



Investment Screening Act: Federal Council adopts dispatch

Bern, 15.12.2023 - The Federal Council adopted the dispatch on the Investment Screening Act on 15 December, thereby fulfilling its mandate from Parliament. Investment screening will focus on state-controlled investors and domestic companies operating in particularly critical sectors.

Investment screening is intended to prevent takeovers of Swiss companies by foreign investors if the takeover would jeopardise Switzerland's public order or security. The draft act implements this in the form of an approval requirement for the takeover of domestic companies. This requirement would apply in cases where a foreign state-controlled investor takes over a domestic company operating in a particularly critical sector.

The focus lies on state-controlled investors, as potential threats come from these investors in particular. The 'state control' criterion also applies to private companies that are under direct or indirect state control. Particularly critical sectors include defence equipment, dual use goods, electricity transmission and production, water supply, or health, telecoms and transport infrastructures.

The dispatch on the Investment Screening Act fulfils the Federal Council's parliamentary mandate in the Rieder Motion (18.3021). The Federal Council nevertheless remains of the opinion that investment screening should not be introduced. In its view, the cost-benefit ratio of investment screening is unfavourable and the existing regulatory framework is sufficient. There are no known cases of a past company takeover that jeopardised public order or security in Switzerland.

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