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## Germany's FDI Review in 2025: Key Trends and Developments

*As 2025 closes, Germany records a record number of foreign investment screening procedures, with significant changes to its FDI screening regime on the horizon.*

Germany's Federal Ministry for Economic Affairs and Energy (BMWE) has published its latest annual report on investment screening, presenting statistics for foreign investment screening procedures filed in 2025<sup>[1]</sup>.

The 2025 statistics point to a marked increase in German national filings, with Phase II proceedings remaining the exception. Simultaneously, the BMWE has continued to speed up review timelines, with now 40% of Phase I proceedings clearing within 30 days. Further, German screening practice continues to concentrate on technology-, data-, and infrastructure-adjacent transactions. Significant changes to the German FDI screening regime can be expected for 2026, with both a revision of the German legal framework and the EU Foreign Investment Screening Mechanism on the horizon.

## Key 2025 Figures

Metric	Figure
National German screening procedures under the AWW	339
“Pure” EU cooperation notifications (no German national procedure)	451
Cross-sectoral procedures	259 (76%)
Sector-specific procedures	80 (24%)
Cases in which Phase II was opened (2025 filing year)	31 (approx. 9% of national procedures)
Cases with acquisition-restricting measures recorded to date	8 (2%)
Cases still pending at the reporting cut-off	45 (13%)

### Increased Volumes: National Procedures and EU Cooperation Notifications

The 2025 figures point to a noticeable expansion in filing activity. The BMWE reports 339 national screening procedures filed in 2025, up from 261 in 2024 (approximately +30%). A similar development can be observed under the EU cooperation mechanism. EU notifications (i.e. those submitted via the EU cooperation mechanism) rose from 308 in 2024 to 451 in 2025. Both the numbers for national filings and EU notifications are the highest on record, reinforcing the broader trend toward greater regulatory coverage of strategic industries and cross-border control rights.

This development underscores that the BMWE takes a broad perspective on the applicability of the German FDI regime and screens a wide variety of investment structures. Additionally, the EU cooperation mechanism may require German input even where Germany does not open a national procedure.

### Review Outcomes: Phase II Remains the Exception

Even as filing volumes increased, the BMW's 2025 statistics suggest that most national procedures continue to be resolved without escalation to an in-depth review. In 2025, only 31 national FDI procedures resulted in the opening of a formal in-depth investigation ("Phase II"), i.e., roughly 9% of cases, with another 11 cases that found Phase I resolution after a mutually agreed extension of the two-month review timeline. While this means that Phase II saw a moderate increase compared to 2024, it is neither the absolute nor the relative highest number of the past seven years. This underscores that the probability of Phase II remains relatively contained, but not negligible, in particular where investor- or target-related risk factors can be identified.

With respect to outcomes, the BMW reports 8 cases (2%) in 2025 in which acquisition-restricting measures such as prohibitions, ancillary provisions, public-law agreements, and orders were imposed. The BMW expressly cautions, however, that 45 cases with an intake in 2025 were still pending as of the reporting cut-off (15 January 2026) and that the number of cases involving acquisition-restricting measures is therefore expected to increase. In addition to that, the BMW neither counts assurances from investors towards these statistics, nor cases in which the investor withdraws from the transaction in anticipation of potential acquisition-restricting measures following the opening of Phase II proceedings. In other words, the 2% figure is best viewed as a snapshot, with the BMW's actual impact on transactions being higher.

### **Timing: Continued Trend Toward Faster Clearances**

BMW's statistics of procedure lengths for filings made in 2025 suggest that, despite higher volumes, a substantial share of cases continue to conclude ahead of the statutory time period of two months in relatively short time windows. As of 15 January 2026, 41% of all 2025 cases were completed within 30 days, and a further 18% within 31 to 40 days.[\[2\]](#)

This confirms a trend we noted toward quicker resolution of many Phase I matters in mostly unproblematic cases, with a heavier enforcement focus on complex transactions. In those cases, discussions and negotiations with the investors, as well as involvement of other governmental agencies lead to longer clearance times.

### **Where Filings Cluster: Sector Profile and Investor Origin**

The distribution of filings by sector provides a practical proxy for where review activity is most concentrated. For 2025 filings, the largest sector is information and communications technology (64 cases), followed by health and biotechnology (45), mechanical engineering (33), and energy (31). While these sectors were leading in 2024 as well, BMW's sector breakdown reflects meaningful increases in screening activity in other sectors, most notably in optics/sensors/optronics/radar (+240%), cybersecurity (+200%), and semiconductors (+100%).

The nationality mix likewise remains concentrated. BMW reports that U.S. investors accounted for 159 filings in 2025 (nearly 47% of all national procedures), followed by the UK (including Channel Islands) with 41 and China with 33. While the report does not indicate nationalities for Phase II proceedings, recent Phase II cases included U.S. and U.A.E. investments in the energy and chemicals sectors, and a Chinese acquisition in the retail space.

### **Outlook for 2026: EU and German FDI Reforms on the Horizon**

In line with the 2025 coalition agreement, the German government has announced plans to present a revised Foreign Investment Law, replacing today's distribution of provisions across the Foreign Trade and Payments Act (AWG) and the Foreign Trade and Payments Ordinance (AWV). Instead, a consolidated Investment Screening Act is expected to improve turnaround times, simplify procedures, and to close gaps caused by shifting geopolitical realities. This is to go hand-in-hand with the European Commission's proposed revision of the EU screening regulation, which aims to establish common minimum requirements for national investment screening regimes across the European Union, including certain common procedural standards and timelines, an enhanced cooperation mechanism, and five universally covered sectors (dual-use and defense items, quantum and AI technology, critical infrastructure, strategic critical raw materials, critical financial services). If advanced, such a reform could bring increased clarity and procedural efficiency while maintaining (and potentially refining) Germany's ability to review acquisitions in strategic sectors.

## Sources

[1] Figures as of 15 January 2026.

[2] Noting that 45 cases (13%) were still pending at the cut-off date, meaning that duration statistics for the most complex cases will only be fully observable once those matters close.

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