

Screening of foreign investments in the Union

2024/0017(COD) - 08/05/2025

The European Parliament adopted, by 378 votes to 173, with 24 abstentions, **amendments** to the proposal for a regulation of the European Parliament and of the Council on the screening of foreign investments into the Union and repealing Regulation (EU) 2019/452 of the European Parliament and of the Council.

The matter was referred to the relevant committee for interinstitutional negotiations.

The main amendments adopted in plenary concern the following points:

Subject matter

The regulation establishes an EU framework for the screening by Member States of foreign investments in their territory on grounds of security or public policy, including economic security. It must be without prejudice to the right of Member States to take measures justified on grounds of public policy or public security.

Implementation of filtering mechanisms

Member States will have to establish a screening mechanism that applies at least to investments subject to an authorisation requirement. Each Member State should notify the Commission of the measures it adopts to implement this measure no later than 12 months from the date of entry into force of the Regulation. The Commission should make a list of Member States' screening mechanisms publicly available no later than three months after receipt of all notifications or no later than 15 months from the date of entry into force of the Regulation.

Minimum requirements

Member States should implement standardised procedural steps and structured communication points with applicants throughout the process. In addition, screening authorities should be empowered to impose effective, proportionate, and dissuasive sanctions on foreign investors who fail to apply for authorisation when required to do so, and will have to establish secure procedures and channels to receive information on foreign investments from civil society organisations, economic operators, and social partners.

Procedures

The procedures applicable to national control mechanisms will be harmonised. Members specified the deadlines and procedures that should apply to the cooperation mechanism and EU decisions, as well as to consultations between Member States and the Commission. In addition, the Commission will have the power to intervene on its own initiative or in the event of disagreement between Member States on the existence of risks to security or public order emanating from a specific foreign investment.

Negative impact on security and public order

In determining whether an investment is likely to have a negative impact on security or public order, Member States or the Commission should consider whether the investment in question is likely to have a negative impact on:

- the security, integrity, functioning, operational stability and resilience of the internal market;

- the availability and uptake of critical technologies, technological security and technology leakage;
- the security and resilience of supply chains for critical inputs;
- food safety;
- the ability to avoid and address strategic dependencies;
- the protection of the financial and economic stability of the Union;
- the provision of essential services and services of general interest;
- the protection of intellectual property, knowledge or other intangible assets;
- media freedom and pluralism, including online and social media platforms that can be used for large-scale disinformation activities;
- the likelihood of economic coercion by a third country;
- whether the foreign investor or the foreign investor's subsidiary in the Union is **directly or indirectly controlled by the government** of a third country and whether the foreign investor is established in a third country subject to Union restrictive measures which pursues an aggressive civil-military fusion strategy.

The Commission may carry out a risk assessment concerning a sector, critical technology, foreign investors or EU undertakings to inform Member States' screening decisions.

Mitigation measures

Members specified that such measures may include, *inter alia* (i) changes to the proposed governance structure of the target; (ii) changes to the voting rights conferred on the investor; (iii) measures preventing unauthorised access to sensitive technology or information; (iv) commitments by the investor to maintain or create local added value; (v) commitments by the investor to address the risk of dependency, including the transfer of technology and know-how; (vi) requirements that critical components be sourced from safe and reliable suppliers; and (vii) an obligation for the foreign investor to establish a joint venture with an EU undertaking.

Expert group, transparency

The Expert Group on the Screening of Foreign Direct Investments into the Union, which provides advice and expertise to the Commission, should continue to be involved in discussions on the screening of foreign direct investments.

By the date of entry into force of the Regulation, the Commission should publish guidelines on the application of the criteria for determining whether an investment enables effective participation in the management or control of a Union target or whether an undertaking is part of a project or programme of Union interest. The Commission should publish a list of all screening mechanisms established by Member States.