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UNCTAD
Investment Policy Monitor

Foreign investment screening

Legal design, administrative models and emerging practice

HIGHLIGHTS

- **Foreign investment screening has become a key feature of investment policy in a growing number of economies.** By the end of 2025, at least 52 economies have adopted national security-related screening regimes, more than twice the number in 2016. Developed economies have led recent adoption and reform, but regimes have also been adopted by 10 developing economies, more than half of them since 2020.

- **Screening has broadened beyond defence.** Regimes increasingly cover critical infrastructure, advanced technologies, sensitive data, essential services, supply chains, critical raw materials and other assets linked to economic security and resilience. Among the 52 regimes mapped by UNCTAD in its Investment Laws Navigator, critical asset-based and sector-based coverage are the most common, used in 42 and 38 regimes, respectively. They are also often combined.

- **This expansion has produced a broad spectrum of regulatory approaches.** Screening regimes differ in their general reach, target-coverage criteria, jurisdictional triggers, investor-specific rules, notification requirements, ex officio authority, institutional arrangements and review procedures. Although these elements address distinct design questions, their interaction shapes the balance between legal certainty, regulatory flexibility and administrative burden.

- **Available data point to wide variation in caseloads but generally few prohibitions.** Filing volumes reflect the different combinations of legal scope, thresholds, investor coverage, notification requirements and underlying transaction activity. In regimes that report outcomes for separate stages of review, most investments are approved without requiring a more detailed examination. Where authorities identify security concerns, they more often approve the investment subject to conditions designed to address those concerns than prohibit it outright.

- **Effective screening depends on coherence and administrative capacity.** A focused security objective should be supported by aligned scope, triggers, notification requirements and the exercise of ex officio authority, procedural fairness and transparent reporting. Clear responsibilities and appropriate tools for clearing lower-risk cases can reduce delays and focus resources on transactions presenting more significant concerns. Developing economies considering the introduction of a screening regime may benefit from starting with the narrowest workable arrangements and expanding them as risks, capacities and experience warrant.



Introduction

Foreign investment screening on national security grounds[1] has become an important feature of investment policy. Once concentrated in a small number of economies and largely confined to defence-related assets, screening has expanded steadily since 2016 (UNCTAD, 2026). Today, governments increasingly rely on screening mechanisms to address national security concerns arising from foreign investment in areas such as critical infrastructure, advanced technologies, sensitive data, critical supply chains and other strategically important activities.

As screening regimes expand, they increasingly reflect different risk perceptions, geopolitical and socio-economic contexts, legal traditions and institutional approaches. This Monitor provides a comparative analysis of the legal design and operation of screening regimes for inward foreign investment based on national security grounds. It examines how regimes define their scope, when review is initiated, how institutions and procedures are organized and what can be learned from available practice data.

The Monitor is organized in four sections. Section 1 describes the expansion of screening regimes. Section 2 examines their legal scope. Section 3 addresses institutions, procedures and safeguards. Section 4 considers emerging practice based on recent data. The conclusion draws policy implications, including for economies establishing or reforming a regime.

The analysis is based on the comparative mapping of national screening legislation in the Screening Laws Database, part of the UNCTAD Investment Laws Navigator (box 1).

[1] Throughout this Monitor, "screening" is used as a conventional shorthand for inward foreign investment screening on national security grounds. Although such mechanisms are frequently referred to as "foreign direct investment (FDI) screening", many apply to transactions that fall outside the conventional statistical definition of FDI, including non-controlling shareholdings and acquisitions of assets or rights. This Monitor therefore uses the broader term "foreign investment screening".

Box 1
UNCTAD's Screening Laws Database: definitions, scope and coverage

UNCTAD's Screening Laws Database, part of the Investment Laws Navigator, maps national legislation governing foreign investment screening on national security grounds.

Screening is the case-by-case exercise of regulatory powers by public authorities to assess an investment on national security grounds and to clear it, approve it subject to conditions, prohibit it or, where applicable, require its modification or unwinding (UNCTAD, 2023).

The database, which informs this Investment Policy Monitor, only includes nationwide screening regimes, subnational reviews are excluded. Further, statutory prohibitions, sectoral exclusions and negative-list schemes are excluded because they apply automatically rather than through case-by-case review. Additionally, restrictions on foreign ownership of land based solely on border-related or territorial integrity considerations are also excluded.

For each regime, the database maps the relevant legislation and key design features, including general reach, target coverage, triggers, institutional arrangements, procedures, possible decisions and transparency provisions.

As at 31 July 2026, the database covered 52 economies. They are: Albania, Andorra, Australia, Austria, Belgium, Bulgaria, Canada, China, Croatia, Cyprus, Czechia, Denmark, Estonia, Fiji, Finland, France, Germany, Greece, Hungary, India, Ireland, Israel, Italy, Japan, Republic of Korea, Kosovo (United Nations Administrative Region, Security Council resolution 1244 (1999)), Lao People's Democratic Republic, Latvia, Lithuania, Luxembourg, Malta, Republic of Moldova, Netherlands, New Zealand, Norway, Philippines, Poland, Portugal, Romania, Russian Federation, Saudi Arabia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Taiwan (Province of China), Thailand, United Kingdom, and United States of America.

Foreign investment screening regimes take diverse legal forms. In 31 of the 52 regimes, standalone legislation is dedicated to inward foreign investment screening on national security grounds. In another five countries, a single legal framework provides separate review tracks: one dedicated to national security screening and others to the assessment of economic benefits or impacts. National security-based screening is established within general investment legislation in 12 economies, within national security legislation in two countries (Latvia and Norway), and within competition legislation in South Africa. The Philippines adopts a mixed approach, providing for screening under investment and public utilities legislation.

Cross-country comparisons are affected by differences in legal traditions and institutional practices that cannot always be fully standardized. The analysis in this publication reflects legislation available at the time of data collection and may not capture subsequent legislative reforms.

Source: UNCTAD.

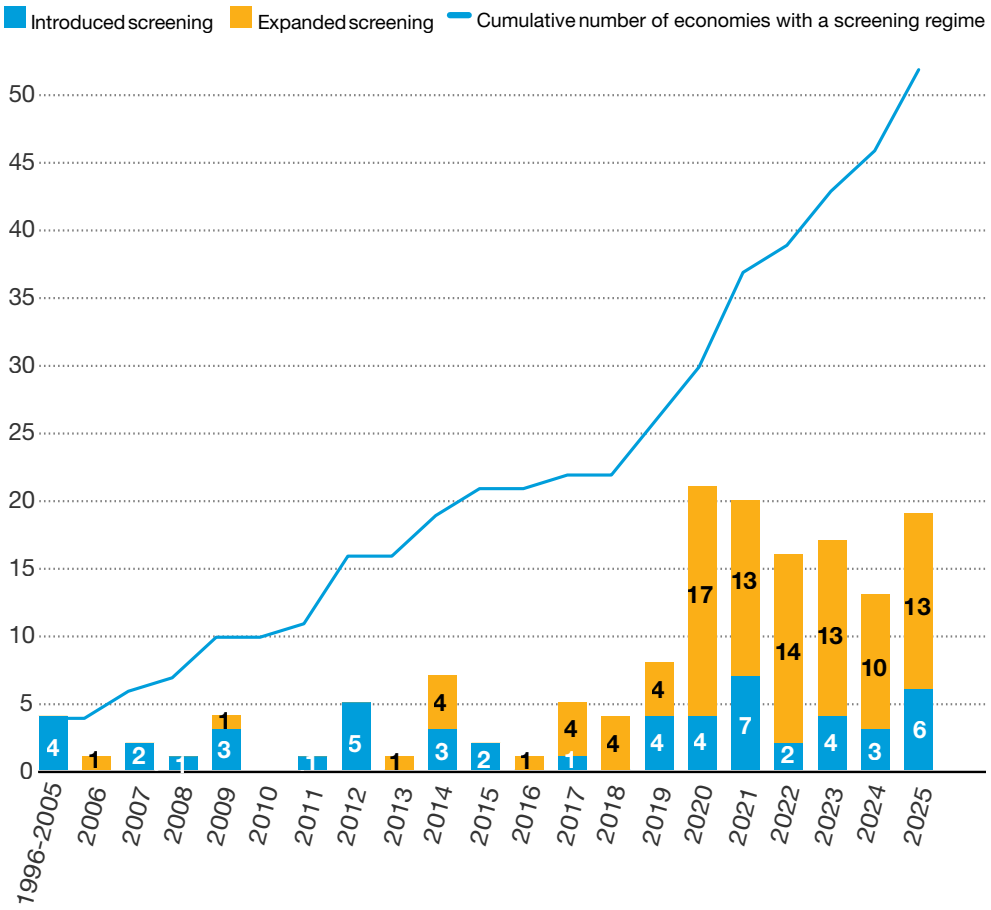


1. The expansion of foreign investment screening for national security

The number of economies that have adopted screening regimes has more than doubled since 2016, from 21 to 52, confirming the evolution of screening from a relatively uncommon regulatory instrument into an important feature of investment policy. This expansion reflects both the introduction of new regimes and successive reforms that broadened the scope or strengthened the operation of existing ones (figure 1).

Developed economies account for the majority of screening regimes and new adoptions, but screening has also gained some momentum among developing economies. By the end of 2025, 10 developing economies had adopted a screening regime, accounting for 19 per cent of all economies with such regimes; more than half had done so since 2020 (UNCTAD, 2026).

Figure 1
Expansion of foreign investment screening
Number of economies introducing or expanding national security-related investment screening



Source: UNCTAD.

The steady expansion of screening has been accompanied by the broadening of the concept of national security to encompass a wide range of economic-security concerns, which intersect with industrial policy objectives, technological leadership and resilience (table 1). From a narrow focus on defence, screening regimes have become a framework for managing broader strategic risks associated with foreign investment. This reflects evolving investment trends and growing concerns about foreign State influence, control over critical infrastructure, access to sensitive technologies and data, supply-chain chokepoints and systemic interdependencies.

Table 1
The concept of national security is expanding
Drivers and scope of inward foreign investment screening regimes on national security grounds over time

Period	Core drivers	Typical scope	Selected examples of relevant screening laws and reforms
Pre-2005	Defence security, privatization and safeguards	**Narrow asset-based scope focused on defence:** military technology, defence contracts, dual-use technologies with clear military relevance. Screening tied to ownership or control of enumerated assets. Technology and data were narrowly defined in terms of military or intelligence value (no civilian technology or data).	• United States: Exon-Florio Amendment (1988) establishing CFIUS authority • France: Early prior-authorization regime (1966) followed by a more formal investment screening (2004) focused on defence • Germany: Foreign Trade & Payments Act (AWG) security controls (pre-modern expansions) (2004)
2005-2014	Rising State-owned or State-linked investors, high-profile takeovers, energy and financial crisis	**Expansion of focus to critical infrastructure and investors:** energy, telecommunications, transport, utilities. Sector-list model dominates. Screening expands beyond pure defence but remains tied to enumerated infrastructure sectors and control acquisitions.	• Canada: Investment Canada Act (2009), national security review mechanism • Russian Federation: Law on Strategic Sectors (2008) • France (2014): Decree No. 2014-479 explicitly focuses on infrastructure (water, energy, transport, telecommunications and health) and industrial champions
2015-2019	Technology capability and economic security framing	**Focus expands to technology capability:** critical and emerging technologies, cybersecurity, advanced manufacturing, R&D assets. Lower shareholding or control thresholds and non-controlling stakes captured in some regimes. Beginning shift from sector-only to sector plus activity triggers.	• United States: FIRRMA (2018) expanding to critical technology, data, non-controlling stakes • European Union: FDI Screening Regulation (2019/452) with broad risk factor criteria • Germany: AWV amendments (2017–2019), adding critical technology fields • France: Decree No. 2018-1057 added advanced technology and digital infrastructure sectors (2018)
2020-2021	COVID-19 shock, opportunistic takeover concerns and supply resilience	**Cross-sector additions:** health, biotech, pharmaceuticals, medical devices, food and critical inputs, sensitive personal data, expanded tech lists. Many regimes introduce temporary broad coverage that is later partly made permanent. Strong move towards activity- and risk-based triggers.	• Spain: RDL 8/2020, establishing broad temporary screening for non-European Union investors • Italy: "Golden Power" regime (2020), extending to health, finance, tech, data sectors • Japan: FEFTA amendments (2020), lowering thresholds in core sectors • France: Biotech added to screening scope (2020) • China: National Security Review (2021) adopted
2022-2026	Geopolitical concerns, sectors of the future and economic security	**Expansive:** AI, semiconductors, quantum, cyber, data centres, cloud, critical minerals, dual-use technologies, media/information influence, supply chain chokepoints, indirect acquisitions and foreign-controlled European Union entities. Screening logic centred on capabilities, data access and systemic dependencies rather than sector labels alone.	• Netherlands: Vifo Act (2023), covering vital providers and sensitive technologies • United Kingdom: National Security and Investment Act (operational in 2022) with 17 sensitive sectors • European Union: FDI screening common minimum requirement, strengthening and recasting (Regulation (EU) 2026/1386) • Japan: Further FEFTA tightening for critical tech and supply chains (2024) • France: Decree No. 2023-1293 expanded screening to critical minerals and R&D in photonics and low-carbon energy technologies (2023)

Source: UNCTAD, based on review of legislation on investment screening for national security available on the UNCTAD Investment Laws Navigator and additional legal instruments.

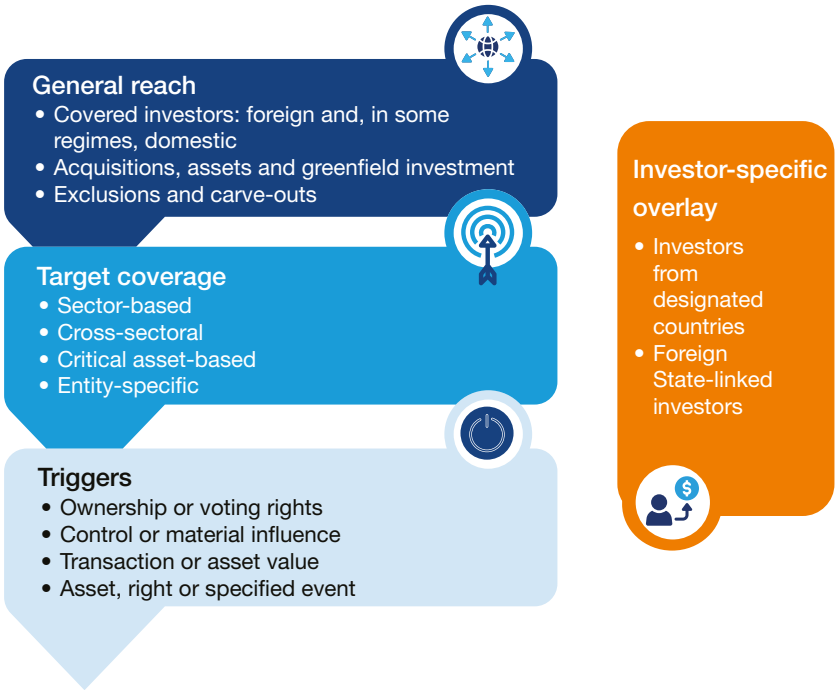
Abbreviations: AI, artificial intelligence; CFIUS, Committee on Foreign Investment in the United States; FEFTA, Foreign Exchange and Foreign Trade Act; FIRRMA, Foreign Investment Risk Review Modernization Act; R&D, research and development; RDL, Royal Decree-Law.



2. Defining the scope of screening

As the concept of security broadens, clearly defining the risks that screening is intended to address becomes increasingly important. A screening regime's scope has three elements. *General reach* identifies the investors and types of transactions to which the regime may apply. *Target coverage* identifies the businesses, assets or activities subject to screening. *Triggers* are the events or thresholds that make an otherwise covered transaction reviewable. Investor characteristics, such as country of origin or links to a foreign State, may modify any of these elements and therefore form an additional overlay (figure 2).

Figure 2
Determining the legal scope of screening: a three-level framework



Source: UNCTAD.

2.1. General reach: investors, transactions and exclusions

Most regimes apply to selected acquisitions of existing businesses by foreign investors.[2] In three economies, the regime applies to most foreign investments (Andorra, Canada and Japan). Nine mapped regimes extend their screening framework to domestic investors (Lao People's Democratic Republic, Latvia, Lithuania, Republic of Moldova, the Netherlands, Norway, Singapore, Sweden and the United Kingdom). Japan's screening regime follows different approaches with respect to individual investors and corporations.[3]

[2] The definition of a foreign investor commonly turns on nationality or residence for individuals and on place of incorporation, ownership or control for legal entities.

[3] Japanese nationals are subject to the foreign investment screening system if they reside abroad. On the other hand, non-Japanese nationals who reside in Japan are not subject to the screening regime. By contrast, partnerships and corporations established in Japan are considered as foreign investors where the majority of the ownership or voting rights are held by non-resident foreign incorporated entities.

While most screening regimes apply to acquisitions of existing entities, around 33 per cent also apply to greenfield investment, i.e. the establishment of a new business operation or the opening of branches. Many regimes also cover acquisitions of business units, installations, assets, databases, intellectual property rights or contractual rights that confer access or influence without an equity acquisition.

Most regimes also provide for express exclusions and carve-outs. Common examples include passive portfolio investment without influence, internal reorganizations that do not change ultimate ownership, de minimis transactions,[4] specified intra-group acquisitions and investors from treaty partners or regional integration arrangements. Anti-circumvention rules may still bring otherwise exempt or domestic investors within the scope of screening. This can happen if they are financed or controlled by a non-exempt entity or a foreign State-linked entity.[5]

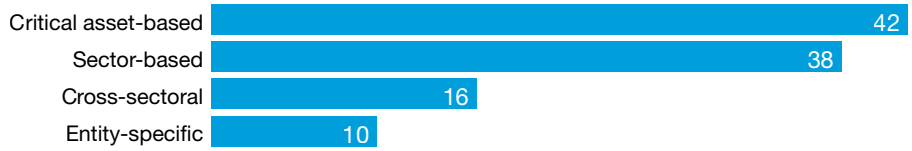
2.2. Target coverage

Screening regimes use various criteria, often in combination, to identify the businesses, assets or activities that fall within their scope. UNCTAD's mapping groups these criteria based on the characteristics of the target of the investment, as follows:

- **Sector-based.** Coverage targets a specific economic sector, such as energy, defence or finance. The emphasis is on the sector in which the target operates, rather than a particular function, asset or capability that it possesses.
- **Cross-sectoral.** Coverage attaches to an asset, activity or capability whose sensitivity is not confined to a particular sector. A target is identified because it possesses or handles a sensitive asset or activity with applications across multiple sectors. Examples include classified or confidential information, personal or sensitive data, intellectual property, databases and dual-use capabilities.
- **Critical asset-based.** Coverage attaches to a function, service, resource or asset that the legislation or a competent authority identifies as critical or essential. The basis of coverage is the criticality of that function or resource. Examples include critical energy infrastructure, an essential payment service, sensitive land or specified critical minerals.
- **Entity-specific.** Coverage targets specific entities designated by law or competent authority as critical or essential. This is narrower than critical asset-based coverage because the entity or entities concerned must be named or otherwise formally designated.

Critical asset-based and sector-based coverage are the most common forms, used in 42 and 38 regimes, respectively. Cross-sectoral coverage appears in 16 regimes and entity-specific coverage in 10 (figure 3). The type of coverage, by itself, does not determine the level of restrictiveness of a screening regime. A narrowly defined sector list, for instance, may be less extensive than a single broad critical-function clause. Likewise, an entity list can be either a precise limitation or a supplement to wider powers.

Figure 3
Foreign investment screening: target coverage criteria
Number of regimes using each target criterion; criteria are not mutually exclusive, (n=52)



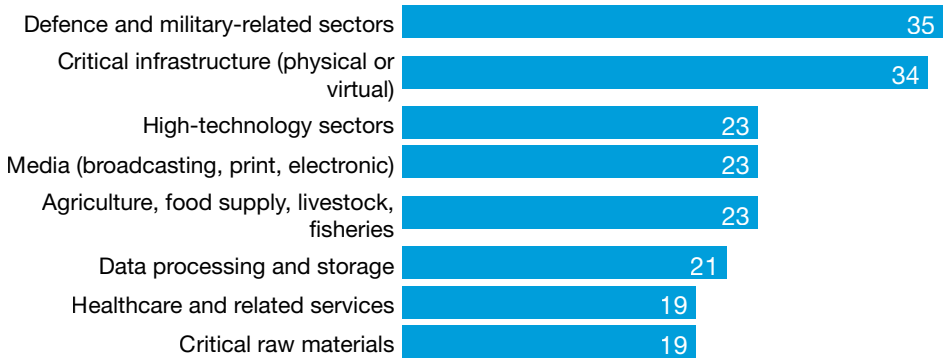
Source: UNCTAD, based on the Investment Laws Navigator.

[4] De minimis transactions are transactions that fall below specified thresholds, such as the value of the investment, size of the stake acquired or level of influence obtained and are therefore considered too limited to warrant screening.

[5] Anti-circumvention rules prevent investors from avoiding screening through indirect or intermediary arrangements. They may extend coverage to transactions involving domestic entities where a foreign investor ultimately owns, controls, finances or directs the investment.

UNCTAD's methodology groups sectors and activities within sectors into broader sectoral classifications (figure 4). Sectoral provisions remain concentrated in defence and critical infrastructure, while many reforms since 2020 have added emerging technologies, data, health-related activities and supply-chain assets.

Figure 4
Sectoral areas covered by screening regimes
Number of sector-based regimes covering mentioned sectors, (n=38)



Source: UNCTAD, based on the Investment Laws Navigator.

Note: These sectoral classifications are UNCTAD analytical aggregations. National laws use different levels of detail, so country counts should not be interpreted as equivalent legal scope of covered economic activities across economies.

2.3. Triggers

Screening triggers determine when individual transactions become reviewable. This includes, for example, acquisition of voting rights, control, material influence, an asset right or a specified transaction value. Different triggers exist:

- **Ownership or voting-right thresholds.** Review is activated when an investor acquires or crosses a specified shareholding or voting-right threshold. For example, New Zealand's screening regime applies where an overseas investor acquires more than a 25 per cent ownership or control interest or increases an existing interest beyond that threshold.
- **Control or material influence.** The trigger is the acquisition of control, decisive influence or material influence through majority voting rights, governance rights, contractual arrangements or the power to appoint or remove directors. For example, France's screening regime applies where a foreign investor acquires control of a French entity through majority voting rights, the ability to determine shareholder decisions or the power to appoint or remove a majority of the members of the company's administrative, management or supervisory bodies.
- **Transaction- or asset-value thresholds.** Jurisdiction depends on the monetary value of the investment, transaction or target asset. For example, under Bulgaria's screening regime, investments are subject to screening where the value of the investment exceeds €2 million or its equivalent in national currency.
- **Acquisition of asset, right or specified event.** Review is activated by the acquisition of an asset, business unit, concession, lease, licence, management right, access right, or by another event specified in the legislation. For example, under the United Kingdom's National Security and Investment Act, a trigger event may arise when a person acquires control over a 'qualifying asset', including land, tangible movable property or economically valuable ideas, information or techniques, such as trade secrets, source code, algorithms or databases.

Most regimes combine two or more triggers. This can capture incremental acquisitions and non-equity influence, but it also raises the importance of aggregation rules, valuation methods and clear treatment of indirect acquisitions.

2.4. Additional investor-specific rules

Some regimes apply different or additional rules according to characteristics of the foreign investor. These rules most commonly concern:

- **Designated countries.** Different or additional rules apply to investors from a named country or group of countries, for example neighbouring States or economies subject to sanctions.
- **Foreign State-linked investors.** The regime applies to foreign State-owned enterprises (SOEs), sovereign wealth funds, investors owned or controlled by a foreign government or other investors linked to, financed by, or acting on behalf of a foreign State.

2.5. Trade-offs in the scope of screening

The way screening regimes define their general reach, target coverage and triggers affects which potentially sensitive transactions are captured, how predictable the regime is for investors and the administrative burden it creates (table 2).

Broad definitions of covered investors and transactions can reduce the risk that potentially sensitive investments fall outside the regime. However, they may also blur the distinction between national security screening and more general controls on the entry of foreign investment.

Similar trade-offs arise in defining covered targets. Lists of sectors, assets or entities can improve predictability by making the scope of screening easier to identify in advance, but they may require frequent updating as technologies and security concerns evolve. By contrast, open concepts such as “critical infrastructure”, “essential services” or “sensitive data” provide greater flexibility but require more case-by-case assessment. Where their application is unclear, investors may submit precautionary notifications, increasing administrative burdens and the risk of legal disputes.

Screening triggers can also have an important effect on caseloads and compliance costs. Low or multiple ownership thresholds can capture incremental acquisitions, while control- or influence-based triggers can capture transactions that do not involve an equity acquisition. Both approaches may increase filing volumes.

Taken together, these design choices underline the importance of clear definitions, exclusions and designation criteria. Clear rules on materiality, aggregation, valuation and indirect acquisitions can help keep screening more targeted, predictable and manageable.

Table 2
Defining scope: trade-offs and safeguards

Design question	Main legal options	Certainty and capacity trade-off	Illustrative safeguard
General reach	Covered investors: foreign and, in some regimes, domestic; acquisitions, assets and greenfield transactions; exclusions and carve-outs	Broader reach reduces gaps but can conflate security screening with ordinary entry control	Define covered persons and transactions; publish exclusions and anti-circumvention rules
Coverage	Four target criteria, used alone or in combination	Lists can improve predictability but may become outdated; open or cross-sectoral concepts are more adaptable but require judgement and may reduce predictability for investors	Use materiality tests, public guidance, designation criteria, periodic updates and scope determinations
Triggers	Ownership or voting rights; control or material influence; transaction or asset value; asset, right or specified event	Low or multiple thresholds detect incremental influence but increase filings and compliance costs	Clarify aggregation, valuation, indirect acquisition and successive-threshold rules

Source: UNCTAD.



3. Administration: institutions, procedures and safeguards

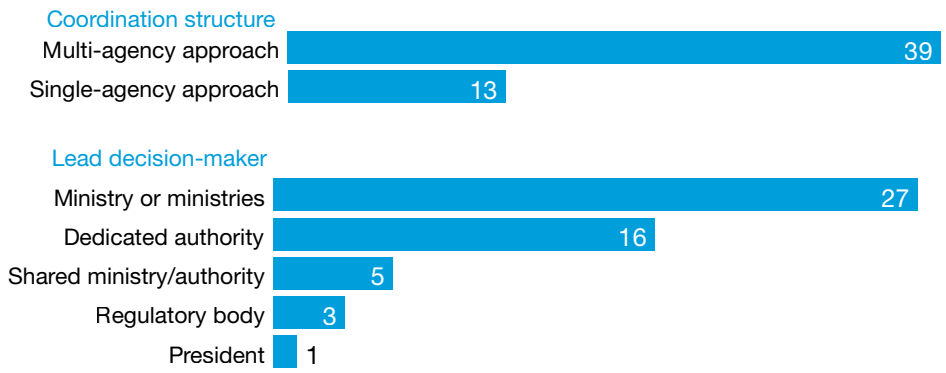
3.1. Institutional design

Investment screening is a complex and sensitive regulatory process, which requires an institutional framework that clearly identifies the competent screening authorities, allocates responsibilities among government institutions, and establishes mechanisms for coordination and decision-making. Well-designed institutional arrangements can enhance the quality, consistency and timeliness of screening decisions.

Institutional arrangements vary considerably across the mapped regimes. Two dimensions should be distinguished. The first is coordination structure: 39 regimes involve two or more public institutions, while 13 rely on a single authority for the principal screening process.

The second is the lead decision-maker, which can be a ministry or group of ministries (in most cases), a dedicated screening authority, a shared ministry-authority arrangement, a regulatory body or, in the Philippines, the President (figure 5). In Belgium, Finland, and the United States, the lead decision-making authority is divided. While the Council of Ministers or the President holds the power to reject an investment, the screening authority retains the power to approve with or without conditions or modifications.

Figure 5
Institutional design: coordination structure and lead decision-maker by number of regimes



Source: UNCTAD analysis, based on the Investment Laws Navigator.

Neither the existence of a specialized unit nor the formal designation of the competent authority determines whether a regime follows a single- or multi-agency model. The Committee on Foreign Investment in the United States (CFIUS), for example, is both a specialized screening body and an inter-agency committee chaired by the Department of the Treasury. In the United Kingdom, the Investment Security Unit in the Cabinet Office administers the screening process, while the formal decision-maker is the responsible Secretary of State.

Responsibilities may also vary according to the transaction or sector concerned. In Spain, applications under the principal screening mechanism are handled by the Directorate-General for International Trade and Investment, and the interministerial Foreign Investment Board provides an assessment. Under that mechanism, transactions valued at €5 million or less may be decided by the Directorate-General, while other cases are decided by the Council of Ministers. Investments in defence-related activities follow a distinct route involving the Directorate-General for Armament and Material.

Line ministries and regulatory authorities can contribute sector-specific knowledge, while specialized screening units can develop consistent case-management expertise. In the Philippines, the relevant Government department or regulatory body reviews foreign acquisitions of control in a public service and submits a recommendation, after which the President may suspend or prohibit the transaction on national security grounds.

Some regimes also administer national security screening within a broader foreign investment review framework. Under the Investment Canada Act, for example, foreign investments may undergo an economic net benefit review, a national security review or both. In Australia, the Treasurer is the principal decision-maker under the foreign investment framework, supported by the Foreign Investment Review Board, the Treasury and the Australian Taxation Office.

Whatever institutional arrangement is adopted, clear roles are essential for managing uncertainty. Published responsibilities, a single point of contact and established procedures for inter-agency consultation can reduce duplication, errors and delays. Effective administration also requires secure information-sharing, confidentiality, conflict-of-interest safeguards and sufficient staffing and technical capacity.

3.2. Notification, ex officio authority and the review process

Investments that fall within the scope of screening (see section 2) are brought into the review process either through mandatory filing by the investor or through a review initiated by the authority, commonly called an ex officio review or call-in.[6] Voluntary notification may also be provided for investors to initiate a review of an investment that is subject to the exercise of ex officio authority.[7] In some economies, the national-security assessment is conducted within a general foreign-investment authorization process, so the investor does not need to submit a separate notification to initiate the screening process (e.g. in Andorra, Lao People's Democratic Republic and Thailand).

For comparative purposes, the different combinations of mandatory notification and ex officio authority can be grouped into four mutually exclusive models (table 3).

[6] Ex officio authority performs two legally distinct functions. As an enforcement power, it permits the review of a transaction that should have been notified but was not. As a review authority, it allows authorities, on their own initiative, to bring transactions that are not subject to mandatory filing into the review process. Unless otherwise indicated, references in this report to ex officio authority relate to this second function.

[7] China's regime provides for an additional procedure that enables enterprises, social organizations and members of the public to request a security review of an investment that they believe may affect national security.



Table 3
Four screening models, by notification and ex officio authority

Screening model	Corresponding regimes
Comprehensive mandatory notification Mandatory filing covers all or nearly all transactions within the regime's general reach. An ex officio authority may also exist.	Andorra, Canada, Japan, Sweden, Taiwan, Province of China and the United Kingdom
Targeted mandatory notification plus ex officio authority Mandatory filing is limited to defined targets or transactions; while an ex officio authority reaches non-notifiable transactions.	Australia, China, Cyprus, Czechia, Germany, Ireland, Lithuania, New Zealand, Norway, Singapore, Slovakia and United States
Targeted mandatory notification with limited or no ex officio authority Mandatory filing is limited to defined targets or transactions. Ex-officio authority, if present, is mainly an enforcement power for missed filings.	Austria, Belgium, Bulgaria, Croatia, Denmark, Estonia, Finland, France, Greece, Hungary, India, Italy, Republic of Korea, Lao People's Democratic Republic, Latvia, Luxembourg, Malta, Netherlands, Philippines, Poland, Republic of Moldova, Romania, Russian Federation, Slovenia, Spain, Switzerland and Thailand
Primarily ex officio or voluntary review Mandatory filing is not the principal route. The authority initiates review, while a voluntary route may permit advance certainty.	Israel, Kosovo (United Nations Administrative Region, Security Council resolution 1244 (1999)) and Portugal

Source: UNCTAD.

Notes: The models classify regimes by the breadth of mandatory notification and the availability of an ex officio authority. Classification reflects legislation available as at 31 July 2026. The screening regimes of Albania, Fiji, Saudi Arabia and South Africa are not classified owing to limited information, including the absence of implementing regulations or recent legislative amendments.

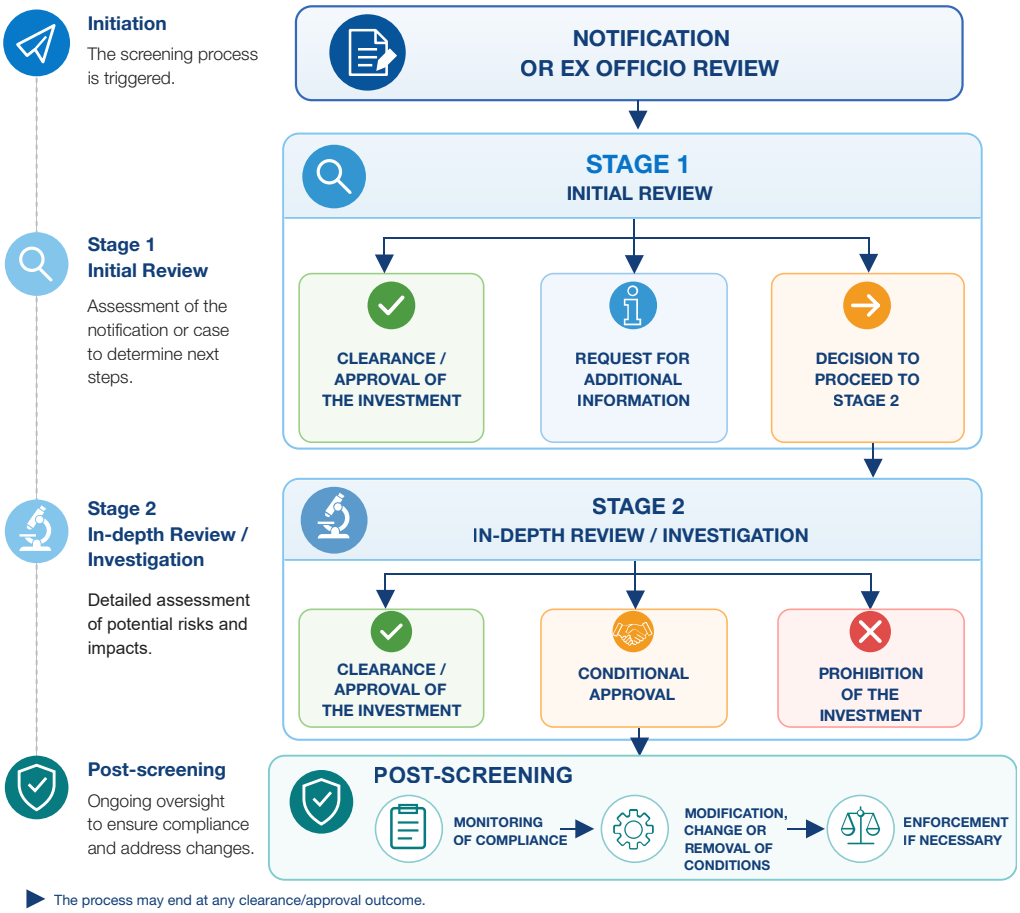
These models reflect different allocations of responsibility, administrative burden and regulatory uncertainty.

- Comprehensive mandatory notification models aim to capture as many of the potentially reviewable cases as possible. They provide a clear filing rule but may generate large volumes of low-risk notifications.
- Targeted mandatory notifications combined with ex officio authority limit automatic filings while preserving flexibility to reach non-notifiable transactions. The flexibility may, however, increase uncertainty unless the legal test, time limit and applicable guidance are clear.
- Targeted mandatory notifications with limited or no ex officio authority increase ex ante predictability but may leave gaps where emerging risks fall outside the defined scope.
- Primarily ex officio or voluntary reviews place greater responsibility on the authority to identify relevant transactions and on investors to decide whether to seek advance certainty.

The models are analytical classifications, not rankings of effectiveness, openness or restrictiveness. They indicate different potential patterns of case management and administrative burden, but the available data do not permit those effects to be isolated.

Once the screening process has been initiated through notification or the exercise of ex officio authority, it typically proceeds through an initial review aimed at ensuring completeness and initial risk assessment (Stage 1) followed, where necessary, by an in-depth review (Stage 2) (figure 6).

Figure 6
Typical screening process and outcomes



Source: UNCTAD, compilation based on a review of screening legislation contained in the Investment Laws Navigator.

Note: Some screening regimes have only one stage of review. Others do not provide for conditional approval and, hence, have no post-screening procedures.

There are some exceptions. China's regime provides for a three-stage procedure comprising an initial review (15 working days), a general review (30 working days) and, where necessary, a special or in-depth review (60 working days). By contrast, Spain provides for a single-stage review process which proceeds directly to substantive review.

Screening regimes generally provide for an initial review period of between 30 and 45 days, but nominal deadlines are not directly comparable. Some are stated in calendar days and others in working days; the clock may start on submission or only when a filing is complete; and information requests, inter-agency consultation, party requests or mitigation discussions may stop or extend the period. In a limited number of jurisdictions, such as Czechia and Germany, this period extends to approximately two months.

Following the initial review, screening authorities may extend the review period to conduct an in-depth review where an investment raises potential national security concerns. Depending on the jurisdiction, this stage may also be referred to as an investigation, detailed examination, special review or extended review. The duration of in-depth reviews generally ranges from 30 to 90 days and is, in most jurisdictions, subject to extension. In some economies, however, the review period may be considerably longer, extending to up to four months in Germany and six months in the Netherlands for certain categories of investment.

Thirty-three of the 52 mapped regimes expressly impose a standstill obligation, requiring investors to await the completion of the screening procedure before completing the investment transaction. A de facto standstill obligation exists under screening regimes embedded in general investment or competition legislation, as investors are required to obtain approval before completing the investment, merger or acquisition.

Given the complexity of these procedural steps, it is critical to clearly define the screening process, scope of mandatory and voluntary notification, ex officio authority and deadlines for determining whether an investment will proceed to an in-depth review. Several screening regimes provide for mechanisms intended to improve administrative efficiency and legal certainty. These include:

- **Informal pre-filing engagement.** Non-binding contact can help parties understand information requirements and present complex or unusual transactions before filing. The engagement is optional and does not prejudge the outcome of the subsequent formal assessment. In the United States, for example, a "pre-filing consultations" mechanism is provided.[8]
- **Binding scope determination.** An authority formally determines whether a proposed transaction falls within the screening regime, as distinct from providing an informal indication. France allows the investor or target entity to request a prior examination of whether the target's activities fall within the scope of the regime. The Minister must respond within two months. A finding that the activities are outside the regime provides assurance.[9]
- **Exemption certificate.** An eligible investor or programme of transactions is exempted in advance, generally subject to conditions and possible variation or revocation. In Australia, an exemption certificate can provide advance acceptance for a programme of lower-risk investments, removing the need to notify each transaction separately. Foreign State-linked investors holding passive interests may also apply for an exemption certificate.[10]
- **Non-objection or clearance certificate.** The authority formally confirms that it has no objection to a specified transaction. Portugal provides for voluntary notification to enable investors to request for confirmation that a decision to oppose the transaction will not be adopted. A similar option is provided in Germany to investors in transactions that are not subject to mandatory notification.[11]
- **Simplified filing.** A shorter notification may be submitted instead of a full notice, while preserving the authority's ability to request a complete filing or undertake further review. In the United States, parties may use a short-form declaration, generally not exceeding five pages, instead of a full CFIUS notice. The declaration is assessed within 30 days, after which CFIUS may conclude its action, request a full notice or indicate that it cannot conclude its assessment on the basis of the declaration. Declarations are voluntary in most cases but mandatory for certain transactions.[12]

Beyond these individual tools, recent reforms show growing emphasis on digital case management, risk-based triage and service standards intended to facilitate the timely processing of lower-risk transactions (box 2).

[8] See: https://www.cfius.gov/filings/pre-filing-consultations/

[9] See: https://www.tresor.economie.gouv.fr/Articles/2023/09/14/une-nouvelle-plateforme-pour-deposer-les-demandes-en-matiere-de-controle-des-investissements-etrangers-en-france-ief-a-partir-du-2-octobre-2023

[10] See: https://foreigninvestment.gov.au/guidance/types-investments/exemption-certificates

[11] See: https://www.gesetze-im-internet.de/awv_2013/__58.html

[12] See: https://www.cfius.gov/resources/faqs/

Box 2
Managing foreign investment screening: recent case-management reforms

As screening regimes mature and caseloads increase, procedural reforms increasingly address not only the legal reach of screening but also the administration and prioritization of cases.

- **Digital administration and standardized filing.** Screening authorities in several economies, including Australia, Ireland, Italy, the Netherlands, the United Kingdom and the United States operate online filing or case-management portals. These systems can standardize information requirements, reduce incomplete filings, facilitate secure communication and allow parties and authorities to track the progress of cases. The revised European Union framework for screening FDI (box 3) envisages an EU-level online filing portal (to be established at the request of at least nine Member States).

- **Staged review and risk-based triage.** Staged procedures allow lower-risk transactions to be cleared before the authority commits resources to a more detailed assessment. In New Zealand, amendments that entered into force on 6 March 2026 introduced a staged review process for significant investments. Transactions are first subject to an initial risk assessment, followed by a more detailed review where necessary, and may ultimately be referred to the responsible minister if national-interest concerns arise. The revised European Union framework for screening FDI requires national screening mechanisms to provide for an initial review within 45 calendar days and, where necessary, an in-depth review.

- **Service standards for lower-risk cases.** Published processing targets can provide investors with greater predictability and encourage authorities to differentiate cases according to risk. In Australia, the Government announced in May 2026 a performance target of deciding all low-risk applications within 30 days from 1 January 2027. The target forms part of Australia's broader foreign investment framework and is an announced administrative commitment rather than a currently applicable statutory review period.

Source: UNCTAD, compilation based on Investment Laws Navigator and official sources.

3.3. Decisions, review rights and transparency

Most regimes provide for three possible outcomes: approval, prohibition or approval subject to conditions.

First, authorities may approve an investment without conditions. In addition to explicit clearance decisions, approximately 27 per cent of screening regimes provide for tacit approval, whereby an investment is deemed approved if no decision is issued within a prescribed period. In Austria, for instance, authorization is deemed granted if no decision is issued within the applicable one-month initial review period or the two-month in-depth review period.

Second, authorities may prohibit an investment where the review identifies risks to national security. Prohibition generally follows an in-depth review. In some jurisdictions, it may also be linked to characteristics of the investor, such as inclusion on sanctions lists or control by restricted entities. Where investments are subject to ex officio review after completion of the transaction, authorities may require divestment or unwinding of the investment.

Third, authorities may approve an investment subject to conditional measures designed to address identified risks. Similar measures may also be imposed following ex officio reviews. Most screening regimes provide for some form of conditional approval. However, the screening regimes of Andorra, Lao People's Democratic Republic and Portugal provide for approval or prohibition but do not explicitly authorize conditional approvals.

Conditional approvals may include two types of risk mitigation measures:

- **Changes to the transaction.** These may include reduction in shareholdings, the divestment of a business unit or asset that gives rise to national security concerns, or the carve-out of critical infrastructure or technologies from the transaction. These measures need to be agreed and implemented before completing the investment transactions.
- **Operational conditions.** These include restrictions on access to or transfer of sensitive data, technology or maintenance of local production facilities, services and physical and operational security measures. Although not explicitly provided under the screening regimes, the mandate to negotiate and impose operational conditions can lead to the involvement of Government in the appointment of directors, auditors or independent monitors.

Operational conditions create post-screening administrative responsibilities. Depending on the nature of the risk, arrangements may include periodic reporting, independent monitoring and procedures for modifying or terminating conditions when circumstances change.

The right to appeal screening decisions (other than decisions relating to civil or criminal sanctions) to an independent judicial authority is explicitly provided for in 28 screening regimes (54 per cent). However, the absence of a provision in screening legislation providing for the right of appeal does not necessarily preclude judicial review based on national administrative laws or constitutional norms.

Almost all screening regimes that provide for appeals limit judicial review primarily to the points of law, such as procedural compliance, and the reasonable interpretation and application of the law. Ireland provides a distinctive mechanism that allows a full review of a screening decision on both points of law and fact by a special adjudicator appointed at the discretion of the screening authority.

Procedural safeguards extend beyond access to judicial or administrative review. Depending on the requirements of national law and the sensitivity of the information involved, they may include notification of the principal concerns under examination, an opportunity for the parties to provide relevant information, and reasons sufficient to understand the basis and legal consequences of the decision. These safeguards may need to be adapted where disclosure would prejudice national security, intelligence sources or the legitimate commercial interests of the parties. Clear rules for submitting, sharing and protecting confidential business information are therefore an important part of procedural design.

Several regimes also provide mechanisms intended to enhance the transparency of the screening process. For instance, 22 of the 52 mapped regimes contain provisions requiring the periodic publication of reports or aggregate statistics on screening activities. Information on individual screening cases is generally not disclosed to the public. Only five screening regimes provide for the publication of all screening decisions (Austria, New Zealand, Singapore, South Africa and the United Kingdom). Canada grants the screening authority discretionary power to publish decisions prohibiting investments.

Finally, 18 regimes contain mechanisms that support stakeholder engagement and periodic review of their functioning and effectiveness. These may include reporting to legislative bodies, consultations with affected stakeholders, advisory committees, and statutory reviews of the operation of the screening framework.

Regional initiatives may promote convergence around selected minimum requirements. The revised European Union framework is the most developed example (box 3). It reduces variation among European Union member States in certain core elements of screening discussed in sections 2 and 3, but it does not create a uniform regional regime. Member States retain discretion over institutional arrangements, screening decisions and national rules that extend beyond the common minimum requirements, including as regards notification and ex officio authority discussed in this section.

Box 3
The revised European Union framework: convergence around common minimum requirements

Regulation (EU) 2019/452 established the first European Union framework for the screening of foreign direct investment. It created a mechanism through which member States and the European Commission could exchange information, provide comments and issue opinions on investments with potential implications for security or public order. It did not, however, require all member States to establish national screening mechanisms or harmonize their scope and procedures. Screening decisions remained the responsibility of the member State in which the investment was planned or completed.

Regulation (EU) 2026/1386, adopted on 17 June 2026, introduces a common minimum set of rules. Its principal provisions apply from 17 January 2028, when Regulation (EU) 2019/452 is repealed. The revised framework preserves national responsibility for screening decisions but establishes common requirements across several dimensions:

- **Mandatory national screening mechanisms.** All European Union member States must maintain a national mechanism for screening foreign investments on grounds of security or public order. National rules must meet common requirements concerning transparency, non-discrimination, confidentiality, measures against circumvention and availability of an effective judicial remedy against a screening decision.

- **Common minimum scope.** National mechanisms must screen foreign investments involving a specified minimum set of sensitive activities and assets. These include, among others, military and dual-use items, critical technologies, critical raw materials, critical infrastructure and certain systemically important financial entities and infrastructure. Member States may maintain or adopt broader national coverage.

- **Coverage of indirect foreign investment.** The framework covers investments made directly by a foreign investor and investments made through a subsidiary established in the European Union that is ultimately controlled by a foreign investor. Portfolio investments remain outside its scope. Member States retain discretion over the screening of greenfield investment and may adopt national rules extending beyond the common minimum requirements.

- **Common procedural requirements.** National mechanisms must provide for an initial review, normally completed within 45 calendar days, followed where necessary by an in-depth review. They must also enable authorities to examine relevant transactions that were not notified. The duration of the in-depth stage and other procedural details remain subject to national rules.

- **Common risk-assessment framework.** The Regulation identifies factors that authorities should consider when assessing potential effects on security or public order. These include risks relating to critical entities, technologies and inputs; sensitive information; media pluralism; electoral processes; food security; and the ownership, control, financing or conduct of the investor.

- **Strengthened cooperation and digital administration.** The revised framework expands information exchange among national authorities and the European Commission, including for investments not undergoing national screening. It also provides for a common secure database and other digital tools to support cooperation and the coordination of transactions involving more than one member State.

Source: UNCTAD analysis, based on European Union Regulation (EU) 2019/452 and Regulation (EU) 2026/1386.



4. Emerging practice: insights from screening data

Data on transactions undergoing screening and their outcomes are not standardized.[13] In order to identify relevant trends, UNCTAD runs an annual survey of screening authorities. Table 4 presents data for 23 foreign investment screening regimes, compiled from the survey, supplemented by publicly available information.[14]

Reported caseloads vary considerably, ranging from very high numbers of notifications in Japan to no reported cases in the Philippines. This variation is not, in itself, a measure of national security risk, policy restrictiveness or screening effectiveness. It may reflect the breadth of target coverage, ownership and control thresholds, the treatment of successive acquisitions, domestic-investor coverage, filing behaviour, the maturity of the regime and the volume and sectoral composition of underlying investment activity.

The administrative model (table 3) and the individual legal features of each regime influence the reported caseload. Among the regimes reporting the highest caseloads, for example, Japan combines designated-sector coverage with a notification threshold that can apply from an acquisition of 1 per cent of the shares of a listed company, subject to applicable exemptions. The regimes in Sweden and the United Kingdom cover specified acquisitions by domestic as well as foreign investors. Requirements to file a separate notification for each threshold crossing, intra-group transaction or acquisition of non-equity assets may also increase the caseload.

In several regimes, most cases are cleared at the initial stage of review and outright rejections remain rare. When a detailed review identifies security concerns, authorities more often impose conditions to address them than prohibit the transaction. This pattern appears, for example, in France, Italy, the United Kingdom and the United States.[15]

[13] For instance, reporting periods differ and a "case" may refer to a filing, an accepted notification, a declaration, a transaction reviewed during the year, an ex officio review or a retroactive case.

[14] The use of a standardized survey instrument does not eliminate differences in national definitions, reporting periods, review stages and outcome categories.

[15] The Republic of Moldova is an important exception, reflecting the distinctive retroactive and sanctions-related features of its regime.

Low rejection rates do not necessarily indicate that screening has little practical effect. Conditional approvals may materially alter a transaction or restrict access to assets, technology, information or management rights. Investors may also withdraw or restructure a transaction during preliminary consultations or review. Finally, the existence of a screening regime may also discourage or reshape transactions before they are formally notified, an effect not captured by reported data.

The number of cases entering the screening process reflects the combined effect of a regime's scope and administrative model, with implications for the administrative burden imposed both on the investors and the screening authorities. This underlines the need for internal coherence between legal scope, initiation rules, procedural design and available administrative capacity. The tools discussed in section 3 – including preliminary consultations, scope determinations, simplified filings, exemption certificates and staged review – can assist in focussing screening capacities on higher-risk transactions and play an important role in managing administrative burdens.

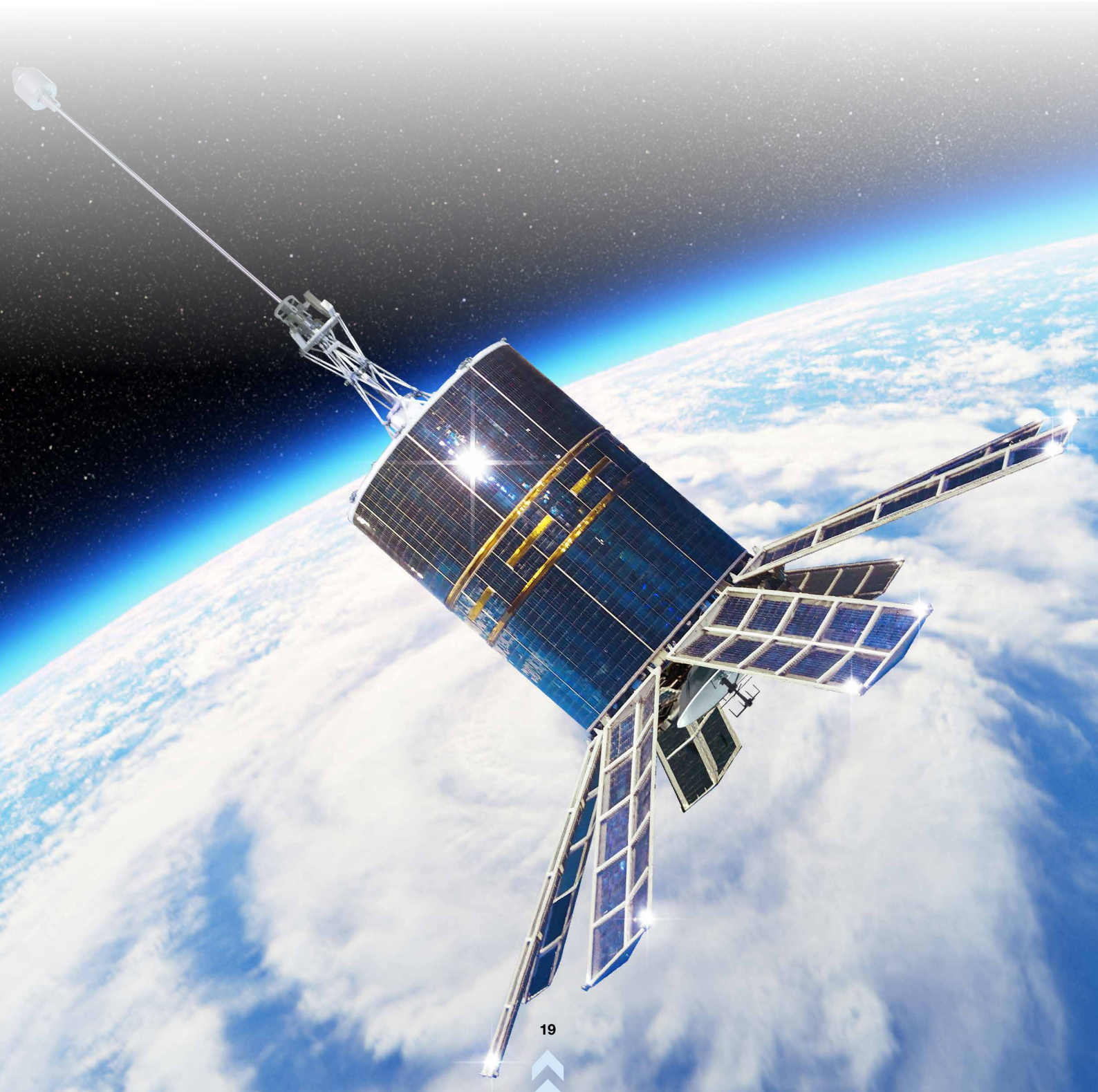


Table 4

Screening caseloads vary widely, but prohibitions are rare

Reported screening cases and outcomes in selected regimes (Number)

Country	Period	Screened[1]	Authorized without in-depth review	Subject to in-depth review	Rejected or blocked	Approved without conditions	Modified or authorized with conditions	Withdrawn
Australia	2024/2025	109	0	109	0	96	13	0
Belgium	2025	137	130	7	0	2	1	1
Canada	2025	1 026	1 007	19	1	8	5	4
Czechia	2025	22	15	7	1	5	0	1
Estonia	2025	7	0	7	1	6	0	0
Finland	2025	41	41	0	0	0	0	0
France[2]	2024	337	155	182	0	83	99	0
Germany	2025	339	290	37	0	8	8	3
Hungary[3]	2025	7	…	7	2	4	0	0
Ireland	2025	102	74	26	0	24	2	1
Italy[4]	2024	660	366	288	2	256	30	5
Japan[5]	2024	2 903	2 540	0	0	0	0	363
Republic of Moldova[6]	2025	152	0	152	50	84	16	0
Netherlands[2]	2025	76	0	76	0	66	2	8
New Zealand	2025	27	0	27	0	27	0	0
Philippines	2025	0	0	0	0	0	0	0
Poland	2025	4	0	4	0	3	0	0
Slovakia	2025	14	6	7	0	7	0	0
Slovenia	2025	54	52	2	0	0	0	0
Spain[7]	2025	190	49	141	0	121	13	7
Sweden	2025	1 987	1 776	15	1	6	1	2
United Kingdom[2]	2025/2026	1 280	1 166	60	1	44	9	4
United States[8]	2025	347	…	114	2	…	15	25

Source: UNCTAD, based on official sources and country inputs.

1 Screened projects refers to all investment cases formally subject to review by the screening authority, including mandatory and voluntary filings accepted for review, as well as ex officio. The table omits cases for which the review was not completed during the reporting period, which explains the discrepancy between total number of screened projects and outcomes.

2 The total case number reflects notifications received and cases initiated ex officio. For France, Netherlands and the United Kingdom, the total reflects cases reviewed during the reporting period, although some of them were initiated the previous year.

3 The number of cases for Hungary excludes four that did not fall within the scope of national FDI regulations. Data is not available for the number of cases approved without an in-depth review.

4 For Italy, in-depth review includes notifications that were declared not to fall within the scope of the "golden power", accepted under simplified procedures or acknowledged without further action.

5 In the case of Japan, withdrawn cases include both those that were abandoned and those that were resubmitted with modifications, as available data do not distinguish between the two.

6 The screening regime of the Republic of Moldova includes ex post review of investments already in operation, including where investors are affiliated with or included on international sanctions lists or where the investment originates from jurisdictions lacking financial transparency.

7 Spain does not have a procedure for initial review to clear cases without an in-depth review. However, 49 cases were archived as they did not fall within the scope of the applicable investment screening law.

8 For the United States, the number of screened cases includes Declarations (short-form notices) and full notices. The number of withdrawals (both at review and investigations phases) is adjusted to exclude same-year re-filings and include notices re-filed in the following year, as well as the withdrawal of Declarations. In all, 36 Declarations were escalated to full notice, and 11 concluded without final action. These cases may either be captured within the 2025 full notices or may not have advanced.

[…] signifies that the data are not available or does not form part of the screening regime.



Conclusion and policy implications

Foreign investment screening has evolved from an exceptional safeguard, concentrated largely in defence-related activities in a handful of countries, into an established instrument of investment policy across most developed economies and in some developing ones. Its expansion reflects broader concepts of national and economic security, encompassing critical infrastructure, technology, data, essential services, supply chains and other strategic assets and capabilities. It also reflects concerns that the ownership, control or affiliations of some investors may increase risks of foreign State influence, strategic dependence or unauthorized access to sensitive assets, technologies or information.

This expansion has produced a broad spectrum of regulatory approaches and no single model has emerged as the standard. The impact on caseloads depends on the combination of a wide range of factors, including a regime's general reach, its targets, triggers and administrative model, as well as transaction activity. The comparative mapping of approaches in this Monitor points to the need to ensure coherence between these different elements and leads to five considerations for economies establishing or reforming a screening regime.

1. **Define a focused security objective.** Screening legislation should identify the security or public-order interests it is intended to protect and distinguish them from general assessments of economic benefit, competitiveness or industrial policy. A clear objective supports consistent interpretation and helps keep intervention proportionate.
2. **Align legal scope, notification requirements and ex officio authority.** General reach, target coverage, triggers and investor-specific rules should operate as a coherent system. Mandatory notification should concentrate, as far as practicable, on transactions most likely to warrant review. Where ex officio authority is retained as a backstop, its reach and legal consequences should be clearly defined.
3. **Match procedures and institutions to the expected caseload.** Institutional arrangements, staffing, technical expertise and review stages should reflect the number and complexity of anticipated cases. Preliminary consultations, scope determinations, simplified filings, exemption certificates and staged reviews can facilitate the clearance of low-risk transactions and allow resources to be concentrated on cases presenting more significant concerns.
4. **Enhance predictability and protect procedural fairness and confidential information.** Legislation and guidance should provide clarity on filing requirements, review periods, information requests, possible decisions and monitoring obligations. Investors should receive sufficient reasons to understand decisions, subject to legitimate national security limitations, and should have access to appropriate review or appeal mechanisms. Secure information-sharing, confidentiality and conflict-of-interest safeguards are essential.
5. **Strengthen transparency and periodic review.** Systematic and standardized reporting can improve the transparency of a screening regime for the benefit of both policymakers and investors. Periodic evaluation should be an integral part of the regime, to determine whether coverage remains appropriately targeted and its administration is efficient.

These considerations are particularly relevant for developing economies. A complex screening architecture designed for a large and mature market may not be appropriate where transaction volumes, institutional resources or access to specialized expertise are limited (UNCTAD, 2026). Economies introducing screening may benefit from beginning with a focused assessment of their principal security exposures, adopting the narrowest workable legal and institutional arrangements, and expanding them only where experience and evolving risks demonstrate a need.

Properly designed, foreign investment screening can serve as a targeted safeguard within an open investment framework. Its effectiveness ultimately depends not only on the breadth of its formal powers, but also on whether risks are clearly defined, relevant transactions can be identified, decisions are timely and evidence-based, and intervention remains proportionate to the security concerns involved. In this regard, cooperation and exchanges among screening authorities can also help compensate for limited national capacity, subject to appropriate confidentiality safeguards. At the same time, policy guidelines and principles for screening and other security-related investment measures could support greater clarity and proportionality in their implementation, as stressed in UNCTAD's World Investment Report 2026.

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