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by

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Abstract

This Country Note provides an overview of Lithuania's foreign direct investment (FDI) screening regime, focusing on its legal framework, institutional structure, and practical application. Lithuania is an attractive destination for FDI due to its stable economic environment and active investment promotion policies. At the same time, it has developed a structured screening mechanism aimed at safeguarding national security interests.

The Country Note analyses the key legislation governing FDI screening, primarily the Law on the Protection of Objects of Importance to Ensuring National Security of the Republic of Lithuania, and explains how screening applies across different categories of investments, including cross-sectoral, sectoral, asset-based, and designated-entity transactions. It further describes the role of the Commission for Coordination of Protection of Objects of Importance to Ensuring National Security as the competent authority, procedural steps, and decision-making timelines designed to ensure predictability and legal certainty for investors.

The Country Note also highlights key features of the Lithuanian system, such as its confidentiality, clearly defined thresholds triggering notification obligations, and presumptions of compliance for certain categories of investors. Finally, it discusses recent legislative developments that indicate a gradual expansion of the screening framework, particularly in strategic sectors.

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1. Political Background

Foreign direct investment (FDI) is a key driver of Lithuania's economic progress, contributing significantly to job creation and overall growth. EU membership, a stable economy, a predictable regulatory framework, and a competitive business landscape are some of the main factors why Lithuania has quickly become a key destination for FDI in the Baltic region. Based on the official data of the Bank of Lithuania[3], the amount of total FDI in Lithuania at the end of 2025 amounted to approximately EUR 43 billion.

Lithuania is actively seeking to attract FDIs. For this purpose, Lithuania has established a dedicated national FDI agency – Invest Lithuania, whose core mission is to help foreign companies establish and grow their operations in Lithuania. Invest Lithuania operates under the Ministry of Economy and Innovation, focuses on assisting businesses in launching and growing their operations in Lithuania by offering expert guidance, strategic insights, and continuous support. Based on the latest data[4], Invest Lithuania has attracted investments from 384 international companies that created 38,500 jobs.

FDIs are not limited only to certain specific sectors in Lithuania – investors can freely choose their desired field for investments. However, investments into certain sectors might trigger screening obligations of the investors.

The main goal of the Lithuanian FDI screening procedure is to ensure that objects (companies, assets, economic sectors, etc.) that are important for the interests of national security are protected from all risk factors that may pose a threat to the national security interests of Lithuania.

[3] Lietuvos Bankas, *Inward foreign direct investment by country*, https://www.lb.lt/en/inward-foreign-direct-investment-by-country-1, accessed on 23 June 2026.
[4] Invest Lithuania, *About Invest Lithuania*, https://investlithuania.com/about-us/?_gl=1*ilr9pi*_up*MQ..*_ga*MTc5NzU4MzI1MS4xNzczMzIzMDIy*_ga_C3DF3G9HE8*czE3NzMzMjMwMjEkbzEkZzAkdDE3NzMzMjMwMjEkajYwJGwwJGgw, accessed on 23 June 2026.

The main feature of the FDI screening procedure is its confidentiality, i.e., information about submitted requests for the approval of transactions or the information about ongoing FDI screening procedures is not publicly available.

2. Domestic Screening Mechanisms

2.1. Cross-sectoral screening mechanism

The authority responsible for FDI screening procedures in Lithuania is the Commission for Coordination of Protection of Objects of Importance to Ensuring National Security of the Republic of Lithuania (Commission).

In general, the Commission does not have the power to review investments in every economic sector. Relevant sectors where the Commission has jurisdiction are energy, transport, finance and credit, military equipment, and information technologies, telecommunication, and other high technology sectors. The scope of the Commission's jurisdiction in these sectors is detailed in the following sections.

However, in cases when the Commission is presented with information that the planned FDI might have an impact on the public order and security or on projects or programs of importance to the European Union (EU) for reasons of security or public order, the Commission can evaluate the related investor even if the planned investment normally would not be subject to screening procedures.

2.2. Sectoral screening mechanisms

Investment into certain specific sectors or specified protection zones might trigger an obligation for the investor to notify the Commission.

For the FDI purposes, there are five economic sectors that are strategically important for ensuring national security, investments in which might require submission of the notification to the Commission. The activities listed below under each sector are among specifically prescribed by the secondary regulation and include, but are not limited to, the following:

- **Energy sector:**
  - production of refined petroleum products;
  - electricity transmission.
- **Transport sector:**
  - construction of bridges and tunnels;
  - aircraft and spacecraft repair and maintenance.

- **Information technologies, telecommunication, and other high technology sectors:**
  - production of electronic components;
  - communication equipment manufacturing.
- **Finance and credit sector:**
  - payment services;
  - investment services.
- **Military equipment sector:**
  - production of military equipment;
  - maintenance and repair of military equipment.

2.3. Asset-based screening mechanisms

The acquisition of ownership or other property rights of certain assets may be a ground to initiate the FDI screening procedure. In particular, the following types of asset acquisitions are subject to the Lithuanian FDI screening procedure:

- Acquisition of equipment or assets important for ensuring national security;
- Acquisition of assets that are included in the security plan of a company important for ensuring national security;
- Pledging the assets specified in the security plan of a company important for ensuring national security to the investor or securing the investor's claims by establishing a mortgage on such assets.

2.4. Designated-entity screening mechanisms

Lithuania differentiates companies that are important for ensuring national security into three categories: first-class, second-class, and third-class.

Generally, companies that are important for ensuring national security are those companies whose functions or activities have strategic significance for the protection of the state's essential interests. These enterprises may be fully or partially owned or controlled by the state, municipality or operate independently, but their role, capabilities, or infrastructure is considered critical to safeguarding national security.

Depending on the class attributed to the specific company important for ensuring national security, different thresholds and requirements apply for the transfer of shares of such companies.

3. Legal framework

3.1. Relevant legislation

The main law governing the FDI regime and related requirements is the Law on the Protection of Objects of Importance to Ensuring National Security of the Republic of Lithuania (Law on FDI).

Further details, requirements, and relevant information in relation to the Lithuanian FDI process is governed by the following central secondary legislation:

- Decision on Rules on Procedures of Commission for Coordination of Protection of Objects of Importance to Ensuring National Security, approved on 25 November 2009 by the Government of the Republic of Lithuania by its resolution No. 1540 "On the approval of Decision of Rules on Procedures of Commission for Coordination of Protection of Objects of Importance to Ensuring National Security";
- Decision on Establishing the List of Areas of Economic Activity Considered as Part of the Economic Sectors of Strategic Importance for Ensuring National Security, approved on 6 June 2018 by the Government of the Republic of Lithuania by its resolution No. 556;
- Decision on the Approval of the List of Specific Equipment and Property Important for Ensuring National Security, approved on 6 June 2018 by the Government of the Republic of Lithuania by its resolution No. 558;
- Decision on the Determination of Protection Zones for Facilities and Property Important to Ensuring National Security, approved on 12 November 2014 by the Government of the Republic of Lithuania by its resolution No. 1252.

The above-listed legislation is of paramount relevance in the majority of cases relating to the Lithuanian FDI regime. However, this list should not be treated as exhaustive, as in more specific instances additional legislation (e.g., the Law on Public Procurement) might also apply.

3.2. Screening of the investments

Applicable FDI screening requirements and procedures slightly vary depending on the applicable mechanism.

3.2.1. Screening of cross-sectoral investments

The Commission may carry out a screening of any investor where it receives information from another EU Member State or from the European Commission regarding the impact of a

planned or completed FDI in Lithuania on public order or security, or on projects or programs of EU interest on grounds of security or public order.

Where the Commission decides to initiate an investor's screening procedure, the procedure consists of the following steps (the following procedure overview describes default procedure steps (Standard Screening Procedure)).

The screening shall commence no later than the next business day after the Commission receives an application together with all documents necessary for the screening, submitted either by the investor or by the applicant where the screening is initiated by a party other than the investor.

Upon initiating the screening, the Commission requests competent authorities, within their respective areas of competence, to provide opinions on the investor's compliance with national security interests. These authorities must submit their opinions no later than within 15 business days. Where additional time is required to prepare the opinions, the authorities may, no later than three business days prior to the expiry of the 15-business-day period, request the Commission to extend this period by up to an additional five business days.

Where the authorities fail to provide their opinions within the prescribed time limit, it shall be deemed that they do not possess information indicating that the investor does not comply with national security interests.

After completing its assessment of the investor's compliance with national security interests and evaluating the opinions submitted by the competent authorities, the Commission shall, no later than within 20 business days from the commencement of the screening procedure, adopt a conclusion regarding the investor's compliance with national security interests. Where the screening procedure is suspended, the period of suspension shall not be included in the calculation of this 20-business-day deadline.

The Commission's conclusion may have one of the following outcomes:

- a finding that the investor complies with national security interests;
- a finding that the investor poses a risk to national security interests, in which case the Commission shall establish recommendations which, if complied with, ensure that the transactions intended to be entered into or the actions intended to be carried out by the investor do not pose a risk to national security; or
- a finding that the investor does not comply with national security interests.

A conclusion of the Commission finding that the investor complies with national security interests or that the investor poses a risk to national security interests shall be considered a final decision regarding the investor's compliance with national security interests. In such cases, the transactions or other actions for the conclusion or performance of which the screening was initiated may be entered into and carried out, subject to compliance with the established recommendations, where such recommendations are imposed. If the Commission does not adopt a conclusion within the statutory deadline, the transaction or other actions concerned shall be deemed permissible and may be proceeded with.

Where the Commission concludes that the investor does not comply with national security interests, it shall submit its conclusion to the Government of the Republic of Lithuania no later than within two business days from the adoption of such conclusion. In this case, the Government shall adopt a final legally and factually founded decision regarding the investor's compliance with national security interests within 15 business days by adopting an appropriate resolution.

If the Government fails to adopt a decision on the investor's compliance with national security interests within the prescribed time limit, it shall be deemed that the investor complies with national security interests, and the transaction or other actions for the conclusion or performance of which the application was submitted may be entered into or carried out.

Overall, the Lithuanian FDI screening framework establishes a time-bound and structured decision-making process that balances national security considerations with legal certainty and predictability for investors.

3.2.2. Screening of sectoral investments

Investments in economic sectors designated as being of strategic importance for ensuring national security do not, in themselves, automatically trigger an investor screening. As a first step, it must be assessed whether the intended investment gives rise to an obligation to notify the Commission.

An obligation to notify the Commission arises where an investor, acting individually or together with persons acting in concert, intends to carry out transactions or actions that would result in a significant degree of influence in a legal entity operating or to be established in a sector of strategic importance for national security or within a designated protection zone, including in particular where the investor intends to:

- acquire shares which, together with its existing shareholding or that of persons acting in concert, confer 25% or more of the voting rights at the general meeting of shareholders of such entity; or
- acquire the right to exercise shareholder voting rights through a voting rights transfer arrangement, where the voting rights so acquired, together with the investor's existing shareholding or that of persons acting in concert, reach or exceed the 25% threshold.

Where a contemplated investment falls within any of the two categories outlined above, the investor is required to notify the Commission accordingly. Upon receipt of the investor's notification, the Commission shall, no later than the next business day, forward the notification to the competent authorities for the purpose of assessing whether an FDI screening procedure should be initiated.

The competent authorities shall have eight business days to submit their position on the need to commence an FDI screening procedure. Where none of the competent authorities expresses, within this time limit, an intention to initiate an investor's screening procedure, the Commission shall, within two business days following the expiry of that period, inform the investor that no screening procedure will be initiated.

Where it is nevertheless decided to initiate an investor's screening procedure, the Standard Screening Procedure applies.

3.2.3. Screening of asset-based investments

If the investor intends to acquire the rights specified in the Section 2.3 above, either the investor or the company itself must notify the Commission about the intended transactions. Upon receipt of the notification, the Standard Screening Procedure commences.

3.2.4. Screening of designated-entity investments

Different investment thresholds might trigger the screening of the investor depending on the category of the company (acquisition of 25% or more of the voting rights or the right to exercise non-property rights in first-class and second-class companies, and acquisition of 1/3 or more of the voting rights or the right to exercise non-property rights in third-class companies).

If the investment reaches the aforementioned thresholds, either the investor or the company itself must notify the Commission about the intended transactions. Upon receipt of the notification, the Standard Screening Procedure commences.

3.2.5. Other Scenarios

The Law on FDI establishes several scenarios when it is presumed that the investor complies with the interests of national security. The following investors are considered to comply with national security interests:

- countries that belong to the EU, North Atlantic Treaty Organization (NATO), Organisation for Economic Co-operation and Development (OECD), or European Free Trade Association (EFTA);
- legal persons with limited liability corresponding to the legal form of a public limited liability company or a private limited liability company, in which central, regional and/or local authorities of the EU, NATO, OECD, or EFTA members hold more than half of the voting rights attached to securities or capital shares of those legal persons;
- international financial organisations of which the Republic of Lithuania is a member, as well as other international financial institutions or organisations whose objectives, investment policy and activities do not pose a threat to national security;
- investors of the Republic of Lithuania or foreign investors who carry out long-term activities in the EU, NATO, OECD, or EFTA, and who have experience in the relevant field (except in cases where such investor, the state in which it is established or which controls it, or a third country with which the investor is linked, acts in a manner giving rise to risk factors, dangers or threats to national security interests).

As such investors are considered to be compliant with the interest of national security, their screening could be initiated only in exceptional cases where competent authorities obtain information suggesting potential threats or risk factors.

Where it is concluded that the investor does not comply with national security interests, the transactions or actions contemplated by the investor are deemed to pose a risk to national security interests and may not be entered into or carried out. Any such transactions or actions that have nevertheless been concluded or performed are unlawful, null and void *ab initio*.

4. Developments to follow

The Lithuanian FDI screening framework has thus far remained relatively stable, with no frequent or substantial amendments to its core provisions. However, since early 2025, several notable draft legislative initiatives have been published. Although these proposals have not yet been enacted, their adoption would materially expand the scope and reach of the current Lithuanian FDI regime.

In particular, the proposed amendments envisage the following:

- the establishment of a legal basis for conducting FDI screening of persons operating, or intending to operate, in the defence and security industry; and
- the expansion of the catalogue of economic sectors designated as strategically important for ensuring national security, to include the agricultural and food sector[5].

Taken together, these initiatives signal a discernible shift towards a more comprehensive and precautionary FDI screening regime in Lithuania, consistent with broader European trends aimed at safeguarding strategically significant industries and critical supply chains.

[5] The designation of agriculture as a strategically important sector – even if limited to the FDI screening context – is widely regarded within the agricultural industry as a significant step towards elevating the sector's prominence on the domestic policy agenda.

Annex 1: Relevant Laws, Ordinances, Regulatory Guidelines

- Law on the Protection of Objects of Importance to Ensuring National Security of the Republic of Lithuania (last amended on 11 July 2024);
- Decision on Rules on Procedures of Commission for Coordination of Protection of Objects of Importance to Ensuring National Security, approved on 25 November 2009 by the Government of the Republic of Lithuania by its resolution No. 1540 “On the approval of Decision of Rules on Procedures of Commission for Coordination of Protection of Objects of Importance to Ensuring National Security” (last amended on 29 October 2025);
- Decision on Establishing the List of Areas of Economic Activity Considered as Part of the Economic Sectors of Strategic Importance for Ensuring National Security, approved on 6 June 2018 by the Government of the Republic of Lithuania by its resolution No. 556 (last amended on 28 January 2026);
- Decision on the Approval of the List of Specific Equipment and Property Important for Ensuring National Security, approved on 6 June 2018 by the Government of the Republic of Lithuania by its resolution No. 558 (last amended on 1 April 2026);
- Decision on the Determination of Protection Zones for Facilities and Property Important to Ensuring National Security, approved on 12 November 2014 by the Government of the Republic of Lithuania by its resolution No. 1252 (last amended on 17 July 2024).

Annex 2: Relevant Administrative and Court Cases

No relevant administrative or court cases have been used for the preparation of this Country Note.

Annex 3: Relevant Literature

As of the date of this Country Note, no Lithuanian legal literature addressing the subject matter herein has been identified that would offer material analytical value beyond the primary and secondary legislative sources cited above.

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