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AUGUSTAABOGADOS

INFORMATION ALERT

24th November 2026

EU expands the strategic projects and programmes relevant to foreign investment screening

Commission Delegated Regulation (EU) 2026/2565

Following our previous publications on legislative developments concerning foreign investment screening in the European Union, Commission Delegated Regulation (EU) 2026/2565 of 8 September 2026 was published on 17 November 2026. The Regulation replaces the Annex to Regulation (EU) 2019/452 and updates the list of projects and programmes of Union interest for the purposes of the EU cooperation mechanism on foreign direct investment.

KEY TAKEAWAYS

- The updated Annex comprises 24 categories of projects and programmes of Union interest.
- New initiatives are included in defence, space, strategic technologies, critical raw materials, clean energy and customs control.
- Inclusion in the Annex does not establish a standalone EU authorisation procedure, but reinforces the relevance of security and public-order considerations and cooperation between authorities.
- The Regulation enters into force on 7 December 2026, 20 days after publication.

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1. PURPOSE AND SCOPE

Article 8 of Regulation (EU) 2019/452 allows the Commission to issue an opinion where a foreign direct investment is likely to affect projects or programmes of Union interest on grounds of security or public order. Delegated Regulation 2026/2565 replaces the list in full to reflect the latest priorities of the EU economic security policy.

The amendment does not alter national filing thresholds or authorisation procedures. Its relevance lies primarily in the EU cooperation mechanism: where a transaction is connected with a project or programme included in the Annex, it may be subject to closer scrutiny and may give rise to comments from other Member States or an opinion from the Commission.

2. MAIN ADDITIONS

- The Strategic Technologies for Europe Platform (STEP), designed to strengthen critical technologies and reduce strategic dependencies.
- The Union Secure Connectivity Programme (IRIS²), concerning resilient and secure satellite communications.
- The ASAP, EDIRPA and SAFE defence instruments, relating respectively to ammunition production, common procurement and reinforcement of the European defence industry.
- Strategic investments under InvestEU, subject to the exclusion applicable to certain social investment and skills activities.
- Strategic projects under the Critical Raw Materials Act and the Net-Zero Industry Act.

- The Innovation Fund, the Customs Control Equipment Instrument and Important Projects of Common European Interest (IPCEIs).

3. PROGRAMMES REMAINING ON THE LIST

The updated Annex continues to include, among others, the EU Space Programme, Horizon 2020 and Horizon Europe, the Euratom programme, the trans-European transport and energy networks, the Connecting Europe Facility, Digital Europe, the European Defence Fund, Permanent Structured Cooperation (PESCO), ITER and EU4Health. It also updates legislative references and removes separate references to Galileo, EGNOS, Copernicus and the preparatory Govsatcom action, which are now covered by the EU Space Programme.

4. SECTORAL IMPACT

The update is particularly relevant to transactions in the defence, aviation and space sectors, as well as semiconductors, artificial intelligence, cybersecurity, dual-use technologies, critical raw materials, energy, transport and infrastructure. The revised Annex confirms the increasing interaction between foreign investment screening, EU industrial policy, supply-chain security and the Union's strategic autonomy.

In particular, in the aviation, space and defence sectors, the analysis should cover not only the target company's activities, but also any role as beneficiary, contractor, subcontractor, technology supplier or participant in EU programmes. Such a connection may be relevant even where the investment asset does not, when considered in isolation, constitute critical infrastructure.

5. PRACTICAL IMPLICATIONS FOR TRANSACTIONS

The new framework for controlling foreign investments in the EU and the update of the list of programs and projects of interest require adopting a series of precautions in all transactions that qualify as foreign direct investments, such as:

- Identify at the outset the target company's participation in EU projects or programmes and any public funding received.
- Map the investor's ownership and control structure, including ultimate beneficial owners, foreign public bodies and financing linked to third countries.
- Build foreign investment screening into the transaction timetable and conditions precedent.
- Anticipate information requests and coordination between several authorities in cross-border transactions.
- Coordinate the analysis with other relevant regimes, including merger control, foreign subsidies, public procurement, dual-use export controls and sector-specific rules.

6. RELATIONSHIP WITH THE 2026 EU REFORM

This amendment should be considered in the context of the broader reform of the EU foreign investment screening framework, analysed by Augusta Abogados in June 2026. See Augusta Abogados' previous publication. While Regulation (EU) 2026/1386 moves towards greater harmonisation of national screening mechanisms, the Delegated Regulation updates the list of strategic projects and programmes under the framework currently in force.

7. ENTRY INTO FORCE AND ASSESSMENT

The Delegated Regulation will enter into force on 7 December 2026 and will be binding in its entirety and directly applicable in all Member States.

Although the amendment is formally limited in scope, its practical consequences are relevant. Companies and investors involved in transactions concerning strategic technologies, industrial capabilities or supply chains should assess, at an early stage, whether the target company is connected with any of the projects or programmes included in the Annex, including where that connection is indirect.

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