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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Proposal for a Regulation on establishing a framework of measures for accelerating industrial capacity and decarbonisation in strategic sectors (Industrial Accelerator Act) - Partial Presidency compromise text

In view of the upcoming meeting of the Working Party on Competitiveness and Growth (Industry) on 2 July 2026, delegations will find in Annex to this note a marked version of the partial Presidency compromise text on Chapter IV of the proposed Regulation. Changes in comparison to the Commission proposal, document ST 7009/26, are marked in **bold** for additions and in ~~strikethrough~~ for deletions.

This partial Presidency compromise text **does not cover** the recitals.

ANNEX

2026/0068 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

establishing a framework of measures for the acceleration of industrial capacity and decarbonisation in strategic sectors and amending Regulations (EU) 2018/1724, (EU) 2024/1735 and (EU) 2024/3110 (Text with EEA relevance)

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Whereas:

[…]

CHAPTER I
GENERAL PROVISIONS

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[…]

Article 3

Definitions

For the purposes of this Regulation, the following definitions apply:

[…]

(31) ‘foreign direct investment’ means an investment, including greenfield investments, into a Union target or a Union asset by a foreign investor or by the foreign investor’s subsidiary aiming to establish or to maintain lasting and direct links between the foreign investor and the entrepreneur to whom or the undertaking to which the capital is made available, or at using an Union asset, in order to carry on an economic activity in a Member State, including investments which enable effective participation in the management or control of a company carrying out an economic activity;

(32) ‘foreign investor’ means a natural person ~~of a third country~~ who does not hold the nationality of a Member State or an undertaking ***or entity established or otherwise organised under the laws*** of a third country, intending to make or having made a foreign direct investment;

(33) ‘foreign investor’s subsidiary’ means an undertaking controlled, directly or indirectly, by a foreign investor regardless of its place of establishment;

(34) ‘Union target’ means an undertaking established ***or intended to be established*** under the laws of a Member State;

(35) ‘Union asset’ means an immovable asset used or intended to be used for manufacturing products in the territory of the Union;

(36) ‘Union worker’ means any natural person who has an employment contract or employment relationship as defined by law, a collective agreement or practice in force in a Member State and is either a citizen of the Union or a third country national legally residing in a Member State with a valid work permit at the moment of recruitment;

(37) ‘portfolio investment’ means the acquisition of company securities that are intended purely for financial investment and without any intention to influence the management or control of the company;

(38) ‘turnover’ means the amount derived by an undertaking within the meaning of Article 5(1) of Council Regulation (EC) No 139/2004[1];

[…]

CHAPTER IV
FOREIGN INVESTMENT CONTRIBUTION

Article 17

Scope

1. This Chapter shall apply to foreign direct investments exceeding a value of EUR 100 million in the emerging strategic manufacturing sectors referred to in paragraph 2, where more than 40 % of the global manufacturing capacity is held by the third country of which the foreign investor is a national or undertaking.

   Such investments shall not be implemented unless explicitly approved by the Investment Authority ***referred to in Article 17a,*** or the European Commission~~, referred to in Article 19~~, in accordance with the provisions laid down in this Chapter.

[1] Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (OJ L 24, 29.1.2004, p. 1).

2. This Chapter shall apply to foreign direct ~~investment~~***investments*** in manufacturing in any of the following emerging strategic sectors:

(a) battery technologies ~~and its~~***, including the*** value chain for battery energy storage systems;

(b) pure electric vehicles, off-vehicle charging hybrid electric vehicles and fuel-cell electric vehicles, including components related to electrification and digitalisation;

(c) solar PV technologies;

(d) extraction, processing and recycling of critical raw materials.

3. This Chapter shall not apply to:

(a) investors and investments covered by economic partnership ~~and~~***or*** free trade agreements in force or provisionally applied by the Union to the extent relevant commitments have been made under those agreements, including investments made by the Union subsidiaries of such foreign investors;

(b) investments targeted at providing services, including investments made by the Union subsidiaries of ***foreign*** investors;

(c) portfolio investments.

*Article ~~19~~**17a***

~~Prior~~ Notification of planned foreign direct investments

1. Member States shall, by [OP insert date: ~~1 month~~***6 months*** after entry into force of this Regulation], designate an Investment Authority which shall perform the review of foreign direct investment and implement the provisions of this Chapter.

Member States shall provide that Investment Authority with the necessary resources, legal and administrative means for performing the tasks set out in this Regulation.

~~1~~*2*. A foreign investor shall notify any planned direct investment within the scope of Article 17 to the Investment Authority of the Member State where the Union target or Union asset is located, and which would result in control over the Union target or Union asset as laid down in paragraph ~~3~~*4*.

The notification shall contain all necessary information to allow the Investment Authority to perform the ~~investment review~~***assessment and approval process*** pursuant to ~~Article 20~~***Articles 20 and 20a***.

~~2~~*3*. For the purposes of determining whether the investment value reaches the threshold set out in Article 17(1), only previous investments of a foreign investor made in the same Union target or Union asset by the foreign investor from [OP please insert the date = the date of the entry into force of this Regulation] shall be aggregated.

~~3~~*4*. Foreign investors shall be considered to have control, where the investment in question reaches either of the following threshold:

(a) 30 percent or more share capital or voting rights in a Union target;

(b) 30 percent or more of ownership of a Union asset, and leasehold or other rights conferring control over a Union asset.

4*5*. Where a foreign investor's acquisition or establishment of an investment would result in foreign investors collectively holding more than the ownership or control thresholds laid down in paragraph ~~3~~*4*, that acquisition or establishment shall be notified.

~~5~~*6*. For the purposes of calculating whether either of the thresholds laid down in paragraph ~~3~~*4* have been reached, aggregated interests held directly or indirectly, including through affiliates, chains of ownership or by foreign investors acting in concert, shall be considered.

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~~6~~7. Where the relevant Union targets or assets are located in more than one Member State, the foreign investor shall notify the competent Investment Authorities of all Member States concerned and the Commission on the same day with reference to the other notifications. ~~The Member States concerned shall coordinate the review of such notifications and agree on the conditions imposed with the other Member States concerned, as well as with the Commission.~~

Article 18

Value added foreign direct investment criteria

~~1.~~ ~~Member States shall, by [OP insert date: 1 month after entry into force of this Regulation], designate an Investment Authority which shall perform the review of foreign direct investment and implement the provisions of this Chapter.~~

~~Member States shall provide that Investment Authority with the necessary resources, legal and administrative means for performing the tasks set out in this Regulation.~~

~~2~~*1*. ***When notifying the foreign direct investment in accordance with Article 17a(2), the foreign investor shall comply with the condition under point (a) and at least three of the conditions of their choice under points (b) to (f) of this paragraph. This is without prejudice to paragraph 2 of this Article.*** From [OP insert date: 12 ~~month~~***months*** after entry into force of this Regulation], Investment Authorities shall only approve foreign direct investments made directly by foreign investors that fulfil ~~either four~~***point (a) and three*** or more of the following six conditions:

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~~(c)~~***(a)*** at least 50% of the workforce employed in the context of the foreign direct investment, at the time of its implementation and continuously throughout its operation, shall be made up of Union workers across all categories of the workforce, including operational, technical, supervisory, and managerial positions. Such employment shall be accompanied by adequate training and capacity-building measures. Where a Union target or Union asset already performing manufacturing activities before the investment is acquired, including after bankruptcy, maintaining the existing workforce or re-employment of the former workforce shall be prioritised, in accordance with national law and the application of collective agreements. In the event that the foreign investor, the Union target or the Union asset receives public funding, ~~notwithstanding article 107~~***without prejudice to articles 107 and 108*** TFEU, it shall commit not to decrease the number Union workers for a period of five years on pain of recovery by the relevant national authorities~~,~~ ***of*** the funding awarded;

~~(a)~~***(b)*** foreign investors do not acquire, hold, or exercise ownership interests representing more than 49% of the share capital, voting rights, or equivalent ownership interests in any Union target, or equivalent ownership, leasehold or other rights conferring control over a Union asset;

~~(b)~~***(c)*** ***the*** foreign investor undertakes the direct investment through a joint venture with one or more Union entities, with the foreign investor holding no more than 49% of the share capital, voting rights, or equivalent ownership interests or other rights conferring control in any of the Union entities participating in the joint venture. Such joint ventures shall be structured to ensure effective participation of Union partners in management, technology transfer, and capacity building;

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~~(c)~~***(d)*** foreign investors have entered into agreements providing for the licensing of their intellectual property rights and of their know-how to the benefit of the Union target, or the Union asset, to enable it to carry out its economic activities in the context of the foreign direct investment. All intellectual property rights or assets developed by the Union target or the legal entity owning the Union asset prior to the foreign investment or without the collaboration of the foreign investor shall be fully and exclusively owned by the Union target or the legal entity ~~of~~***owning*** the Union asset ***prior to the foreign direct investment***. All intellectual property rights or assets either developed in that context as a result of a collaboration with the foreign investor's other business assets, or in the case of point ~~b~~***c***, developed by the joint venture, shall be owned jointly by the foreign investor and the Union target, the joint venture defined in point ~~b~~***c*** or the legal entity owning the Union asset;

~~(d)~~***(e)*** the foreign investor annually directs to research and development spending in the Union an amount equivalent to at least 1% of the gross annual revenue of the Union target, or the gross annual revenue generated by the Union asset, as applied in proportion to the foreign investor's share of control;

~~(e) at least 50% of the workforce employed in the context of the foreign direct investment, at the time of its implementation and continuously throughout its operation, shall be made up of Union workers across all categories of the workforce, including operational, technical, supervisory, and managerial positions. Such employment shall be accompanied by adequate training and capacity-building measures. Where a Union target or Union asset already performing manufacturing activities before the investment is acquired, including after bankruptcy, maintaining the existing workforce or re-employment of the former workforce shall be prioritised, in accordance with national law and the application of collective agreements. In the event that the foreign investor, the Union target or the Union asset receives public funding, notwithstanding article 107 TFEU, it shall commit not to decrease the number Union workers for a period of five years on pain of recovery by the relevant national authorities, the funding awarded;~~

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(f) in the context of the foreign direct investment, the foreign investor prepares and publishes on its website a strategy for enhancing Union value chains and prioritising the sourcing of inputs for the manufacturing activity from the Union and endeavours to source from the Union a minimum of 30% of inputs used for the products placed on the Union market.

~~3. The foreign direct investment shall comply with the condition referred to in paragraph 2(e) to be approved by the Investment Authority pursuant to paragraph 2.~~

4***2***. ***Foreign direct investments made within the Union by foreign investors' subsidiaries are not required to comply with the conditions laid down in paragraph 1 of this Article at the time of their notification in accordance with Article 17a(1). The*** Investment Authorities may apply some or all of the conditions set out in paragraph ~~2 to~~***1 to those*** direct investments ~~made within the Union by a foreign investor's subsidiary~~ where it is essential to achieve the objectives of this Regulation, under the following conditions:

(a) preventing the circumvention of this Regulation by the foreign investor; or

(b) where no alternative measures, including commitments proposed by the foreign investor or the foreign investor's subsidiary, are reasonably available and less restrictive of direct investment within the Union in order to meet the objectives of the Regulation.

3. Foreign direct investment notified pursuant to ~~the first subparagraph~~***Article 17a(7)*** shall ~~fulfil~~***comply with*** the conditions laid down in ***this*** Article ~~18~~ in all Member States concerned.

~~5~~***4***. The Commission shall adopt an implementing act, by [OP please insert date: 6 months after entry into force of this Regulation]) to specify the detailed rules for verifying the compliance with the conditions laid down in paragraph 2***, including the documents that are necessary to demonstrate compliance with those conditions at the time of the notification of the foreign direct investment***. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 31(3).

Article 19

Prior notification of planned foreign direct investments

1. A foreign investor shall notify any planned direct investment within the scope of Article 17 to the Investment Authority of the Member State where the Union target or Union asset is located, and which would result in control over the Union target or Union asset as laid down in paragraph 3.

   The notification shall contain all necessary information to allow the Investment Authority to perform the investment review pursuant to Article 20.

2. For the purposes of determining whether the investment value reaches the threshold set out in Article 17(1), only previous investments of a foreign investor made in the same Union target or Union asset by the foreign investor from [OP please insert the date = the date of the entry into force of this Regulation] shall be aggregated.

3. Foreign investors shall be considered to have control, where the investment in question reaches either of the following threshold:

   (a) 30 percent or more share capital or voting rights in a Union target;

   (b) 30 percent or more of ownership of a Union asset, and leasehold or other rights conferring control over a Union asset.

4. Where a foreign investor's acquisition or establishment of an investment would result in foreign investors collectively holding more than the ownership or control thresholds laid down in paragraph 3, that acquisition or establishment shall be notified.

5. For the purposes of calculating whether either of the thresholds laid down in paragraph 3 have been reached, aggregated interests held directly or indirectly, including through affiliates, chains of ownership or by foreign investors acting in concert, shall be considered.

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~~6.~~ ~~Where the relevant Union targets or assets are located in more than one Member State, the foreign investor shall notify the competent Investment Authorities of all Member States concerned and the Commission on the same day with reference to the other notifications. The Member States concerned shall coordinate the review of such notifications and agree on the conditions imposed with the other Member States concerned, as well as with the Commission.~~

~~The Commission shall decide which conditions shall be applied to the foreign direct investment in case there is no agreement between the Member States concerned.~~

~~Foreign direct investment notified pursuant to the first subparagraph shall fulfil the conditions laid down in Article 18 in all Member States concerned.~~

Article 20

~~Review and approval~~*Admissibility assessment*

1. The Investment Authority shall decide on the admissibility of the notification pursuant to Articles 17 and ~~19~~***17a*** within 30 days of receiving the notification. That deadline may be extended by a further 15 days where the Investment Authority demonstrates satisfactorily that an extension is justified by the circumstances.

Where ***deemed admissible by*** the Investment Authority ~~decides a notification is admissible~~, it shall ~~immediately~~***without delay*** transmit the full notification to the Commission including all documents received.

Article 20a

Approval process

~~2~~***1***. Within 30 days after receiving the notification, the Commission may issue a written opinion on whether the foreign direct investment falls within the scope of Articles 17 and ~~19~~***17a***, whether it fulfils the conditions laid out in Article ~~18(2)~~***18(1)***, and whether the Investment Authority ~~is to~~***should*** approve the investment or not.

Where the Commission issues a written opinion, it shall transmit it to the Investment Authority without delay. ~~The Commission may share the written opinion with the Investment Authorities of other Member States or publish the written opinion on its official website, with due regard to confidentiality.~~

~~3~~***2***. ***The Investment Authority shall offer its reasoned decision no later than 45 days after*** ~~No sooner than~~ receiving ~~the opinion of~~ the Commission***'s opinion or after*** ~~or~~ the lapse of the deadline referred to in paragraph ~~2 and no later than 60 days, or 75 days if the deadline was extended in accordance with paragraph 1, after receipt of the notification, the Investment Authority shall issue a reasoned decision approving or declining the foreign direct investment. The Investment Authority shall approve the foreign direct investment if it fulfils 4 out of 6 conditions set out in~~***1 of this*** article ~~18~~. The deadline for issuing the reasoned decision may be extended by a further 30 days where the Investment Authority demonstrates satisfactorily that an extension is justified by the circumstances.

The Investment ~~Authorities~~***Authority*** shall, in their reasoned decision issued pursuant to ***this*** paragraph ~~3, justify~~***, indicate*** how the opinion of the Commission was taken into account.

The Investment Authority shall communicate such reasoned decisions to the Commission within three days of adoption.

~~5~~***3***. The Investment Authority shall, in its approval decision, set out reporting obligations on the ***foreign*** investor concerned, with a view to assessing the continuous fulfilment of the conditions laid down in Article 18.

~~4. Where the Investment Authority gives a decision which diverts from the Commission opinion as regards compliance of the foreign direct investment with the conditions laid down in Article 18, the Investment Authority shall assess the notification in greater detail within an additional period of two months and the decision shall only enter into force after the lapse of this deadline.~~

~~Investment Authorities shall, in their reasoned decision issued pursuant to paragraph 3, justify how the opinion of the Commission was taken into account.~~

~~5.~~ ~~The Investment Authority shall, in its approval decision, set out reporting obligations on the investor concerned, with a view to assessing the continuous fulfilment of the conditions laid down in Article 18.~~

4. ***Where the relevant Union targets or assets are located in more than one Member State, the Member States concerned shall coordinate the review of such notifications and agree on the conditions imposed with the other Member States concerned, as well as with the Commission. The Commission shall decide which conditions shall be applied to the foreign direct investment in case there is no agreement between the Member States concerned.***

~~6~~***5***. Any party subject to a decision issued pursuant to ~~paragraphs 1 or 3~~***Article 20 or paragraph 2 of this Article*** shall have the right to seek judicial recourse against such decision.

Article 21

~~Review~~*Commission assessment* of foreign direct investment ~~by the Commission~~

1. ~~Following~~***Within 30 days of receiving*** the notification referred to in Article ~~19(1)~~***17a(2)***, the Commission may decide to undertake the assessment of the foreign direct investment ***only*** in the following circumstances:

~~(a) on its own initiative, where the foreign direct investment has the potential to significantly impact added value creation in the Union market;~~

~~(b)~~***(a)*** ~~on~~***at*** the request of an Investment Authority handling ~~a~~***the*** notification~~, or an Investment Authority of another Member State, in which the foreign direct investment in question would have a significant impact on its territory; or~~

(b) at the request of the Investment Authorities of 3 or more Member States, where the foreign direct investment in question would have a significant economic impact on their territories;

(c) on its own initiative, where the foreign direct investment has value exceeding EUR 1 billion~~.~~***;***

~~(c)~~***(d)*** ~~it~~***on its own initiative, where the foreign direct investment*** has high potential of disrupting the security of supply of ~~that~~***the relevant*** emerging strategic sector or related value chains in the Union~~, or security in more than one Member State;~~.

~~2.~~ ~~For the purposes of paragraph 1, the foreign direct investment shall be deemed to have the potential to significantly impact the added value creation in the internal market, in any of the following cases:~~

~~(a) it is of particular strategic importance for the internal market;~~

~~(b) it has considerable economic impact on the territory of more than one Member State;~~

~~(c) it has high potential of disrupting the security of supply of that emerging strategic sector or related value chains in the Union, or security in more than one Member State;~~

~~(d) it has high potential of having detrimental environmental effect in more than one Member State;~~

~~(e) it is of a particularly high value compared to other investments in that emerging strategic sector.~~

4***2***. Where the Commission decides to assess the foreign direct investment pursuant to this Article, the provisions set out in Article 18 shall apply, mutatis mutandis, starting from its decision to undertake the assessment.

2a. The Commission shall communicate such reasoned decisions to the Investment Authority within three days of adoption.

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3. Following the notification referred to in Article ~~19(1)~~***17a(2)***, the Commission may decide to undertake the assessment of an investment ***by a foreign investor subsidiary*** referred to in Article ~~18(4)~~***18(2)***. ~~The Commission may carry out its assessment on its own initiative, or at the request of an Investment Authority handling a notification, or an Investment Authority of another Member State on which the foreign direct investment in question would have a significant impact.~~

Based on its assessment, the Commission may ~~require the Investment Authority to~~ apply in a proportionate manner~~, or not to apply,~~ some or all the conditions set out in Article~~18(2)~~ ***18(1)***.

~~4. Where the Commission decides to assess the foreign direct investment pursuant to this Article, the provisions set out in Article 18 shall apply, mutatis mutandis, starting from its decision to undertake the assessment.~~

Article 22

Monitoring and enforcement ~~by the Investment Authority~~

1. The Investment Authority shall regularly monitor the foreign direct investment to ensure that it continues to ~~fulfil the~~***comply with the applicable*** conditions laid down in Article 18. For that purpose, the foreign investor shall regularly report to the Investment Authority on compliance with the ***applicable*** conditions. ***Subject to five years of continuous compliance with the applicable conditions laid down in Article 18, the Investment Authority may waive those conditions.***

2. Upon request by the Commission, the Investment Authority shall transmit the investor's reports submitted pursuant to paragraph 1 to the Commission together with its own assessment on each report.

3. The Investment Authority shall establish penalties in case of non-compliance with the provisions of this Chapter, in particular where foreign investors ~~or investments~~ fail to comply with the following requirements:

(a) the notification requirements in accordance with Article ~~19~~***17a***;

(b) the conditions laid down in Article 18;

(c) the ~~monitoring~~***reporting*** obligations established by this Article.

4. Penalty payments established by the Investment Authority shall not amount to less than ~~5 %~~***5%*** of the average daily aggregate turnover of the foreign investor undertaking in case of a violation pursuant to paragraph 3, point (a).

Where the foreign investor is a private person, the Investment Authority shall establish a penalty payment of at least 5 % of the investment value in case a violation pursuant to paragraph 3, point (a).

Where the Commission decides to assess the foreign direct investment pursuant to Article 21, it may by decision impose penalties if the foreign investor provides false or misleading information in their notification, or if it does not supply the information required for the Commission to perform its review obligation.

The penalties imposed by the Commission shall not exceed the 5% average daily turnover of the foreign investor, or in case of a private person foreign investor, 5% of the investment value.

The penalty payments ~~established by the Investment Authority~~ shall be effective and proportionate to the violations laid down in paragraph 3***, or in the case of the Commission the violations laid down in this paragraph***.

The Investment Authority shall inform the Commission without undue delay of any non-compliance referred to in paragraph 3 and of the consequential penalties imposed.

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Article 23

Monitoring *of global manufacturing capacity* by the Commission

1. For the purposes of Article 17, the Commission shall monitor the global manufacturing capacity for each of the emerging strategic sectors, building on existing monitoring activities performed, in particular pursuant to Regulation (EU) 2024/1735.

2. The Commission shall provide and publish updated information on the most recent year for which data is available for each of the emerging strategic sectors referred to in Article 17(2).

~~Where the Commission decides to assess the foreign direct investment pursuant to Article 21, it may by decision impose penalties if the foreign investor provides false or misleading information in their notification, or if it does not supply the information required for the Commission to perform its review obligation.~~

~~The penalties imposed by the Commission shall not exceed the 5% average daily turnover of the foreign investor, or in case of a private person foreign investor, 5% of the investment value.~~

[…]

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CHAPTER VI
FINAL PROVISIONS

Article 28

Evaluation

[…]

No later than seven years after the date of entry into force of this Regulation, the Commission shall carry out an evaluation of whether the requirement to continuously comply with the conditions laid down in Article 18 for five years is appropriate for achieving the objectives pursued by this Regulation.

[…]

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