



# Investment Screening Act: Federal Council to have draft prepared

**Bern, 10.05.2023 - On 10 May 2023, the Federal Council took note of the results of the consultation on a new law on investment screening. There is widespread scepticism about the proposal, especially as it reduces Switzerland's attractiveness as a business location. The Federal Council has therefore instructed the Federal Department of Economic Affairs, Education and Research (EAER) to draft legislation by the end of 2023 that is limited to investments that are most critical to security.**

The Investment Screening Act is intended to prevent foreign investments from jeopardising Switzerland's public order or security. The Federal Council remains of the opinion that investment screening should not be introduced. In its view, the existing regulatory framework is sufficient and the cost-benefit ratio of investment screening is unfavourable.

## **Majority of participants against proposal**

The consultation bill was rejected by most participants in the consultation procedure. A majority expressed opposition to investment screening in principle, arguing that a restriction on investment is harmful to business and that the associated curb on economic freedom is excessive. If investment screening is to be introduced, its scope should be narrowed. The focus should be on limiting investment screening to foreign state investors, as potential threats come from these investors in particular. A significant minority, however, sees a clear need for action and is in favour of introducing investment screening, with some calling for even stricter rules.

## **Revision of the bill**

Against this background, the Federal Council decided on 10 May 2023 to substantially revise the bill submitted for consultation. It shares the view that investment screening weakens Switzerland's position as a business location. It therefore plans to draft a

substantially revised bill for submission to Parliament that still accords with Switzerland's international obligations: investment screening should be carried out when a foreign state-controlled investor takes over a domestic company operating in a particularly critical sector, such as defence equipment, electricity transmission and production, or health and telecoms infrastructures. This new draft bill will be significantly less detrimental to businesses than the proposed legislation that has already undergone consultation.

The EAER conducted a consultation on an investment screening act from 18 May to 9 September 2022. With the adoption of the Rieder Motion (18.3021), Parliament requested that the Federal Council draft corresponding legislation.

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## Documents

 [Ergebnisbericht Vernehmlassung](#) (PDF, 396 kB)

 [Rapport sur les résultats de la consultation](#) (PDF, 416 kB)

 [Rapporto sui risultati della consultazione](#) (PDF, 386 kB)

### Publisher

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

Federal Department of Economic Affairs, Education and Research  
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