



International Market Access

Investment Audit Act: *Overstretched scope of application averted*

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At a glance

- The National Council settles the differences on the Investment Control Act and supports the lean version of the Council of States.
- An overstretched scope of application of the law with corresponding regulatory costs was averted.
- Open markets and foreign investment remain absolutely central to Switzerland as a business location, as they cover the high capital requirements and ensure market access and international competitiveness.

The National Council today resolved the differences with the Council of States on the Investment Audit Act. The bill is now ready for the final vote.

In its deliberations, the Grand Council showed a sense of proportion and backed the Federal Council's streamlined draft. This only provides for a state audit if a domestic company is active in a particularly critical area and is to be taken over by a state-controlled foreign investor. This takeover must also threaten or endanger public order and security in Switzerland.

Overextended scope of application prevented

In the first reading in autumn 2024, the National Council greatly expanded the scope of the law: In particular, it also wanted to subject takeovers by private foreign investors to state scrutiny. In addition to Switzerland's public order and security, its supply of essential goods and services was also to be expressly protected.

These unnecessary extensions are now off the table. Such overstretching would have led to significantly higher regulatory costs for companies and authorities - at a time when global economic uncertainties are already weighing heavily on the Swiss economy. What the Swiss economy needs now is relief instead of additional obligations.

Open markets as a success factor for Switzerland

Switzerland is one of the world's leading direct investors. Anyone who credibly demands more market opening from partner countries must not impose excessive state investment controls in their own country. Switzerland's economic success has always been based on open markets and a strong international network.

Foreign direct investment is key because domestic capital alone cannot cover the high investment requirements. Switzerland's traditionally open but always prudent attitude towards foreign investment has played a key role in enabling it to hold its own in the international competition between locations despite its small domestic market.

No danger from company takeovers - real risks lie elsewhere

To date, there are no known takeovers that would have endangered public order and security in Switzerland in the past. This is also confirmed by the Federal Council. Public safety and order are therefore not endangered by lawful company takeovers, but rather by illegal activities such as cybercrime, industrial espionage or the theft of intellectual property.



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