SAFE

09.2025 | Defence investments & EU financial assistance | EU Regulation 2025/1106 (SAFE)

Issue

Stark **deterioration in the Union's security** context (threats posed by Russia) + **length of time needed to develop products** and ensure the ramp-up of the corresponding **industrial production capacity** throughout the Union

Objective

Providing financial assistance to Member States enabling them to **carry out urgent and major public investments in support of the European defence industry** so that they can place orders very rapidly and invest, in the very short term, in the strengthening of production capacities

Key Takeaways

Companies cannot "apply" to SAFE – **only Member States may require such financial assistance**.

1. Limited to the acquisition of specific defence products
   - **category one**: ammunition and missiles; artillery systems; ground combat capabilities and their support systems; small drones (NATO class 1) and related anti-drone systems; critical infrastructure protection; cyber; and military mobility including counter-mobility;
   - **category two**: air and missile defence systems; maritime surface and underwater capabilities; drones other than small drones (NATO class 2 and 3) and related anti-drone systems; strategic enablers; space assets protection; artificial intelligence and electronic warfare.

2. Limited to common procurements
   - Financial assistance for activities, expenditures and measures carried out through common procurements (**at least 1 MS** receiving financial assistance **+ 1 additional MS** or EEA state or Ukraine)

3. Eligibility requirements
   - **Contractors & subcontractors**: established and with executive management structure in the EU/EEA/Ukraine + no control by a 3rd country
   - **Infrastructure, facilities, assets and resources** located in EU/EEA/Ukraine
   - **Cost of non-EU components** shall not be > than 35% of estimated cost of the components of the end-product
   - No component from a 3rd country contravening the security & defence interests of the EU
   - If category 2 products : principle of **authority-of-conception**

Target Audience

- EU Defence companies who may act as contractor/subcontractor in a defence common procurement
- Member States' competent authorities wishing to obtain EU financial assistance

Financial aspects

- Loan granted by the EU to a MS
- Max amount : EUR 150 000 000 000
- Pre-financing payment of up to 15% of the loan support may be requested
- Payment in instalments

Key Dates

- 29.05.25 : Entry into force
- 30.11.25 : Deadline for Member States to send a request for financial assistance

To Do

- Member States → develop the **investment plan** required to be sent along with your request
- Defence companies → be ready to **demonstrate the absence of control by a 3rd country** (in terms of intellectual property, export control, operational use of the end-item) and the **fulfillment of all other eligibility criteria** (threshold of non-EU components, EU executive management structure etc.)

Support

Non-exhaustive examples

- **D-Wise Strategy**: Detailed memorandum on eligibility criteria and conditions for using SAFE ; Supply chain mapping
- **D-Wise Consult**: what is the definition of a subcontractor ? Is there any derogations to the eligibility requirements ?
- **D-Wise Implementation**: checklist to assess the absence of control by a 3rd country
- **D-Wise Academy**: on-site seminar
- **D-Wise News**: regulatory monitoring of SAFE

DefenseWise