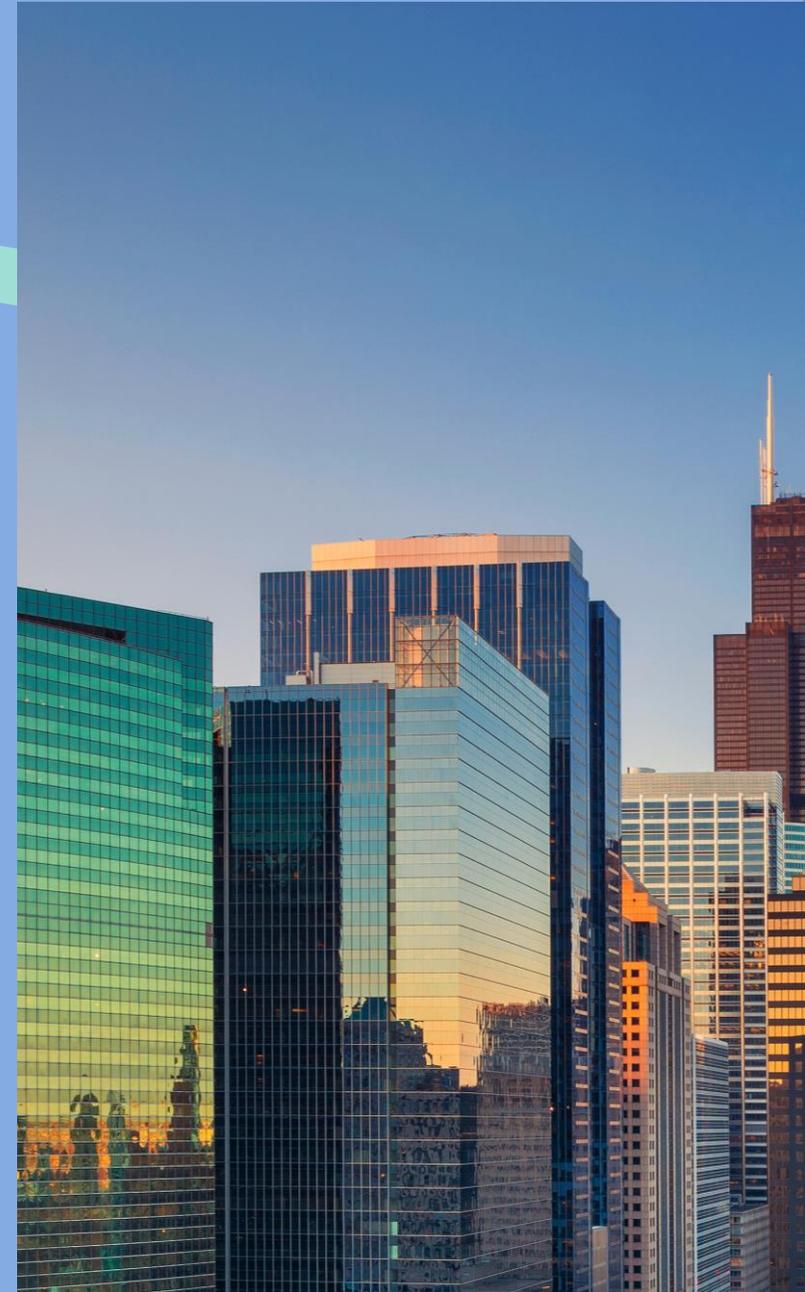


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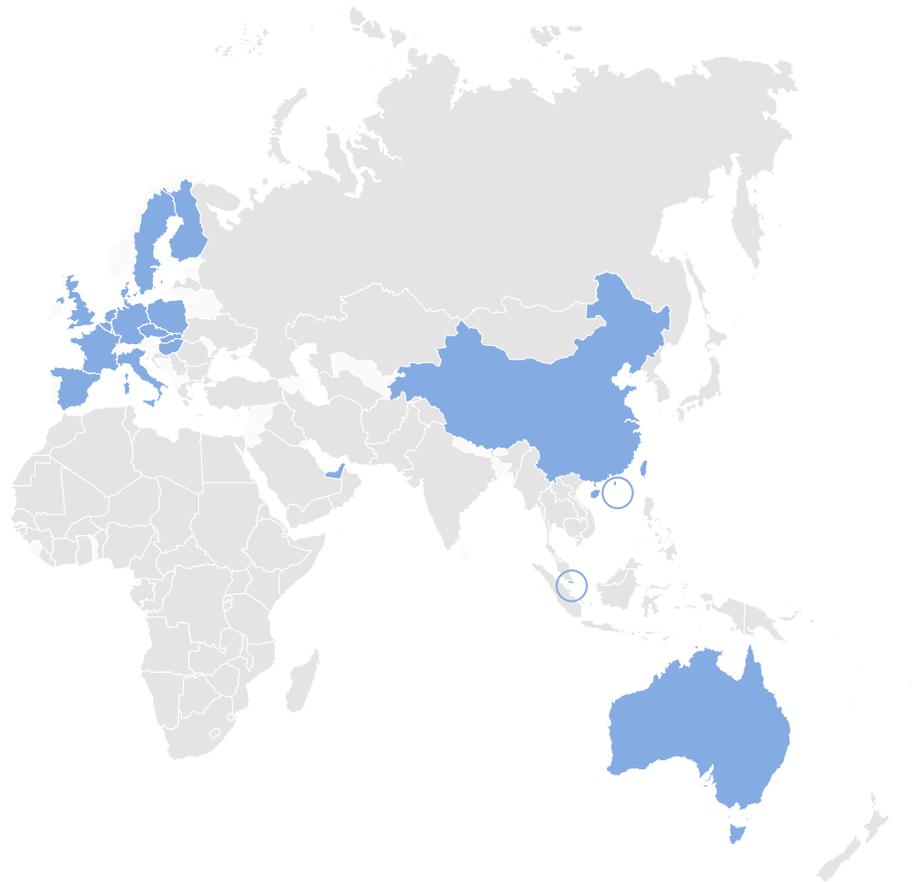
Foreign Direct Investments in times of international crises

2 August 2022



Foreign direct investments in times of international crises

Do you need a quick overview of current screening and control rules for foreign direct investments (FDI) in one of the following countries in times of international crises? Just click on the corresponding country and you will find a comprehensive summary of the actual FDI restrictions, if any!



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

Bird & Bird has extensive contacts with preferred firms in countries where our firm does not have offices.



Australia	
FDI restrictions prior to the international crises	
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?	
	<p>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 <i>Security of Critical Infrastructure Act 2018</i> (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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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 <p>Effective from 1 January 2021, the <i>Foreign Investment Reform (Protecting Australia's National Security) Act 2020</i> 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:</p> <ul style="list-style-type: none"> • 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

	<ul style="list-style-type: none"> acquiring any interest in "national security land". <p>"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.</p> <p>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.</p> <p>Acquisitions in land</p> <p>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.</p>
If yes, what is the administrative procedure?	
	<p>A FDI subject to the <i>Foreign Acquisitions and Takeovers Act 1975</i> (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.</p> <p>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.</p>
FDI restrictions in light of the COVID-19 pandemic	
Have FDI restrictions temporarily been tightened?	
	<p>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.</p>
Have these restrictions already expired or when will they expire?	
	<p>These restrictions have since been relaxed.</p>
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	<p>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.</p>



Czech Republic	
FDI restrictions prior to the international crises	
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 certain strategic sectors, and screening of non-EU FDI that may threaten the security 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 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 (x) the foreign investor failed to request required prior approval for the FDI, or (y) 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 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) ability of a foreign investor to directly or indirectly control at least 10 percent of the voting rights of a 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) other 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 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 refuse 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 <u>voluntary consultation</u> regarding the FDI, while <u>mandatory consultation</u> 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 restriction shall occur.



Denmark	
FDI restrictions prior to the international crises	
Do FDI restrictions apply?	
	No. Denmark has no legislation that specifically regulate FDI other than a permit requirement for the acquisition of real estate (see below) and currently Denmark does not have any policies aimed to differentiate between domestic and foreign investors. There is, however, a broad political will to introduce restrictions on FDI and ownership of critical infrastructure by limiting the ability to acquire and resell such ownership and imposing conditions on the completion of such acquisitions, whilst balancing the protection of the services and sectors that are considered critical for securing the fundamental functions of the society and the need for FDI in Denmark. Nevertheless, no legislation has yet been introduced.
If yes, which authority is responsible for the verification of an FDI?	
	The only restriction on foreign ownership in Denmark is the requirement to obtain a permit from the Danish Ministry of Justice when purchasing real estate if the buyer is not domiciled in Denmark. However, the possibilities to obtain such permits are limited. EU and EFTA companies may purchase real estate in Denmark, without obtaining the permission of the Danish Ministry of Justice i.e. (i) the company has its head office or registered office in EU or an EFTA member state and (ii) the company has established or will establish subsidiaries or agencies or will provide services in Denmark.
If yes, are these general restrictions or industry/sector-specific restrictions?	
	See above.
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	N/A
If yes, are these restrictions dependent on certain control thresholds being reached?	
	N/A
If yes, what is the administrative procedure?	
	N/A
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.



Finland

FDI restrictions prior to the international crises

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](#) or [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?

No.



France	
FDI restrictions prior to the international crises	
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, explosives and biotechnology.
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). This includes investments in activities (i) which may harm public order, public security or national defence interests, or (ii) are related to research, production or marketing of arms, ammunition, explosives and biotechnology.
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; or (iii) any entities 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. However, the 25 percent threshold condition on foreign investments does not apply to EU and EFTA investors from countries that have concluded an administrative assistance agreement with France to prevent tax fraud and tax evasion).
If yes, are these restrictions dependent on certain control thresholds being reached?	
	Restricted Investment: 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 acquisition exceeding the threshold of 25 percent of the share capital or voting rights of a company governed by French law.
If yes, what is the administrative procedure?	
	<p>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 given 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 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.</p> <p>However, there are exceptions to the approval requirement, if (i) the investment is 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.</p> <p>Once the investment is completed, the investor must submit a certain statement within two months of completion.</p> <p>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, Regulation EU).</p> <p>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 Regulation EU.</p> <p>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 an 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 Union, 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</p>

	<p>the FMEF will ultimately decide to authorise (or not) the FDI. It being specified that the EU Commission's advice is not published and subject to strict confidentiality rules.</p> <p>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.</p>
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FDI restrictions in light of the COVID-19 pandemic

Have FDI restrictions temporarily been tightened?

	<p>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).</p> <p>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 again, by decree of 22 December 2021, until 31 December 2022.</p> <p>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.</p> <p>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.</p>
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Have these restrictions already expired or when will they expire?

	<p>Please see above.</p>
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FDI restrictions in light of the Ukraine war

Have FDI restrictions temporarily been tightened?

	<p>No.</p>
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Germany	
FDI restrictions prior to the international crises	
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 Energy (BMWi)
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.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	<p>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).</p> <p>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.</p> <p>In order to avoid circumvention, a transaction may be reviewed ex officio by the BMWi 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 acquisitions 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.</p> <p>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. 25 percent, 40 percent, 50 percent or 75 percent).</p>
If yes, what is the administrative procedure?	
	<p>If the general (cross-sector) restrictions apply, the buyer has to notify the BMWi of the transaction if the domestic company is active in particularly sensitive sectors, otherwise the BMWi can open an examination proceeding, but is not obliged to do so. In order to obtain legal certainty as to the applicability of the general (cross-sector) restrictions, in the latter case the buyer may submit an application for approval. If the application is not rejected within 2 months (1st test phase) of receipt by the BMWi, the approval is deemed to have been granted. In case of the proceedings being opened (2nd test phase), the buyer must provide the BMWi with all documents required for the examination. As soon as all necessary documents are available, the BMWi has a 4-month review period within which it can prohibit the transaction. In the 2nd test phase the transaction is not legally effective unless explicitly approved by the BMWi. The 2nd test phase may be extended by 3months if the examination procedure presents particular difficulties of a factual or legal nature. It may be extended by a further month if the acquisition particularly affects the defence interests of the Federal Republic of Germany.</p> <p>If the sector-specific restrictions apply, the buyer has to notify the BMWi of the transaction. If upon receipt of such notification the BMWi does not open the proceedings within 2 months (1st test phase) of receipt, the approval is deemed to have been granted. In case of the proceedings being opened (2nd test phase), the buyer must provide the BMWi with all documents required for the examination. As soon as all necessary documents are available, the BMWi has a 4-month review period within which it can prohibit the transaction. In the 2nd test phase the transaction is not legally effective unless explicitly approved by the BMWi. The 2nd test phase may be extended by 3 months if the examination procedure presents particular difficulties of a factual or legal nature. It may be extended by a further month if the acquisition particularly affects the defence interests of the Federal Republic of Germany.</p>

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 now 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 BMWi. Furthermore, the deadlines for the examination process have been revised. Now a period of two months (1st test phase) applies to the preliminary proceedings. When the actual examination procedure (2nd test 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 already 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.



Hungary	
FDI restrictions prior to the international crises	
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.

	<p>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.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> (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. <p>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.</p>
	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?
	Currently, no further FDI restrictions have been introduced in Hungary in response to the Ukraine war.



Italy	
FDI restrictions prior to the international crises	
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 transports.
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?	
	<p>Until October 2019 the screening mechanism was limited to the following sectors: defence, national security, energy, telecommunications and transports. It was subsequently extended to the following sectors:</p> <ul style="list-style-type: none"> critical infrastructures, 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?	
	<p>If the target company operates in the defence sector or in the national security sector, these restrictions apply to any foreign buyer.</p> <p>As far as other sectors (i.e., energy, transport, telecommunications) are concerned, the restrictions only apply to non-EU buyers.</p>
If yes, are these restrictions dependent on certain control thresholds being reached?	
	<p>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).</p> <p>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.</p>
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 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.
(2) FDI restrictions in light of the COVID-19 pandemic	
Have FDI restrictions temporarily been tightened?	
	<p>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 are being made permanent in certain sectors. The main amendments are the following:</p> <ul style="list-style-type: none"> 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, 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 Mio. Acquisitions by which the thresholds of 15 percent, 20 percent, 25 percent and 50 percent are exceeded are also subject to the notification requirements.
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	Have these restrictions already expired or when will they expire?
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	No.
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FDI restrictions in light of the Ukraine war	
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	Have FDI restrictions temporarily been tightened?
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	No.
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Netherlands	
FDI restrictions prior to the international crises	
Do FDI restrictions apply?	
	<p>Since October 2020, the Dutch Telecommunications Act (<i>Telecommunicatiewet</i>) (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.</p> <p>As of 4 December 2020, the Foreign Direct Investments Screening Regulation (Implementation) Act came into force, implementing the framework of the FDI Screening Regulation (EU) 2019/452.</p> <p>On 30 June 2021, the draft Investments, Mergers and Acquisitions Security Screening Bill (<i>Wet veiligheidstoets investeringen, fusies en overnames</i> (<i>Wet Vifo</i>)) (Investment Screening Bill) was sent to the Dutch House of Representatives (on 14 December 2021, certain amendments were proposed to the Dutch House of Representatives). 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 proposes to implement <i>an ex-ante</i> general screening mechanism focusing on vital suppliers and companies active in the field of sensitive technology. The Investment Screening Bill, which provides for retroactive effect back to 8 September 2020, will likely enter into force in the second half of 2022.</p>
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 Dutch Investment Review Agency (<i>Bureau Toetsing Investerings</i>)).
If yes, are these general restrictions or industry/sector-specific restrictions?	
	<p>Since October 2020, the 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. The FDI screening pursuant to the Telecommunications Act applies retroactively to all relevant transactions that have taken place since 1 March 2020.</p> <p>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.</p> <p>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 such as electricity, gas, drinking water, nuclear activities, defence and mining).</p>
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?	
	<p>Pursuant to the Telecommunications Act, the threshold for notification is based on whether the investor has "<i>predominant control</i>" of a telecommunications entity that would "<i>result in a relevant influence in the telecommunications sector</i>". "<i>Predominant control</i>" is defined as 30 percent of voting rights, the capacity to dismiss half of board members, or the capacity to exercise control in reserved matters.</p> <p>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 <i>significant influence</i>. The amendments proposed to the Dutch House of Representatives on 14 December 2021 include some clarifications on what is deemed <i>significant influence</i>.</p>
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.

	<p>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.</p> <p>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 extend 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 reevaluate the transaction after clearance has been given if new information becomes available or circumstances significantly change.</p>
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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).
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Have these restrictions already expired or when will they expire?

	N/A
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FDI restrictions in light of the Ukraine war

Have FDI restrictions temporarily been tightened?

	No.
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Poland	
FDI restrictions prior to the international crises	
Do FDI restrictions apply?	
	Yes. In general acquisitions of shares in a company owning 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, telecommunication, 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 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.a., public companies, companies owing 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 Mio. 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 restrictions apply 30 days after the Act is published, i.e. from 24 July 2020, and will remain in force for 24 months.
FDI restrictions in light of the Ukraine war	
Have FDI restrictions temporarily been tightened?	
	No.



Singapore	
FDI restrictions prior to the international crises	
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?	
	<p>The thresholds vary based on the sector in question. For example:</p> <ul style="list-style-type: none"> • 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?	
	No.



Slovak Republic	
FDI restrictions prior to the international crises	
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?	
	<p>The new screening mechanism shall apply to companies in critical infrastructure in the following sectors:</p> <ul style="list-style-type: none"> • mining, • electric power engineering, • gas, petroleum, • pharmaceutical, • chemical, and • metallurgical. <p>Mechanism for general restrictions should be introduced as well, however, a concrete legislative proposal is not yet available.</p>
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?	
	<p>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.</p> <p>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.</p> <p>The applicant may appeal the Slovak Government's decision to deny the approval or withdraw the approval before the Supreme Court.</p>
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.



Spain

FDI restrictions prior to the international crises

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 before 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 Mio.) are exempted from notification obligation. Such exceptions do not apply to investments from tax havens.

If yes, what is the administrative procedure?

Prior notification to the Registry of Investments is required for FDI from tax havens (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 through 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 Mio.

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**

	<ul style="list-style-type: none"> 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. <p>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.</p> <p>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.</p> <p>Investments below EUR 1 Mio. are exempted from prior approval requirement.</p> <p>Although these new rules have been approved in the context of COVID-19 pandemic, they might still remain in force once the situation is over.</p>
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Have these restrictions already expired or when will they expire?	
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	N/A
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FDI restrictions in light of the Ukraine war	
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Have FDI restrictions temporarily been tightened?	
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	No.
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Sweden	
FDI restrictions prior to the international crises	
Do FDI restrictions apply?	
	In order to implement the FDI Regulation, a new act on supplementary provisions to the EU Regulation entered into force on 1 November 2020. However, the supplementary provisions do neither include a notification requirement, nor empower the Swedish government to prohibit an investment. In 2021, it was proposed to introduce rules that would allow for screening and prohibition of FDI in security-sensitive infrastructure and technologies. Currently, Swedish regulations require that the seller of a national security related operation must notify the Swedish Security Service or the Swedish Armed Forces before initiating a sale of its operation to a foreign investor. Furthermore, the operator of a public or private company sensitive for national security is obliged to carry out a security analysis. The requirements as to what is to be considered nationally protected technology are subject to interpretation. 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 Swedish regulation transfers the responsibility to the operator – not the buyer. There are no sanctions in connection with the Swedish regulation, it focuses on information and is not an FDI screening mechanism. If an acquisition concerns sensitive information, the operator is obliged to notify the state, but the acquisition itself does not require approval.
If yes, which authority is responsible for the verification of an FDI?	
	N/A
If yes, are these general restrictions or industry/sector-specific restrictions?	
	There is no FDI screening mechanism. The obligation to notify the state on FDI only applies if the target company is sensitive for national security. The sectors most affected are energy production, distribution of energy, mail and telecommunication, defence and nuclear safety.
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?	
	The obligation to notify the state on FDI only applies if the target company is sensitive for national security. The sectors most affected are energy production, distribution of energy, mail and telecommunications, defence and nuclear safety. The Swedish regulation also requires conclusion of a specific security agreement if a business operator whose operation is sensitive from a national security perspective intends to conduct a procurement, conclude an agreement, or commence any other form of cooperation or collaboration with an external party. There are three types of the security agreements (level 1, level 2 and level 3), with different requirements, e.g. to ensure that adequate training in security protection is provided to those participating in a security sensitive business. The level of the security agreement depends on the security classification of the company's operations. The business operator must also inform the Swedish Security Service that a security agreement has been concluded.
If yes, what is the administrative procedure?	
	There is no FDI screening mechanism, but anyone who intends to transfer security-sensitive operations (incl. foreign investors) must report this to the Swedish Security Service or, if the operator is a part of the Swedish Armed Forces' supervisory authority, to the Swedish Armed Forces. In addition, the operator must notify the foreign 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.	



United Arab Emirates (UAE)	
FDI restrictions prior to the international crises	
Do FDI restrictions apply?	
	The Commercial Companies Law was amended in 2020 wherein the foreign ownership restrictions have been abolished unless a specific restriction is created. In June 2021, each Emirate announced a list of activities where 100 percent foreign ownership is permitted.
If yes, which authority is responsible for the verification of an FDI?	
	The respective licensing authority in each Emirate (i.e. the Department of Economic Development).
If yes, are these general restrictions or industry/sector-specific restrictions?	
	The list of activities where 100 percent foreign ownership is permitted, announced by each Emirate, covers different sectors or industries. For example, in the Emirate of Abu Dhabi, the list is broader and covers several manufacturing, trading and service activities, whereas in the Emirate of Dubai, consultancy/services activities are largely not on the list where 100 percent foreign ownership is permitted.
If yes, do these restrictions apply to buyers from specific jurisdictions only?	
	No, the restrictions generally apply to all foreign investors and are relevant to all non-UAE (and non GCC) citizens and entities. Please note, however, that certain federal laws in the UAE are currently in force which may impact foreign ownership of certain nationalities, given the nature of their political relationship with the UAE.
If yes, are these restrictions dependent on certain control thresholds being reached?	
	The earlier Commercial Companies Law limited a foreign (i.e. non-UAE national) shareholder to hold a maximum of 49 percent of the shares in a company incorporated onshore in any of the Emirates. The Commercial Companies Law now allows foreign citizens and entities to own up to 100 percent in a limited liability company or a private joint stock company and to retain a controlling majority in a UAE- based entity onshore, provided it is on the list of activities announced by each emirate in the UAE.
If yes, what is the administrative procedure?	
	If the activity of an entity falls under the list announced 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?	
	Currently no further restrictions are foreseen to be imposed by the relevant authorities as a result of the COVID-19 pandemic. However, as the amendments to the Commercial Companies Law were implemented only in June 2021, we flag that its implementation in practice is in its early stages.
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 restrictions prior to the international crises	
Do FDI restrictions apply?	
	<p>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).</p> <p>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).</p> <ul style="list-style-type: none"> • 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. <p>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).</p> <p>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).</p> <p>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).</p> <p>The Government can unwind or block deals where national security concerns are found.</p> <p>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).</p>
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?	
	No.

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Thank you

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