



**MINISTÈRE
DE L'ÉCONOMIE,
DES FINANCES
ET DE LA RELANCE**

*Liberté
Égalité
Fraternité*

**Direction générale
du Trésor**

FAQ

Foreign Direct Investment Screening in France

October 2023

1 - Why are foreign direct investments screened in France?

Foreign direct investments (FDI) in business activities in France which, even if only occasionally, contribute to the exercise of public authority or jeopardise national interests are subject to prior authorisation from the Minister for the Economy in order to ensure the protection of public order, public security and national defence interests.

Any investment that is carried out without authorisation from the Minister is deemed null and void. Investors are exposed to enforcement measures and sanctions (financial and criminal) if they fail to comply with regulations on foreign direct investments in France.

2 - When are foreign direct investments screened?

Foreign direct investments are subject to screening by the Minister for the Economy if the following three cumulative conditions are met:

1. A foreign entity is present in the ownership chain of the direct acquirer.
2. The investor (i) acquires control, (ii) acquires all or part of a business line or (iii) crosses the 25% threshold of voting rights¹ in a French legal entity. Note that the third scenario only applies to investors from outside the EU/EEA.
3. The French target company has business activities (i) in one of the sectors listed under Article R.151-3 of the Monetary and Financial Code and (ii) that are liable to jeopardise public order, public safety or national defence interests.

3 - How does an application for authorisation get filed?

An application for authorisation must be drafted in French and filed by the foreign investor with the Directorate General of the Treasury by (i) registered mail (Ministère de l'Economie et des Finances, Direction générale du Trésor, *M. Thomas Ernoult*, Bureau Multicom 4, Télédocus 233, 139, rue de Bercy, 75572 Paris Cedex 12) or (ii) through the platform ([Plateforme IEF](#)). A [form](#) is available on the Directorate General of the Treasury's website to illustrate the type of information requested on the platform. Questions on screening procedures or pending applications can be emailed to IEFautorisations@dgtresor.gouv.fr.

4 - Who conducts the review?

The Directorate General of the Treasury leads the screening procedure and represents the State in discussions with the investor and its legal counsel. It has the power, by law, to obtain from the investor and the French company all documents and information necessary to review the application, and neither the investor nor the company may object on trade secret grounds. The Interministerial Committee on Foreign Investment in France is also involved in the screening procedure. The Committee comprises officials from different administrative institutions (ministries or agencies) with the requisite expertise to assess the impact of the investment on national interests.

5 - How is an application for authorisation reviewed?

The procedure takes place in two phases which may not exceed the maximum regulatory period of 75 business days. At the end of the first phase (lasting a maximum of 30 business days), the Minister communicates one of three possible outcomes to the investor:

1. The investment does not fall within the scope of FDI screening in France.
2. The investment falls within the scope of FDI screening and is authorised without conditions.
3. The investment falls within the scope of FDI screening and further investigation is needed to determine if conditions are required to safeguard national interests. A second phase of review then begins.

At the end of the second phase (lasting a maximum of 45 business days), the Minister for the Economy communicates one of three possible outcomes to the investor:

¹ The threshold was temporarily lowered, until 31 December 2023, to 10% for French companies whose shares are listed on a regulated market.

Disclaimer: This translation is a working translation only and is not legally binding.

1. The transaction is authorised without conditions.
2. The transaction is authorised subject to conditions in order to safeguard national interests.
3. The transaction is not authorised. Refusal may or may not be explicitly communicated: it is implied if no response is given within the prescribed regulatory deadline. The grounds on which the Minister may refuse authorisation are strictly limited: if there are doubts about the investor's character or if it is not possible to prescribe sufficiently robust conditions to protect national interests.

Any transaction involving a non-European Union entity in the investor's ownership chain must be notified to the European Commission and Member States pursuant to European Regulation 2019/452 on the screening of foreign direct investments into the European Union. The European procedure does not increase the amount of time afforded under the national procedure for screening foreign direct investments in France.

6 - What conditions can the Minister tie to the authorisation?

Any conditions that are tied to an authorisation must be justified by and proportionate to the need to protect public order, public safety and national defence interests. Conditions are designed to:

- a) ensure the long-term survival and continuity of sensitive activities on French territory;
- b) preserve and protect the skills and know-how of the French company;
- c) adjust the French company's internal organisational and governance procedures, as well as how the investor's rights in the target French company are exercised;
- d) define procedures to share information with the government.

7 - What happens at the end of the review procedure if authorisation is granted (with or without conditions)?

The investor must file a disclosure within two months from the date on which the investment was made. The disclosure must include key data describing the investment that was made. Any conditions tied to the Minister's authorisation will be monitored by the relevant ministerial departments throughout their entire duration. The Minister for the Economy may impose enforcement measures and sanctions if investors fail to comply with the conditions.

8 - What is the procedure to request an opinion on whether a business activity requires screening?

Both a foreign investor and the French company in which a foreign investment might take place can seek an opinion from the administration before initiating an investment transaction in order to confirm, following an investigation procedure of two calendar months, if the French company's activity falls within the scope of foreign investment screening.

For more information on foreign direct investment screening in France, please refer to: [Investissements étrangers en France | Direction générale du Trésor](#) (in French)

Reference texts: [Articles L.151-1 et seq. of the Monetary and Financial Code](#) (in French); [Articles R.151-1 et seq. of the Monetary and Financial Code](#) (in French); [Order of 31 December 2019 relating to foreign investments in France](#) (in French); [Decree No. 2021-1758 of 22 December 2021](#) (in French); [Article 459 of the Customs Code](#) (in French); [Regulation \(EU\) 2019/452](#).