

National FDI Screening Office

The Watercourse,
Mdina Road, Zone 2,
Central Business District,
Birkirkara Malta

nfdismalta.com

In March of 2019, the European Parliament and Council enacted Regulation (EU) 2019/452, which established a framework for the screening of foreign direct investments into the European Union. The regulation, which entered into force in April of the same year, applies to transactions taking place post-October 2020 onwards.

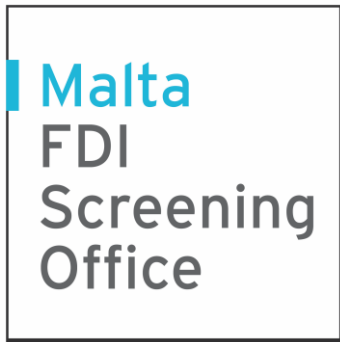
The FDI Regulation represents a crucial shift for the EU, as for the very first time, screening of foreign direct investments is being regulated at EU level. In fact, this development has the potential to significantly impact those investors from third countries that consider investing in the EU. More importantly, it can also be of relevance to the interests of EU investors.

As the FDI regulation does not impose a strict regime for EU-wide FDI screening, the final decision on FDI screening rests with the EU member states, which remain sovereign in this crucial area. The focus of the regulation is more on the principles of coordination and cooperation between member states.

“This is a great step in the right direction which will certainly contribute towards an increasingly harmonised and robust screening of FDI in the EU” said Mario Galea, chair of the newly-established offices for National Foreign Direct Investment Screening (NFDIS) in Malta.

Locally, the office has been set up in order to implement this regulation, with the ultimate aim being the protection of EU intelligence, knowledge and technology, as well as its security interests.

The sectors which will be subject to screening are varied and include infrastructure, energy, transport, water, health and communications, among others. A full list can be accessed on the NFDIS website.



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All interested practitioners, including audit, legal firms, business consultants and all practitioners who are in any way involved in the promotion of foreign direct investment are, therefore, encouraged to get in touch with the NFDIS Office and get updated on the new procedures governing the registration of new investment in Malta.

Practitioners will be informed how they will be required to submit all relevant applications for such purpose with the Office, prior to relevant submission with the MBR. The applications will require determinate information, relating to the investment and ownership structure, including information on the ultimate investor and beneficial.

In case of doubt, the service provider may seek an initial opinion from the Office which will give the necessary guidance as may be required in the case in question.

The Office wishes to reassure practitioners that it is not its intention to create any unnecessary bureaucracy. In fact, in those cases where it is clear that the activities do not require screening, the Office will seek to provide its green light within 24 hours.

In the cases where screening will be required, this will be undertaken with full due diligence on the activity and on the ultimate beneficial owner. This process will take some time to conclude, although the Office will endeavour to conclude the process in the shortest time possible while not compromising, in any way, the extent and quality of the screening to be conducted.

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