money laundering legislation in Andorra and San Marino. In addition, as regards the financial services sector, in light of the specificities of Andorra and San Marino and the related specific rules and provisions introduced to cater for orderly and sound market integration, the market access in the area of financial services will be subjected to specific safeguards in addition to the safeguards that govern relations between the Member States in the internal market, in particular regarding the requirements on local provision of services in Andorra and San Marino and emergency powers of the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), European Securities and Markets Authority (ESMA), or the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA). An assessment of the supervisory infrastructure of Andorra and San Marino will be organised every two years, unless the Commission determines otherwise. Following a positive recommendation, the participation of Andorra and San Marino in the financial services market remains subject to the evaluation of the Commission throughout the entire duration of market access.

As regards the call in **paragraph 38** on the European Supervisory Authorities to inform the European Parliament about the application of Protocol 3 on Financial Services, which covers the robustness of the regulatory and supervisory frameworks of Andorra’s and San Marino’s financial sectors, it should be noted that it will be for the Commission to inform the European Parliament about the application of the Agreement, including its Protocol 3, and that the European Supervisory Authorities will provide information on the robustness of the supervisory frameworks of Andorra’s and San Marino’s financial sectors.