


Basic information	
2024/0017(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Awaiting committee decision
Screening of foreign investments in the Union Repealing Regulation 2019/452 2017/0224(COD)	
Subject 6.20.06 Foreign direct investment (FDI)	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	INTA International Trade		GLUCKSMANN Raphaël (S&D)	30/09/2024
			Shadow rapporteur TORSELLI Francesco (ECR)	
	Former committee responsible		Former rapporteur	Appointed
	INTA International Trade		MARQUES Margarida (S&D)	19/02/2024
	Committee for opinion		Rapporteur for opinion	Appointed
	ECON Economic and Monetary Affairs		FERBER Markus (EPP)	12/09/2024
	ITRE Industry, Research and Energy		PIERA Pascale (PfE)	11/09/2024
	IMCO Internal Market and Consumer Protection		HAHN Svenja (Renew)	18/09/2024
	TRAN Transport and Tourism		FERBER Markus (EPP)	16/09/2024
	Former committee for opinion		Former rapporteur for opinion	Appointed
	ECON Economic and Monetary Affairs			




	<div style="border: 1px solid red; display: inline-block; padding: 2px;">ITRE</div> Industry, Research and Energy (Associated committee)		
	<div style="border: 1px solid red; display: inline-block; padding: 2px;">IMCO</div> Internal Market and Consumer Protection (Associated committee)		
	<div style="border: 1px solid red; display: inline-block; padding: 2px;">TRAN</div> Transport and Tourism		
Council of the European Union			
European Commission	Commission DG	Commissioner	
	Trade	DOMBROVSKIS Valdis	
European Economic and Social Committee			

Key events			
Date	Event	Reference	Summary
24/01/2024	Legislative proposal published	COM(2024)0023 	Summary
25/04/2024	Committee referral announced in Parliament, 1st reading		
25/04/2024	Referral to associated committees announced in Parliament		
13/11/2024	Committee referral announced in Parliament, 1st reading		

Forecasts	
20/03/2025	Vote scheduled in committee, 1st reading

Technical information	
Procedure reference	2024/0017(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Nature of procedure	Legislation
Legislative instrument	Regulation
	Repealing Regulation 2019/452 2017/0224(COD)
Legal basis	Rules of Procedure EP 57_o Treaty on the Functioning of the EU TFEU 207 Treaty on the Functioning of the EU TFEU 114
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Awaiting committee decision
Committee dossier	INTA/10/00330

Documentation gateway

European Parliament				
Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		PE766.797	06/12/2024	
European Commission				
Document type	Reference	Date	Summary	
Legislative proposal	COM(2024)0023 	24/01/2024	Summary	
Document attached to the procedure	SWD(2024)0024 	25/01/2024		
Document attached to the procedure	SWD(2024)0023 	25/01/2024		
National parliaments				
Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2024)0023	09/04/2024	
Contribution	IT_CHAMBER	COM(2024)0023	15/05/2024	
Other institutions and bodies				
Institution/body	Document type	Reference	Date	Summary
ESC	Economic and Social Committee: opinion, report	CES1434/2024	10/07/2024	

Additional information		
Source	Document	Date
EP Research Service	Briefing	02/09/2024

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Name	Role	Committee	Date	Interest representatives
HAHN Svenja	Rapporteur for opinion	IMCO	11/12/2024	AEGIS Europe American Chamber of Commerce to the European Union Bundesverband der Deutschen Industrie e.V. DIE FAMILIENUNTERNEHMER Deutsche Industrie- und Handelskammer EUROCHAMBRES – Association of European Chambers of Commerce and Industry European Sea Ports Organisation Verband Deutscher Maschinen- und Anlagenbau e.V.
GLUCKSMANN Raphaël	Rapporteur	INTA	27/11/2024	UNIFE

GLUCKSMANN Raphaël	Rapporteur	INTA	26/11/2024	Grand Port Fluvio-maritime de l'Axe Seine
GLUCKSMANN Raphaël	Rapporteur	INTA	22/11/2024	BUSINESSEUROPE
GLUCKSMANN Raphaël	Rapporteur	INTA	21/11/2024	American Chamber of Commerce to the European Union
ATTARD Daniel	Shadow rapporteur for opinion	ITRE	14/11/2024	European Cyber Security Organisation
ATTARD Daniel	Shadow rapporteur for opinion	ITRE	14/11/2024	EUROPEAN TRADE UNION CONFEDERATION
GLUCKSMANN Raphaël	Rapporteur	INTA	13/11/2024	US Mission to the EU
GLUCKSMANN Raphaël	Rapporteur	INTA	08/11/2024	IBM Corporation
GLUCKSMANN Raphaël	Rapporteur	INTA	08/11/2024	Australian embassy
GLUCKSMANN Raphaël	Rapporteur	INTA	07/11/2024	WindEurope
HAHN Svenja	Rapporteur for opinion	IMCO	06/11/2024	General Electric Company
HAHN Svenja	Rapporteur for opinion	IMCO	05/11/2024	IBM Corporation
FERBER Markus	Rapporteur for opinion	TRAN	30/10/2024	UNIFE
GLUCKSMANN Raphaël	Rapporteur	INTA	29/10/2024	European Electronic Component Manufacturers' Association
GLUCKSMANN Raphaël	Rapporteur	INTA	29/10/2024	Airbus
ATTARD Daniel	Shadow rapporteur for opinion	ITRE	16/10/2024	BUSINESSEUROPE
FERBER Markus	Rapporteur for opinion	TRAN	10/10/2024	European Sea Ports Organisation

Screening of foreign investments in the Union

2024/0017(COD) - 24/01/2024 - Legislative proposal

PURPOSE: improve the protection of EU security and public order by proposing improved screening of foreign investment into the EU.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: Regulation (EU) 2019/452 of the European Parliament and of the Council establishing a framework for the screening of foreign direct investments (FDIs) into the Union was adopted in 2019 and entered into application on 11 October 2020. It responded to growing concerns about certain foreign investors seeking to acquire control of EU firms that provide critical technologies, infrastructure or inputs, or hold sensitive information, and whose activities are critical for security or public order at EU level. The aim of the Regulation was to help identify and address security or public order risks related to FDIs that affect at least two Member States or the EU as a whole, because the high degree of integration of the internal market means that an FDI in an EU company may create a risk beyond the borders of the Member State hosting the FDI.

Since the adoption of the Regulation, the **issue of security and public order has grown in importance**. The COVID-19 pandemic, Russia's war of aggression against Ukraine and other geopolitical tensions have underlined the need to be able to **identify risks to, and better protect EU critical assets from, certain investments**. This has also contributed to the significant increase in the number of Member States adopting a **national screening mechanism**, and in the expansion by some Member States in the number of sectors subject to screening. However, a significant share of FDIs in the EU still goes to Member States that **do not have a screening mechanism** and this leaves vulnerabilities because potentially critical FDIs remain undetected.

CONTENT: the proposed regulation revises and improves the cooperation mechanism between the Member States and the Commission created by Regulation (EU) 2019/452 establishing a framework for the screening of foreign direct investments (FDIs) into the Union. The new rules aim to **improve the EU's ability to detect foreign investments likely to negatively affect security or public order**.

The main provisions of the proposal are as follows:

National screening mechanisms

The proposal contains rules for national screening mechanisms. Member States are required to set up and maintain a screening mechanism that complies with the requirements of the proposed regulation and to notify this mechanism to the Commission. Based on these notifications, the Commission is required to publish a list of national screening mechanisms. The mechanisms are required to cover at least (i) investments in EU companies participating in projects or programmes of EU interest; and (ii) investments in EU companies active in areas of particular importance for the security or public order interests of the EU.

Cooperation mechanism

Provisions are set out for a cooperation mechanism allowing Member States and the Commission to exchange information and suggest measures if a foreign investment is likely to negatively affect security or public order in more than one Member State, or through a project or programme of Union interest.

The Commission is allowed to issue an opinion to the Member State where the foreign investment takes place if it considers that such a foreign investment is likely to negatively affect the security or public order of more than one Member State, or projects or programmes of Union interest on grounds of security or public order.

The proposal also provides rules for Member States and the Commission for the determination of a foreign investment's likely impact on security or public order and for Member States' screening decisions.

Transparency

To ensure the transparency of screening mechanisms and the EU cooperation on foreign investment screening, the proposal requires Member States to **report annually** to the public about their screening activities and screening decisions by publishing aggregated and anonymised information. The Commission is also required to publish an annual report about the implementation of the regulation.

Lastly, the proposal includes annexes that provide a list of projects and programmes of Union interest as well as the technologies, assets, facilities, equipment, networks, systems, services and economic activities of particular importance for the security or public order interests of the Union.

Budgetary implications

In order to effectively achieve the objectives of this initiative, it is necessary to finance a number of actions at Commission level. The annual human resources expenditure will amount to approximately EUR 5.162 million per year, which is intended to provide for a total number of 29 officials in the Commission. Other administrative expenses are related to the reimbursement of Member States' travel costs to the meetings of the expert group and committee. These costs are projected to amount to EUR 0.032 million per year. Operational expenditure, which will be used to finance the necessary IT infrastructure to support the direct cooperation between the Commission and Member States through secure channels of communication will reach approximately EUR 0.25-0.29 million per year. The Commission intends to launch an external study with a budget of EUR 0.25 million to support its assessment of Member States' compliance after the end of the transitional period. Lastly, the Commission will consider launching a second study to support the 5-year evaluation of the proposed regulation by the Commission.