



Federal Council initiates consultation on legislation to screen foreign investment

Bern, 18.05.2022 - On 18 May 2022, the Federal Council initiated the consultation on legislation to screen foreign direct investment in Switzerland. On adopting Motion 18.3021 Rieder, Parliament instructed the Federal Council to draft the necessary legislative basis. The Federal Council advises against introducing new legislation as it considers the cost/benefit ratio to be unfavourable and the existing regulations to be sufficient.

New legislation to screen foreign direct investment seeks to prevent threats to public order and security posed by foreign investors acquiring Swiss companies.

Possible threats are expected in particular from investors with ties to foreign governments. The acquisition of Swiss companies by foreign state-owned companies or by investors with ties to foreign governments should therefore be made subject to approval in all sectors. In addition, the new regulations will define in which critical areas all acquisitions by foreign investors - state or private - must be authorised. Small businesses are to be exempted from the screening process by setting a de minimis threshold.

Remaining open for investment - a key factor of success

Switzerland is one of the world's largest recipients of foreign investment. It is also one of the world's largest investors abroad. Being open to inward foreign investment is of central importance for Switzerland as a business centre. The country must therefore remain attractive for foreign investment even if screening is introduced.

The investment screening mechanism should be targeted, effective and keep administrative processes to a minimum. It is also important that screening regulations are as transparent and predictable as possible, that they provide a high degree of legal certainty and that responsibilities are clearly defined. Moreover, they must be compatible

with Switzerland's existing obligations under international law.

The State Secretariat for Economic Affairs (SECO) will be responsible for conducting investment screening and coordinating with the administrative bodies involved. The decision on whether or not to conduct a screening process will be made by consensus among the relevant administrative bodies. If there is disagreement, or if the relevant administrative bodies find that an acquisition should be prohibited, the Federal Council will make the final decision.

The consultation will run until 9 September 2022.

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Documents

 [Bundesgesetz über die Prüfung ausländischer Investitionen \(Investitionsprüfgesetz, IPG\) \(PDF, 246 kB\)](#)

 [Erläuternder Bericht zur Eröffnung des Vernehmlassungsverfahrens \(PDF, 766 kB\)](#)

 [Regulierungsfolgenabschätzung für die Vernehmlassung \(PDF, 1 MB\)](#)

Publisher

The Federal Council
<https://www.admin.ch/gov/en/start.html>

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