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Competition & Antitrust

FDI screening in the EU: Annual Report of the European Commission published

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The European Commission has published its **Sixth Annual Report on FDI screening** (COM(2026) 529), covering 2025. It shows that scrutiny is in the rise but outcomes remain predictable.

Key numbers:

- **4,773** cases handled by national authorities, up from 3,136 in 2024
- **87%** of screened deals cleared unconditionally, **9%** cleared with conditions and only **~1%** blocked
- **667** notifications to the EU cooperation mechanism, up 40%.
- Phase 2 reviews rose to **12%** of cases, from 8%. More deals are being treated as security-sensitive
- **27%** of notified deals were screened in two or more Member States, up from 19%
- Aerospace's share of critical-tech Phase 2 cases rose from 16% to **28%**.
- The share of manufacturing cases flagged for access to sensitive information (including personal data) more than doubled
- **Not just a large-deal issue.** 26% of notified transactions were valued below €10 million.
- **Greece is now on the map.** Together with Croatia and Cyprus, Greece adopted its regime in 2025. This means that **all 27 Member States** now have an FDI screening framework. Law 5202/2025 has been operational since November 2025 under JMD 64260. It covers energy, transport, ICT, digital infrastructure and health, as well as highly sensitive sectors such as defence and national security, incl. dual-use items, cybersecurity, AI, as well as port infrastructure, critical submarine infrastructure, tourism infrastructure in border regions.

What's next: The revised **Regulation (EU) 2026/1386** applies from **17 January 2028**. It brings:

- mandatory ex ante screening in every Member State
- a common minimum sectoral scope
- a harmonised 45-day Phase 1
- screening of certain intra-EU deals that foreign investors ultimately control

Takeaway for dealmakers:

- FDI Screening should be factored-in, early, in parallel with merger control, foreign subsidies review and any sector-specific or other regulatory approvals that may be required.
- A small deal, minority stakes and investments through EU acquisition vehicles can also fall within FDI screening regime and should not be overlooked.
- Assess the relevant jurisdictions early, map the ownership chain, coordinate the regulatory workstreams and reflect approval requirements in conditions precedent, realistic long-stop dates and a clear allocation of regulatory risk.

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