



MINISTÈRE  
DE L'ÉCONOMIE,  
DES FINANCES  
ET DE LA SOUVERAINETÉ  
INDUSTRIELLE ET NUMÉRIQUE

*Liberté  
Égalité  
Fraternité*

Direction générale  
du Trésor

# Foreign Direct Investment Screening in France

FAQ  
*abridged*

January 2025

## 1. Why are foreign direct investments screened in France?

By way of exemption from the principle of the freedom of financial relations between France and foreign countries, foreign direct investments (FDI) in business activities involving the exercise of public authority or that may jeopardise public order, public security or national defence interests are subject to the prior authorisation of the Minister for the Economy (Article L.151-3 of the French Monetary and Financial Code). France's FDI screening system is implemented in accordance with the principles of proportionality and non-discrimination.

Any investment made without prior authorisation from the Minister is deemed null and void, and investors may face enforcement measures and sanctions (financial and criminal) if they breach any regulation applicable to foreign direct investments in France.

## 2. Which government entities oversee this procedure?

The French Treasury oversees the screening procedure and represents the French government in discussions with the investor and its legal counsel. The Interministerial Committee on Foreign Investment in France is also involved in the screening procedure. The Committee's Secretariat General is staffed by the French Treasury and comprises officials from government agencies and departments with the requisite expertise to assess the impact of an investment on national interests.

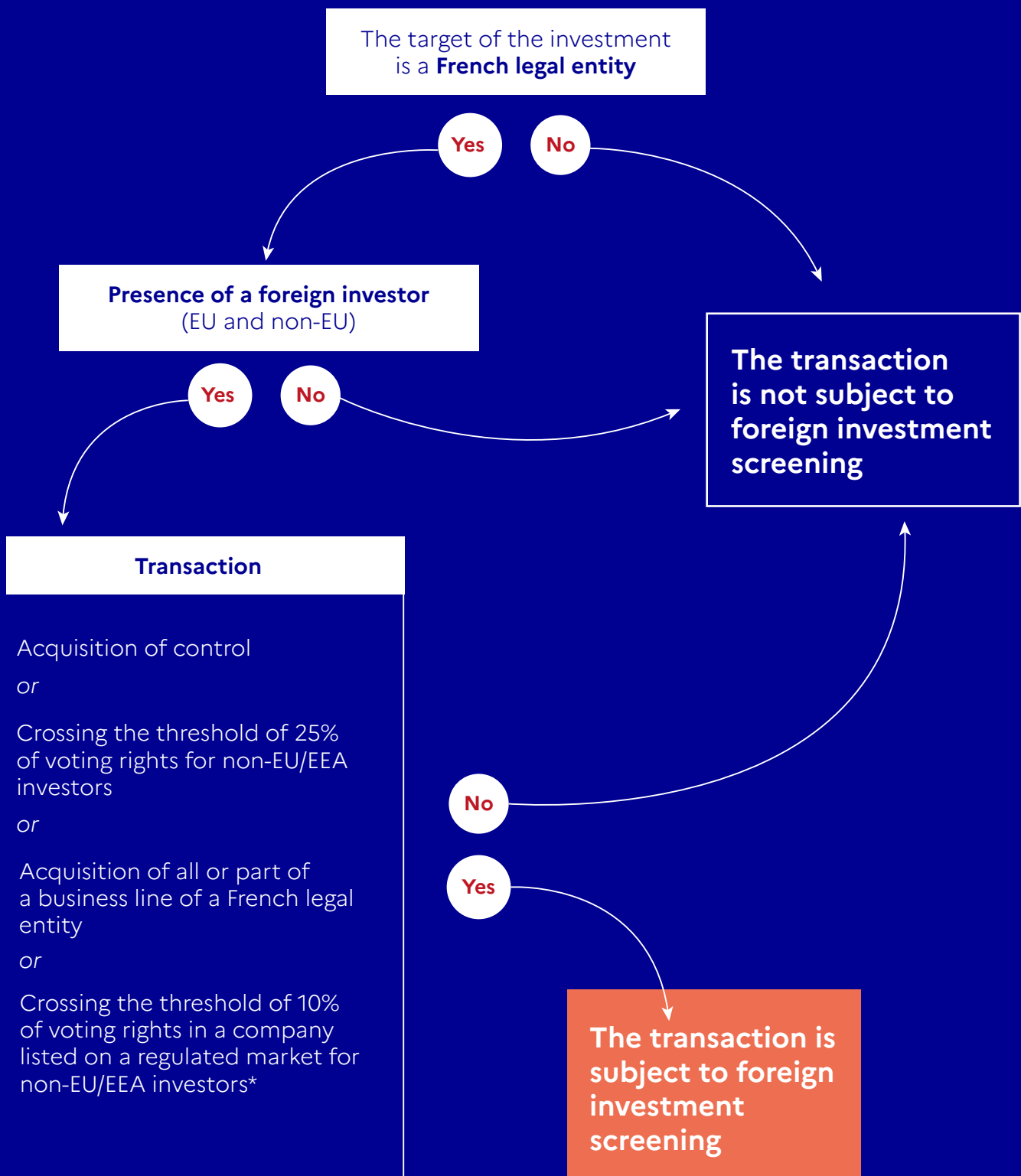
## 3. What is the scope of FDI screening?

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

- **A foreign investor** (Article R.151-1 of the French Monetary and Financial Code):
  - Any individual with foreign nationality, or any individual with French nationality who is not domiciled in France for tax purposes
  - Any entity governed by foreign law, or any entity governed by French law that is controlled by (i) an individual with foreign nationality, (ii) an individual with French nationality who is not domiciled in France or (iii) an entity governed by foreign law
- **An investment transaction** in an entity governed by French law (Article R.151-2 of the French Monetary and Financial Code):

- Acquisition of control of an entity governed by French law by any foreign investor
  - Acquisition of control, by any foreign investor, of all or part of a business of an entity governed by French law
  - An investor from a third country with respect to the European Union (EU) or the European Economic Area (EEA) crossing the 25% voting rights threshold of an entity governed by French law
  - An investor from a third country with respect to the European Union or the European Economic Area crossing the 10% voting rights threshold of a French entity whose shares are listed on a regulated market
- **Pursuit of a business activity** by the target entity **that may jeopardise public order, public security or national defence interests** (Article R.151-3 of the French Monetary and Financial Code):
- (i) Business activities that, because of their nature, fall within the scope of screening, as they may inevitably jeopardise national interests (Article R.151-3(I) of the French Monetary and Financial Code), e.g. business activities relating to defence and security
  - (ii) Business activities that may, depending on their characteristics, fall within the scope of screening as they relate to essential infrastructure, goods and services for carrying out certain strategic activities (Article R.151-3(II) of the French Monetary and Financial Code), e.g. the supply of energy and water, transportation services, telecommunications services, public health and food safety
  - (iii) R&D activities relating to critical technologies and dual-use items that could in the future have applications in the strategic activities referred to in the two previous paragraphs (Article R.151-3(III) of the French Monetary and Financial Code) – the list of critical technologies, set out in the [Order of 31 December 2019](#) (link in French only) includes semiconductors, artificial intelligence, cybersecurity, biotechnologies, low-carbon technologies, photonics and robotics

# FOREIGN INVESTMENT SCREENING ELIGIBILITY CRITERIA



\*Fast-track procedure: a foreign investor that crosses the threshold of 10% of voting rights informs the French Treasury. In such cases, the Minister for the Economy has 10 business days to decide whether the transaction should be subject to closer scrutiny, on the basis of a full application for authorisation (see diagram on the progress of the foreign investment screening procedure).

#### **4. How does an application for authorisation or a request for opinion on the screening requirement for a business activity get filed?**

An application for authorisation or a request for opinion, written in French, must be filed by the foreign investor with the French Treasury on the FDI in France Platform website (Plateforme IEF — [plateforme-ief.dgtresor.gouv.fr](https://plateforme-ief.dgtresor.gouv.fr)). A standard form setting out the information requested on the platform is also available on the French Treasury's website.

Questions about how the screening procedure works or regarding pending applications/requests can be emailed to [IEFautorisations@dgtresor.gouv.fr](mailto:IEFautorisations@dgtresor.gouv.fr).

#### **5. How is an application for authorisation reviewed?**

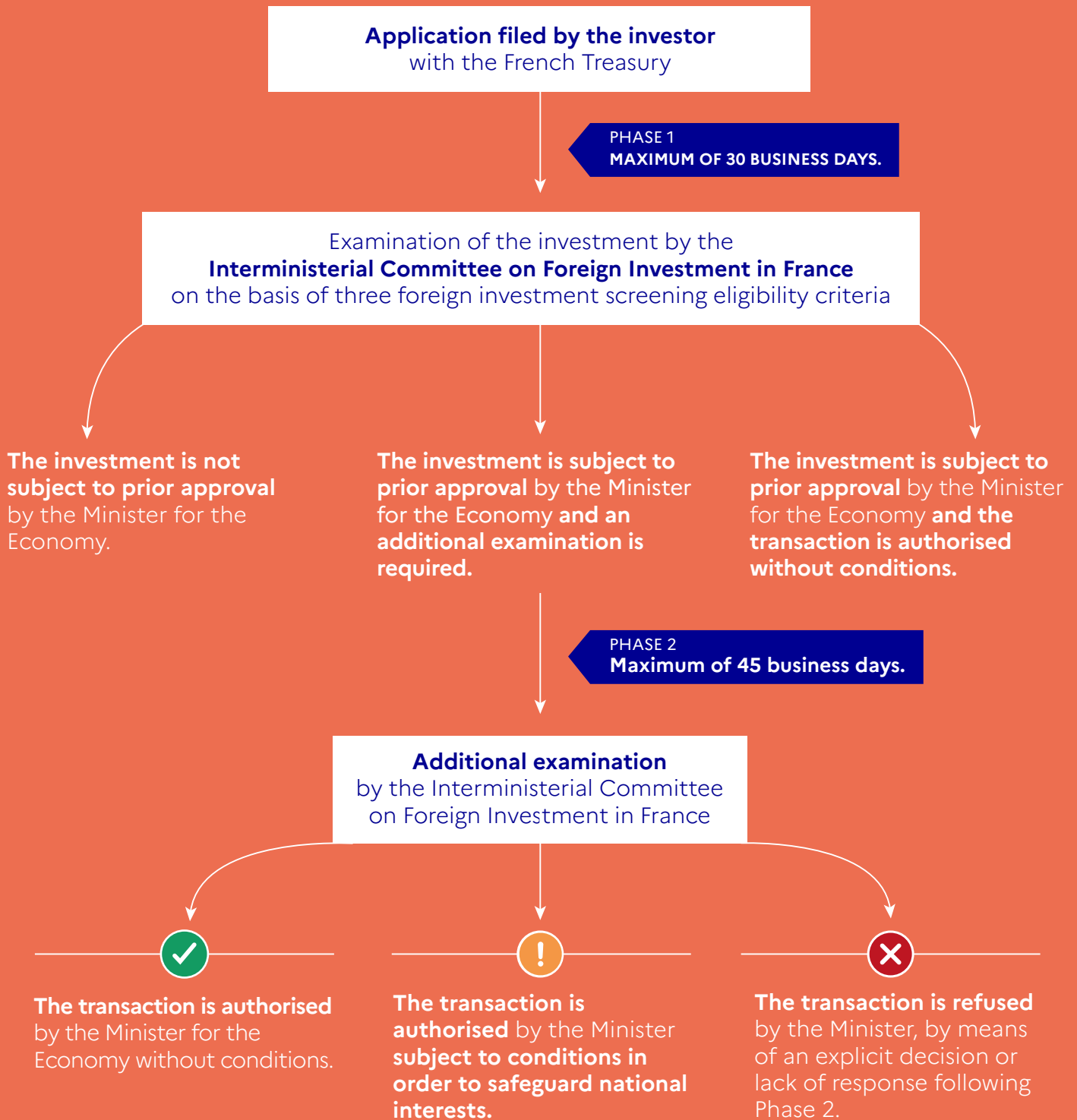
The procedure takes place in two phases which may not exceed the maximum regulatory period of 75 business days. At the end of the first phase (lasting a maximum of 30 business days), the Minister for the Economy informs the investor of one of three possible outcomes:

- the investment does not fall within the scope of FDI screening in France
- the investment falls within the scope of FDI screening and is unconditionally authorised
- the investment falls within the scope of FDI screening and further review is needed to determine if conditions should be attached to the authorisation in order 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 informs the investor of one of two possible outcomes:

- the transaction is authorised subject to conditions in order to safeguard national interests;
- 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 attach sufficiently robust conditions to safeguard national interests.

# PROGRESS OF THE FOREIGN INVESTMENT SCREENING PROCEDURE



Any transaction involving a third-country 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 EU procedure does not increase the amount of time afforded under the FDI screening procedure in France.

## **6. What conditions can the Minister attach to the authorisation?**

Any conditions that are attached to an authorisation must be justified by the need to protect public order, public safety or national defence interests and comply with the principle of proportionality (Article R.151-8 of the French Monetary and Financial Code). Conditions are primarily designed to:

- ensure the continuity and security of sensitive business activities on French territory;
- preserve and protect the skills and know-how of the French entity;
- adjust the French entity's internal organisational and governance procedures;
- define procedures to share information with the government.

## **7. How is the decision monitored?**

The investor must file a disclosure within two months from the date on which the investment was made. The disclosure must include key information describing the investment that was made (Article R.151-11 of the French Monetary and Financial Code).

Any conditions attached 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 the investor fails 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 target entity can seek an opinion from the authorities before initiating an investment transaction in order to confirm, following a review procedure of two calendar months, whether or not the French entity's business activity falls within the scope of FDI screening.

This procedure is intended to provide better clearance for transactions from the moment negotiations begin or as soon as the French entity considers raising capital.

The French entity can take advantage of this procedure to more accurately value the financing it needs for development, while both parties can anticipate any need to lay down conditions precedent to the transaction.

Requests for opinion must also be filed electronically on the FDI in France Platform website ([plateforme-ief.dgtresor.gouv.fr](https://plateforme-ief.dgtresor.gouv.fr)).

## Useful resources

**For more information on FDI screening in France**, please refer to:

<https://www.tresor.economie.gouv.fr/services-aux-entreprises/investissements-etranagers-en-france> (in French)

**Reference legislation:** [Articles L.151-1 et seq. of the French Monetary and Financial Code](#) (in French); [Articles R.151-1 et seq. of the French Monetary and Financial Code](#) (in French); [Order of 31 December 2019 on foreign direct investments in France](#) (in French); [Article 459 of the French Customs Code](#) (in French); [Regulation \(EU\) 2019/452](#).



