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From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
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To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union

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Delegations will find attached document C(2025) 3802 annex.

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ANNEX

ANNEX

to the

COMMISSION DELEGATED REGULATION (EU) .../...

**amending Delegated Regulation (EU) 2021/1078 as regards strategic investments in the
field of defence set out in the investment guidelines for the InvestEU Fund**

ANNEX

Point 2.10 of the Annex to Delegated Regulation (EU) 2021/1078, is replaced by the following:

‘2.10 Strategic investments

Financing or investment operations under InvestEU may contribute to activities that are of strategic importance to the Union as set out in Article 8(3) of Regulation (EU) 2021/523. Such activities shall be considered strategic investments if they:

- (a) concern projects and final recipients associated with risks to the security or public order of the Union, its Member States or countries associated to the InvestEU programme (“associated countries”), in particular investments in defence and space sectors and cybersecurity:
 - (i) for defence, investments in technologies and products primarily developed for military applications,
 - (ii) for space, investments in the following products:
 - atomic clocks (including for Galileo positioning systems);
 - strategic launchers (including space launch vehicles for Union-controlled space systems);
 - space products defined in a list decided by the Commission on an annual basis and communicated to the Steering Board;
 - (iii) for cybersecurity, investments focusing solely on developing and deploying cybersecurity tools and solutions, including when these are part of deploying or upgrading digital networks and data infrastructure;

or

- (b) contribute to the resilience of the Union in areas of strategic importance to it, as set out in Sections 6.1.1.8, 6.2.1.1 and 6.4.1.1, by upholding and strengthening strategic value chains and maintaining and reinforcing activities of strategic importance to the Union, including Important Projects of Common European Interest (IPCEI), in the areas of critical infrastructure, transformative technologies, game-changing innovations and inputs to businesses and consumers.

For direct operations, the implementing partner shall ensure that strategic investments respect the limitations laid down in the paragraphs below. For indirect operations, the implementing partner shall contractually require that the financial intermediary ensures compliance with the same limitations.

Limitations apply to final recipients falling under point (a) of the first paragraph, except in the case of direct operations below EUR 10 000 000 and transactions under indirect operations below EUR 10 000 000.

For the purposes of the limitations set out in this Section:

- (a) ‘control’ means the ability to exercise a decisive influence on a legal entity directly or indirectly through one or more intermediate legal entities;
- (b) ‘executive management’ means a body of a legal entity appointed in accordance with national law, and, where applicable, reporting to the chief executive officer, or any other person having comparable decisional power, which is empowered to establish the legal entity’s strategy, objectives and overall direction, and which oversees and monitors management decision-making;
- (c) ‘non-associated third country’ entity means a legal entity established in a non-associated third country or, where it is established in the Union or an associated country, having its executive management in a non-associated third country. The location of establishment of the legal entity is determined by the location of its registered office.

A final recipient falling under point (a) of the first paragraph shall have its executive management in the Union or an associated country and shall not be controlled by a non-associated third country or non-associated third country entities.

If the final recipient falling under point (a) of the first paragraph is involved in a strategic investment in the field of 5G connectivity, the measures and risk mitigation plans, pursuant to the 5G Cybersecurity Toolbox¹ shall also apply to its suppliers. Such suppliers notably include vendors of telecom equipment and manufactures and other third-party suppliers, such as cloud infrastructure providers, managed service providers, systems integrators, security and maintenance contractors and transmission equipment manufacturers.

By way of derogation, a legal entity falling under point (a) of the first paragraph involved in a strategic investment in defence, having its executive management in the Union or an associated country and being subject to control by a non-associated third country or a non-associated third-country entity shall be eligible to be a recipient in one of the following cases:

- It demonstrates that it has received a guarantee, approved by the Member State or the associated country in which it is established, under a defence programme having received the financial contribution of the EU,²
- It demonstrates that, specifically for the purpose of the operation, it has received a guarantee, approved by the Member State or the associated country in which it is established in a timely manner. The guarantee shall provide assurances that the involvement in an action of such a legal entity would not contravene the security and defence interests of the Union and its Member States as established in the framework of the CFSP pursuant to Title V of the TEU, or the objectives set out in Article 3 of

¹ NIS Cooperation Group, Cybersecurity of 5G networks EU Toolbox of risk mitigating measures, 01/2020, https://ec.europa.eu/newsroom/dae/document.cfm?doc_id=64468

² It includes inter alia the following programmes:
Regulation (EU) 2018/1092
Regulation (EU) 2021/697
Regulation (EU) 2023/1525
Regulation (EU) 2023/2418
Council Regulation (EU) 2025/1106

Regulation (EU) 2021/523. The guarantee shall in particular substantiate that, for the purpose of the operation: measures are in place to ensure that:

(i) control over the final recipient is not exercised in a manner that restrains or restricts its ability to conduct the defence activities funded by the operation; and,

(ii) access by a non-associated third country or by a non-associated third-country entity to sensitive or classified information relating to the defence activities funded by the operation is prevented and the employees or other persons involved in the operation have a national security clearance issued by a Member State or an associated country in accordance with national laws and regulations.

By way of derogation, a legal entity falling under point (a) of the first paragraph involved in a strategic investment in space, having its executive management in the Union or an associated country and being subject to control by a non-associated third country or a non-associated third-country entity, shall be eligible to be a final recipient if it has received the Commission waiver granted in accordance with principles concerning eligible entities set out in the relevant provisions of Regulation (EU) 2021/696.

The implementing partner must notify the Commission of any derogation granted to the limitations set out in this Section 2.10.

While the financing and investment operation is covered by the EU guarantee, the final recipient falling under point (i) shall receive the relevant approvals from the Member States or associated country in which they are established, under their existing national procedures, in order to transfer the ownership or grant exclusively license to non-associated third countries or non-associated third-country entities the intellectual property rights, where such rights result directly from those operations.’