

## Canada releases updated Guidelines on the National Security Review of Investments

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On March 5, 2025, the Minister of Innovation, Science and Economic Development Canada (the "**Minister**" or the "**ISED**") released several updates to its Guidelines on the National Security Review of Investments (the "**Guidelines**"). These Guidelines were previously updated in 2021, which BD&P provided an analysis [here](#).

The updates to the Guidelines build on amendments to Canada's *Investment Canada Act* passed in 2024 through Bill C-34, which provide new regulatory powers to extend national security reviews, impose interim conditions on investments during reviews, and provide approval for investments upon undertakings to mitigate national security concerns. The ISED has also implemented the following key changes to the Guidelines:

- 1) introducing economic security as a factor in national security assessments, and
- 2) implementing the Sensitive Technology List ("**STL**") that may be subject for review.

### National security includes economic security

With economic uncertainty and global instability coming to the forefront in early 2025, the Minister has stated that Canadian business could become susceptible to opportunistic or predatory investment behaviour by non-Canadians. In that regard, the Guidelines now clearly state that economic security will be considered during national security assessments.

Specifically, the ISED will consider whether a foreign investment has the potential to undermine Canada's economic security through the enhanced integration of the Canadian business with the economy (or any sector of it) of the foreign state. When applying this factor, the ISED will consider, among other things, the Canadian business, its place in the innovation ecosystem and the impact on Canadian supply chains.

The broad nature of this factor will capture an expanded range of foreign investors whose countries may not have previously had a national security lens, such as the United States.

### Sensitive Technology List

The STL was released on February 6, 2025, to inform policies and initiatives, and to bolster national security by safeguarding innovation and development of sensitive technologies in Canada.

The STL replaces the previous list of sensitive technology areas and provides a list of 11 key technology areas with national security implications. These key areas include advanced digital infrastructure technology; advanced energy technology; aerospace, space and satellite technology; artificial intelligence and big data technology; and robotics and autonomous systems. A foreign investment that includes any of the technologies listed in the STL will be assessed on the potential effects on transfer of such technologies or know-how outside of Canada.

Global investors should familiarize themselves with the national review process and the factors used to assess potential foreign investments. BD&P is well positioned to assist parties to transactions involving foreign investment and navigating Canada's national security review regime. For any questions on how we may assist, please reach out to BD&P's [Competition and Foreign Investment](#) team.