

New rules on the financing of the security and defence industry

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5 In response to the changed geopolitical environment, KfW as a shareholder of KfW Capital decided on 1 April 2025 to update the rules for KfW Capital on the financing of enterprises of the security and defence industry and adapt them to those of KfW. The new rules came into effect on 1 May 2025 and the [exclusion list](#) of KfW Capital has been updated accordingly:

- 10 1. KfW Capital is also open to the indirect financing of start-ups operating in the area of weapons and ammunition (previously only dual use) as part of its participations in funds.
 2. In the future, portfolio companies whose products focus on military use may be based not only in the EU, but also in Norway, Switzerland and the United Kingdom.
- 15 KfW Capital does not finance any weapons referred to as “controversial” such as radioactive ammunition, weapons of mass destruction, cluster bombs and antipersonnel mines. Moreover, it goes without saying that KfW Capital ensures that all applicable legal requirements are complied with (e.g. sanctions and foreign trade regulations).
- 20 (see also: [Handling of security and defence financing by KfW Group | KfW](#))