

Screening of Third Country Transactions Bill: Committee Stage – Opening Statement

I would like to thank the Chair and members of the Committee for facilitating Committee Stage today, and also for their support for the Bill at Second Stage in the Dáil.

As members are all aware, this Bill deals with sensitive and complex matters. The purpose of the Bill is to protect Ireland's security and public order against threats emanating from investment from third countries. To achieve this, the Bill will empower the Minister for Enterprise, Trade and Employment to assess, investigate, authorise, condition, or prohibit foreign investments based on a range of security and public order criteria, and to prevent or mitigate such threats.

Establishing a formal investment screening mechanism represents an opportunity to design and tailor a system appropriate to Ireland's needs, and our approach will balance Ireland's longstanding FDI Strategy whilst also acknowledging the challenge posed by potentially hostile investments.

The implementation of an investment screening mechanism will also provide reassurance to key trading partners that Ireland is a responsible global player, cognisant of the threat posed by the strategic and potentially hostile State-backed investment strategies being deployed by some third-country corporations.

Ultimately, the development of an investment screening mechanism is in line with best international practice and is part of the Union's and Ireland's broader trade defence toolkit. This toolkit includes our existing Export Controls regime, Sanctions Implementation, the EU's International Procurement Instrument, as well as a range of anti-dumping and anti-subsidy measures, and the broader level playing field agenda.

I would like to reassure members, that this Bill in no way acts to dampen legitimate investment into Ireland. It is not envisaged that large numbers of transactions will require notification; of those that are notified, it is likely that most will be quickly cleared without flagging any security or public order concerns. It does, however, provide a necessary safeguard against the actions of those who would do us harm, or undermine our security.

Since the Bill completed Second Stage, we have had significant interest and engagement from key stakeholders, including many in the investment community, the legal sector, the Enterprise Agencies, and from the European Commission and bilateral trading partners.

Based on these discussions and our own further research, we have identified a small number of amendments that are primarily technical in nature and are designed to tighten up the

operational processes, definitions, and scope. This will ensure that the screening regime is focused on those transactions where the greatest likelihood of threats to security or public order arise.

The amendments are also designed to provide as much clarity and certainty as possible to investors, ensuring that we are as clear as possible about the obligations and responsibilities which arise as a result of this legislation.

The proposed amendments focus on:

- Ensuring that the definitions used throughout the Bill are as clear as possible. In particular, attention has been given to refining the definitions of “transactions”, “undertakings in the State”, and “control”. This will ensure that only those transactions where risks are perceived fall within the scope of the Bill.
- Refining the criteria relating to notifiable transactions to ensure that they are understood and interpreted correctly: based on our consultations, we believe these changes will help minimise the number of unwanted notifications and will focus attention on the acquiring party (where most risks arise). These changes will also help to reduce administrative burden and will allow the State’s resources to be more efficiently utilised.
- Tidying up a small number of procedural issues – for example, simplifying the calculation for the date on which a screening review is commenced – to make the regime as easy to understand as possible for investors.

No policy change is envisaged as a result of any of these amendments. I will give more explanation for the reasons and rationales behind each amendment as we reach them.