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**WORKING DOCUMENT**

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From: Presidency  
To: Working Party on Trade Questions

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Subject: Foreign Direct Investment Screening Regulation review  
- Preparation for the trilogue

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## Foreign Investment Screening Regulation – preparation for trilogue

Adjusted compromise package with the following changes compared to the 4-column document circulated 28 November 2025:

1. The **list of critical medicines** is out of common minimum scope. Instead, the Annex becomes a criteria in Article 13 and the list will explicitly be mentioned in Article 18 (evaluation) for the Commission to assess the inclusion of critical medicines in the future. Furthermore, just like the case was in the Council mandate with the projects and programmes, and with the list of other technology areas, the Commission will be empowered to adopt delegated acts in accordance with Article 20 for the purposes of amending, where necessary, the list of these critical medicines.
2. Council is removed as a co-signer from the **declaration**, meaning the declaration will either be a unilateral Commission declaration or a bilateral Parliament and Commission declaration.
3. The evaluation period will be adjusted **from 4 years to 3**.
4. The list of **financial entities** for inclusion in the common minimum scope of FDI Screening Regulation are reduced compared to the Commission's non-paper, to only include those credit institutions considered systemically important, and only operators of regulated markets. Central banks are excluded from operators of payment systems. There will be wording in the Regulation explicitly stating that the application of the Regulation must not hinder financial integration. And the Commission will commit to prevent the abusive use of screening mechanisms.
  - central counterparties;<sup>1</sup> central securities depositories;<sup>2</sup> operators of regulated markets;<sup>3</sup> operators of payment systems, excluding central banks;<sup>4</sup> other

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<sup>1</sup> Means central counterparties as defined in Article 2(1) of Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

<sup>2</sup> Means central securities depositories as defined in Article 2(1)(1) of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012.

<sup>3</sup> Means market operators of regulated markets as defined in Article 4(1)(18) and Article 4(1)(21) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

<sup>4</sup> Means operators of payment systems as defined in Article 4(7) of Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC, with the exclusion of payment systems operated by central banks.

systemically important institutions;<sup>5</sup> global providers of specialised financial messaging services.

5. The **definitions of AI** in the minimum scope are aligned with the EU AI Act (general-purpose AI models), based on the context of usage (space and defence) of the technologies:
- *"Artificial intelligence ('AI') technologies, meaning any technology or know-how specifically related to a machine-based system that is designed to operate with varying levels of autonomy and that may exhibit adaptiveness after deployment, and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments ('AI system'), used for*
    - *(i) general-purpose AI models as defined in Art. 3(63) of the [add full reference to the EU AI Act] or AI systems based on such models suitable for the development of space or defence applications, or*
    - (ii) general-purpose AI models with systemic risk as defined in Art. 51 of the [add full reference to the EU AI Act] or AI systems based on such models."*

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<sup>5</sup> Means other systemically important institutions as defined in Article 131(3) of Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC Text with EEA relevance.