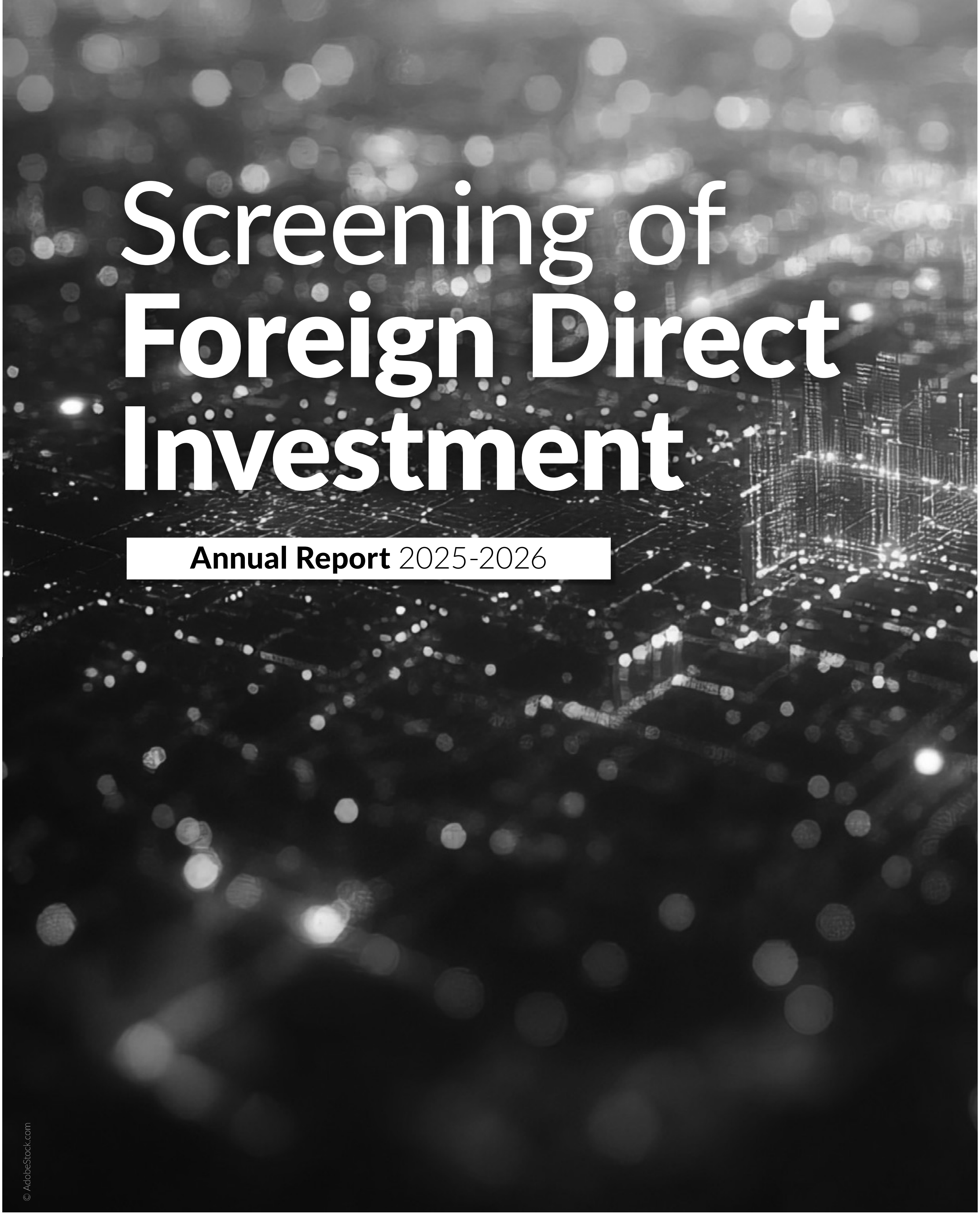

Screening of **Foreign Direct Investment**

Annual Report 2025-2026

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Foreword by David Clarinval

Dear Reader,

Belgium remains one of Europe's most open and dynamic economies. This openness is a pillar of our prosperity: it stimulates innovation, attracts talent and strengthens our position in global value chains. Foreign investment plays an essential role in this regard by supporting growth, creating employment and strengthening our industrial and technological fabric.

In a context characterised by geopolitical tensions, increasing technological competition and the fragmentation of supply chains, maintaining this openness also means protecting our economic security and strategic interests. The aim is not to restrict foreign investment, but to ensure that it takes place within a clear and predictable framework. Economic security relies on a coherent set of mutually reinforcing instruments. The screening mechanism for foreign direct investment is therefore part of a range of trade defence instruments, such as anti-dumping, anti-subsidy and enforcement measures. Each instrument targets specific risks and must be applied in a judicious, proportionate and complementary manner in order to preserve the openness of our economy, strengthen the competitiveness of our businesses and protect our strategic interests.

As we conclude the third year of operation of the screening mechanism for foreign direct investment, we note that this instrument has not only been further strengthened, but has also adapted to the current economic and geopolitical challenges. Its implementation has been further developed thanks to the growing experience of the analysts, who can draw on experts in the relevant sector for each case. The procedures have been consolidated, particularly for cases requiring mitigating measures, for which a standardised approach has now been established, and for cross-border transactions, where we benefit from our close ties with our European colleagues. Finally, the crucial role of the mechanism in protecting our strategic sectors has been further confirmed.

The past year was also marked by an important development at European level: the adoption of a new regulation aimed at further harmonising and strengthening the screening framework within the European Union. This text modernises the 2019 mechanism, improves cooperation between the Member States and strengthens the Union's collective ability to protect its essential interests. Belgium has actively contributed to this work and will continue to support a coordinated European approach, which is indispensable within an integrated internal market.

This annual report reflects the further development of the Belgian screening mechanism. It illustrates our commitment to combining economic attractiveness with the protection of our fundamental interests. Our objective remains unchanged: to welcome foreign investment that aligns with our long-term strategic vision, while at the same time protecting the foundations of our economic sovereignty.

I hope you enjoy reading this report.

David Clarinval
Minister of Employment, Economy and Agriculture

The Third Year of the Belgian Screening Mechanism

191 cases

received by the secretariat of the Interfederal Screening Committee (ISC)

A screening procedure (second phase) was opened for **4%** of the cases

Most foreign investors came from:

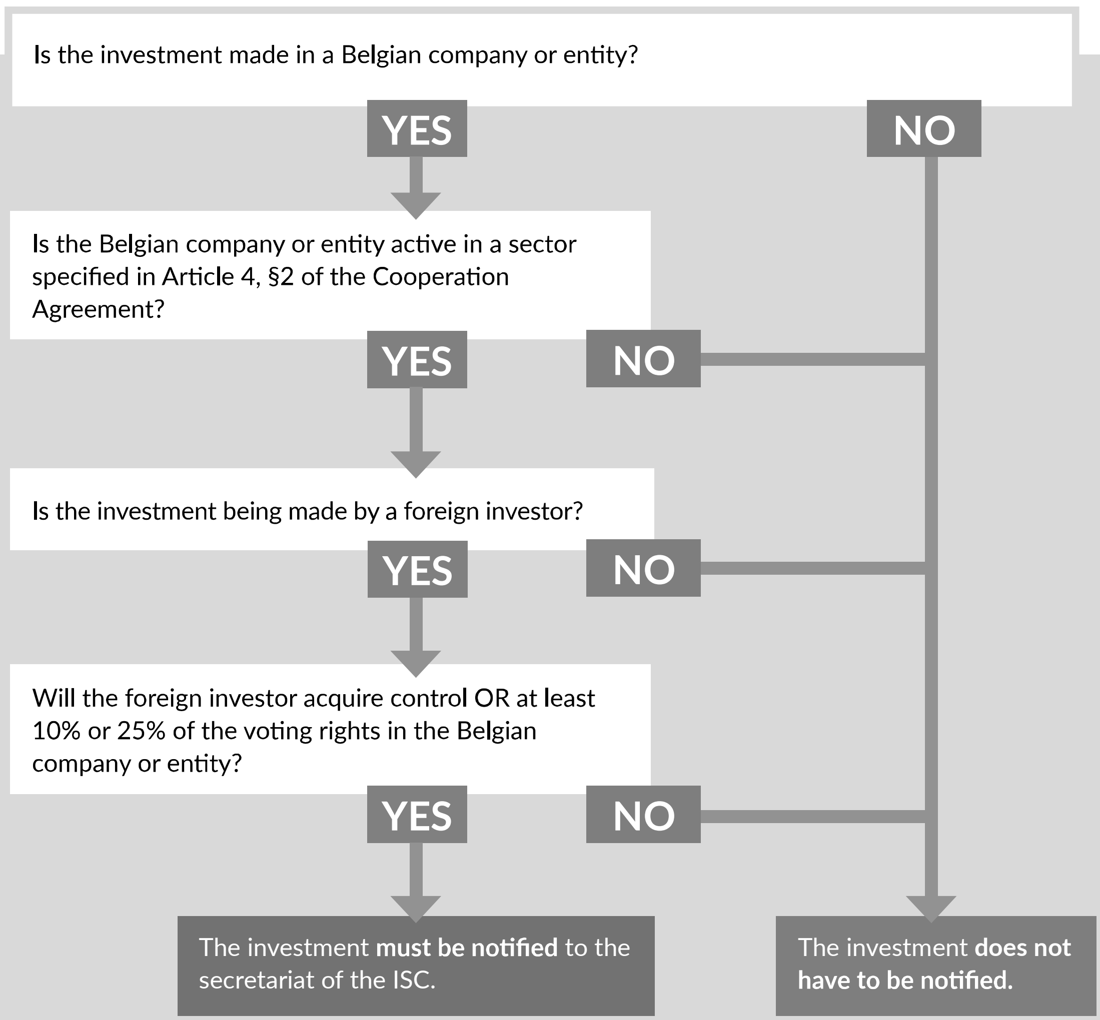
the United States

(48% of the notified cases)

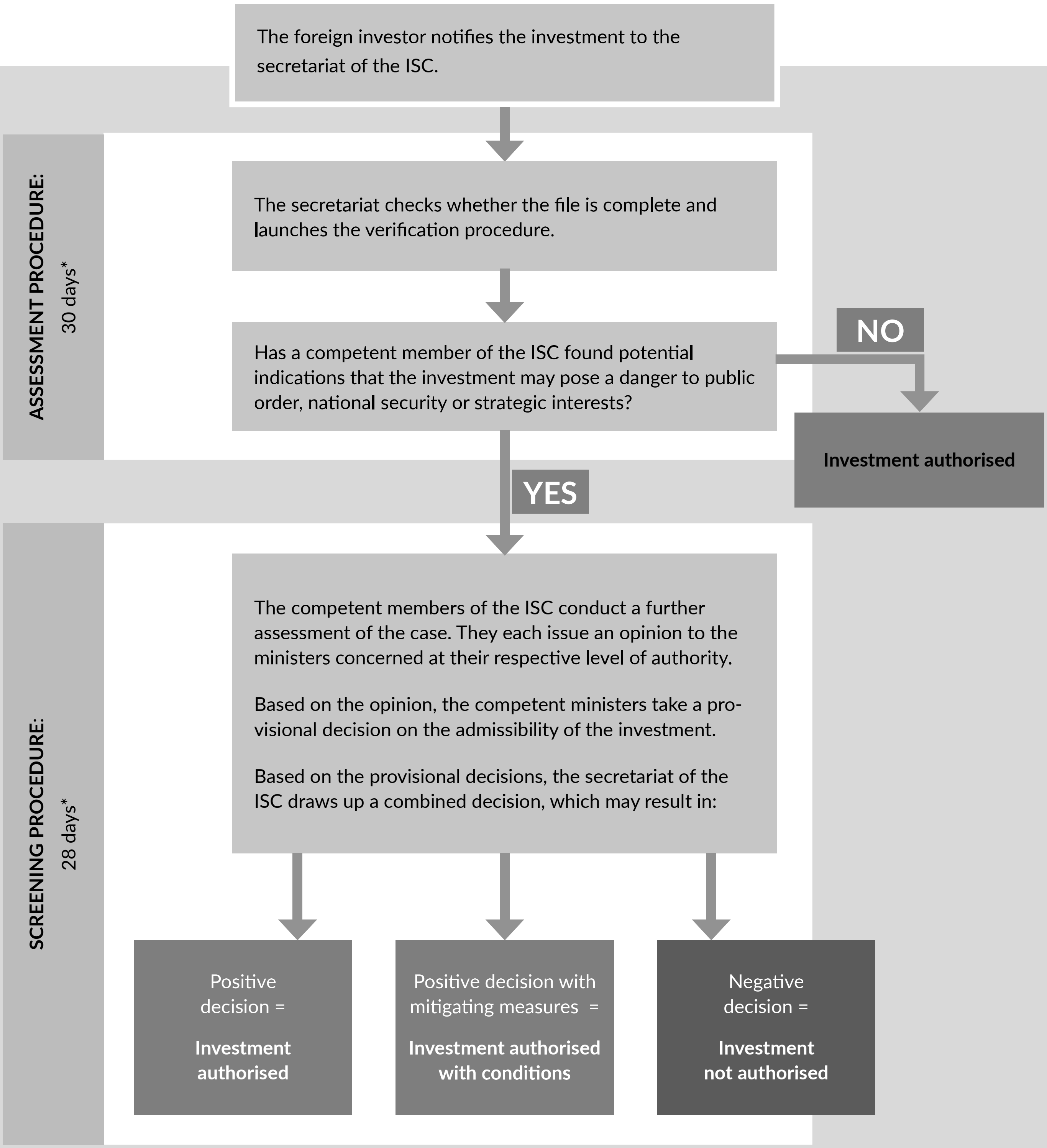
The most common sectors are:

- **Sensitive information/ personal data**
- **Energy**
- **Digital infrastructure**

Does the Investment Have to Be Notified?



The Screening Process



* Suspensions and extensions are possible.

The EU Procedure

When a screening procedure is initiated, the European Commission and the other EU Member States are notified of the investment pursuant to Regulation (EU) 2019/452 establishing a framework for the screening of foreign direct investments into the Union. The European cooperation mechanism operates as follows:

PHASE 1/2:
15 days

On the day the screening procedure is initiated, the investment is notified to the European Commission and the other Member States through the European cooperation mechanism.

Following an initial assessment of the investment, the Commission and/or one or more Member States may indicate that they may provide an opinion or comments. In that case, the Belgian procedure is suspended for a maximum period of 25 days.

PHASE 2/2:
max. 25 days

The Commission and/or one or more Member States may also submit a request for additional information. That request suspends the national screening procedure until the requested information has been provided.

Once the 25-day period has expired, the European procedure and the suspension of the Belgian procedure come to an end. If an opinion or comments are provided, Belgium must take them duly into account in its assessment and decision.

Role of the Interfederal Screening Committee

The ISC was established by the Cooperation Agreement of 30 November 2022. It plays a central role within the Belgian screening mechanism for foreign direct investment.

Composition and powers

The ISC brings together representatives from all competent levels of government. That broad composition guarantees that each level of government is involved in the screening of foreign investments, and that their interests are also taken into account within the decision-making process.

The following entities are represented within the ISC:

- the federal state
- the 3 Regions
- the 3 Communities
- the French Community Commission (COCOF)
- the Common Community Commission (GGC)

Members are competent to assess an individual case if there is a clear territorial connection with their level. In this regard, the location of the registered office or establishment of the Belgian target is taken into account primarily, but not exclusively. In addition, the investment must have a potential impact on the tasks and responsibilities of the policy level concerned. The Federal State is always competent.

A representative of the FPS Economy chairs the ISC. The secretariat of the ISC is also housed there.

Roles and responsibilities

The ISC is not a decision-making body, but ensures an integrated approach to the screening of foreign investments in Belgium. It receives and processes notifications of foreign direct investment in a centralised manner.

At the end of the verification procedure, the competent members of the ISC decide whether a screening procedure should be initiated. During this procedure, the investment is analysed in depth. If a screening procedure should be initiated, the members advise the competent minister at their level of government on whether or not to allow the investment concerned (see page 8).

Although consultation is possible, each competent member of the ISC carries out their tasks separately during the verification and screening phases. There is no requirement for consensus between the competent members regarding the final outcome.

Role of the Coordination Committee for Intelligence and Security

What is the Coordination Committee for Intelligence and Security?

The Coordination Committee for Intelligence and Security (CCIS) is the body responsible for:

- promoting effective coordination between the members of the CCIS
- ensuring the exchange of information between the members of the CCIS
- formulating proposals to the National Security Council (NVR/CNS)
- coordinating the implementation of the decisions of the NVR/CNS

What does the CCIS do?

The Committee brings together multiple members of the intelligence, security, cybersecurity and crisis management services, as well as representatives of the Ministry of Defence, the FPS Foreign Affairs and the FPS Justice. In order to respect the separation of powers, members of the judiciary do not participate in the procedure relating to the screening of foreign direct investment.

The CCIS meets once a month. To prepare the meetings of the National Security Council (NVR/CNS), a Strategic Committee for Intelligence and Security (SCIV/CSRS) meeting is usually organised on a monthly basis. This committee brings together the members of the CCIS with representatives of the competent ministers (Justice, Defence, Home Affairs and Foreign Affairs), under the chairmanship of the Prime Minister.

In principle, all members of the CCIS are also invited to the NVR/CNS. The SCIV/CSRS consists of representatives of the ministers who sit on the NVR/CNS and members of the CCIS.

What is the role of the CCIS in relation to FDI?

Within the framework of the screening procedure for foreign direct investment, the CCIS may provide an opinion to the ISC following notification of an investment. This task falls within the scope of Article 13 of the Cooperation Agreement of 30 November 2022 concerning the mechanism for the screening of foreign direct investment.

The CCIS must analyse the investments and assess whether they entail potential risks to national security, public order or the country's strategic interests.

How are the opinions drawn up?

Following the notification of a new investment, the CCIS has 25 days to submit its opinion to the ISC. During that period of 25 days, each member of the CCIS must provide an assessment in accordance with their area of expertise. Based on these assessments, the CCIS must submit a draft opinion to the ISC.

In certain cases, the CCIS may, following an examination and where necessary, extend that period. This triggers the screening procedure, although such cases remain exceptional: they account for less than 10% of all cases.

Deep Dive: Key Figures

General considerations

Cases from the third year of the screening mechanism

Between 1 July 2025 and 30 June 2026, the secretariat of the ISC received 191 notifications.

The status of these cases is as follows:

- 162 investments were authorised
- no notifications were withdrawn by the investor
- 27 cases are still pending
- two investments were authorised with mitigating measures
- no investments were refused

Detection of non-notified investments

As part of the monitoring of compliance with the notification obligation for foreign direct investment, requests for information were sent to investors regarding potentially non-notified transactions. The information received was then assessed to determine whether a notification to the screening mechanism was required.

During the third year of the screening mechanism, 27 such requests for information were sent.

Cases concluded from previous screening years

During the third year of operation of the screening mechanism, 8 cases notified during the second screening year were concluded:

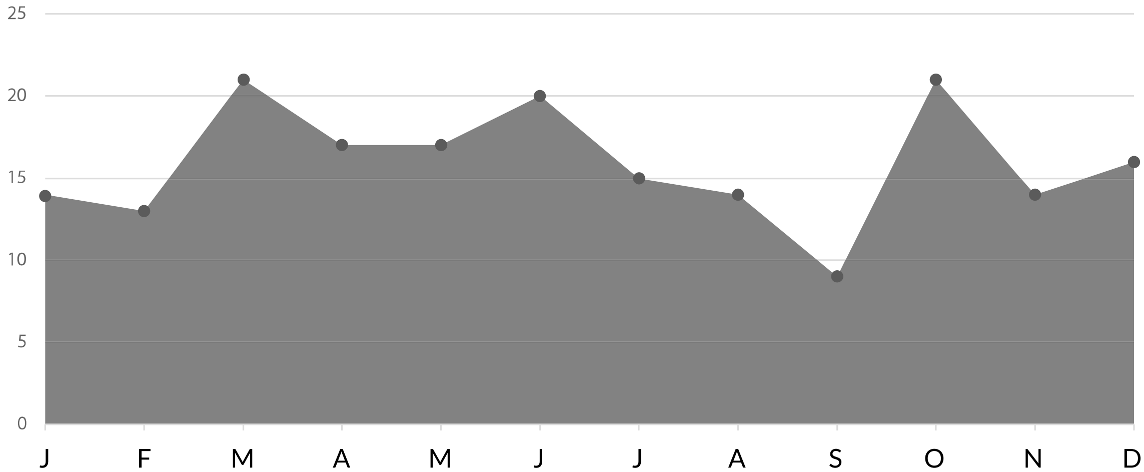
- 6 cases following the verification procedure, resulting in an authorisation
- 2 cases following the screening procedure: 1 investment was authorised unconditionally and 1 was authorised with mitigating measures

Information on these cases is not included in the remainder of this annual report.

Time-related information

Number of notifications per month

Chart 1 shows the breakdown of notifications by month:



Progress of the verification and screening procedures

Cases in phase 1 of the verification procedure

On average, the secretariat received 16 notifications per month. The months with the highest number of notifications were:

- March (21 notifications)
- October (21 notifications)
- June (20 notifications)

On average, the verification procedure was initiated within three days of the initial submission of the notification forms. In 10 notifications, information was missing, preventing the verification procedure from being initiated immediately.

The average processing time during the verification procedure was 32 days. The statutory time limit for a verification procedure is, in principle, 30 days, but in practice it may be longer. This is, for example, the case when the procedure is suspended to request additional information, or when the 30-day period ends on a non-working day and the deadline is therefore extended. In 45 cases, the secretariat of the ISC requested additional information during the procedure (at the request of a member of the ISC).

Cases in phase 2 of the verification procedure

During the third year of operation of the Belgian screening mechanism, 8 screening procedures were initiated. Since then:

- 3 investments were unconditionally authorised
- 2 investments were authorised with mitigating measures
- 3 notified cases are still ongoing

The duration of a screening procedure can vary significantly and depends on various factors, such as:

- a possible request for an extension by the CCIS
- the procedure under the EU cooperation mechanism
- requests for additional information and the associated response times

Investments concerned

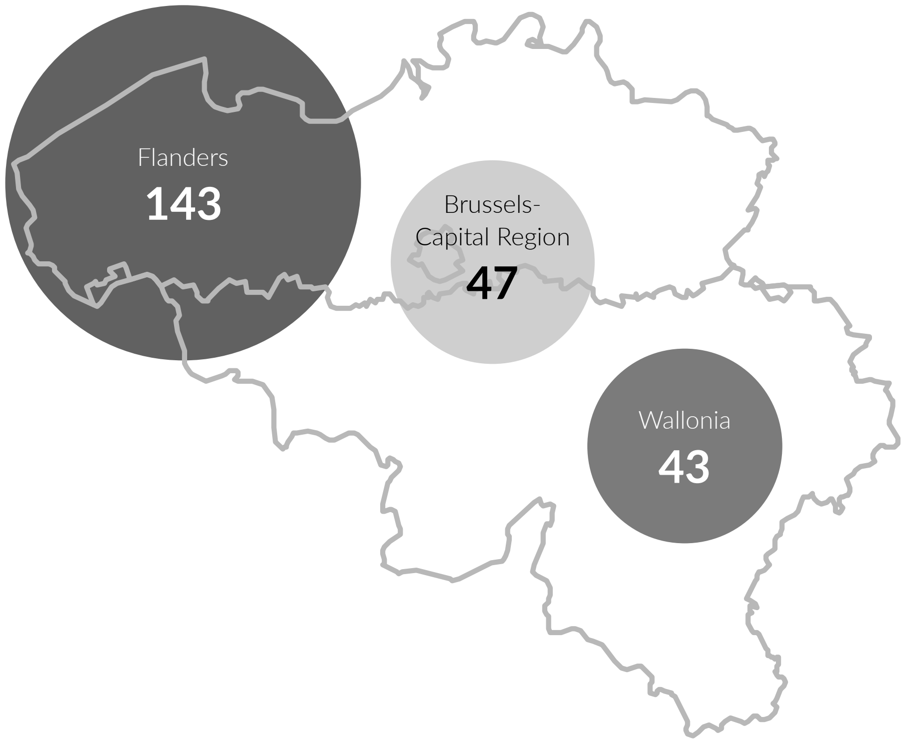
- In 27% of the cases, the main target was one or more Belgian entities.
- In 71% of the cases, the transaction involved a full acquisition of the Belgian target.
- In 92% of the cases, the investor acquired control over the target.
- 25 notifications concerned internal restructurings.

The table below shows the 5 most common sectors. A single transaction may concern multiple sectors.

	Sector	Number transactions	%
1	Sensitive information / personal data	43	29.05
2	Energy	28	18.92
3	Digital infrastructure	13	8.78
4	Health	13	8.78
5	Dual use	12	8.11

Geography

The graph below shows the investments based on their geographical location in Belgium. As a single investment may have an impact on several regions, the total number of investments per region exceeds the total number of notifications received.



The table below presents the top five countries of origin of foreign investors.

	Country	Number transactions	%
1	USA	91	41.55
2	UK	46	21.00
3	Canada	12	5.48
4	Switzerland	12	5.48
5	China	8	3.65

European Initiatives and Their Impact on the Belgian Screening Mechanism

The new FDI Regulation

The prosperity of the European Union, and in particular of Belgium, is based on open economic relations with the rest of the world. In an uncertain geopolitical environment and in light of increasing technological competition, it is essential that the European Union acts in a coordinated manner to safeguard its open strategic autonomy. In this context, several initiatives have been taken in recent years, most notably a revision of the European Regulation.

In January 2024, following the Joint Communication on a European Economic Security Strategy of June 2023, the European Commission proposed a revision of Regulation (EU) 2019/452 establishing a framework for the screening of foreign direct investment in the Union. The proposal aimed to:

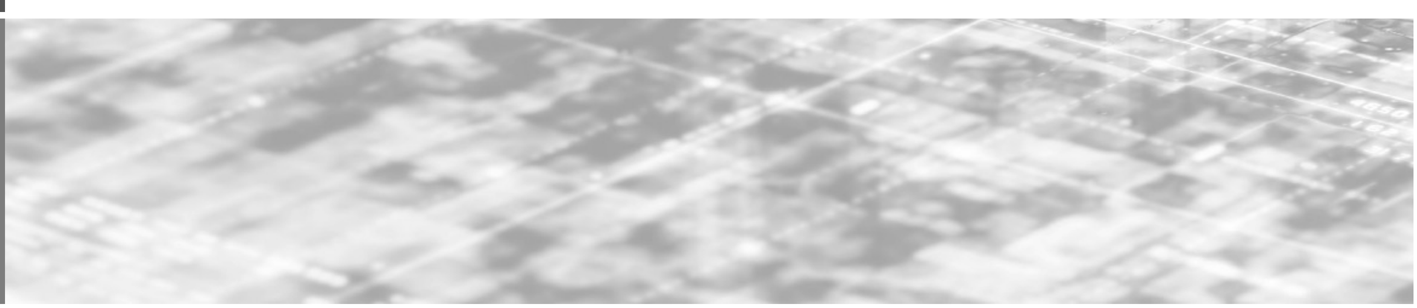
- further harmonise the common mandatory scope of transactions subject to prior authorisation
- strengthen European cooperation on investment screening

After almost two years of negotiations within the Council and discussions between the Council and Parliament during the trilogue negotiations, the text of the new Regulation was finalised at the end of 2025. As the Regulation entered into force on 16 July 2026, Regulation 2026/1386 will apply from 17 January 2028.

Belgium was closely involved in the revision process of Regulation (EU) 2019/452 and fully recognised the need to:

- harmonise national screening mechanisms as much as possible in order to manage security risks for Belgium, the European Union and the Member States in a coherent manner
- strengthen cooperation and information exchange with the European Commission and the other Member States in order to address such risks as effectively as possible

The new Regulation requires Belgium to amend the Cooperation Agreement of 30 November 2022, for example to align the procedural time limits with those laid down in the European text. The procedure to amend the Cooperation Agreement and implement the necessary changes has already been initiated.



The European doctrine on economic security

The doctrine on economic security adopted by the European Commission in December 2025 provides a strategic framework aimed at strengthening the European Union's economic resilience against geo-economic risks. The doctrine is based on European risk assessments concerning critical technologies and the identification of 6 risk areas in which the main vulnerabilities are concentrated:

1. strategic dependencies
2. sensitive technologies
3. critical infrastructure
4. strategic data
5. actors that pose a systemic risk
6. critical raw materials

The doctrine is evolving towards a more proactive and structured approach, whereby economic security becomes a fully-fledged policy objective that may justify preventive measures and short-term economic costs in order to reduce structural vulnerabilities in the long term. The use of the existing instruments in the field of economic security is also encouraged in order to address the identified risks.

For the competent authorities, this doctrine now constitutes an essential reference framework when analysing foreign investment cases. The doctrine confirms that screening must be based on systematic risk assessments, including those based on European analyses of critical technologies. The screening must also take into account the 6 high-risk areas, which are playing an increasingly important role in the assessment of cases.

Specifically, this means that the assessment of investment projects must take into account the risks associated with:

- sensitive technology transfers
- the creation or reinforcement of strategic dependencies
- the acquisition of critical assets
- systemic vulnerabilities related to certain actors

In this regard, the doctrine reinforces the role of foreign investment screening as a central instrument for economic security: it calls on national authorities to align their assessments with the structural risks identified at European level and to adopt a coherent, documented and preventive approach when handling cases.

Conclusion by Séverine Waterbley

In a world where geopolitical tensions, economic uncertainty and technological developments are following one another at an ever-increasing pace, protecting economic security remains an important policy priority for Belgium and the European Union. At the same time, our country remains firmly committed to an open economy that encourages international investment, innovation and cooperation. The screening mechanism for foreign direct investment plays a key role in this regard by combining strategic vigilance with legal certainty and transparency.

This annual report on the third year of operation of the Belgian screening mechanism shows that the system has continued to develop into a fully-fledged and coherent framework for monitoring foreign investments. The clear increase in the number of notifications confirms the growing importance of the mechanism and also indicates that companies and investors are becoming increasingly familiar with their obligations and the applicable procedures.

During this third year of operation, we also strengthened our capacity to identify investments that should have been notified under the screening mechanism but had not been notified. This increased vigilance, combined with efforts to raise awareness among economic operators, has undoubtedly contributed to the increase in the number of notifications. This development reflects companies' greater familiarity with the mechanism and a growing awareness of the importance of economic security.

The experience gained during the past year of operation confirms that the Belgian screening mechanism succeeds in reconciling vigilance and openness: risks can be identified and monitored in a timely manner, while Belgium remains an attractive and reliable investment destination.

Belgium remains committed to a screening policy based on proportionality, transparency and legal certainty. Through close alignment with the European framework and the continuous strengthening of interfederal cooperation, the mechanism contributes to a stable, secure and resilient economic environment.

Séverine Waterbley
Chair of the Board of Directors of the FPS Economy, SMEs, Self-Employed and Energy

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FPS Economy, S.M.E.s, Self-employed and Energy

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