FDI SCREENING AND ITS ROLE IN PREVENTING HYBRID THREATS. CASE STUDY – ROMANIA

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Abstract: Since 2019, the EU has stepped up the adoption of measures to protect the internal market and the economies of the member states from security and public order risks. Thus, Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for examining foreign direct investments (FDI) in the Union was adopted. Combating hybrid threats has become, in 2020, a strategic priority at EU level. This article analyzes the legal framework and the changes made in the context of the proposed revision of Regulation 2019/452, as part of the European Commission's initiative to improve the economic security of the Union. The article also presents a case study on the particular situation of the FDI examination mechanism applicable in Romania. The purpose of this study is to analyze the legislative provisions, the specific elements compared to the situation in other member states, the institutional framework and the decision-making flow.

Keywords: hybrid threat; FDI screening mechanism; cooperation mechanism; strategy; institutional framework.

Preliminary considerations

The democratic world faces an increasing number of hybrid threats, more and more sophisticated, using a variety of tools to influence, challenge and manipulate minds, perceptions, values, habits, psychology of citizens, but also to attack sectors considered to be of critical importance for those specific countries. They have to protect themselves and their people, taking a strong, prompt and efficient response in order to increase their resilience to this kind of threats. One of the fields that hybrid threats actors target is the foreign direct investments (FDI), especially due to the fact that it can go unnoticed and/or to the fact that democratic countries usually have an attractive business environment. Under these circumstances, having in place an effective FDI screening mechanism becomes of paramount importance.

1. FDI screening mechanism in the global context of hybrid threats

FDI can become an important source of economic growth and development for recipient states, having a direct impact in the living standards of the population and in the employment levels, in the research and innovation activities, to the benefit of the citizens. The European Union (EU) is the most important destination for FDI in the world, creating a significant number of jobs and bringing good practices, innovation and new technologies from other states.

In the current complex geopolitical context, the EU has been facing very diverse threats, with a significant potential to impact the lives of European citizens from multiple points of view: economic, social, political, technological, security and public order, climate change, health, weaponization of migration etc. This situation has requested a specific response, that came along starting 2016, but intensified after 2019.
1.1 Hybrid threats – definition

The concept of hybrid threat is not a new one; the novelty element to it is the context that determined its use under this name, the resources that are being allocated for this purpose and its specific objective. Most commonly, it is associated with actors, means and techniques challenging the security environment in the global and complex dynamic of new technologies, research and innovation, financial crisis, health challenges, international migration, that brought vital changes in the lives of people, that cannot be reversed. What is considered specific to this concept is its objective, the fact that it aims to undermine democratic values and to diminish public trust in the institutions characteristic for this type of governance. It aims the vulnerabilities of democratic societies in different areas, trying to obtain strategic advantages through subversive activities, using more or less conventional methods (cyber-attacks, information manipulation, weaponization of migrants etc.) (Countering hybrid threats 2022). Such threats are: massive disinformation campaigns, using social media to control the political narrative or to radicalize, recruit and direct proxy actors (Hybrid Threats, EC - Defence Industry and Space).

The EU’s response to cyber threats is based on four lines of action:

![Diagram](image)

**Figure no. 1:** The lines of action of the EU counter-hybrid threats policy (Countering hybrid threats, March 2022)

According to The landscape of Hybrid Threats: A conceptual model (Giannopoulos, Smith and Theocharidou 2021, 9-10), what individualizes this concept from similar others is the fact that it is the only one that raises the issue of systemic vulnerabilities of democratic systems as particular targets and clearly argues for comprehensive approach with civil-military cooperation from the very beginning. At the same time, the activities included in hybrid threats category are: interference, influence, operations, campaigns and warfare/war.

The conceptual model that the Joint Research Centre, the European Commission’s science and knowledge service and the European Centre of Excellence for Countering Hybrid Threats (Hybrid CoE) propose focuses on four pillars: actors (who can make such threats, how they think), tools (what are the means to create this kind of threats), domains (what are the areas that are critical for a state) and phases (activities depending on their escalation potential) (Giannopoulos, Smith and Theocharidou 2021, 4-5, 26, 36).

Taking into consideration the importance of building resilience to hybrid threats, a proposal for a systems-thinking approach on hybrid threats, called CORE model, has emerged.
(Jungwirth R., Smith, H., Willkomm E., Savolainen J., Alonso Villota M., Lebrun M., Aho A., Giannopoulos G. 2023). In the center of the model there are seven foundations of democratic systems (political responsibility/accountability, rule of law, stability, foresight capabilities, reliability/availability, civil rights/liberties, feeling of justice/equal treatment). The other elements of the model are: the domains (political, public administration, legal, intelligence, diplomacy, military defence, infrastructure, economy, space, cyber, information, social/ societal, culture), the spaces (civic, governance and services) and the levels that exist in society (local, national, international).

1.2 The EU approach on FDI screening mechanism

EU has been, traditionally, a promoter of the free market, of the principle of free movement of capital and it has been relying on the Single Market in order to promote resilience in strategic domains (such as: energy, defense, technology, health etc.), to advance competition, better products and services, digitalization, in order to lower economic dependencies and limit economic coercion, to promote partnerships and alliances with countries with similar interests and that share similar values and security concerns.

FDI is a subject located at the intersection of several areas, in particular economy and security. It is usually beneficial for a country, bringing tangible (financial, social etc.) and intangible advantages (at the level of global perception regarding a country’s business environment and policies). Especially after the international economic crisis and after the Covid-19 pandemic, together with the current geopolitical challenges and the instability from the neighboring areas, the world as we knew changed irreversibly and determined fundamental transformations in societies that also led to concerns related to the access of foreign investors to areas and assets of critical importance for a state’s economy. In the context of the above-mentioned conceptual model of hybrid threats, FDI represents one of the tools that states and non-states actors can use in order to achieve their objectives and target identified weaknesses of a country.

From 1995 to 2022, the number of countries that adopted a new regulatory framework regarding FDI screening due to national security reasons increased to 37. In EU, there still are 5 member states that do not have an FDI screening mechanism in place (Bulgaria, Croatia, Cyprus, Greece and Ireland). In the course of time, the main changes in the respective legislation concerned several subjects: (i) an expansion of the scope of sectors targeted by the screening mechanism to include new sectors considered to be of strategic importance; (ii) a reduction of the threshold rule that determined the review of the foreign investment; (iii) a broader definition of investment or control that triggers FDI screening; (iv) an extension of initial review timeframes during which authorities can block an investment; (v) the introduction of sanctions and penalties for non-compliance with filing obligations (UNCTAD 2023, 5).

Faced with these significant risks, the reaction of EU started to intensify in 2019, when it adopted a framework to screen FDI through the Regulation (EU) 2019/452 of the European Parliament and of the Council. Its formal entry into force was April 2019, but it became fully operational starting the 11th of October 2020. At that time, only 14 member states had screening mechanisms operational. The most important element it introduced was the cooperation mechanism between the member states and the EC to exchange information and to signal concerns related to certain transactions. Other changes introduced by this Regulation are related to the ability of the EC to issue opinions if an investment raises concerns regarding the security and public order of several member states or if it could impact a project or a program of European interest, to the setting of main requirements for Member States who keep or introduce a national screening mechanism (‘EU foreign investment screening mechanism becomes fully operational’ - EC press release, 9 October 2020). It does not introduce the obligation for the member states to adopt FDI screening mechanisms, although it is recommended for them to do so.
In June 2023, the European Commission (EC) published a ‘Communication regarding a European Economic Security Strategy’, that aimed at promoting EU’s competitiveness, protecting its economic security and partnering with a large range of partners in order to increase the economic security. The Communication announced the need for a proposal to revise the Regulation (EU) 2019/452. The changes to be introduced were mainly about introducing the obligation for the member states to have a screening mechanism in place, improving the cooperation between the member states and the EC, setting a minimum sectoral scope for all member states to screen foreign investments (but leaving their freedom to go beyond this scope according to their national security interests).

At the same time, the proposal intends to extend the scope of the screened transactions also to the ones where the direct investor is ultimately owned by individuals or entities from a non-EU country. The proposed changes come as consequences of the deficiencies of the current system and of the results and the implications of the Xella Magyarorszag case (C-106/22), Vivendi case (C-719/18) and of the VIG/Aegon CEE transaction.

According to the decision of the European Court of Justice (ECJ) of 13 July 2023 in the Xella case, the Regulation (EU) 2019/452 is not applicable in cases where the investor is a EU company ultimately owned or controlled by non-EU investors. So, Hungary’s decision (through the Hungarian Ministry for Innovation and Technology) to block Xella’s acquisition of Janes es Tarsa Kft on the basis of national interest reasons referred in the Hungarian FDI screening legislation (Act LVIII of 2020). Janes es Tarsa is a Hungarian company, with a Hungarian parent, and it is a strategic company engaged in the extraction of gravel, sand and clay. The acquirer is Xella Magyarorszag Epitoanyagipari Kft, owned by a German company (Xella Baustoffe GmbH), owned by a company from Luxembourg (Xella International SA), which is indirectly owned by LSF10 XL Investments Ltd – the ultimate parent company of the Lone Star group registered in Bermuda, the latter group belonging ultimately to J.P.G., an Irish national. The decision of the Ministry was to prohibit the acquisition due to the possible long-term risks related to the security of supply with raw materials to the construction sector. It should be also mentioned that the regional market share of Janes was of 20,77% and its national market share was of only 0,52%, while approximately 90% of the annual production of raw materials by Janes was purchased by Xella (Börzsönyi, B. 2023). The ECJ concluded that this intervention of the Hungarian state represented a serious restriction of the freedom of establishment and the alleged loss of the supply of raw materials to the construction sector was not a sufficiently serious threat to a fundamental interest of Hungary.

In the Vivendi case (C-719/18), Italy tried to block a hostile bid from the French company for Mediaset SpA, a leading Italian media company, by reasons related to the reduction of media plurality. The ECJ decision ruled that the measures taken by Italy were disproportionate and Vivendi should be allowed to buy Mediaset SpA (Reyntjens, T., Jorna, A. 2023).

In the case M.10102, the EC cleared, on competition grounds, the transaction VIG/Aegon CEE in the insurance field. Also, after Hungary vetoed the transaction based on national security reasons (case M.10494), the EC ordered Hungary to withdraw its veto (Reyntjens, T., Jorna, A. 2023).

1.3 The cooperation mechanism – and the future of FDI screening

The cooperation mechanism is described in the image below (including its future modifications according to the Proposal).

Figure no. 2: The cooperation mechanism (EU Foreign Direct Investment Screening 2024 Revision, 2024)

There are several assessments of the performances of the cooperation mechanism, the most important ones made by OECD and by the European Court of Auditors. Both of them have signaled issues that need to be addressed, such as: the absence of screening in some member states leaves gaps with substantial and procedural consequences, limitations of the coverage of investment screening mechanisms in member states leave gaps with procedural and substantial consequences, not all member states possess the means to effectively gather information on transactions that are not undergoing screening, not all member states have explicit competencies to effectively act on member states’ comments or the EU Commission’s opinions, the availability of the instruments of EU Regulation is limited and uncertain when a third country investor invests via a company established in EU, the processing of multi-jurisdiction FDI transactions is inefficient (OECD 2022, 65-83), the member states have the option of determining the scope of their mechanisms in important areas such as what investments to screen; how to establish the notion of control by a third-country entity; which sectors to include as critical for security or public order; and even whether to screen FDI at all, the Commission cannot prohibit FDI transactions, or impose any binding condition upon them, even when EU interests are at stake, member states cannot block FDI in another member state, nor are they obliged to heed other member states’ concerns, member states are not obliged to inform the Commission or other member states of the final decisions taken on specific FDI transactions (European Court of Auditors 2023, 19).

At the same time, the EC launched a proposal for a Regulation of the European Parliament and of the Council on the screening of foreign investments in the Union and repealing Regulation (EU) 2019/452. Some of the main changes that it intends to bring (and which would address some of the weaknesses of the Regulation (EU) 2019/452) concern several subjects detailed below (Wessing, T., 2024).
(i) It makes an obligation for all the member states to adopt a screening mechanism and to consider the transactions in critical areas identified in the annex of the Proposal (e.g. artificial intelligence, semiconductors, biotechnologies etc.). At this moment, the number of member states that have a screening mechanism in place has grown from 14 to 22, the number of transactions screened by the EC and by the member states collectively in the period from 2020 to 2023 was over 1200, the number of cases where the EC issued an opinion was below 3% of the total number of cases that were notified. The main foreign investors whose transactions were notified to the cooperation mechanism came from US, UK, Switzerland, China, Singapore and the United Arab Emirates, while the most frequent sectors where transactions were notified were: energy, aerospace, defence, semiconductors, health, data processing and storage, communication, transport and cybersecurity (‘EU Foreign Direct Investment Screening 2024 Revision’).

(ii) Regulation (EU) 2019/452 covers only transactions from third countries in the EU, the Proposal extends the scope of the cooperation mechanism to investments made between the member states, where the investor in an EU member state is controlled, directly or indirectly, by a foreign entity regardless of whether the ultimate owner is located in the Union or elsewhere.

(iii) An important change is represented by the inclusion of greenfield investments in the FDI screening mechanism. The establishment of a new company or a new facility that will operate in critical sectors will be covered by the screening mechanism.

(iv) As mentioned at sub-chapter 1.2, transactions involving EU companies will be screened if the EU acquirer is controlled by an investor from a non-EU country (following the Xella case). Transactions with no foreign investor involvement or in which the level of involvement does not lead to the direct or indirect control of the Union entity are not covered by the Proposal.

(v) The portfolio investments are not covered by the Proposal of Regulation.

(vi) After the FDI screening, the final decision remains to the member states, but they have to justify the reason why they did not take action following the recommendations received from other member states or from the EC. The member states can also launch the cooperation mechanism on their own initiative (the comments and recommendations regarding investments that can cause security and public order problems can be submitted without being requested and must be taken into consideration by the member state that analyses the transaction).

(vii) There are currently differences in the screening processes of the member state. They should be reduced in order to ensure predictability for investors and to diminish the associated compliance costs. The core elements of the national screening mechanisms should be harmonized (scope of screened investments, the screening procedure’s essential features, the interaction between the national mechanism and the Union cooperation mechanism).

As already mentioned, the Proposal has been launched recently (24 January 2024) and it has to follow the legislative procedure in the European Parliament and in the Council of the European Union. After this phase will be over, it will become operational 15 months after it will come into force. Taking into consideration the elections for the European Parliament in the summer of 2024, the new provisions will most probably begin to be implemented no sooner than 2026.

2. FDI screening in Romania (case study)

2.1. Legal framework

The legal framework for FDI screening in Romania is represented by:

1. The Government Emergency Ordinance (OUG) 46/2022 regarding the implementation measures of Regulation 2019/452 of the European Parliament and of the Council establishing a framework for the screening of foreign direct investments in the Union, as well as for amending and supplementing the Competition Law 21/1996;

2. The Government Emergency Ordinance (OUG) 108/2023 for the completion and modification of the competition law no. 21/1996 and other normative acts;
3. The Decision of the Prime Minister no. 350/2022 regarding the establishment of the Commission for FDI screening (CEISD);
4. The Government Decision (HG) no. 1326/2022 regarding the approval of the Regulation on the organization and functioning of the Commission for FDI screening;
5. The competition law no. 21/1996.

According to OUG 46/2022, the obligation to notify concerned only the foreign investment made by a non-EU investor. In December 2023, according to OUG 108/2023, this legal framework changed, so that the obligation to notify a foreign investment extended also to European investors.

According to art. 3 of the OUG 46/2022 (modified by OUG 108/2023), there are 3 types of foreign investments which are subject to CEISD examination and approval. The first one refers to investments of any nature made by a foreign investor with the aim of establishing or maintaining lasting and direct links between the foreign investor and the entrepreneur or enterprise to which these funds are intended for carrying out an economic activity in Romania, including investments that allow an effective participation in the administration or control of an enterprise carrying out an economic activity. A foreign investment screening is also carried out when there is a change in the ownership structure of a foreign legal person investor, if this change with regard to the legal person makes it possible to exercise control, directly or indirectly, by: 1. a natural person who is not a citizen of a member state of the EU; 2. a legal person whose registered office is not in a member state of the EU; or 3. another legal entity, without legal personality, organized under the laws of a state that is not a member of the EU.

The second one refers to investments from the European Union - investments of any kind carried out by an investor from the European Union with the aim of establishing or maintaining lasting and direct links between the investor from the European Union and the entrepreneur or enterprise to which these funds are intended for carrying out a economic activities in Romania, including investments that allow an effective participation in the administration or control of an enterprise carrying out an economic activity.

The third one refers to greenfield investments – investments in tangible and intangible assets, related to starting the activity of a new enterprise, expanding the capacity of an existing enterprise, diversifying the production of an enterprise through products that were not previously manufactured or a fundamental change in the general production process of an existing enterprise.

These three types of investments have as their object the sectors provided for in art. 2 of the Decision of CSAT no. 73/2012 regarding the application of art. 46 para. (9) of the Competition Law no. 21/1996, republished, with subsequent amendments and additions, by reference to the criteria provided for in art. 4 of the Regulation and their value exceeds the threshold of 2,000,000 euros.

In EU, until the entry into force of the Proposal for Regulation (estimated in 2026), the Regulation in place is the Regulation (EU) 2019/452, which does not apply to cases where the investor is a EU company ultimately owned or controlled by non-EU investors.

The sectors considered of critical importance in the Romanian legislation and in the European Union are stipulated in the CSAT Decision no. 73/2012 and, respectively, in the Proposal for Regulation (see the Table no. 1 below).
### Table no. 1: SECTORS OF CRITICAL IMPORTANCE IN ROMANIAN AND EU LEGISLATION

<table>
<thead>
<tr>
<th>Romania (according to CSAT Decision no. 73/2012) – areas to be subject to analysis in the case of economic concentrations</th>
<th>EU (according to the Proposal for a Regulation repealing Regulation (EU) 2019/452)</th>
</tr>
</thead>
<tbody>
<tr>
<td>• the security of citizens and communities</td>
<td>1. Projects or programs of Union interest</td>
</tr>
<tr>
<td>• border security</td>
<td>2. List of technologies, assets, facilities, equipment, networks, systems, services and economic activities of particular importance for the security or public order interests of the Union</td>
</tr>
<tr>
<td>• energy security</td>
<td>• Common list of dual-use items subject to export controls</td>
</tr>
<tr>
<td>• transport security</td>
<td>• Common Military List of the EU</td>
</tr>
<tr>
<td>• the security of supply systems with vital resources</td>
<td>• Advanced semiconductors technologies</td>
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<tr>
<td>• critical infrastructure security</td>
<td>• Artificial intelligence technologies</td>
</tr>
<tr>
<td>• the security of information and communication systems</td>
<td>• Quantum technologies</td>
</tr>
<tr>
<td>• security of financial, fiscal, banking and insurance activities</td>
<td>• Biotechnologies</td>
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<tr>
<td>• the security of the production and circulation of weapons, ammunition, explosives, toxic substances</td>
<td>• Advanced connectivity, navigation and digital technologies</td>
</tr>
<tr>
<td>• industrial security</td>
<td>• Advanced sensing technologies</td>
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<tr>
<td>• protection against disasters</td>
<td>• Space &amp; propulsion technologies</td>
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<tr>
<td>• protection of agriculture and of the environment</td>
<td>• Energy technologies</td>
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<tr>
<td>• the protection of the privatization operations of enterprises with state capital or of their management</td>
<td>• Robotics and autonomous systems</td>
</tr>
<tr>
<td></td>
<td>• Advanced materials, manufacturing and recycling technologies</td>
</tr>
</tbody>
</table>

*Source: CSAT Decision no. 73/2012, the Proposal for a Regulation repealing Regulation (EU) 2019/452.*

The *Projects or programs of Union interest* are: Preparatory Action on Preparing the new EU GOVSATCOM programme, Space Programme, Union secure connectivity programme, Horizon 2020 including research and development programmes pursuant to Article 185 TFEU, and joint undertakings or any other structure set up pursuant to Article 187 TFEU, Horizon Europe, including research and development programmes pursuant to Article 185 TFEU, and joint undertakings or any other structure set up pursuant to Article 187 TFEU, Euratom Research and Training Programme 2021-2025, Trans-European Networks for Transport (TEN-T), Trans-European Networks for Energy (TEN-E), Trans-European Networks for Telecommunications, Connecting Europe Facility, Digital Europe Programme, European Defence Industrial Development Programme, Preparatory Action on Defence Research, European Defence Fund, Act in Support of Ammunition Production, European Defence Industry Reinforcement through common Procurement Act, Permanent structured cooperation, European Joint Undertaking for ITER, EU4Health Programme, Important Projects of Common European Interest.

#### 2.2. Institutional framework

In more than 15 states, “the screening is conducted at ministerial level by authorities in charge of investment matters (e.g., the Ministries of Investment, Industry, Economy, Energy or...
Trade). In several cases, however, a separate, ad hoc body was created (or is currently envisaged) to perform the screening and all procedures associated with the mechanism (8 countries). Only 6 countries rely on a national regulatory authority to take on screening duties. Finally, across 22 countries, the authority responsible for investment screening seeks advice from other government agencies or related bodies on the proposed investments, when their expertise is deemed necessary for the decision” (UNCTAD 2023, 11.).

In Romania, the OUG 46/2022 sets the institutional framework involved in FDI screening. The main role is played by the CEISD, which was established in 2022 and which functions as a collegial body without legal personality subordinated to the government. Its members are representatives of the relevant authorities: Chancellery of the Prime Minister, the Romanian Competition Council, Secretariat – General of the Government, the Ministry of Economy, Entrepreneurship and Tourism, the Ministry of Transport and Infrastructure, the Ministry of Research, Innovation and Digitalization, the Minister of Finance, the Ministry of National Defence, the Ministry of Internal Affairs, the Ministry of Health, The Ministry of Foreign Affairs, the Ministry of Energy. There are also permanent guests from SRI (Romanian Intelligence Service), SIE (Foreign Intelligence Service) and ARICE (Romanian Agency for Investments and Foreign Trade) who are invited to CEISD meetings and who send opinions according to their specific attributions.

The Secretariat of CEISD is provided by the Foreign Investments Directorate, a specialized structure within the Romanian Competition Council. Inside he CEISD also functions a working group of experts from the above-mentioned institutions, whose activity consists in analysis, specialized studies, recommendations or opinions for the CEISD members (taken into consideration when analyzing the authorization requests). According to art. 8 of the Regulation on the organization and functioning of CEISD, CEISD can take into account the well-founded and relevant information received from economic operators, representatives of civil society or social partners, such as trade unions, in relation to a foreign direct investment or a greenfield investment, likely to affect security or public order. CEISD can also ask for a point of view from other authorities or public institutions.

The institutional framework can be graphically represented as follows:

![Institutional framework in FDI screening mechanism](Figure no. 3: Institutional framework in FDI screening mechanism)
The timelines for the screening process vary from one member state to another, from two months in Malta to six months in Germany (OECD 2022, 35). In Romania, it is of approximately 7-8 weeks.

**The decision flow**

After a thorough analysis of the information that was submitted to it or requested by it, CEISD will issue, as appropriate:

a) a foreign investment or greenfield investment *authorization notice* in the event that it considers that this does not affect the security or public order of Romania and is not likely to affect projects or programs of interest to the European Union;

b) a *conditional authorization notice*, in the event that it considers that the FDI or the greenfield investment can be implemented following some behavioral or structural measures/commitments of the foreign investor;

c) a *notice of rejection of the request for authorization*, in case it considers that the FDI or the greenfield investment affects the security or public order of Romania or it is likely to affect projects or programs of interest for the European Union.

In the same time, in case CEISD finds that a foreign direct investment, a greenfield investment or an investment from the EU has been implemented in violation of the provisions of the Regulation or of OUG 46/2022 and it affects the security or public order of Romania or it is likely to affect projects or programs of interest for the European Union, CEISD will issue an opinion proposing the cancellation of the direct investment.

This decision flow is graphically represented below.

![Diagram of Decision Flow](image_url)

**Figure no 4:** The decision flow in the FDI screening (according to the Regulation on the organization and functioning of the CEISD)

Regarding the cooperation mechanism with the EC and the other member states, the established point of contact is the CEISD Secretariat, which sends notifications referring to the FDI authorization requests. In case CEISD considers that a foreign investment that is or is not the object of FDI screening in another member state has the potential to affect its security or public order or it has relevant information about that specific FDI or greenfield investment, it can send objections both to the EC and to the member state that does the screening (according to art. 12 of the Regulation on the organization and functioning of CEISD).
Conclusions

In the current interconnected world, FDI screening mechanisms are being used by countries to protect their economies from hybrid threats. As practice has proven, the current system is not bullet proof and, in order to be efficient, it needs some adjustments. Also, countries need to find the right balance between the attractiveness of their FDI regimes and the benefits these investments bring in, on the one hand, and, on the other, the potential risks they pose to security and public order, guaranteeing the rights and freedoms of the investors and also the application of the principles of non-discrimination, proportionality of measures, the accountability of the responsible authorities and the transparency of policies.

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