

New rules on the financing of the security and defence industry

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In response to the changed geopolitical environment, KfW as a shareholder of
5 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.

1. In future, KfW Capital will also be open to the indirect financing of start-
ups operating in the area of weapons and ammunition (previously only
10 dual use) as part of its participations in funds, and will amend its exclusion list in alignment with that of KfW.

2. In future, the VC funds financed via KfW Capital that invest in the security and defence industry will be able to invest not just in enterprises domiciled in all EU countries but also in those of the United Kingdom,
15 Switzerland and Norway.

The new rules will come into effect on 1 May 2025.

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 is
20 responsible for ensuring that commitments to the security and defence industry are fully aligned with the objectives of the German Federal Government and that all applicable legal requirements are complied with, including, for example, sanctions and foreign trade regulations.

(see also: [Handling of security and defence financing by KfW Group | KfW](#))