



An Roinn Fiontar,
Turasóireachta agus Fostaíochta
Department of Enterprise,
Tourism and Employment

Screening of Third Country Transactions Act 2023

Annual Report 2025



Minister's Foreword



I am pleased to present the first Annual Report under the Screening of Third Country Transactions Act 2023. This Report provides an overview of the Department's activities in relation to the screening of transactions relating to the acquisition of, or investment in, strategic sectors, technologies, or assets by foreign investors.

Ireland supports a balanced and outward-looking approach to improving our own and the EU's competitiveness, grounded in maintaining openness to global trade and investment, with resilient strategic supply chains. Balanced against this is a growing awareness of the potential risks that can arise where third country investments deviate from a multilateral and rules-based international order in order to gain political leverage and achieve foreign policy priorities.

Under the Screening of Third Country Transactions Act 2023 commenced in January 2025, the Department of Enterprise, Tourism and Employment is responsible for ensuring that Ireland plays its part as a responsible member of the global community and specifically the EU Single Market, in mitigating such risks arising from potentially hostile third country investment.

Ireland's approach to investment screening balances our longstanding FDI Strategy with an acknowledgement of the increasing challenges posed by potentially hostile investments.

This Report reaffirms Ireland's dedication to ensuring that inward investment remains a key element of our national strategy while recognising and responding to potential risks arising from such investment.

Peter Burke, T.D.

Minister for Enterprise, Tourism and Employment

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Introduction

Notwithstanding the overwhelmingly positive impacts of foreign investment, there is an appreciation globally, that in some instances, foreign investment can be used as a tool by hostile actors to achieve a range of goals potentially harmful to the interests of the State.

Such goals might include acquiring access to or control over strategic and sensitive assets or technologies that facilitate disruption to core activities of the State, or which permit espionage. Likewise, investment that results in the export of critical, cutting-edge technologies back to the home of the investor may represent a very real threat to our security and public order.

Risks associated with these goals may arise as a result of a wide variety of factors – for instance, based on the source of the investment, or the characteristics of the party being acquired; across a host of existing and emerging sectors; and through a range of deal-types, regardless of value.

The introduction of an investment screening mechanism provides Ireland with a valuable tool to protect such assets against hostile actors and ensures that Ireland remains an attractive location for FDI whilst being a safe and responsible location in which to do business.

Under the Screening of Third Country Transactions Act, 2023, the Minister for Enterprise, Tourism and Employment is required to prepare and present an annual report to each House of the Oireachtas on the operation of the Act during the preceding year.

The Screening of Third Country Transactions Act, 2023 commenced on 6th January 2025. The primary focus of the Act is to protect Ireland's national security and public order by introducing, for the first time, a formal mechanism to screen certain foreign (non-EU/EEA/Swiss) investments into the State.

This report provides an overview of the operation of the Act since its commencement on 6th January 2025 to end of its first year of operation on 31st December 2025, outlining the number of inward investment transactions notified, the number of transactions formally screened and decisions issued.

For any further information related to this report or inward investment screening matters, please contact investmentscreening@enterprise.gov.ie.

SECTION 1: LEGISLATIVE AND ADMINISTRATIVE UPDATES 2025

1.1. Screening of Third Country Transactions Act

The Screening of Third Country Transactions Act, 2023 was commenced on 6th January 2025. Developing the legislation provided an opportunity to design and tailor a screening mechanism appropriate to Ireland's needs – an approach that balances Ireland's continued attractiveness as a location for inward investment, with a robust, but proportionate screening mechanism that protects security and public order and enhances the State's ability to respond to potential threats.

EU Regulation 2019/452 creates a cooperation mechanism through which Member States and the European Commission can exchange information and raise specific concerns about a foreign investment on security or public order grounds. Any decision to screen third country investments remains a decision for individual Member States.

The Act establishes a screening mechanism for third country investments into Ireland for the first time and also ensures that Ireland can, to the extent possible, fulfil its obligations as set out in Regulation (EU) 2019/452.

The Screening of Third Country Transactions Act, 2023 is structured as follows:

- **Part 1** – Sets out the preliminary and general provisions of the Act including the requirement to produce an Annual Report.
- **Part 2** – Outlines the requirements and processes for notification and review of transactions.
- **Part 3** – Sets out processes and procedures for appeals.
- **Part 4** – Outlines the establishment and functions of the advisory panel.

Throughout 2025, the Department of Enterprise, Tourism and Employment focused on ensuring a smooth transition to the new legislative framework. Outreach and guidance initiatives were undertaken to inform stakeholders of their responsibilities under the Act.

1.2. Introduction of Inward Investment Screening (IIS) System

Alongside the introduction of the new legislation, the Department of Enterprise, Tourism, and Employment launched a new online system - the Inward Investment Screening (IIS) system (IIS) - on the same day as the Act's commencement. This new system provides a user-friendly and efficient platform for submission and management of inward investment notifications.

1.3. EU Updates

Revision of the Foreign Direct Investment (FDI) Screening Regulation

The current FDI screening regulation has been in force since October 2020 and created, for the first time, an EU-wide framework enabling member states and the Commission to cooperate on the screening of foreign direct investments likely to affect security or public order.

Since its introduction, the number of member states with a national screening mechanism has grown significantly. However, divergences in scope, thresholds, timelines and procedures persist, creating uncertainty for investors and potential risks for the internal market. Moreover, evolving geopolitical and technological challenges, including threats to critical infrastructure, supply chain dependencies and the rapid development of dual-use technologies, highlighted the need to update the EU's approach.

The revision of the regulation was one of the initiatives announced in the Commission's 2024 package on strengthening the EU's economic security.

In December 2025, the Council's presidency and the European Parliament's representatives reached a provisional political agreement on the revision of the foreign direct investment (FDI) screening regulation. This agreement has now been formally adopted and the new rules will start applying 18 months after the entry into force of the regulation.

The updated framework aims to strengthen the EU's ability to identify, assess and address risks posed by certain foreign investments while preserving the openness to global trade and investment. The Department of Enterprise, Tourism and Employment will continue to engage with the Commission on implementation of the new regulation once published.

SECTION 2: INWARD INVESTMENT SCREENING DATA 2025

This report aims to provide maximum transparency regarding investment screening activity. At the same time, the Department recognises that maintaining the commercial sensitivity and confidentiality of information shared by investors is essential. As a result, data on investment screening is presented in an aggregated format.

2.1. Notifications Submitted under the Screening of Third Country Transactions Act

Mandatory notification applies to investments that meet all of the criteria set out in Section 9(1)(a)-(d) of the Act. A transaction is notifiable where:

- 9(1)(a) a third country undertaking, or a person connected with such an undertaking, acquires control of an asset or undertaking in the State, or increases the percentage of shares or voting rights it holds in an undertaking in the State to more than 25 percent (or from less than 50 per cent to more than 50 percent).
- 9(1)(b) the cumulative value of the transaction (and other related transactions between the parties) is equal to or greater than €2,000,000 in the 12 months prior to the date of the transaction.
- 9(1)(c) the same undertaking does not control all of the parties involved in the transaction (i.e., internal restructuring).
- 9(1)(d) the transaction relates to, or impacts upon, one or more of the matters referred to in Article 4(1)(a) -(e) of EU Regulation 2019/452. Reflecting the objectives of the EU Regulation, risks will primarily arise due to the activity or sector that the target is engaged in, and so this is the focus for the Irish screening mechanism. Further information on each of the categories (a)-(e) is provided below.

2.1.1. Sectors determining mandatory notification

The nature of the activity being undertaken by the target is one of the key criteria determining whether an inward investment transaction must be notified. Specifically, transactions relating to, or impacting upon, one or more of the matters referred to in points (a) to (e) of Article 4(1) of the EU Regulation 2019/452 fall within scope of the legislation:

- (a) Critical infrastructure, whether physical or virtual, including energy, transport, water, health, communications, media, data processing or storage, aerospace,

defence, electoral or financial infrastructure, and sensitive facilities, as well as land and real estate crucial for the use of such infrastructure;

(b) Critical technologies and dual use items as defined in point 1 of Article 2 of Council Regulation (EC) No 428/2009, including artificial intelligence, robotics, semiconductors, cybersecurity, aerospace, defence, energy storage, quantum and nuclear technologies as well as nanotechnologies and biotechnologies;

(c) Supply of critical inputs, including energy or raw materials, as well as food security;

(d) Access to sensitive information, including personal data, or the ability to control such information; or

(e) The freedom and pluralism of the media.

2.1.2. Notifications made

In 2025, a total of 102 notifications were submitted under Section 9 of the Act. Of these, 66 were not formally screened as they were determined not to have met all of the criteria for mandatory notification, 1 was rejected as it was deemed incomplete, 1 was withdrawn by the notifier and 8 were still undergoing assessment at year end. Screening notices were issued in respect of the remaining 24 notifications resulting in an in-depth investigation being carried out in respect of the relevant transactions.

Of the 24 notifications where a screening notice issued and an in-depth investigation was carried out, 2 were approved subject to conditions. In both cases this was to ensure that contractual arrangements relating to the provision of critical services by the target company were maintained.

Status of Notifications at Year End 31/12/25	No. of Notifications
Notifications not requiring screening	66
Screening Notices issued	26
Undergoing assessment at year end	8
Notification withdrawn by Notifier	1
Incomplete Notification rejected	1
Total Number of Notifications Received	102

Of the transactions that met the mandatory notification requirements under Section 9 of the Act and a screening notice issued, the activities of the relevant target entities related to or impacted upon critical infrastructure, critical technologies and dual-use items, supply of critical inputs including energy or raw materials and access to sensitive information.

Categories of Sectors where a screening notice issued	No. of Transactions
Critical Infrastructure	18
Critical technologies and dual-use items	4
Supply of critical inputs including energy and raw materials	3
Access to sensitive information	1
Total Number of Transactions Screened	26

Reviewing the sectors in which investment was notified under the Act, the top five sectors were energy, telecommunications, digital infrastructure, healthcare and pharmaceuticals.

Sector	No. of Transactions*
Energy	7
Telecommunications	6
ICT ¹	6
Health	4
Pharmaceuticals	3

* Individual transactions may relate to more than one sector.

2.1.3. Countries of Origin of Third Country Investors

The Act remains country agnostic and requires mandatory notification once the provisions of Section 9 of the Act are met regardless of which third country may be involved in the transaction. Both direct and indirect investment is captured by the Act and of the 26 screened notifications, 23 were direct investments by third country investors and 3 were indirect investments.

¹ ICT stands for information and communication technologies. It encompasses activities by companies providing essential infrastructures and tools for knowledge creation, sharing and diffusion (for example, computer programming, software publishing, data processing and hosting, wireless telecommunication activities).

Direct Investments:

Third Country of Ultimate Investor	No. of Transactions
United States	9
United Kingdom	8
United States/United Kingdom	2
United Arab Emirates	2
Monaco	1
China	1
Total Direct Investments Screened	23

Indirect Investments:

Third Country of Ultimate Investor	No. of Transactions
United Kingdom	2
Japan	1
Total Indirect Investments Screened	3

2.2. Discretionary Screenings

Under Section 12 of the Screening of Third Country Transactions Act, 2023 the Minister has discretionary 'call-in' powers to screen:

- transactions that should have been notified under Section 9 but were not, or,
- transactions that do not meet the mandatory notification criteria, but the Minister has grounds to believe risks to security or public order may arise as a result of the investment.

No transactions were screened under these provisions in 2025.

SECTION 3: ASSESSMENT OF TRANSACTIONS

The assessment of inward investment transactions focuses on, to the extent possible, protecting security and public order from hostile third country actors seeking to harm the country through ownership of, or influence over, sensitive businesses and assets.

3.1. Submission of Notifications

Parties submit notifications through the IIS (Inward Investment Screening) portal. The notification form used by the Department replicates the form used by the European Commission to facilitate the exchange of information between Member States.

Each notification received by the Department is assessed on a case-by-case basis, considering the activities of the target undertaking or asset in the State and whether a potential disruption would undermine or threaten security or public order or could result in the transfer of sensitive technology or intellectual property rights (IPR) back to the investor's home country i.e. whether the transaction meets the requirements for mandatory notification.

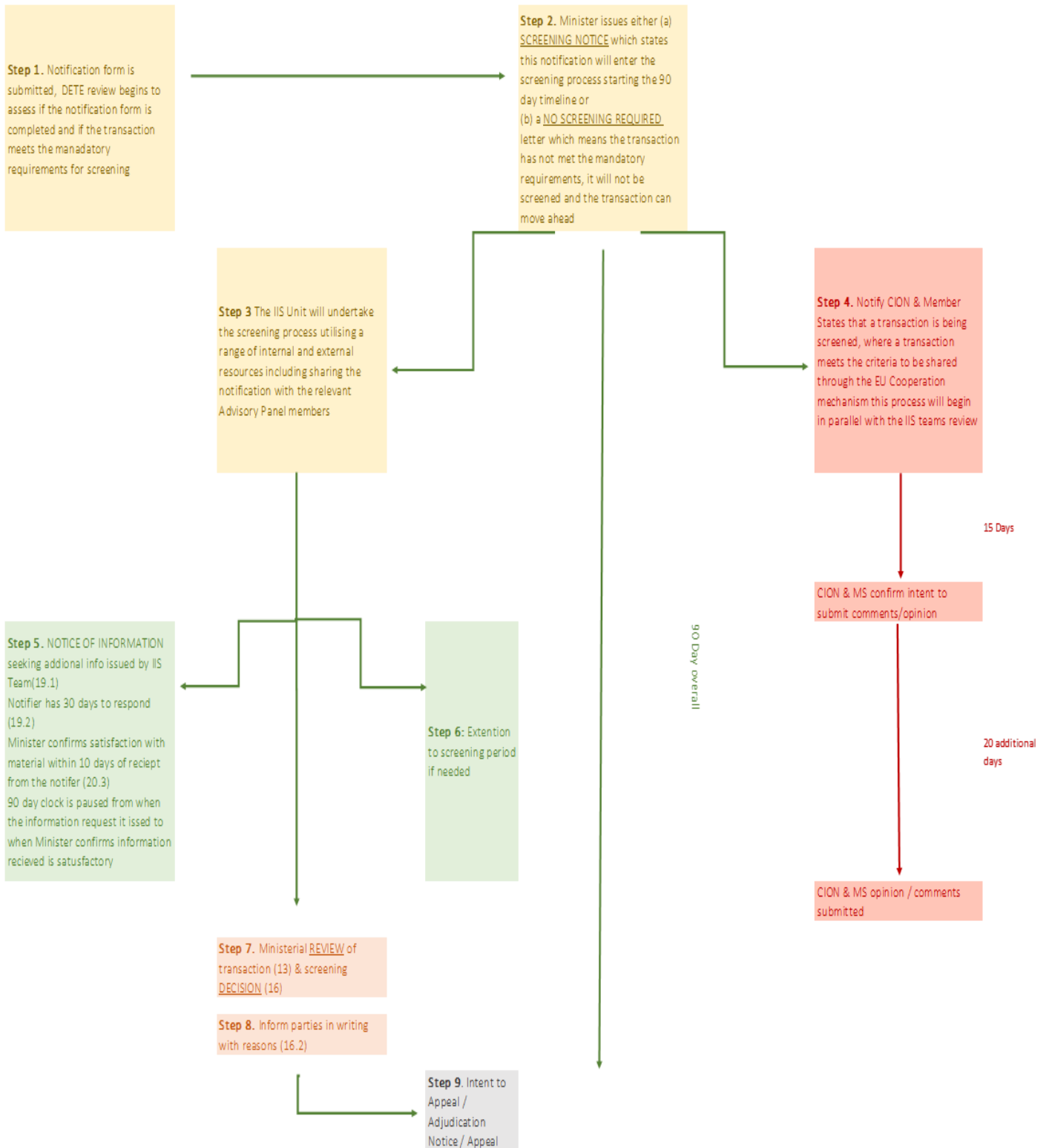
3.2. Screening of Transactions

Following an initial assessment, and where a decision is made to issue a Screening Notice, the Department consults with the relevant members of the advisory panel set up under the Act and, where relevant, the European Commission and other Member States. The Minister may also consult with other Government Ministers or with other relevant parties to inform the review process.

Having completed an in-depth review and, taking into consideration the views of the consulted parties, a range of decisions are available to the Minister. Where no concerns are identified, the transaction may proceed without any further interventions. However, where it is determined that a transaction poses a threat to security or public order, the Minister may allow the transaction to proceed subject to certain conditions being fulfilled. Examples of these mitigating measures are set out under Section 18(4) of the Act. Alternatively, where mitigation measures would be insufficient, the Minister may prohibit the transaction. In 2025, the Department approved 2 transactions with mitigating measures.

The Act provides significant detail on the notification process, the timelines and responsibilities, and the screening process itself. Figure 1 below sets out the timeframes for assessing and reviewing notifications.

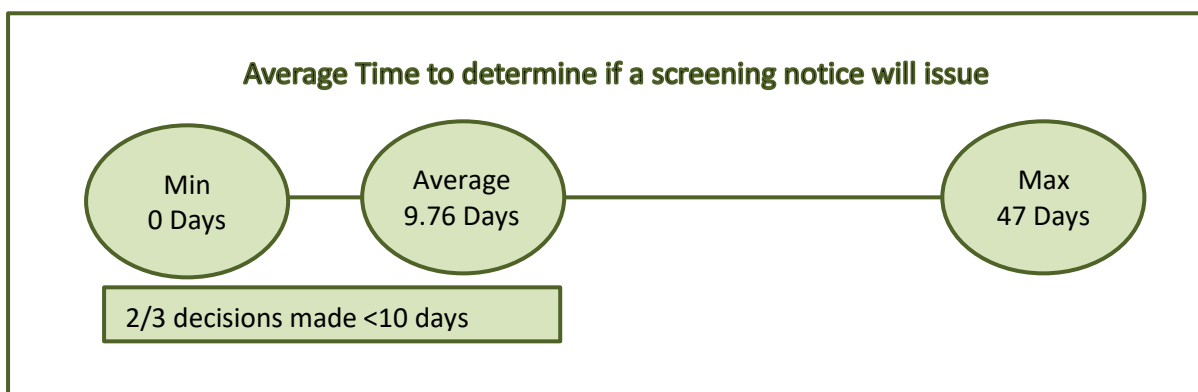
Figure 1: Timeframes for Screening Process



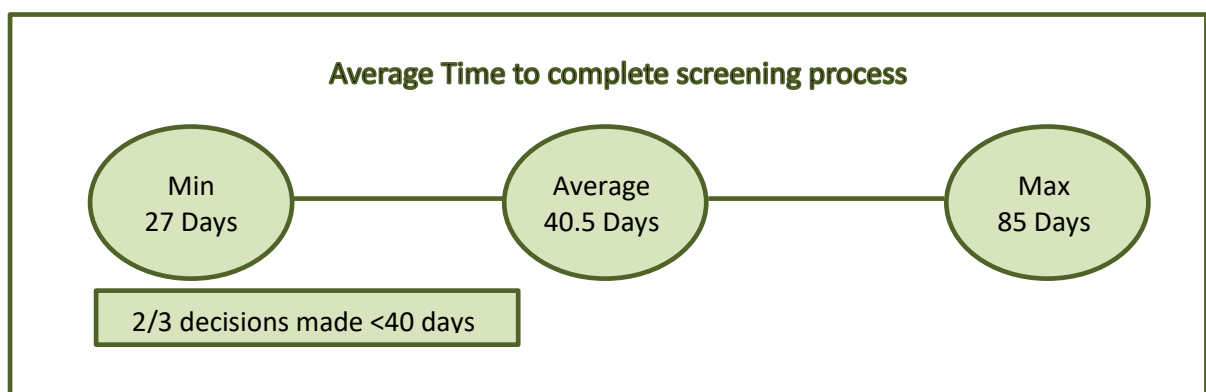
3.2.1. Timeframe for Assessing Notifications

While the Investment Screening Unit endeavours to conduct an initial assessment of notifications within 10 calendar days, this is dependent on the complexity of the notification and/or whether additional information is required.

92 transactions were closed in 2025, 66 where no screening notice issued and 26 where a screening notice issued and an in-depth investigation subsequently completed. The average time taken to complete an initial assessment was 9.76 days, ranging from 0 to 47 days. Approximately two thirds of notifications were assessed, as to whether it met the requirements for a screening notice to issue or not, within 10 calendar days.



While Section 16(3) of the Act provides a statutory timeframe of 90 days to complete the screening process, with provision to extend this to 135 days where necessary, of the 26 notifications screened the average time taken to complete a screening review was 40.5 days, ranging from 27 to 85 days. Screening decisions were issued in less than 40 calendar days in approximately two thirds of cases.



While the majority of requests for information during both phases related to the activities of the target company, requests also included information on the activities of the investor, customers and/or end-users, alternative providers, sensitivity of data, security of data, compliance with export controls, participation in EU programmes and projects, ownership structures, market share, financials and distribution/supply chains.

SECTION 4: ENGAGEMENT WITH STAKEHOLDERS

Prior to the commencement of the Act the Department produced and published the Inward Investment Screening Guidance for Stakeholders and Investors document to inform stakeholders, including foreign investors, Irish businesses, and advisers, about the policy objectives and operational impact of the Inward Investment Screening regime. The Department aims to update this guidance on a regular basis and the latest document is available on the [Department's website](#).

In 2025, the Department had extensive engagement with a wide range of stakeholders including other government departments and agencies, legal advisors, investors and target companies, business organisations, the European Commission and other Member States.

In addition to engagement with stakeholders in relation to notifications of foreign investments submitted to the Department, the Department dealt with 31 general queries in relation to investment screening.

SECTION 5: NOTIFICATIONS UNDER THE FDI SCREENING REGULATION

The EU's FDI Screening Regulation provides a structured process for reviewing foreign direct investments that may affect security or public order across the Union. While each Member State retains full authority over whether to review, approve, condition, or prohibit an investment, the Regulation also establishes a formal cooperation mechanism to support more informed and coordinated decision-making.

The mechanism helps ensure that concerns affecting multiple Member States or EU-level programmes are identified early and considered in the assessment process. Although the system facilitates information-sharing and risk analysis at EU level, the Member State where the investment occurs ultimately makes the final decision on the transaction. This structure balances national decision-making with broader EU-wide visibility, helping maintain an open investment environment while safeguarding strategic interests.

in 2025, the Department shared 23 notifications with other Member States and the European Commission via the cooperation mechanism. Although no official comments or opinions were issued in respect of the notified transactions, two requests for additional information were received from the Commission and three requests were received from other Member States.

The Department reviewed 74 notifications shared by other Member States via the cooperation mechanism where the transaction contained an Irish element, for example, where the target company in that Member State had a subsidiary or conducted substantial business in Ireland. The Department requested additional information in 2 of these cases but did not issue any formal comments to other Member States.