

Foreign Investment Screening: new European framework to enter into force in April 2019

This means, the new framework will enter into force in April this year. Based on a Commission proposal presented by President Juncker in his 2017 State of the Union Address, the new framework will help safeguarding Europe's security, public order and strategic interests when it comes to foreign investments into our Union.

In reaction to the Council's decision President Jean-Claude **Juncker** said: *"Today's decision is a proof the EU is able to act quickly when strategic interests of our citizens and economy are at stake. With the new investment screening framework, we are now much better equipped to ensure that investments coming from countries outside the EU actually benefit our interests. I committed to work for a Europe that protects, in trade as in other areas; with this new legislation in place we are delivering on a crucial part of our promise."*

Commissioner for Trade Cecilia **Malmström** said: *"I'm very pleased with the Council's decision today. The EU gains a lot from foreign investment and it plays a vital role in our economies. However, we have seen a recent increase in investment in our strategic sectors and this has led to a healthy public debate on the issue. With this new framework we are in a much better position to monitor foreign investments and safeguard our interests. I now look forward to working closely with Member States to implement this new legislation effectively."*

The new framework will:

- create a cooperation mechanism where Member States and the Commission will be able to exchange information and raise concerns related to specific investments;
- allow the Commission to issue opinions when an investment poses a threat to the security or public order of more than one Member State, or when an investment could undermine a project or programme of interest to the whole EU, such as Horizon 2020 or Galileo;
- encourage international cooperation on investment screening, including sharing experience, best practices and information on issues of common concerns;
- set certain requirements for Member States who wish to maintain or adopt a screening mechanism at national level. Member States also keep the last word whether a specific investment operation should be allowed or not in their territory;
- take into account the need to operate under short business-friendly deadlines and strong confidentiality requirements.

Following the today's approval by Member States in the Council and the

[positive vote by the European Parliament](#) on 14 February, the new EU legislation establishing an EU-wide investment screening framework is now set to enter into force in the coming weeks, 20 days after publication in the Official Journal. Member States and the Commission will subsequently have 18 months to put in place the necessary arrangements for the application of this new mechanism. Preparations are already ongoing including a regular exchange of information and best practice with the Member States in the [dedicated expert group](#) established in 2017.

Background

Currently 14 Member States have national screening mechanisms in place. Although they differ in their design and scope, they share the same goal of preserving security and public order at national level. Several Member States are in the course of reforming their screening mechanisms, or adopting new ones.

The EU has one of the world's most open investment regimes, as acknowledged by the OECD in its investment restrictiveness index. The EU is the main destination for foreign direct investment in the world: foreign direct investment stocks held by third country investors in the EU amounted to €6,295 billion at the end of 2017.

For More information

[Factsheet](#) presenting the new framework

Text of the new EU [Regulation](#)

[EU foreign investment policy](#)