

Global Trends in Investment Screening Indo-Pacific

by Dominika Pietkun

No 16/2025

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1. Introduction

For decades, trade and investment policy largely assumed that foreign capital fuels growth and that any attendant security risks could be contained by competition policy, disclosure rules, and open-market discipline. Strategic infrastructure, from transmission grids and ports to cloud platforms and subsea gateways, was therefore entrusted to multinational operators on the premise that market efficiency would outweigh geopolitical friction.

That premise has been stress-tested. The Covid-19 shock exposed supply-chain fragility. Wars in Europe and the Middle East reset risk premia for energy and shipping. Intensifying strategic competition has raised the stakes around technology leadership, data control, and logistics chokepoints. In this environment, ownership or influence over energy networks, 5G cores, cloud platforms, payment rails, semiconductor inputs, and critical logistics nodes can directly shape national resilience.

Japan, Singapore, and India have each moved to integrate national-security considerations more deeply into investment governance – through different institutional models but converging on risk-based, proportionate screening.

Japan relies on an established, rules-driven system anchored in the Foreign Exchange and Foreign Trade Act (the “FEFTA”)¹ and complemented by the Economic Security Promotion Act (the “ESPA”)². Under FEFTA (recently amended in May 2025), foreign investors must file a prior notification via the Bank of Japan when investing in designated “Sensitive Businesses” tied to national security, public order, public safety, or the smooth management of the economy.³ FDI transaction under FEFTA covers acquisition of any stake in an unlisted company and 1% or more in a listed company (lowered from 10% in May 2020), as well as certain voting-rights arrangements and approvals that shift control.⁴ FEFTA provides exemptions to balance openness, but investors must refrain from appointing insiders, proposing transfers of sensitive businesses, or accessing non-public technology information.⁵ While ESPA, adopted in

¹ Ministry of Finance, Japan (n.d.). *Laws and Regulations* (FEFTA; Cabinet Order on Inward Direct Investment; Order on Inward Direct Investment) [Unofficial translations]., available at: https://www.mof.go.jp/english/policy/international_policy/fdi/Laws_and_Regulations/index.html, accessed on: 18 October 2025.

² Government of Japan, Japan Law Translation (n.d.). *Act on the Promotion of Ensuring National Security through Integrated Implementation of Economic Measures (Economic Security Promotion Act)*, Act No. 43 of 2022 [Unofficial English translation]., available at: <https://www.japaneselawtranslation.go.jp/en/laws/view/4523>, accessed on: 18 October 2025.

³ Norton Rose Fulbright (2025). *Global Rules on Foreign Direct Investment – Japan* (September 2025)., available at: <https://www.nortonrosefulbright.com/en-gb/knowledge/publications/73a52155/japan>, accessed on: 18 October 2025.

⁴ *Ibid.*

⁵ *Ibid.*



May 2022, adds four pillars that sit alongside FEFTA and shape screening regime. First, it enables the government to designate “specified critical materials/products” and support stockpiling, diversification, and subsidies to secure their supply.⁶ Second, it establishes a regime for “specified critical infrastructure” (e.g., electricity, gas, water, telecoms/ICT, finance, transport/aviation/rail, health) under which operators and key suppliers face pre-use approvals for core equipment, prior consultations, reporting duties, and on-site inspections aimed at preventing disruptions and hostile interference.⁷ Third, it creates a program to foster critical technologies through public funding and strategic R&D partnerships overseen by a new cross-government architecture.⁸ And fourth, it introduces a non-disclosure system for sensitive patent applications to prevent leakage of security-relevant inventions.⁹ Further, in digital infrastructure, Japan’s government ISMAP¹⁰ program (launched in 2020) standardizes cloud-security assurance for public-sector workloads and is increasingly referenced as a benchmark in mitigation for sensitive deals.

Singapore complements a long-standing sectoral approach with a modern horizontal “critical entity” regime. In March 2024 the Significant Investments Review Act (the “SIRA”)¹¹ came into force. SIRA is designed to work alongside sectoral safeguards as it sets a horizontal screening mechanism over entities designated as critical to national security, administered by the Office of Significant Investments Review (OSIR).¹² For a “designated entity”, parties must notify within 7 days on becoming a 5% controller and seek prior approval before crossing 12%, 25% or 50% control thresholds.¹³ Further, the Minister may vary thresholds for specific entities.¹⁴ SIRA also provides a call-in power to review transactions completed within the preceding two years where any entity (designated or not) has acted against Singapore’s national-

⁶ European Parliament, European Parliamentary Research Service (EPRS) (2023). *Japan’s economic security legislation – At a Glance*, PE 751.417 (July 2023), available at: https://www.europarl.europa.eu/RegData/etudes/ATAG/2023/751417/EPRS_ATA%282023%29751417_EN.pdf , accessed on: 18 October 2025.

⁷ *Ibid.*

⁸ *Ibid.*

⁹ *Ibid.*

¹⁰ Government of Japan – ISMAP Portal (n.d.). *ISMAP Overview.*, available at: https://www.ismap.go.jp/csm?id=kb_article_view&sysparm_article=KB0010301&spa=1 , accessed on: 18 October 2025.

¹¹ Singapore Statutes Online (2024). *Significant Investments Review Act 2024* (No. 2 of 2024). available at: <https://sso.agc.gov.sg/Act/SIRA2024> , accessed on: 18 October 2025.

¹² Office of Significant Investments Review (OSIR) (n.d.). *Overview of SIRA.*, available at: <https://www.osir.gov.sg/about-sira/overview-of-sira/> , accessed on: 18 October 2025.

¹³ Reed Smith, *Update on Significant Investments Review Act.*, published on: 2 Aug 2024, available at: <https://www.reedsmith.com/en/perspectives/2024/08/update-on-significant-investments-review-act> , accessed on: 18 October 2025.

¹⁴ OSIR (n.d.). *FAQs – Obligations of investors or owners of Designated Entities.* Available at: <https://www.osir.gov.sg/resources/faqs/obligations-of-investors-or-owners/> , accessed on: 18 October 2025.



security interests, with directions up to disposal of interests.¹⁵ As of October 2025, ten entities had been designated (including ExxonMobil Asia Pacific, Shell Singapore, Singapore Refining Company, ST Logistics, and several ST Engineering units)¹⁶, with tailored exemptions granted for certain intra-group dealings at ExxonMobil and Shell.¹⁷ Transactions requiring consent that close without approval are void, subject to validation by the Minister. Together with sectoral regimes (IMDA for telecoms; EMA for electricity/gas; MAS for financial services)¹⁸ and the planned Cybersecurity Act expansion¹⁹, SIRA keeps most investments friction-light while enabling targeted mitigation in deals that touch continuity of essential services or foreign control of critical assets.

India blends a general FDI policy with calibrated restrictions driven by security and supply-chain concerns (including origin-based safeguards), alongside remedies that prioritize governance undertakings, data-access controls, and continuity-of-service commitments for infrastructure and digital platforms. India operates a general FDI regime under the Foreign Exchange Management Act (the “FEMA”) (enacted in 1999)²⁰

¹⁵ *Ibid.*

¹⁶ OSIR (n.d.). Designated Entities (live register; shows designation dates and links to orders; includes ExxonMobil Asia Pacific, Shell Singapore, Singapore Refining Company, and ST Engineering entities). Available at: <https://www.osir.gov.sg/designation/designated-entities/>, accessed on: 18 October 2025.

¹⁷ Singapore Statutes Online (31 May 2024). *Significant Investments Review (Exemption – ExxonMobil Asia Pacific Pte. Ltd.) Order 2024*. Available at: <https://sso.agc.gov.sg/SL/SIRA2024-S468-2024?DocDate=20240531&>, accessed on: 18 October 2025. And Singapore Statutes Online (31 May 2024). *Significant Investments Review (Exemption – Shell Singapore Pte. Ltd.) Order 2024*. Available at: <https://sso.agc.gov.sg/SL/SIRA2024-S468-2024?DocDate=20240531&https://sso.agc.gov.sg/SL-Supp/S469-2024/Published/20240531>, accessed on: 18 October 2025.

¹⁸ For more details, please see: Infocomm Media Development Authority (IMDA) (n.d.). *About IMDA – statutory board overseeing Singapore’s telecoms and media sectors (licensing, standards, competition)*. Available at: <https://www.imda.gov.sg/about-imda/who-we-are>, accessed on: 18 October 2025; Energy Market Authority (EMA) (n.d.). *About EMA – regulator for Singapore’s electricity and gas sectors (licensing, market rules, system reliability)*. Available at: <https://www.ema.gov.sg/content/corporate/language-masters/en/home/about-ema/who-we-are.html>, accessed on: 18 October 2025; Monetary Authority of Singapore (MAS) (n.d.). *About MAS – Singapore’s central bank and integrated financial regulator (banking, insurance, capital markets)*. Available at: <https://www.mas.gov.sg/regulation>, accessed on: 18 October 2025.

¹⁹ For more details, please see: Cyber Security Agency of Singapore (2024). *Public Consultation on the Cybersecurity (Amendment) Bill*. Available at: <https://www.csa.gov.sg/legislation/consultations/public-consultation-on-the-cybersecurity-amendment-bill/>, accessed on: 18 October 2025, and Cyber Security Agency of Singapore (2024). *Public Consultation Paper – Draft Cybersecurity (Amendment) Bill* (PDF). Proposes extending the Act to “foundational digital infrastructure” and entities of special cybersecurity interest, and strengthening supply-chain/incident-reporting obligations. Available at: <https://isomer-user-content.by.gov.sg/36/25ddfe37-2202-461e-8a24-b4943ad4d6d3/public-consultations-paper--cybersecurity-amendment-bill.pdf>, accessed on: 18 October 2025.

²⁰ Government of India, *Foreign Exchange Management Act, 1999*, available at: https://www.indiacode.nic.in/bitstream/123456789/1988/1/A1999_42.pdf, accessed on: 18 October 2025.



and the Consolidated FDI Policy issued by DPIIT²¹, which together set the automatic vs. government-approval routes and sectoral caps. Security screening overlays this baseline via Press Note 3 (2020 Series, the “PN 3”)²², which requires prior government approval for investments from (or with beneficial ownership in) countries sharing a land border with India. In practice, PN 3 has tightened scrutiny of China-linked capital and follow-on rounds.²³

Despite these different routes, all three jurisdictions are converging on a common operating logic: clear risk typologies, early-stage visibility on sensitive deals, and tailored remedies that allow trusted capital to flow without compromising core security interests.

The following sections of this Paper set the geo-economic context, map recent legal and policy developments, identify priority sectors, unpack implementation challenges, and offer a practical 12–24-month outlook. Concretely, the Paper (i) distils the external drivers – in particular energy insecurity, digital and cyber risk, the strategic technology race, and logistics chokepoints; (ii) traces how Japan, Singapore, and India have updated their screening toolkits and supervisory practice; (iii) highlights cross-cutting sectors such as energy networks, telecom/5G cores, cloud and data-centre infrastructure, payments, advanced manufacturing inputs, and strategic logistics concessions; and (iv) translates lessons into practitioner takeaways – what investors should expect on timelines, information requirements, and mitigation playbooks, and what authorities can do to keep regimes predictable, interoperable, and open to trusted investments.

2. Geopolitical and Geo-Economic Context

The Indo-Pacific is a primary theatre for the interaction between open-investment norms and national-security imperatives. Across the region, governments are pairing

²¹ DPIIT, *Consolidated FDI Policy (effective 15 Oct 2020)*, available at:

<https://www.mofpi.gov.in/sites/default/files/fdi-policycircular-2020-28october2020.pdf>, accessed on: 18 October 2025.

²² DPIIT, *Press Note 3 (2020 Series)*, available at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1808806>, accessed on: 18 October 2025.

²³ For more information, please see: Reuters (2023). Indian govt has 54 Chinese investment proposals pending—finance minister (27 March 2023). Available at: <https://www.reuters.com/world/india/indian-govt-has-54-chinese-investment-proposals-pending-finance-minister-2023-03-27/>, accessed on: 18 October 2025, and Fortune India (2025). Explainer: Why India may revisit Press Note 3 curbs on Chinese investments (5 September 2025). Notes PN3 “significantly increased scrutiny” of FDI from China and moved deals off the automatic route. Available at: <https://www.fortuneindia.com/economy/explainer-why-india-may-revisit-press-note-3-curbs-on-chinese-investments/126235>, accessed on: 18 October 2025, and India Briefing (2024). India approves 124 FDI proposals from neighbouring countries, rejects 201 (1 May 2024). Summarizes approval/rejection data under the post-PN3 regime—evidence of tighter screening of border-country (incl. China-linked) proposals. Available at: <https://www.india-briefing.com/news/india-approves-124-fdi-proposals-from-neighboring-countries-32287.html>, accessed on: 18 October 2025.



FDI screening with export controls, outbound-investment tools, sanctions, and industrial policy to mitigate security risk while preserving growth.²⁴ Contemporary screening practice increasingly coordinates with these adjacent instruments rather than operating in isolation.

2.1. Energy Security

India, Japan, and Singapore are large energy importers exposed to maritime chokepoints and price volatility. Because each of these economies is a major net importer of energy – with India being 3rd largest importer globally, Japan 4th and Singapore 8th (taking into account the absolute number of TJ imported)²⁵, volatility in global fuel prices, shipping insurance and freight, and the availability of LNG and crude can transmit directly into domestic inflation and system-adequacy risks.

Japan, a large net importer (with approx. 88% of the total energy supply being imported),²⁶ has paired its screening mechanism introduced by the FEFTA with the ESPA introduced to protect “specified important infrastructure”, including electricity distribution; gas pipelines; railways and cargo transport; air transport and airports; telecommunications; terrestrial broadcasting; postal service; banking, fund transfer, insurances and financial markets; and payment systems.²⁷

India, while still relying mainly on coal and coal products (approx. 47%)²⁸, has accelerated renewable tenders and transmission reinforcement while using sectoral approvals based on PN 3 to scrutinise investor origin and control pathways in grid and generation transactions that could affect dispatch priorities or system integrity.²⁹

²⁴ See for example: OECD/UNCTAD (2024). Thirty-first Report on G20 Investment Measures, published on 13 November 2024, p. 3, 4–5, available at:

https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/11/31st-oecd-unctad-report-on-g20-trade-and-investment-measures_20f6f241/ea409cda-en.pdf, accessed on: 18 October 2025.

²⁵ International Energy Agency (2024). Asia Pacific – Energy mix., available at: <https://www.iea.org/regions/asia-pacific/energy-mix>, accessed on: 18 October 2025.

²⁶ International Energy Agency (2025). Japan – Energy mix., available at: <https://www.iea.org/countries/japan/energy-mix>, accessed on: 18 October 2025.

²⁷ European Parliament, European Parliamentary Research Service (EPRS) (2023). Japan’s economic security legislation – *At a Glance*, PE 751.417 (July 2023)., available at: https://www.europarl.europa.eu/RegData/etudes/ATAG/2023/751417/EPRS_ATA%282023%29751417_EN.pdf, accessed on: 18 October 2025.

²⁸ International Energy Agency (2024). India – Energy mix., available at <https://www.iea.org/countries/india/energy-mix>, accessed on: 18 October 2025.

²⁹ For more information, please see: S&P Global Commodity Insights (Jan. 17, 2025). “India’s renewable energy prospects mark milestone with record tenders in 2024” – notes ~63 GW awarded and ~111 GW announced in 2024. <https://www.spglobal.com/commodity-insights/en/news-research/blog/energy-transition/011725-indias-renewable-energy-prospects-mark-milestone-with-record-tenders-in-2024>, accessed on: 18 October 2025; and PV Tech (Mar. 6, 2025). “India tenders record 73GW utility-scale renewables in 2024”, available at: <https://www.pv-tech.org/india-tenders-record-73gw-utility-scale-renewables-as-challenges-arise/>, accessed on: 18 October 2025;



Singapore, which almost totally relies on imported sources of energy (almost 280% of total energy supply is imported),³⁰ has introduced an electricity-import framework (LNG/gas-to-power remains dominant) and uses SIRA to preserve step-in options for designated critical energy entities, complementing sector licences and cyber obligations.³¹

Further, the Strait of Malacca and the Strait of Hormuz remain critical corridors for crude and LNG into Asian markets, shaping governments' sensitivity to ownership and operational control of energy infrastructure.³² In order to illustrate the scale, the Strait of Malacca is Asia's principal oil-transit chokepoint and a major LNG corridor,³³ while the Strait of Hormuz is the world's most important oil-transit chokepoint, carrying approx. 21 million barrels per day in 2023, which is about one-fifth to one-quarter of global seaborne oil (much of it destined for Asia).³⁴

Screening therefore prioritizes integrity and continuity of electricity and gas systems, import terminals, storage, and interconnectors – along with scrutiny of change-of-control and vendor provenance for operational technologies and cyber-physical security.

2.2. Digital Infrastructure

Control of 5G cores, international gateways and subsea landing stations, cloud platforms, and data centres is increasingly treated as a proxy for national resilience. Japan's ISMAP program creates a government cloud-security baseline by pre-

as well as Khaitan & Co (analysis). "Curbs on foreign investment by China" which explains PN3's impact on even minority and indirect stakes., available at: <https://www.khaitanco.com/sites/default/files/2021-04/Curbs%20on%20foreign%20investment%20by%20China.pdf>, accessed on: 18 October 2025, and MoP/Cybersecurity import controls (power equipment): Ministry of Power Order (23 July 2020) requiring prior permission and cybersecurity checks for power equipment from "prior-reference" countries., available at: <https://powermin.gov.in/sites/default/files/uploads/Orders/C.1.1.pdf>, accessed on: 18 October 2025.

³⁰ International Energy Agency (2024). Singapore – Energy mix., available at <https://www.iea.org/countries/singapore/energy-mix>, accessed on: 18 October 2025.

³¹ OSIR (n.d.). Designated Entities (live register; shows designation dates and links to orders; includes ExxonMobil Asia Pacific, Shell Singapore, Singapore Refining Company, and ST Engineering entities). Available at: <https://www.osir.gov.sg/designation/designated-entities/>, accessed on: 18 October 2025.

³² U.S. Energy Information Administration. World Oil Transit Chokepoints (overview)., last update on 25 June 2024, available at: https://www.eia.gov/international/analysis/special-topics/World_Oil_Transit_Chokepoints, accessed on: 18 October 2025.

³³ U.S. Energy Information Administration (2017). *Today in Energy: The Strait of Malacca, a key oil trade chokepoint, links the Indian and Pacific Oceans* (11 Aug 2017). Available at: <https://www.eia.gov/todayinenergy/detail.php?id=32452&>, accessed on: 18 October 2025.

³⁴ U.S. Energy Information Administration (2023). *Today in Energy: The Strait of Hormuz is the world's most important oil transit chokepoint* (21 Nov 2023). Available at: <https://www.eia.gov/todayinenergy/detail.php?id=61002&>, accessed on: 18 October 2025.



assessing and listing compliant services.³⁵ ISMAP provides benchmarks that shape procurement and, indirectly, mitigation expectations in sensitive deals.³⁶ Singapore is moving to expand the Cybersecurity Act to cover foundational digital infrastructure and entities with critical third-party and overseas dependencies, deepening supplier-assurance and incident-reporting duties.³⁷ India couples the Digital Personal Data Protection Act with CERT-In's six-hour incident-reporting Directions and the RBI's Outsourcing of IT Services Directions for banks and NBFCs.³⁸ These are disciplines frequently embedded as remedies in telecom, cloud, and finance-adjacent transactions (e.g., data-residency/localization, key-custody/access controls, continuity-of-service).

2.3. The Rechnology Race

Export controls and research-security rules now operate in tandem with FDI screening for transactions touching advanced compute, semiconductor-manufacturing equipment (SME), and specialized machine tools. The United States' 2023–24 rulemakings tightened controls on advanced-computing chips, AI accelerators, and SME, extended end-use / end-user restrictions, and refined de minimis/FDPR coverage, raising diligence bars for cross-border deals in AI and chipmaking value chains.³⁹ Japan requires export licences for 23 categories of SME (e.g., deposition, etch, cleaning, inspection), bringing major tool classes under case-by-case review.⁴⁰ In practice, public authorities commonly impose end-use / end-user undertakings,

³⁵ Government of Japan – ISMAP Portal, *ISMAP Overview*.

https://www.ismap.go.jp/csm?id=kb_article_view&sysparm_article=KB0010301&spa=1, accessed on: 18 October 2025.

³⁶ See Microsoft Learn, *Information System Security Management and Assessment Program (ISMAP)*, available at: <https://learn.microsoft.com/en-us/compliance/regulatory/offering-ismap>, accessed on: 18 October 2025.

³⁷ Cyber Security Agency of Singapore, *Public Consultation on the Cybersecurity (Amendment) Bill*, available at: <https://www.csa.gov.sg/legislation/consultations/public-consultation-on-the-cybersecurity--amendment--bill/>, accessed on: 18 October 2025.

³⁸ See MeitY, *Digital Personal Data Protection Act, 2023*, available at:

<https://www.meity.gov.in/static/uploads/2024/06/2bf1f0e9f04e6fb4f8fef35e82c42aa5.pdf>, accessed on: 18 October 2025, CERT-In, *Directions under Section 70B of the IT Act, 2000 (six-hour reporting)*, available at: https://www.cert-in.org.in/PDF/CERT-In_Directions_70B_28.04.2022.pdf, accessed on: 18 October 2025. And, Reserve Bank of India, *Outsourcing of IT Services Directions, 2023*, <https://fdicindia.org.in/wp-content/uploads/2023/04/RBI-OUTSOURCING-OF-IT-SERVICES-10-04-23.pdf>, accessed on: 18 October 2025.

³⁹ U.S. BIS, *Implementation of Additional Export Controls: Advanced Computing Items; Supercomputer and Semiconductor End Use; Semiconductor Manufacturing Items* (Federal Register, Apr. 4, 2024), available at: <https://www.federalregister.gov/documents/2024/04/04/2024-07004/implementation-of-additional-export-controls-certain-advanced-computing-items-supercomputer-and-semiconductor-end-use-semiconductor-manufacturing-items>, accessed on: 18 October 2025, and U.S. BIS, *FAQs on the Oct. 7 Advanced Computing / Semiconductor Manufacturing Equipment Rules* (updated 2023), available at: <https://www.bis.gov/media/documents/2023.1.25-updated-faqs-oct-7-advanced-computing-semiconductor-manufacturing-equipment-rule.pdf>, accessed on: 18 October 2025.

⁴⁰ Jacky Scanlan-Dyas, Wataru Kamoto, Viet Nguyen, and Raymond Dunn, Hogan Lovells, *Japan's new chip-equipment export rules take effect – 23 categories of SME* (published on 17 August 2023), available at: <https://www.hoganlovells.com/en/publications/japans-new-chip-equipment-export-rules-take-effect>, accessed on: 18 October 2025.



onward-transfer restrictions, sealed “clean-room” environments for sensitive IP, and personnel-vetting conditions in M&A and JV approvals.⁴¹

2.4. Supply Chains and Logistics

Recent shocks have recast ports, terminals, air hubs, and trade corridors as strategic assets rather than mere utilities. Authorities now read concession terms, change-of-control triggers, cyber/insurance coverage, and step-in rights through an economic-security lens, and increasingly coordinate FDI screening with sectoral regulators (e.g., port and aviation authorities) to safeguard operational continuity and avoid over-concentration at critical nodes. The salience of Asian chokepoints helps explain this shift: as already mentioned above, the Strait of Malacca is Asia’s principal oil and LNG corridor, while the Suez–Bab el-Mandeb route and the Strait of Hormuz remain among the world’s most consequential transit passages.⁴² Disruptions on these corridors quickly cascade into higher freight rates, rising insurance premia, and longer delivery times. Recent assessments of the Red Sea and Suez diversions underscore the scale of the ripple effects on container shipping, bunker demand, and schedules, while strengthening regulators’ emphasis on continuity provisions and fit-and-proper tests for operators in review processes.⁴³ In Singapore, for example, the new SIRA framework has already designated logistics and fuel-supply operators, illustrating how investment review is being hard-wired into the stewardship of critical logistics nodes.⁴⁴

3. Latest Country Developments

Please see below a more detailed summary of the latest developments in Japan, Singapore and India.

⁴¹ OECD/UNCTAD, *31st Report on G20 Investment Measures* (Nov. 13, 2024) – notes prominence of national-security screening alongside tech controls. p. 3–5, available at: https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/11/31st-oecd-unctad-report-on-g20-trade-and-investment-measures_20f6f241/ea409cda-en.pdf, accessed on: 18 October 2025.

⁴² U.S. Energy Information Administration, *World Oil Transit Chokepoints* (overview), available at: https://www.eia.gov/international/analysis/special-topics/World_Oil_Transit_Chokepoints, accessed on: 18 October 2025; and EIA, *Today in Energy*: “The Strait of Malacca, a key oil trade chokepoint...” (11 Aug 2017), available at: <https://www.eia.gov/todayinenergy/detail.php?id=32452>, accessed on: 18 October 2025; and EIA, *Today in Energy*: “The Strait of Hormuz is the world’s most important oil transit chokepoint” (21 Nov 2023), available at: <https://www.eia.gov/todayinenergy/detail.php?id=61002>, accessed on: 18 October 2025.

⁴³ UNCTAD, *Navigating troubled waters: the impact of the Red Sea crisis on trade and development* (2024), available at: <https://unctad.org/publication/navigating-troubled-waters-impact-global-trade-disruption-shipping-routes-red-sea-black>, accessed on: 18 October 2025.

⁴⁴ Ministry of Trade and Industry (Singapore), *Significant Investments Review Act (SIRA)* – overview and designations (incl. logistics/fuels), available at: <https://www.mti.gov.sg/SIRA/Significant-Investments-Review-Act>, accessed on: 18 October 2025, and <https://www.osir.gov.sg/designation/designated-entities/>, accessed on: 18 October 2025.



3.1. Japan

Japan's screening framework is anchored in the FEFTA, which establishes a national-security test for foreign investments and the legal basis for prior notification.⁴⁵ Filings are submitted via the Bank of Japan and coordinated by the Ministry of Finance (MOF) together with the Ministry of Economy, Trade and Industry (METI) and the competent line ministry.⁴⁶ FEFTA captures any stake in an unlisted company and, for listed companies, sets a 1% threshold for "Core" sectors tied to critical infrastructure and security functions.⁴⁷ MOF maintains and periodically updates company classification lists indicating whether a listed company's activities are "Designated" or "Core," which determines when a prior notification is required.⁴⁸ FEFTA balances openness with calibrated exemptions for genuinely passive investors that accept strict no-influence commitments (such as no board nominees, no proposals to transfer sensitive businesses, and no access to non-public technical information).⁴⁹ Transactions that fall outside the prior-notification scope commonly require a post-transaction report within 45 days.⁵⁰ The statutory review period is 30 days, which is often shortened to roughly two weeks for low-risk cases and can be extended up to five months when mitigation is negotiated.⁵¹

Recent refinements narrowed exemptions for investor categories that could exercise influence or gain access to sensitive assets or data, and MOF expanded classifications in 2024 to reflect evolving risk in IT and other security-salient activities.⁵² Coverage in practice now extends across AI and advanced compute, quantum, semiconductor-equipment supply chains, advanced manufacturing, telecom networks, energy infrastructure, transport IT, and defence-adjacent capabilities.⁵³

⁴⁵ Government of Japan, Japan Law Translation – Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949), available at: <https://www.japaneselawtranslation.go.jp/en/laws/view/4412>, accessed on: 18 October 2025.

⁴⁶ Norton Rose Fulbright (2025), *Global Rules on Foreign Direct Investment—Japan*: <https://www.nortonrosefulbright.com/en-gb/knowledge/publications/73a52155/japan>, accessed on: 18 October 2025.

⁴⁷ *Ibid.*

⁴⁸ MOF (Japan), "Update of the List of Classifications of Listed Companies..." (19 May 2023), available at: https://www.mof.go.jp/english/policy/international_policy/fdi/Related_Guidance_and_Documents/20230519.htm, accessed on: 18 October 2025.

⁴⁹ Norton Rose Fulbright (2025), *Global Rules on Foreign Direct Investment—Japan*: <https://www.nortonrosefulbright.com/en-gb/knowledge/publications/73a52155/japan>, accessed on: 18 October 2025.

⁵⁰ *Ibid.*

⁵¹ *Ibid.*

⁵² MOF (Japan), "Update of the List of Classifications of Listed Companies..." (13 Sept 2024), available at: https://www.mof.go.jp/english/policy/international_policy/fdi/Related_Guidance_and_Documents/20240913.htm, accessed on: 18 October 2025.

⁵³ UNCTAD, *Investment Policy Monitor – Japan*, available at: <https://investmentpolicy.unctad.org/investment-policy-monitor/107/japan>, accessed on: 18 October 2025.



The ESPA complements FEFTA by defining specified critical infrastructure and specified critical materials/technologies and by adding pillars for supply-chain security, strategic R&D support, and non-disclosure of sensitive patent applications, which authorities consider alongside FEFTA when assessing continuity and vendor provenance.⁵⁴

For government-related cloud and data-infrastructure exposure, Japan's Information System Security Management and Assessment Program (ISMAP) provides a standardized assurance baseline that increasingly informs mitigation expectations.⁵⁵

Conditional clearances typically require governance/no-influence undertakings, such as limits on board appointments and restrictions on access to non-public technical information.⁵⁶ In practice, authorities generally prefer these targeted conditions over outright prohibitions, which are rare when risks can be mitigated.⁵⁷ Activity levels are significant: in 2023, MOF recorded 2,871 prior-notification filings in total.⁵⁸ Of these, 1,387 were stock-purchase notifications, 218 were "other" notifications (e.g., loans, bonds, business transfers), and 1,266 related to "certain actions" such as voting on director appointments or business transfers.⁵⁹ Cyber- and digital-exposed activities (including data processing, software, and semiconductor media) together accounted for over half of filings, underscoring the security tilt of recent reviews.⁶⁰ Stock-purchase notifications were concentrated in non-listed targets (1,239 cases) versus 148 for listed companies, and the largest filer origins included the United States, Cayman Islands, and Singapore.⁶¹

Concluding, Japan's FDI screening regime provides for a broad scope and far lower threshold than for example national mechanisms implemented in many EU Member States. Japan sets a much lower trigger for mandatory prior notification when foreigners acquire voting shares in listed companies: 1%, compared with the 10% thresholds used by most other G7 jurisdictions (the United States instead reviews

⁵⁴ Government of Japan, Japan Law Translation – *Economic Security Promotion Act (Act No. 43 of 2022)*, available at: <https://www.japaneselawtranslation.go.jp/en/laws/view/4523>, accessed on: 18 October 2025.

⁵⁵ ISMAP Portal – ISMAP Overview, available at: https://www.ismap.go.jp/csm?id=kb_article_view&sysparm_article=KB0010301&spa=1&sys_kb_id=a00cd78a2b5fa250f0bbfd69fe91bf93, accessed: 18 October 2025.

⁵⁶ Norton Rose Fulbright (2025), *Global Rules on Foreign Direct Investment—Japan*: <https://www.nortonrosefulbright.com/en-gb/knowledge/publications/73a52155/japan>, accessed on: 18 October 2025.

⁵⁷ *Ibid.*

⁵⁸ MOF (Japan) – *Number of Prior-notification under FEFTA (FY2023)* (26 June 2024), available at: https://www.mof.go.jp/english/policy/international_policy/fdi/Data/20240626.pdf, accessed on: 18 October 2025.

⁵⁹ *Ibid.*

⁶⁰ *Ibid.*

⁶¹ *Ibid.*



deals case-by-case without a fixed percentage test).⁶² This lower bar reflects Japan's companies law provisions, which give shareholders holding at least 1% the right to submit proposals at a general meeting.⁶³ Not every acquisition at or above 1% is notifiable, however, because exemptions exist for genuinely no-influence investments or passive investors. Even so, Japan's regime captures a broader set of transactions than many peers. Prior notifications serve not only the *ex-ante* screening but also post-closing monitoring, and authorities are stepping up oversight to detect non-compliance promptly and apply corrective measures where needed.⁶⁴

3.2. Singapore

Singapore historically relied on sectoral regimes, with the Infocomm Media Development Authority (IMDA) overseeing telecoms and media;⁶⁵ the Energy Market Authority (EMA) regulating the electricity and gas sectors;⁶⁶ and the Monetary Authority of Singapore (MAS) serving as central bank and integrated financial regulator for banking, insurance, and capital markets.⁶⁷

SIRA adds a horizontal national-security screen on top of those sectoral regimes. It was passed on 9 January 2024 and came into force on 28 March 2024.⁶⁸ Administration of SIRA sits with the Office of Significant Investments Review (OSIR), which issues guidance and coordinates with sector regulators where a transaction also engages licensing or continuity-of-service obligations.⁶⁹ SIRA empowers the Minister for Trade and Industry to designate entities critical to national security and to regulate changes in control, key appointments, or material influence over those entities.⁷⁰ For Designated Entities, acquirers must notify within 7 days on reaching 5% and obtain prior approval before crossing 12%, 25%, or 50% thresholds, which the

⁶² Ministry of Finance, Japan (2024). Annual Report on the Prior-notification System for Inward Direct Investment, etc. (FY2023 results), p. 19., available at: https://www.mof.go.jp/english/policy/international_policy/fdi/Data/annual_report2024_en.pdf, accessed on: 18 October 2025.

⁶³ *Ibid.*

⁶⁴ *Ibid.*

⁶⁵ IMDA, *About IMDA*, available at: <https://www.imda.gov.sg/who-we-are/about-imda>, accessed on: 18 October 2025.

⁶⁶ EMA, *About EMA*, available at: <https://www.ema.gov.sg/content/corporate/language-masters/en/home/about-ema/who-we-are.html>, accessed on: 18 October 2025.

⁶⁷ MAS, *Our role and functions* available at: <https://www.mas.gov.sg/regulation>, accessed on: 18 October 2025.

⁶⁸ Ministry of Trade and Industry (MTI), *SIRA – overview*, available at: <https://www.mti.gov.sg/SIRA/Significant-Investments-Review-Act>, accessed on: 18 October 2025.

⁶⁹ Office of Significant Investments Review (OSIR), *Overview of SIRA*, available at: <https://www.osir.gov.sg/about-sira/overview-of-sira/>, accessed on: 18 October 2025.

⁷⁰ Singapore Statutes Online, *Significant Investments Review Act 2024 (No. 2 of 2024)*, available at: <https://sso.agc.gov.sg/Act/SIRA2024>, accessed on: 18 October 2025.



Minister may vary for specific entities.⁷¹ Closing a notifiable or approval-requiring transaction without consent renders it void unless validated by the Minister.⁷² SIRA also includes a retrospective call-in power for transactions completed within the preceding two years, concerning entities which were not recognised as designated or critical, but such a transaction was against Singapore's "national security interests".⁷³ In such cases the Minister may oblige the acquiring entity to dispose the acquired shares.⁷⁴ In other cases, typical directions include governance undertakings, data and key-custody controls, vendor/supply-chain assurance, continuity and step-in rights, reporting obligations, and, where necessary, unwinding or disposal.⁷⁵

As of October 2025, there are ten entities had been designated, including ExxonMobil Asia Pacific, Shell Singapore, Singapore Refining Company, ST Logistics, and several ST Engineering units.⁷⁶ But also tailored exemption orders were issued for certain intra-group dealings at ExxonMobil and Shell.⁷⁷ In practice, SIRA directions typically include governance undertakings, data and key-custody controls, vendor/supply-chain assurance, continuity and step-in rights, reporting obligations, and, where necessary, unwinding or disposal.⁷⁸

In parallel, proposed amendments to the Cybersecurity Act would extend obligations beyond Critical Information Infrastructure to foundational digital infrastructure and entities with significant third-party or overseas dependencies, reinforcing incident-

⁷¹ OSIR, *Acquiring equity interest or voting power in a Designated Entity*, available at:

<https://www.osir.gov.sg/about-sira/acquiring-equity-interest-or-voting-power/>, accessed on: 18 October 2025.

⁷² Allen & Gledhill (2024). *Significant Investments Review Act 2024: Regulating significant investments in entities critical to Singapore's national security interests, including calling-in powers (in force from 28 Mar 2024)*, available at: <https://www.allenandgledhill.com/sg/publication/articles/27724/significant-investments-review-act-2024-regulating-significant-investments-in-entities-critical-to-s-national-security-interests-including-calling-in-powers-in-force-from-28-mar2024>, accessed on: 18 October 2025.

⁷³ *Ibid.*

⁷⁴ *Ibid.*

⁷⁵ Singapore Statutes Online, *Significant Investments Review Act 2024 (No. 2 of 2024)*, available at:

<https://sso.agc.gov.sg/Act/SIRA2024>, accessed on: 18 October 2025.

⁷⁶ OSIR (n.d.). Designated Entities, available at: <https://www.osir.gov.sg/designation/designated-entities/>, accessed on: 18 October 2025.

⁷⁷ Singapore Statutes Online (31 May 2024). *Significant Investments Review (Exemption – ExxonMobil Asia Pacific Pte. Ltd.) Order 2024*, available at: <https://sso.agc.gov.sg/SL/SIRA2024-S468-2024>, accessed on: 18 October 2025. And Singapore Statutes Online (31 May 2024). *Significant Investments Review (Exemption – Shell Singapore Pte. Ltd.) Order 2024*, available at: <https://sso.agc.gov.sg/SL-Supp/S469-2024/Published/20240531>, accessed on: 18 October 2025.

⁷⁸ Singapore Statutes Online, *Significant Investments Review Act 2024 (No. 2 of 2024)*, available at:

<https://sso.agc.gov.sg/Act/SIRA2024>, accessed on: 18 October 2025.



reporting and supplier-assurance duties that often flow into SIRA remedies for telecom, cloud, subsea-cable, and data-centre deals.⁷⁹

Singapore's broader investment environment remains highly open: SingStat's 2024 bulletin reports that net FDI inflows remained strong in 2023, led by financial & insurance and manufacturing, with the U.S., EU and ASEAN among the largest source economies, what provides context for why SIRA messaging emphasizes proportionate, targeted safeguards rather than blanket restrictions.⁸⁰ Independent analysis by RSIS similarly characterizes Singapore's approach as aligning with international trends toward risk-based, horizontal screening that preserves openness while adding targeted tools for national security.⁸¹

3.3. India

India's regime combines sectoral caps and dual automatic vs. government-approval routes under the Consolidated FDI Policy issued pursuant to FEMA.⁸² Nationality-based screening was added by Press Note 3, which requires prior government approval for investments by, or with beneficial ownership in, countries sharing a land border with India, including indirect/downstream investments.⁸³ Proposals are filed on the Foreign Investment Facilitation Portal (FIFP).⁸⁴ In practice, DPIIT coordinates the relevant line ministries and, where appropriate, Ministry of Home Affairs (MHA) security vetting during reviews.⁸⁵ Despite tighter screening, inflows remain strong: official data report USD 70.97 billion total FDI inflow in FY 2022-23 and a provisional USD 81.04 billion in FY 2024-25.⁸⁶ Since PN3 took effect, the government has approved 124 proposals from neighbouring-country investors and rejected 201, indicating

⁷⁹ Cyber Security Agency of Singapore, *Public Consultation on the Cybersecurity (Amendment) Bill*, available at: <https://www.csa.gov.sg/legislation/consultations/public-consultation-on-the-cybersecurity--amendment--bill/>, accessed on: 18 October 2025.

⁸⁰ Singapore Department of Statistics (SingStat), *FDI Inflows 2024 – News Release*, available at: <https://www.singstat.gov.sg/-/media/files/news/fdiinflows2024.ashx>, accessed on: 18 October 2025.

⁸¹ RSIS (2023), *A Landscape Survey of Foreign Investment Screening*, available at: <https://rsis.edu.sg/wp-content/uploads/2023/08/PR230818-A-Landscape-Survey-of-Foreign-Investment-Screening.pdf>, accessed on: 18 October 2025.

⁸² DPIIT, *Consolidated FDI Policy (effective 15 Oct 2020)*, available at: <https://www.mofpi.gov.in/sites/default/files/fdi-policycircular-2020-28october2020.pdf>, accessed on: 18 October 2025.

⁸³ DPIIT, *Press Note 3 (2020 Series)*, available at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=1808806>, accessed on: 18 October 2025.

⁸⁴ Please see: Foreign Investment Facilitation Portal (FIFP), available at: <https://fifp.gov.in/>, accessed on: 18 October 2025.

⁸⁵ Argha Kumar Jena, CELIS Institute, *CELIS Country Note - India (2025)*, available at: <https://www.celis.institute/celis-country-reports/country-note-india-2025/>, accessed on: 18 October 2025.

⁸⁶ Make in India, *Foreign Direct Investment (FDI) – total inflows including FY 2022-23*, available at: <https://www.makeinindia.com/policy/foreign-direct-investment>, accessed on: 18 October 2025; and Press Information Bureau (Govt. of India), *India Records USD 81.04 Billion FDI Inflow in FY 2024–25* (27 May 2025), available at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2131716>, accessed on: 18 October 2025.



materially higher scrutiny of origin and control pathways.⁸⁷ However, for example, India now permits up to 100% FDI in the space sector under specified caps and routes to catalyse domestic manufacturing and services.⁸⁸

Horizontal data/cyber/ICT-resilience rules increasingly shape conditions in data-rich and finance-adjacent deals: the Digital Personal Data Protection Act anchors lawful-processing, purpose-limitation, and deletion/transfer duties,⁸⁹ CERT-In Directions mandate six-hour incident reporting and log retention⁹⁰, and the RBI Outsourcing of IT Services Directions impose third-party risk management, audit/inspection rights, exit/portability, and operational-resilience requirements on regulated entities.⁹¹ In technology-adjacent investments, India's export-control system for dual-use items (SCOMET) and semiconductor/electronics policy programmes often intersect with FDI screening, so clearances commonly feature end-use/end-user undertakings and onward-transfer restrictions.⁹²

4. Key Economic Security Sectors

4.1. Japan

Japanese practice prioritises three clusters. First, energy and utilities, where acquisitions affecting electricity, gas, and petroleum systems can implicate dispatch integrity and access to networks. Conditions commonly include segregation of privileged access, vetted vendor lists, and incident reporting. Second, telecommunications and cloud services, particularly access to 5G cores, lawful-intercept interfaces, international gateways, and public workloads, where remedies are aligned with ESPA and ISMAP, including customer-managed keys, auditability, and cleared personnel. Third, advanced manufacturing and dual-use technologies, including semiconductor equipment, precision machine tools, and cybersecurity

⁸⁷ The Economic Times (2024). "Investment proposals from border nations: 201 denied, 124 approved" (Apr. 22, 2024), available at: <https://economictimes.indiatimes.com/news/economy/finance/investment-proposals-from-border-nations-201-denied-124-approved/articleshow/109443275.cms?from=mdr>, accessed on: 18 October 2025.

⁸⁸ PIB (Ministry of Commerce & Industry), "Review of Foreign Direct Investment Policy on Space Sector" (5 Mar 2024), available at: <https://www.pib.gov.in/PressReleasePage.aspx?PRID=2011523>, accessed on: 18 October 2025.

⁸⁹ MeitY, *Digital Personal Data Protection Act, 2023*, available at: <https://www.meit.gov.in/static/uploads/2024/06/2bf1f0e9f04e6fb4f8fef35e82c42aa5.pdf>, accessed on: 18 October 2025.

⁹⁰ CERT-In, *Directions under Section 70B* (28 Apr 2022), available at: https://www.cert-in.org.in/PDF/CERT-In_Directions_70B_28.04.2022.pdf, accessed on: 18 October 2025.

⁹¹ Reserve Bank of India, *Outsourcing of IT Services Directions, 2023*, available at: <https://fdicindia.org.in/wp-content/uploads/2023/04/RBI-OUTSOURCING-OF-IT-SERVICES-10-04-23.pdf>, accessed on: 18 October 2025.

⁹² DGFT, *SCOMET—India's Export Control System* (dual-use controls and end-use/user undertakings), available at: <https://www.dgft.gov.in/CP/?opt=SCOMET>, accessed on: 18 October 2025.



tooling, where export-control compliance, clean-room governance for sensitive IP, onward-transfer restrictions, and research-security undertakings are central.

4.2. Singapore

SIRA is sector-agnostic but functionally targets chokepoints and systemically important entities. Energy generation and power systems attract continuity obligations, local-management undertakings, and step-in rights. Telecommunications, data centres, and cloud providers face conditions aligned with cyber law, including data-location for identified workloads, key custody, incident reporting, and third-party dependency controls when operations underpin important digital infrastructure. Financial-digital rails, including real-time payment platforms, card switching, core banking service bureaus, are examined for concentration and operational resilience, with audit rights, SLAs, and exit/portability covenants to avoid lock-in. Ports, air hubs, and logistics platforms are scrutinised for control leverage during disruptions, with minimum service levels, change-of-control notifications, and cyber/insurance requirements embedded in approvals.

4.3. India

India's priorities reflect national capability, security sensitivities, and societal function. Energy systems are examined for dispatch and security-of-supply implications, commonly requiring local control of networks, approved vendor lists, and breach notification. Telecommunications and international gateways are risk-weighted due to lawful-access obligations and traffic metadata, with approvals often requiring trusted suppliers in core networks and segregation of intercept mediation. Data-rich sectors, including cloud, fintech, e-commerce, adtech, are conditioned by DPDP and CERT-In rules, translating into data-location for defined classes of data, customer-managed keys, immutable audit logs, and time-bound incident reporting. Financial-digital rails are shaped by the RBI's outsourcing and resilience regime. Technology-capability investments, in particular semiconductors, electronics manufacturing, AI compute, frequently carry export/customs-aligned undertakings and onward-transfer restrictions.

5. Main Practical Challenges

Across India, Japan, and Singapore, the central challenge is to embed proportionate investment screening within a broader regulatory ecosystem that already includes sectoral licensing, cybersecurity, prudential supervision, and export controls – without creating duplicative or conflicting obligations. The policy destination is broadly shared: conditional openness grounded in clear risk typologies and enforceable, commercially realistic mitigation, but the operational path still remains complex.



In Japan, the very low FEFTA trigger for “Core” listed companies brings a high volume of minority-stake filings into scope, requiring precise transaction planning and early engagement to manage the default 30-day review period and possible extensions where mitigation is negotiated. The practical task is to align FEFTA undertakings with ESPA-derived requirements on critical infrastructure and supply chains, as well as with sector-specific rules and ISMAP benchmarks where telecommunications and cloud infrastructures intersect with public workloads. Investors must calibrate no-influence commitments, information-access restrictions, and governance undertakings to ensure they are both auditable and interoperable with corporate governance needs and disclosure obligations.

In Singapore, SIRA’s sector-agnostic design and evolving designation practice can create scoping uncertainty until a deeper body of guidance and precedent emerges. The call-in power, while calibrated, raises diligence thresholds for completed and prospective transactions alike. Practically, SIRA directions – governance undertakings, data and key-custody controls, continuity obligations, vendor assurance, and step-in rights – must be harmonised with sectoral regimes (IMDA, EMA, MAS) and the forthcoming expansion of the Cybersecurity Act to avoid layering inconsistent incident-reporting, supplier-assurance, or continuity requirements across the same operational footprint. The immediate challenge for investors is to present coherent compliance architectures that evidence control of third-party dependencies, tested continuity, and change-of-control resilience.

In India, Press Note 3 overlays an origin-of-capital screen on top of sectoral caps and automatic/government routes, often extending timelines where beneficial ownership is multi-layered or involves follow-on rounds. In data-rich and finance-adjacent sectors, translating the DPDP Act, CERT-In Directions, and the RBI’s outsourcing and operational resilience regime into specific, enforceable transaction covenants can be resource-intensive. The practical friction lies in consistently converting these horizontal obligations into fit-for-purpose approvals that include data localisation where applicable, customer-managed keys, immutable audit logs, end-use/end-user undertakings for sensitive technologies, and robust exit/portability commitments – without diverging from procurement rules or industrial support programmes.

6. Outlook for the Next 12–24 Months

Over the next two years, all three jurisdictions are likely to consolidate a model of conditional approvals as the default, supported by more standardised covenant sets and reinforced post-closing monitoring. Authorities will prioritise clarity, interoperability, and enforceability over breadth, refining guidance, templates, and supervisory practice to lower negotiation costs and increase predictability.



Japan is poised to further refine FEFTA practice around data-rich operators and advanced manufacturing ecosystems, with ESPA shaping more explicit expectations for supply-chain assurance, research security, and vendor provenance in transactions touching semiconductors, precision tooling, and information-processing services.

Singapore will deepen SIRA implementation by expanding and clarifying designations, aligning information requirements with sectoral regimes, and publishing additional guidance to narrow scoping uncertainty. As Cybersecurity Act amendments take effect, deals involving important digital infrastructure, telecom networks, cloud platforms, subsea gateways, and data centres, will feature more standardised conditions on incident reporting, third-party and overseas dependency management, and continuity-of-service covenants.

India will integrate DPDP implementation more tightly with screening outcomes in hyperscale, fintech, and other data-rich verticals, with RBI-style operational resilience clauses extending further across approvals for bank-adjacent assets and payment infrastructure. In technology and manufacturing, semiconductor and electronics projects will continue to pair approvals with end-use/end-user undertakings and localisation or custody controls for sensitive test data. Press Note 3 will remain a significant determinant of timelines and outcomes in origin-sensitive transactions, with increasing emphasis on transparent beneficial-ownership disclosure and trusted supplier frameworks.

Across the region, closer coordination between screening authorities and sectoral/cyber/export-control regulators can be expected, alongside gradual publication of template conditions and process guidance to reduce friction.

7. Conclusion

Investment screening in India, Japan, and Singapore has matured into a core instrument of economic security, grounded in risk-based proportionality rather than blanket restriction. Each jurisdiction reflects a distinct structural choice: Japan's rules-driven FEFTA and ESPA model with low triggers and predictable undertakings; Singapore's horizontal, designation-based SIRA aligned with strong sectoral regimes; and India's hybrid of sectoral caps, origin-of-capital screening, and robust data/operational resilience baselines. Yet they are converging on a common operating logic: conditional openness, transparent timelines, interoperable risk typologies, and enforceable, auditable mitigation.

For policymakers, three priorities are decisive. First, publish risk typologies and template conditions to increase certainty, shorten negotiations, and reduce variability across similar fact patterns. Second, coordinate screening with procurement,



prudential supervision, cybersecurity law, and export controls so that obligations remain coherent, non-duplicative, and operationally realistic. Third, invest in post-clearance monitoring capacity so that conditional approvals are meaningful in practice. For investors and target companies, the premium is on demonstrable operational resilience and trusted governance. With the relevant disciplines, the Indo-Pacific can sustain openness to trusted capital while neutralising concrete risks in energy systems, digital infrastructure, advanced manufacturing, and critical logistics, preserving growth without compromising national security.

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The CELIS Institute is an independent non-profit, non-partisan research enterprise dedicated to promoting better regulation of foreign investments in the context of security, public order, and competitiveness. It produces expert analysis and fosters a continuous trusting dialogue between policymakers, the investment community, and academics. The CELIS Institute is the leading forum for studying and debating investment screening policy.

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