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LIMITE

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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Delegations
Subject:	Consolidated table with comments from these Member States AT, BE, BG, CZ, DE, DK, EE, EL, ES, FI, FR, IT, LT, LU, NL, PL, RO, SE, SI, SK on Chapter IV of the Regulation for Industrial Accelerator Act - Partial Presidency compromise text : ST 11237/26

Proposal for a Regulation on establishing a framework of measures for accelerating industrial capacity and decarbonisation in strategic sectors (Industrial Accelerator Act) Deadline: ***9 July 2026***

From: AT, BE, BG, CZ, DE, DK, EE, EL, ES, FI, FR, IT, LT, LU, NL, PL, RO, SE, SI, SK **Updated: 28/07/2026 15:02**

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Guidelines to be followed

Please kindly provide your contributions in the table below.

Drafting suggestions: you may use '**track changes**'* or formatting (for example **bold-underline** for additions and ~~strike-through~~ for deletions, **where necessary, in a different colour**). *Track changes can only be connected once the cursor is placed in editable areas (Drafting or Comments columns).

To make it feasible to consolidate all contributions, the structure of the table must not be changed, so **no rows can be added or deleted.**

New provisions may only be added in any of the **'existing cells'.**

Name of document: please add the **two initials** of your delegation's country followed by a space (to the MS Word document name), followed by any optional text, for example, for Austria: **AT comments on … .docx**

Thank you for your cooperation!

Second partial Presidency compromise text – doc. 11237/26	Drafting suggestions and Comments
General Comments	EL (Drafting suggestions): **GREECE** IT (Comments): ***Italy welcomes the opportunity to provide comments on this version of the text.*** ***Drafting suggestions are reported in bold.*** ***The absence of any comment does not imply the Italy's agreement or disagreement with any proposed new wording.*** ***Italy reserves its rights to submit further written comments at a later stage.*** **--**

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	Article 1 should include the following paragraph 3: ***"This Regulation is without prejudice to each Member State having sole responsibility for its national security, as provided for in Article 4(2) TEU"****.* *A general clause safeguarding the responsibility of Member States for the protection of national security, pursuant to Article 4(2) of the Treaty on European Union, could be introduced.* LU (Comments): **"General observations" : Please note that the proposal is still under scrutiny and LU can therefore express only preliminary comments at this stage.** RO (Comments): Romania could support the general objective, while asking for legal certainty that Chapter IV remains limited to the sectors expressly listed in Article 17(2). Any future extension to additional strategic or zero-net sectors should require a prior impact assessment and consultation of affected Member States and operators. Romania supports the objective of strengthening EU industrial capacity, resilience of value chains and decarbonisation. From the perspective of a nuclear operator, the key point is to avoid future extension of the foreign investment contribution regime to nuclear projects, the nuclear fuel cycle or critical energy infrastructure without sector-specific safeguards. Nuclear projects depend on nuclear safety, licensing, qualified suppliers, export-control rules and strategic partnerships with trusted third countries.

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	FR (Comments): The French authorities thank the Presidency for presenting this partial compromise text on Chapter IV of the Industrial Accelerator Act and wish to reiterate their support for the introduction of a mechanism to monitor the quality of foreign investment within the Union, an essential tool for strengthening our competitiveness and economic security. They consider, however, that this mechanism must be strengthened to better prevent circumvention, avoid the development of low value-added assembly activities in Europe and ensure a genuine industrial presence within the European Union. On a more specific note, it shoud be clarified in recital 46 that these inputs are manufactured in the Union only, without extension to countries eligible to the equivalence to Union Origin for the purpose of Chapter III: (46) To strengthen the industrial capacity of emerging strategic sectors and to integrate foreign direct investment into the Union's industrial ecosystem, a certain share of inputs manufactured in the Union ***(without any extension to third-countries granted with equivalence to Union origin for the purpose of Chapter III)*** should be included in products placed on the Union market by such investments.
2026/0068 (COD)	
Proposal for a **REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**	

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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)	
THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	
Whereas:	
	PL (Drafting suggestions): (29) In order to ensure that the internal market remains attractive for investment, and that investment adds value to the Union's economy and society, it is necessary to establish common conditions for foreign direct investment in manufacturing emerging strategic sectors. Those sectors should be manufacturing sectors with innovative potential where Union entities are not at or near the global innovation frontier, and where appropriate Union capacities and participation should be ensured. Harmonised criteria should apply to foreign investors from a third country that has more than 40% of the world's production capacity in emerging strategic sectors, **determined on the basis of transparent, verifiable and regularly updated data and a publicly available methodology**. In order to ensure the effectiveness of the provisions of this Regulation, the Commission should monitor the global production capacity of those sectors and publish the results **together with the methodology used and the date of the most recent update.** PL (Comments):

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	Poland maintains comments regarding the provisions of Recital 29. Poland supports the inclusion of investments from third countries with a dominant position in global supply chains under a specific control framework. However, the application of the 40% threshold may have a significant impact on the conditions for the implementation of investments in the EU. For this reason, the method of its determination should be transparent, based on verifiable data and regularly updated. The publication of the methodology will reduce the risk of inconsistent interpretation of the rules and increase regulatory predictability for businesses.
[…]	
	PL (Drafting suggestions): (46) To strengthen the industrial capacity of emerging strategic sectors and to integrate foreign direct investment into the Union's industrial ecosystem, a certain share of inputs manufactured in the Union should be included in products placed on the Union market by such investments**, taking into account their actual availability in the Union, the technical and quality requirements for those raw materials, products (e.g. foundry components) and the need to avoid disruptions to strategic supply chains.** PL (Comments): Poland maintains comments regarding the provisions of Recital 46. Poland supports increasing the share of components produced in the EU, including castings. This mechanism can foster the development of European suppliers, including manufacturers of cast iron, steel and aluminium. At the same time, the requirements should take into account the actual availability of

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	components and the need to maintain continuity of supply. Otherwise, they may lead to investment delays or an increase in the costs of the energy transition. SE (Drafting suggestions): To enable Member States to effectively identify the investments defined in this Regulation, foreign investors should notify competent authorities prior to acquiring or establishing significant stakes in undertakings or assets within the Union **that fall within the scope of article 17.1**. Setting a threshold **for notifications** at 30 percent ownership or other rights establishing control for both undertakings and assets, **in addition to the value threshold of EUR 100 million and the other delimitations to the scope**, should ensure that the mechanism captures investments capable of impacting the well-functioning of the internal market. SE (Comments): Amendment to recital 38 is necessary to clarify that the control-threshold applies in addition to other limitations to scope when it comes to the obligation of companies to notify.
CHAPTER I **GENERAL PROVISIONS**	
[…]	

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Article 3 **Definitions**	AT (Comments): **AT** - *general remarks:* The compromise text foresees some improvements regarding the definitions, which AT welcomes. For AT it is important that all **the definitions are brought into line with the FDI Screening Regulation.** CZ (Comments): We acknowledge the efforts to use already established definitions, such as the definition of foreign investor or of Union target, as contained in the revised investment screening regulation. Nevertheless, we would like to point out that the primary objective should not be to align IAA with that regulation. Rather, it should be kept in mind that there will be two separate processes possibly affecting the same transactions and that these processes should not interfere with each other. Still, we agree that IAA can benefit from practical experience gained within investment screening.
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,	AT (Comments): **AT:** No improvment. **We therefore continue to seek alignment with the FDI provision.**

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including investments which enable effective participation in the management or control of a company carrying out an economic activity;	DE (Drafting suggestions): […]**For clarification, "foreign direct investments" under the scope of chapter IV include greenfield investments.** DE (Comments): Clarification concerning the definition of FDI. ES (Drafting suggestions): (31) 'foreign direct investment' means an investment **of any kind**, 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; ES (Comments): The inclusion of "any kind" is to align the IAA with the recently adopted Regulation (EU) 2026/1386.

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	We would be grateful if PRES IE could explain why only foreign direct investments will be taken into account as foreign direct and indirect investments have the same impact in the EU territory. Besides, if the goal of the IAA is to prevent foreign investments from countries holding more than 40% of global manufacturing capacity, these investments are performed through subsidiaries and not directly by the company from the third country. In other words, foreign indirect investment is the most important investment that we have to monitor. NL (Drafting suggestions): (31) foreign direct investment' means an investment, including greenfield investments **and investments involving the acquisition, expansion, modernisation or restructuring of existing facilities, undertakings or assets,** 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; NL (Comments): Further clarification is requested on the interpretation of "lasting and direct links". Given the procedural timelines under Chapter IV, additional guidance would support legal certainty and consistent application across Member States.

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	SK (Comments): We propose that further analysis be carried out to determine whether Section IV is intended to apply exclusively to foreign direct investments (not to foreign investments). While several provisions of Section IV appear to be designed for the assessment of foreign direct investments, it is not entirely clear whether the scope of the section is limited to direct investments or extends to other forms of foreign investment as well. This lack of clarity may give rise to divergent interpretations and legal uncertainty regarding the scope of the obligations and powers established under Section IV. The wording of the relevant provisions should therefore be reviewed and, where necessary, clarified to ensure consistency and legal certainty as to the exact scope of application of Section IV.
(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;	AT (Comments): **AT:** We very appreciate that the definitions for *“foreign investor”* was aligned with the FDI provision. FR (Comments): The French authorities thank the Presidency for including entities “established or otherwise organised under the laws” of a third country, which will help improve traceability along the chain of custody.

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	The French authorities wish, however, to reiterate several relevant requests that we had made: • To add a detailed definition of 'beneficial owner' to Article 3. The aim is to ensure full traceability right to the top of the chain of ownership and to prevent investments from being concealed behind complex structures. • We would like the concept of 'control' to be aligned with the European Merger Regulation (Regulation 139/2004); • To add to Article 3 a definition of 'decisive influence' (the ability to exercise decisive power over the behaviour of an entity); Furthermore, France calls for full consistency between the NACE codes (on which Article 3 is based) and the scope of Chapter IV (Article 17). Any discrepancy between the definition of an 'industrial manufacturing project' in Article 3 and the listed strategic sectors could create loopholes in the mechanism. Finally, France wishes it to be made clear in the definitions or recitals of Chapter I that the 'European content' required of foreign investors must not be extended to third countries benefiting from equivalence under Chapter III (public procurement). It wishes to ensure that foreign investors use inputs that are genuinely manufactured within the Union, with no possibility of extension to other trading partners
(33) 'foreign investor's subsidiary' means an undertaking controlled, directly or indirectly, by a foreign investor regardless of its place of establishment;	AT (Comments): **AT:** The wording was not changed. We therefore continue to seek alignment with the FDI provision.

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	FI (Comments): Pursuant to Art. 18(2), imposing conditions on foreign investment is voluntary if the EU entity is considered foreign investor's subsidiary. Pursuant to the definition of Art. 3(33), whether the entity is considered a foreign investor's subsidiary or not depends on whether the foreign investor controls the entity or not. Control has not been defined in the IAA, yet the notion of control is used in several different articles in different connections – e.g., in Art. 17a para (4) control refers to ownership of 30 percent or more of the share capital or voting rights, whereas in Art. 18 para (1)(b)-(c) control refers to 49% of the share capital, voting rights or equivalent ownership interests. **It is not clear when foreign subsidiary will be deemed controlled by the foreign investor, and therefore it is unclear when the conditions must be complied with and when the compliance is voluntary. We consider the use of notion of 'control' must be aligned throughout the text.** 'Control' must not be used to refer to all these different scenarios under the same act. It must be clear what the application thresholds are. This is crucial for the authorities as well as to investors. Does the definition of foreign investor's subsidiary cover also legally independent EU companies/legal entities that are under the control of a foreign investor, i.e., not only subsidiaries in the corporate law sense? We consider this should be clarified in the text. PL (Comments): For the proper implementation of chapter IV, the definition should be more precise to indicate that foreign investor's subsidiary needs to be engaged in significant economic activity (e.g., manufacturing). Subsidiaries of foreign

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	investors registered in the EU often engage exclusively in financial or commercial activities and should not be treated the same as manufacturers. SE (Drafting suggestions): 'foreign investor's subsidiary' means an undertaking controlled, directly or indirectly, by a foreign investor regardless of its place of establishment **in the Union;** SE (Comments): A subsidiary established outside the Union should follow the rules that applies for foreign investors. This clarifies that point.
(34) 'Union target' means an undertaking established ***or intended to be established*** under the laws of a Member State;	AT (Comments): **AT:** We very appreciate that the definitions for *"Union target"* was aligned with the FDI provision. ES (Comments): We thank PRES CY and PRES IE for introducing this clarifying amendment.
(35) 'Union asset' means an immovable asset used or intended to be used for manufacturing products in the territory of the Union;	AT (Drafting suggestions): AT

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	(Comments): **AT:** As it was mentioned before, **t**here is no definition of '*Union asset'* in the FDI Screening Regulation. It is therefore possible that the definition in the IAA could set a precedent for interpretation in the FDI Screening Regulation, which we view critically. SE (Drafting suggestions): 'Union asset' means an immovable asset used or intended to be used for manufacturing products**, recycling or extracting raw materials** in the territory of the Union; SE (Comments): Chapter IV includes the extraction and recycling of critical raw material and therefore extraction, i.e. mines, and recycling need to be clearly covered by the definition. SK (Drafting suggestions): 'Union asset' means an immovable asset **or a movable asset** used or intended to be used for manufacturing products in the territory of the Union; SK (Comments): The provision should also include movable assets.
	NL (Drafting suggestions):

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	(35a) high-risk strategic dependencies' means dependencies affecting the security, resilience or economic security of the Union or one or more Member States, in particular in relation to critical supply chains, critical technologies, critical raw materials or other strategic sectors, where such dependencies are likely to create significant vulnerabilities or risks of disruption NL (Comments): The proposed definition introduces the concept of "high-risk strategic dependencies" to provide a clearer and more objective basis for the application of Chapter IV. This aligns the IAA-FDI mechanism with the EU's economic security approach, which is based on identifying and assessing risks before selecting appropriate policy measures. It also supports a targeted and proportionate application of the Regulation by focusing on dependencies that pose a genuine risk to the Union's security, resilience or economic security, rather than applying the mechanism broadly across entire sectors.
(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;	FI (Comments): To our understanding, portfolio investments, even when they are made for purely financial reasons and without obtaining control, may often involve managamenet representation. Portfolio investments aim to streamline and

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	improve the target company's operations, which usually requires involvement in the management.
(38) 'turnover' means the amount derived by an undertaking within the meaning of Article 5(1) of Council Regulation (EC) No 139/2004[1]; 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).	
	FR (Drafting suggestions): ***(42) "Beneficial owner" refers to the natural person or persons who ultimately own or control a legal entity, or on whose behalf a transaction or activity is carried out. In practical terms, the concept of 'beneficial owner' aims to ensure the accurate identification of natural persons exercising actual control or deriving substantial benefit from economic flows, in order to ensure the effectiveness of rules on transparency, the fight against abuse and the prevention of optimisation or circumvention practices. In accordance with the approach adopted in EU law (and in particular Directive (EU) 2015/849), the beneficial owner is defined as the natural person who exercises effective control, directly or indirectly, over an entity, in particular through the holding of a significant shareholding or by any other means conferring decision-making power. From an economic and functional perspective, the concept also covers the person who has the power to enjoy and dispose of the relevant income or assets, and who bears, where applicable, the economic risks. In this regard, an intermediary acting on behalf of a third party, with no discretion as to the use of the income received, cannot be classified as a beneficial owner.***

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	(43) "Significant influence" refers to an entity's ability to exercise decisive power over the behaviour of another entity, such that the latter does not determine its own conduct in the market. In practical terms, decisive influence is characterised by the ability to guide an entity's strategic, commercial and financial decisions, regardless of whether that power is actually exercised. It may be exercised exclusively or jointly. This concept is clearly linked to that of control, defined in competition law by Article 3 of Regulation (EC) No 139/2004 on the control of concentrations between undertakings, as the ability to exercise such influence.
[…]	DK (Drafting suggestions): 'Beneficial owner' means: (a) one or more natural persons: - (i) who, directly or indirectly, own or control a foreign investor or Union target; - (ii) who ultimately benefit from the foreign investment; or - (iii) on whose behalf the foreign investment is made or on whose behalf the control over that foreign investment is exercised; or (b) where no natural persons are identified, a legal person, entity or trust which: - (i) directly or indirectly owns or controls a foreign investor or Union target; or - (ii) ultimately benefits from the foreign investment; DK (Comments): We suggest inserting the same definition as that of the Foreign Investment Screening Regulation (FISR). The reference to the ultimate or beneficiary

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	owner is suggested in order to cover situations where a foreign investor is located in a country that does not account for >40% of global capacity, but is ultimately controlled by an entity that is located in a country that does).

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CHAPTER IV **FOREIGN INVESTMENT CONTRIBUTION**	AT (Comments): **AT**: AT still views the provisions in Chapter IV very critically: There remain many unclear provisions which, from the point of view of legal certainty, are **highly concerning for potential investors.** Contrary to the simplification agenda, a number of **new bureaucratic requirements** are being introduced, the necessity of which is particularly questionable in light of the new FDI Screening Regulation. Despite a few isolated adjustments, the relationship with the new FDI Screening Regulation remains unclear; potential synergies that could reduce the administrative burden for both the authorities and businesses are still not being addressed. BG (Comments): While recognising the objective of reducing strategic dependencies and strengthening the resilience of the Union's industrial base, the proposed investment screening and approval framework should carefully balance security considerations with the need to preserve security of supply and the timely deployment of clean energy technologies. Given the current concentration of global manufacturing capacity for batteries, solar PV components and related equipment outside the Union, the practical implications for investment, project implementation and the achievement of the EU's energy and climate objectives should be carefully assessed. EL (Comments): In line with our intervention at COMPET 28.05.2026 for the provisions on the contribution of foreign investment, it is important to strike the right balance in defining the scope both in terms of thresholds, and in terms of sectors of economic activity, so as to avoid harming the attractiveness of EU

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	as an investment destination, and gain maximum benefits for the EU's economic security. We would like to ask the Commission about the inteplay of this proposal with the Foreign Subsidies Regulation (EU) 2022/2560, and FDI screening Regulation (EU) 2019/452, and other existing instruments, and about the need to specify their relations in the operative part of the regulation? Council Legal Service contribution on this issue is highly welcome.

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Article 17 **Scope**	PL (Comments): Poland maintains the original comments, namely the chemical sector as a whole is not specifically identified in Article 17 as an emerging strategic sector subject to special rules governing foreign direct investment controls. At the same time, chemicals, materials, precursors, intermediates, and process technologies are essential to the strategic sectors identified in that provision. Therefore, we recommend a selective approach: not automatically subjecting the entire chemical industry to an additional control mechanism, but explicitly including those segments of the chemical industry that are critical to the resilience of emerging strategic sectors. That approach should as well be taken to any new addition of sectors, where thorough verification of the feasibility and application should be conducted. RO (Drafting suggestions): **Add a clarification in Article 17 or in a recital: "This Chapter applies only to the emerging strategic manufacturing sectors expressly listed in Article 17(2) and shall be without prejudice to Union and national rules applicable to critical energy infrastructure, nuclear safety, nuclear security, safeguards and the nuclear fuel cycle."** RO (Comments): The current compromise text is focused on batteries, EVs, solar PV and critical raw materials. That scope should remain clear. A horizontal foreign investment regime should not create uncertainty for major energy and nuclear investments that are already subject to dedicated licensing, safety, security and FDI screening frameworks.

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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.	BE (Comments): Can the Commission/ Presidency further elaborate on how this threshold was determined? Do the same aggregation principles apply as to Art 17a paragraph 4? BG (Comments): Further clarification would be welcome regarding the methodology for determining the 40% global manufacturing capacity threshold. DE (Drafting suggestions): This Chapter shall apply to foreign direct investments exceeding, **within a limited time period *[said period to be determined]*, an aggregated,** ~~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, **at the time of the review,** by the third country of which the foreign investor is a national or undertaking. DE (Comments): Aggregation of investments must be limited in time, otherwise the criterion becomes meaningless and would disincentivise follow-up investments and expansions. “The time period should be chosen so that circumvention is not possible." In our understanding this criterion applies to any future investment into the same company by the same investor. **As an example:** If at any moment, aggregated investments over the course of the previous [3] years exceed the threshold of 100m EUR, the investment falls under the scope of this chapter.

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	DK (Drafting suggestions): This Chapter shall apply to foreign direct investments exceeding a value of EUR 100 million in the ~~emerging~~ **selected** strategic **manufacturing sectors where particular strategic concern is waranted** referred to in paragraph 2, where more than 40 % of the global manufacturing capacity is held by the third country of which the **beneficial owner of the** foreign investor is a national or undertaking. DK (Comments): The terminology “emerging manufacturing sectors” can be confusing since the covered sectors are not all normally thought of as emerging tech (critical raw materials is certainly something that has been extracted and refined for a long time, and that we have known for for long was strategically important, debatable whether hybrid vehciles per se is emerging as being of strategic importance etc.), and it could also create an unhelpful expectation that all emerging tech should in time be covered by the provisions. It would be better to articulate the FDI provisions as a response to particular concern in selected sectors. Beneficial owner is inserted as per above definition. EE (Comments): Estonia is cautious about reducing the EUR 100 million threshold. Any changes need a thorough assessment of the impacts of the change. EL (Comments):

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	Regarding article 17, on scope, we would like some clarifications: According to your estimations, how many cases of FDI are expected to be covered by the 100 million EUR threshold? Can you provide us with some documentation on the distribution of the FDI in EU per value, in order to evaluate if the 100 million EUR is the right threshold? At technical level, have you considered the possibility to apply a multilateral structure in the scope, in order to capture the most harmful FDIs in all strategic sectors covered by the proposal? For example, we could discuss the possibility to design the scope as follows, running a multi-level control at three stages: - at first level to cover all sectors of Annex I with a higher threshold, for instance 200 million €, in order to limit the cases, - at second level to cover the 4 selected sectors of para 2 with the proposed threshold of 100 million EUR, and - at third level to focus on the sector that faces the most stressing challenges, let's say solar PV technologies, applying a much lower threshold, in order to provide more protection to the most sensitive sector? A sensitivity analysis of the possible threshold-sector combinations would be indespensable in order to strike the right balance. ES (Drafting suggestions): 1. This Chapter shall apply to foreign direct investments exceeding a value of EUR 100 million in the ~~emerging~~ **scaling** strategic manufacturing sectors referred to in paragraph 2, where **the third country of which the foreign investor is a national or undertaking holds a significant share of global manufacturing capacity, taking into account the degree of concentration and competitive structure of the relevant sector**. ES

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	(Comments): ES considers that not only the emerging strategic manufacturing sectors should be subject to foreign investment control but also other sectors that are not new, but will be leading sectors with leveraging capacity generating important spillover effects, drive innovation, boosting job creation and wealth. The application of investment-related conditionalities should be based on a comprehensive assessment of strategic vulnerability rather than on a single quantitative threshold. FI (Comments): In the working groups, it has been confirmed that the threshold of EUR 100 million would also apply to cumulative investments. However, the text does not address this at all, nor does it establish any methodology for determining how cumulative investments should be calculated. If cumulative investments are intended to fall within the scope of the IAA, the legislation should set out clear calculation rules, including how investments are aggregated and over what period. A defined and limited reference period is essential to ensure legal certainty, predictability, and consistent application of the cumulative investment criterion. The Commission has pointed out that the regulation does not apply retroactively to investments. Finland therefore sees it is problematic if expansions of already existing investments must be monitored pursuant to Chapter IV. According to our interpretation, this would in fact make the regulation retroactively applicable in certain respects, as in reality already established investments require more investments during their existence. FR

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	(Drafting suggestions): 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***(a), (l), (m) and EUR 50 million in the remaining 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. FR (Comments): With regard to the trigger threshold, the French authorities reiterate their request for the threshold to be adjusted by sector so that it is tailored to specific economic and industrial circumstances with respect to the foreign investment values made on a yearly basis. This adjustment should ensure that the control mechanisms effectively target transactions likely to pose a risk to the Union's economic security, strategic interests or the resilience of its value chains. Thus, with the exception of batteries and the proposed new sectors of shipbuilding and rolling stock (for which the €100 million threshold appears appropriate), France is therefore calling for the threshold to be lowered to €50 million for all other sectors. IT (Comments): *The possibility for Member States to apply lower thresholds is consistent with the subsidiarity principle and the need to protect national strategic supply chains below the EU threshold (e.g. national champion SMEs in CRM sectors).*

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	NL (Drafting suggestions): 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. NL (Comments): Further clarification is requested on the rationale and evidence underpinning the proposed EUR 100 million threshold. The Netherlands is currently assessing the appropriateness of this threshold and would welcome further explanation of the methodology used. In particular, it is unclear whether a single threshold is appropriate, given that investment profiles, capital intensity and strategic relevance may differ significantly across strategic value chains. PL (Comments): Poland considers that Article 17(1) requires a more detailed explanation of the concept of “global manufacturing capacity”, including how the production indicator should be defined (e.g. volume, value, or other metrics), as well as the methodology for calculating manufacturing capacity, for example in a recital. RO (Drafting suggestions): **In Article 17(1), replace "where more than 40 % of the global manufacturing capacity is held..." with: "where, on the basis of the**

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	information published by the Commission pursuant to Article 23, more than 40 % of the global manufacturing capacity is held...". **Add: "The assessment shall be based on recent, transparent and verifiable data."** RO (Comments): The 40% threshold is a jurisdictional trigger for prior approval. Investors and Member States need legal certainty on how and when the threshold is met. The threshold should not depend on unpublished, outdated or disputed data. SE (Comments): Essential for SE that the value-threshold of EUR 100 million is maintained and not lowered as this would go against the targeted purpose and nature of the proposal.
	DE (Drafting suggestions): **Member states may ask the commission to review the global manufacturing capacity of certain strategic sectors when exceptional market conditions require an assessment before the review. The Commission shall publish the result x months after the request of the member state.** DE (Comments): Due to market dynamics, it can be necessary to review to manufacturing capacities in certain cases before the general review period starts. This paragraph allows for this.

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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.	AT (Comments): **AT:** The second sentence of Paragraph 1 continues to propose that the investment may only be implemented after the approval by the investment control authority or the EC. We view this power of the EC very critically in light of the principle of subsidiary. Does this also means that a tacit approval would not be possible - as it is forseen in the FDI-Screening Regulation? DE (Drafting suggestions): Such investments shall not be implemented unless explicitly approved by the Investment Authority ***referred to in Article 17a,*** ~~**or the European Commission,**~~ in accordance with the provisions laid down in this Chapter. DE (Comments): In Germany's view the final decision about the approval of foreign direct investments needs to remain with MS. COM should be allowed to issue an opinion that MS should duly take into account. FI (Drafting suggestions): Such investments shall not be implemented unless explicitly approved by the Investment Authority ***referred to in Article 17a,*** ~~or the European~~

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	~~Commission~~, ~~referred to in Article 19~~, in accordance with the provisions laid down in this Chapter. FI (Comments): We consider the only eligible authority to approve/decline investments and to pose conditions over them should be the national authority. This would be in line with the Member States autonomy over investments. IT (Drafting suggestions): 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. IT (Comments): *Italy considers it is necessary to exclude the attribution of decision making competences to the Commission over the screening of foreign investments. The screening mechanism introduced by this Regulation concerns areas, sectors, and risks in which it is not possible to strictly disentangle industrial policy concerns from those relating to national security, which fall under the "sole responsibility" of the Member States (Article 4, paragraph 2, TEU).* *This amendment is consistent with the new Regulation (EU) 2026/1386, which, regarding the screening of foreign investments in sectors and areas similar to those covered by this Regulation, left the decision-making power of the Member States unchanged.* NL

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	(Comments): Ok
2. This Chapter shall apply to foreign direct ~~investment~~***investments*** in manufacturing in any of the following emerging strategic sectors:	DE (Drafting suggestions): This Chapter shall apply to foreign direct investments (**(FN)** in manufacturing in any of the following emerging strategic sectors: DE (Comments): Clarification concerning the definition of FDI included in definition chapter. Question: For clarification, what is COM's understanding of the scope of "manufacturing in … emerging strategic sectors"? Would that also include mechanical and plant engineering - as one could argue that this forms the basis for the production capacities of the technologies mentioned? Or are we talking about manufacturing in the respective sectors themselves? DK (Drafting suggestions): This Chapter shall apply to foreign direct ~~investment~~***investments*** in manufacturing in any of the following ~~emerging~~ strategic sectors: DK (Comments): As per above. EL (Comments):

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	During the wp meeting on 01.06.2026 Commission mentioned that services due to GATS, medicines and medicinal products are excluded from the scope of the article. Can you please specify the provisions that set these exclusions? ES (Drafting suggestions): 2. This chapter shall apply to foreign direct investments in manufacturing in any of the following **scaling** ~~emerging~~ strategic sectors: FR (Comments): France reiterates its call to extend the mechanism to cover more strategic sectors without waiting for a possible future extension by means of delegated acts, and by prioritising those sectors most affected by high-risk foreign investment: nuclear power, wind power, electricity grid equipment, heat pumps, hydrogen and fuel cells, industrial robotics, rolling stock, shipbuilding NL (Drafting suggestions): 2. This chapter ~~shall~~ app**lies** to foreign direct investment in manufacturing ~~in any of the following emerging strategic sectors~~**: in strategic value chains within sectors identified as presenting high-risk strategic dependencies on the basis of risk assessments, as follows:** ~~of the following emerging strategic sectors~~: NL (Comments):

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	Conditions under this Chapter should apply only to value chains that have been identified as constituting high-risk strategic dependencies. A broad sectoral approach is insufficiently targeted, as it assumes that all activities within a strategic sector present the same level of security or resilience risk. This risks capturing investments that do not give rise to the security or resilience concerns this Regulation seeks to address, thereby extending regulatory intervention beyond what is necessary. A risk-based approach ensures that intervention is based on objective evidence rather than broad sectoral assumptions. Value chains should therefore be identified through a structured assessment of their strategic importance, the degree of dependency and the risks associated with that dependency. Such an assessment should distinguish between dependencies, strategic dependencies and high-risk strategic dependencies. Only where these elements cumulatively demonstrate a high-risk strategic dependency should measures under this Chapter apply. The purpose of this assessment is not to eliminate dependencies as such, but to identify those high-risk strategic dependencies that warrant targeted mitigating measures. Such measures may include diversification, innovation, substitution or the development of alternative supply chains. At the same time, strategically important sectors and value chains should continue to compete globally on the basis of innovation, productivity and competitiveness rather than being shielded from legitimate market competition. Public intervention should therefore remain targeted, proportionate and limited to situations where objective risk assessments demonstrate that action is necessary. In practice, this means value chains whose loss, disruption or exploitation could give rise to significant security or resilience risks for the Union. RO (Drafting suggestions):

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	Add at the end of Article 17(2): **"The list of sectors in this paragraph shall not be extended to additional sectors without a prior sector-specific impact assessment, including an assessment of impacts on security of supply, strategic projects, permitting, financing and existing industrial partnerships."** RO (Comments): If the list is expanded later, the consequences could be significant for strategic projects. For nuclear and other critical energy sectors, supply chains cannot be reorganised only around formal origin or investment criteria, because safety qualification, licensing basis, technology ownership and long-term supply security are determinative. SK (Comments): We would like to point out the considerable degree of ambiguity and legal uncertainty arising from the wording of the introductory sentence of paragraph 2. In particular, we highlight the ambiguity and legal uncertainty arising from the phrase "foreign direct investments in manufacturing in any of the following emerging strategic sectors", as it is not clear whether this phrase is intended to cover only manufacturing activities that take place directly within the designated sectors or also manufacturing activities that only indirectly or tangentially relate to those sectors, e.g. where the products manufactured are intended for use in such sectors. The wording should therefore be further clarified and specified to ensure legal certainty and avoid divergent interpretations.

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(a) battery technologies ~~and its~~, ***including the*** value chain for battery energy storage systems;	DE (Drafting suggestions): battery technologies including the value chain for battery energy storage systems **including services relevant for the production of this technolgy;** DE (Comments): Propose to define services in regard to the production to the mentoined technologies to avoid misunderstanding with respect to article 17.3 (b) PL (Drafting suggestions): (a) battery technologies and their value chain for battery energy storage systems**, including active materials, precursors, refining, recycling, specialist chemicals, process materials and process technologies where they are essential for the development of the Union battery value chain**; PL (Comments): The scope of emerging strategic sectors should not be limited to final products or assembly. In the battery value chain, strategic dependencies may arise in upstream stages, including active materials, precursors, refining, recycling, specialist chemicals and process technologies. The proposal does not imply automatic coverage of the entire chemical sector, but it should ensure that critical chemical and material segments enabling batteries, electromobility, photovoltaics and critical raw materials are not omitted.

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(b) pure electric vehicles, off-vehicle charging hybrid electric vehicles and fuel-cell electric vehicles, including components related to electrification and digitalisation;	DE (Drafting suggestions): pure electric vehicles, off-vehicle charging hybrid electric vehicles and fuel-cell electric vehicles, including components related to electrification and digitalisation; **including services relevant for the production of this technolgy** DE (Comments): Propose to define services in regard to the production to the mentoined technologies to avoid misunderstanding with respect to article 17.3 (b) NL (Drafting suggestions): NL (Comments): Not solid: components are negotiable PL (Drafting suggestions): (b) pure electric vehicles, off-vehicle charging hybrid electric vehicles and fuel-cell electric vehicles, including components related to electrification, **electrical steel** and digitalisation;
	PL (Drafting suggestions): **c) wind component manufacturing** PL

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	(Comments): It is important to include strategic sectors such as wind component manufacturing and components made from electrical steel in the FDI scope, as they face risks from face increasing risks from non-market economy investment strategies. Including, semi-finished components such as laminations, stacks and transformers as well as finished e-propulsion motor components, where foreign investments may manufacture assembled components in the EU but using imported electrical steel.
(c) solar PV technologies;	DE (Drafting suggestions): solar PV technologies **including services relevant for the production of this technolgy** DE (Comments): Propose to define services in regard to the production to the mentoined technologies to avoid misunderstanding with respect to article 17.3 (b) NL (Drafting suggestions):
(d) extraction, processing and recycling of critical raw materials.	BG (Drafting suggestions): **Suggestion:** 1. To define the list of critical raw material if it is according the Regulation 2024/1252 and will update if the list of the Regulation updates; 2. To define the extraction activities BG

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	(Comments): **BG:** It is not well defined if Extraction activities include preliminary prospecting and exploration of raw materials (green field), which is highly risky and capital-intensive activity and require serious technical and financial resources until a project reaches maturity and starts its implementation, especially if it is related to the exploration and extraction of metallic raw materials and industrial minerals. In BG, part of the exploration and mining activities are carried out by foreign companies from third countries outside the European Union (Canada, USA or Australia) through their subsidiaries in Bulgaria. The restriction on the approval of an investment of over EUR 100 million in the sectors of extraction, processing and recycling of critical raw materials (it is not specified whether it follows the list of Regulation 2024/1252) could have a serious impact on the withdrawal of investments in these sectors due to an increase in the administrative burden. Additional regulatory obstacles may redirect capital to countries outside the EU. FR (Drafting suggestions): (d) extraction, processing and recycling of critical raw materials~~.~~**;**
	DE (Comments): As GER is in favour of deleting Art. 24, we suggest to include wording here clarifying that regular reviews provided for under this regulation should also address possible updates of the sectoral coverage with regard to already covered sectors and possible new sectors critical to the Union's economic security. ES (Drafting suggestions):

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	(New) **(e) Net-zero technologies, according to Regulation (EU) 2024/1735;** **(f) semiconductors;** **(g) robotic activities;** **(h) digital technologies;** **(i) artificial intelligence activities;** **(j) quantum technologies.** **(k) Aerospacial technologies;** **(l) Biotechnology and pharmaceuticals.** ES (Comments): These technologies are critical to the Union's economic security. The Union cannot wait for the Commission to adopt via delegated act the inclusion of certain additional net-zero technologies in Article 17. The Commission should explain why these technologies should be included ex-post via delegated act. It is crucial to secure high-quality foreign direct investment in the existing scaling technologies that the Union has long worked to develop and consolidate. As for the inclusion of the activities and technologies of the digital sectors, ES would like to understand the underlying rationale behind the explicit exclusion of AI, quantum and semiconductors of Chapter IV. The Union is not highly dependent on critical enabling technologies in the digital sector, but it is also lagging technologically, so it is essential to attract high-quality foreign investment in those sectors. FR (Drafting suggestions):

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	(e) nuclear power; ***(f) wind power;*** ***(g) equipment for electricity grids;*** ***(h) heat pumps;*** ***(i) all components used in the application of hydrogen as an energy source or in processing industries, including fuel cells;*** ***(j) industrial robotics;*** ***(l) rolling stock;*** ***(m) shipbuilding.*** FR (Comments): France reiterates its call to extend the mechanism to cover more strategic sectors without waiting for a possible future extension by means of delegated acts, and by prioritising those sectors most affected by high-risk foreign investment: nuclear power, wind power, electricity grid equipment, heat pumps, hydrogen and fuel cells, industrial robotics, rolling stock, shipbuilding
3. This Chapter shall not apply to:	EL (Comments): We have a scrutiny reservation on paragraph 3 of article 17, as this is connected with the discussion regarding the geographical scope of the whole Regulation. We should add the appropriate safeguards to avoid circumvention.
(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,	BE (Drafting suggestions): (a) investors and investments covered by economic partnership ~~and~~***or*** free trade agreements in force or provisionally applied by the Union to the

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including investments made by the Union subsidiaries of such foreign investors;	extent relevant commitments have been made under those agreements, including investments made by the Union subsidiaries of such foreign investors. **<u>The Commission shall by 1 month after entry into force of this Regulation adopt, by means of implementing act, a non-exhaustive Annex [X] listing economic partnership agreements and free trade agreements containing relevant commitments.</u>**; BE (Comments): In the interest of legal certainty for our partners, can the Commission clarify which agreements it considers to contain relevant commitments? ES (Comments): We thank PRES CY and PRES IE for introducing this clarifying amendment. FR (Drafting suggestions): (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; ***To ensure that these investments, which fall outside the scope of this new IAA monitoring mechanism, are monitored, the European Commission shall monitor investments from final beneficial owners which are a legal or naturel person from a country having 40 % or more of the global manufacturing capacity.***

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	FR (Comments): (1) If these are investment commitments that do not involve substantial reciprocal measures (e.g. technology transfer, local industrial presence or the employment of European staff), excluding them from the scope of this chapter of the IAA could create a significant risk of this new mechanism being circumvented. More specifically, this would mean that foreign investments channelled through 'friendly' third countries—which would then serve as relay points for dominant actors from third countries initially covered by the IAA—would be excluded from scrutiny. These actors could then redirect their investments to the EU under a different origin. Such a situation would create a risk of circumvention of the mechanism provided for by the IAA and would result in low-value-added assembly plant projects slipping through the new screening process, even though they correspond precisely to the risks the mechanism seeks to prevent. PL (Comments): Poland indicates that European Commission guidance on Article 17(3a) is needed to ensure the uniform application of the Regulation by the Member States, particularly with regard to the interpretation of the term "to the extent relevant commitments have been made." RO (Drafting suggestions): **In Article 17(3)(a), after "free trade agreements", add:**

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	"or other Union-level strategic partnership, sectoral cooperation, security-of-supply or cooperation instruments, including, where relevant, Euratom nuclear cooperation instruments". RO (Comments): The exemption should cover trusted third-country partners where the Union has already established a strategic or sectoral cooperation framework. This is particularly important for industrial ecosystems, such as nuclear, where EU supply security relies on long-standing cooperation with trusted partners with equivalent standards and security commitments. SE (Drafting suggestions): investors and investments covered by economic partnership**, association** ~~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; SE (Comments): Countries that have entered into association agreements should receive equal treatment to countries that have economic partnerships for the sake of coherence and predictability.
(b) investments targeted at providing services, including investments made by the Union subsidiaries of ***foreign*** investors;	

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(c) portfolio investments.	DE (Drafting suggestions): ~~portfolio investments.~~ **Investments outside of the scope of 'foreign direct investment' as defined under Regulation 2026/13/86** DE (Comments): "portfolio investment" is not a clearly defined legal term and not fully equivalent to "non-direct investments". Germany proposes to follow the approach applied under the FDI Screening Regulation with regard to the scope
	BG (Drafting suggestions): **(d) investments that are necessary for ensuring security of energy supply, maintaining electricity system adequacy or implementing projects recognised by the Member State as being of overriding public interest in accordance with Union law.** BG (Comments): Bulgaria would welcome considering an additional exemption, or where appropriate a fast-track procedure, for investments that are demonstrably necessary for ensuring security of energy supply, grid stability or the implementation of projects of overriding public interest in the energy sector. DK (Drafting suggestions):

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	(d) Union target subsidiaries unless they individually meet the relevant criteria outlined in this chapter. DK (Comments): We would like an explicit exemption to be stated that Union target subsidiaries are not covered by the Regulation, unless they meet the criteria individually. ES (Drafting suggestions): **(New) 4. This Chapter shall not apply in any case to the foreign direct investments which were authorized before the date of entry into force of this Regulation.** **(New) 5. In order to avoid any potential duplication, the Commission shall ensure that the content of this Regulation remains fully consistent with existing EU and national investment screening frameworks, in particular Regulation (EU) 2019/452 and Regulation (EU) 2026/1386.** ES (Comments): New Article 17.4 is added to ensure legal certainty and respect the principle of non-retroactivity. New Article 17.5 is added to ensure coherence and avoid duplication with existing EU and national investment-screening frameworks, while ensuring that strategic investments contribute effectively to strengthening Europe's industrial base.

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	NL (Drafting suggestions): **ADD] 4. The Commission shall adopt an implementing act to develop the necessary risk assessments as established in paragraph 2 to specify strategic value chains in sectors listed in paragraph 2 above. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 31(3).** **5. To specify the applicable strategic value chains, a Council implementing act shall be adopted in accordance with the following procedure:** **The Commission shall submit a proposal to the Council for an implementing act to specify the strategic value chains, within the sectors specified in paragraph 2 above and on the basis of the risk assessments established on the basis of paragraph 4 above. In its proposal, the Commission shall explain its reliance on Member State information provided and motivate its selection of strategic value chains for their strategic significance based on risk assessments.** **The Council shall adopt the implementing act, acting by qualified majority.** **The Council may amend the proposals referred to in paragraphs 1 and 2, acting by qualified majority.** **The Council shall act expeditiously** 6. **The Commission can request Member States to supply information on strategic value chains within the sectors specified in paragraph 2 above, where necessary. Member States shall act upon that request expeditiously. Member States may request confidential treatment of information before supplying any. The Commission shall provide**

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	confidential treatment such as necessary. By way of exception, Member States may withhold pieces of information on the ground of national security if reasonable confidentiality is insufficiently provided. Upon refusal, Member States must sufficiently motivate which pieces of information cannot be submitted for national security reasons. NL (Comments): To determine which specific value chains constitute high-risk strategic dependencies, further specification of the scope is required. As the designation of these value chains effectively determines the substantive scope of this Chapter, a Council implementing act is essential to ensure that these decisions are based on robust risk assessments and benefit from Member States' expertise. Member States possess valuable knowledge of their industrial capabilities, vulnerabilities and strategic dependencies, which complements the Commission's expertise. Furthermore, the underlying assessments frequently rely on commercially sensitive and security-relevant information, requiring an appropriate degree of confidentiality and close cooperation between the Commission and Member States. Given the significant industrial, economic, security and geopolitical implications of identifying strategic value chains, Member States should exercise control over these implementing powers through the Council, in accordance with Article 291 TFEU. This governance model ensures that measures under this Chapter remain evidence-based, proportionate and targeted exclusively at high-risk strategic dependencies.

Article ~~19~~17a **~~Prior~~ Notification of planned foreign direct investments**	EL (Comments): With regard to article 17a, on notification of planned FDI, and taking into consideration the similar provisions in Foreign Subsidies Regulation (EU) 2022/2560, we would like to discuss the possibility of adding a safeguard and grant to the Investment Authorities and the Commission the right to request the notification of any planned foreign direct investment which is not notifiable within the meaning of article 17, where there are valid suspicions that the specific foreign investment bears high risk on the well functioning of the internal market in all sectors covered in Annex I. It is vital to protect strategic sectors from killer aquisitions that fall under the thresholds. We have added this kind of safeguard also to the Foreign Subsidies Regulation article 21 Prior notification of concentrations para 5. «The Commission may request the prior notification of any concentration which is not a notifiable concentration within the meaning of Article 20 at any time prior to its implementation where the Commission suspects that foreign subsidies may have been granted to the undertakings concerned in the three years prior to the concentration. Such concentration shall be deemed to be a notifiable concentration for the purposes of this Regulation.» RO (Drafting suggestions): **Add a procedural safeguard:** **"Notifications shall be submitted through a single electronic interface. Where the Investment Authority does not decide on admissibility within the applicable deadline, the notification shall be deemed admissible, unless the Authority has requested additional information within that deadline."**

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	RO (Comments): The notification mechanism should not create an additional bottleneck for strategic investments. A clear and digital one-stop process, with legal consequences attached to the expiry of deadlines, would improve predictability.
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.	AT (Comments): **AT:** It is viewed positively that MS now have six months (instead of one month) to appoint an authority. BE (Drafting suggestions): Member States shall, by [OP insert date: ~~1 month~~***6 months*** after entry into force of this Regulation], designate ~~an Investment Authority~~ **the competent authorities (hereafter and heretofore referred to as "Investment Authority")** which shall perform the review of foreign direct investment and implement the provisions of this Chapter. BE (Comments): No prior assumption can be made with regards to the competent Member State authorities for the purposes of implementing a Regulation. Some Member States may have several competent authorities. This is notwithstanding the efforts to designate a "single window" for investors and a SPOC to facilitate Commission to MS contacts. EE (Comments):

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	Estonia supports the change to 6 months, which allows for more time to nominate the Investment Authority and prepare the necessary national legal structure. ES (Comments): We support PRES CY and PRES IE for enlarging this deadline. FI (Drafting suggestions): Member States shall, by [OP insert date: ~~1 month~~***~~6 months~~*** **12 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. FI (Comments): The extension of 6 months is welcomed. We would still request to align the implementation period with other implementation requirements under Chapter IV. LU (Drafting suggestions): 1. Member States shall, by [OP insert date: ~~1 month~~ ***18 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. LU (Comments): The proposed one-month timeframe for designating a competent authority is unrealistic. In Luxembourg, such a designation requires the adoption of

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	formal legislation. We therefore propose an 18 months timeframe to properly accommodate our national legislative process. This timeframe is also consistent with the timeframe of the recently adopted revision of the FDI screening regulation (Article 3, paragraph 2) NL (Drafting suggestions): Member States shall, by [OP insert date: ~~1 month~~***6*** ***9 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. NL (Comments): The proposed six-month implementation period appears ambitious. Member States require sufficient time to establish the necessary legal and administrative framework, develop implementation procedures, recruit specialised staff and, where necessary, take account of further Commission guidance to ensure a consistent application of this Chapter across Member States. The Netherlands therefore supports extending the implementation period to minimum nine months. SK (Comments): In line with our comment on the original draft proposal, which requested an extension of the period for the designation of the Investment Authority, we support the extended period proposed in this provision.

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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*.	AT (Comments): **AT:** According to the **one stop shop-principle** it would be desirable that only one single application is necessary for procedures under different legal acts (FDI Screening, FSR, merger control, IAA...). Besides, **synergies should be created between these procedures**, e.g. if the investment concerned is also subject to a procedure under the national FDI Screening provisions, a common procedure should be possible. BG (Comments): **BG:** During application proceedure either for exploration or exploitation permit for any of the raw materials in BG the application party shall proof to the competent authority financial stability, provide business analisys and model and dedicated program including financial support of the program. Additial application and approval from different regulating authority will increase the administrative burden of the process leading to a withdraw of inwestments NL (Drafting suggestions): 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*. **3**

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	NL (Comments): Note: There is currently no paragraph 17(4) in the compromise text. This reference should therefore, presumably, be to paragraph 17(3). From our perspective, however, it would be preferable to retain a reference to paragraph 17(4), as this would refer to the risk assessments introduced by our proposed amendment. RO (Drafting suggestions): . RO (Comments): Clarify that the notification obligation applies only where the investment results in actual control or decisive influence, not merely in minority financial participation without control rights. The concept of control should be aligned with existing EU competition and FDI screening practice. Overly broad notification obligations for non-controlling minority stakes could deter financing structures without materially improving resilience. SE (Drafting suggestions): A foreign investor**, or, where relevant, the foreign investor's subsidiary** 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 ~~*34*~~.

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	SE (Comments): Amendment to clarify the notification process for foreign investor's subsidiary, which is not specified in the paragraph. Important that investments made by foreign investor's subsidiaries subject to a mandatory pre-closing notification should be handled by the subsidiary itself and not its parent company. Otherwise the procedure risks removing autonomy from the European-based operator and slowing investments. SK (Drafting suggestions): 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~~ **participation in** the Union target or Union asset as laid down in paragraph 3. SK (Comments): We propose replacing the term "control" with "participation". A 30 % threshold in share capital or voting rights does not constitute control in the true sense of corporate law. Introducing new definitions for concepts that are already established reduces the attractiveness of the internal market and imposes an unjustified burden on both entities operating within the internal market and national authorities.
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***.	ES (Drafting suggestions):

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	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**, **including all the relevant information included in Article 9 of Regulation (EU) 2019/452 and Article 15 of Regulation (EU) 2026/1386.** ES (Comments): For the sake of EU law coherence, the notification shall contain all the necessary information in accordance with Article 9 of Regulation (EU) 2019/452 and Article 15 of Regulation (EU) 2026/1386.
~~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.	ES (Comments): The aggregation rule for the €100 million threshold under Article 19(2) should be clarified. SK (Drafting suggestions): 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 **or by the foreign investor's subsidiary for a period of [2] years** from [OP please insert the date = the date of the entry into force of this Regulation] shall be aggregated. SK (Comments):

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	In line with the intended purpose of this paragraph, we propose adding the words "by the foreign investor's subsidiary". In line with our previous comment we propose defining a timeframe (e.g. 2 years) for cumulating investments to assess the EUR 100 million threshold. Without temporal limitation, standard organic company growth could also be subject to assessment.
~~*3*~~*4*. Foreign investors shall be considered to have control, where the investment in question reaches either of the following threshold:	AT (Drafting suggestions): ~~*3*~~*4*. AT (Comments): **AT:** The term *of 'control'* remains within the text. This is viewed critically on the basis of experience in enforcement and in line with the FDI Screening Regulation. As AT was underlining in the last WP on this chapter, neither the currently applicable FDI Screening Regulation nor the negotiated Regulation provides for a definition of *"control"*. This has granted MS a certain margin of discretion. Therefore, this provision should be deleted. ES (Comments): A reference should be made, or the concept of "beneficial owner" used in this Regulation should be directly linked to the definition contained in Regulation (EU) 2026/1386, in order to ensure terminological consistency, avoid divergent interpretations and guarantee uniform application with the general EU framework on beneficial ownership transparency.

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	FI (Drafting suggestions): Foreign investors shall **notify the investment** ~~be considered to have control~~, where the investment in question reaches either of the following threshold: FI (Comments): We do not think the notion of control should be blended with the filing obligation threshold. We think those are two different things and mentioning 'control' here creates confusion with the requirements set out in Art. 18. FR (Drafting suggestions): Foreign investors shall be considered to have control, **as defined in Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings in particular in Article 3**, where the investment in question reaches either of the following threshold: FR (Comments): The French authorities consider that the concept of 'control' must be precisely defined (in accordance with the Merger Regulation) in order to avoid any misinterpretation of these provisions. Control shall be constituted by rights, contracts or any other means which, either separately or in combination and having regard to the relevant facts and legal considerations, confer the possibility of exercising decisive influence over an undertaking, in particular through: (a) ownership or the right to use all or part of the assets of an undertaking;

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	(b) rights or contracts which confer decisive influence over the composition, voting or decisions of the governing bodies of an undertaking. IT (Drafting suggestions): ~~***34. Foreign investors shall be considered to have control, where the investment in question reaches either of the following threshold.***~~ IT (Comments): *It is deemed appropriate to defer the definition of 'control' to Member States, in line with the provisions of the current FDI Regulation and the subsequent revision thereof. In this regard, the text should remove the definition of control.* *In any event, a rigid application of the 30% thresholds, considered independently of the broader ownership structure and applicable governance rules, does not appear to constitute an effective metric.* PL (Comments): The article does not take into account situations where the increase in shareholding occurs gradually, through several successive transactions. The current wording refers exclusively to the point at which the investment reaches or exceeds the 30% threshold, without addressing the possibility of gradually increasing the shareholding over a longer period. Such sequential increases in shareholdings should also be subject to notification and assessment.

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	SK (Comments): In line with our comment on paragraph 2, we do not agree with the use of the term "control" in this and the related provisions. A 30% threshold of share capital or voting rights does not constitute control in the true corporate law sense.
(a) 30 percent or more share capital or voting rights in a Union target;	IT (Drafting suggestions): ~~**(a) 30 percent or more share capital or voting rights in a Union target;**~~ NL (Drafting suggestions): **[30 percent]** or more share capital or voting rights in a Union target; NL (Comments): Align this provision with the terminology and threshold used in the FDI Screening Regulation to ensure consistency and legal certainty across the EU investment screening framework
(b) 30 percent or more of ownership of a Union asset, and leasehold or other rights conferring control over a Union asset.	FI (Drafting suggestions): 30 percent or more of ownership of a Union asset, and leasehold or other rights conferring ~~control~~ **equivalent rights** over a Union asset. FI (Comments): 'Control' mentioned here, even though 30% does not signify control.

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	FR (Drafting suggestions): (b) 30 percent or more of ownership of a Union asset, and leasehold or other rights conferring control over a Union asset~~.~~ ***As defined in Article 3 of Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings, the notion of control shall be understood as rights, contracts or any other means which, either separately or in combination and having regard to the relevant facts and legal considerations, which confer the possibility of exercising decisive influence over an undertaking, in particular through:*** ***(a) ownership or the right to use all or part of the assets of an undertaking;*** ***(b) rights or contracts which confer decisive influence over the composition, voting or decisions of the governing bodies of an undertaking.*** FR (Comments): The notion of control must be precisely defined (in line with Merger Regulation) in order to avoid any misinterpretation of these provisions. IT (Drafting suggestions): ~~**(b) 30 percent or more of ownership of a Union asset, and leasehold or other rights conferring control over a Union asset.**~~ NL (Drafting suggestions): **[30 percent]** or more of ownership of a Union asset, and leasehold or other rights conferring control over a Union asset. NL

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	(Comments): Align this provision with the terminology and threshold used in the FDI Screening Regulation to ensure consistency and legal certainty across the EU investment screening framework
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.	FI (Drafting suggestions): 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. FI (Comments): Differentiation between control/filing threshold. NL (Comments): Align this provision with the FDI Screening Regulation. In particular, the concepts of control, ownership thresholds and investment transaction should mirror the corresponding provisions of the FDI Screening Regulation to ensure consistency, legal certainty and a coherent application of the EU investment screening framework. SE (Drafting suggestions): Where a foreign investor's acquisition or establishment of an investment would result in foreign investors, **from a country covered by article 17.1,** collectively holding more than the ownership or control thresholds laid down in paragraph 3***4***, that acquisition or establishment shall be notified.

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	SE (Comments): To clarify that it only applies to a collective ownership of investors from a country with more than 40 % of the global manufacturing capacity. To eliminate uncertainty in a case where e.g. 10 % is from such a country and 40 % is from another third country
~~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.	NL (Drafting suggestions): 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]. NL (Comments): Align this provision with the FDI Screening Regulation. In particular, the concepts of control, ownership thresholds and investment transaction should mirror the corresponding provisions of the FDI Screening Regulation to ensure consistency, legal certainty and a coherent application of the EU investment screening framework. SI (Comments): Additional clarification or guidance is needed on how to implement this provision. Based solely on foreign investors data?
	DE

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	(Drafting suggestions): **A Member State which duly considers that a foreign direct investment in its territory reaches either of the thresholds referred to in paragraph 4 through interests held directly or indirectly, may request the Commission to issue a reasoned opinion on whether either of the tresholds it met.** DE (Comments): Since it is not clear how member states should be able to evaluate the shareholder structure, including chains of ownership or affiliates, member states should have the possibiliy to ask for assistance of the commission.
~~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.~~	AT (Comments): **AT:** The requirement for MS to coordinate amongst themselves, as well as with the EC, in cross-border transactions has been removed. **We view this positively.** BE (Drafting suggestions): ~~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.~~ **Where requested by the concerned Member States the Commission shall facilitate the interaction between the concerned Member States in function of a common agreement on the imposed conditions**. DE

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	(Drafting suggestions): 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~~ **within 15 days** with reference to the other notifications. DE (Comments): one day for notification is too short. DK (Drafting suggestions): Where the relevant Union targets or assets are located in more than one Member State, the foreign investor shall **endeavour to** notify the competent Investment Authorities of all Member States concerned and the Commission on the same day**, or no more than two working days thereafter,** with reference to the other notifications. DK (Comments): As per the language of the revised Foreign Investment Screening Regulation, it would be advisable to soften the language to allow for impracticalities in one or more Member States, e.g. national holidays. ES (Drafting suggestions): Where the relevant Union targets or assets are located in more than one Member State, the foreign investor shall notify the competent Investment

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	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.** **Member States shall jointly decide which conditions shall be applied to the foreign direct investment in [insert date]. In case there is no agreement between Member States, the Commission shall decide which conditions shall be applied to the foreign direct investment.** ES (Comments): The Member States shall be the ones in charge to agree on the imposed conditions to the foreign investment. This ensures a coherent Union-wide approach, prevents conflicting requirements, and reduces the need for Commission intervention when an investment affects multiple Member States. The Commission should only act in case of disagreement. The decision-making process has not been explictly provided, neither the time horizon and we remain open to suggestions. This Regulation is based on Article 114 and 207(2) of the TFEU, it would be important to understand whether the Commission holds sufficient competence to establish the definitive conditions to authorize a foreign direct investment that could affect to security or public order. IT

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	(Drafting suggestions): ~~6~~7. Where the relevant Union targets or assets are located in more than one Member State, the foreign investor shall ***endeavour to*** 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.~~ NL (Drafting suggestions): ~~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.~~ NL (Comments): Align this provision with the FDI Screening Regulation. The notification procedure should mirror the corresponding provisions of the FDI Screening Regulation to ensure consistency and legal certainty. SK (Drafting suggestions): Where the relevant Union targets or assets are located in more than one Member State, the foreign investor shall **endeavour to** notify the competent Investment Authorities of all Member States concerned and the Commission on the same day with reference to the other notifications.

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	SK (Comments): We repeteadly suggest aligning the wording of the fisrt sentence with the Foreign Investment Screening Regulation. The strict requirement to notify multiple Member States on the same day may be difficult to comply with due to any sort of technical and logistical constraints. Furthermore, no sanctions are applicable to a foreign investor in the event of non-compliance with this obligation. Regarding the last sentence of this paraghraph, which is proposed to be deleted – we believe that it may provide added value and that its deletion in its entirety may be contrary to the purpose of Section IV. We propose retaining at least the obligation for the Member States concerned to endeavour to coordinate.
Article 18 **Value added foreign direct investment criteria**	PL (Comments): Poland emphasizes that, while the direction of the amendments introduced in the new paragraph 1 is appropriate, as it will ensure an adequate level of employment for European workers, the selection of mandatory criteria should be strengthened. In addition to the conditions set out in point (a), compliance with the conditions laid down in either point (d) or point (e) should also be mandatory in order to ensure the transfer of relevant intellectual property rights or the provision of funding for research and development activities within the EU. Making compliance with at least one of the above-mentioned conditions mandatory would ensure that foreign direct investments contribute to strengthening the European Union’s innovation ecosystem and reduce the risk of technological dependency.

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~~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:	AT (Comments): **AT:** The clarification that the criterion under point a has to be fulfilled in any case, is useful. However, we have doubts if the following criteria are **compatible with the obligation**s of the Union and the member States under **international law**, especially WTO law and would like to ask the CLS on their opinion on this issue. From AT's perspective we still have to underline that the **conditions should be more flexible**. Although paragraph 1 refers to clarification in implementing acts, in the interests of legal **certainty the text of the Regulation itself** should set out the key parameters more clearly. DE

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	(Comments): Scrutiny Reservation ES (Drafting suggestions): *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 or **indirectly** by foreign investors that fulfil ~~either four~~*point (a) and three* or more of the following six conditions: ES (Comments): The financial arquitecture of the investments should not be relevant to the compliance of the conditions. Conditions should apply when the third country investor carries out the investment through other companies. FI (Drafting suggestions): ***When notifying the foreign direct investment in accordance with Article 17a(2), the foreign investor shall undertake to 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 after [time period] from the closing of the investment. 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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	FI (Comments): We consider the national Investment Authorities must have full discretion over whether conditions must be applied. This would be in line with the currently applicable FDI screening mechanism. We understand the need for screening industrial investments, but we do not agree regulating the fact how the Member States must treat these investments. Required measures may also vary significantly between Member States depending on the investment and national investment environment. **The compliance with conditions should remain at the discretion of the national authorities.** We also consider **the investor cannot be obligated to be in compliance with the conditions at the time of the notification**. National authorities will investigate the investment after the notification, and they can approve or prohibit the investment – hence, the investment must be notified before its implementation. How can a foreign investor be compliant with the listed conditions before the investment has taken place? It must also be noted that investments of 100 million euros will probably without exception be subject to merger control scrutiny, and **under merger control regimes there is a strict standstill obligation**. The investors will not even be allowed to affect the operational decisions of the target (e.g., related to workforce) before appropriate clearances. We think the foreign investor, at the time of the notification, may undertake that it will comply with certain conditions within a certain defined time period after the investment, but it cannot be obligated to comply with the conditions at the time of the notification. FR (Drafting suggestions):

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	~~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***, with priority given to criteria (c) and (f)***: FR (Comments): The French authorities thank the Presidency for clariyfying the text by putting the work-force criteria first, which must indeed remain mandatory. The French authorities also call for (i) the establishment of joint ventures and (ii) a minimum proportion of components manufactured in Europe to be made mandatory. The French authorities also emphasise that these conditions should apply to subsidiaries of foreign investors already established in the EU. It is also essential to anticipate any windfall effects linked to the date on which the scheme comes into force. Indeed, given that many foreign investments in the sectors covered by Article 17 of the IAA are currently underway or imminent, the absence of specific provisions on this point could lead, prior to the IAA's entry into force, to an acceleration of projects aimed at circumventing this future measure, as is the case in the automotive and battery sectors. The French authorities are calling for investments to be subject to scrutiny, for example, from the moment the IAA comes into force, through the introduction of a transition period of 6 months. IT (Drafting suggestions):

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	~~2~~1. When notifying the foreign direct investment in accordance with Article 17a(2), the foreign investor shall **provide relevant information with respect to the conditions set out in this paragraph** ~~**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, **taking into account the following conditions** ~~that fulfil either four point (a) and three or more of the following six conditions~~: IT (Comments): *The amendment ensures that the conditions listed in Article 18 will effectively guide the assessment carried out by the Investment Authority, rather than operating as automatic approval requirements.* *An overly mechanical approach should be avoided, since an excessively strict application of cross-compliance requirements may undermine the attractiveness of the Union market, increasing the risk that technological capital is lost and that investments are redirected towards third-country markets.* *The notified foreign direct investment should therefore be assessed on a case-by-case basis, taking into account its specific characteristics and its actual contribution to the objectives of this Chapter.*

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	This approach would preserve the role of the Investment Authority in the assessment and approval process, while maintaining the relevance of the listed conditions as assessment criteria. LU (Drafting suggestions): ~~*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: 18 ~~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: LU (Comments): For the sake of consistency, we propose aligning the deadline for entry into force with the timeframe for designating the competent authority set out in article 17a, paragraph 1. NL (Drafting suggestions): 2. ~~***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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	Investment Authorities shall only approve foreign direct investments made directly by foreign investors that fulfil four or more of the following six conditions: NL (Comments): The relationship between Articles 17, 17a, 18, 20 and 20a requires further clarification. In particular, it is unclear at which stage compliance with the conditions laid down in Article 18 is to be assessed, how these conditions interact with the notification procedure under Article 17a and the review timelines under Articles 20 and 20a, and how they relate to the scope of Article 17. It is recommended to **revert to the original wording**. Hower, the proposed timelines require further discussion. In our view, they remain very short and may not provide sufficient time for Investment Authorities to conduct a thorough assessment and complete the screening procedure. PL (Drafting suggestions): ~~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 (d) or (e)** *and at least* **additional [***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 (d) or (e)** ***and [three]*** or more of the following six conditions: PL

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	(Comments): Intellectual property rules are a key element of Chapter IV, as FDI conditionality should prevent investment from gaining access to the EU market without real technology transfer, competence development, and industrial capacity building in Europe. At the same time, the regulation must protect both the EU's interests and the investor's legitimate rights to the technology and know-how contributed to the project. PL sees the value added to have this requirement (d) introduced as second obligatory requirement. Alternatively, we could see the investor choosing a second obligatory requirement form the options in (d) and (e), as we those two create a real value in the technological and innovative resilience of EU economy and have a long-term, tangible impact on the innovation ecosystem. RO (Drafting suggestions): **In Article 18(1), replace "point (a) and at least three" with:** **"at least three of the conditions listed below, including point (a) where proportionate and feasible having regard to the nature of the investment". Alternatively, add a waiver for equivalent commitments achieving the same objectives.** RO (Comments): The conditions should encourage value creation in the Union, but the combination of a mandatory workforce condition and three additional requirements may be too rigid for complex, capital-intensive projects. A proportionate approach would preserve the attractiveness of the EU for trusted industrial investment. SE

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	(Drafting suggestions): ***When notifying the foreign direct investment in accordance with Article 17a(2), the foreign investor shall comply, or provide clear evidence on how it will 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.*** SE (Comments): It might not be possibly to exactly fulfill requirements at the point of investment decision, e.g. you have no employees yet if it is a green field investment
~~(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	AT (Comments): **AT:** Is it correct that this criterion is only fulfilled, if all mentioned conditions are met cumulatively? These conditions are not clear: What is meant by *"continuously throughout the operation*"? Does this imply that the 50% threshold must be met at all times, with no temporary deviations permitted, even if the threshold is subsequently exceeded by a significant margin? Which categories are relevant for assessing compliance with the 50% threshold? What constitutes "*sufficient and adequate training and capacity-building measures*"?

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Union workers for a period of five years on pain of recovery by the relevant national authorities~~,~~ ***of*** the funding awarded;	Does the re-employment criterion also apply to individuals who are not Union workers? Under which circumstances is the requirement to "*prioritise the re-employment*" considered to be fulfilled? BG (Drafting suggestions): **Suggestion:** Exclusions are permissible in cases of necessity of specific engineering and/or technical knowledge and inavailability to recruite such within the Union BG (Comments): **BG:** This proposal is good as a protection measure of the Union workforce but in case of a spesific engineering positions or know how this condition may fail. CZ (Drafting suggestions): ***(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 **whose Union-worker status has not been obtained in direct connection with, or with the purpose of, the employment related to the implementation of the foreign direct investment. Those Union workers shall be spread** 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

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	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 **of** Union workers **existing at the moment of the public funding approval** for a period of five years **from that moment** on pain of recovery by the relevant national authorities~~,~~ ***of*** the funding awarded; CZ (Comments): Third country nationals recruited to work on the FDI implementation become Union workers so that distinguishing them from Union workers with pre-existing work permits becomes tricky. To make the disctinction between those two categories of workers clearer, we propose to specify that the Union-worker status should not be obtained in direct connection with, or with the purpose of, the employment related to the implementation of the FDI in question. Should the proposed wording not be acceptable for a sufficient majority of Member States, we propose to consider the following alternative proposal: ***(a)*** **The foreign investor commits to filling the job vacancies generated by the foreign direct investment by Union workers with pre-existing work permits who are already available at the moment of the vacancy opening on the labour market of the given Member State. Only if no Union workers fitting the requirements are available for the given job vacancy, the investor can recruit third country nationals. The committment applies to all categories of the workforce, including operational, technical, supervisory, and managerial positions.** Where a Union target or Union asset already performing manufacturing activities before the investment is acquired, including after bankruptcy, maintaining the existing

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	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 **of** Union workers **existing at the moment of the public funding approval** for a period of five years **from that moment** on pain of recovery by the relevant national authorities~~,~~ ***of*** the funding awarded; The start of the 5-year time limit for maintaining the given number of the Union workers needs to be specified. Given the public funding involved, the moment of granting (approving) the public funding makes the most sense as the starting point. Likewise, it needs to be specified that the number of Union workers to be maintained is the number existing as of the date of the public funding approval. DE

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	(Comments): Scrutiny Reservation EE (Drafting suggestions): 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 **by the foreign investor**. 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; EE (Comments): The aim of the addition is to specify that in case of the foreign direct investment, it is the foreign investor that is responsible for providing the necessary training and capacity-building measures. This is to prevent any misinterpretation and potential demands by the foreign investor for tailored national training and capacity-building measures. This does not prevent any Member State offering additional measures by its own accord. EL

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	(Comments): We would like the Commission to elaborate on the interplay with national law, namely regarding the references to insolvency law,labour law (i.e. *shall be prioritised*) and public funding (i.e. *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*). ES (Drafting suggestions): (e) ***(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 reach, in a period of maximun 5 years, at least 50%** of ~~be made up of~~ Union workers across all categories of the workforce, including operational, technical, supervisory, and managerial positions, **with compliance to be assessed primarily during the operational phase of the investment.** 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;

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	ES (Comments): We propose a ramp-up approach to the Union workers requirement including a deadline of 5 years, ensuring that the 50% is reached in every single category, focusing on the operation phase, rather than on the construction phase in order to foster long-term employment contracts. FI (Comments): How this article relates to the freedom to provide services? (art. 57 TFEU) How is subcontracting within value chains taken into account, especially when it often involves the use of foreign or temporary/agency labour? We consider this requirement is very hard to be implemented in practise. • At the time of searching for approval for the investment, the foreign investor has no control to decide over what worforce is used. • Sourcing Union workforce for all levels of categories (including management) will be no easy task and will require time. There must therefore at least be adequate time for the investor to pursue these targets after the investment has been approved. Even in that case, if the foreign investor shall not have control over the Union target as required by the conditions set out in points (a) and (b), the foreign investor may not be able to fulfill this criteria merely due to lack of control. This requirement therefore extends also to the coinvestors that may possibly be of EU origin.

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	We consider EU-level rule is not reasoned, as Member States have already labor market needs tests available and power to evaluate work permits through their national laws. IT (Drafting suggestions): ~~(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; **the 50% share shall be calculated on the entire workforce employed, including fixed-term workers, agency workers and quasi-subordinate contract workers, excluding personnel temporarily seconded by the foreign investor**; IT (Comments): *The proposed inclusive definition prevents recourse to atypical contracts to circumvent the 50% threshold, consistent with European labour policy priorities.*

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	NL (Drafting suggestions): ~~(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; NL (Comments): Further clarification is required regarding the requirement that at least 50% of the workforce consists of Union workers. The Commission is invited to explain the analytical basis for this threshold, how compliance will be monitored throughout the lifetime of the investment, and how this requirement would operate in practice in sectors experiencing labor shortages or where specialized expertise is not readily available within the Union. PL

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	(Comments): It is advisable to clarify the rules for applying the 50% EU employee criterion—particularly regarding how to calculate full-time equivalents (whether FTE—Full-Time Equivalent—is the key factor) and the classification of forms of employment (including employment contracts, service contracts, specific-task contracts, B2B contracts, and seasonal employment contracts) in order to limit potential discrepancies in interpretation between Member States. SE (Drafting suggestions): 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. **The foreign direct investment may apply for temporary derogations from the 50% threshold in case of critical shortage of required expertise.** 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; SE (Comments):

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	Amendment to add temporary flexibility in case critical of shortage of expertise that e.g. could risks the ramp up of a facility or it's operation. During the working party meeting on 1 June the Commission stated that "Union workers" refers to individuals who already have the right to work within the Union at the time of the investment and that workers who obtain a work permit only after the time of the investment should not be included in the assessment. This is not made clear in Articles 18(1) (a) and 3(36). Our intepretation of Article 3(36) is that foreign workers brought to the EU to work obtain the *status* of "Union workers" in the sense of the definition in Art. 3(36) once they obtain the necessary work permit, employment contract etc, regardless of whether they had a *status* as "Union worker" before or after the notification of the foregin investment. SK (Drafting suggestions): 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~~ **in accordance with predefined employment categories**, 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~~ **average annual full-time equivalents (FTEs) of** Union workers for

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	a period of five years **from [defined starting point]** on pain of recovery by the relevant national authorities, the funding awarded; SK (Comments): We request clarification and definition of "across all categories of the workforce" as it lacks methodology for objective evaluation. Furthermore, the commitment of maintaining jobs must be explicitly time-bound (including defining the start of the 5-year period) and evaluated based on predefined rules reflecting standard fluctuation (e.g., via average annual FTEs), otherwise standard labor market fluctuation could formally trigger state aid recovery.
~~(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;	BG (Comments): **BG:** Does this condition means that a foreign investor holding more than 49% of an exploration asset in the Union shall restructure the company ownership, so as to cover the requirements in this contionion? DE (Comments): Scrutiny Reservation FI (Comments): We note that forced joint venture requirements often turn out to be ineffective e.g., due to reluctancy to transfer the most advanced technology and expertise to these JVs. Why have the proposed conditions been selected? We repeat our stance that **too stringent and inflexible conditions may risk**

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	the European investment environment becoming unattractive, and more flexibility towards conditions under the IAA is needed. We also consider any references to 'control' might be ambiguous due to differest existing interpretations. Also in the current proposal the notion of 'control' is used in different contexts with different meaning each time. We therefore primarily suggest determining 'control' in the proposal, and at least removing any contradicting references. RO (Comments): Clarify that the 49% ownership limitation shall not apply where effective safeguards, governance rights for Union partners, security-of-supply commitments or other equivalent measures ensure that the objectives of the Regulation are met. A strict ownership cap could discourage legitimate investment structures, including projects where third-country strategic partners contribute technology, financing or supply security. Equivalent safeguards may achieve the same policy objective with less restriction.
~~(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;	BG (Comments): **BG:** The investments in metal raw materials extraction and processign are high and intensive exeeding the threshold of 100 million Euro. The opportunity that for an investor from a third country is impossible to finalize an agreement with a Union partner into a joint venture or an economic disadvantage always exist. Does this condition means in such cases the

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	investor shall withdraw when he can not achieve economical viable agreement? DE (Comments): Scrutiny Reservation ES (Drafting suggestions): ***(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 the joint venture or, where applicable,** 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; ES (Comments): The current wording is unclear as to whether the 49% threshold applies to the joint venture itself or to the Union entities participating in it. PL (Drafting suggestions): ~~(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,

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	technology transfer, and capacity building. **For the purposes of enforcing sustainable governance model, Investment Authority shall ensure that the joint venture is subject to corporate governance arrangements that effectively safeguard the position of the Union partner;** PL (Comments): Poland submits a written proposal to further clarify and operationalise the requirement for the effective participation of Union partners in joint ventures established pursuant to Article 18(1)(c). Corporate governance safeguards, embedded in the joint venture's constitutive documents and shareholders' agreement, should ensure that the Union partner retains effective and enforceable influence over the strategic direction of the venture, technological development, and production-related decisions. SE (Comments): The term "Union entities" risks creating legal ambiguity because it lacks a definition in IAA and commonly refers to an official institution, body, or agency of the European Union. Consider adding a definition of "Union entities". Precise definition can be discussed but should, to the extent possible, align with other EU-legislation.
~~(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	BE (Drafting suggestions): ~~)~~***(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

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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;	economic activities in the context of the foreign direct investment, **such agreements shall be based on mutually agreed terms between the parties.** 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; BE (Comments): Addition to reduce risk of dispute settlement under TRIPS Art. 28. EU commitments under TRIPS prohibit mandatory licensing. Can the Council Legal Service provide any evaluation on the risk of dispute settlement with regards to this condition? DE (Comments): Scrutiny Reservation ES (Comments): We consider it important to preserve sufficient flexibility in the drafting of this provision in order to avoid potential compatibility concerns with the EU's international obligations, in particular under the TRIPS Agreement. FI

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	(Comments): We consider assessment of compatibility with WTO rules is needed regarding IPR and technology transfer provisions in relation to Articles 3, 28, 33 and 39 of TRIPS (EU has also requested consultations on similar measures, see DS549). NL (Comments): Further clarification is requested regarding the **timing of the licensing** agreements and the practical implications of joint ownership of intellectual property rights. PL (Comments): Poland emphasizes that intellectual property provisions constitute one of the key elements of Chapter IV, as the conditioning of foreign direct investment (FDI) should prevent situations in which an investment grants access to the EU market without resulting in a genuine transfer of technology, the development of capabilities, and the strengthening of industrial capacity within Europe. The current requirement relating to IP licensing is insufficiently precise and creates a risk of legal disputes. The provision concerning the joint ownership of IP generated through cooperation is difficult to enforce, while corporations have at their disposal various mechanisms for structuring intellectual property ownership in ways that may circumvent such requirements. Article 18(1)(d) should therefore provide that licensing agreements must not contain export restrictions on the Union undertaking with regard to the commercialisation of the developed solutions in third countries, including the country in which the foreign investor is established.

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	Furthermore, the governing law of such agreements should be that of an EU Member State rather than that of the foreign investor's jurisdiction, and any arbitration proceedings should take place within the territory of the European Union. From the perspective of the practical implementation of the Regulation, attention should be drawn to the need for further clarification of the rules governing the application of these provisions, or alternatively the issuance of appropriate guidance, so as to enable Member States to assess in a consistent manner whether the scope and terms of such agreements, including the specific intellectual property rights concerned, the exclusive nature of the licence, the duration of the licence, or confidentiality safeguards, are appropriate in light of the circumstances and objectives of this Regulation and of the investment concerned. Poland recommends clarifying the distinction between three categories of intellectual property rights: (i) IP that existed prior to the investment and belongs to the Union entity, (ii) IP contributed by the foreign investor, and (iii) IP generated during the course of the investment, including through joint research and development activities or within a joint venture. IP owned by the Union entity prior to the investment should remain under its control. IP contributed by the foreign investor should be subject to appropriate licensing arrangements or access rights to the extent necessary for carrying out activities within the European Union. RO (Drafting suggestions): **Add to point (d):** **"Licensing and know-how obligations shall apply only to the extent necessary and proportionate and shall be without prejudice to applicable intellectual property rights, export-control rules, confidentiality**

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	obligations, security requirements, nuclear safety or nuclear security requirements, and regulatory approvals." RO (Comments): Mandatory IP and know-how transfer must be carefully framed. In sensitive technologies, such obligations may conflict with export-control rules, security requirements, licensing basis, proprietary technology arrangements or regulatory restrictions.
~~(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;	BE (Drafting suggestions): **With the aim of generating future oriented research results creating added value to the company and with the exclusion of logistics costs.** BE (Comments): Request language that ensures relevant R&D spending with regards to the objectives of the Regulation. DE (Comments): Scrutiny Reservation IT (Drafting suggestions): ~~(d)~~***(e)*** the foreign investor annually directs to research and development spending in the Union an amount equivalent to at least ~~1~~ **2**% 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;

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	IT (Comments): *1% appears modest in sectors such as batteries and solar PV, characterised by intense innovation dynamics. 2% with an adjustment clause rewards investors already active in EU R&D and introduces a behavioural incentive.* NL (Drafting suggestions): 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; NL (Comments): The analytical basis for the requirement to annually invest an amount equivalent to at least 1% of the gross annual revenue in research and development in the Union is unclear. The Commission is invited to explain the rationale for the 1% threshold, the choice of gross annual revenue as the reference value, and how compliance is intended to be monitored and verified. PL (Comments): The requirement to allocate 1% of revenue to R&D in the EU is not geographically specified. For Poland, it would be crucial to link this requirement to the actual location of R&D activities in the host country. Furthermore, investments in R&D should have a long-term, tangible impact on the innovation ecosystem. RO

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	(Comments): Clarify that the 1% R&D obligation may also be fulfilled through training, qualification, testing, engineering, demonstration, localisation or capacity-building activities carried out in the Union and directly linked to the investment. For industrial projects, value creation is not limited to classical R&D expenditure. Engineering, qualification, testing, workforce training and localisation can be equally important for building European industrial capacity.
~~(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;~~	DE (Comments): Scrutiny Reservation
(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	BE (Comments): Can the Presidency conceive of any language that might specify 30% of inputs to include or refer to “critical inputs”?

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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.	BG (Drafting suggestions): **Suggestion:** Including additional mitigation measures for extracting projects of critical raw materials BG (Comments): **BG:** Such a condition could not be fullfilled in case of manufacturing end products which sources of raw materials in the Union is less than 30%. It is not always possible to secure some of the subsurface raw materials on certain teritory and also prospecting and exploration of such is time and investments consuming process. Following the goals of the CRMA would be more effective. In addition to the CRMA more mitigation measures shall be placed in order to achive the goals and easy the exploration and extraction administrative procedures DE (Comments): Scrutiny Reservation EL (Comments): What is the value added of the provisions in para 2(f)? We read it as a publicity condition rather than an obligation for sourcing. Do you consider that the information made published according to this condition can be regarded as sensitive or trade secret by the foreign investor? ES (Drafting suggestions):

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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. ,~~ **aiming to achieve a minimum of 30% of inputs sourced from the Union within a period of up to five years from the implementation of the investment.** ES (Comments): The current wording ("endeavours to source") is too weak to ensure a meaningful contribution to the development of Union value chains. While this condition should not be framed as a strict obligation, as this could raise compatibility concerns with the EU's international obligations, it should also be more consistent with the level of ambition of the other conditions set out in this Article. We therefore propose an intermediate approach, whereby the foreign investor would be required to publish a strategy setting out concrete measures and a progressive ramp-up towards increasing sourcing from the Union, with the 30% target being an objective to be pursued rather than an obligation to be fulfilled FI (Comments): We consider assessment of compatibility with WTO rules is needed in relation to Article III of GATT 1994 and TRIMS. IT (Drafting suggestions):

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	(f) in the context of the foreign direct investment, the foreign investor **shall prioritise** ~~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. IT (Comments): *The condition, which relates to mere conduct of the investor on publicizing strategies on its own website, appears to be of limited effectiveness.* NL (Drafting suggestions): 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]. NL (Comments): Further clarification is required regarding the obligation to source a minimum of 30% of inputs from within the Union. The Commission is invited to explain the analytical basis for this threshold, how compliance will be verified in practice, and how this obligation would interact with global supply chains and the Union's international trade obligations. The wording "endeavours to source" also appears difficult to reconcile with the mandatory requirement of sourcing a minimum of 30%.

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	PL (Drafting suggestions): (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. **During the first three years from the entry into force of this Regulation or from the start of operations, where relevant inputs are not commercially available in sufficient scale, quality or technical specification within the Union, this requirement may also be fulfilled by inputs originating in third countries, provided that they demonstrate meaningful Union participation, including through ownership, control, technology contribution, sourcing from the Union or integration with Union value chains.** PL (Comments): The condition should be clarified to prevent it from being circumvented in practice, and key components for the project should be manufactured within the EU. Additionally, the sourcing requirement should create real demand for Union suppliers and strengthen Union value chains, but it should also reflect the current stage of development of certain strategic sectors, including the battery value chain. During the ramp-up phase, some inputs may not yet be available in sufficient scale or quality within the Union. A transitional mechanism based on meaningful Union participation would preserve the objective of building European value added while avoiding disruptions to

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	investment and supply chains. Ownership may be one relevant indicator of Union participation, but it should not be the only criterion. RO (Drafting suggestions): **In point (f), add:** **"where such inputs are available in the Union in sufficient quantities, at competitive conditions, and meeting the required technical, safety, quality, regulatory and qualification standards."** RO (Comments): The 30% sourcing objective is useful, but it must not force the use of inputs that are unavailable, unqualified or unsuitable for safety-critical applications. The obligation should be linked to actual market availability and compliance with mandatory standards. SE (Drafting suggestions): 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~~ **The foreign investor shall also make its best** endeavours to source from the Union a minimum of 30% of inputs used for the products placed on the Union market SE (Comments): Split into two sentences to clarify that the endeavor to source 30 % from the Union is not only related to the strategy, but something that the investor shall

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	endeavor throughout the operation. Also adjusted to ensure that the foreign investor, to the extent possible, adheres to the goal of EU-sourcing. SK (Drafting suggestions): 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~~ **shall** source from the Union a minimum of 30 % of inputs used for the products placed on the Union market, **of which at least [insert value] % must be sourced from regions eligible for regional investment aid.** SK (Comments): This condition is currently optional, weakening enforceability and lacking any real added value. We propose strengthening it and introducing a mechanism to account for territorial disparities within the EU to uphold the cohesion principle.
	FR (Drafting suggestions): ***In the case of subsidiaries of foreign investors already established in the EU or when extending the mechanism to new strategic sectors, the European Commission and/or the relevant investment authority will ensure that certain key conditions are met, in particular the creation of joint ventures, the use of a European workforce and a minimum supply of components produced within the EU.*** FR (Comments):

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	The French authorities are also concerned about the absence, in this chapter, of clear provisions to prevent circumvention, particularly in the case of subsidiaries of Chinese companies established in the EU or in countries covered by free trade agreements. The Commission could put in place a monitoring mechanism to prevent such circumventions. In this context we echo comments made by Belgium during the WP of 02/07 on the risk of circumvention. IT (Drafting suggestions): **1-*bis* <u>Member States should provide for the necessary measures to prevent circumvention of the 49% threshold</u>.** IT (Comments): *In order to prevent any circumvention of such threshold, a recital could be added, such as:* "***Member States should provide for the necessary measures to prevent circumvention of the 49% threshold. This should cover investments by means of contractual or governance arrangements conferring on the forign investors a determinig influce over the strategic dcisions of the Union target***". SK (Drafting suggestions): [*Add as a seprate point after Article 18(2)]:* **<u>For greenfield investments, the conditions in points (b) and (c) shall not apply if the investor demonstrably fulfills conditions (a), (d), (e) and (f).</u>** SK (Comments):

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	We propose deleting the mandatory JV and maximum 49% share condition for greenfield investments. Greenfield investments generally do not utilize existing corporate structures as they involve establishing an entirely new facility. This requirement represents a fundamental deviation from the nature of greenfield investments, appears disproportionate, and may deter potential investors.
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.~~	IT (Drafting suggestions): **1-*ter* The Investment Authority may, where necessary for the protection of national strategic assets, require the investor to comply with additional conditions beyond those laid down in paragraph 1, having regard to the specific characteristics of the sector and of the region concerned.** IT (Comments): *Additional conditions would preserve Member States' ability to adapt the harmonized framework to national-specific characteristics.*
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:	AT (Drafting suggestions): The investment authority may apply ***four or less conditions*** set out in paragraph 1..... AT (Comments): **AT:** We welcome the clarification that investments made through a Union subsidiary are not automatically subject to the investment rules. At the same

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	time, the competent authorities appear to **enjoy a broad margin of discretion** in determining whether, and how many, of the relevant criteria apply to such investments. In this context, we would appreciate clarification on the reference to the possibility of applying **all** criteria. Could this result in certain investments made through a Union subsidiary being subject to stricter requirements than investments made directly by foreign investors, which only need to fulfil four out of the six criteria? Furthermore, is the condition set out in paragraph 1, point (a), not mandatory in such cases? We also welcome the clarification that Union subsidiaries of foreign investors are not themselves required to fulfil the criteria. In addition, we welcome that the **Investment Screening Authority** is responsible for determining which criteria are met in a given case, thereby providing the authority with greater flexibility in carrying out the screening process. BE (Comments): Would this explicit exemption for EU subsidiaries, not lead to circumvention (these subsidiaries are not exempted in the "classical FDI-screening" either). Does the Presidency think there is any advantage to a notification mechanism for investments made by foreign investors' subsidiaries, which would allow Investment Authorities/ Commission to keep track of potential investments that should be reviewed under 2(a) or 2(b)? DE (Comments): Scrutiny Reservation DK (Drafting suggestions):

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	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 ***as*** 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: DK (Comments): This seems to make it posible for the investment authorities to decide to apply less strict, or stricter, requirement than for non-subsidiaries (which must always fulfil condition a) plus 3 out of the 5 other conditions). For example an investment authority could decide to impose all 6 conditions. It would help ensure uniform application of the regulation, predictability for investors, and reduce the risk of regulatory arbitrage/"shopping", if the requirements for investors' subsidiaries were always the same, and corresponded with requirements on "mother companies". Alternatively, whether an investment is covered by the requirements or not could depend on the *ultimate* owner, to avoid company structure with various owned subsidiaries etc. from becoming an issue due to risk of circumvention in the first place. ES (Drafting suggestions): 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

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	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: ES (Comments): ES considers that foreign direct investments made within the Union by foreign investors' subsidiaries represents a clear risk of circumvention. To avoid this, foreign investors' subsidiaries shall comply with the same conditions than the foreign investors. We need to establish a level playing field amongst foreign direct and indirect investment as the important issue at hand is to control the beneficial owner. If the previous is not possible, we suggest a case-by-case analysis should be made to avoid circumvention through a foreign investors' subsidiaries. Moreover, it is important to clarify the concept of circumvention in (a). Consideration could be given to including a non-exhaustive list of situations that may constitute circumvention. FI (Comments): It needs to be assessed whether the proposed option might be considered discriminatory (TFEU Art. 18, TFEU Art. 49), as, although a foreign parent company owns or controls it, the subsidiary has its own distinct legal EU personality, meaning it is treated as a separate company under local host-country laws. Also if such conditions would be applied on entities already established in the EU ("foreign investor's subsidiaries") they might be contrary to commitments in the bilateral investment protection agreements.

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	FR (Drafting suggestions): 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). To prevent the circumvention of this Regulation by the foreign investor, 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~~ ***made by any natural or legal person where at least one of its beneficial owners is a national or an undertaking of a third country, or where a decisive influence, within the meaning of Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings , is exercised over the activities of that natural or legal person by a national or an undertaking of a third country*** ~~where it is essential to achieve the objectives of this Regulation, under the following conditions:~~ FR (Comments): The flexibility of these provisions carries the risk of a lack of clarity regarding the scope of the control mechanism, and of allowing investments that appear to fall 'outside the scope' to slip through, even though a more detailed analysis might lead to the conclusion that they benefit a foreign investor. Furthermore, leaving the assessment to Member States risks creating a distortion of competition between them, fuelled by regulatory arbitrage, and thus further fragmenting the internal market. The text must not be limited to foreign investors and their subsidiaries but, to be effective, must cover all investment channels enabling the monitoring of a

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	foreign investment ultimately made by a third country, including by traceability up the ownership chain. NL (Drafting suggestions): ~~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:~~ NL (Comments): Delete this provision unless the Commission can clearly demonstrate its added value. It is unclear why investments made by Union subsidiaries of foreign investors should be subject to a separate assessment regime. If retained, further clarification is required on its necessity, scope and practical application, in particular under which circumstances Investment Authorities may apply these conditions and how a consistent application across Member States will be ensured. RO (Drafting suggestions): **Add: "In applying conditions to Union subsidiaries, Investment Authorities shall take into account the subsidiary's established presence,**

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	workforce, tax residence, industrial footprint and contribution to Union value chains." RO (Comments): Maintain the approach that Union subsidiaries of foreign investors are not automatically subject to all conditions Long-established EU subsidiaries of trusted non-EU groups can be deeply embedded in the European industrial base. They should not be treated in the same way as a new investment with no EU footprint. SE (Drafting suggestions): ***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~~2).*** **From [OP insert date: 12 month after entry into force of this Regulation], ~~T~~*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: SE (Comments): Referece to Article 17a(2), since it concerns the notification. Clarification on the timeline for assessing investments from foreign investors' subsidiaries. Article 18(1) only referes to "investments made directly by foreign investors", hence clarification that investments by a foreign investor's

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	subsidiary may only be assessed after 12 months, to align with the implementing timeline in Article 18(1).
	FR (Drafting suggestions): ***The term "beneficial owner" refers to the natural person or persons who ultimately own or control a legal entity, or on whose behalf a transaction or activity is carried out. In practical terms, the concept of 'beneficial owner' aims to ensure the accurate identification of natural persons exercising actual control or deriving substantial benefit from economic flows, in order to ensure the effectiveness of rules on transparency, the fight against abuse and the prevention of optimisation or circumvention practices. In accordance with the approach adopted in EU law (and in particular Directive (EU) 2015/849), the beneficial owner is defined as the natural person who exercises effective control, directly or indirectly, over an entity, in particular through the holding of a significant shareholding or by any other means conferring decision-making power. From an economic and functional perspective, the concept also covers the person who has the power to enjoy and dispose of the relevant income or assets, and who bears, where applicable, the economic risks. In this regard, an intermediary acting on behalf of a third party, with no discretion as to the use of the income received, cannot be classified as a beneficial owner.*** ***The concept of "significant influence" refers to an entity's ability to exercise decisive power over the behaviour of another entity, such that the latter does not determine its own conduct in the market. In practical terms, decisive influence is characterised by the ability to guide an entity's strategic, commercial and financial decisions, regardless of whether that power is actually exercised. It may be exercised exclusively or jointly. This concept is clearly linked to that of control, defined in competition law by***

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	Article 3 of Regulation (EC) No 139/2004 on the control of concentrations between undertakings, as the ability to exercise such influence. FR (Comments): The notion of "decisive influence" and "beneficial owner" could be integrated in Article 3 of the IAA dedicated to definitions.
(a) preventing the circumvention of this Regulation by the foreign investor; or	FR (Drafting suggestions): ~~(a) preventing the circumvention of this Regulation by the foreign investor; or~~ FR (Comments): To be consistent with what we propose in paragraph 2. NL (Drafting suggestions): ~~preventing the circumvention of this Regulation by the foreign investor; or~~ NL (Comments): See earlier made comment - article 18.2
(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.	FR (Drafting suggestions): ~~(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.~~

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	NL (Drafting suggestions): ~~(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.~~ NL (Comments): See earlier made comment - article 18.2 SE (Drafting suggestions): **(c) In its evaluation, the Investment Authority shall consider the foreign investor's subsidiaries current and historical level of employment of Union workers.** SE (Comments): To ensure that large, well-established EU-based companies that historically always has reached the many of the criteria in Article 18(1), and especially the union workers criteria, are not hit by the regulation.
	ES (Drafting suggestions): **2 (bis) When applying such conditions, Investment Authorities shall ensure that any measures imposed are proportionate to the specific circumstances of the investment, taking into account in particular:** **(a) whether the investment establishes a new economic activity or relates to the expansion or modification of an existing economic activity;**

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	(b) the scale and expected impact of the investment on the Union's economic and supply security; **(c) the need to avoid affecting the operation of pre-existing investments beyond what is strictly necessary to achieve the objectives of this Regulation.** **The application of this clause does not exempt from complying with the provisions of paragraph 1, nor be interpreted as allowing investments to be authorized in the absence of compliance with four of the six conditions set out therein.** ES (Comments): It is appropriate to distinguish between foreign direct investments establishing a new economic activity and those expanding or modifying an existing one. Where new investments are linked to an existing economic activity, conditions should not adversely affect the operation of the existing investment and should remain proportionate, taking into account the regulatory framework applicable at the time of the initial investment and the investor's legitimate expectations. Failure to respect this distinction may create legal uncertainty and give rise to disputes, including under investor–State dispute settlement mechanisms.
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.	IT (Drafting suggestions): **3. <u>All Member states concerned by</u>** Foreign direct investment notified pursuant to ~~the first subparagraph~~Article 17a(7)~~ **shall**~~ **<u>take into account</u>** ~~fulfilcomply with~~ the conditions laid down in this Article~~ 18 in all Member States concerned~~.

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	IT (Comments): *This paragraph should be aligned with amendments submitted under Article 18.* SK (Comments): We propose deleting this provision without replacement. The requirement is disproportionately stringent and imposes an unnecessary burden.
~~*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).	AT (Comments): **AT:** We welcome **implementing acts** to further specify the conditions in principle. Nevertheless these conditions should be defined **more precisely in the Regulation** itself, leaving only the specification of minor details to the implementing acts (see also comments above). EE (Comments): Estonia stresses that the necessary information provided by the investor needs to be uniformly presented (preferably by providing a EU common form) and interpreted by Member States. This is especially necessary for investments which impact more than one Member State and require cooperation and coordination between Investment Authorities. FI (Comments): We refer to our comment under Art. 18 para (1): the investor cannot be obligated to be in compliance with the conditions at the time of the notification.

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	IT (Drafting suggestions): ~~54. 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).~~ **Member States shall ensure that they have the necessary legal means and powers to effectively address, within their territory, the conditions laid down in paragraph 2.** IT (Comments): *It should be responsibility of Member States ensuring to have a mechanism consistent and compliant with the Regulation.* NL (Drafting suggestions): 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). NL (Comments):

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	Further clarification is requested regarding the six-month deadline for the adoption of the implementing act. It is unclear what the legal consequences are if the implementing act has not been adopted within that timeframe. In particular, it should be clarified whether Investment Authorities may continue to apply the relevant provisions in the absence of the implementing act, or whether the application of those provisions depends on its adoption. RO (Drafting suggestions): **Add** **"the implementing act shall be prepared after consultation with Member States, industry and, where relevant, sectoral regulators, and shall include standard documentation templates to minimise administrative burden".** RO (Comments): Verification rules will determine how burdensome the regime becomes in practice. Standardised and proportionate documentation is essential to avoid delays and inconsistent implementation across Member States. SK (Comments): While we support the application of the same rules for verifying compliance with the relevant requirements, we consider this to be a fundamental competence of the EC. We intend to give further consideration to this provision.

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~~*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;~~	

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~~(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.~~	
~~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.~~	

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~~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***	FR (Comments): Given the key role the Commission has top lay in terms of ensuring proper implementation of the mechanism, France calls not to lower the ambition of the chapter on this point and for the Commission to maintain its role of ensuring implementation, for several reasons, such as limiting circumvention risks and ensure harmonisation of implementation to avoid fragmenting the single market. SE (Comments): SE notes that the FDI Regulation and IAA serves different purposes. Regardless, to ensure coherence and avoid unnecessary administrative burden, SE is in favour of adjusting the deadlines to align with the FDI Regulation, which we note other MS have expressed.
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.	BE (Drafting suggestions): The Investment Authority shall decide on the admissibility of the notification pursuant to Articles 17 and ~~19~~***17a*** within **45 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. BE

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	(Comments): To align with the FDI Regulation, and to create feasible procedure allowing the Commission max 30 days for an opinion, which gives the member states 15 days to comply -> which should be sufficient the handle the "checklist" of the straight forward measures, creating a clear deadline of 45 days with or without opinion and 30 days extension if needed, creating a workable deadline of max 75 days, instead of 105 days with possibly some confusion between the 30 first admissibility days and the same 30 "opinion days". DE (Drafting suggestions): The Investment Authority shall decide on the admissibility of the notification pursuant to Articles 17 and 17a within ~~30~~ **45** days of receiving the **complete** notification. That deadline may be extended by a further ~~15~~ **45** days where the Investment Authority demonstrates satisfactorily that an extension is justified by the circumstances. DE (Comments): Coherent period with period set in the revised FDI screening regulation (applicable from January 2028) for screening phase 1. Also, the deadline must only start when the notification is complete, i.e. contains all documents required for the Investment Authority's decision. Investment Authorities should be able to extend the deadline by 45 days for very complex cases to be able to properly examine and assess all relevant details, in particular when the assessment is done e.g. over the Christmas holidays. FR (Drafting suggestions):

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	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 ***complete*** 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. FR (Comments): We suggest this amendment in order to secure the implementation with this provision (aligned with competition law procedures and especially merger Regulation). IT (Drafting suggestions): 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. IT (Comments): *The proposed wording is intended to enhance consistency with the terminology applicable to administrative procedures.* LU (Drafting suggestions): 1. The Investment Authority shall decide on the admissibility of the notification pursuant to Articles 17 and ~~19~~***17a*** within 45 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.

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	LU (Comments): Change to align the timeframe with the FDI screening regulation NL (Drafting suggestions): 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. NL (Comments): The proposed timeline appears ambitious. Sufficient time should be available to request additional information where necessary and to carry out a more in-depth admissibility assessment, depending on the final scope of Article 17. The Netherlands therefore proposes extending the additional 15-day period to 50 days (or more). SI (Drafting suggestions): The Investment Authority shall decide on the admissibility of the notification pursuant to Articles 17 and ~~19~~***17a*** within ~~30~~**60** 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. SI (Comments):

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	The deadline for decision on the admissibility of the notification should be longer, taking into consideration that notifications are often subject to amendments which require time. Based on practical experiences from the Screening Regulation, the proposed deadline is too short. We suggest extending it up to 60 days.
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.	NL (Drafting suggestions): Where ***deemed admissible by*** the Investment Authority ~~decides a notification is admissible~~, it shall ~~immediately~~~~***without***~~ ***undue delay*** transmit the ~~full~~ notification to the Commission ~~including all documents received.~~ NL (Comments): Investment Authorities should have sufficient time to verify the notification, assess confidential and commercially sensitive information, and complete their preliminary assessment before transmitting the notification to the Commission. It should not be required to transmit all documents received; only the information necessary for the Commission's assessment should be shared.

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Article 20a ***Approval process***	RO (Comments): Clarify the relationship between the Commission opinion and the national approval decision. The Commission opinion should be taken into account by the Investment Authority, but the final approval decision should remain with the competent Member State authority, except in narrowly defined Union-level cases. Member States should retain primary responsibility for assessing investments located on their territory. The role of the Commission should be clearly delimited to avoid duplication with national FDI screening and to preserve legal certainty. SE (Comments): SE notes that the FDI Regulation and IAA serves different purposes. Regardless, to ensure coherence and avoid unnecessary administrative burden, SE is in favour of adjusting the deadlines to align with the FDI Regulation, which we note other MS have expressed.
~~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.	AT (Comments): **AT:** We generally take a very critical view on the EC has the right to issue a written opinion. The competences should stay at the MS authority. BE (Drafting suggestions):

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	Within 20 days after receiving the notification, the Commission may inform the notifying Member State(s) about their intention to issue a written opinion. **The** written opinion on whether the foreign direct investment falls within the scope of Articles 17 and 17a, whether it fulfils the conditions laid out in Article 18(1), and whether the Investment Authority should approve the investment or not, **shall be sent to the concerned Investment Autority no later than 25 days after receiving the notification.** FI (Comments): We consider the Commissions's opinion should not be binding on the Member States (as we understand is the case pursuant to the current text). FR (Drafting suggestions): ~~2~~***1***. Within 30 days after receiving the ***complete*** notification, the Commission may issue a written opinion on whether the foreign direct investment falls within the scope of Articles 17 and ~~1~~***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. FR (Comments): We suggest this amendment in order to secure the implementation with this provision (aligned with competition law procedures and especially merger Regulation). IT (Drafting suggestions):

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	~~*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**~~. IT (Comments): *It is necessary that assessments on the transaction remain within the competence of the Member State.* *Please refer to comments submitted under Article 17*
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.~~	AT (Comments): **AT:** However, we welcome the removal of the requirement to publish decisions on the EC's website. CZ (Drafting suggestions): We welcome this amendment as the information about the investment in the opinion might be confidential. DE (Drafting suggestions): Where the Commission issues a written opinion, it shall transmit it to the Investment Authority without delay. **The Commission shall notify the other Member States that an opinion was issued and share the written opinion with other member states if requested.**

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	DE (Comments): The Commission shall inform member states, but not share confidential information. Suggest same wording that is used as the in FDI Screening Regulation. FI (Comments): We support this amendment. SK (Comments): We are of the view that the EC's opinion should have a purely advisory character for the Member States, and that the wording of the proposal should be amended accordingly throughout Section IV. On the other hand, in line with our previous comment, we support the deletion of the second sentence authorising the EC to publish its opinions on its official website.
~~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	AT (Comments): **AT:** We advocated for more time for issuing the **reasoned decision**. The new proposal 45 days plus a 30-day extension has still in total also 75 days (the previous proposal was 60 + 15 days). We therefore see no significant difference here. Additionally, **we see the obligation to report any deviation from the EC's opinion as an unnecessary bureaucratic burden.**

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days where the Investment Authority demonstrates satisfactorily that an extension is justified by the circumstances.	CZ (Drafting suggestions): ~~3~~***2.*** ***The Investment Authority shall*** ~~***offer***~~***issue*** ***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. DE (Drafting suggestions): The deadline for issuing the reasoned decision may be extended by a further ~~30~~ **60** days where the Investment Authority demonstrates satisfactorily that an extension is justified by the circumstances. **The Investment Authority may request the foreign investor provide additional information in case this information is required to take a reasoned decision. Once such an information request is issued, the deadlines set out in this paragraph start running again once the investor provides the complete requested information.** DE (Comments):

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	Changing the option to extend the review period from 30 to 60 days given the experience in FDI screening: In very complex cases the Investment Authority will often need more time than an addition 30 days. In addition, FDI screening shows that complex cases often require the Investment Authority to request further information on case-specific details to be able to issue an informed and reasoned decision. As long as the request is pending, the deadlines must be stopped, otherwise the investor could "sabotage" orderly proceedings by just waiting for the deadline to run instead of providing this information in a complete and timely fashion. IT (Drafting suggestions): ~~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. IT (Comments): *The proposed wording is intended to enhance consistency with the terminology applicable to administrative procedures.* NL (Drafting suggestions):

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	~~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. NL (Comments): The proposed timeline appears too short. Investment Authorities should have sufficient time to request and assess additional information, assess confidential and commercially sensitive information, carry out a thorough assessment and adopt a well-reasoned decision. The Netherlands therefore supports extending the maximum decision period to 100 days to ensure a robust, consistent and legally sound implementation of this Chapter. SE (Drafting suggestions): ***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

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	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 Authority may request the foreign investor provide additional information in case this information is required to take a reasoned decision. Once such an information request.** SE (Comments): FDI screening for complex cases can require the Investment Authority to request further information on case specific details to be able to issue an informed and reasoned decision. As long as the request is pending, the deadlines must be stopped, otherwise the investor could "sabotage" orderly proceedings by not providing this information in a complete and timely fashion.
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.	CZ (Drafting suggestions): ***The*** Investment ~~Authorities~~***Authority*** shall~~, in their reasoned decision issued pursuant to ***this*** paragraph 3, justify, ***indicate***~~ ***inform the Commission*** how the opinion of the Commission was taken into account. CZ (Comments): The changes made are not sufficient.

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	It is inadequate to make such justification/indication in a communication to the foreign investor. This information should only be shared between the Investment Authority and the Commission. IT (Drafting suggestions): ~~***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.	SI (Drafting suggestions): The Investment Authority shall communicate such reasoned decisions to the Commission within ~~three~~**ten** days of adoption. SI (Comments): The deadline should be longer. We suggest extending it up to 10 days. Weekends and public holidays should be taken into account when determining deadline.
~~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.	AT (Comments): **AT:** Additional reporting obligations are in contradiction to the objective of reducing such obligations. If additional obligations beyond those already possible under the FDI Screening Regulation are considered necessary at all they should be kept to an absolute minimum. FR

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	(Drafting suggestions): ~~5~~***3***. The Investment Authority shall, in its approval decision, set out reporting obligations ***and a schedule*** on the ***foreign*** investor concerned, with a view to assessing the continuous fulfilment of the conditions laid down in Article 18 ***and under the conditions set out in Article 22***. FR (Comments): To ensure the proper implementation of this provision, the French authorities propose using the term 'full notification', in accordance with the procedures laid down in competition law, and in particular the Merger Regulation. Furthermore, in addition to the reporting obligations, the French authorities are calling for a timetable to be established. We are proposing this amendment to ensure the implementation of this provision and to safeguard foreign investment.
	IT (Drafting suggestions): **4. The reasoned decision approving or declining a foreign direct investment under this Chapter shall, in all cases, be adopted by the Investment Authority of the Member State concerned.** IT (Comments): *It is necessary to clarify that the decision to approve a foreign direct investment under this Chapter lies with the investment authority of the Member State concerned.* *Please refer to comments under Article 17.*

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~~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.~~	CZ (Comments): The deletion is welcome FI (Comments): We support this amendment. SK (Comments): We welcome deletion of this paragraph.
~~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	BE (Drafting suggestions): ***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.***

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direct investment in case there is no agreement between the Member States concerned.	***Coordination shall be facilitated by 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.*** CZ (Comments): We still do not percieve as appropriate for the Commission to decide about the conditions in case there is no agreement between the Member States. Commision can provide the opinion that Member States shall take into account. DE (Drafting suggestions): 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.~~ **Each Member State shall communicate the conditions to be applied in its territory.** DE (Comments): We would not be supportive of the Commission being granted the final decision-making power in multi-country cases if the Member States concerned do not agree on the conditions. The final decision on the approval of investments should always rest with the Member State, in whose territory the investment is made.

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	However, when it comes to the decisions of Member States, the Commission should ensure a uniform application of the rules. This does not mean that in multi-country-cases each Member State has to require the identical conditions as all other Member States concerned. As long as each Member State's decision is in line with Art. 18, Member States might diverge amongst each other on which of the speficic conditions under Art. 18 must be fulfilled in the respective Member State, so the FDI conditions can be tailored to each Member State's speficic needs – as long as they all comply with Art. 18. DK (Drafting suggestions): *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* ***to ensure that the foreign investor complies with the conditions under Article 18 (1) point (a) and at least three of the conditions of their choice under points (b) to (f) of Article 18 (1).*** ~~*and agree on the conditions imposed with the other Member States concerned, as well as with the Commission.*~~ ***The Commission will facilitate the coordination process****.* ~~*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.*~~ DK (Comments): If in article 18, the 3 out of the 5 listed conditions can be decided by the investor, then what is the reason for the different member states having to agree on the conditions for the investment in this part of the approval process?

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	We suggest revising this paragraph according to the changes in article 18 and clarifying that the Commission will help with the coordination of cases. EE (Drafting suggestions): ***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.*** **The time period prescribed for the Commission to issue a written opinion pursuant to paragraph 1 of this Article shall commence upon the date of the last received notification by an Investment Authority to the Commission.** EE (Comments): The coordination process between Member States has to be outlined in detail, in order to prevent delays and confusion in the assessment processes caused by differences in the interpretations of assessment conditions and processes by the different Investment Authorities. This includes assessing the completeness of the information provided by the Investor and communications with the Commission. In the case of deadlines, different Investment Authorities may receive and forward notices at different times. Therefore, in the case of involvement by more than one Investment Authority from different Member States, we propose to align the timings by

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	establishing that the 30-day deadline for the Commission's written opinion will only start after receiving the final notification from the Investment Authority that responds to the Commission last. ES (Drafting suggestions): *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.*~~ **The Member States concerned shall coordinate the review of such notifications and agree on the conditions imposed with the other Member States concerned.** **Member States shall jointly decide which conditions shall be applied to the foreign direct investment in [insert date]. In case there is no agreement between Member States, the Commission shall decide which conditions shall be applied to the foreign direct investment.** ES (Comments): The Member States shall be the ones in charge to agree on the imposed conditions to the foreign investment. This ensures a coherent Union-wide approach, prevents conflicting requirements, and reduces the need for Commission intervention when an investment affects multiple Member States. The Commission should only act in case of disagreement.

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	The decision-making process has not been explictly provided, neither the time horizon and we remain open to suggestions. This Regulation is based on Article 114 and 207(2) of the TFEU, it would be important to understand whether the Commission holds sufficient competence to establish the definitive conditions to authorize a foreign direct investment that could affect to security or public order. FI (Drafting suggestions): ***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.***~~ FI (Comments): We suggest the Commission's power to decide which conditions are ultimately applied would be removed. We ultimately consider that coordination between Member States in cross-border transactions is welcomed and even essential, but similarly to the current FDI and merger control regimes, the discretion over the investment and applicable conditions must remain within the national authorities. The administrative process should remain as clear as possible.

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	IT (Drafting suggestions): ~~4~~ **5**. Where the relevant Union targets or assets are located in more than one Member State, the Member States concerned shall **endeavour to** 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.**~~ IT (Comments): *It is necessary that Member States retain competence over decisions regarding the outcome of screening procedures.* *Please refer to comments under Article 17.* NL (Drafting suggestions): ~~**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.**~~ **The Commission shall adopt an implementing act to determine the conditions to be applied to foreign direct investments in cases there is no**

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	agreement between Member States concerned. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 31(3). NL (Comments): This section is in violation of EU law. Effectively, it introduces a basis for delegation of powers to the Commission without the necessary institutional requirements emanating from Reg. 182/2011. Instead, the choice for conditions applied is a matter of uniform execution of enforcement of rules, which means they should be established in an implementing act following article 291 TFEU. Given that investment screening concerns trade policy, article 2(2)(b)(i) of Reg. 182/2011 indicates an examination procedure should be prescribed in that case. PL (Comments): Poland emphasizes that the paragraph addressing situations in which a foreign investment involves Union targets or assets located in more than one Member State remains insufficiently precise. Moreover, the coordination mechanism between Member States has neither been defined nor structured as a clear procedural framework. In particular, there is no specification of procedural timelines, the format of coordination meetings between Member States, or the designation of a lead Member State depending on the nature and location of the foreign direct investment (FDI). RO (Drafting suggestions):

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	Replace "The Commission shall decide which conditions shall be applied" **with: "The Commission may issue a recommendation on the conditions to be applied, which the Member States concerned shall take into utmost account."** RO (Comments): Where assets are located in several Member States, coordination is necessary. However, a direct Commission power to decide conditions may raise subsidiarity and competence concerns, especially where national security, energy security or critical infrastructure considerations are involved. SE (Drafting suggestions): ***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 where appropriate seek an agreement ~~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.*** SE (Comments): The proposed changes seek to clarify the respective roles of Member States Investment Authorities and the Commission.

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	Amended to clarify that the Member States should seek to find an agreement. It is clear from the last sentence that the coordination does not necessarily result in an agreement. Where an agreement on the conditions imposed is reached, the Investment Authorities should decide which conditions shall be applied. Only where no agreement is reached, the Commission should decide on those conditions. Further, and not related to the SE draft suggestion, this paragraph indicates that the Investment Authority (or Authorities) is to decide which criteria in Article 18(1) to apply. However, this is not in line with Article 18(1), which states that the foreign investor can choose which four criteria to apply. For investments by foreign investor's subsidiary under Article 18(2), the choice of conditions are to be decided by the Investment Authority, for such investments this paragraph has a rationale. Hence, can the Commission clarify how investments under Article 18(1) should be handled in case multiple MS are concerned? Can the foreign investor still choose which four criteria to apply, and if so, is there a need for MS to agree on which criteria to apply? SK (Comments): We agree with the coordination of the Member States concerned; however, we strongly oppose the proposed power of the EC to decide which conditions shall apply in cases where the Member States face difficulties in reaching an agreement.
	IT (Drafting suggestions):

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	6. Where the relevant Union targets or assets are located in more than one Member State, that decision shall rest with the Investment Authorities of the Member States concerned. IT (Comments): *It is necessary to clarify that the decision to approve a foreign direct investment under this Chapter lies with the investment authority of the Member State concerned.* *Please refer to comments under paragraph 4 of this Article and Article 17.*
~~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.	PL (Comments): Poland emphasizes that the phrase *"any party subject to a decision"* requires further clarification, namely whether it refers to a Member State, the investor, the domestic target undertaking, the shareholders of a prospective joint venture, or other interested parties. Furthermore, the paragraph refers to *"Article 20 or paragraph 2 of this Article"*, but does not specify whether it concerns decisions adopted by a national authority. Depending on the overall structure of the Chapter, this may give rise to uncertainty as to which court has jurisdiction to hear an appeal and in respect of what type of decision a legal remedy is available.
	ES (Drafting suggestions): **6. Where the foreign investment is to be subject to the national foreign direct investment procedure developed after Regulation of FDI and the screening of foreign investment established in the current Regulation,**

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	the foreign investor may submit a single request for authorization. In this case the applicable deadlines for resolution set out in paragraph 3 of the current article will be those set out in the EU Regulation on screening of foreign investments in the Union. ES (Comments): It should be noted that the scope of this Regulation includes foreign investments that also fall under the scope of national screening mechanisms on the basis of public order and public policy. To the aim of safeguarding administrative efficiency and attractiveness of the EU for foreign investment, this provision avoids excessive administrative burden on the investors.

Article 21 **~~Review~~*Commission assessment* of foreign direct investment ~~by the Commission~~**	DE (Drafting suggestions): ~~Article 21~~ ~~Commission assessment of foreign direct investment~~ FI (Comments): In line with our comments above, we consider this article should be removed. The amendments were a step to the right direction, but still, the possibility given in subparagraph (b) for another Member States to request the Commission to initiate a review of a foreign direct investment in the host Member State carries a risk of politicising the investment environment. We think the risk is not removed by requiring that the initiative comes from three Member States. This combined with the self-initiation powers given to the Commission opens the door to political maneuvering. In addition, the powers granted to the Commission under paragraph (d) are too vague. FR (Comments): Given the key role the Commission has to play in terms of ensuring proper implementation of the mechanism, France calls not to lower the ambition of the chapter on this point and for the Commission to maintain its role of ensuring implementation, for several reasons, such as limiting circumvention risks and ensure harmonisation of implementation to avoid fragmenting the single market. IT (Drafting suggestions):

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	~~Article 21~~ **~~ReviewCommission assessment of foreign direct investment by the Commission~~** IT (Comments): *As commented before (refer to comments submittend Under Article 17) it is necessary that Member States maintain competence over decisions concerning the outcome of screening procedures. For this reason, it is proposed to delete the entire Article.* *Furthermore, the criteria laid down in the proposed Regulation as a basis for the Commission's power to decide to conduct directly the screening of foreign direct investments are generic and broad.* LU (Comments): In our view, the role of the Commission should be aligned with the role it has under Section II ("Comments by Member States and opinions by the Commission") of Chapter 3 of Regulation 2026/1386. Thus, the Commission shall retain a role to issue non-binding recommendations and opinions to Investment authorities, in order to ensure a harmonised application of the Regulation. SK (Comments):

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	General comment regarding the powers of the EC to assess the foreign investments, verify compliance and to impose sanctions: We would prefer if the assessment of foreign investments remained primarily a competence of the Member States. The Investment Authority of the Member State in which the foreign investment is to be (or partially was) carried out is best placed to assess the case. Therefore, we suggested limiting the proposed powers of the EC so that it would not be entitled to carry out assessments of foreign investments itself but would only provide opinions within the assessment procedure conducted by national the Investment Authorities. For the same reasons, we have also proposed removing the EC's power to impose fines.
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:	AT (Comments): **AT:** Although the EC may review the transaction on its own initiative where the investment value is very high, we nevertheless view this **discretionary power of the EC with scepticism.** DE (Drafting suggestions): ~~Within 30 days of receiving the notification referred to in Article 17a(2), the Commission may decide to undertake the assessment of the foreign direct investment only in the following circumstances:~~ DE (Comments): Investments within the scope of this chapter can be of high importance for the Member States and their regions. We consider it the right of the member

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	state to decide on the conditions applied to investments in its territory. We strongly advise against giving the Comission the right to block investments or impose conditions that deter an investor from making the investment, after all. This is of particular importance for MS with a federal system where it is mainly the federal states / regions and not the central government that are tasked with attracting investments and that benefit on a regional level from the investment. A level playing field across the MS can already be achieved with the harmonised set of criteria in Article 18 and harmonised procedures without given the Commision the right to decide on the investment instead of the MS. When it comes to the decisions of Member States, the Commission should ensure a uniform application of the rules. DK (Drafting suggestions): 1. ~~Following~~***Within ~~30~~ 15 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: DK (Comments): These deadlines do not match the deadlines under the Regulation for Screening of Foreign Investments. We propose to use the 15 days to align them. This will also reduce burdens for companies and streamline regulations. ES (Drafting suggestions):

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	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 **and provided that the investment does not affect to the Member State's security or public order**: ES (Comments): The Commission lacks competence to investigate foreign direct investment when security or public order are affected according to article 4 of the Treaty of European Union. IT (Drafting suggestions): ~~**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:**~~ NL (Drafting suggestions): ~~Following~~***Within 30 days of receiving*** the notification referred to in Article ~~19(1)~~***17a(2)***,the Commission may decide to ~~to undertake the assessment~~ **issue an opinion** on the foreign direct investment only in the following circumstances: RO (Drafting suggestions): **In Article 21(1), define and narrow the triggers for Commission assessment. Delete or define the phrase "added value creation in the Union market" and ensure consistency with Regulation (EU) 2019/452 on FDI screening.**

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	RO (Comments): The current triggers are broad and could create uncertainty. The Commission assessment should be reserved for clearly Union-level cases, not used as a general second layer of review for industrial investments. SE (Drafting suggestions): ~~Following~~***Within 30 days of receiving*** the notification referred to in Article ~~19(1)~~***17a(2)***, the Commission ~~may~~ **shall** ~~decide~~ to undertake the assessment of the foreign direct investment ***only*** in the following circumstances: SE (Comments): SE notes that some changes have been made to artikel 21 by eliminating one of the grounds for the Commission to conduct an assessment but that two grounds remains and further that an additional ground has been added based on a request from three or more MS. SE cannot accept that the review of investments from the Commission is maintained in the revised text, especially given the close connection these transactions have to national security. We also oppose the remaining possibility in the revised tex for authorities in other Member States to request the commission to take over a case in another Member State. May is replaced by shall because it should be made clear that COM shall take over notifications if a MS investment authority requests it. Responsibilities should be made clear.

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	SK (Drafting suggestions): Alternative 1: "Within 30 days of receiving the notification referred to in Article 17a(2), the Commission may decide to ~~undertake the assessment of~~ **provide an opinion on** the foreign direct investment only in the following circumstances:". Alternative 2: "Within 30 days of receiving the notification referred to in Article 17a(2), the Commission ~~may decide to~~ **shall** undertake the assessment of the foreign direct investment only ~~in the following circumstances~~:". SK (Comments): The assessment should remain primarily within the competence of the MS. Hence, we propose narrowing the EC's powers so it cannot conduct direct assessments but only provide opinions. Alternatively, if retained, it should be formulated as an obligation ("shall undertake") in the established cases.
(a) ~~on its own initiative, where the foreign direct investment has the potential to significantly impact added value creation in the Union market;~~	IT (Drafting suggestions): ~~**(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~~	DE

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~~the foreign direct investment in question would have a significant impact on its territory;~~ ~~or~~	(Drafting suggestions): ~~a) at the request of an Investment Authority handling the notification~~ IT (Drafting suggestions): **~~(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;	DE (Drafting suggestions): ~~(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~~ EE (Comments): The meaning of "significant economic impact" needs to be quantified in order to provide predictability for the foreign investor and the Investment Authorities, and to prevent differences of opinion between the IAs. IT (Drafting suggestions): ***~~(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;~~***

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	~~***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;***~~ NL (Comments): Delete this provision unless the Commission can demonstrate its added value. It is unclear why a request by three Member States should trigger a Commission assessment where the Investment Authority responsible for the notification has not requested Commission involvement. This risks blurring the allocation of responsibilities between the Commission and the Member State concerned SE (Drafting suggestions): ~~***(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;***~~ SI (Comments): We ask kindly for the explanation on what grounds 3 or more Member States were determined.
(c) on its own initiative, where the foreign direct investment has value exceeding EUR 1 billion~~.~~***;***	DE (Drafting suggestions): ~~(c) on its own initiative, where the foreign direct investment has value exceeding EUR 1 billion.;~~ EL (Comments):

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	While recognising the need for coordination at Union level, the criteria triggering Commission intervention could be further specified to ensure legal certainty. IT (Drafting suggestions): ~~**(c) on its own initiative, where the foreign direct investment has value exceeding EUR 1 billion.;**~~ NL (Drafting suggestions): ~~**on its own initiative,**~~ **c) <u>at the request of the Investment Authorities where the investment will take place</u>,** where the foreign direct investment has value exceeding EUR 1 billion.; NL (Comments): Member States should retain responsibility for the assessment and final decision on foreign direct investments within their territory. The Commission should only undertake its role at the request of the Investment Authority of the Member State concerned PL (Drafting suggestions): ~~on its own initiative, where the foreign direct investment has value exceeding EUR 1 billion.~~ PL (Comments):

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	Poland considers that the criterion allowing the Investment Authority to act on its own initiative solely on the basis that the foreign direct investment exceeds a value of EUR 1 billion should be deleted. SE (Drafting suggestions): ~~(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;~~**.**	AT (Comments): **AT:** This criterion is quite vague. Besides it is not clear why there is a need for a new investment screening procedure in such circumstances, as they can be adaquately addressed under the FDI Screening Regulation. BE (Comments): Please elaborate “high potential” DE (Drafting suggestions): ~~d) on its own initiative, where the foreign direct investment has high potential of disrupting the security of supply of the relevant emerging strategic sector or related value chains in the Union~~ DK (Drafting suggestions): (d) 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 **as determined by a risk assessment showing considerable economic impact of the investment.**

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	DK (Comments): We suggest having a clear and operational definition of an investment that has the potential to disrupt the security of supply of the relevant strategic sector or related value chains in the Union in order to provide clear legal basis. Our draft suggestion is an attempt at this. EE (Comments): The meaning of "high potential of disrupting the security of supply" needs to be specified in detail, in order to provide predictability for the investor and the Investment Authorities, and to prevent differences of opinion between the IAs. FR (Comments): We suggest to determine and define the notion of "high potential of disrupting the security of supply" to clarify the cas where the EC may undertake this assessment. IT (Drafting suggestions): ~~**(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;.**~~ IT (Comments):

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	The circumstance set by letter d) concerns issues falling within the scope of national security and cannot justify autonomous action by the European Commission. In this regard, it should be noted that Article 19(1)(d) of Regulation (EU) 2026/1386 on the screening of foreign investments in the Union, published in the Official Journal of the European Union on 26 June 2026, provides that: "when assessing whether a foreign investment is likely to negatively affect security or public order, for the purposes of adopting a screening decision, or providing comments or issuing an opinion, the Member States and the Commission shall in particular consider its potential effects on:… the continuity of supply of critical inputs, including services". NL (Drafting suggestions): ~~(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;.~~ NL (Comments): Delete this provision. The assessment of foreign direct investments should remain the responsibility of the Investment Authority of the Member State concerned. The Commission should support the national assessment by issuing an opinion where appropriate, rather than initiating its own assessment. RO (Comments):

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	Clarify that the security-of-supply trigger must be based on objective evidence of a material risk to the relevant emerging strategic sector or related value chains in the Union. Security of supply is a legitimate Union concern, but it should be applied through objective and evidence-based criteria so that the investment review remains predictable. SE (Drafting suggestions): ~~(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:~~	CZ (Comments): Why was this paragraph deleted? Significant economic impact is mentioned in the previous paragraph. How should we understand it if there is no explanation.
(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;~~	

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~~(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.	DE (Drafting suggestions): ~~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.~~ IT (Drafting suggestions): ~~**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.**~~ NL (Comments): ok

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2a. The Commission shall communicate such reasoned decisions to the Investment Authority within three days of adoption.	CZ (Comments): The reference "such reasoned decisions" is not clear. If it refers to para 2 ("where the Commission decides to assess.."), it should be corrected. The article does not mention "reasoned decision" in its previous paragraphs. DE (Drafting suggestions): ~~2a. The Commission shall communicate such reasoned decisions to the Investment Authority within three days of adoption~~ FR (Drafting suggestions): ***2a. The Commission shall communicate such reasoned decisions to the Investment Authority within three working days of adoption.*** IT (Drafting suggestions): ~~***2a. The Commission shall communicate such reasoned decisions to the Investment Authority within three days of adoption.***~~
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.~~	AT (Drafting suggestions): ..., the Commission may ***under the circumstances mentioned in paragraph 1*** decide AT (Comments):

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	AT: Here again the EC has a wide margin of discretion. It is even not clear if the conditions under para. 1 also apply to assessments under this para. As there is no explicit reference to these criteria. **The EC's power to decide to undertake the assessment of an investment by a foreign investor subsidiary is generally seen skeptical.** BE (Comments): Delete if the option to circumvent through EU subsidiaries is also removed. CZ (Comments): The changes are not clear. While paragrapgh 1 sets a clear deadline and conditions for the Commission to initiate the assessment, there is no such clarity on investments made by investor's subsidiaries. DE (Drafting suggestions): ~~3. Following the notification referred to in Article 17a(2), the Commission may decide to undertake the assessment of an investment by a foreign investor subsidiary referred to in Article 18(2).~~ ES (Drafting suggestions): 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**

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	direct investment in question would have a significant impact and provided that the investment does not affect to the Member State's security or public order. ES (Comments): The Commission lacks competence to investigate foreign direct investment when security or public order are affected according to Recital (7) of Regulation (EU) 2019/452. IT (Drafting suggestions): ~~**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.**~~ NL (Comments): Please see comment in article 18
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)***.	AT (Comments): **AT:** Herer again it is unclear if the EC may apply more conditions ("*some or all*") than in cases of investments directly by foreign investors, in which the fulfillment of at least 4 conditions is sufficient - see also comments on Art. 18 para. 2.

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	DE (Drafting suggestions): ~~Based on its assessment, the Commission may apply in a proportionate manner some or all the conditions set out in Article 18(1).~~ ES (Drafting suggestions): Based on its assessment, the Commission may ~~require~~ **suggest 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)***. ES (Comments): See comment above. IT (Drafting suggestions): ~~**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 Article18(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.~~	

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Article 22 **Monitoring and enforcement ~~by the Investment Authority~~**	DE (Comments): Scrutiny reservation FR (Comments): Given the key role the Commission has to play in terms of ensuring proper implementation of the mechanism, France calls not to lower the ambition of the chapter on this point and for the Commission to maintain its role of ensuring implementation, for several reasons, such as limiting circumvention risks and ensure harmonisation of implementation to avoid fragmenting the single market. LT (Comments): To ensure consistency in the numbering of the paragraphs, it would be advisable to review the numbering of the paragraphs in this entire article, as Article 22(2) appears twice in the compromise text. NL (Comments): **Monitoring and enforcement under Article 22 should remain proportionate, targeted and predictable in order to avoid unnecessary administrative burdens and legal uncertainty**
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***	BG (Drafting suggestions): Suggestion: to define the period of *regularly* – if it concerns annually, quarterly or every seccond/third etc. year.

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the applicable conditions laid down in Article 18, the Investment Authority may waive those conditions.	BG (Comments): **BG:** Such a reporting requirement increase the administrative burden for the investor. FI (Comments): We support the amendment regarding possibility to waive conditions after five years of compliance. FR (Drafting suggestions): 1. The Investment Authority shall ~~regularly~~ ***on a yearly basis*** 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~~ ***on a yearly basis*** 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 during the lifespan of each industrial project, the Investment Authority may waive those conditions. The Investment Authority shall verify the accuracy and validity of the information provided by the foreign investor in order to prevent circumvention measures pertaining to, notably, Article 18 (f).*** ***A delegated act of the Commission shall specify, for each condition laid down in Article 18, the information that must be included in the reports submitted by investors.*** FR (Comments):

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	To ensure the effective implementation of the provision, the French authorities propose setting a framework for the frequency of the monitoring carried out by the authority, for example on an annual basis. The term 'regularly' is, in fact, too open to interpretation. We also propose adding a paragraph specifically stating that the authority is responsible for verifying the relevance and validity of the information provided by the foreign investor, in particular to prevent circumvention. Finally, the French authorities suggest that the Commission specify, by means of a delegated act or guidelines, for each of the conditions set out in Article 18, the information that must be included in the reports submitted by the foreign investor. This would, in particular, help to prevent a lack of oversight by the competent authorities, which could encourage 'forum shopping'. On the **sunset clause:** we express strong reservations regarding the proposed 5-year sunset clause for the conditions set out in Article 18. The duration must be proportionate to the strategic nature and the lifecycle of the industrial assets concerned. The sectors targeted in this chapter involve long-term investments where the added value for the EU (R&D, local supply chains, and specialized workforce…) must be secured over the entire operational life of the project. A fixed 5-year period would be insufficient; it creates a risk where investors could shift their industrial strategy (for example to non-EU inputs or reduce the EU workforce ratio) as soon as the oversight period ends, nullifying the long-term strategic benefits of the initial approval. **One option** would be to extend the timeframe (e.g., 10 years); nonetheless, **our preffered option** would be that the duration of the audits should be determined on a case-by-case basis and depend on the lifespan of the asset.

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	For each decision, the authority must ensure compliance with the criteria throughout the duration of the project. PL (Drafting suggestions): 1. The Investment Authority shall regularly monitor, at least the foreign direct investment to ensure that it continues to comply with the applicable conditions laid down in Article 18. For that purpose, the foreign investor shall regularly report **at intervals proportionate to the scale and risk profile of the investment and using standardised reporting templates** to the Investment Authority on compliance with the applicable conditions. Subject to **at *[five]* years** of continuous compliance with the applicable conditions laid down in Article 18, the Investment Authority may waive those conditions. PL (Comments): The concept of regular reporting needs to be clarified. The frequency of reporting should be proportional to the scale of the investment and the actual level of risk. Harmonised forms should be used to reduce administrative costs and ensure comparability of data. We take note of the change introduced as indeed the obligations may be applied for a determined time. Nonetheless we draw the attention to the following elements: - **A 5 year revision period is highly unproportional for large-scale infrastructure projects,** to which the entire Chapter IV refers - It is **too short for an investment to create real impact** on the EU economy. The investor should be obliged to fulfil the investment conditions for a longer period, which could be based on average periods for investment payback. This would indicate a period of

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	approximately **10 years** as it is calculated on average for investments in batteries manufacturing, CAM or PVs production. - A 5-year period is not justified by any former request by MS. It should **be taken in brackets and subject of further discussion**. The period starts with the decision to accept the investment on early stage of the investment (preparing a feasibility study, signing a term sheet between the domestic investor and the third-country investor). **Subsequently the real impact will not appear immediately**. We request a higher period to be indicated and we have a preference above **10 years**. RO (Drafting suggestions): **Replace "five years" with "three years" or allow an earlier waiver where compliance has been demonstrated and the investment is operational.** RO (Comments): In Article 22(1), clarify that reporting shall be annual, unless a specific risk justifies more frequent reporting. Long-term monitoring is reasonable, but the reporting burden should be proportionate. Once an investment is operational and compliance is demonstrated, the Authority should be able to reduce or waive ongoing reporting obligations. SI (Drafting suggestions):

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	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~~**on a yearly basis** 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.*** SI (Comments): Term "regularly" is not clear and may lead to divergent interpretations among MS. Therefore, to ensure consistency and legal certainty, we recommend establishing a uniform yearly reporting period applicable across all MS SK (Drafting suggestions): The Investment Authority shall ~~regularly~~ monitor the foreign direct investment to ensure that it continues to 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 conditions. 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. SK (Comments): We propose deleting the word "regularly", as its meaning is unclear and therefore adds no value to the provision.

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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.	IT (Drafting suggestions): 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.~~** IT (Comments): *It is considered appropriate not to increase the burden placed on the Member State.*
~~3~~*2*. 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:	BG (Comments): **BG: BG is concerned about imposing penalties for the exploration and extraction of raw materials investments.** Penalties is sensitive topic for Prospecting and Exploration investments for raw materials as this is not a subject of direct earnings, but a long term investment and implementing penalties for this part of the mining industry, this will withdraw investments from the country and the Union. This is crucial for the development of extration projects. Also Environmental Impact assesment, expropriation land procedures etc. related to extraction permiting are time consuming. As such, the additional administrative burden might effect to those investors. DK (Drafting suggestions):

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	~~The Investment Authority~~ Member States shall establish penalties **by means of administrative procedures, legal proceedings, or both, applicable to** ~~in~~ case**s** of non-compliance with the provisions of this Chapter. **Those penalties shall be effective, proportionate and dissuasive, e.g. the cancellation of the investment** **This applies** in particular where foreign investors fail to comply with the following requirements: DK (Comments): We support allowing for a wider range of sound and proportionate sanctions, e.g. the cancellation of the investment. Provisions of the Danish constitution prohibits Danish authorities from imposing administrative fines, as defined under Danish law. It is a fundamental principle of the Danish legal system that fines may only be imposed by the courts and in accordance with the rules of the Administration of Justice Act. Accordingly, the proposed changes to art. 22 (2) are strictly nescesary, to avoid a red line from Denmark on this chapter. We have taken inspiration from the penalty chapter from Net Zero Industry Act. LT (Drafting suggestions): ~~3. The Investment Authority~~ **Member states** shall establish penalties in case of non-compliance with the provisions of this Chapter, in particular where

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	foreign investors ~~or investments~~ fail to comply with the following requirements: LT (Comments): The Regulation should not encroach upon the level of competence of Member States institutions by stipulating that only the investment authority is responsible for imposing fines for non-compliance with the Regulation's requirements. In the case of Lithuania, the establishment of rules for imposing fines falls within the competence of ministries, while their application falls within the remit of the implementing investment authority. In view of this, we propose that the obligation be defined using the general term 'Member States'. SE (Drafting suggestions): The **Member State** ~~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: SE (Comments): Addition to enable the establishment of penalties at Member State level.
(a) the notification requirements in accordance with Article ~~19~~***17a***;	
(b) the conditions laid down in Article 18;	

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(c) the ~~monitoring~~***reporting*** obligations established by this Article.	CZ (Comments): We welcome this amendment as it is more accurate.
	IT (Drafting suggestions): **(d) obligations relating to technology transfer, R&D and value chains under Article 18(2)(c), (d) and (f), where the Investment Authority finds systematic or intentional non-compliance.** IT (Comments): *Sanctions for substantive breaches: IP, R&D and supply chain conditions are the most relevant from a value-added perspective. Their inclusion among sanctionable violations strengthens their effectiveness.*
4***3***. 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~~***2***, point (a).	BE (Comments): Should we not conceive of a mechanism to allow for proportionality in setting penalty limits? After all, if several MS are concerned, the penalty could quickly amount to significant proportions of daily aggregate turnover. (For example, a minimum threshold for aggregated penalties) DK (Drafting suggestions): Penalty payments established by the **Member State** ~~Investment Authority~~ shall not amount to less than 5 % of the average daily aggregate turnover of the foreign investor undertaking in case of a violation pursuant to paragraph ***2***, point (a).

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	DK (Comments): We suggest that enforcement at national level be left up to the MS' responsibility as per above. FI (Comments): We are cautious of setting minimum penalty payments. The national authorities should be allowed to determine the amount of the penalty based on case-by-case assessment. We consider the reference to "daily aggregate" turnover is unclear. Will the penalty be calculated based on a yearly turnover or something else? LT (Comments): Article 22 paragraph 4 (compromise text Article 22 paragraph 3), proposes using ‚daily aggregate turnover' as the basis for determining fines. It is unclear what ‚aggregate turnover' means—there should be a reference to the EU legislation defining the term, or Article 3 should be amended to include a definition of this term. RO (Drafting suggestions): **Replace "shall not amount to less than 5%" with: "shall be effective, proportionate and dissuasive and shall not exceed 5%".**

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	Add " penalties shall take into account the gravity, duration and intentional or negligent nature of the infringement". RO (Comments): A mandatory minimum of 5% of average daily aggregate turnover may be disproportionate and inconsistent with the subsequent wording on penalties imposed by the Commission. The sanctioning regime should be proportionate and coherent. SE (Drafting suggestions): Penalty payments established by the **Member State** ~~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). SE (Comments): Addition to enable the establishment of penalties at Member State level. SI (Comments): Penalties should be established for point (b) and (c) of this paragraph as well. In their absence, there will be different practices among MS. Perhaps consideration could be given to harmonising penalties.

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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~~***2***, point (a).	BE (Drafting suggestions): Where the foreign investor is a **natural** ~~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~~***2***, point (a). BE (Comments): See above. CZ (Comments): Is a "natural person" meant by "private person"? DK (Drafting suggestions): Where the foreign investor is a private person, the ~~Investment Authority~~**Member State** shall establish a penalty payment of at least 5 % of the investment value in case a violation pursuant to paragraph ***2***, point (a). DK (Comments): We suggest that enforcement at national level be left up to the MS' responsibility as per above. FI (Comments):

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	Ibid. LT (Drafting suggestions): Where the foreign investor is a ~~private~~ **natural** 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~~***2***, point (a). LT (Comments): For the sake of legal certainty and consistency with the definition of "foreign investor" in Article 3(32), we suggest replacing the term "private person" with "natural person". Article 3(32) distinguishes between a natural person of a third country and an undertaking of a third country. The term "private person" may be interpreted differently across Member States and could create ambiguity as to whether it refers only to natural persons or could also include private legal persons. The use of "natural person" would therefore ensure consistency with the Regulation's own terminology. SE (Drafting suggestions): Where the foreign investor is a private person, the **Member State** ~~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.	DE (Drafting suggestions): ~~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~~

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	~~does not supply the information required for the Commission to perform its review obligation.~~ DE (Comments): The Commission should not have the right to order penalty payments in addition to the national authority. FI (Drafting suggestions): ~~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.~~ FI (Comments): We consider Art. 21 should be removed, and therefore also this paragraph. NL (Drafting suggestions): ~~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~~ **Where the Investment Authority determines that the foreign investor has provided false or misleading information in its notification, or has failed to provide the information required for the assessment, it may**

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	impose penalties in accordance with national law. The Commission may provide a reasoned opinion to support the national assessment. NL (Comments): The power to impose penalties should remain with the Investment Authority of the Member State concerned. Granting the Commission enforcement powers would blur the allocation of responsibilities between the Commission and Member States. The assessment, final decision and enforcement should remain the responsibility of the Member State, while the Commission should support the national assessment by issuing an opinion. SI (Drafting suggestions): 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. **If the Commission imposes a penalty, it shall notify the Investment Authority. The reporting provisions apply to the Commission.** SI (Comments): In the case the Commission issues penalties it should undertake also reporting obligations. SK (Drafting suggestions): ~~Where the Commission decides to assess the foreign direct investment pursuant to Article 21, it may by decision impose penalties if the foreign~~

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	~~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~~ SK (Comments): In connection with our proposal to narrow the scope of the EC's powers regarding direct assessments of investments, we also propose restricting its power to impose fines. The enforcement and penalization competencies should remain appropriately within the jurisdiction of the national Investment Authorities.
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.	DE (Drafting suggestions): ~~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.~~ FI (Drafting suggestions): ~~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.~~ LT (Comments): For the sake of legal certainty and consistency with the definition of "foreign investor" in Article 3(32), we suggest replacing the term "private person" with "natural person". Article 3(32) distinguishes between a natural person of a third country and an undertaking of a third country. The term "private

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	person" may be interpreted differently across Member States and could create ambiguity as to whether it refers only to natural persons or could also include private legal persons. The use of "natural person" would therefore ensure consistency with the Regulation's own terminology. SI (Drafting suggestions): The penalties imposed by the Commission shall not exceed the 5% **of the** average daily **aggregate** turnover of the foreign investor, or in case of a private person foreign investor, 5% of the investment value. SI (Comments): As in paragraph 3.
The penalty payments ~~established by the Investment Authority~~ shall be effective and proportionate to the violations laid down in paragraph ~~3~~***2, or in the case of the Commission the violations laid down in this paragraph***.	DE (Drafting suggestions): The penalty payments shall be effective and proportionate to the violations laid down in paragraph ***2,*** ~~or in the case of the Commission the violations laid down in this paragraph~~. IT (Drafting suggestions): The penalty payments ~~established by the Investment Authority~~ shall be effective and proportionate to the violations laid down in paragraph ~~3~~*2, or in the case of the Commission the violations laid down in this paragraph*. **The penalty payments shall be determined having regard to the gravity and duration of the infringement, its intentional or negligent character, any previous infringements by the foreign investor, as well as the degree of cooperation shown by the foreign investor during the proceedings.**

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	IT (Comments): *Proportionality and transparency in sanctioning: Gradation of penalties by gravity and intentionality is a cardinal principle of European punitive law. Motivational transparency protects legal certainty for investors.* NL (Drafting suggestions): The penalty payments ~~established by the Investment Authority~~ shall be effective and proportionate to the violations laid down in paragraph ~~3~~***~~2, or in the case of the Commission the violations laid down in this paragraph~~***. **and may be administrative or penal in character.** NL (Comments): The power to impose penalties should remain with the Investment Authority of the Member State concerned. Granting the Commission enforcement powers would blur the allocation of responsibilities between the Commission and Member States. The assessment, final decision and enforcement should remain the responsibility of the Member State, while the Commission should support the national assessment by issuing an opinion. Furthermore, to ensure imposition of penalties in accordance with national law, Member States should have the option to introduce either penal or administrative penalties, depending on what fits best at a national level. In any event, the term 'penalties' should not necessarily imply penal or criminal enforcement.

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The Investment Authority shall inform the Commission without undue delay of any non-compliance referred to in paragraph ~~3~~*2* and of the consequential penalties imposed.	IT (Drafting suggestions): The Investment Authority shall inform the Commission ~~**without undue delay**~~ of any non-compliance referred to in paragraph ~~3~~*2* and of the consequential penalties imposed. IT (Comments): *It is considered appropriate not to increase the burden placed on the Member State.*

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Article 23 **Monitoring *of global manufacturing capacity* by the Commission**	AT (Comments): **AT:** Art 23 (new headline; "*monitoring of global manufacturing capacity by the EC*"): We welcome the EC's supportive role in collecting and monitoring data on global production capacities in the sectors covered by the Regulation. NL (Comments): **Comment on whole article 23: established information supply from Member States to the Commission and that information may require confidential treatment, such confidentiality should be maintained in publication of data afterwards.** RO (Drafting suggestions): **In Article 23, add that** **"the Commission shall publish the methodology, data sources and reference period used for assessing global manufacturing capacity and shall consult Member States before publishing or updating the relevant information".** RO (Comments): Article 23 data will determine whether investments fall within the scope of Chapter IV. Transparency of methodology and data sources is therefore essential for legal certainty and for investor confidence.

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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.	DK (Drafting suggestions): For the purposes of Article 17, the Commission shall monitor the global manufacturing capacity for each of the ~~emerging~~ **selected** strategic **manufacturing** sectors, building on existing monitoring activities performed, in particular pursuant to Regulation (EU) 2024/1735. DK (Comments): As per 17.1 ES (Drafting suggestions): 1. For the purposes of Article 17, the Commission shall monitor the global manufacturing capacity for each of the ~~emerging~~ **scaling** strategic sectors, building on existing monitoring activities performed, in particular pursuant to Regulation (EU) 2024/1735. FR (Drafting suggestions): 1. For the purposes of Article 17, the Commission shall monitor ***on a yearly basis*** 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. FR (Comments): We suggest this amendment in order to secure the implementation with this provision and secure foreign investments.

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	IT (Drafting suggestions): 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. **In carrying out monitoring activities, the Commission shall use data provided by Member States, national Investment Authorities and specialised Union agencies, ensuring that data collection and analysis methodologies are transparent and verifiable.** IT (Comments): *Effective monitoring relies on the availability of reliable and up-to-date data. To this end, annual reporting obligations for Member States, together with methodological transparency, are essential prerequisites.*
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).	DK (Drafting suggestions): The Commission shall provide and publish updated information on the most recent year for which data is available for each of the ~~emerging~~ **selected** strategic **manufacturing** sectors referred to in Article 17(2). DK (Comments): As per 17.1 NL (Drafting suggestions):

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	2 the Commission shall provide and publish updated information ~~on the most recent year for which data is available for each of the emerging high risk strategic sectors referred to in Article 17(2).~~ **, for the most recent year for which data is available, on each of the strategic value chains within sectors identified as presenting high-risk strategic dependencies referred to in Article 17(2).** NL (Comments): The term "high-risk" better reflects the rationale underlying Article 17(2). The sectors covered are not strategic sectors in general, but sectors identified on the basis of risk assessments as presenting high-risk strategic dependencies. Including "high-risk" in the terminology makes it clearer that the scope is risk-based and limited to those sectors where a significant strategic dependency has been identified. SE (Drafting suggestions): **By [entry into force of this Regulation and on an annual basis thereafter,** ~~T~~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). SE (Comments): Clear and transparent information on global manufacturing capacity is required in order to facilitate preparations and harmonise the assessments of different Investment Authorities as well as to enhance transparency for

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	investors. The first report should at the latest be published by the entry into force of the Regulation.
	EE (Drafting suggestions): **3. The Commission shall publish on its official website a list of third countries whose investors and investments fall within the scope of Article 17(3)(a).** EE (Comments): The scope of Chapter IV of IAA needs to be clear for the Member State authorities as well as for investors and companies to ensure predictability and legal certainty when applying the regulation.
~~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.~~	FR (Drafting suggestions): ~~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.~~ ***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.*** FR (Comments):

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	FR: We are in favour of maintaining the paragraph.
~~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.~~	FR (Drafting suggestions): ~~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 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.*** FR (Comments): FR: We are in favour of maintaining the paragraph. SE (Drafting suggestions): **Article 23a Confidentiality of information** **1. Information received as a result of the application of this Chapter shall be used only for the purpose for which it was provided, unless the originator of the information explicitly agrees to another use.** **2. Member States and the Commission shall ensure the confidentiality of the information they provide or receive in application of this Chapter, in accordance with Union and national law. When dealing with requests for access to documents provided or received in application of this Chapter, Member States and the Commission shall refrain from disclosing any information that would undermine the purpose of the investigations conducted pursuant to this Chapter.**

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	3. Member States and the Commission shall ensure that classified information provided or exchanged under this Chapter is not downgraded or declassified without the prior written consent of the originator. SE (Comments): Appropriate to insert safeguards concerning the confidentiality of information in this Chapter, since information regarding the investments will often be sensitive. Draft suggestion is based on Article 17 in the FDI screening framework.
	FR (Comments): Without prejudice to the opinion of the Council's legal services, France supports maintaining article 24, for the same reasons outline above (in comments made to articles 20, 21 and 22). PL (Comments): In order to ensure a better control of the Council over the Commission's proposals, the Commission should be given powers to adopt implementing acts rather than delegated acts.
[…]	AT (Comments): **AT:** AT is still concerned on the delegation of powers in Article 24 (which involves broadening the scope) which - in our view - does not concern non-essential elements in the meaning of Art 290 TFEU.

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	Furthermore, the delegation of powers foreseen in Article 24 should therefore be removed entirely. The EC should assess the necessity of amending, inter alia, Chapter IV during the review process and, where necessary, submit a legislative proposal to that effect. DE (Comments): The articles on the "Delegation of Powers" are once again not included in the compromise text. How does the Presidency plan to address the concerns of the Member States? With regard to Article 24, we reiterate that it should be deleted. All relevant technologies should either be listed directly in Article 17 or be subject to a review process in which the Member States. are strongly involved in the decision-making process.
	PL (Drafting suggestions): **Any expansion of the scope of Chapter IV to additional strategic sectors shall be preceded by an impact assessment covering access to finance, competitiveness, investment attractiveness, administrative burden and the functioning of the internal market.** PL (Comments): The proposed amendment is necessary to ensure that any future expansion of Chapter IV remains evidence-based, proportionate and consistent with the functioning of the internal market. Extending foreign direct investment criteria to additional strategic sectors may have significant implications for access to finance, investment attractiveness, administrative burden and the

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	competitiveness of Union industry. This is particularly important for sectors with complex and capital-intensive value chains, including selected chemical segments. Any expansion should therefore be preceded by a comprehensive impact assessment and should be targeted only at those areas where there is a clearly demonstrated risk to Union economic security, supply security or strategic value chains. The mechanism should not create legal uncertainty or discourage investments that genuinely strengthen Union industrial capacity, technology development and value creation in the Union.
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.	ES (Drafting suggestions): **(1)** *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.* **(2) (New) The evaluation of Article 18 shall take into account, inter alia:**

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	(a) the degree of dependency on one or a combination of two third countries; **(b) the availability and diversification of alternative sources of supply;** **(c) existing or potential manufacturing capacity within the Union;** **(d) the strategic relevance of the technology for Europe's competitiveness, resilience and decarbonisation.** **(e) The potential implications for the security and resilience of critical infrastructure, strategic digital assets and other essential services, including risks related to data security and technological control.** ES (Comments): The application of investment-related conditionalities should be based on a comprehensive assessment of strategic vulnerability rather than on a single quantitative threshold. While the concentration of global production capacity may provide a useful indicator in some sectors, it does not always reflect the Union's actual level of dependency or the strategic importance of a given technology. A broader assessment would provide a more robust basis for determining when additional conditionalities are justified. This would enable conditionalities to be applied in a more targeted and proportionate manner, focusing on sectors where strategic vulnerabilities are greatest while avoiding unnecessary constraints where supply chains are already resilient.

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	FR (Drafting suggestions): ***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.*** FR (Comments): See comments above on Art. 22(1). RO (Drafting suggestions): **In Article 28, add an earlier review clause:** **"No later than three years after the date of entry into force of this Regulation, the Commission shall assess the impact of Chapter IV on investment flows, project timelines, administrative burden, security of supply, and cooperation with trusted strategic partners."** RO (Comments): The current seven-year evaluation horizon is too long for a new investment control regime with potentially material effects on industrial investment. An earlier review would allow timely correction if the regime creates unintended delays or deters strategic investment.

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[…]	BE (Drafting suggestions): **No later than two years after the date of entry into force of this Regulation, the Commission shall carry out an evaluation of whether the scope of the Regulation is sufficiently aligned with the goals and principles of the Regulation. Any change of the scope following this evaluation will be carried out through Implementing acts.**
	BE (Drafting suggestions): **The Commission shall regularly update the list contained in Annex [X] mentioned in Article 17(3) by means of implementing act.** BE (Comments): Update for the annex of exempted agreements cfr. Art.17(3)