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Foreign Direct Investments

International Requirements as of June 2023

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Do you need a quick overview of current screening and control rules for foreign direct investments (FDI) in one of the following countries? Just click on the corresponding country and you will find a summary of the FDI requirements.

Australia	Italy
Belgium	Netherlands
China	Poland
Czech Republic	Singapore
Denmark	Slovak Republic
Finland	Spain
France	Sweden
Germany	UAE
Hungary	United Kingdom

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Australia

FDI requirements

Do FDI restrictions apply?	
	Yes, but as a general principle, the Australian government welcomes FDI.
If yes, which authority is responsible for the verification of an FDI?	
	The Treasurer of the Federal Government of Australia reviews foreign investment proposals against the national interest on a case by case basis. The Foreign Investment Review Board (**FIRB**) is a body which advises the Treasurer on Australia's foreign investment regime and is generally responsible for its day-to-day administration. The Australian Taxation Office also plays a role in compliance and enforcement of foreign investment relating to residential real estate, while the Australian Prudential Regulation Authority (**APRA**) monitors FDI into the banking and financial sectors.
If yes, are these general restrictions or industry/sector-specific restrictions?	
	There are general as well as sector-specific restrictions. Sector-specific restrictions apply to industries that are considered to be sensitive, i.e. media, telecommunications, transport, defence and military, encryption and security technologies and communication systems, and the extraction of uranium or plutonium or the operation of nuclear facilities. Additional sector specific laws also regulate FDI including banking and finance, shipping and insurance.
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	The restrictions apply to all "foreign persons". A "foreign person" includes an individual who is not ordinarily resident in Australia, a foreign government investor or any corporation, trustee of a trust or general partner of a limited partnership in which a foreigner has at least a 20 percent interest or two or more foreigners have a 40 percent interest in aggregate; however, in respect of foreign investors from certain "agreement countries or regions", higher monetary thresholds usually apply before disclosure of certain proposed investments is required. These higher thresholds reflect the various commitments Australia has made to foreign investment screening under certain free trade agreements. These countries are Canada, Chile, China, Hong Kong, Japan, Mexico, New Zealand, Peru, Singapore, South Korea, the United States of America, and Vietnam (**FTA Partner Countries**). To be eligible for the higher thresholds, the immediate acquirer must be an entity formed in one of the FTA Partner Countries. An investor acquiring through a subsidiary incorporated in another jurisdiction will be subject to the relevant thresholds of the subsidiary's jurisdiction.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	The application of restrictions on FDI depends on the type of investor, the type of investment, the industry sector in which the investment will be made and the value of the proposed investment. In general, outside of sensitive sectors and land transactions, control thresholds may be reached by foreign persons acquiring a "substantial interest" (20 percent or more) or by "foreign government investors" acquiring a "direct interest" (10 percent or more). Sector specific laws also impose various control thresholds, such as the *Security of Critical Infrastructure Act 2018* (Cth), which requires investments involving the acquisition of at least a 10 percent interest in critical infrastructure (e.g. certain ports, water, gas and electricity assets) to be notified to the Department of Home Affairs for inclusion on a private register. On 1 April 2022, the Foreign Acquisitions and Takeovers Amendment Regulations 2022 (Cth) (**Regulations**) became effective. The Regulations generally reduce regulatory burden by clarifying certain aspects of the existing FIRB framework and streamlining the process for certain less sensitive types of investment. Most notably, the Regulations increase: • the ownership threshold for FIRB approval from 5 to 10 percent for Australian media businesses and unlisted Australian land entities; and • the pool of persons who can rely on the "money lending" exemption. • National Security Effective from 1 January 2021, the *Foreign Investment Reform* (*Protecting Australia's National Security*) Act 2020 created a new FIRB approval trigger for "notifiable national security actions". The amendment introduced a new mandatory FIRB approval requirement for foreign persons who take "notifiable national security actions", irrespective of the value of the investment. Foreign persons must now additionally consider not only whether their investment will exceed FIRB monetary screening thresholds, but also the nature of the target of their investment and of any associated national security implications. These actions include: • starting a "national security business";

	• acquiring a "direct interest" (typically 10 percent or greater) in a "national security business" (or an entity that carries on a "national security business"); or • acquiring any interest in "national security land". "National security businesses" include companies that operate in critical infrastructure sectors such as gas, electricity, water, ports, public transport, freight services, aviation, hospitals, data processing and financial services, telecommunications, defence or national intelligence sectors, or their supply chains. In addition, the Treasurer has a new power to "call in" and review certain investments by a foreign person believed to raise national security concerns, even if the action is not otherwise notifiable under the legislation. The Treasurer's "call-in" power is activated by a new class of "reviewable national security actions". These are actions expected to grant or increase the direct or indirect control and influence of foreign persons in the banking and finance, communications, critical technology and information, data and cloud sectors (among others). The Treasurer also now has "last resort" powers to reassess certain foreign investments if subsequent national security risks emerge. **Acquisitions in land** FIRB sets monetary thresholds for the acquisition of land, most of which are indexed annually on 1 January. Most notably, there is a AUD 0 threshold for all investors purchasing "national security land", residential land, and vacant commercial land and for all investments [in land] from foreign governments.
If yes, what is the administrative procedure?	
	A FDI subject to the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**) will only need to be notified to the Treasurer if it is a "notifiable action". Whether an investment is notifiable depends on certain threshold tests. Where prior notification is required, the foreign person is required to lodge an online form containing information prescribed by FIRB. The type of information required to be included in a notice to FIRB includes details of the notifiable action, details of the entity taking the action and reasons why the proposed transaction is not contrary to Australia's national interest. An application for FIRB approval must be lodged in advance of any transaction taking place. Failure to obtain approval, if required, is an offence. It is common for transactions to be conditional on FIRB approval being obtained. Application fees for foreign investment notifications are charged by the Australian Government. The Treasurer is required to make a decision within 30 days of receiving notice and notify the applicant of the outcome within a further 10-day period. It is not unusual for FIRB to invite an applicant to ask for one or more extensions of time to permit FIRB to consider an application. FIRB may also impose conditions on the transaction or business. A different procedure applies to applications made to APRA.
FDI restrictions in light of the COVID-19 pandemic	
Have FDI restrictions temporarily been tightened?	
	In response to the outbreak of the COVID-19 pandemic, in March 2020, FIRB temporarily reduced all monetary screening thresholds for the acquisition of an Australian entity by a foreign person to $0. Similarly, acquisitions of interests in Australian land by all foreign persons were made notifiable regardless of value, type of the land (e.g. agricultural, commercial, residential, or mining or production tenement), or whether the land is vacant land or developed land.
Have these restrictions already expired or when will they expire?	
	These restrictions have since been relaxed.
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	No. FDI restrictions have not been tightened in response to the war in Ukraine. However, a number of targeted financial sanctions and travel bans have been imposed on certain groups of Russian and Belarusian persons and entities.

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Belgium

FDI requirements

Do FDI restrictions apply?	
	Yes, both at the federal level, where an ex-ante FDI screening mechanism has come into force on 1 July 2023 (**Federal Screening Mechanism**), and at the regional level in Flanders (Flemish region of Belgium) where a more specific ex-post FDI screening procedure has existed since the entry into force of the Flemish Decree of 7 December 2018 (**Flemish Screening Mechanism**).
If yes, which authority is responsible for the verification of an FDI?	
	At the federal level, the Interfederal Screening Commission (**ISC**). At the regional level, the Flemish government.
If yes, are these general restrictions or industry/sector-specific restrictions?	
	The Federal Screening Mechanism essentially targets 2 categories of investment: i. Foreign investments by which 25% or more of the voting rights are acquired of a Belgian entity whose activities relate to: • critical infrastructures relating to energy, transport, water, health, electronic communications and digital infrastructure, media, data processing, aerospace, defence, electoral infrastructure, financial infrastructure, etc. • the supply of basic goods related to raw materials, food security or energy • technologies and raw materials that are essential for security and public order • access to sensitive information • freedom and pluralism of the media • technologies of significant strategic interest in the biotechnology sector, provided that the target's turnover in the financial year preceding the acquisition exceeds EUR 25 million ii. Foreign investments by which at least 10% of the voting rights are acquired in a company with an annual turnover of at least EUR 100 million in the financial year preceding the acquisition and whose activities are related to defence, energy, cyber security, electronic communications or digital infrastructure. iii. The Flemish Screening Mechanism applies to all acts by virtue of which a foreign investor would acquire control in public authorities or related bodies if (*i.e.*, it is industry-wide).
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	Yes, the Federal Screening Mechanism only applies when the investor or ultimate beneficial owner is based outside the EU. The Flemish Screening mechanism applies equally to both EU and non-EU investors, to the extent this would be compatible with EU law.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	The Flemish Screening Mechanism takes effect as soon as a foreign investor acquires control, i.e. the right or ability to exercise decisive influence on the appointment of the majority of the directors of the company or on the direction of the management of the company. Among other things, control is assumed to be irrefutable if someone holds the majority of voting rights in a company. See above for the Federal Screening Mechanism.
If yes, what is the administrative procedure?	

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	Investments falling within the scope of Federal Screening Mechanism must be notified to the Interfederal Screening Commission (ISC) before closing. Transactions cannot be implemented before the ISC has given its green light. Failure to do so may result in fines up to 30% of the value of the investment. The procedure starts with **Pre-notification contacts** with the ISC secretariat, which will assess whether the filing is complete. Once formally notified, the ISC will examine whether the notified operation could have an impact on national security, public order or the strategic interest of the Federal state, the Regions and the Communities (**Assessment Phase**). Within 30 days, the ISC may authorise the notified operation or, if the operation raises concerns, decide to open an in-depth investigation of the transaction (**Screening Process**). If the ISC decides to open the Screening Process, it must issue an opinion and recommend to the relevant ministers whether the envisaged operation should be approved (with or without conditions) or blocked, within 20 calendar days. The ministers concerned then has 6 days from receipt of the opinion of the ISC to make a decision. The ISC has 2 days to combine the decisions of the competent ministries into one consolidated decision and notify the decision to the foreign investor. In the event of a negative decision by the ISC, the foreign investor has the right to appeal against the decision to the Market Court in Brussels. The Flemish Screening Mechanism does not require prior notification, but the Flemish government can cancel or declare without effect decisions or acts of public authorities or related bodies that would allow foreign investors to control such public authorities or related bodies if this threatens the strategic interests of the Flemish Community or the Flemish Region, in particular if the continuity of vital processes is threatened, if certain strategic or sensitive knowledge threatens to fall into foreign hands or if the strategic independence of the Flemish Community or the Flemish Region is threatened. The government must however first attempt to find an amicable solution with the public authority concerned.
FDI restrictions in light of the COVID-19 pandemic	
Have FDI restrictions temporarily been tightened?	
	No, but broadening the regime is currently on the agenda of the Flemish government.
Have these restrictions already expired or when will they expire?	
	N/A
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	N/A

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China

FDI requirements

Do FDI restrictions apply?	
	Yes. In general, FDI is directly or indirectly regulated by the several Chinese laws, i.e. Special Management Measures for the Market Entry of Foreign Investment (**Negative List**), Notice of the General Office of the State Council on Launching the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (**Notice 6**) and Measures for the Security Review of Foreign Investment (**Security Review Measures**). Regarding the FDI restriction, the Negative List stipulates the special management measures for the market entry of foreign investors, such as equity restriction and senior manager requirements. Foreign investors shall not invest in sectors in which FDI is prohibited under the Negative List. Sectors not included in the Negative List shall be managed according to the principle of equal treatment of domestic and foreign investment. For some sectors, such as culture, telecommunication and finance, foreign investors must meet not only the requirements stipulated in the Negative List, but also those requirements relating to the administrative approval, qualification requirements and national security, among others, which are provided in other laws and regulations. The Negative List will be updated by relevant authorities on a regular basis.
If yes, which authority is responsible for the verification of an FDI?	
	Ministry of Commerce (**MOC**) is responsible for the review of the foreign investment fallen into the Negative list. State Administration of Market Regulation is responsible for foreign invested entity registration and relevant business compliance regulation. National Development and Reform Commission (**NDRC**) is responsible for foreign investment on project basis. Foreign Investment Security Review Working Mechanism Office (**Working Mechanism Office**), which is part of the NDRC, is responsible for organizing, coordinating, and guiding the foreign investment security review when related to national security, such as investment in the defence industry or defence related industries as provided in the Security Review Measures. Furthermore, according to Notice 6 above, a joint ministerial meeting is responsible for conducting national security reviews of foreign investments with regard to military industrial enterprises or military industry-related supporting enterprises, enterprises located near key and sensitive military facilities, and other entities relating to national defence. Same applies to foreign investments in key domestic enterprises in areas such as agriculture, energy and resources, infrastructure, transport, technology, assembly manufacturing, among others, whereby the foreign investors might acquire the actual controlling right thereof. Such joint ministerial meeting is led by the state council and organised by the NDRC, MOC and other relevant departments. The content of foreign investment security review includes the impact of the foreign investment on the national security, the stable operation of national economy, the basic societal order and people's living conditions and the R&D capacity for key technologies related to the national security.
If yes, are these general restrictions or industry/sector-specific restrictions?	
	Mainly industry/sector-specific, but some general restrictions apply, such as for foreign currency regulations and M&A of domestic entities etc.
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	No.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	In general not, with a few exemptions.
If yes, what is the administrative procedure?	
	Filing approval application for the business listed in Negative List with MOC. Filing registration for business set up. Filing approval with NDRC for specific investment project. Filing approval with Working Mechanism Office for national security related investment project.

FDI restrictions in light of the COVID-19 pandemic

Have FDI restrictions temporarily been tightened?	
	No.
Have these restrictions already expired or when will they expire?	
	N/A
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	No.

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Czech Republic

FDI requirements

Do FDI restrictions apply?	
	As of 1 May 2021, new FDI Screening Act No. 34/2021 Coll. (**FDI Screening Act**) came into force, adapting the FDI Screening Regulation (EU) 2019/452. The FDI Screening Act imposes mandatory clearance of the Ministry of Industry and Trade (**MIT**) for non-EU FDI in order to prevent gaining control over certain strategic sectors or access to sensitive technology and information. It also imposes mandatory screening of non-EU FDI that may threaten the security as well as the internal or public order of the Czech Republic.
If yes, which authority is responsible for the verification of an FDI?	
	MIT. If the FDI may threaten internal or public order or security of the Czech Republic, the Government will be consulted.
If yes, are these general restrictions or industry/sector-specific restrictions?	
	There are general as well as sector-specific restrictions. FDI in particular sensitive sectors, such as military materials, certain dual-use equipment, critical infrastructures, and universal service are always subject to a prior approval. Otherwise, MIT may initiate a screening procedure if the FDI could affect internal or public order or security, either (i) upon consultation by the foreign investor, or (ii) within 5 years of the completion of the FDI if the foreign investor has not submitted a request for consultation under (i). The MIT will further initiate mandatory screening proceedings if (a) the foreign investor failed to request mandatory sector-specific prior approval for the FDI, or (b) after 5 years from the completion of the FDI, as defined in the previous sentence, it becomes apparent that the foreign investor has withheld information for which the screening proceedings under (ii) could otherwise have been initiated.
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	The restrictions apply to any FDI by a buyer who (i) is not an EU citizen; (ii) does not have its registered office within the EU; or (iii) is directly or indirectly controlled by an entity/person under (i) or (ii).
If yes, are these restrictions dependent on certain control thresholds being reached?	
	Restrictions apply where there is "effective control of business", i.e. (i) the ability of a foreign investor to directly or indirectly control at least 10 percent of the voting rights or the possibility to exercise an equivalent influence in the domestic company; (ii) the membership of the foreign investor or its related persons in the domestic companies' corporate bodies; (iii) the ability of the foreign investor to dispose of the domestic target's asset; or (iv) another form of control resulting in the ability of a foreign investor to gain access to information, systems or technologies that are important for internal or public order or security of the Czech Republic.
If yes, what is the administrative procedure?	
	The screening proceedings may be initiated either upon the foreign investor's request or ex officio by the MIT (see above). If the sector-specific restrictions apply, the foreign investor must apply for a permission to proceed with the FDI. The foreign investor must provide the MIT with all information required for the screening. The MIT will decide generally within 90 days of the initiation of the screening process whether the FDI is to be permitted, permitted under further conditions, or refused permission. The MIT may open screening proceeding even 5 years after the FDI has been completed, with the possibility of retroactively restricting or annulling the investment. In order to obtain legal certainty, the foreign investor may submit an application to the MIT for the voluntary consultation regarding the FDI, while mandatory consultation only applies to certain domestic companies in the media sector. The MIT will inform the foreign investor of its decision within 45 days of receipt of the application. The decision may be either that the foreign investor may proceed with the FDI or that the FDI must be examined in the screening proceedings. Significant fines of up to 2 percent of the total turnover or CZK 100 million (approx. EUR 3.9 million) may be imposed for non-compliance.

FDI restrictions in light of the COVID-19 pandemic

Have FDI restrictions temporarily been tightened?

	No. FDI restrictions have not been tightened due to the COVID-19 pandemic. Also, there is currently no official information about the future tightening of the FDI restrictions due to the COVID-19 pandemic.
Have these restrictions already expired or when will they expire?	
	N/A
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	No. FDI restrictions have not been tightened in light of the Ukraine war. There are also no indications that such tightening of the FDI restrictions shall occur. The current legislation allows for sufficient screening for the time being.

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Denmark

FDI requirements

Do FDI restrictions apply?

In Denmark the Act on screening of foreign investments (Act no. 842 of 10 May, 2021 on screening of certain foreign direct investments etc. in Denmark) (the **Act**) is the Danish adaption of the FDI Screening Regulation (EU) 2019/452. The Act is supplemented by a number of executive orders specifying the scope and process of investment screening pursuant to the Act. The executive orders are:

- Executive order on the scope of the Act (Executive order no. 1491 of 25 June 2021);
- Executive order on application procedure etc. pursuant to the Act (Executive order no. 1454 of 24 June 2021); and
- Executive order on confidentiality on sharing of information pursuant to the Act (Executive order no. 1455 of 24 June 2021)

The Act imposes a mandatory screening of certain foreign direct investments, special economic agreements and establishment of new companies within particularly sensitive sectors.

If yes, which authority is responsible for the verification of an FDI?

Erhvervsstyrelsen (The Danish Business Authority) is the responsible and competent authority – both in regards of application and questions in regard of Act. Applications must be submitted in the application form provided by Erhvervsstyrelsen. The application form can be accessed via the following link:
https://blanket.virk.dk/blanketafvikler/orbeon/fr/public_v/6_0d04cedad806783b834a1836cc6d4594b021f6f3/new

If yes, are these general restrictions or industry/sector-specific restrictions?

The relevant sectors are listed in section 6 of the Act. The sectors are:

- The defense sector
- IT security functions
- Dual-use products
- Other critical technology
- Critical Infrastructure

These are further detailed in the executive order on the scope of the Act.

If yes, do these restrictions apply to buyers from specific jurisdictions only?

The Act covers 2 types of foreign investments:

1. Foreign direct investments as detailed in section 5 of the Act. Screening of this type of investment is mandatory for investments made by non-Danish companies or people or companies.
2. Special economic agreements as detailed in section 7 of the Act. Screening of this type of investment is only mandatory for agreements made by people or companies from outside the EU or EFTA.

If yes, are these restrictions dependent on certain control thresholds being reached?

For investments at least 10% of the shares or voting rights must be acquired for the Act to be applicable on a foreign direct investment. Special economic agreements must be notified if they confer the non-Danish company or person control over or significant influence on the Danish company.

If yes, what is the administrative procedure?

1. An application is submitted to the Danish Business Authority by the foreign investor containing all relevant information (can alternatively be sent on behalf of the Danish company).
2. The Danish Business Authority processes the application within 60 days (it is possible to extend the processing time to up to 90 days).

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FDI restrictions in light of the COVID-19 pandemic	
Have FDI restrictions temporarily been tightened?	
	N/A
Have these restrictions already expired or when will they expire?	
	N/A
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	N/A

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Finland	
FDI requirements	
Do FDI restrictions apply?	
	Yes.
If yes, which authority is responsible for the verification of an FDI?	
	The Finnish Ministry of Economic Affairs and Employment (**MEAE**).
If yes, are these general restrictions or industry/sector-specific restrictions?	
	These are mainly industry/sector-specific. All acquisitions involving the defence and dual-use sectors always require prior approval by the MEAE (pre-closing application procedure). In addition, in the non-military sector, acquisitions of companies that are considered critical to securing vital functions of Finnish society are monitored (in practice, these are always submitted to the MEAE for advance approval).
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	The filing obligation concerning the defence and dual-use sectors apply to all acquisitions where the buyer is a non-Finnish entity (there's no difference between EU and non-EU countries). In other sectors monitoring of transactions only applies to non-EU/ non-EFTA buyer.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	The restrictions apply to all transactions through which a buyer acquires control of at least one tenth (10 percent), one third (33.33 percent) or half (50 percent) of the voting rights conferred by all shares in the company (covering also ownership arrangements where the voting power/decision-making authority is acquired indirectly). In addition, the MEAE may also oblige the buyer to file an application or a notification regarding an increase of the buyer's influence in the company that does not exceed the above-mentioned thresholds.
If yes, what is the administrative procedure?	
	There are no formal requirements for the application and notification submitted to MEAE. However, the authority has drawn up instructions for preparing the application/notification. Please click here for further information. MEAE may request additional information from the buyer within the first three months after processing the submitted and complete application/notification. All applications/notifications are processed urgently, and the processing times vary case by case (depending on the complexity of the matter). A fee of EUR 5,000 will be charged for processing of each application/notification.
FDI restrictions in light of the COVID-19 pandemic	
Have FDI restrictions temporarily been tightened?	
	No.
Have these restrictions already expired or when will they expire?	
	N/A
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	N/A

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France	
FDI requirements	
Do FDI restrictions apply?	
	Yes. FDI are subject to authorisation if they involve activities (i) in the exercise of public authority, (ii) that could be harmful to public order, public security or the interests of national defence, or (iii) activities of research, production or marketing of arms, ammunition, or explosives. The precise list of such activities is detailed in the French Monetary and Financial Code.
If yes, which authority is responsible for the verification of an FDI?	
	The French Minister of Economy and Finance (**FMEF**).
If yes, are these general restrictions or industry/sector-specific restrictions?	
	Restrictions apply to the sensitive sectors listed exhaustively by the French Monetary and Financial Code (art. L. 151-3 and R. 151-3).
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	In principle, restrictions apply to Restricted Investments (as defined below) by any Foreign Investor (defined as (i) any foreign citizen; (ii) any French citizen not having its tax residence in France; (ii) any foreign entity or (iv) any entity governed by French law and controlled, within the meaning of Article L. 233-3 of the French Commercial Code (or, failing that, within the meaning of Article L. 430-1 III of that Code) by one or more of the above persons or entities. In addition, any entity or individual that is part of a chain of control – the combination of an investor entity and its controlling persons or entities - that means controlled by an entity subject to this legal regime, may also qualify as a Foreign Investor.)
If yes, are these restrictions dependent on certain control thresholds being reached?	
	Restricted Investment means any action that would result in (i) the acquisition of control (control within the meaning of French Commercial Code) in a company governed by French law, (ii) a total or partial acquisition of a branch or business activity governed by French law, or (iii) the holding of more than 25 percent of the share capital or voting rights of a company governed by French law (this last condition does not apply to EU and EFTA investors from countries that have entered into an administrative assistance agreement with France to prevent tax fraud and tax evasion).
If yes, what is the administrative procedure?	
	In principle, Foreign Investors are required to request an approval for an investment. Within 30 working days of receipt of the application for approval, the FMEF notifies the investor either (i) that the investment falls outside the scope of the approval procedure, or (ii) that it is approved without conditions, or (iii) that further examination is required to determine whether the protection of national interests can be ensured by setting conditions to the approval. If there is no reply within this period, the application for approval is deemed to be rejected. In the event of a further examination, the FMEF is granted an additional 45 working days to reject or approve the investment, subject to conditions if necessary. If there is no response within this period, the application for approval will also be deemed to be rejected. There is also the possibility to make a preliminary request. The target or the Foreign Investor (with target's approval) can consult the French administration prior to the investment to find out whether target's activity falls within the scope of the French FDI scheme. There are exceptions to the approval requirement: if (i) the investment is made between companies of the same corporate group, (ii) the investor exceeds the 25 percent threshold and has already received approval on the prior acquisition of control, or (iii) the investor acquires control of a company and has already exceeded the 25 percent threshold, after receiving approval to do so. Once the investment is completed, the investor must submit a certain statement within two months of completion. Furthermore, the cooperation mechanism concerning screened FDI requires France, as a Member State, to notify the EU Commission and the other Member States of any foreign direct investment in its territory that is subject to screening, where an entity in the investor's chain of control is a national of a non-EU country, by providing the information relating to the said investment (referred to in Article 9(2) of the FDI Screening Regulation (EU) 2019/452 (**EU Regulation**)). In this context, the investor must first, as part of the composition of the application file (for authorisation and/or for a prior request), provide the FMEF with a form and fill in the information referred to in the EU Regulation. The notification of this form by the FMEF to the EU Commission and to the other Member States is intended to allow a more rapid assessment, within the framework of the cooperation mechanism, of whether FDI subject to screening is likely to affect the security or public order of at least one other Member State. If the said FDI affects projects or programs of interest to the EU, the FMEF will

	have to take into account the EU Commission's advice, or other Members States' comments, but this advice (or comments) shall not be binding and the FMEF will ultimately decide to authorise the FDI (or not). The EU Commission's advice is not published and is subject to strict confidentiality rules. In addition, under the said system, Member States may request certain information referred to in the form directly from the investor or the target company, which must provide it without delay.
FDI restrictions in light of the COVID-19 pandemic	
Have FDI restrictions temporarily been tightened?	
	Yes. Since the EU Commission encourages the use of appropriate filtering tools by Member States and urges them to be vigilant in order to avoid the COVID-19 crisis leading to massive divestments of European companies and industries, especially in the health sector or predatory acquisitions in a context of significant falls in stock market valuations, a ministerial decree of 22 July 2020, supplemented by an order of the same date, temporarily reinforced the regulation of foreign investments in French companies whose shares are listed on a regulated market and which operate in sensitive sectors (as specified above). The said decree has extended the control of foreign investments by temporarily lowering the threshold for the acquisition of voting rights that may result in control in French companies operating in sensitive sectors. Since the date of publication of the decree and initially until 31 December 2020 this threshold for acquiring voting rights has been lowered from 25 percent to 10 percent. Given the unstable health situation, the temporary measure to lower the threshold was extended, by decree of 22 December 2021, until 31 December 2022 and such measure was renewed until 31 December 2023. However, this new threshold does not apply to (i) individuals who are nationals of an EU Member State or a State party to the EEA Agreement, or (ii) entities whose members of the control chain are governed by the law of one of these States or are nationals of, and domiciled in, one of these States. In order to limit the obstacles to market liquidity, the ministerial decree of 22 July 2020 has introduced a lighter procedure which provides that an investor making an investment is exempted from the usual authorisation request, if (i) the investment project has been the subject of a prior notification to the Minister in charge of the Economy and (ii) the transaction is carried out within six months following the notification.
Have these restrictions already expired or when will they expire?	
	Please see above.
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	N/A

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Germany

FDI requirements

Do FDI restrictions apply?	
	Yes. To avoid a threat to the public order or security of Germany acquisitions of shares in, or assets of, domestic companies by a foreign buyer can be examined, restricted and prohibited on a case-by-case basis.
If yes, which authority is responsible for the verification of an FDI?	
	Federal Ministry of Economics and Climate Action (**BMWK**).
If yes, are these general restrictions or industry/sector-specific restrictions?	
	There are general (cross-sector) as well as sector-specific restrictions. The latter are intended to prevent foreign investors from buying companies that are active in particularly sensitive sectors, such as manufacturers of war weapons or other military technology and security products in the IT industry.
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	The general (cross-sector) restrictions limit acquisitions by a non-EU/ non-EFTA buyer. The sector-specific restrictions limit acquisitions from any foreign buyer, including such residing in the EU.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	The general (cross-sector) restrictions apply to all transactions through which a buyer directly or indirectly acquires control of at least 25 percent of the voting rights of a domestic company; provided, however, that this threshold is reduced to (i) 20 percent if the domestic company is active in the sectors of health, emerging technologies (e.g. satellite technology, artificial intelligence, drones, robotics), information technology-products, airlines, quantum computing or communications, smart-meter-gateways, agriculture and food or extraction of critical raw materials and (ii) 10 percent if the domestic company is active in particularly sensitive sectors (e.g. operators of critical infrastructures like energy, water, food, telecommunications, cloud computing, telematics, media, security related communication infrastructure or other particularly security-relevant services). The sector-specific restrictions apply to all transactions through which a buyer directly or indirectly acquires control of at least 10 percent of the voting rights of a domestic company. In order to avoid circumvention, a transaction may be reviewed ex officio by the BMWK if a so called "atypical acquisition of control" occurs. This relates to constellations in which the relevant thresholds are not reached, but there is a significant discrepancy between the voting rights under German corporate law acquired on the one hand and the influence granted to the buyer on the other hand. In other words, certain additional rights granted to the buyer "upgrade" the buyer's shareholding. According to law, an atypical acquisition of control is deemed if additional seats are granted in supervisory bodies or in the management, if veto rights are granted for strategic decisions, or if the buyer is entitled to the disclosure of company-related information concerning the essential security interests of the Federal Republic of Germany. Furthermore, follow-up transactions can also trigger additional notification requirements. This is the case, for example, when as a result of the follow-up transaction the voting rights held by the buyer exceed certain thresholds which are particularly relevant under German corporate law (e.g. 20 percent, 25 percent, 40 percent, 50 percent or 75 percent).
If yes, what is the administrative procedure?	
	Transactions that are caught by either the cross-sector or the sector-specific regime are subject to a notification obligation and must not be implemented prior to having received approval by the BMWK (suspension obligation). Furthermore, the BMWK can investigate any transaction involving a German target that it deems security sensitive even outside the scope of the cross-sector or sector-specific review, or if there is dispute over whether the business activities fall within any of the catalogue sectors listed in the law. In order to obtain legal certainty, the buyer can apply for a certificate of non-objection (CNO). In case of a notification obligation (or CNO), if the notification is not rejected within 2 months (**phase 1**) of receipt by the BMWK, the transaction will be deemed cleared by law. Alternatively, before the expiry of phase 1, the BMWK can open an in-depth (**phase 2**) investigation, the standard review period for which is 4 months. The BMWK can stop the clock if it feels it is missing relevant information or documents to be provided by the parties. In phase 2 the transaction can be restricted or prohibited.

FDI restrictions in light of the COVID-19 pandemic

Have FDI restrictions temporarily been tightened?	
	In 2020 and 2021, several changes concerning FDI came into force - and thus making it more difficult for investors to take control over domestic companies being active in strategically important areas. The legal amendments are intended to align German investment control with the requirements of the so-called EU Screening Regulation, close various regulatory and tracking gaps, and take immediate measures to protect the health sector as an immediate response to the COVID-19 pandemic. The scope of notifiable FDI has been expanded to include critical services for government communication infrastructures, COVID-19 relevant goods and services and emerging technologies. Investments from non-EU buyers are to be examined more comprehensively and with greater foresight (including probable interference with public order or public security and taking into account the security interests of other EU states). Furthermore, now all notifiable transactions, irrespective of whether cross-sector or sector-specific restrictions apply, are subject to a ban on execution until approved by the BMWK. Furthermore, the deadlines for the examination process have been revised. A period of two months (1st review phase) applies to the preliminary proceedings. When the actual examination procedure (2nd review phase) is opened, four months are added; in complex cases which also particularly affect the defence interests of the Federal Republic of Germany an extension of up to eight months is possible.
Have these restrictions alre ady expired or when will they expire?	
	These restrictions have not expired.
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	No.

Bird & Bird

Hungary

FDI requirements

Do FDI restrictions apply?	
	Yes. FDI restrictions and a pre-screening control mechanism apply to all FDI made in sectors and industries that are important to national security. The rules of FDI control and the list of protected sectors and industries are defined primarily by the so called **FDI Act**. Please note that certain FDI restrictions also apply to the acquisition of agricultural and non-agricultural real estate by foreign persons.
If yes, which authority is responsible for the verification of an FDI?	
	The Minister of Interior (**MI**) is entitled to conduct the FDI control procedure and to either approve or prohibit an FDI falling within the scope of the FDI Act. Compliance with FDI regulations by foreign investors and economic operators are monitored by the Constitution Protection Office as a security intelligence agency.
If yes, are these general restrictions or industry/sector-specific restrictions?	
	The FDI Act covers sectors and industries considered important to the national security. This includes traditionally important industries such as of production of arms and ammunition, military technology, dual-use items and intelligence equipment, as well as other strategic sectors such as financial services, certain public utilities and development and operation of electronic systems used by state and local authorities. In these protected sectors and industries, the FDI control system covers the establishment or acquisition of a domestic company or a branch, change of its registered business activities or acquisition of operational rights in respect to infrastructure, facilities and assets.
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	The FDI Act applies to foreign investors, i.e. (i) all non-EU / non- EFTA citizens, (ii) all non-EU / non-EFTA legal persons or other entities, and (iii) all legal persons or other entities in which a shareholder, falling within the scope of either (i) or (ii) above, has majority control as defined in the Hungarian Civil Code. Special FDI-related restrictions apply to acquisitions of real estate by non-EU /non- EFTA citizens. Under the relevant laws, these buyers are (i) prohibited from acquiring agricultural land, and (ii) in case of the acquisition of non-agricultural real estate, are subject to an authorisation procedure by the competent government office.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	If the FDI is carried out through establishing or acquiring a Hungarian company, the FDI Act applies only if the foreign investor (i) acquires more than 25 percent of the direct or indirect shares in the company (with the exception of listed companies, where the threshold is lowered to 10 percent) or (ii) acquires a controlling influence as defined by the Hungarian Civil Code. If more than one foreign investor has an interest in a non-publicly traded company, all foreign-owned shares shall be calculated together to determine whether the 25 percent control threshold has been reached.
If yes, what is the administrative procedure?	
	Foreign investors must notify the MI within 10 days of the execution of the underlying agreement or registration of the new activity. The notification shall be submitted along with the underlying agreement, a summary on past economic activities of the investors and details of ownership structure. The MI has 60 days to either approve or prohibit the FDI; this period may be extended by additional 60 days. In the course of the procedure, the MI examines whether the proposed FDI harms the national security interests. It is important to note that the approval is a preliminary condition for other merger control and sector-specific authority approvals as well as for exercise of shareholder rights in the company or conduct of planned business activities.

FDI restrictions in light of the COVID-19 pandemic

Have FDI restrictions temporarily been tightened?	
	Yes, both the existing FDI screening mechanism under the FDI Act has been tightened in terms of scope and a new screening mechanism was introduced in response to the economic consequences of the COVID-19 pandemic.

In case of the existing screening mechanism, the Hungarian government extended the application to EU / EFTA investors temporarily, i.e., for the period of the state of emergency and 12 months after its termination. Furthermore, insurance and certain ancillary insurance services were added to the list of business activities which is covered by the FDI Act.

In addition to tightening the existing screening mechanism, on 25 May 2020, the Hungarian government introduced an additional FDI screening mechanism, which applies in parallel with the existing one established under the FDI Act. This additional FDI screening mechanism was originally effective only until 31 December 2020 but was subsequently extended for an indefinite period, i.e., without any expiration. In the meantime, a new provision has been added to the existing rules which limits the scope of the FDI screening mechanism by exempting transactions between affiliated companies from FDI control.

Besides some similarities to the FDI Act in terms of structure and procedural rules, the new FDI screening mechanism also shows several differences, making the new regulation go far beyond the scope of the FDI Act. The main differences in the new regulation are the following:

(i) Compared to the FDI Act, which covers sectors important to the national security of Hungary, the new FDI screening mechanism applies to the sectors provided by the Regulation (EU) 2019/452 and also some other sectors, including, among others: energy, transport, water, health, food and agriculture, construction, communications, media, aerospace, defence, artificial intelligence, robotics, semiconductors, cybersecurity, quantum and nuclear technologies;

(ii) In terms of the investors covered, in addition to the foreign investors defined above, the investments valued at least HUF 350 million (approx. EUR 1 million) made by EU / EFTA citizens and companies are also caught up by the new screening mechanism in certain cases, i.e., if an EU / EFTA citizen or legal person acquires a majority influence in a strategic company by any of the following methods applied in relation to a strategic company: an acquisition of shares, an increase of capital, a merger or demerger, an issuance of convertible bonds or grant of a usufruct (a form usage rights) on the shares;

(iii) The new FDI screening mechanism also extends (a) to cases when foreign investors reach the thresholds of 10 percent of the share or voting rights in a strategic company as a result of any of the transaction mentioned in paragraph (ii) above, provided that the total value of the investment is at least HUF 350 million (approx. EUR 1 million), and (b) to transactions by which the thresholds of 15 percent, 20 percent and 50 percent are exceeded regardless the value of the investment; and

(iv) From 22 April 2021, the new FDI screening mechanism covers the higher education sector, therefore applying to Hungarian universities and colleges, which now qualify as strategic companies within the meaning of the FDI regulation.

Instead of the MI, the Minister of Innovation and Technology (**MIT**) must be notified of the transaction subject to the new FDI control within 10 days of the signing and prior to the conclusion, and the MIT is responsible to monitor the observance of the notification obligation. The confirmation of the MIT must be obtained for the transaction, otherwise, a substantial fine will be imposed on the foreign investor. Furthermore, the transaction is deemed to be null and void in such case and the foreign investor will not be able to exercise voting rights stemming from its ownership. If a transaction falls within the scope of both of the FDI Act and the new regulation, both MI and MIT shall be notified as the two regulations exist in parallel with each other.

Have these restrictions already expired or when will they expire?

The existing FDI screening mechanism extends to EU / EFTA investors only for the period of the state of emergency and 12 months after its termination. Other than that, both inclusion of insurance and ancillary insurance services in the existing FDI screening mechanism and the new FDI screening mechanism have been introduced and/or subsequently extended without any expiration date. This suggests that such regulations will remain in place after the end of the state of emergency announced in connection with the COVID-19 pandemic.

FDI restrictions in light of the Ukraine war

Have FDI restrictions temporarily been tightened?

On 23 December 2022, with effect from 24 December 2022, the rules for the additional FDI screening mechanism originally introduced during the COVID-19 pandemic have been tightened in response to the conflict in Ukraine. Among other, for the most part, technical changes, the following points have been amended:

(i) the definition of state interest, the harm or threat of which the competent minister should review when assessing a transaction, has been extended to matters of public interest relating to strategic economic interest of fundamental nature;

(ii) the financial sector has been included in the sectors covered;

(iii) the notification threshold for foreign investors has been lowered from 10% to 5%, and, in case of public companies, to 3%;

(iv) the competent minister is authorised to contact any state authority, to which the authority is obliged to respond within 5 calendar days; and

(v) the competent minister has been changed from MIT to the Minister of Economic Development.

Under the current rules, the changes remain in force until the end of the state of emergency declared in connection with the Ukrainian war. However, it is expected that most of the changes, including the change in the competent minister, will remain in force even after the state of emergency is terminated.

Italy

FDI requirements

Do FDI restrictions apply?	
	Yes. In 2012 a screening mechanism on FDI was established (so called "golden powers"). Under this mechanism the Government may prohibit or restrict and is entitled to raise its veto against FDI in particularly sensitive sectors, such as defence, national security, energy, telecommunications and transport.
If yes, which authority is responsible for the verification of an FDI?	
	The Presidency of the Council of Ministers (**PCM**).
If yes, are these general restrictions or industry/sector-specific restrictions?	
	Until October 2019 the screening mechanism was limited to the following sectors: defence, national security, energy, telecommunications and transport. It was subsequently extended to the following sectors: • critical infrastructure, whether physical or virtual, including energy, transport, water, health, communications, media, data processing or storage, aerospace, defence, electoral or financial infrastructure, and sensitive facilities, as well as land and real estate crucial for the use of such infrastructure; and • critical technologies and dual use items, including artificial intelligence, robotics, semiconductors, cybersecurity, aerospace, defence, energy storage, quantum and nuclear technologies as well as nanotechnologies and biotechnologies.
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	These restrictions apply to any foreign buyer, including in some cases also EU-buyers.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	If the FDI takes the form of a share purchase, in the defence and national security sectors, the threshold triggering the obligation to notify the PCM is 3 percent (the buyer is required to repeat the notification when the following thresholds are reached: 5 percent, 10 percent, 15 percent, 20 percent, 25 percent and 50 percent). In any other sector (i.e. energy, transport, telecommunications) the buyer is required to notify any share purchase resulting in the acquisition of control in a domestic company.
If yes, what is the administrative procedure?	
	The FDI must be notified to the PCM within the following 10 days. The PCM then has 45 working days to veto or to impose specific regulations / conditions for the approval of the FDI. After the expiry of the 45-day period without government intervention, the golden powers shall be deemed to have not been exercised. However, until that time, the validity of the transaction is suspended and, in case of share purchases, the associated voting rights are suspended. A pre-notification system has come into force in September 2022: this system provides that undertakings may ask the PCM for a preliminary decision on the applicability of the FDI regime to the envisaged transaction.

(2) FDI restrictions in light of the COVID-19 pandemic

Have FDI restrictions temporarily been tightened?	
	The Italian Government had temporarily tightened the golden powers mechanism, to avoid that domestic companies carrying out activities in strategic sectors may be the target of speculative transactions or may be purchased indiscriminately (and at "discount" prices) by foreign operators. While originally temporary, such restrictions became permanent. The main amendments are the following: • screening mechanism applies to all the sectors provided by EU Regulation 2019/452. Consequently, the Italian Government is entitled to intervene and exercise the golden powers in sectors which provide (i) supply of critical inputs (e.g. energy, raw materials and food), (ii) access to, or the possibility of, controlling sensitive information, including personal data and the freedom and pluralism of the media. In addition, now also outside the sectors of defence and national security, the PCM must be notified in case of share purchase by EU buyers (including Italian entities); and

	• the PCM must be notified about (i) all actions which entail a change in the ownership, control or availability of strategic assets or a change of their intended use by companies operating in one of the five sectors identified in Art. 4 EU Regulation 2019/452, including the financial sector and the credit and insurance sector; and (ii) share purchase by any entity, including EU and Italy-based ones, by which the buyer obtains control in a domestic company holding strategic assets (Art. 2359 Italian Civil Code and Legislative Decree no. 58/1998) or through which a non-EU entity reaches the thresholds of 10 percent of the share or voting rights, provided that the total value of the investment is at least EUR 1 mil. Acquisitions by which the thresholds of 15 percent, 20 percent, 25 percent and 50 percent are exceeded are also subject to the notification requirements.
Have these restrictions already expired or when will they expire?	
	No, they became permanent.
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	No.

Bird & Bird

Netherlands

FDI requirements

Do FDI restrictions apply?	
	Since October 2020, the Dutch Telecommunications Act (*Telecommunicatiewet*) (**Telecommunications Act**) provides for a formal sector-specific screening and subjects foreign and domestic investors in the telecom industry to pre-closing review by the Minister of Economic Affairs. As of 4 December 2020, the Foreign Direct Investments Screening Regulation (Implementation) Act (*Uitvoeringswet screeningsverordening buitenlandse directe investeringen*) came into force, implementing the framework of the FDI Screening Regulation (EU) 2019/452 and thus guaranteeing the effective applicability of the Regulation. In the gas and electricity sector the Gas Act (*Gaswet*) and Electricity Act (*Elektriciteitswet*) require a foreign investor to notify the Minister of all transactions resulting in a change of control of plants (for electricity production plants with a capacity of 250 MW or more). On 18 May 2022 the Investments, Mergers and Acquisitions Security Screening Bill (*Wet veiligheidstoets investeringen, fusies en overnames /Wet Vifo* – **Investment Screening Bill**) was passed by the Dutch Senate and has enter into force on 1 June 2023. The goal of the Investment Screening Bill is to review acquisitions that put Dutch national security at risk and aims to prevent unwanted strategic dependence of the Netherlands. The Investment Screening Bill contains an ex-ante general screening mechanism focusing on vital suppliers and companies active in the field of sensitive technology. The Investment Screening Bill provides for retroactive effect back to 8 September 2020. Investors are actively helped by the Netherlands Foreign Investment Agency for any issues with regard to foreign direct investment.
If yes, which authority is responsible for the verification of an FDI?	
	The Minister of Economic Affairs and Climate Policy (**Minister**) (the contact point to perform the review under the Investment Screening Bill is the Netherlands Foreign Investment Agency (*Bureau Toetsing Investeringen*)).
If yes, are these general restrictions or industry/sector-specific restrictions?	
	Since October 2020, the Telecommunications Act provides for a formal sector-specific screening and subjects foreign and domestic investors in the telecommunications industry to pre-closing review by the Minister. The FDI screening pursuant to the Telecommunications Act applies retroactively to all relevant transactions that have taken place since 1 March 2020. The Investment Screening Bill applies to mergers and demergers, acquisitions and other investments, whether by foreign or domestic investors, that result in (i) a change of control of, or acquisition of, domestic companies that are vital suppliers (e.g. heating network operators, nuclear power companies, KLM, Schiphol Airport, the Rotterdam Port Authority, banks) or companies active in the field of sensitive technology (military and dual-use technologies) or (ii) the acquisition or increase of significant influence over certain categories of companies active in the field of sensitive technology. Other sector-specific legislation (such as the Electricity Act, the Gas Act and the Mining Act) apply to (and may impose restrictions on) foreign ownership in sectors deemed vital for national interest (such as electricity, gas, drinking water, nuclear activities, defence and mining).
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	The Investment Screening Bill and the Telecommunications Act apply to foreign and domestic investors.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	Pursuant to the Telecommunications Act, the threshold for notification is based on whether the investor has "predominant control" of a telecommunications entity that would "result in a relevant influence in the telecommunications sector". "Predominant control" is defined as having 30 percent of voting rights, the capacity to dismiss half of board members, or the capacity to exercise control in reserved matters. The definition of 'control' under the Investment Screening Bill is in line with the concept of control used in EU and Dutch competition law. The Investment Screening Bill defines acquisitions of 10 percent, 20 percent, or 25 percent of the shares, the entitlement to appoint or dismiss one or more board members and shares that exceed the aforementioned thresholds as significant influence. The amendments proposed to the Dutch House of Representatives on 14 December 2021 include some clarifications on what is deemed significant influence.
If yes, what is the administrative procedure?	

	Pursuant to the Telecommunications Act: if a filing for clearance (such filing to be made before closing of the transaction) has been submitted to the Minister pursuant to the Telecommunications Act, the Minister has 8 weeks to decide whether to approve or prohibit the transaction. This 8-week period can be extended to 6 months if further review is required. In addition, if the Minister requires further information, the period is suspended until receipt of such further information. The Minister may impose a fine in case of late filing or failure to file. The procedure for filing pursuant to the Investment Screening Bill is similar to the two-phase system under the Telecommunications Act. In addition to the 6-month review period, the Minister may extent the review period with another 3 months if the transaction falls within the scope of the EU FDI Screening Regulation. The Minister is also entitled to re-evaluate the transaction after clearance has been given if new information becomes available or circumstances significantly change.
FDI restrictions in light of the COVID-19 pandemic	
Have FDI restrictions temporarily been tightened?	
	No. However, the COVID-19 pandemic has led to an acceleration of adoption of general FDI legislation (i.e. the Investment Screening Bill which, once adopted, will have retroactive effect from 8 September 2020).
Have these restrictions already expired or when will they expire?	
	N/A
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	N/A

Bird & Bird

Poland	
FDI requirements	
Do FDI restrictions apply?	
	Yes. In general acquisitions of shares in a company owing real estate (and direct acquisitions of real estate) by foreigners are restricted. Also, there are additional restrictions regarding acquisitions of certain companies (both share and asset deals), which apply irrespective of the nationality of the buyer, including Polish buyers.
If yes, which authority is responsible for the verification of an FDI?	
	In case of acquisitions involving real properties; the Ministry of Internal Affairs, if the real property is classified as agricultural property; the Polish National Office for Agricultural Support, in case of other acquisitions; the Ministry of State-Owned Assets, the Ministry of National Defence, the Ministry of Marine Economy, or the Polish Financial Supervision Authority as the case may be.
If yes, are these general restrictions or industry/sector-specific restrictions?	
	There are general (cross-sector), as well as sector-specific restrictions. General restrictions apply to acquisitions involving real properties. The latter are intended to control any contemplated acquisitions of companies that are active in particularly sensitive sectors such as energy, telecommunications, financial, military or the chemical industry.
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	As a rule, the general (cross-sector) restrictions limit acquisitions involving real properties by a non-EU/ non-EFTA buyer. However, if real property is classified as agricultural real property, then restrictions apply to all buyers (irrespective of their home jurisdiction). The sector-specific restrictions restrict any acquisitions and concern both Polish and foreign buyers.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	The general (cross-sector) restrictions apply to all transactions by which a buyer directly or indirectly acquires any shares in a company holding real properties. The sector-specific restrictions apply to all transactions through which a buyer directly or indirectly acquires control of 20 percent, 25 percent, 33 percent and 50 percent of the voting rights or shares in the share capital of a domestic company except for companies from the financial sector, such as banks, insurers and brokerage houses, where the following thresholds apply: 10 percent, 20 percent, 33 percent and 50 percent.
If yes, what is the administrative procedure?	
	In case of general (cross-sector) restrictions, all acquisitions of companies holding real properties require obtaining a prior positive decision from the Ministry of Internal Affairs. The procedure requires certain documentation regarding the target real property (the company owning the real property) and the prospective buyer must be presented to the Ministry. In case of acquisitions of companies holding agricultural real properties, the Polish National Office for Agricultural Support may exercise a pre-emption right regarding the shares of the company concerned, which is the subject of the transaction. The Office may carry out its own due diligence in relation to the target company. The office has 2 months to decide whether to exercise its pre-emption right. In case of sector-specific restrictions, in certain cases prior approval from the competent ministry must be obtained in order to proceed with the transaction and the procedure is very formalized. As a rule, the relevant authority has 60 or 90 days (depending on the case) to make its decision. In some other cases, the relevant ministry may object to the transaction within 14 days from being notified.
FDI restrictions in light of the COVID-19 pandemic	
Have FDI restrictions temporarily been tightened?	
	Yes, under the so-called 'Anti-Crisis Shield 4.0' (the **Act**) published on 23 June 2020, additional restrictions for certain foreign investments in Polish companies by investors from outside the EU, EEA, or OECD have been imposed. The restrictions apply 30 days after the Act is published, i.e. from 24 July 2020, and will remain in force for 24 months. The Act defines investments which trigger the restrictions, including purchases of shares (both direct and indirect) by which shares and votes, as the case may be, exceeding 20 percent, 40 percent or 50 percent of the protected company's total share capital / votes are transferred, as well as the purchase or lease of the protected company's operating business or parts thereof. Companies to be protected by the restrictions

	include, i.e. public companies, companies owning critical infrastructure, developing critical IT software, or operating in strategic sectors, provided that their annual turnover in each of the last two years exceeds EUR 10 mil. The screening procedure under the Act is modelled on the current procedure for antimonopoly clearance.
Have these restrictions already expired or when will they expire?	
	The Act of 12 May 2022 Amending the Law on Goods and Services Tax and Certain Other Laws extended the FDI restrictions described above by three more years, i.e. until 24 July 2025.
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	No further restrictions have been introduced in addition to the existing restrictions introduced in light of the COVID-19 pandemic. Apart from a time extension of these restrictions, references to "COVID-19" in the Act of 24 July 2015 on Control over Certain Investments were changed to "COVID-19 or an international situation distorting the market or competition".

Singapore

FDI requirements

Do FDI restrictions apply?	
	Yes. While in general, there is no distinction in treatment of foreign and domestic investment in Singapore, some restrictions on FDI for a limited list of sectors are permitted by the relevant sector-specific legislation.
If yes, which authority is responsible for the verification of an FDI?	
	There is no central authority regulating and verifying an FDI, and any restrictions on foreign investment are implemented by the relevant sectoral regulatory authority.
If yes, are these general restrictions or industry/sector-specific restrictions?	
	There are no general restrictions, but industry/sector-specific restrictions apply in areas such as telecommunications, financial services, professional services, media and land ownership.
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	No.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	The thresholds vary based on the sector in question. For example: • Real estate, foreign ownership of certain types of residential property (including vacant land, landed residential property, public residential housing units) is restricted in its entirety, whereas private high-rise residential condominium units, housing on Sentosa Island and industrial and commercial real estate are generally not restricted. • Domestic newspaper and broadcasting companies require prior approval from the Info-communications Media Development Authority (**IMDA**) with regards to funds from a foreign source. • For domestic broadcasting companies whose operations requires a broadcasting licence, the IMDA will not grant such licence if the company is controlled by foreign investors or if foreign investors hold more than 49 percent of the shares or voting power of the company.
If yes, what is the administrative procedure?	
	As explained above, the procedure varies for each sector and is set forth in the relevant sector-specific legislation. While some transactions (such as restricted foreign land ownership) are not permitted and will be deemed null and void, other decisions are taken by the relevant regulatory authority on a case-by-case basis, such as those relating to applications for foreign financing of domestic newspaper and broadcasting companies. Certain industries such as domestic banking and telecommunications have a licensing regime in which the competent regulatory authority applies qualitative and quantitative criteria to determine whether new entrants should be granted a licence to operate in the sector in Singapore. Broadly speaking, the Singapore government remains open to foreign investment and encourages, where possible, consultation with regulatory authorities when applications are made by foreign investors applying for approvals to invest into controlled sectors.

FDI restrictions in light of the COVID-19 pandemic

Have FDI restrictions temporarily been tightened?	
	No additional FDI restrictions have been implemented, though it is worth noting that as of 24 May 2021, all short-term visitors are not allowed entry into Singapore, except those coming in under the Green/Fast Lane arrangements, Air Travel Pass, Connect@Singapore initiative or with special prior approval.
Have these restrictions already expired or when will they expire?	

	N/A
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	N/A

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Slovak Republic	
FDI requirements	
Do FDI restrictions apply?	
	As of 1 March 2021, a specific FDI screening mechanism has been implemented in Slovakia by Act No. 72/2021 Coll. amending the Critical Infrastructure Act No. 45/2011 Coll.
If yes, which authority is responsible for the verification of an FDI?	
	Two authorities are responsible: (i) the Ministry of Economy and (ii) the Slovak Government.
If yes, are these general restrictions or industry/sector-specific restrictions?	
	The new screening mechanism shall apply to companies in critical infrastructure in the following sectors: - mining, - electric power engineering, - gas, petroleum, - pharmaceutical, - chemical, and - metallurgical. Mechanism for general restrictions should be introduced as well, however, a concrete legislative proposal is not yet available.
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	No.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	Restrictions apply (i) in case of a transfer of more than 10 percent of the share capital or voting rights in a domestic company to any investor (domestic or foreign), or (ii) if a new investor has the means to control the management of a domestic company equivalent to an interest in the aforementioned percentage.
If yes, what is the administrative procedure?	
	A planned FDI shall be reported to the Ministry of Economy, which may review the FDI in terms of public order and national security. After reviewing the transaction, the Ministry of Economy shall file a motion to the Slovak Government either to approve the transaction, to approve the transaction subject to certain conditions or to prohibit the transaction. The Slovak Government may withdraw its approval if (i) the approval was granted on the basis of false or incomplete information provided by the applicant or the applicant failed to disclose material circumstances for the granting of the approval and such circumstance would have had a significant effect on the granting of the approval, or (ii) the buyer does not or will not comply with the conditions stipulated by the Government. The applicant may appeal the Slovak Government's decision to deny the approval or withdraw the approval before the Supreme Court.
FDI restrictions in light of the COVID-19 pandemic	
Have FDI restrictions temporarily been tightened?	
	There is currently no official information about tightening the FDI restrictions due to the COVID-19 pandemic.
Have these restrictions already expired or when will they expire?	

	N/A
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	No.

Bird & Bird

Spain

FDI requirements

Do FDI restrictions apply?

Yes. But FDI are mainly subject to notification obligations for purely statistical purposes. Only certain investments related to national defence require prior approval by the Council of Ministers. In addition, different specific requirements apply to foreign investors in regulated sectors (e.g. gambling, media, air transport, telecommunications or energy).

If yes, which authority is responsible for the verification of an FDI?

A notification has to be filed at the Registry of Investments of the Ministry of Industry, Commerce and Tourism.

If yes, are these general restrictions or industry/sector-specific restrictions?

Notification obligations are cross-sector.

If yes, do these restrictions apply to buyers from specific jurisdictions only?

Notification obligations apply to any foreign buyer (any natural person residing outside Spain, any legal person domiciled outside Spain and any foreign public entity).

If yes, are these restrictions dependent on certain control thresholds being reached?

Investments in real estate or in the framework of certain legal forms of joint below 500.000 pesetas (approx. EUR 3 mil.) are exempted from notification obligation. Such exceptions do not apply to investments from 'tax haven' jurisdictions.

If yes, what is the administrative procedure?

Prior notification to the Registry of Investments is required for FDI from 'tax haven' jurisdictions (except if the FDI is made in listed shares or investment funds registered with the Spanish Securities Market Commission or involving less than 50 percent of the share capital of the Spanish company). Ex-post notification is mandatory for all investments (including those previously notified). As a general rule, this obligation applies to foreign investors, but special rules apply. Notification has to be submitted using a special form.

FDI restrictions in light of the COVID-19 pandemic

Have FDI restrictions temporarily been tightened?

Yes. In response to COVID-19 related economic crisis, Spanish law on FDI now stipulates that FDI in some strategic sectors are subject to prior approval by the Spanish Government.

Restricted investors:

- Non-EU or Non-EFTA buyers who invest either directly or through EU or EFTA companies, if the non-EU/non-EFTA buyer directly or indirectly holds more than 25 percent of the share capital or of the voting rights or otherwise controls such companies.
- EU and EFTA buyers, provided that such investment is targeted at:
  - publicly traded companies in Spain, whose shares are fully or partially admitted for trading on an official Spanish secondary market and whose registered office is in Spain; or
  - non-publicly traded companies, if the value of the investment exceeds EUR 500 mil.

Restricted investment: Acquisition of at least 10 percent of the share capital of a domestic company or any other transaction that allows the restricted investor to effectively participate in the management or control of the domestic company provided that, alternatively:

- the investment relates to assets and activities that are likely to affect public order and security, such as critical infrastructure, critical technologies and dual use items, supply of critical inputs, access to, or control over, sensitive information, including personal data and media; **or**

	• the buyer is directly or indirectly controlled by a foreign government, including public bodies or the armed forces, irrespective of the sector in which the domestic company operates, was already involved in activities that are likely to affect security or public order (as defined above) in other EU Member State or there is a serious risk of engagement in illegal or criminal conduct. The Directorate General for International Commerce and Investments (Ministry of Industry, Commerce and Tourism) has 6 months from the date of the application by the foreign investor to approve the FDI. If no decision is made within this period, the FDI shall be deemed rejected. Execution of the restricted investment without the required prior approval is subject to a fine of up to the value of the transaction and is not valid from a contractual perspective. Investments below EUR 1 mil. are exempted from the requirement of prior approval. Although these new rules have been approved in the context of COVID-19 pandemic, some might still remain in force.
Have these restrictions already expired or when will they expire?	
	The restrictions applied to EU and EFTA buyers will expire on 31 December 2022.
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	No national restrictions apart from sanctions imposed by the EU.

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Sweden

FDI requirements

Do FDI restrictions apply?	
	Yes. Currently, Swedish regulations require that the seller of a security-sensitive operation or asset of importance to Sweden's security, must consult with a supervisory authority before committing (i.e. signing a deal) a sale of its operation to any investor. To determine if this is the case, the operator must carry out a protective security analysis of the operation or asset in question. Furthermore, the operator of a security-sensitive operation or asset is obliged to carry out an adequacy analysis on the investment in question. If such adequacy analysis leads to the conclusion that the investment is unsuitable from a security protection point of view, the investment may not be carried out. If it instead leads to the assessment that the transaction is not unsuitable, the operator must consult with the supervisory authority. The supervisory authority may decide to order the operator to take measures to fulfil its obligations in accordance with the applicable regulations. If such an order is not followed or if the investment is not adequate, even if additional measures are taken, the supervisory authority may prohibit the investment. An investment contrary to a prohibition is invalid. The decision as to what is to be considered a security-sensitive operation or property that is important to Sweden's security is based on criteria subject to interpretation and requires a documented assessment of the operation or asset. Based on the results of such analysis, the operator must take certain actions as required depending on the specific operation, the presence of classified information and other circumstances. Thus, the current Swedish regulation places the responsibility on the operator or the seller of the transaction – not the buyer. **New FDI legislation likely to enter into force second half of 2023:** In 2021, it was proposed to introduce rules that would allow for screening and prohibition of FDI within certain protected sectors. The new rules will likely enter into force in the second half of 2023. The proposed review mechanism aims to protect Sweden's national security as well as the public order and public safety in Sweden. It will require notification and approval of investments in certain protected sectors (such as security-sensitive activities, input products, raw materials, treatment of sensitive data, strategic technology, dual-use products, and munitions) in a process that would be similar to merger control. In some cases, investments may be prohibited or subject to conditions. Sanctions will also be introduced, including fines of up to SEK 50 million. An investment can also be prohibited after it has been implemented. Although prohibitions and conditions will only apply in a limited number of cases, the new legislation will introduce new administrative burdens for both investors and target companies in relation to many investments and transactions. The new review mechanism will also lead to extended timetables. The review mechanism will not replace but supplement the existing notification requirement which applies to transfers of security-sensitive activities (see above and below).
If yes, which authority is responsible for the verification of an FDI?	
	The supervising authority varies depending on which sector the target company operates in (such as the Swedish Armed Forces, Swedish Security Service, Swedish Grid Agency, Swedish Transport Agency, National Post and Telecom Agency, Swedish Defence Material Administration, and Financial Supervisory Authority).
If yes, are these general restrictions or industry/sector-specific restrictions?	
	The obligation to consult the state on FDI applies if the target company is a security-sensitive operation or property that is important to Sweden's security. The sectors most affected are within energy production, distribution of energy, mail and telecommunication, defence, nuclear safety, transportation, health, public order and disaster recovery, democratic institutions, payments and banks, food and water supply, and dangerous operations.
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	The aforementioned explanations apply regardless of the origin of the acquirer.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	A transfer refers to the transfer of ownership of shares or assets. They also apply if the operator intends to transfer all or a certain part of the security-sensitive operation to a wholly owned subsidiary. The requirements are also applicable if a state agency wants to transfer a security-sensitive operation to a private actor.
If yes, what is the administrative procedure?	
	Anyone who intends to transfer security-sensitive operations (incl. foreign investors) must consult with the applicable supervisory authority in accordance with the above procedure.

	In addition, the operator must notify the investor that the Security Protection Act (2018: 585) applies to the operation. The notification shall include a reminder of the obligations that apply under the Security Protection Act to the person responsible for a security-sensitive operation.
FDI restrictions in light of the COVID-19 pandemic	
Have FDI restrictions temporarily been tightened?	
	No.
Have these restrictions already expired or when will they expire?	
	N/A
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	No national restrictions apart from sanctions imposed by the EU.

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United Arab Emirates	
FDI requirements	
Do FDI restrictions apply?	
	The foreign ownership restrictions set out in the Commercial Companies Law were abolished in 2020 and, unless a specific restriction is created, 100% foreign ownership is possible. In practice, each Emirate issued a list of activities where 100% foreign ownership is permitted. For completeness, different rules apply to real estate investments which is regulated individually by each Emirate. Typically, foreigners can only own real estate in real estate investment zones.
If yes, which authority is responsible for the verification of an FDI?	
	The respective economic licensing authority in each Emirate (i.e. typically, the relevant Department of Economic Development).
If yes, are these general restrictions or industry/sector-specific restrictions?	
	The list of activities where 100% foreign ownership is permitted, announced by each Emirate, covers different sectors or industries. There might be differences between the Emirates.
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	Generally, the restrictions apply to all foreign investors and are relevant to all non-UAE (and non-GCC) citizens and entities.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	Prior to 2020, the Commercial Companies Law limited foreign (i.e. non-UAE national) shareholders to hold a maximum of 49 % of the shares in a company incorporated onshore (i.e. not in a freezone. Freezones are economic zones where foreign ownership has been permitted for a long time.) in any of the Emirates. The Commercial Companies Law now allows foreign citizens and entities to own up to 100% in a limited liability company or a private joint stock company and to retain a controlling majority in a UAE- based entity onshore, provided its licensed activities are on the list of activities issued by the relevant Emirate.
If yes, what is the administrative procedure?	
	If the activity of an entity falls under the list issued by the respective Emirate, no other special procedure needs to be followed as the approval for such activities is automatic.
FDI restrictions in light of the COVID-19 pandemic	
Have FDI restrictions temporarily been tightened?	
	No.
Have these restrictions already expired or when will they expire?	
	N/A
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	No.

United Kingdom

FDI requirements

Do FDI restrictions apply?

The UK's National Security and Investment Act ("**NSIA**") came into force on 4 January 2022. The NSIA introduces a new mandatory notification regime for certain transactions in one of 17 "sensitive sectors" and it is also possible to submit a voluntary notification for other transactions if parties wish to obtain certainty that a transaction will not be "called in" for national security review. The NSIA regime sits alongside merger control (whereas previously national security concerns were addressed as part of the merger control process).

Mandatory Notification: The Government requires mandatory notification and **prior approval** of qualifying transactions (which include direct or indirect acquisitions of shares or voting rights which cross the thresholds of 25 percent, 50 percent or 75 percent) involving companies active in one of the specified **17** "**sensitive sectors**" **of the economy** (see list below)**.**

- Transactions which are not notified and approved prior to completion will be **void** and can be "called-in" by the Government for review at any time including after completion.
- Heavy sanctions for a failure to notify and obtain clearance include fines of up to 5 percent of an organisation's global turnover or GBP 10 million, whichever is greater. It is also a criminal offence subject to up to 5-years imprisonment.
- It should be noted that the NSIA regime captures internal corporate re-organisations. Acquisitions of assets fall outside the scope of the mandatory regime.

Voluntary Notification: can be made for other transactions, including acquisitions of control (as above) of companies not active in the 17 sensitive sectors subject to the mandatory regime and acquisitions of assets and lower levels of investment (e.g., where a shareholder may have a material influence (the ability to exert control over management decisions/affairs of the company), where parties wish to seek comfort that the transaction does not raise national security concerns and will not be called in for in-depth review. Non-mandatory transactions can be closed prior to approval (unless the Government imposes an order preventing closing).

Call In: If the Government considers that a transaction may raise national security concerns it can "call-in" the transaction for review. This will apply to any transaction, irrespective of whether it was notified. It should be noted that for transactions that would have required a mandatory notification they can be called in at any time and for other transactions for up to 5 years from closing (unless the Government was made aware of the transaction in which case there is a time limit of six month).

The NSIA regime applies to transactions involving companies active and with a presence in the UK and also to companies established outside the UK that supply goods and services to the UK (although the notification requirements may differ).

The Government can unwind or block deals where national security concerns are found.

It should also be noted that the NSIA regime applies retrospectively to any deals closed after 12 November 2020 and the transaction can be called in for review (it should be noted the mandatory notification requirement only applies to deals closed after 4 January 2022).

If yes, which authority is responsible for the verification of an FDI?

The Investment Security Unit ("**ISU**") within the UK Government Department for Business, Energy and Industrial Strategy.

If yes, are these general restrictions or industry/sector-specific restrictions?

The 17 "sensitive sectors" are: advanced materials, advanced robotics, artificial intelligence, civil nuclear, communications, computing hardware, critical suppliers to government, cryptographic authentication, data infrastructure, defence, energy, military and dual use technologies, quantum technologies, satellite and space technologies, suppliers to the emergency services, synthetic biology and transport.

If yes, do these restrictions apply to buyers from specific jurisdictions only?

Restrictions apply equally to domestic and international investment globally, although certain states may be seen to present a higher threat to national security and therefore inform the extent to which intervention might be considered to be in the national interest.

If yes, are these restrictions dependent on certain control thresholds being reached?

The NSIA provides that a mandatory notification is required for acquisitions of in-scope UK businesses where the percentage of the shares that the acquirer "holds" increases above/crosses the 25 percent, 50 percent or 75 percent thresholds. The regime can also capture acquisitions of lower shareholdings and assets.

If yes, what is the administrative procedure?	
	A notification is submitted to the ISU. There is an initial screening period, up to 30 working days (from acceptance of the notification), and if the ISU calls the transaction in for further review, this can add an additional 30 working days with the possibility of a further 45 working day extension (the clock can also be stopped for information gathering). Parties can also voluntarily extend the review process. Parties should consider deal conditionality as part of the process.
FDI restrictions in light of the COVID-19 pandemic	
Have FDI restrictions temporarily been tightened?	
	The UK introduced emergency legislation in 2020 to add a public health emergency category to its list of public interest issues under UK merger control pursuant to the Enterprise Act 2002 (as amended). This will allow the Government to intervene in transactions involving a variety of businesses critical to the UK's ability to combat public health emergencies and their effects, including companies involved in vaccine development, production of personal protective equipment and improving testing capacity. This remains in force. This is limited to the separate public interest considerations under the UK merger control regime and not the NSIA regime.
Have these restrictions already expired or when will they expire?	
	N/A
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	N/A

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