Clifford Chance

Navigating Foreign Direct Investment Review and CFIUS Processes: What You Need to Know

February 2026

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Supporting you on all future investments

Navigating foreign direct investment ("**FDI**") regimes can be critical to the success of a transaction

Foreign investment scrutiny is increasingly being applied to global M&A transactions and is a key regulatory consideration that must be addressed in cross-border deals. The global trend towards protectionism has led to more restrictive government measures and an array of rules to navigate. This requires a strategic, comprehensive, and coordinated approach towards foreign investment rules.

This document provides an overview of Clifford Chance's market-leading global FDI capabilities, as well as details on FDI regimes in an array of key jurisdictions. As parties contemplate cross-border transactions, they should understand and plan for potential FDI reviews, mitigation risks, and timing implications early in the deal process to most effectively manage these issues and avoid surprises.

We provide the following services:

01

Identifying where foreign investment filings are triggered for each transaction and carrying out an initial multi-jurisdictional foreign investment filing analysis.

02

Preparing any required foreign investment filings and engaging in any discussions with the authorities (pre- and post-notification), making any supplemental submissions and, to the extent required, negotiating remedies with the relevant authorities.

03

Identifying and addressing other related issues such as political and other stakeholder engagement. Negotiating FDI-related terms in transaction agreements to ensure clients are properly protected.

04

Assisting you with navigating the foreign investment clearance process across all jurisdictions (working with our international network and local counsel when required). Leveraging our extensive global platform of FDI experts, Clifford Chance acts as a "central hub" and coordinates each of the processes.

05

Assisting your in-house legal function with setting up standard protocols to help streamline the process for gathering and maintaining the information necessary for conducting future foreign investment filings.

In the inaugural Foreign Investment Control 2026 survey published by **Global Competition Review** (GCR), Clifford Chance was highlighted as a leading global foreign direct investment (FDI) law firm. Our market-leading position is clear - by deal volume of reporting firms, the Clifford Chance FDI team is:

#1 Globally
#1 in the UK
#1 in Japan
Top 5 across the EU
Top 5 in Australia

International footprint
Our global FDI and CFIUS practice

Clifford Chance's Foreign Direct Investment ("FDI") and Committee on Foreign Investment in the United States ("CFIUS") team advises clients on a wide variety of global FDI matters across the full range of industries, transaction structures, and investor types. Our experience is extensive and our clients trust us with high-profile, complex FDI and CFIUS matters across Europe, the United States, Asia Pacific, and the Middle East.

Leveraging our global footprint, we have FDI experts in key countries around the world. We act as a central hub for clients, managing foreign investment scrutiny across jurisdictions in a coordinated, consistent way. Our team's deep insight, built through years of hands-on work, is invaluable, especially where FDI review regimes operate more opaquely. Our FDI and CFIUS experts help clients navigate foreign investment and national security regulations, manage risk, and maximise opportunities in a complex and evolving geopolitical and regulatory landscape.

With over 170 lawyers in this practice area around the world, we offer on-the-ground support and deep expertise. Where we do not have offices, we hold strong partnerships with trusted local experts. We are also leaders in industry dialogue – for example, our Antitrust & FDI blog keeps clients informed and ahead of relevant FDI-related developments.

Clifford Chance's FDI & CFIUS team helps clients understand and effectively manage FDI and CFIUS risks with clarity, efficiency, and seamless service.

Americas
Key facts
- 3 partners
- 8 other lawyers
- 2 offices: New York and Washington, D.C.

Europe & Middle East
Key facts
- 22 partners
- 118 other lawyers
- 15 offices: Amsterdam, Brussels, Bucharest, Dubai, Düsseldorf, Istanbul, London, Luxembourg, Madrid, Milan, Paris, Prague, Riyadh*, Rome, and Warsaw

Asia Pacific
Key facts
- 6 partners
- 17 other lawyers
- 5 offices: Beijing, Hong Kong, Singapore, Sydney, and Tokyo

*We have a joint venture agreement with Abuhimed Alsheikh Alhagbani (AS&H) law firm in Riyadh.

What sets us apart

An extensive track record and global coverage

We advise on:

Filings

- Coordination of multi-jurisdictional foreign investment filings.
- Advising throughout the whole foreign investment filing process (Phase I and Phase II proceedings).
- Advising on information requests.
- Negotiations with the respective regulatory authorities, including in relation to undertakings and remedies.

Policies and compliance

- Developing policies for dealing with challenging jurisdictions.
- Sophisticated and pragmatic approach to foreign investments, balancing commercial and risk management considerations.
- Setting up and/or maintaining foreign investment filings database to maximise efficiencies across deals.

Managing risks

- Identifying and managing regulatory risks.
- Involvement of communication and PR agencies to address the political aspects.
- Political lobbying and stakeholder engagement.

Training

- Regular training on best practice, trends, and regulatory developments for legal and deal teams.
- Document production.
- Transaction rationale.
- Market practice/trends on risk sharing.

Going beyond pure legal advice

Our specialists have a wealth of experience in advising clients on the development of foreign investment frameworks in established and emerging markets and jurisdictions. We are at the forefront of developments, and regularly participate in consultations and interest groups concerning regulatory and FDI developments. We have advised on some of the largest and most complex foreign investment matters in recent years, and have helped clients overcome major regulatory hurdles in Europe, Asia-Pacific and the U.S. We have long-standing experience of handling Phase I and II investigations and regularly act as global counsel to coordinate multi-jurisdictional foreign investment and merger control filings. We develop innovative solutions to protect our clients' strategic interests and to best achieve our clients' commercial objectives.

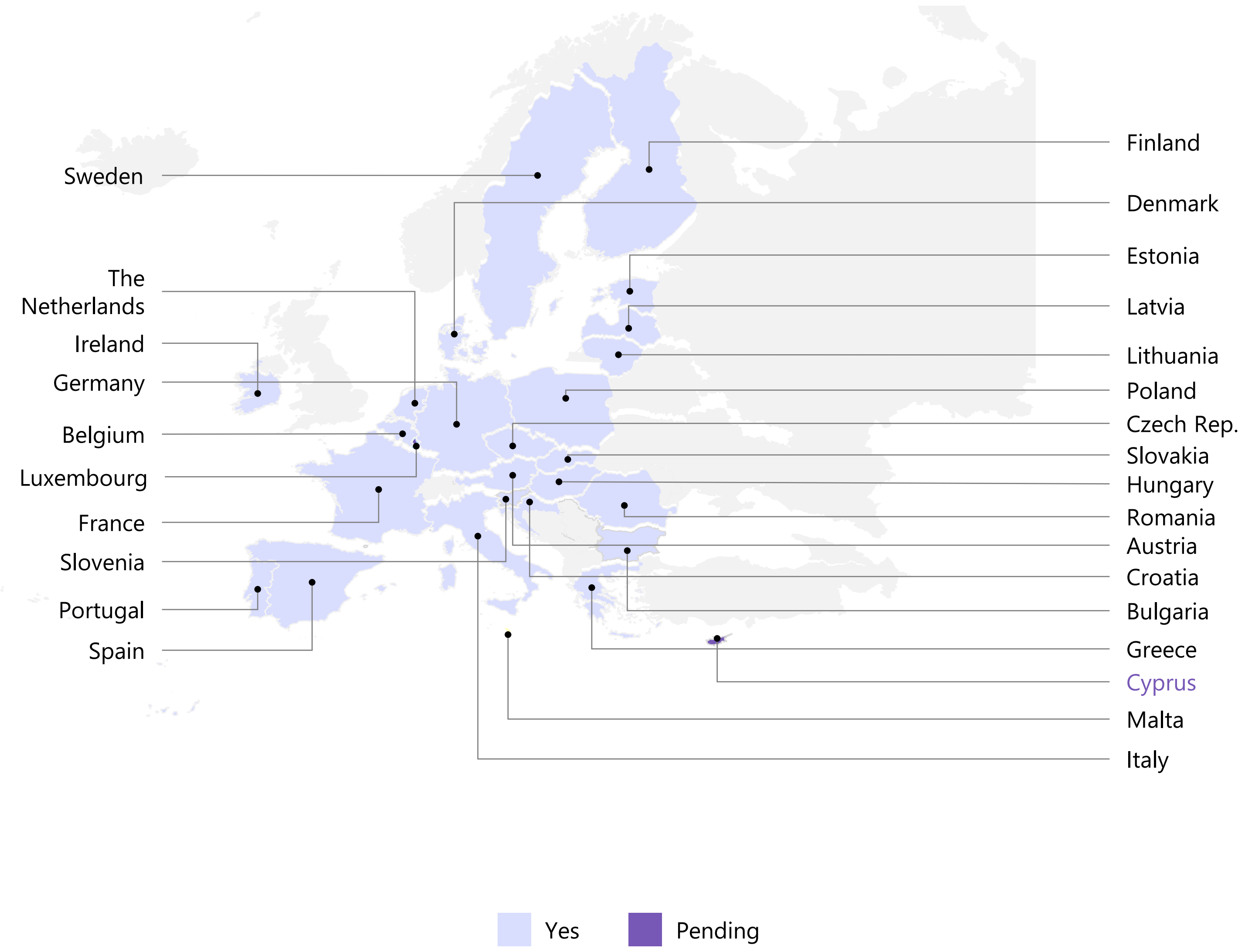
EMEA

European Union

An overview of Member States with FDI regimes in place or pending

The map below offers a snapshot of which countries in the EU have FDI screening regimes in place.

26 Member States are reported to have screening mechanisms in place, with one Member State having initiatives or consultative/legislative process underway.



European Union
(continued)

Purpose of the Regulation

- The EU Screening Regulation 2019/452 established a framework for the EU Commission and the Member States to exchange information regarding foreign investment filings which are notified on a national level to the authorities of the Member States.
- Member States were required to implement the cooperation mechanism established under the FDI Regulation by 11 October 2020.
- The FDI Regulation does not create a new FDI regime but seeks to regulate the screening of FDI transactions across the EU.

Powers of the EU Commission

- The EU Commission does not have any power to block the transaction or impose remedies. Instead, the EU Commission can issue a non-binding opinion to the Member State which undertakes the screening. The opinion of the EU Commission has to be taken into "due consideration". The same also applies to the non-binding comments from the other Member States. The final decision is always taken by the Member State which conducts the foreign investment screening.

Timeline

- The EU Commission and other Member States have 35 calendar days following receipt of complete information to submit the opinion and comments to the Member State which conducts the screening.
- This deadline can be extended if the EU Commission and/or other Member States request further information.

Scope of the Regulation

- The EU Screening Regulation applies to critical infrastructure 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.
- The scope of application also comprises 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. Further sectors caught by the EU Screening Regulation include supply of critical inputs, including energy or raw materials, food security, access to sensitive information, including personal data, or the ability to control such information and the freedom and pluralism of the media.
- Finally, the EU Screening Regulation also applies to projects or programmes of EU interest as listed in an annex to the EU Screening Regulation (including Governmental Satellite Communications, known as Govsatcom, the EU4Health Programme, the Digital Europe Programme or the European Defence Fund).
- The FDI Regulation was subject to a consultation process in June/July 2023. The EU Commission published a proposal for a new FDI Regulation in January 2024 which underwent subsequent discussions between the European Parliament, the EU Council, representing the Member States, and the EU Commission ("trilogues").

Results of the trilogues:

On 11 December 2025, the EU Council and EU Parliament reached a political agreement on the revision of the FDI regulation covering the following main elements:

- **Common minimum scope** of screenings in all Member States, including dual-use items, military equipment, hyper-critical technologies (e.g. AI, quantum, semiconductors), critical raw materials, and critical entities in energy, transport and digital infrastructure, electoral infrastructures, and certain financial system entities.
- **Screening decisions remain the exclusive responsibility** of Member States.
- **Operational aspects**: A shared database, an optional single portal for filings when requested by at least nine Member States, clarification of risk factors.
- **Next steps**: Provisional agreement to be endorsed by Council and Parliament before formal adoption. The new rules will start applying 18 months after the entry into force of the regulation.

Austria

Type of filing requirement

- **Mandatory**. According to the current legislation, foreign investment filings are **suspensory**. Thus, the approval of the Federal Minister for Economy, Energy and Tourism (**BMWET**) will have to be obtained prior to closing. **Criminal sanctions**, including imprisonment, will be possible in cases of gun-jumping.

Nature of the review

- The **BMWET** can prohibit the acquisition of an Austrian target if the acquisition poses a risk to security or public order in Austria (or another EU Member State). If such risk can be mitigated by commitments/remedies (*Auflagen*), the transaction must be cleared with commitments/remedies. The BMWET may impose commitments/remedies unilaterally. In practice, there is an exchange on the nature and scope of commitments/remedies between the BMWET and the acquirer.
- In order to establish whether an investment poses a risk to security or public order, the BMWET considers the following factors:
  - investor-related factors (e.g. direct or indirect control of the acquirer by the government of a third state; previous or potential future involvement in illegal activities; previous or potential future involvement in activities which may affect security or public order in another EU Member State); and
  - how the investment affects the (highly) critical sectors listed in the Annex to the Investment Control Act ("**ICA**").
- **Highly critical sectors** are: defence equipment and technologies; operation of critical energy infrastructure; operation of critical digital infrastructure, in particular 5G infrastructure; water; operating systems that guarantee the data sovereignty of the Republic of Austria.
- **"Normal" critical sectors** are, in particular: critical infrastructures (e.g. in energy, IT, transport, telecoms); critical technologies and dual-use items (e.g. artificial intelligence, semiconductors, defence technologies); security of supply of critical inputs (e.g. energy, raw materials, food, medicines and vaccines); access to or ability to control sensitive information; freedom and pluralism of the media.

Timetable

- EU Screening mechanism (introductory phase): **15 calendar days (or longer)**.
- Phase I: **additional one month (no extension possible)**.
- Phase II: **additional two months (no extension possible)**.

Austrian FDI proceedings formally start with the kick-off of the EU cooperation mechanism **(EUCM)**. The BMWET does not kick off the EUCM if it deems the submitted information to be incomplete.

Triggering events

- Direct or indirect acquisition by a **non-EU/non-EEA/non-Swiss investor** of:
  - an Austrian business or legal entity;
  - material parts of an Austrian business resulting in the acquisition of a controlling influence over such parts of a business;
  - a controlling influence over an Austrian business or legal entity; or
  - voting rights of at least 10% (if the Austrian target is active in a highly critical sector) or 25% (if the Austrian target is active in a "normal" critical sector).
- Under Austrian legislation, it is unclear whether a filing obligation is triggered if the foreign acquirer acquires non-controlling voting shares of at least 10% (or 25%) in a non-Austrian entity which itself holds a non-controlling voting interest of at least 10% (or 25%) in the Austrian target. By contrast, a filing obligation is triggered if a foreign acquirer acquires a controlling influence over a non-Austrian entity which itself holds a non-controlling voting interest of at least 10% (or 25%) in the Austrian target (or vice versa).
- If the Austrian target is a microenterprise or a mere branch office, the acquisition is exempted from the mandatory filing obligation.
- The ICA does not exempt internal restructurings. Internal restructurings may therefore come within the ambit of the ICA and notifiability has to be assessed on a case-by-case basis.

Good to know

- Since the Austrian ICA entered into force in 2020, the BMWET had to assess approx. 90 cases per year. Approx. 66% of transactions were cleared in Phase I. Remedies/commitments were imposed in approx. 4% of the cases.
- The following activities are not caught by the ICA according to the BMWET's administrative practice: cinema distribution; wooden structures and facade construction; services in the field of further education, further qualification, adult education with a focus on vocational training, or certain activities in the food sector which are not even abstractly critical.
- The BMWET still interprets the ICA broadly. However, over the course of 2025, the BMWET has tried to narrow down the broad categories of critical sectors listed in the Annex to the ICA by way of interpretation. A case-by-case analysis of notifiability is therefore paramount.
- To save time, it is possible to submit an FDI filing before signing of the transaction agreement (SPA, APA, etc.) based on a binding letter of intent (*verbindliche Absichtserklärung*).

Belgium

Type of filing requirement

- **Mandatory and suspensory.** Notification of the foreign investment must take place between signing and closing, and the duty to notify rests on the foreign investor. The parties to the foreign investment are subject to a standstill obligation, meaning that the approval of the Inter-Federal Screening Committee ("**ISC**") must be obtained prior to implementing the foreign investment.
- **Administrative fines.** In case of failure to notify or gun-jumping, the ISC has the power to impose an administrative fine on the foreign investor of up to 30% of the value of the foreign investment.
- ***Ex officio* investigation.** In case of failure to notify, the ISC has the power to initiate an *ex officio* investigation and, if needed, can impose corrective measures up to two years after the unnotified foreign investment was implemented. This term can be extended to five years if there are indications of bad faith.

Nature of the review

- The ISC will assess whether there are specific indications of a possible threat to Belgium's public order, national security, and/or strategic interests that could arise from the implementation of the foreign investment. The ISC may impose corrective measures aimed at addressing the potential impact of the foreign investment on Belgium's public order, national security, and/or strategic interests.

Timetable

- The review process includes a Phase I verification procedure and potentially a Phase II screening procedure.
  - **Initiation of Phase I:** No formal or informal time limits, but typically takes one to two working days following submission (if the filing is deemed complete).
  - **Phase I:** 30 calendar days, but requests for information stop the clock until the requested information is provided.
  - **Phase II:** 28 calendar days, but several stop-the-clock events could potentially add months to the duration of the review process.

Triggering events

- **Filing thresholds.** A foreign investment is notifiable to the ISC where the following cumulative conditions are met:
  - the investment is made by a (non-EU) foreign investor;
  - the target is established in Belgium (through a subsidiary, branch, or significant economic presence);
  - the activities of the target's Belgian entity(ies) "touch upon" one or more sectors that are crucial to Belgium's public order, national security, and/or strategic interests; and
  - the investment entails the (direct or indirect) acquisition of either control (within the meaning of the EUMR), or 10% or 25% (depending on the sector) of the voting rights of the target's Belgian entity(ies).
- **Category I sectors (25% or control):** (i) critical physical or virtual infrastructure for energy, transport, water, health, electronic communications and digital infrastructures, media, data processing or storage, aerospace, space and defence, election infrastructure, or financial infrastructure; (ii) technologies or resources that are of essential importance to security, defence, or maintaining the public order, military equipment, dual-use items, or technologies of strategic importance (and related IP), such as artificial intelligence, robotics, semiconductors, cybersecurity, aerospace and space, defence, energy storage, quantum and nuclear technologies, or nano technologies; (iii) supply of critical inputs, including energy or resources, as well as food security; (iv) access to, or the possibility to control, sensitive information or personal data; (v) the private security sector; (vi) freedom and pluralism of the media; and (vii) technologies of strategic importance in the biotech sector, provided the target's Belgian entity's turnover in the last fiscal year exceeded EUR25 million.
- **Category II sectors (10% or control):** (i) defence, including dual-use items; (ii) energy; and (iii) cybersecurity, electronic communication, or digital infrastructures, provided – for all these sectors – the target's Belgian entity's turnover in the last fiscal year exceeded EUR100 million.
- **Internal restructurings:** These are notifiable if all other filing thresholds are met (i.e. even where the Belgian target entity(ies) ultimately remain(s) controlled by the same non-EU entity).

Second Annual Report by the ISC

On 12 September 2025, the ISC published its second Annual Report on FDI screening in Belgium. Between 1 July 2024 and 30 June 2025:

i. The ISC received 100 notifications; it unconditionally approved 89 investments and imposed corrective measures in one case. The remaining notifications were either withdrawn or are still pending. The ISC did not block any investments.
ii. The average review period from notification to the end of Phase I was 31 days. In seven cases, the ISC requested additional information during the procedure.
iii. In only five cases, the Phase II screening procedure was opened, with three investments approved (two fast-tracked, one with corrective measures) and two cases still pending.
iv. The top five most impacted sectors were data (21%), digital infrastructure (14%), energy (13%), health (12%), and dual-use (9%).
v. US and UK investors accounted for 45% and 22% of notifications, respectively, followed by Japan (8%), Canada (7%), and China (5%).

Croatia

Type of filing requirement

- **Mandatory and suspensory.** Croatia recently adopted the Foreign Investment Screening Act which entered into force on 13 November 2025 ("FDI Screening Act").

- Under the FDI Screening Act the procedure for the verification of a foreign investment is initiated upon an application for approval of a foreign investment submitted by the applicant, before the transaction is completed.

- Following the receipt of an application for approval of a foreign investment, the Ministry of Finance carries out an administrative verification procedure to verify regularity of the application for approval of foreign investment, i.e. whether it is permitted, submitted by an authorised person and whether it contains all the necessary information and documentation.

Nature of the review

- Under the Act, the foreign investor must notify the Ministry of Finance prior to completion of foreign investment in Croatia. For the purposes of the Act, definition of a foreign investor includes: (i) any natural person who is not a citizen of Croatia or another EU or EEA Member State; (ii) any legal person organised under the law of a third country; (iii) any legal person that is established in Croatia or another EU or EEA Member State that is directly or indirectly controlled by a foreign investor or by a public body of a third country; (iv) investment migration intermediary as regulated by EU Regulation 2024/1624; and (v) any subsidiary or branch in Croatia or another EU or EEA Member State which is directly or indirectly controlled by a foreign entity or by a public authority of a third country.
- Ministry of Finance may ex officio carry out screening of the foreign investment, if so requested by any member of the FDI committee: (i) if the foreign investment was not reported; (ii) on the basis of a negative risk assessment, (iii) in case that indication that the investor or obliged entity is acting against the purpose of the FDI Screening Act; (iv) where suspicion or evidence that a request to reduce a qualified holding was used to conceal an acquisition or increase or decrease a qualified holding as part of joint coordinated action, (v) where National Contact Point receives a complaint or opinion from the EU Commission or Member States; (vi) when the FDI Committee analyses indicates risk or negative impact from foreign investment, and (vii) where actions are contrary to the purpose of the FDI Screening Act.

Nature of the review (continued)

- The FDI Investment Act specifies competent authorities for the determination of obliged entities in various sectors. Among those authorities are, for example, Ministry of Economy, Ministry of Health, Ministry for environmental protection, Ministry for digital transformation, Ministry of Agriculture, Ministry of Science and Education, Ministry of Foreign Affairs, Ministry of Defence, Agency for Electronic Media, Central State Cyber Security Authority, Croatian National Bank, Croatian Financial Services Supervisory Agency etc. The competent authority for the identification of designated critical entities is obligated to identify such entities active in the area of its competence. Ultimately, it is the Government that shall produce a detailed list of sectors and subsectors in the above activities in line with National Classification of Economic Activities.

Timetable

- Upon receipt of the application in Phase I, the Ministry of Finance carries out the administrative review of the application in order to establish its completeness within 30 days following the date of submission. If required, this term may be extended to 60 calendar days. In Phase II, the complete notification is delivered to the FDI Commission. The Commission's task is to produce an opinion on the investment's impact on security and public order within 90 days. If required, this term may be further extended by 30 calendar days. Thus, depending on the circumstances, the whole process could take between 120 and 150 days.

Triggering events

- The proceedings are triggered if the foreign investor directly or indirectly acquires a stake of at least 10% of shares, voting rights, or property rights in the entity in question.

Czech Republic

Type of filing requirement

- **Mandatory**. The Czech FI Act requires that approval of the Ministry of Industry and Trade (the "**Ministry**") must be requested prior to making an investment into a number of strategic sectors. **Financial penalties:** Failure to comply with statutory obligations may result in administrative fines up to the amount of **2%** of net annual turnover (or up to approximately EUR4.1 million, if the turnover cannot be determined) of the foreign investor.

Nature of the review

- The Czech FI Act applies to investors whose residence (or nationality, if an investor is a natural person) is located outside the EU; or investors directly or indirectly controlled by persons whose residence (or nationality, if an investor is a natural person) is located outside the EU.
- **Sector-specific scrutiny** relates to: (i) manufacturing, research, development, innovation, or ensuring the life cycle of arms and military equipment; (ii) operating a critical infrastructure identified by a relevant Czech administrative authority; (iii) provision of a regulated service subject to higher obligations under the Cyber Security Act (implementing NIS2);and (iv) manufacturing or development of dual-use items (including software and technology, which can be used for both civil and military purposes).

Timetable

- In general, the Ministry has 90 days to issue its approval. This time period may be extended by up to 30 days in particularly complex cases. Any foreign investor may request consultation with the Ministry before completing the transaction. Such consultation would be advisable especially in cases when it is not certain whether the Czech FI Act will be applicable, or if the risk that the transaction may compromise the security of the Czech Republic or its internal or public order cannot be conclusively excluded.

Triggering events

- Under the Czech FI Act, a relevant transaction is one that results in a non-EU investor, directly or indirectly acquiring:
  - a stake equal to or greater than 10% of voting rights in the target;
  - a membership of the foreign investor (or its related party) in corporate bodies of the target;
  - the asset through which the target's business activity is carried out by the investor; or
  - any other type of control resulting in the foreign investor gaining access to information, systems, or technology which are important in connection with the protection of the security of the Czech Republic, or its internal or public order.

Update on the FDI regime

- On 19 January 2021, the Czech Parliament passed a new act that aims to strengthen the control of foreign direct investments in the Czech Republic (the "**Czech FI Act**"). It became effective on 1 May 2021.
- As of 1 November 2025, an amendment to the Czech FDI Act entered into force, significantly expanding the categories of targets potentially subject to FDI filing.
- The Czech FI Act has a significant impact on many strategic investments from non-EU countries.

Denmark

Type of filing requirement

- The Danish Act on Screening of Certain Foreign Direct Investments in Denmark contains two screening mechanisms:
  - A **mandatory and suspensory** authorisation regime for foreign investments in Danish companies, which are active within particularly sensitive sectors. If an investment subject to the mandatory regime is completed without prior approval, and approval is subsequently denied because the investment is found to constitute a threat to national security or public order, the Danish Business Authority may order the investment to be divested. If the investment is not divested within a certain deadline, the Danish Business Authority may suspend the voting rights of the investor in the Danish entity.
  - A **voluntary and non-suspensory** notification regime for foreign investments in Danish companies within all other sectors other than the particularly sensitive sectors. For such investments, it is possible for the Danish Business Authority to initiate an investigation as to whether the investment may constitute a threat to national security or public order for a period of up to five years after completion of the investment. If this is found to be the case, the Danish Business Authority may order the investment to be divested (in which case the above similarly applies if the investment is not divested).

Nature of the review

- Approval is subject to the Danish Business Authority finding that the investment does not constitute a **threat to national security or public order**.
- When assessing whether an investment may constitute a threat to national security or public order, the Danish Business Authority will take into account, *inter alia*, whether:
  - the Danish company holds a significant position in the Danish market, including opportunities for substitution;
  - the foreign investor is directly or indirectly controlled by a foreign government, including foreign government agencies or foreign armed forces of a third country, including through ownership or substantial financing;
  - the foreign investor is or has been involved in activities affecting security or public order in an EU Member State or in other friendly and allied countries;
  - there is a serious risk that the foreign investor is engaged in or has relationships to illegal or criminal activities significant to national security or public order; and
  - there are indications that the foreign investor is deliberately trying to circumvent the screening rules, e.g. through the use of front company constructions.

Timetable

- The review under both regimes is divided into two phases.
  - **Phase I**: Phase I will start when the Danish Business Authority has declared the filing complete. Phase I must be completed no later than 45 calendar days after the filing has been declared complete. Phase I can result in the Danish Business Authority approving the investment or initiating Phase II if further investigation is deemed necessary.
  - **Phase II**: Phase II must be completed no later than 125 calendar days after the Danish Business Authority's notification that a Phase II screening has been initiated, *unless* additional information is requested. In that case, Phase II must be completed no later than 125 calendar days after the additional information has been declared complete. Phase II can result in the Danish Business Authority approving the investment, a statement from the Danish Business Authority that conditions for obtaining an approval must be negotiated, or a referral to the Minister of Industry, Business and Financial Affairs.
- The investment must be referred to the Danish Minister of Industry, Business and Financial Affairs if the Danish Business Authority finds that the investment may constitute a threat to national security or public order, which cannot be alleviated by conditions. No statutory deadlines apply to the Minister of Industry, Business and Financial Affairs' review.

Denmark
(continued)

Triggering events

- Under the **mandatory and suspensory** authorisation regime, a filing to the Danish Business Authority is required in the following cases:
  - a foreign investor's direct or indirect acquisition of a qualified stake (i.e. **10% or more** of the shares or the voting rights or similar control by other means) in a Danish company active within a particularly sensitive sector.
  - a foreign investor's increase of its stake to **20% or more, 1/3 or more, 50% or more, 2/3 or more, or 100%** in a Danish company active within a particularly sensitive sector.
  - a foreign investor's **greenfield investment** in (i.e. establishment of or capital injection up to certain monetary thresholds into) a Danish company, which is going to be active within a particularly sensitive sector.
  - certain **internal restructurings**, including where a new foreign company is included in the ownership structure.
- For the purpose of the mandatory and suspensory authorisation regime, foreign investors are considered to be non-Danish citizens, non-Danish companies, and Danish companies subject to control or significant influence by non-Danish citizens or non-Danish companies (i.e. the non-Danish citizens or companies directly or indirectly have at least 25% of the shares or voting rights or similar control by other means).
- The **voluntary and non-suspensory** notification regime applies to investments in a Danish company active within any other sector than the particularly sensitive sectors, provided that a foreign investor directly or indirectly acquires at least 25% of the shares or voting rights of or similar control by other means with the Danish company and the investment may constitute a threat to national security or public order.
- In this context, foreign investors are considered to be non-EU/EFTA citizens, non-EU/EFTA companies, and EU/EFTA companies subject to control or significant influence by non-EU/EFTA citizens or non-EU/EFTA companies (i.e. the non-EU/EFTA citizens or companies directly or indirectly have at least 25% of the shares or voting rights or similar control by other means in the EU/EFTA company).

Additional filing requirements

- Both the mandatory and suspensory authorisation regime and the voluntary and non-suspensory notification regime also apply to so-called **special financial agreements**, i.e. certain joint venture, supplier, operating and service agreements, which are concluded with a Danish company, if either the Danish company is active within the particularly sensitive sectors (mandatory and suspensory authorisation regime) or the agreement might constitute a threat to national security or public order (voluntary and non-suspensory notification regime).
- Additionally, the mandatory and suspensory authorisation regime also applies to **contracts pertaining to the upcoming energy island project in the North Sea**, i.e. contract relating to the establishment, co-ownership, and operation of the future energy island.

Estonia

Type of filing requirement

- **Mandatory and suspensory**. The approval of the Consumer Protection and Technical Regulatory Authority must be obtained before implementing the transaction.
- **Financial penalties**. The Consumer Protection and Technical Regulatory Authority may use coercive measures in case a transaction is implemented without clearance. These include a potential to issue a fine of up to EUR100,000. This can be applied repeatedly (once per day) to both the Foreign Investor as well as any other participant to the transaction.
- **Structural penalties**. The Consumer Protection and Technical Regulatory Authority may issue a prescript obliging the parties to unwind the transaction implemented without clearance and oblige the parties to the transaction to undertake other steps to revert the situation as it was prior to implementing the transaction.

Nature of the review

- The Consumer Protection and Technical Regulatory Authority may block the transaction in case it is capable of endangering the national security or public order of Estonia or other EU Member States.
- The Consumer Protection and Technical Regulatory Authority will in respect to the foreign investor assess:
  - the countries and economic sectors in which the foreign investor is active in;
  - the ownership structure of the foreign investor;
  - source of financing used for the transaction;
  - potential influence of a third country over the foreign investor; and
  - the involvement of the foreign investor or its ultimate beneficial owner in any previous or potential future illegal activities and whether the foreign investor or its ultimate beneficial owner has previously endangered the national security of Estonia or any other EU Member State.
- In respect to the target entity, the Consumer Protection and Technical Regulatory Authority will assess:
  - the general competitive environment in the economic sector in which the target is active and the importance of the target entity in that sector;
  - to which extent is the target entity subject to EU or public funding;
  - the impact of the foreign investment on the activities of the target undertaking, its customers and suppliers, as well as on the economic sector in which the target is active in general; and
  - the R&D activities of the target entity and the intellectual property rights belonging to the target.

Timetable

- The proceedings can be separated into two phases, depending on whether the transaction requires an in-depth assessment or not.
- Under Phase I, a decision can be expected in 30 calendar days from a complete filing.
- Under Phase II, a decision takes up to 90 calendar days in addition to the 30-day timetable of Phase I. This can further be extended by 60 calendar days for negotiations between the Consumer Protection and Technical Regulatory Authority and the foreign investor.

The Estonian Foreign Investment regime will apply to transactions implemented on or after 1 September 2023.

Estonia
(continued)

Triggering event(s)

- Prior authorisation will be required where an investor (i) registered under the laws of a third country (non-EU), or (ii) with an ultimate beneficial owner with a third country citizenship, acquires directly or indirectly (i) a 10% shareholding or equivalent voting rights, or (ii) a 50% shareholding or control (within the meaning of EU competition law), in a target entity protected under the Estonian Law on Assessing the Reliability of Foreign Investment.
- According to the Law on Assessing the Reliability of Foreign Investment, target entities active in Estonia in the following economic activities or meeting the below criteria are considered protected entities:
  - a vital service provider (e.g. central heating, fuel, electricity, public telecommunications providers etc.);
  - a state-owned company (at least 10% ownership by the state);
  - an enterprise that manufactures and/or supplies to a state institution goods specified in the list of military goods or dual-use goods specified in the Estonian Strategic Goods Act, or an enterprise that provides technical assistance for such goods;
  - a nationwide television or radio service provider or an on-demand audiovisual media service provider within the meaning of the Media Services Act, as well as a publisher of news, newspapers, and magazines in print media and on the Internet, whose turnover related to their respective activities in Estonia in the previous calendar year was at least EUR3 million;
  - an enterprise that has a geological survey or mining permit for the exploration or mining of oil shale or commodities included in the list of critical raw materials of the European Union drawn up by the European Commission;
  - an entrepreneur with whom a state operating reserve storage agreement or a delegated reserve agreement has been concluded;
  - an entrepreneur who owns a permanent national defence facility within the meaning of the National Defence Act;
  - an enterprise that owns certain infrastructure masts necessary for the operation of state communication or for the transmission of broadcasting programmes;
  - a railway infrastructure company that manages a public railway within the meaning of the Railway Act;
  - a certified airport or helipad operator, whose operated airport or helipad is open to international regular air traffic, or an air navigation service provider providing air traffic services in the Tallinn flight information area within the meaning of the Aviation Act; and
  - an operator of an Estonian seaport belonging to the pan-European transport network in accordance with certain EU laws.

Prior authorisation will also be required where a foreign investor acquires assets or a business unit of the target entity used for the provision of the aforementioned business activities, provided that such assets or business unit forms a standalone business, to which turnover can be attributed.

Finland

Type of filing requirement

- The Finnish Act on the Screening of Foreign Corporate Acquisitions ("**Monitoring Act**") contains two screening mechanisms:
  - a **mandatory, pre-closing and suspensory** authorisation regime for foreign investments in **defence industry** (incl. dual-use products) enterprises and enterprises producing or supplying critical products or services related to the statutory duties of Finnish authorities essential to the security of society, i.e. **security sector** enterprises.
  - A **voluntary and non-suspensory** notification regime for foreign investments in enterprises considered critical in terms of securing functions vital to society. However, the Finnish FDI authority can request a filing at its discretion, and the parties can also pre-empt the request by filing voluntarily.
  - The incoming foreign acquirer is responsible for the application/notification and can be **fined for failure to notify.**

Nature of the review

- The Ministry of Economic Affairs and Employment ("**FDI Authority**") is responsible for reviewing applications under the Monitoring Act. During its review, the FDI Authority obtains statements from other (relevant) authorities to the extent necessary.
- The FDI Authority must approve an acquisition unless it **endangers a key national interest**.
- The outcome of the review can be either (i) approval (unconditional or subject to commitments); (ii) prohibition; or (iii) a decision in which the application is declared inadmissible.
- To date, no foreign acquisitions have been formally prohibited; however, in certain cases, acquisitions have been approved subject to conditions.

Timetable

- There are no formal review periods for defence and security sector acquisitions. The approval from the FDI Authority must be applied for in advance. If the FDI Authority has not granted the required approval, the transaction may not be implemented.
- For other critical companies, the FDI Authority has either six weeks to decide whether to initiate further investigations or three months from receiving the necessary information to propose that the matter be referred to the Government's plenary session for its consideration (and eventual prohibition).
  - If the FDI Authority has not issued a decision or referred the transaction to the Government's plenary session within three months, the transaction is deemed approved.
- The processing times vary on a case-by-case basis, depending on the extent of the case. The applications and notifications are nevertheless processed urgently by the FDI Authority. In practice, the processing times of the FDI Authority have typically varied from eight to 12 weeks and based on statistics from 2024, the average processing time was 58 days. In case the FDI Authority considers the application inadmissible, the processing time is typically shorter, approximately four to six weeks.
- A fee of EUR8,000 will be charged for the processing of each application for confirming a corporate acquisition. In case the application is considered inadmissible, the fee is EUR1,500.

What to expect in Finnish FDI enforcement?

- The FDI Authority's enforcement approach is balanced: e.g. whilst the legislation could provide for expansive scope of the Finnish FDI regime, the FDI Authority's practice has been to take a balanced approach to questions concerning jurisdiction.
- The FDI Authority is also generally welcoming of informal discussions in relation to the application of the Finnish FDI regime.
- The Finnish FDI screening regime is currently under review and amendments to the Monitoring Act are expected during the coming years. Key proposals include broadening the scope of the current mandatory filing regime. In addition, the possibility of monitoring certain greenfield investments has also been raised.

Finland
(continued)

Triggering event(s)

- Any acquisition which results in a **foreign acquirer** gaining control of at least **one tenth**, **one third**, or **one half** of the aggregate number of votes conferred by all shares, or a corresponding actual influence, in a defence or security sector enterprise is subject to monitoring and must be approved by the FDI Authority before closing. Any acquisition of the above number of votes or corresponding actual influence in an enterprise that is deemed critical for securing vital functions of society in Finland may be investigated by the FDI Authority's own initiative or voluntarily notified.
  - In the defence (incl. dual-use) sector, **all non-Finnish** owners are considered foreign.
  - In other sectors, **non-EU/EFTA** acquirers are considered foreign.
  - An organisation domiciled within Finland or EU/EFTA Member State is also considered foreign if another non-Finnish/EU/EFTA foreigner controls at least one-tenth of the aggregate number of votes or has a corresponding actual influence in it.
  - The FDI Authority may also request a foreign owner to submit a notification related to measures increasing the influence even if the thresholds are not exceeded.
- According to the Monitoring Act, entities subject to monitoring are:
  - **Defence sector entities:**
    - Companies producing or supplying directly or indirectly **defence equipment** or other products or services important for **military national defence** (such as key software or cyber security applications, cloud services, cryptography products, maintenance of critical infrastructure of the Finnish Defence Forces, the Finnish Ministry of Defence, or the Finnish Border Guard).
    - Companies producing, developing, or otherwise using **dual-use** items in Finland.
  - **Security sector entities:**
    - Companies producing or supplying directly or indirectly **critical products or services** related to the **statutory duties** of Finnish authorities essential to the security of society.
  - **Other critical companies:**
    - Companies considered critical in terms of securing functions vital to society based on their field, business or commitments.
    - The definition evolves over time and is closely linked to the objectives of security of supply. It covers activities such as transportation/logistics infrastructure, energy production and distribution networks, information systems and communication networks, services of digital society, water and food supply, construction and maintenance of infrastructure, waste management, social and health care, supply of medicines, critical financial services, and know-how, technology, production and services in support of national defence.
- Both direct and indirect investments in monitored entities are subject to notification/approval under the Monitoring Act. Investments in foreign parent companies with Finnish subsidiaries considered monitored entities can be subject to being investigated by the FDI Authority if the filing requirements are met.
- The Monitoring Act does not include an exemption for intra-group transfers meaning that if the filing requirements are met, a filing/review would in principle be required. Intra-group transfers must be assessed on a case-by-case basis.
- If an arrangement is intended to circumvent the filing requirement, the arrangement shall, at the request of the FDI Authority, be brought for its examination.

France

Type of filing requirement

- **Mandatory and suspensory**. The approval of the Minister for the Economy must be obtained prior to making an investment in a number of sensitive or strategic sectors.
- **Penalties**. The Minister for the Economy may order the unwinding of the investment and/or impose **fines**. Maximum fine is the highest of: (i) twice the amount of the investment; (ii) 10% of the annual turnover (excluding taxes) of the target company; and (iii) EUR5 million for legal entities and EUR1 million for individuals – and **criminal sanctions**.

Nature of the review

The Minister for the Economy may review investments in the following sensitive or strategic sectors:

- **Defence**: activities relating to (1) military equipment, (2) dual-use goods and technologies, (3) national defence secrets, (4) cryptology, (5) agreements with the French Ministry of Defence, relating to (1)-(4), (6) information systems used by critical facilities and operators, (7) the interception, remote detection, and capture of correspondence/conversations/IT data, (8) IT systems auditing/certification, (9) the gambling industry (except casinos), and (10) counteragents of pathogens or toxic substances.
- **Essential infrastructure, goods, or services**: activities relating to (1) energy supply, (2) water supply, (3) transport networks and services, (4) space operations, (5) electronic communications, (6) police, civil protection, prisons, customs, and private security services, (7) facilities and operators of vital importance, (8) public health, (9) food supply, (10) press services, and (11) critical raw materials.
- **Data processing, transfer, or storage** relating to the above activities.
- **R&D** relating to (1) dual-use goods and technologies, (2) cybersecurity, (3) artificial intelligence, (4) robotics, (5) additive manufacturing, (6) semiconductors, (7) quantum technologies, (8) energy storage, (9) biotechnologies, (10) renewable energy production, and (11) photonics.

Timetable

- A decision can be expected within **30 business days** from submission of a request for clearance in **Phase I**. RFIs from the Ministry will nevertheless stop the clock for review. This review period can be **extended by a further 45 business days** in complex matters in **Phase II** with no stops-the-clock. If no decision is issued in this time, the application is deemed to have been rejected.
- A target can seek an opinion from the Minister at any time, to establish whether it falls within the scope of the regime; the Minister must reply within **two months**.

Triggering event(s)

- Prior approval will be required where there is:
  - an **acquisition of control**, under article L. 233-3 of the French Commercial Code (broadly similar but not identical to the EUMR), of any French law entity or French establishment/branches of a foreign company;
  - an **acquisition, in part or in full, of any business division** operated by a French law entity (including **asset sale**); or
  - for non-EU/EEA investors only, an acquisition, directly or indirectly, solely or in concert, of more than **25% of the voting rights in a French law entity**. For listed French companies, this threshold is **10%** (separate procedure).
- **A foreign investor** in a chain of control will be subject to a filing requirement even if such foreign investor is ultimately controlled by a French entity.
- The regime extends to all **target entities governed by French law** and **French branches of foreign companies** carrying out activities in **a sensitive or strategic sector**.

Latest statistics and recent prohibition

- **392 requests** were submitted in 2024 to the Ministry, a 25% increase compared to 2023, with 390 decisions rendered, including **182 approved transactions, 99 (54)% of which were subject to commitments**.
- **26% of the reviewed transactions were linked to the defence sector**, 37% were related to essential infrastructure, goods, or services, 14% related to R&D, and the remaining 22% were a mix of at least two of these sectors.
- Investors mostly remained **non-EU/EEA** based with 65% (especially from the US, the UK, and Switzerland). EEA-based investors are primarily from Luxembourg, Germany and the Netherlands.
- An increasing number of French FDI filings related to companies undergoing insolvency court proceedings.
- During the last three years, **six transactions were formally vetoed**. Notably, on 6 October 2023, the French Minister for the Economy opposed the proposed acquisition by American Flowserve of **Segault** and **Velan**, French component suppliers for nuclear power plants and nuclear-propelled submarines as well as manufacturers of industrial valves used in the Charles de Gaulle aircraft carrier.

Germany

Type of filing requirement

- **Mandatory**. According to the current legislation, foreign investment filings are **suspensory**. Thus, the approval of the Federal Ministry for Economic Affairs and Energy will have to be obtained prior to closing. **Criminal sanctions**, including imprisonment, will be possible in cases of gun-jumping.

Nature of the review

- The **Federal Ministry for Economic Affairs and Energy** can prohibit the acquisition of a German target if the transaction leads to a "probable adverse effect" to the public order or security of Germany or of another EU Member State or in relation to certain EU programmes/projects.
- **Cross-sectoral scrutiny** includes, among others, the following industries:
  - critical infrastructure (energy, water, telecommunications, finance and insurance, healthcare, transportation, and food), media, certain cloud and telematics services, and certain telecommunications surveillance measures;
  - essential pharmaceuticals, medical products and in-vitro diagnostics, in particular for the treatment of highly infectious diseases, and medical personal protective equipment;
  - certain areas of earth remote sensing systems, artificial intelligence, autonomous driving or flying, industrial robots, semiconductors, cybersecurity, aeronautical/aerospace, nuclear technology, smart meter gateways, information and communication technology, critical raw materials, secret patents, and agricultural real estate.
- **Sector-specific scrutiny** relates to the defence sector, in particular weapons, and certain cryptographic products, as well as specific dual-use products.

Timetable

- Cross-sectoral and sector-specific scrutiny:
  - Phase I: **two months**
  - Phase II: **additional four months**
- In complex cases, Phase II proceedings can be further extended by a **further four months**. An additional deadline extension (Phase I and Phase II) is possible upon the parties' consent. The timeline is **stopped** if the Federal Ministry for Economic Affairs and Energy deems the submitted information to be incomplete or if the parties enter into remedy negotiations with the German government.

Triggering event(s)

- **Cross-sectoral scrutiny**: Indirect or direct acquisition by non-EU investors of at least **10%** of the voting rights in a German target active in critical infrastructure, IT services, or the media, or **20%** of the voting rights in a German target active in any of the other industries, listed in the second and third bullet points in the left column. For the industries which are not listed in the left column, a **25%** threshold applies.
- The **filing obligation** exists only regarding the industries in relation to which the 10% or 20% thresholds apply. The 25% threshold does not lead to a filing requirement. However, the Federal Ministry for Economic Affairs and Energy has the discretion to call in such transactions. The same also applies in relation to certain acquisitions of "**control**" even if the 10% or 20% thresholds are not met (e.g. right to nominate board members).
- **Sector-specific scrutiny**: Indirect or direct acquisition of at least 10% of the voting rights in a German target by **non-German** investors.
- A foreign investor in a continuous **10%** (or **20%/25%**) chain will be subject to a filing requirement even if the foreign investor is ultimately controlled by a German entity.

Revision of the German FDI regulation

The German FDI regulation was subject to an evaluation in 2023. The next update of the legislation is expected for 2026. Current discussion points are, *inter alia*:

- acquisition of intellectual property rights (including patents, licences) and of atypical control (below 10%) as a filing trigger
- review and specification of the case groups covered by the FDI legislation
- scrutiny of greenfield investments

Greece

Type of filing requirement

- **Mandatory.** Notification of the foreign investment must take place prior to implementation, and the obligation to notify is on the foreign investor.
- **Administrative fines.** In case of failure to notify or non-compliance with the Greek authorities' decision, the Greek authorities have the power to impose administrative fines of up to twice the value of the foreign investment. In addition, the authorities may declare the transaction void and/or order its unwinding.
- ***Ex officio* investigation.** In case of failure to notify, the Greek authorities may initiate an ex officio investigation and, if necessary, impose corrective measures or unwind the transaction. There is no ex-post review of investments completed before the law's entry into force.

Nature of the review

- The Ministry of Foreign Affairs will assess whether there are specific indications of a possible threat to Greece's public order, national security, and/or strategic interests arising from the implementation of the foreign investment. The Ministry may impose corrective measures, conditions, or prohibit/unwind the transaction to address the potential impact on Greece's public order, national security, and/or strategic interests.

Timetable

The review process is a structured procedure with binding statutory deadlines at each phase. The statutory timetable applies uniformly to all covered investments, including those in highly sensitive sectors.

- **Pre-notification phase**: Early engagement with the authorities is encouraged. No formal time limits apply. Filings may be submitted based on a signed agreement or, if not yet signed, a letter of intent or equivalent documentation.
- **Filing and initial scope check**: Upon submission, Directorate B1 of the Ministry of Foreign Affairs determines within five days whether the investment falls within the scope of the FDI screening regime. If the filing is complete and in scope, it is forwarded to the Interministerial Committee for the Control of FDI (the Committee) within 10 days.
- **Phase I – Initial review**: The Committee conducts an initial assessment and must issue a decision within 30 days of receiving the file. The Committee may either clear the investment or decide to initiate an in-depth review.
- **Phase II – In-depth review**: If a Phase II is launched, the Committee must issue a recommendation within 30 days, with a possible one-time extension of an additional 30 days (maximum 60 days in total). The timeline may be suspended, if the Committee seeks input from external experts, the European Commission, or other Member States, or if additional information is requested from the investor.
- **Final decision**: The Minister of Foreign Affairs must issue a final decision within an indicative period of 30 days from receiving the Committee's recommendation, with an absolute maximum of 60 days. If no decision is issued within 60 days, the investment is deemed approved.
- **Expedited review**: If the target company is in financial distress (insolvency), all statutory deadlines are shortened to half.

Triggering events

Filing thresholds. A foreign investment is notifiable where the following cumulative conditions are met:

- The investment is made by a "**foreign investor**", defined as:
  - Any foreign natural person or enterprise from outside the European Union; or
  - Any enterprise in the European Union that is directly or indirectly controlled by a person or enterprise from outside the European Union; or
  - For highly sensitive sectors (see below), any EU entity with ≥10% non-EU ownership.
- The activities of the target "touch upon" one or more sensitive or highly sensitive sectors that are crucial to Greece's public order, national security, and/or strategic interests (see below).
- The investment entails the (direct or indirect) acquisition of:
  - **For sensitive sectors**: 25% or more of the share capital or voting rights, with additional notifications required at 30%, 40%, 50%, and 75%.
  - **For highly sensitive sectors**: 10% or more of the share capital or voting rights, with further notifications at 20%, 25%, 30%, 40%, 50%, 60%, 70%, and 75%.
  - There is **no minimum transaction value threshold**.

Sensitive sectors (25% or control): (i) energy (*e.g.* production, grids, supply, LNG); (ii) transport; (iii) healthcare (*e.g.* hospitals, medical supply, pharma); (iv) information and communications technology (ICT); (v) digital infrastructure (*e.g.* telecom networks, fibre-optic, data centres, cloud services); (vi) media and communications (including broadcasting and press); (vii) critical financial infrastructure (*e.g.* systemic banks).

Highly sensitive sectors (10% or control): (i) national defence and security (*e.g.* defence industry, arms, dual-use technology); (ii) cybersecurity; (iii) artificial intelligence; (iv) port infrastructure; (v) critical underwater infrastructure (*e.g.* submarine cables, pipelines); and (vi) tourism infrastructure in border regions.

Exemptions: the following are exempted from the review process: (a) acquisitions of corporate securities from natural persons made exclusively for financial investments (portfolio investments); (b) intragroup restructuring transactions, provided that the transaction does result in a change in the actual participation of one or more foreign investors in the management or control of the target undertaking; and (c) pending tender procedures for which a binding offer has been received and contracts for assets' development which have not yet been completed by 23 May 2025.

Filing mechanics and content

- Filing is made to the Ministry of Foreign Affairs (B1 Directorate; ICFDIS Secretariat), using a bilingual (Greek/English) filing form.
- Required information includes: transaction details, value, timing, funding, rationale, control mechanics, information on the acquirer and the target, and formal declarations for EU cooperation.
- The application mirrors the EU FDI Screening Regulation template, requiring granular security-related disclosures.

Hungary

Type of filing requirement – two different regimes

- **Mandatory and suspensory**. Currently there are two different FDI regimes in Hungary, both of which are **mandatory** and require prior notification to and acknowledgement by the competent Ministers (Minister leading the Prime Minister's Cabinet Office and the Minister of National Economy) before implementing transactions. The first regime mainly concerns activities that are closely related to national security (e.g. production of weapons and providing public services and financial services) and was introduced in 2018 following the EU regulations ("**General FDI Regime**"). The second regime, introduced in 2020 due to the COVID-19 epidemic, has a much wider scope including most sectors of the economy ("**Special FDI Regime**") ("***strategic activities and sectors***").
- **Sanctions for non-compliance** include fines up to approx. EUR26,000 (General FDI Regime) or double the transaction value (Special FDI Regime). In addition to fines the transaction will be also considered null and void under both regimes.
- It is worth mentioning that in August 2025 the Special FDI Regime has been reenacted by Act L of 2025 with the rules continuing with the same content until at least 31 December 2026.

Nature of the review

- The competent Ministries for both regimes will basically examine whether the contemplated transaction "harms the security interests of Hungary". The Ministers evaluate:
  - whether the proposed transaction endangers or threatens to endanger the national interest, public order or public security of Hungary (General and Special FDI Regime);
  - whether the applicant is directly or indirectly under the control of any administrative agency of any non-EU state (Special FDI Regime);
  - whether the applicant was involved in any activity relating to a public security or public order issue in any other Member State (Special FDI Regime);
  - whether there is substantial risk that the applicant will commit any crime or illegal activity (Special FDI Regime).
- If the Minister finds that any of the foregoing conditions apply, it shall issue a decision which forbids completion of the contemplated transaction, otherwise the Minister shall acknowledge the notification.

Timetable

- The notification shall be made **under both regimes** within **10 days** from signing the relevant agreement (i.e. SPA in most cases) and the competent minister has **60 days** (General FDI Regime) or **30 business days** (Special FDI Regime) to decide on the transaction. These deadlines may be extended by an additional **60 or 15 days**. The procurement of the approval of the relevant Ministry should be treated as a condition precedent in the transaction documents.
- In case of target companies active in power generation with solar power plants, the Hungarian State can exercise a pre-emption right within 60 business days and the Minister of National Economy has also 60 business days (extendable by 15 calendar days) to decide on the notification, which deadlines are counted from the Ministry's notification to the notifying party on the existence of the pre-emption right of the Hungarian State.

Hungary
(continued)

Triggering event(s)

- Different triggering events apply under the different regimes but both regimes concentrate primarily on the activities of Hungarian target companies, the type of the transaction and the origin/residence of the foreign investor. Both regimes apply to both share and asset transactions.

Triggering events under the General FDI Regime:

- a foreign investor establishes a new Hungarian company or acquires a stake in an existing Hungarian company, solely or together with other foreign investor(s), exceeding 25% (for privately held companies) or 10% (in publicly listed companies), or acquires a 'dominant influence'; or
- foreign investor(s) acquire(s) a stake of less than 25% in a privately held company registered in Hungary, but the total stake thus held by foreign investor(s) as a result exceeds 25%; or
- a foreign investor registers a branch office in Hungary for the purpose of carrying out strategic activities; or
- a foreign investor acquires assets or a right to operate or use infrastructure or assets that are used for carrying out strategic activities; or
- a company registered in Hungary, in which foreign investor(s) hold a stake equivalent to that in point a) or b) above, takes up a strategic activity.

Foreign investor definition under the General FDI Regime:

- Under the General FDI Regime any natural person or legal entity qualifies as a foreign investor, if it is (i) a citizen of/registered in a country outside of the EU, EEA or Switzerland or (ii) a legal entity registered in the EU, EEA or Switzerland if controlled by a non-EU/EEA/Swiss person/entity (EU entity controlled by non-EU investor).

Triggering events under the Special FDI Regime:

- Acquisition of ownership interest; capital increase; mergers, demergers, transformations to another company form; issuance of bonds which are convertible or convert to equity or provide preferential subscription rights; establishing usufruct over equity, provided that as a result the foreign investor would acquire:
  - majority control (by way of ownership, voting rights, appointing management or otherwise) if the investment reaches or exceeds HUF350 million (approx. EUR 910,000) – in case of EU/EEA/Swiss entities; or
  - at least 5% ownership interest (or 3% ownership interest in case of public companies), if the investment reaches or exceeds HUF350 million (approx. EUR910,000) – in case of investors that are citizens of/registered in a country which is outside of the EU, EEA or Switzerland; or
  - an ownership interest reaching 10%, 20% or 50% in a strategic company or any level of interest which, if computed together with any other foreign investors' interest, exceeds 25% – in case of investors that are citizens of/registered in a country which is outside of the EU, EEA or Switzerland.
- In addition, irrespective of ownership thresholds or transaction sizes, the transfer of using/operational rights of infrastructures and assets that are 'indispensable for the operation of strategic companies' (including the pledging of these assets and infrastructures) require both notification to and acknowledgement by the competent minister.

Foreign investor definition under the Special FDI Regime

- According to the Special FDI Regime, foreign investors are those (natural or legal) persons or organisations which are (i) citizens of/registered in a country which is outside of the EU, EEA or Switzerland; or (ii) legal entities registered in the EU, EEA or Switzerland, if they are under the majority control of (natural or legal) persons or organisations citizens of/ registered in a country which is outside of the EU, EEA or Switzerland (EU entity controlled by non-EU investor). The Special FDI Regime also applies to EU/EEA/Swiss investors (natural and legal persons) if they acquire majority control and the investment exceeds HUF350 million (i.e. approx. EUR910,000).

Case study: Blocking the sale of Alföldi Tej Kft.

In the summer of 2025, the Ministry of National Economy blocked the proposed 100% acquisition of Alföldi Tej Kft. by a foreign (Greek) investor under the Special FDI Regime. The most interesting phenomenon around the decision-making process was that as the ministry needed more time for its review, the relevant deadlines for the ministry's review under the Special FDI Regime were amended overnight by government decree so that the new rules (i) extended all FDI review deadlines in all ongoing FDI cases and (ii) granted a pre-emption right for the Hungarian State in case of blocking decisions. The amended rules were introduced only for an interim period until August 2025 (showing that they were tailored for this specific deal), however this remains an extreme example showing the potential political influence or public interest ground for certain decisions and on FDI pre-emption legislation. This case corroborates the unexpected nature and outcome of FDI cases and shows that not only the interpretation of the existing vague laws can vary in line with the real or perceived interests of the Government, but unexpected amendments to the FDI laws can also happen in case of such transactions where the Government wants to intervene.

In its blocking decision the ministry cited that it has to prohibit the implementation of the transaction based on national interest and food security concerns. Following the blocking decision, the shareholders offered the company to the Hungarian State on identical terms. Negotiations are still ongoing.

Ireland

Type of filing requirement

- **Mandatory and suspensory**. The Irish Screening of Third Country Transactions Act 2023 (the "**Irish FDI Act**") requires parties to notify the Minister for Enterprise, Tourism and Employment (the "**Minister**") at least 10 days prior to closing a transaction that meets the criteria for mandatory notification set out in the Irish FDI Act. A transaction subject to review by the Minister may not be completed until the Minister makes a screening decision.
- **Power to review non-notified transactions.** The Minister may conduct a review of a transaction, regardless of whether it is notified or notifiable, if the Minister has reasonable grounds for believing it would affect, or would be likely to affect, the security or public order of Ireland. Transactions remain potentially subject to review within the following timeframes:
  - five years from the date on which the transaction is completed; or
  - six months from the date on which the Minister first becomes aware of the transaction,
  - where the transaction is not notifiable, 15 months after the transaction is completed.
- **Power of retrospective review**. The Minister can review transactions that completed up to 15 months prior to the coming into operation of the notification provisions of the Irish FDI Act, regardless of whether they are notified or notifiable.
- **Criminal sanctions**. Any person, body corporate or other undertaking that fails to comply with the obligations under the Irish FDI Act (including, for example, failure to notify a notifiable transaction) is liable:
  - on summary conviction, to a class A fine (i.e. a fine not exceeding EUR5,000) or to imprisonment for a term not exceeding six months, or both; or
  - on conviction on indictment, to a fine not exceeding EUR4 million or to imprisonment for a term not exceeding five years, or both.

Nature of the review

- The standard of review set out in the Irish FDI Act is whether the transaction affects or would be likely to affect the security or public order of Ireland. The Irish FDI Act specifies a number of factors to which the Minister will have regard in this context.

Timetable

- The Minister will issue a written "screening notice" to the parties as soon as practicable following the commencement of the review (typically within 5-10 calendar days) and the Minister is required to make a decision within 90 days from the date on which a screening notice is issued. However, the Minister can extend this period to 135 days. The Minister may, at any time following the commencement of a review, issue a "notice of information" where further information is considered necessary. The issuing of a notice of information suspends the review timetable, starting from the date on which the notice is issued until the date on which the Minister confirms that the relevant party has provided all of the requested information.

Triggering Event(s)

A transaction is subject to mandatory notification where:

- a third country undertaking (i.e. non-EU/EEA/Swiss), or a person connected with such an undertaking (1) acquires control of an asset or undertaking in the State, or (2) changes the percentage of shares or voting rights it holds in an undertaking in the State from: (i) 25% or less to more than 25%; or (ii) 50% or less to more than 50%;
- the value of the transaction exceeds EUR2 million;
- the same undertaking does not, directly or indirectly, control all the parties to the transaction; and
- the transaction relates to, or impacts upon, any of the following relevant matters:
  - **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;
  - **critical technologies** and **dual-use items** as defined in point 1 of Article 2 of Council Regulation (EC) No 428/2009, including artificial intelligence, robotics, semiconductors, cybersecurity, aerospace, defence, energy storage, quantum and nuclear technologies as well as nanotechnologies and biotechnologies;
  - supply of **critical inputs**, including energy or raw materials, as well as food security;
  - access to **sensitive information**, including personal data, or the ability to control such information; or
  - the **freedom and pluralism of the media**.

Italy

Type of filing requirement

- **Mandatory and suspensory** The transaction can be implemented only when the approval of the Presidency of the Council of Ministers has been obtained (or the time limit for it to exercise its powers has passed).
- The parties may submit a joint notification of the transaction.
- Where no notification is made, review proceedings may be commenced by the Presidency. In addition to the acquisition being void (and any potential criminal liability arising outside the FDI regime), the Presidency can impose a pecuniary fine up to **double the value of the transaction** and, in any case, not less than **1%** of the company(ies) turnover of the companies involved and, for the 5G sector, up to **3%** of the turnover of the acquirer.

Nature of the review

- The Presidency can (i) oppose the acquisition of the target, (ii) impose conditions or (iii) veto strategic companies' resolutions where there is a threat of serious prejudice to the following relevant strategic sectors:
  - defence and national security;
  - energy, transport and communications;
  - water and health;
  - raw materials and food;
  - data and sensitive information processing/storage/access, or control of access to sensitive information (e.g. personal data, or the ability to control such information);
  - the freedom and pluralism of the media;
  - financial, including credit and insurance, sectors and financial market infrastructure;
  - artificial intelligence, robotics, semiconductors, cybersecurity, nanotechnologies, biotechnologies;
  - 5G and cloud technologies (*special provisions apply*);
  - non-military aerospace infrastructure and technologies;
  - critical technologies and dual-use items; and
  - electoral infrastructure.

Timetable

- The review proceedings can last up to 45 calendar days (30 calendar days for the 5G sector). This time limit can be extended by up to 10 calendar days, if additional information is required from the parties and by up to 20 calendar days if additional information is required from third parties. Further extensions may occur pursuant to Regulation (EU) 2019/452).
- The parties may submit a pre-notification (30 calendar days procedure aimed at obtaining a preliminary assessment from the Presidency on the transaction).

Triggering event(s)

- **Acquisition of strategic targets**
  - For a target that is strategically important to **defence and national security**, notification is required for acquisitions of more than **3%, 5%, 10%, 15%, 20%, 25% and 50%**.
  - **For energy, transport, communication, healthcare, agri-food, financial, credit, and insurance sectors,** notification is required for acquisition of **control** by all EU acquirers, including those **resident in Italy.**
  - **All other sectors** (except for 5G), notification is required if non-EU investor(s) acquire:
    - **control** either directly or indirectly; and/or
    - a **stake** representing at least **10%** of the target's capital (or voting rights), where the investment's value is at least EUR 1 million, as well as a **stake** equal to **15%, 20%, 25% or 50%**.
- **Adoption of board resolutions, acts or transactions** (those resulting in the change of ownership, control and availability of strategic assets, contractual relationships and provision of collaterals) → for all sectors.
- **Incorporation of a company** carrying out **strategic activities** or **holding strategic assets** in Italy.
- **Intragroup transactions** - subject to the fulfilment of the conditions listed under the section "Triggering events" - are also caught by the FDI regime.

Case study: public exchange offer launched by Unicredit S.p.A. on all the ordinary shares of Banco BPM S.p.A.

In December 2024, UniCredit S.p.A. launched a public exchange offer on all the ordinary shares of Banco BPM S.p.A. In April 2025, Presidency imposed conditions aimed at protecting national interests in the financial sector which resulted in UniCredit ultimately withdrawing its offer in July 2025.

In November 2025 the European Commission initiated an infringement procedure against Italy, taking the view that the application of the Italian FDI regime, as applied by the Presidency, risks enabling unjustified economic interventions, undermining the freedoms of establishment and capital movement within the Single Market and interfering with the European Central Bank's exclusive competences under the Single Supervisory Mechanism.

Latvia

Type of filing requirement

- **Mandatory and suspensory**. The approval of the Cabinet of Ministers is required before a person or multiple persons acting in concert acquire a qualifying holding or decisive influence in a commercial company of significance for the national security, become a member of a partnership or association of significance for the national security, or gain influence in a company registered in the Republic of Latvia that is a member of such a partnership or association of significance for the national security.
- **Financial penalties.** No fine for failure to notify or for closing prior to clearance.
- **Structural penalties**. Actions taken without the required approval are considered invalid, and the respective agreements are deemed null and void in the Republic of Latvia.

Nature of the review

- The application for approval must be submitted by the person seeking to acquire influence. Submission is made to the Ministry of Economics, who manages the review process.
- When issuing the approval, the Cabinet of Ministers has the authority to impose restrictions on the exercise of significant participation or decisive influence, or participation, in order to mitigate national security risks.
- Substantive test: Is the influence on the protected entity liable to cause actual or potential harm to national security?
- Prohibition or conditional clearance can be appealed. Appeal does not have suspensory effect, but the applicant can request the court to order interim measures.

Timetable

- Clearance must be obtained prior to the closing of the transaction. The Cabinet of Ministers has to respond to the application within one month from filing, which term can be extended for up to an additional three months.

Triggering event(s)

According to the National Security Law, the restrictions apply to commercial companies, foundations, and associations registered in the Republic of Latvia if they own or control critical infrastructure or meet at least one of the following conditions:

- The company is an electronic communications operator with significant market power, subject to tariff regulation and cost calculation obligations as per the Electronic Communications Law.
- The company is an audio electronic media outlet whose coverage area, using terrestrial broadcasting means, covers Latvia or at least 60% of its territory according to the broadcast licence issued by the National Electronic Media Council, or is an audiovisual electronic media outlet with a coverage area of Latvia or at least 95% of its territory.
- The company has received a licence in Latvia for natural gas transmission, distribution, or storage, or owns liquefied natural gas equipment connected to the transmission or distribution system.
- The company is a producer of electrical energy or heat energy with an installed capacity exceeding 50 MW.
- The company is an operator of heat energy transmission and distribution with at least 100 kilometres of heat transmission lines.
- The company has received a licence in Latvia for electrical energy transmission.
- The company owns forest land in Latvia of at least 10,000 hectares.
- The company owns agricultural land in Latvia of at least 4,000 hectares.
- The company has received a special permit (licence) from the Ministry of Defence for trade in goods of strategic importance or a military manufacturer certification and has an active strategic partnership agreement with the Ministry of Defence.
- The company has been a manufacturer or developer of dual-use items as defined by the European Parliament and Council Regulation (EU) 2021/821, exporting such items to countries outside the EU, US, Canada, Australia, New Zealand, Norway, Switzerland, Japan, the United Kingdom, Iceland, and Liechtenstein in the last two years.
- The company has access to voter data, as well as non-public candidate data for parliamentary elections.

Latvia
(continued)

Triggering event(s)

- The company processes datasets included in national critical infrastructure systems, excluding cases performed by financial market participants.
- The company manufactures or develops goods or technologies listed in Annex I of Regulation (EU) 2021/821, such as artificial intelligence, robotics, smart and autonomous mobility, cybersecurity, energy storage, quantum technologies, nuclear technologies, nanotechnologies, or biotechnology, and has been designated as a national security relevant company by the Cabinet of Ministers based on the security authority's assessment.

A list of legal companies of significance for the national security is maintained by the Register of Enterprises of the Republic of Latvia and is publicly available. The list does not include companies owning or controlling a critical infrastructure.

Triggering events:

With respect to companies:

- acquisition of at least a "qualifying holding" (i.e. at least 10% of shares or "significant influence");
- acquisition of decisive influence;
- transfer of undertaking;
- preservation of participation or indirect voting rights if the ultimate beneficial owner ("**UBO**") or ultimate identifiable controlling entity changes; or
- loan amounting to >10% of protected entity's assets, where the ultimate lender is a non–EU, non–EEA, non-NATO national With respect to partnerships and associations:
- admission of a new member;
- preservation of membership if UBO or ultimate identifiable controlling entity changes; or
- loan with respect to foundations:
- loan amounting to >10% of protected entity's assets, where the ultimate lender is a non-EU, non-EEA, non-NATO national.

Lithuania

Type of filing requirement

- **Mandatory and suspensory**. The notification must be filed to the Coordination Commission for the Protection of Objects of Importance for National Security ("**Commission**") before implementing the transaction.
- **Consequences when not in conformity with the law**. (i) All transactions not conforming to the requirements or interests of national security may be recognised as null and void (ii) Non-compliance with the FDI regime may lead to restrictions in exercising voting rights.

Nature of the review

- The Commission assesses whether the investor is in conformity with national security interests.
- The investor can be recognised as not in conformity with national security due to links with foreign institutions or individuals that increase risks to national security, links to organised crime, foreign intelligence, or groups connected to international terrorism etc. Law does not establish an exhaustive list of grounds.

Timetable

- Pre-notification (if applicable) approx. 10 working days;
- Phase I: approx. 25 working days; and
- Phase II: approx. four months.

Different timeline applies for Category I, II and III entities' transactions exceeding 10% of previous financial turnover and certain other transactions of such entities:

- Phase I: approx. 29 working days; and
- Phase II: approx. five months.

The length of the procedure mainly depends on whether the Commission has any concerns or needs additional information. In case of no concerns and where all information is provided timely, clearance may be granted within the term of pre-notification, if applicable (without opening Phase I) or within Phase I. In case of concerns or requests for additional information, the procedure may be significantly delayed or extended.

Triggering event(s)

- The FDI regime applies when an investor, acting independently or in concert with other persons, intends to:
  - acquire 1/4 or more voting rights or shares in (a) Category I entity, (b) Category II entity, (c) Entity operating in an economic sector of strategic importance or the territory of the protection zone;
  - acquire 1/3 or more voting rights in the Category III entity;
  - acquire rights into asset or infrastructure, which is important for national security.
- An exhaustive list of specific entities of strategic importance (Category I, II, III entities) falling under each category are provided in the Republic of Lithuania Law on the Protection of Objects Critical for National Security.
- Specific economic sectors of strategic importance are: (i) Energy, (ii) Transport, (iii) IT, telecommunications and other high-tech, (iv) Finance and credit, (v) Military equipment. Specific operational activities falling within the scope of operation in each sector are established by government resolution.
- FDI regime is also applicable to Category I, II and III entities' transactions which value exceeds 10% of the Category I, II, and III entity's annual turnover in the preceding financial year and certain other transactions of such entities.

Luxembourg

Type of filing requirement

- **Mandatory and suspensory**. Luxembourg FDI screening law requires that approval of the Ministry of Economy be requested prior to making an investment in a Luxembourg entity carrying activity in one of the strategic sectors. If the screening procedure (Phase II) is triggered, the investment may not be completed until the authorisation decision has been rendered.
- **Financial penalties**. If the investor does not comply with the administrative measures, the Ministry may impose penalties of up to EUR1 million for individuals and up to EUR 5 million for legal entities.

Nature of the review

- The Minister of Economy will assess the potential effects of the investment on security and public order in the following critical sectors (together with any research and production activities in relation thereto):
  - **Dual-use goods**: development, operation, and trade of dual-use goods (i.e. goods which can be used for both civil and military purposes)
  - **Energy**: electricity production and distribution, gas conditioning and distribution, oil storage and trade, quantum and nuclear technologies
  - **Transportation**: land, water, and air transportation
  - **Water**: water collection, treatment, and distribution
  - **Healthcare**: healthcare-related activities and medical analysis laboratories; nanotechnologies and biotechnologies
  - **Communications**: wired and wireless telecommunications, satellite communications, postal and courier services
  - **Data processing and storage**: data processing facilities, information service hosting, internet portals
  - **Aerospace**: space operations and space resource exploitation
  - **Defence**: activities related to national defence
  - **Financial**: activities of the central bank, financial infrastructure, payment, and settlement systems
  - **Media**: publishing, audio-visual, and broadcasting activities
  - **Agri-food**: activities related to food safety.
- Factors such as, among others, the integrity, security and continuity of the provision of critical infrastructures, access to sensitive information, including personal data, or the ability to control such information may be considered.
- As a result of the review, the investment will be authorised either unconditionally, with mitigating conditions or prohibited.

Timetable

- The Minister of Economy will first acknowledge receipt of any FDI notification and then decide (Phase I) as to whether or not to trigger the screening procedure within two months from the date of acknowledgement of receipt of the notification.
- If the screening procedure is decided (Phase II), it will not exceed 60 calendar days from the date when it is triggered.
- So-called "stop-the-clock" questions may suspend the Phases I & II timing, until such time as the additional information requested has been provided.
- An event that caused the reallocation of the capital of the entity to a foreign investor above 25% of ownership of the capital conferring voting rights in the Luxembourg company has to be notified to the Minister of Economy within 15 calendar days of its occurrence.

Triggering event(s)

- Investments of any kind made by non-EU/EEA investors, which are intended to establish or to maintain lasting and direct links between the foreign investor and a Luxembourg company, enabling the investor to control directly or indirectly or in concert, a Luxembourg company i.e.:
  - have a majority of the voting rights of the shareholders of that company;
  - have the power to appoint the majority of the management or supervision body while being shareholder of that company;
  - have control over a majority of the voting rights via participation or via agreement made with other shareholders; or
  - exceeding the threshold of 25% of ownership of the capital conferring voting rights, as a result of a new investment or any events modifying the allocation of the share capital.

The Netherlands

Overview
- *The Netherlands has a mature and evolving framework for investment screening, which includes a general cross-sectorial regime as well as several sector-specific rules.*
- *The cross-sector regime (Wet veiligheidstoets investeringen, fusies en overnames) entered into force on 1 June 2023. There are two ministerial decrees that supplement the regime: one decree clarifies the scope of sensitive technology and the other introduces rules mostly of an administrative/technical nature. A third ministerial decree expanding the scope of sensitive technologies is pending.*
- *Transactions that fall within the scope of the regime must be reported to the Bureau for Investment Screening (Bureau Toetsing Investeringen, BTI), part of the Ministry of Economic Affairs and Climate Policy. Transactions are reviewable if they could potentially have consequences for the national security of the Netherlands.*

Type of filing requirement
- **Mandatory**. Approval by the Minister of Economic Affairs and Climate must be obtained prior to making an investment.

- **Financial penalties**. Failure to comply with the notification requirements, implementation without authorisation and other breaches of the Act may be subject to a fine of up to 10% of the turnover of the relevant undertaking or EUR870,000.

Nature of the review
- The regime captures companies that are active in *vital processes* or *sensitive technologies* and *managers of high-tech campuses* in the Netherlands.
- The BTI published several guidelines on its interpretation of the Act's provisions and its approach based on case experience.
- Vital processes are services that are essential to Dutch society, such as banking, gas storage, nuclear energy, designated activities at Schiphol airport and the port of Rotterdam, etc. More sectors can be designated by ministerial decree. Sensitive technologies primarily include dual-use goods that fall under EU export control regulations. A limited number of dual-use items are excluded and certain technologies are classified as *highly sensitive*. Four additional technologies are currently highly sensitive: quantum technology, photonics technology, semi-conductor technology and so-called High Assurance products. A proposal that awaits adoption may soon expand this list to include advanced materials technology, Artificial Intelligence, biotechnology, nanotechnology, sensor navigation technology and nuclear medicine.
- The Minister of Economic Affairs and Climate will assess whether the investment could pose a **threat to national security,** in particular from the creation of undesirable strategic dependencies, threats to the continuity and resilience of vital processes and the possible impairment of the integrity and exclusivity of knowledge and information. The assessment will depend on, for example:
  - the identity, nationality, financial situation and track record of the investor(s);
  - a lack of transparency in the ownership structure of the investor;
  - any restrictive sanction measures or obligations imposed on the investor; and
  - the level of security or safety in the country of origin of the investor.
- The investment will be allowed either unconditionally or with conditions to the effect that certain mitigating measures are met, such as additional security requirements or the appointment of a security officer. The investment will be prohibited if the national security risks cannot be remedied through mitigating measures.

Timetable
- The Minister of Economic Affairs and Climate will initially have **eight weeks** after notification to take a decision. If **further investigation** is required, a second phase of another eight weeks will apply. Either phase may be extended, and the total extension across both phases can be up to six months. An additional three months' extension is possible for cases involving the EU FDI screening regulation. So-called "stop-the-clock" questions may suspend the statutory review period at any time.

Triggering event(s)
- A mandatory notification is triggered when there is a *change of control*, the concept widely used in both Dutch and EU competition law. In essence, that is a change in the capacity to exercise decisive influence over an undertaking. In addition, a lower threshold may apply to *highly sensitive* technologies, for example the acquisition/increase of 10%, 20% or 25% of voting rights and/or a right to appointment of a board member.

The Netherlands
(continued)

Telecoms specific regime

- *The act on undesired control in telecommunications (Wet ongewenste zeggenschap telecommunicatie) entered into force on 1 October 2020 (with retroactive effect to 1 March 2020).*
- *Companies are in scope if they provide: telephone services, internet access services or electronic communications network access to more than 100,000 end users; an internet node connecting more than 300 autonomous systems; data centre services with a power capacity above 50 MW; hosting services for more than 400,000 ".nl" domains; or a qualified trust service, such as electronic signatures, stamps, time stamps, registered electronic delivery services and website authentication certificates.*

Type of filing requirement

- **Mandatory**. Approval from the Minister of Economic Affairs and Climate must be requested prior to making an investment.
- **Financial penalties**. Failure to comply with the notification requirements and other violations of the obligations in relation to the draft act may be penalised by a fine of up to EUR 900,000.

Nature of the review

- The act adopts a broad definition of telecommunications, to include providers of electronic communications networks and services, hosting services, data centres, trust services and internet exchange points.
- The Minister of Economic Affairs and Climate can **block an acquisition** leading to **predominant control** over a Dutch telecommunications party and to **intervene in the existing ownership** of such control, where predominant control is acquired or held by an **undesired person** if this would lead to a **threat to public interest,** including **national security** and **public order**.

Timetable

- The Minister of Economic Affairs and Climate will have **eight weeks** after notification to decide whether it will prohibit the proposed acquisition. As this is also subject to so-called "stop-the-clock" questions, it may in practice take longer than eight weeks. If the Minister is of the opinion that **further investigation** is required, the review period may be **extended by six months**.

Triggering event(s)

- Notifications are mandatory for acquisitions of **predominant control** over companies in scope. Predominant control (*overwegende zeggenschap*) in any event concerns: (i) the possession (solely or jointly) of at least **30%** of the (direct or indirect) voting rights; (ii) the ability to name **more than half the board members**; or (iii) the ability to exercise control through **special governance rights**.

Sector-specific regimes

- *The 1998 Electricity Act (Elektriciteitswet) and the 2000 Gas Act (Gaswet) historically required a change of control over a regulated supplier to be notified to the relevant minister. The two regimes have been combined and updated under a new energy law (Energiewet), taking effect from 1 January 2026. The new regime requires notification of change of control over: companies owning or operating Liquefied Natural Gas (LNG) systems, production installations with a nominal electrical capacity above 100 MW, or undertakings operating one or more generating installations with a combined total capacity exceeding 100 MW. Investments are assessed based on the substantive criteria in Wet Vifo.*
- *Since 2024, parties participating in a tender to obtain a permit to operate a site in a wind energy area will also be assessed under the Offshore Wind Energy Act by the BTI. Under this act, the BTI will also assess changes in (control over) permit holders of wind farms that are not yet operational.*
- *Companies engaged with the Dutch Ministry of Defence may be subject to general security requirements for defence contracts (ABDO 2019). Depending on the type of arrangement and the degree of access to sensitive information, notifications to the Dutch Defence Intelligence and Security Service may be required.*
- *A proposal introduced in 2024 titled Defence Industry Resilience Act introduces a series of changes for companies active in the defence and security-related industry. The proposal includes a new investment screening regime for these companies. The law has not been adopted yet but may enter into force in 2026.*

Poland

Type of filing requirement

- **Mandatory foreign investment regime:** In 2020, the Polish foreign investment regime introduced a procedure for clearance for non-EU/EEA/OECD investors. Since 24 July 2025, the Minister of Finance and Economy (the "**MFE**") is the relevant Polish FDI authority.
- **Mandatory specific companies' regime:** The acquisition of **strategic Polish companies**, regardless of the investor's country of origin, requires notification to, and may be blocked by, the relevant government authority in Poland, if they are listed by name in the Regulation of the Council of Ministers.
- **Sanctions:** (i) **criminal penalties** of imprisonment from six months to 5 years, under both regimes; (ii) fines of up to **PLN50 million (~EUR10.5 million)** in the case of the foreign investment regime and **PLN100 million (~EUR21 million)** in the case of the specific companies' regime. Additional financial penalties apply to anyone managing the target or exercising voting rights on behalf of an infringing foreign investor. Furthermore, any transaction effected in breach of the Polish FDI Regime will be **null and void** and the investor will not be able to exercise its rights attached to the shares acquired.

Nature of the review

- The Polish FDI Regime introduced a clearance procedure for the acquisition of control or a significant share/capital in certain Polish companies by **non-EU/EEA/OECD investors (citizenship/registered office for less than 2 years).**
- This applies if a transaction concerns a Polish entity that is (i) a public company listed on the Warsaw Stock Exchange (WSE), (ii) a company that owns "critical infrastructure", or (iii) a company that operates in any of the listed sectors.
- **Sector-specific scrutiny relates to**: (i) energy, (ii) fuels, oil, and gas, (iii) chemicals, rhenium, fertilizers, (iv) weapons and military technologies, (v) trans-shipment in ports, (vi) telecommunications, (vii) medical equipment and pharmaceuticals, (viii) processing of food, (ix) data gathering or processing in cloud computing and (x) development of software used in: (a) the supply of electricity, fuels, heat, (b) the supply of water and waste treatment, (c) data storage and transmission, (d) cash/card payments, securities and derivatives transactions, and insurance services, (e) hospitals, laboratories and sale of prescription drugs, (f) transportation, (g) supply of food.
- **De minimis exemption applies** if the target's turnover generated in Poland was below EUR10 million in each of the 2 years preceding the transaction.

Poland
(continued)

Timetable

- **Deadline for filing.** In general, the approval of the MFE must be obtained prior to completion of a transaction. The notification procedure should be commenced prior to (i) entering into any agreement resulting in an obligation to acquire or achieve a significant participation/dominance, (ii) announcement of the tender offer in the case of an acquisition of a WSE-listed company, (iii) any other event resulting in the acquisition or achievement of significant participation/domination. In the case of a multi-stage transaction, before the signing of the last agreement resulting in the acquisition or achievement of significant participation, domination, the MFE accepts notifications on the basis of, for example, a conditional/preliminary agreement or a letter of intent. There are specific situations of filings post-closing.

Time for clearance.

- Under the foreign investment regime, following the notification, the MFE will have 30 business days to complete the initial proceedings and approve the FDI transaction or initiate additional control proceedings, which may last up to 120 calendar days. The stop-the-clock-mechanism applies if the MFE's requests additional information.
- Under the specific companies' regime, the relevant government body will have 90 calendar days to take a decision.

Triggering event(s)

- Under the foreign investment regime, a relevant transaction will be one that results in a foreign (i.e. non-EU/EEA/OECD) investor's acquiring or achieving **a significant participation in or a dominant position over the target, including:** (i) a **20% or 40%** shareholding or voting rights or profit participation, post-transaction, or (ii) **the majority** of the shares/votes/profit, or (iii) the power to **decide on the directions** of the activities of the target, including control/management and/or a profit transfer agreement over a Polish entity, or (iv) **the acquisition or lease of an organised part of an enterprise** from a Polish entity, or acquisition of the majority of the votes in a Polish entity.
- Under the specific companies' regime, the thresholds are **20%, 25%, 33%, 50%** of the shares/votes/profit.

FDI proceedings and decisions so far:

- **2024** – The OCCP* initiated proceedings in five cases and issued three non-opposition decisions.
- **2023** – The OCCP initiated proceedings in four cases and issued two non-opposition decisions.
- **2022** – The OCCP initiated proceedings in three cases and issued one non-opposition decision.
- **2021** – The OCCP initiated proceedings in eight cases and issued three non-opposition decisions.
- **November 2021** – The first Phase II FDI case, concerning the acquisition of Odlewnia Zawiercie S.A. (a manufacturer of malleable cast iron fittings and machine castings) by Meide Group (a Chinese investor). As manufacture and sale of weapons-related products represents a small percentage of Odlewnia Zawiercie's operations, Phase II proceedings were instituted as it was essential to investigate whether there was a threat to public order, safety or health. The PCA issued no objection to the transaction.
- **October 2020** – The first transaction notified under the new Polish FDI Regime concerned the acquisition of Centrum Rozliczeń Elektronicznych Polskie ePłatności (a company active in the processing of cashless transactions and sales/rentals of payment terminals) by H&F Corporate Investors VIII, a Cayman Islands-based investment fund specialising in online services, business software and financial services.

* Until 23 July 2025, the Polish Office of Competition and Consumer Protection (the "**OCCP**") was the relevant Polish FDI authority.

Romania

Type of filing requirement

- **Mandatory**. The new Romanian FDI regime enacted on 18 April 2022 is applicable to FDIs, as defined below, made or intended to be made by any investor (EU or non-EU).
- The types of transactions which fall under the new FDI regime **("FDIs")** are those meeting one of the following criteria:
  - an investment of any kind aiming to establish or to maintain lasting and direct links between the investor and the entrepreneur to whom or the undertaking to which the capital is made available in order to carry on an economic activity in Romania, including investments which enable effective participation in the management or control of an undertaking; or
  - represent a change in the shareholding chain which pertains to control of the investor; or
  - represent new investments, defined as (a) an investment in assets for establishment of a new independent undertaking, (b) extension of an existing undertaking, (c) diversification of production activity of an undertaking, or (d) fundamental change to the general production process of an undertaking.
- As per the definitions above, **intra-group reorganisations** may also fall within the scope of operations subject to the filing requirement.
- **Specific transparency provisions relevant for media enterprises.** A specific preliminary procedure of public consultation for a 30-day period must be observed in case of FDIs related to certain categories of media outlets or online platforms.
- **Standstill obligation and sanctions.** The implementation of an FDI without FDI authorisation is forbidden. The Commission for Screening of Foreign Direct Investments ("**CSFDI**") may review any transaction *ex officio* or upon notice from another Romanian authority.
- Failure to notify CSFDI and breaching the standstill obligation could result in fines of up to **10% of the foreign investor's total global turnover** achieved in the previous year. Also, incomplete, inaccurate or misleading information may be fined with the same amount. Annulment of the transaction also applies.
- In case of new investments which have not achieved a turnover during the previous year, the applicable fine would amount to between **RON10-50 million (approximately, EUR2-10 million)**.

Nature of the review

- The CSFDI reviews FDIs carried out in the sectors listed below, from a national security perspective. The Supreme Council of National Defence (CSAT) is the higher authority which issues binding opinions in case of FDIs which require a detailed analysis.
- The CSFDI is subordinated to the Government and its secretariat is managed by the Romanian Competition Council (RCC). The RCC also acts as the contact authority for the cooperation mechanism set up between the European Commission and various Member States examining FDIs under the FDI Regulation.

Connection with merger control procedures

- The FDI authorisation requirement is triggered irrespective of whether the FDI represents or not an economic concentration from a merger control perspective.
- If an FDI also triggers a merger control notification, both an FDI authorisation request and a merger control notification will be submitted.

Romania
(continued)

Timetable

- The FDI authorisation request becomes effective (i) after the complete submission by the notifying parties of any additional information requested by CSFDI and (ii) after the issuance by all competent authorities of any relevant opinions requested by CSFDI. Generally, such opinions must be issued within 20 days from CSFDI’s request; however, in case of a detailed analysis, CSAT may issue its binding opinion within 90 days from CSFDI’s request.
- Within 60 days after the date when the FDI authorisation request becomes effective, CSFDI shall issue **mandatory endorsements** for the authorisation of an FDI or a **consultative endorsement** for the conditional authorisation (i.e. subject to commitments) or prohibition of an FDI.
- Based on a mandatory FDI endorsement, for non-EU investors, the RCC shall issue an **authorisation decision** within 30 days, which shall be communicated to the parties within 45 days. For EU investors, the authorisation consists in a simple letter attesting the positive endorsement, sent within 10 days from the date when the endorsement was issued.
- In case of a consultative endorsement for the **conditional authorisation** or **prohibition** of the FDI, the final decision rests upon the Government.

Triggering event(s)

- Authorization is required for FDIs of a **value exceeding the RON equivalent of EUR2 million**** **and concerning target companies active in one of the following sectors (which must be interpreted very broadly)**: financial, fiscal, banking and insurance; energy; critical infrastructure; IT and communication systems; transport; industry; systems of supply of essential resources; trade and production of weapons, ammunition, explosives or toxic substances; security of citizens and collectivities; borders; protection of agriculture and environment; privatisations of state-owned enterprises or the management thereof; protection against disasters.
- FDIs not reaching the EUR2 million threshold may still be subject to examination if they are deemed as likely affecting or representing risks to national security or public order, by reference to the criteria set out in Article 4 of the EU FDI Regulation.

***Pursuant to the corresponding Guidelines, for international transactions, the price of the overall transaction is taken into account, unless the parties have calculated or produce an evaluation of the price related to the Romanian part of the transaction.*

Authorisation fee

A filing fee of EUR 10,000 must be paid upon submission of the filing.

Russia

Strategic FDI regime

Type of filing requirement

- **Mandatory and suspensory**. Approval of the Governmental Commission for Control over Foreign Investments must be obtained prior to closing. Transactions closed in breach of the regime are null and void. In relation to transactions taking place offshore, the Russian courts may strip the voting rights from shares acquired by a foreign investor.

Nature of the review

- Clearance is required in two scenarios: (i) a Russian Target company is active in so-called strategic activities and/or (ii) the acquirer is a public foreign investor.
- The law lists 50 types of strategic activities, however, there is a trend to construe this list broadly. Key sectors include aviation, airports, subsoil, natural monopolies, pharma, cryptography, telecommunications and media.

Timetable

- Legally, the review process should be completed within **six months**. However, in practice, the process can take significantly longer, partially because the Governmental Commission only convenes three or four times a year.

NB: *Please refer to section "Counter-sanctions Regime" below for information about the new FDI regime introduced by the Russian President in 2022. This regime applies to almost <u>all</u> transactions, including foreign-to-foreign and intra-group transactions, which involve direct or indirect transfers of shares in Russian assets.*

Triggering event(s)

- Prior approval is required for the direct or indirect acquisition by a foreign investor of control over a Russian strategic entity, which includes:
  - for private foreign investors: stakes above **50%** in a strategic company (or **25%** in the subsoil sector);
  - for state-owned foreign investors: stakes above **25%** in a strategic company (or **5%** in the subsoil sector); or
  - acquisition of equivalent rights or of assets from a strategic company.
- In addition, public foreign investors are required to obtain approval for any direct or indirect acquisition of more than **25%** of the shares or equivalent rights in any (i.e. non-strategic) Russian company.
- ***Ad hoc* resolutions**. The chairman of the Governmental Commission is entitled to issue *ad hoc* resolutions at his/her discretion requiring that approval must be obtained for any other transaction that concerns a Russian entity, i.e., for any transaction that does not technically fall under the regime. Based on current practice, *ad hoc* resolutions may concern, *inter alia*, subsoil users, providers of services to strategic entities, high-tech companies, and manufacturers of products that have no local analogues.

Recent enforcement practice

- Since 2022, the Office of the Prosecutor General initiated a slew of investigations and court claims into transactions which were subject to the Strategic FDI regime but did not comply with it.
- All such claims are supported by Russian courts and normally result in the relevant strategic asset being nationalised without compensation, with the plan being to later auction it off to a new Russian owner.
- The vast majority of these cases involved assets owned by UBOs with links to Russia but who were nevertheless subject to the Strategic FDI Regime.
- However, there have been several investigations by the Office of the Prosecutor General into strategic entities owned by Western groups which fully complied with the Strategic FDI Regime when the assets were acquired. To date, such investigations did not result in nationalisation.
- The pressure from the Russian authorities to "onshore" all strategic entities and exclude all foreign shareholders is likely to continue in the future.

Russia
(continued)

Counter-sanctions FDI regime

New FDI regime:

- Since March 2022, the Russian authorities have been adopting multiple regulations having the broad aim of countering the effect of Western sanctions and withdrawal of Western business groups from Russia. Under these regulations, collectively known as the "**Counter-sanctions Regime**", various transactions to which an "unfriendly" person (i.e. a person associated with an "unfriendly" jurisdiction, which includes the EU, US, UK, Japan and multiple other jurisdictions that have adhered to or implemented sanctions against Russia) is a party, have become subject to prior clearance of a newly established sub-commission of the Russian Government FDI Commission (the "**Sub-commission**").
- According to the Decree, any direct or indirect transfer of shares or control rights in a Russian company by a foreign investor from an "unfriendly" jurisdiction is subject to a prior clearance. There is no minimum threshold – any shareholding is caught, as well as contractual rights relating to the management or conduct of the business. Intra-group transactions and transactions between "unfriendly" parties only are exempt from the most onerous filing requirements (providing a valuation report, committing to business KPIs) but otherwise require prior approval as well.
- The Counter-sanctions Regime also applies to transactions involving real estate, all types of securities, payments under loans and other financial instruments, IP rights and other assets owned by an "unfriendly" party.

Type of filing requirement

- **Mandatory and suspensory**. Approval of the Sub-commission must be obtained prior to closing. Completing an on-shore transaction in absence of an approval will be prevented by notaries, the land registry, or the shareholder registrars or depositaries, who are required to monitor compliance with the Counter-sanctions Regime for transactions requiring their involvement.

Nature of the review

- With respect to Russian companies, clearance is legally required for any transaction that has any effect on the ownership of shares in a Russian company or any corporate or management rights with respect to it.
- The review is two-tiered. The first tier is performed by a federal ministry responsible for regulating the Russian target's primary activity. Once the ministry completes the review, it submits the application for review by the Sub-commission.
- The authorities' primary focus is the valuation of the asset, which is provided in the form of a written valuation report prepared by a Russian appraiser. The value of the target asset in the report serves as the basis for calculating the mandatory discount on the purchase price due to the "unfriendly" seller, which must be at least 60%, as well as the "exit tax", a payment to the Russian federal budget equal to 35% of the asset's value.
- The other primary focuses during the review are the investment and performance commitments offered by the buyer in the transaction. These commitments are included as conditions to the approval.
- Intra-group transactions and transactions between "unfriendly" parties only are exempt from the valuation report and the KPIs requirement. However, unless the authorities see a compelling reason why such a transaction would be beneficial for national interests, they may significantly delay review or even deny approval.

Timeline and scope of review

- There are no temporal limits on the review. In practice, it takes **approximately four to six months** for an application to be reviewed.
- The authorities are unlimited in their power to deny or approve transactions, as well as in the scope of information they may request from the parties, and the types of conditions the Sub-commission may impose in its decisions. However, in practice, the Sub-commission adheres its own guidelines for transactions, and inclusion of unorthodox conditions is uncommon.

Enforcement

- Legally, any transaction that failed to comply with the Counter-sanctions Regime may be nullified by a claim of the Office of Prosecutor General.
- In practice, enforcement of the regime by the prosecutors remains highly targeted given most transactions requiring the Counter-sanctions Regime approval require completion in Russia, meaning the various "gatekeepers" (notaries, land registry, shareholder registrars) will ensure compliance in most cases.
- However, to date there have been multiple cases where transactions that failed to comply with the Counter-sanctions Regime were nullified, both at the claims of the Office of Prosecutor General as well as private parties that were affected by the relevant transactions.
- To date, there have been no known cases of enforcement taking place against foreign-to-foreign transactions. However, the possibility for such cases and judgements appearing in the future remains.

Slovak Republic

Type of filing requirement

- **Mandatory**. The Act on Screening of Foreign Direct Investments (the FDI Act) requires a governmental approval prior to making a critical foreign investment in a target (any person with a seat in the Slovak Republic).
- **Voluntary**. In cases of non-critical foreign investments, the acquirer can decide whether to submit an application. The Ministry of Economy is also entitled to initiate *ex officio* screenings for up to two years after the date of the transaction and can potentially impose an obligation on the foreign investor to reverse the transaction.
- **A foreign investor** is any person (legal or natural) outside the EU, i.e. persons that are not EU citizens or do not have their registered seat or place of business in the EU.
- However, even EU citizens or persons with their registered seat or place of business in the EU will be considered foreign investors if they are controlled by a person outside the EU or by a public authority of a third country, such person is their ultimate beneficial owner or such person finances the transaction.
- **Financial penalties**. The amount of the fine ranges for a foreign investor from 1% to 2% of the aggregate total net turnover in the previous FY (legal person) or from EUR100,000 to EUR1 million (natural person). Fine is capped with the value of the investment.
- Fines may be imposed also repeatedly and both for serious breaches (making a critical foreign investment without approval) and for less serious breaches (breach of the obligation to notify).

Timetable

- Screening procedure has two phases:
  - Phase I: **Assessing negative impact risk**
  - Phase II: **Screening the foreign investment**
- Phase I applies only in the case of a non-critical foreign investment and takes up to 30 days; the Phase II follows if a negative impact risk is identified. All critical foreign investments will undergo Phase II, which takes up to 130 days. If no decision was issued in 130 days, the foreign investment is automatically considered as approved. Decisions are subject to appeal.

Nature of the review

- The FDI Act distinguishes between two types of investments:
  - critical foreign investment in the target person in the following sectors: (i) specific products (in particular weapons, explosives, pyrotechnic products), defence industry products, dual-use items (software and technology for both civilian and military purposes), biotechnology, (ii) critical infrastructure, (iii) essential services cybersecurity, digital service provider (cloud computing), providers of national-level information security encryption, (iv) media services, content sharing platforms (annual turnover >EUR2 million), periodicals publishers, operators of news web portals and press agencies; and
  - non-critical foreign investment.

Triggering event(s)

- Under the FDI Act, a foreign investment allows a foreign investor to directly or indirectly:
  - acquire a target or a part of a target;
  - exercise an effective interest in a target (at least 25% of ownership interest or voting rights in a non-critical target and at least 10% in a critical target);
  - increase an effective interest in a target (increase of an already existing foreign investor's effective interest of a non-critical target to at least 50% and in a critical target to at least 20%, and always when at least a 33% or 50% threshold is achieved);
  - exercise control of a target (the definition of control according to the Protection of Competition Act);
  - receive ownership title or other right to material assets of a critical target (other right means any right to use or make disposition of the material assets of a target and material assets mean assets of a target that are strictly necessary to conduct the business).
- Investments between related parties, the establishment of a pledge and transactions in the ordinary course of business are not considered to be foreign investments.

New Slovak FDI regime

- On 1 March 2023, the FDI Act entered into force. It introduces a comprehensive screening mechanism for foreign investments in the Slovak Republic. Therefore, there have been no relevant case studies yet.
- The new Act does not aim to reduce the number of foreign investments in Slovakia. The main objective is merely to ensure protection of security and public order of the Slovak Republic and the EU. Whether this objective will be met will be determined in practice.

Spain

Type of filing requirement

- **Mandatory and suspensory**. Approval of the Government must be obtained prior to closing of a subject investment. A **financial penalty** as high as the amount of the investment can be imposed in cases of non-compliance, and the transaction will not have any effects for corporate purposes until the situation is regularised (e.g. voting rights will not be enforceable, etc).

Nature of the review

- The Government intervenes either on grounds of (i) the strategic nature of the sector invested in ("**objective review**"), or (ii) the characteristics of the investor ("**subjective review**").
  - As regards the **objective review**, the following sectors are deemed strategic (i.e. affecting public safety, public order or public health): (i) critical infrastructure (e.g. energy, transportation, water, health, media, data processing and storage, communications, aerospace, defence and electoral or financial), as well as land and real estate vital to the use of such critical infrastructure; (ii) critical and dual-use technologies (including artificial intelligence, robotics, semiconductors, cybersecurity, aerospace, defence, energy storage, quantum and nuclear technology, nanotechnology, biotechnology, key technologies for industrial leadership and skills, and technology developed via programmes and projects of particular interest for Spain, including telecommunications); (iii) supply of essential produce (in particular, energy, raw materials, strategic connectivity services and food safety); (iv) access to sensitive information; and (v) media. There are certain exemptions depending on the global turnover of the target (or, in the case of investments in the energy sector, if certain thresholds - e.g. generation capacity, clients, etc. - are not exceeded).
  - As regards the **subjective review**, the following investors are affected irrespective of the sector: (i) state-owned or controlled companies (whether directly or indirectly); (ii) those having already invested or participated in the sectors deemed strategic in other EU Member States; and (iii) if there is a serious risk of the foreign investor undertaking criminal or illegal activities that affect public safety, public order or public health in Spain.

Timetable

- A decision shall be issued within three months from filing. Requests from the Government for further information or documentation stop the clock for these purposes.
- Conditions may be imposed, and lack of response is deemed a tacit denial. Once granted, authorisations have a general validity of six months.

Triggering event(s)

- A foreign investment requires prior governmental approval whenever the investor, as a consequence thereof, (i) holds **10%** or more of the share capital of a Spanish company (if this threshold is already exceeded, approval will only be required if the transaction entails a change of control), and/or (ii) acquires control of all or part of it (under the definition of control established in the antitrust legislation), provided that:
  - either the investor is a non-EU/EFTA resident; or
  - even if the investor is an EU/EFTA resident, its ultimate beneficial ownership corresponds to a non-EU/EFTA resident, such beneficial ownership being defined as (i) holding directly or indirectly in excess of **25%** of the share capital or voting rights of the investor, or (ii) when control of the investor is exercised directly or indirectly by any other means;
  - transitorily until 31 December 2026, even if the investor is an EU/EFTA resident with its ultimate beneficial ownership also in the EU/EFTA, when (i) the target is a listed company or when (ii) the target is not a listed company but the investment is worth more than EUR 500 million. In this case, though, only the objective review applies (i.e., the Government intervenes solely on grounds of the nature of the sector invested in);
  - in certain specific sectors (e.g., National Defence, Weapons and Explosives) the share capital percentage acquisition thresholds vary, being stricter.
- Although investments in assets are not expressly captured by FDI rules, they also need to be analysed from an FDI perspective if they fall within the strategic sectors.

Case study: Veto of the takeover bid of TALGO

- Hungarian industrial group GANZ MAVAG, with partial financing from the Hungarian Government, launched a takeover bid of the entire share capital of Spanish rolling stock manufacturer TALGO. GANZ MAVAG's ultimate owners have had links to Russia in the past, and TALGO holds certain important patents and relevant know-how in variable railway width systems that can prove useful for war logistics.
- The Spanish Government, in the session of its Council of Ministers of 27 August 2024, vetoed said takeover bid, considering TALGO to be of strategic nature under the "public order" notion. This is one of the two known vetoes to have been decreed since the entry into force of the current FDI regime in March 2020.

Sweden

Type of filing requirement

- **Mandatory and suspensory**. There are two sets of legislation in force to screen investments for national security reasons, the Screening of Foreign Direct Investments Act ("**SFDI**") and the Protective Security Act ("**PSA**"). Filings under both are mandatory and suspensory, meaning that approval is required before the investment can be implemented.
- **Financial penalties**. Failure to notify a transaction falling under the SFDI and PSA may be sanctioned with an administrative fine. The fine may not exceed SEK100 resp. 50 million (around EUR8.8 resp. 4.4 million).

***NB:** An investment made in an entity carrying out security sensitive activities within the meaning of the Protective Security Act will require two filings, i.e. under the SFDI and the PSA.*

Nature of the review

- **Review under the SFDI:** The Inspectorate for Strategic Products ("**ISP**") may review investments made in Swedish entities or assets carrying out certain protected activities where the investor, through the investment, acquires a certain level of influence. The notification obligation applies to investors from third countries and EU Member States (incl. Swedish investors). The protected areas include:
  - Essential services listed in the Swedish Civil Contingencies Agency's Regulation 2024:9.
  - Security-sensitive activities falling under the Swedish PSA.
  - The exploration, extraction, enrichment or sale of critical raw materials, metals or minerals that are strategically important for Sweden. A list of the relevant raw materials, metals or minerals is included in Annex 1 to the Swedish Government's ordinance 2023:624.
  - The processing on a large scale of (i) sensitive personal data as defined in Article 9(1) of the General Data Protection Regulation or (ii) location data as defined in the Swedish Electronic Communication Act.
  - The manufacturing, development, R&D or provision of military equipment and technical assistance as defined in the Military Equipment Act (1992:1300).
  - The manufacturing, development, R&D or provision of dual-use products as defined in Annex I of Regulation (EU) 2021/821.
  - The research on and the provision of products or technology within emerging technologies or other strategically protected technologies or businesses with the ability to manufacture or develop such products or technology. A list of the relevant products is included in Annex 2 to the Swedish Government's ordinance 2023:624.
- **Review under the PSA:** The relevant authority may review the transfer of activities that are of importance to Sweden's security, as well as other activities covered by a binding international commitment.
- This includes activities in many areas, such as the protection of water, electricity and heating plants, IT facilities, healthcare, transport infrastructure and the surveillance of important buildings.
- **Intervention under the SFDI:** ISP is required to assess whether the investor:
  - is directly or indirectly, in whole or in part, controlled by the government of a country outside of the EU through its ownership structure or substantial financing or in some other way;
  - has previously been involved in activities that have or could have adversely affected Sweden's security or public order or security in Sweden; and
  - if there are other circumstances surrounding the investor that could pose a risk to Sweden's security or public order or security in Sweden.
- **Intervention under the PSA:** The relevant authority may intervene in situations where, *inter alia:*
  - the transferred activities could be used to damage Sweden's security;
  - the transferred activities have such significance to Sweden's security that a transfer would not be appropriate;
  - where the acquirer is not considered loyal and reliable for security reasons; or
  - where the acquirer represents the interests of a foreign power or other antagonistic interests.

Timetable

- **SFDI:** The legislation includes a two-stage procedure. ISP will have an initial 25 working days after receiving a complete notification to examine an investment and decide either to take no further action on the notification or to initiate an examination. An examination of the investment must be terminated within three months. There is a possibility to extend the deadline to six months if there are particular reasons.
- **PSA:** The legislation does not currently contain a timeline for the authority's examination.

Sweden
(continued)

Triggering event(s)

SFDI: Prior authorisation is required for investments with (i) Swedish nexus, where (ii) certain influence requirements are fulfilled, and (iii) within an area covered by the law. Internal reorganisations are also covered by the notification obligation.

- **Swedish nexus.** This includes direct or indirect investments in (i) an existing Swedish legal entity, (ii) a newly established Swedish legal entity, or (iii) Swedish assets.
- The Swedish legal entities include limited liability companies, European companies, economic associations, trading partnerships, non-registered partnerships, foundations/trusts, and sole traders.
- **Influence requirement.** The influence requirements differ depending on the type of legal entity.
  - **Limited liability companies, European companies, economic associations:** (i) each time the investment results in the acquisition of a 10%, 20%, 30%, 50%, 65%, or 90% of the voting rights in the legal entity; or (ii) when the investment results in the acquisition of 10% of the voting rights in a newly created legal entity; or (iii) when the investment results in control over the legal entity in other manners. The latter is a fact-specific assessment.
  - **Trading partnerships, Non-registered Partnerships:** (i) when the investor becomes a partner in the legal entity through the investment; or (ii) when an investment is made in a legal entity where the investor already is a partner; or (iii) when the investment results in control over the legal entity in other manners. The latter is a fact-specific assessment.
  - **Foundations/trusts:** By the creation of the Foundation/Trust.
  - **Sole traders:** When the investment results in control over the legal entity. This is a fact-specific assessment.
- **Areas covered.** See under the *Nature of the Review*.

PSA: Prior authorisation is required for:

- All transactions that involve the transfer of any security-sensitive activities that are of importance to Sweden's security, as well as other activities covered by a binding international commitment.
- There are no additional qualifying conditions or thresholds to determine the transactions covered by the legislation. All transfers, regardless of their structure or size must be notified. However, transfers of shares in listed undertakings or transfers of real estate are excluded at this stage.
- The company itself must determine whether it carries out security-sensitive activities and whether the relevant legislation applies to its business. To determine if this is the case, the company must undertake a 'Protective Security Assessment'. The purpose of such an analysis is to determine whether the company has information, personnel or assets that require specific protection.
- Companies that have determined that they carry out security-sensitive activities have an obligation to report these activities to the relevant authority.

***NB:** The notification obligation under the SFDI falls under the investor while the notification obligation under the PSA falls on the entity operating the security-sensitive activities (i.e. the seller/target). The law also provides that shareholders of such entities have a duty to notify the transfer of their shares.*

Recent vetoes and new legislation

- Under the SFDI two investments have been prohibited and five investments have been approved subject to conditions. We also understand that nine matters have been withdrawn during an in-depth phase II examination. In addition, the ISP has in one case imposed an administrative sanction for failure to notify a notifiable investment.
- The Swedish government has proposed that transfers of real estate shall be subject to review under the PSA. This means that companies conducting security-sensitive activities of importance to Sweden's security wishing to transfer real property must carry out a special security assessment and suitability assessment including a consultation with the supervisory authority before the transfer. The supervisory authority will have the mandate to prohibit the transfer of real estate in accordance with the PSA.
- Additionally, a government inquiry has suggested that a new legislation should be introduced to screen transfers of real property that are of essential importance for national defence reasons. The suggested notification obligation will apply for acquirers that are (1) natural or legal persons from outside the European Economic Area (EEA), (2) legal persons within the EEA, if a natural or legal person outside of the EEA indirectly or directly holds 25% or more of the voting rights or exercises a similar influence in the legal person domiciled within the EEA. However, no legislative proposal has so far been presented by the government.

United Kingdom

Type of filing requirement

- Under the National Security and Investment Act (**NSI Act**), the Government has powers to call in and review a very wide range of transactions, and a sub-set of these transactions are subject to a mandatory and suspensory filing regime.
- **Mandatory and suspensory** for qualifying investments in targets with certain activities in any of 17 sensitive sectors listed below. Potential consequences of breach include criminal penalties (imprisonment for up to five years), fines of up to 5% of the group worldwide turnover of the investor or GBP10 million (whichever is higher) and voidness of the transaction.
- **Voluntary and non-suspensory** for all other qualifying investments.

Nature of the review

- Transactions are reviewable by the Government under the **NSI Act** on national security grounds only. Transactions in any sector can be reviewed, but there is a higher risk of a national security intervention if the target has certain activities in, or closely linked to, any of the following 17 sensitive sectors: civil nuclear; communications; data infrastructure; defence; energy; transport; artificial intelligence; advanced robotics; computing hardware; cryptographic authentication; advanced materials; quantum technologies; synthetic biology; critical suppliers to government; suppliers to the emergency services; military or dual-use technologies; and satellite and space technologies.
- Investments in real estate that is used for sensitive activities, critical infrastructure or Government buildings, or that is proximate to such a site, will also carry a higher risk of intervention.
- In addition:
  - under the **UK merger control regime**, the Government can intervene in transactions (if they meet the applicable merger control thresholds) on the basis of their impact on media plurality, stability of the UK financial system or the ability of the UK to combat a public health emergency; and
  - under the **foreign powers newspaper regime**, the Government is required to prohibit or unwind any acquisition of influence by certain parties with links to foreign governments over any newspaper (including online news providers) with a UK turnover of more than GBP 2 million.

Timetable

- **NSI Act reviews**: the initial period is 30 working days from the date when the filing is accepted as complete (which is typically a few days after a filing is submitted). If the Government decides to carry out a detailed national security review, the period is extended by an additional 30-75 working days (the clock stops if the Government sends a formal information request to the parties to the transaction or to third parties).
- For transactions that are reviewed by the Government under the **merger control regime**, on other public interest grounds (see "Nature of the Review"), the Government has until four months from closing to decide whether to initiate a detailed Phase II investigation, but it will typically do so anywhere between 20-80 working days from the date on which a deal is notified or called in for review. A Phase II review lasts a further six to eight months.
- There is no timetable for the review of interests falling under the **foreign powers newspaper regime**.

United Kingdom
(continued)

Triggering events

- Under the **NSI Act**, filing is mandatory for investments in legal entities with certain UK activities in any of the 17 sensitive sectors listed on the previous page, if the investment causes the investor's shareholding or voting rights to exceed a threshold of 25%, 50% or 75%, or it allows the investor to veto or determine any class of shareholder resolution governing the target's affairs.
- In addition, the government has powers under the voluntary filing regime to carry out a national security review (up to five years after closing) of:
  - investments in legal entities (active in any sector), if they: (i) cause the investor's shares or voting rights to exceed a 25%, 50% or 75% threshold; (ii) allow the investor to veto or determine any class of shareholder resolution governing the target's affairs; or (iii) confer material influence over the target (which can be as low as 10% with no board seat, or even result from purely contractual rights); and
  - investments in assets (in any sector) that allow the investor to use the asset, to direct or control how the asset is used, or to do so to a greater extent than before the transaction. Assets for these purposes are land, tangible moveable property and certain intellectual property.
- Intra-group transactions that meet the relevant thresholds for mandatory or voluntary filing are caught by the filing regime. The government intends to introduce an exemption for certain intra-group transactions in 2026.
- investments can also be reviewed under the **merger control regime** on certain other public interest grounds (see "Nature of the Review") if they confer at least material influence over the target and either (i) the target has a UK turnover of GBP 100 million or more, or (ii) the target and investor both supply or purchase the same products or services (or one has certain media sector activities) and have a share of such supplies/purchases of 25% or more in the UK or a part of it; or (iii) the acquirer has at least a 33% share of supply, and UK turnover of more than GBP 350 million, provided the target has a UK nexus, i.e. it is a UK business or body, carries on activities in the UK or has sales to UK customers. However, irrespective of the above thresholds, a merger cannot be reviewed if the UK turnover of each of the merging entities is less than GBP10 million.
- under the **foreign powers newspaper regime** any direct or indirect interest (including shares, voting rights or board seats) of a foreign government-linked investor in an owner of a UK newspaper is caught. However, there is an exemption for certain State-owned investment funds, which are permitted to own a direct or indirect interest of up to 15% of shares or voting rights, provided the aggregate interest of all such State-owned investors (including those from different countries) is also below 15%. Shareholdings in publicly listed companies of up to 5% are excluded from the assessment of whether the 15% threshold is met. Acquisitions of shareholdings of 5-15% must be notified to the Government and publicised.

Case study: Acquisition of interest in Harbour Energy by BASF

While BASF's acquisition of a 46.5% interest in the upstream oil and gas company Harbour Energy triggered the Government's jurisdiction to review the transaction, the Government's national security concern did not relate to BASF. Instead, the concern focused on a co-investor, LetterOne – an investment company with links to sanctioned Russian individuals – whose interest took the form of non-voting convertible shares and did not itself trigger the Government's jurisdiction to review. The Government required BASF and Harbour Energy to give notice to the Government in advance of any share conversion after which LetterOne would own 10% or more of Harbour Energy's ordinary shares, or any appointment of a board member by LetterOne, so that the Government could consider, at that time, whether to take action in relation to those events.

LetterOne had previously been required by the government to unwind a separate acquisition of a fibre broadband company. Its appeals against that decision – on the basis of disproportionality and a breach of Human Rights legislation – were rejected by the High Court and the Court of Appeal.

Americas

Canada

Type of filing requirement

- For direct acquisitions of control of Canadian businesses by non-Canadians that exceed the applicable financial threshold under the Investment Canada Act (ICA), a mandatory pre-closing application for review must be made and an approval of the Minister of Innovation, Science and Industry Canada (the "**ISI Minister**") (or, in the case of cultural businesses, the Minister of Canadian Heritage (the "**Heritage Minister**")) must be obtained prior to implementation of the investment.
- For indirect acquisitions of cultural Canadian businesses by non-Canadians that exceed the applicable financial threshold, a mandatory application for review must be made, and an approval by the Minister of Canadian Heritage must be received, though the process can be completed before or after closing.
- For (a) acquisitions of control within the categories identified above that do not exceed the applicable financial thresholds, (b) indirect acquisitions of control of non-cultural Canadian businesses by non-Canadian WTO investors (which are exempt from a pre-closing approval requirement); and (c) the establishment of new Canadian businesses by a non-Canadian, a notification filing (which does not have an associated approval) is required and can be made either before or within 30 days after closing.
- Penalties for non-compliance with the ICA include, *inter alia*, (i) an order to divest the Canadian business, (ii) an order compelling compliance with any agreed written undertakings; and (iii) a maximum financial penalty of CAD 10,000 per day (pending amendments, the maximum financial penalty is set to increase to CAD25,000 per day in 2026).
- Certain non-controlling investments in a Canadian business may be notified voluntarily, either before or after closing. Where such transactions are voluntarily notified, the government has up to 45 days from a certified notification to initiate a national security process. Where such transactions are not voluntarily notified, the government may initiate a national security process up to five years after the transaction is implemented.

Nature of the review

- **Net benefit review**: Investments that are subject to review must demonstrate to the ISI Minister (or Heritage Minister in the case of a cultural business) that the transaction is "likely to be of net benefit to Canada" in order to obtain the requisite approval, e.g., impact of the investment on economic activity, productivity and efficiency in Canada etc. In connection with obtaining approval, investors are typically expected to provide binding undertakings to the applicable Minister.
- **National security review**: The ICA sets out a national security review regime that is separate from the general provisions noted above. For investments that are subject to either review or notification under the net benefit regime, as well as for acquisitions of Canadian entities by non-Canadians that fall below control, the ISI Minister can order a review to determine whether they are injurious to Canada's national security. Under the national security review regime, the government is empowered to: (i) require the investor commit to undertakings, (ii) block the investment in the case of a pre-closing national security review, or (iii) order a divestiture in the case of a post-closing national security review.

Canada
(continued)

Timetable

- **Net benefit review**: The statutory period for a "net benefit" review is 45 days from the date a complete application is received, which is extendable unilaterally by an additional 30 days by the government, and extendable further with consent of the investor.
- **National security review**: If the ISI Minister intends to initiate the national security process, they can only do so during the period that starts when they become aware of the investment and ends 45 days after receipt of a complete application or notification (where a filing is required or made voluntarily) or 5 years after closing (where no filing is required and none is voluntarily made). At or before the expiration of the 45-day period, the ISI Minister can issue a notice indicating that they require an additional 45 days or the ISI Minister can order a national security review. Once a national security review has been triggered, the initial review period is 45 days, which the ISI Minister can extend for an additional 45 days, after which time, subject to the investor and ISI Minister agreeing to an extension, the ISI Minister can either determine that the investment does not raise national security concerns, the ISI Minister can accept undertakings from the investor in order to resolve any national security concerns, or the ISI Minister can refer the matter to the Governor in Council (federal Cabinet) for a final decision, which must be made within 20 days following the ISI Minister's referral. The entire process can take up to 200 days subject to the Minister and investor agreeing to extensions.

Triggering event(s)

- The filing obligations under the ICA apply to the following investments by a non-Canadian: (i) direct or indirect acquisition of control of a Canadian business, and (ii) establishment of a new Canadian business. Control is defined as (1) the acquisition of greater than 50% of the voting interests of an entity directly or indirectly carrying out a business in Canada (note that a lower threshold of 33.3% applies to corporations, although the presumption of control is rebuttable) or (2) an acquisition of all or substantially all of the assets used in carrying out a business in Canada. Investments that do not amount to an acquisition of control may be notified voluntarily (see prior page).
- A "net benefit" review and approval is required only for a direct acquisition of control (or an indirect acquisition of control of a "cultural business") that exceeds certain relevant financial thresholds.
- Investments injurious to national security: An acquisition of all or part of a Canadian business (whether or not it constitutes an acquisition of control) may be subject to a national security review where the ISI Minister determines that it may be injurious to Canada's national security. Investments involving sensitive sectors such as defence, critical infrastructure, critical goods and services, critical minerals and their supply chains, investments into businesses with proximity or access to sensitive government installations, investments by state-owned enterprises, and investments by investors from certain jurisdictions (notably the People's Republic of China, Russia and in the Middle East) often attract increased national security scrutiny.

Recent Developments

- In March 2024, the government tabled amendments to the ICA designed to strengthen the national security review regime, of which an initial set entered into force in September 2024, including: (a) interim measures powers allowing the government to require the target Canadian business be held separate pending completion of national security review; (b) more flexible national security remedial powers that allow the Minister to obtain undertakings (rather than requiring an order of the Federal Cabinet); and (c) increases to the penalties available for non-compliance with the ICA.
- Additional provisions are expected to be brought into force over the course of 2026, including: (a) a mandatory pre-closing notification regime for investments of any size in an entity carrying on "prescribed business activities" in Canada (as yet undefined but likely to align closely with existing higher risk sectors such as defence, dual-use technology and critical infrastructure), where certain conditions are met; (b) the power for the Federal Cabinet to order a net benefit review of investments by state-owned enterprises that are subject to a mandatory filing obligation but do not exceed the relevant financial threshold; and (c) expanding the national security regime to explicitly capture partial asset acquisitions.
- In the wake of rising trade tensions with the United States, the ISI Minister revised the "Guidelines on the National Security Review of Investments" in March 2025 to include as a national security factor "the potential of the investment to undermine Canada's economic security". To date, this change has not appeared to impact enforcement materially.

USA

Committee on Foreign Investment in the United States (CFIUS)

Type of filing requirement

- **Mandatory Filings**. Notification must be made to the Committee on Foreign Investment in the United States ("**CFIUS**") at least 30 days prior to closing for certain investments in US businesses, directly or indirectly, by non-US parties. Mandatory filings only apply with respect to investments in "TID US businesses," which are certain US businesses involved with critical technologies (certain items or technology subject to US export controls), sensitive personal data, or certain critical infrastructure assets.
- **Voluntary Filings**. Most transactions subject to CFIUS jurisdiction do not trigger a mandatory filing. Even if a mandatory filing requirement does not apply, a voluntary notification may be advisable, such as where the target company has a clear nexus to US national security.
- **Non-Notified Risk**. CFIUS actively looks for non-notified transactions of interest, and during the past three years, at least approximately 7-8% of total CFIUS notices were for non-notified transactions pursued by CFIUS. Where CFIUS reviews a non-notified transaction, it may require mitigation measures to address national security concerns or, if it determines the risks cannot be effectively mitigated, pursue a block of the transaction. In practice, most non-notified reviews occur post-closing, meaning the investor would typically not have recourse, whereas for pre-closing filings the parties can negotiate allocation of CFIUS risk (e.g. the buyer may have walkaway rights if CFIUS were to require mitigation terms that would frustrate its commercial goals for the deal).

Triggering Events

- **Covered Control Transactions**: CFIUS has broad jurisdiction to review any transaction that could result in "control" of a "US business" by a foreign person. Control is defined broadly and includes many minority investments (e.g. where the investor obtains certain veto rights).
- **Covered Investments**: Investments in TID US businesses are subject to expanded jurisdiction covering certain non-controlling, yet non-passive investments that can be triggered by board director or observer rights, certain information or access rights, or collaboration agreements that involve access to technical information of the US business.
- **Real Estate Transactions**: CFIUS also has jurisdiction over certain real estate transactions located in or within a certain range of sensitive areas or installations. The CFIUS real estate regulations are also instructive of potential close-proximity considerations that could raise national security risks in investment transactions.

Nature of the Review

- CFIUS reviews focus on whether the transaction presents risks to US national security. The concept of "national security" is not defined and CFIUS issues can arise in a broad range of industries. Examples of areas of potential CFIUS interest include technology (particularly advanced, emerging, or leading-edge technology), government contracting, defense, aerospace, energy, personal data, healthcare, telecommunications, critical infrastructure, biotechnology, supply chain, and agriculture.

- In assessing transactions, CFIUS considers the "threat" posed by the foreign investor, the "vulnerability" exposed by the US business that is the subject of the transaction, and the "consequences" to US national security of combining that threat and vulnerability.

Outcomes

- Most transactions that CFIUS reviews are cleared without any conditions. Where CFIUS identifies concerns with a transaction, it may require mitigation measures to address those risks. In cases where CFIUS determines risks cannot be mitigated, it may recommend that the President of the United States block the transaction (in these cases parties typically voluntarily abandon their transactions to avoid a presidential block or divestment order).

Timetable

CFIUS filings are typically made jointly by the parties, and there are two filing options available:

- **Short-Form Declaration**: An expedited filing option reviewed in 30 days once CFIUS accepts the filing. CFIUS may request a full notice after its assessment of a declaration, elongating the total timeline.
- **Full Notice**: The traditional CFIUS filing process, which typically takes three to five months total (and may take longer where the parties withdraw and refile, such as to allow more time to negotiate mitigation measures). Notices begin with a "prefiling" where CFIUS reviews and comments on the draft filing, an initial 45-calendar-day review period, and a potential additional 45-calendar-day investigation period. CFIUS can also extend an investigation by 15 days in "extraordinary circumstances." Where CFIUS refers a case to the President, the President has 15 calendar days to issue a decision.

Penalties for Violations

- In recent years, CFIUS has actively ramped up its enforcement activities - including announcing penalties in a number of cases, the largest of which was for USD 60 million. Civil fines can be up to the value of the transaction or USD 5 million, whichever is greater, for failure to make a mandatory filing or violations of mitigation requirements. Material misstatements or omissions are also subject to potential penalties of up to USD 5 million per violation.

USA
(continued)

US Outbound Investment Security Program

Overview

- In addition to a CFIUS review of inbound investment into the United States, in 2025 the United States launched the US Outbound Investment Security Program ("**OISP**"), which is administered by the US Department of the Treasury (which also chairs CFIUS). The OISP currently regulates certain US investments in "covered foreign persons," which are persons with a nexus to "countries of concern" (currently China, including Hong Kong and Macau) engaged in certain activities relating to three technology areas:
  - Semiconductors and microelectronics
  - Quantum information technologies
  - Certain artificial intelligence ("**AI**") systems
- Transactions subject to the OISP are either **prohibited** or **require notification**. Notification must be done within 30 days following the completion date and does not involve a review or approval process; it is just notification.

Triggering Events

- Transactions covered by the OISP will include certain acquisitions of equity interests, greenfield investments, joint ventures, and debt financing transactions by US persons.
- The OISP includes a carveout for "excepted transactions." Among other listed exceptions, these include certain investments into publicly traded securities, investments into exchange traded funds, and passive limited partner investments under certain circumstances.
- Though relatively narrow in scope, the OISP has potentially broad geographic implications on both the US investor and covered foreign person sides of transactions.

Due Diligence Required

- As there is no review or approval process for the OISP, parties are responsible for ensuring their transactions are in compliance with OISP requirements. Moreover, the OISP regulations include a knowledge standard that requires parties to conduct diligence (e.g. to determine whether a transaction counterparty is a covered foreign person).

Forthcoming Changes

- The OISP is currently implemented based on an Executive Order but was codified into law with the enactment of the Comprehensive Outbound Investment National Security Act of 2025 ("**COINS Act**").
- The COINS Act makes a number of significant changes to the current OISP, including (1) expanding covered technology areas to include high-performance computing, supercomputing, and hypersonic systems, (2) allowing for further expansion of covered technology areas, (3) modifying the definition of "covered foreign person" as well as the types of covered transactions and excepted transactions, and (4) expanding the list of countries of concern to include Cuba, Iran, North Korea, Russia, and Venezuela (under the Maduro regime). The COINS Act also introduces the potential for Treasury to issue a non-exhaustive public database of "covered foreign persons" as well as a process for parties to receive compliance guidance regarding potentially prohibited transactions.
- Pending issuance of regulations implementing the COINS Act, the current OISP regulations will continue in force.

Key Trends

- The Trump Administration's America First Investment Policy ("**AFIP**") seeks to encourage foreign investment into the United States, incentivize investors that align with US national security interests, and restrict investment by and into foreign adversaries.
- Consistent with AFIP, a Fast Track Pilot Program was launched in 2025 to facilitate expedited reviews involving certain repeat foreign investors.
- After a significant spike CFIUS mitigation in 2022 and 2023, 2024 saw a roughly 50% decrease in mitigation being required by CFIUS to clear transactions – the lowest rate in nearly a decade. CFIUS also stopped slightly fewer transactions in 2024, though there were two presidential blocks (with the one for Nippon Steel/U.S. Steel later overturned).
- Despite the drop in mitigation and AFIP seeking to reduce complex, long-term mitigation terms, CFIUS continues to mitigate certain transactions. Mitigation risk remains a key consideration to assess in transactions given the potential operational and cost implications of mitigation requirements.
- Declarations are continuing to prove an effective tool for expedited review of lower-risk transactions, with nearly 80% resulting in clearances.
- CFIUS continues to actively look for non-notified transactions of interest and enforcement continues to be a focus.
- OISP compliance needs to be carefully considered – and diligenced – in transactions that could be subject to regulatory requirements. One year into implementation, certain market standards have emerged and Treasury has also issued guidance to aid parties in compliance.
- Investment-related regulation continues to be a key US national security tool for the US government. AFIP signaled a likely expansion of the OISP, with broader outbound controls now codified via the COINS Act with the potential for even wider coverage in the future. CFIUS's authorities also expanded with changes taking effect in late 2024 further empowering CFIUS regarding enforcement, assessment of non-notified transactions, and the ability to review more real estate transactions.

Asia Pacific

Australia

Type of filing requirement

- **Mandatory and suspensory** for foreign acquisitions that meet relevant monetary/control thresholds and where no exemptions apply.
- An application must be made to the Foreign Investment Review Board ("**FIRB**") to obtain a letter of "no objections" from the Treasurer of Australia prior to completion of the transaction, if the transaction involves a "notifiable action" or "notifiable national security action" as defined under the Foreign Acquisitions and Takeovers Act 1975.
- Failure to obtain such approval can result in **civil and criminal sanctions**.

Nature of the review

- The Treasurer, advised by the FIRB, has the power to examine proposed foreign acquisitions and prohibit acquisitions determined to be contrary to the national interest, or impose conditions on the proposed acquisition to remove national interest concerns. The Treasurer also has a "call-in power" to review any decision not previously notified to the FIRB which is a "significant action" or a "reviewable national security action" which may pose a national security concern, for up to 10 years after the acquisition has completed.
- Typically, matters that the Treasurer will take into consideration when making a decision include the impact of the acquisition on the Australian economy and community, national security and competition. Businesses, corporations or assets in certain sensitive sectors such as media, agriculture, telecommunications, defence and military, transport and encryption and security technologies are subject to stricter regulation.
- The FIRB may consult with government agencies such as the Cyber and Infrastructure Security Centre and the Australian Tax Office as part of its decision-making process. It is common for the FIRB to impose standardised tax compliance conditions on any "no objections" approval.

Timetable

- The Treasurer has **30 calendar days** from notification to make a decision plus **10 calendar days** to notify the applicant. This timing is subject to potential extension/FIRB issuing an "interim order" preventing the investment for a period of up to 90 days while it considers the proposed acquisition.
- In practice, FIRB approval normally takes **two to three months**.

Triggering event(s)

- Approval is required for "notifiable actions", which include direct or indirect acquisitions by a foreign investor of **>20%** in a target's securities if the target is an Australian corporation carrying on an Australian business, an Australian trust unit, or a holding entity of either of these, and the target is valued above certain monetary thresholds, subject to any applicable exemptions.
- Monetary thresholds are dependent on the type of asset and whether the acquiror is a foreign person or a "foreign government investor" (such as sovereign wealth, public sector pension, government agencies, SOEs).
- Stricter rules/lower thresholds apply in relation to **foreign government investors** (typically a >10% threshold, which can reduce to 5%) and sensitive sectors.
- Mandatory FIRB approval is also required for "notifiable national security actions". This includes starting a national security business, acquiring a direct interest in a national security business or acquiring an interest in national security land. National security businesses are endeavours that, if disrupted or carried out in a particular way, may create national security risks, such as critical infrastructure assets, telecommunications or defence. These actions have a AUD 0 monetary screening threshold.

Case study: Withdrawal of China State Construction Engineering Corp acquisition of Probuild

On 12 January 2021, China State Construction Engineering Corporation withdrew a bid to acquire an 88% stake in Probuild, an Australian subsidiary of a South African-owned company, based on advice that the application would be rejected by the FIRB on the grounds of national security. While Probuild's focus is usually on residential towers and shopping malls, it is understood the existing development of a new headquarters for the Victoria police and a new headquarters for a biotech giant triggered national security concerns, resulting in the withdrawal of the application.

China

Type of filing requirement

- **Mandatory and suspensory**. If national security issues are raised in the context of a foreign-domestic transaction, it would be mandatory to seek **National Security Review ("NSR") clearance**. A separate **Foreign Investment Review ("FIR")** is also mandatory for investments subject to restrictions in the Negative List (as prescribed in the current Special Administrative Measures on Access to Foreign Investment). Penalties for breach in the context of NSR clearance include an order to notify the transaction, make rectifications and **unwind the deal**. Closing without FIR approval will also render the transaction invalid.

Nature of the review

- **NSR** – The NSR process applies to the foreign investments (including greenfield investments, acquisition of equity or assets of a company in China and foreign investments in China in any other way) in China involving any of the following sectors:
  - investments in military and related or adjacent activities; or
  - investments in key agricultural products, key energy and resources, key equipment manufacturing, key infrastructure, key transportation services, key cultural products and services, key information technology and internet products and services, key financial services, key technologies or other key sectors that bear on national security; AND the foreign investor(s) will acquire *de facto* control over the invested enterprise in any of the foregoing sectors.
- The above-mentioned investment must be notified to a newly established interministerial government body, the NSR working mechanism office. However, the rules do not specify what amounts to "key", which leaves the authority with discretion. The authority has been open to accept consultation requests.
- **FIR** – All foreign investments in Chinese companies subject to restrictions in the Negative List have to be reviewed and approved by the central Ministry of Commerce (or its local counterparts) or certain other sector-specific regulators.

Timetable

- **NSR**
  - Preliminary review: 15 business days from the receipt of all the required materials;
  - General review: 30 business days; and
  - Special review: 60 business days (may be extended under certain special circumstances).
- **FIR** – The approval time frame varies depending on the authority in question.

Triggering event(s)

- **NSR** – In relation to transactions involving the military sector, an NSR process may be triggered irrespective of the interest to be acquired in the target.
- In the case of other sectors, an NSR process may be triggered only if the foreign investor intends to acquire *de facto* control (50% interests; significant influence over the shareholders' meeting or the board; or *de facto* control over business decisions, financial affairs, personnel and/or technology or other matters) of the Chinese target.
- **FIR** – Foreign investment in restricted sectors will be subject to approval and certain restrictions such as a cap on foreign ownership percentage.

Case study: Yonghui Superstores/Zhongbai Holdings

Yonghui Superstores intended to acquire a controlling interest in Zhongbai Holdings, a Chinese state-owned retailer. The National Development and Reform Commission ("**NDRC**") intervened as 19.99% of the shares in Yonghui were owned by a foreign entity, Dairy Farm International (which is ultimately controlled by Jardine). It is widely believed that the NDRC commenced its NSR process primarily out of national defence concerns due to Zhongbai's essential role as the major provider of warehousing and distribution to the 2019 Military World Games and Zhongbai's store network in certain military colleges in Wuhan. The retail sector is likely to be considered as a sensitive sector by the NDRC. Eventually, Yonghui withdrew its tender offer in December 2019 following the NDRC's commencement of a special review process.

Japan

Type of filing requirement

- **Mandatory and suspensory** for acquisitions by foreign investors of shares in Japanese companies operating in **certain restricted sectors ("Inward Direct Investment")** and acquisitions by foreign investors from other foreign investors of shares in Japanese unlisted companies operating in **certain restricted sectors ("Specified Acquisitions")**, in the absence of exemptions. A pre-closing filing must be made with the Minister of Finance and other relevant ministers through the Bank of Japan.
- Acquisitions by foreign investors of shares in Japanese companies in **non-restricted sectors** are subject to a post-acquisition report.
- The government may pass an order to unwind, discontinue or alter a deal. Criminal sanctions, including imprisonment, are possible in case of a breach of such order.

Nature of the review

- A pre-closing filing process regarding Inward Direct Investment applies if the deal involves certain restricted sectors such as businesses involving the manufacturing of weapons, aircraft, artificial satellites, nuclear reactors and accessories or parts of the above, telecommunications, IT services, software, pharmaceuticals regarding infectious diseases, certain medical devices, certain protected domestic industries including agriculture and fishing, and critical minerals (including rare earth elements) whereas a post-acquisition report process applies to other sectors.
- A pre-closing filing process regarding Specified Acquisitions applies if the deal involves certain businesses that may impair national security such as the manufacturing of weapons, aircraft, artificial satellites, nuclear reactors, machine tools, industrial robots, marine equipment, fertilizer, storage batteries, and accessories or parts of the above, software, integrated circuits, critical minerals (including rare earth elements), etc.
- During the pre-closing filing process, the government can review and prohibit an investment in a Japanese company if such investment may have an adverse effect on national security, public order, public safety or the Japanese economy.

Timetable

- A **pre-closing filing** must be made 30 calendar days before such acquisition, and the parties cannot complete the investment before obtaining approval. The 30-day prohibition period may be shortened, and the relevant ministers typically make an effort to complete the assessment within five business days, to the extent possible. In certain cases, the relevant ministers may, however, extend the 30-day prohibition period to up to five months.
- A **post-acquisition report** must be made 45 calendar days following the investment.

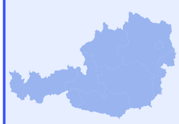
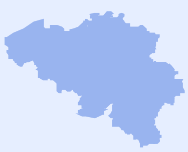
Triggering event(s)

- A **pre-closing filing** relating to share acquisitions for an **Inward Direct Investment** or equivalent action is required if a foreign investor (i) directly acquires a single share of a non-listed Japanese company or directly acquires **1%** or more of the issued shares or voting shares of a listed Japanese company AND (ii) such Japanese company operates in certain restricted sectors; provided that there are exemptions such as those for certain financial firms (e.g. securities firms, banks, insurance companies and asset managers). There are other types of Inward Direct Investments which may trigger a filing in Japan, such as a transfer of business by a Japanese company and appointment of a director of a Japanese company.
- **A pre-closing filing for a Specified Acquisition** is required if a foreign investor (i) directly acquires a single share of a non-listed Japanese company from another foreign investor AND (ii) such Japanese company operates in certain restricted sectors. There are some exemptions; however, if the Japanese company operates in the core sectors designated by the government such as the manufacturing of weapons, aircraft, etc., these exemptions do not apply.
- A post-acquisition report is required if a foreign investor directly acquires listed Japanese companies meeting the exemptions, and for most investments in non-listed Japanese companies that are not subject to a pre-closing filing requirement.

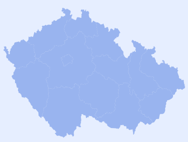
Recent Development

- As of 19 May 2025, Japan's new foreign direct investment (FDI) filing form requires investors to confirm they are not Type A or Type B Investors. Type A Investors are those obliged to cooperate with foreign governments in intelligence activities related to Japan's national security, including entities they control. Type B Investors are those whose management is substantially controlled by Type A Investors, or who are contractually required to cooperate with foreign governments through Type A Investors.
- Exemptions are not available for Type A Investors. For Type B Investors, exemptions do not apply if the target is a "Designated Core Business Entity" (e.g., critical infrastructure). In other cases, Type B Investors must meet additional conditions, such as no access to non-public information or involvement with the investee company's personnel.

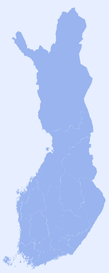
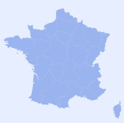
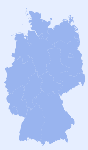
Overview of foreign investment regimes

Europe				
Jurisdiction	**Thresholds**	**Timeline**	**Suspensory?**	**Civil sanctions?**
EU 	No particular threshold at the EU level. The EU Screening Regulation applies if the national foreign investment regimes of the Member States are triggered.	35 calendar days to submit a non-binding opinion/comments; the deadline can be extended.	✗	✗
Austria 	Direct or indirect acquisition by a **non-EU/non-EEA/non-Swiss investor** of: • An Austrian business or legal entity; • Material parts of an Austrian business resulting in the acquisition of a controlling influence over such parts of a business; • A controlling influence over an Austrian business or legal entity; or • A shareholding with which at least 10% of the voting rights (if the Austrian target is active in a highly critical sector) or 25% of the voting rights (if the Austrian target is active in a "normal" critical sector) is reached or exceeded.	**EU Screening Mechanism:** 15 calendar days (or longer) starting once the BMWET has determined completeness of the filing and kicked off the EU Screening Mechanism. **Phase I:** additional 1 month. **Phase II:** additional 2 months.	✓	✓ (also criminal)
Belgium 	The direct or indirect acquisition by a (non-EU) foreign investor of either control (within the meaning of the EUMR), or 10% or 25% (depending on the sector) of the voting rights of a target entity that is established in Belgium and whose activities "touch upon" one or more sectors that are crucial to Belgium's public order, national security, and/or strategic interests. In case of an acquisition of 10% of the voting rights, the target's Belgian entity's turnover in the last fiscal year must exceed EUR100 million. In case of an acquisition of 25% of the voting rights of a Belgian target entity whose activities "touch upon" technologies of strategic importance in the biotech sector, the target's Belgian entity's turnover in the last fiscal year must exceed EUR25 million.	**Initiation of Phase I**: No formal or informal time limits but typically takes 1-2 working days following submission (if the filing is deemed complete). **Phase I:** 30 calendar days, but requests for information stop the clock. **Phase II:** 28 calendar days, but several stop-the-clock events could potentially add months to the duration of the review process.	✓	✓

Overview of foreign investment regimes
(continued)

Jurisdiction	Thresholds	Timeline	Suspensory?	Civil sanctions?
Croatia 	The proceedings are triggered if the qualifying foreign investor directly or indirectly acquires a stake of at least 10 percent of shares, voting rights or property rights in the entity in question.	**Phase I:** proceeding before the Ministry of Finance: 30 calendar days which may be extended up to 60 calendar days. Thereupon upon the file is delivered to the FDI Commission. **Phase II:** the FDI Commission should render its opinion within 90 calendar days, but the term may be extended for additional 30 calendar days.	✓	✓
Czech Republic 	Acquisitions by non-EU investors of: 10% or more of voting rights; membership of the foreign investor (or its related party) in corporate bodies of the target; the asset through which target's business activity is carried out; or any other type of control resulting in the investor gaining access to information, systems or technology which are important in connection with the protection of the security of the Czech Republic, or its internal or public order.	90 calendar days; may be extended by up to 30 calendar days in particularly complex cases.	✓	✓
Denmark 	Mandatory regime: Acquisition, directly or indirectly, of at least 10% of the shares or voting rights or similar control by other means in a Danish company active within a particularly sensitive sector. In addition, a new authorisation must be applied for where there is an increase in the ownership of the shares etc. to 20%, 1/3, 50%, 2/3 and 100%. Authorisation must also be sought for greenfield investments, i.e. the establishment of new companies within a particularly sensitive sector. Voluntary regime: Acquisition, directly or indirectly of at least 25% of the shares or voting rights or similar control by other means in a Danish company active within any other sector than a particularly sensitive sector, if the investment may pose a threat to national security or public order.	**Phase I:** up to 45 calendar days from the Danish Business Authority's declaration that the notification is complete. **Phase II:** up to an additional 125 calendar days from either initiation of Phase II or if additional information is requested, from the additional information has been declared complete. No consequences if the deadlines are exceeded. In case of referral to the Danish Minister of Industry, Business and Financial Affairs no deadlines apply to the Minister's review.	✓ (only under the mandatory regime)	✗

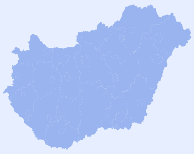
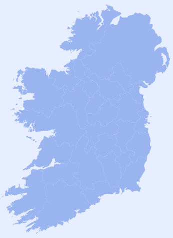
Overview of foreign investment regimes
(continued)

Jurisdiction	Thresholds	Timeline	Suspensory?	Civil sanctions?
Estonia 	Direct or indirect acquisition by of 10% of the shares or equivalent rights in a target entity or its assets used in Estonia for within a particularly sensitive sector. New authorisation must be applied for in case there is an increase in ownership to 50% or acquisition of control (including joint control) in the target entity.	**Phase I:** up to 30 calendar days from a complete filing. **Phase II:** up to 90 calendar days in addition to Phase I, which can further be extended by 60 calendar days.	✓	✓
Finland 	Mandatory regime: Any acquisition as a result of which a foreign acquirer gains control of at least one tenth, one third, or one half of the aggregate number of votes conferred by all shares, or a corresponding actual influence, in a defence or security sector enterprise is subject to monitoring and must be approved by the FDI Authority before closing. Voluntary regime: Any acquisition of the above number of votes or corresponding actual influence in an enterprise that is deemed critical for securing vital functions of society in Finland may be investigated by the FDI Authority's own initiative or voluntarily notified.	There is no formal review timeline for **defence and security sector** acquisitions. For **other critical companies**, the FDI Authority has either six weeks to decide whether to initiate further investigations or three months of receiving the necessary information, to propose that the matter be referred to the Government's plenary session for its consideration (and eventual prohibition).	✓ (only under the mandatory regime)	✓ (only criminal sanctions)
France 	Acquisition of control of a French company (or of any business division) or (for non-EU/EEA investors only) of more than 25% of voting rights of a French company (10% for companies listed on a regulated market).	**Phase I:** 30 business days (extended in case of requests for information). **Phase II:** 45 business days.	✓	✓ (also criminal)
Germany 	10%, 20% or 25% of voting rights in German targets by non-EU investors (cross-sectoral) or 10% by non-German investors (sector-specific). If an investor already holds 10%, 20% or 25%, the additional increase of the voting rights triggers a further application if certain voting rights thresholds are met.	Cross-sectoral and sector-specific: Phase I: 2 months, Phase II: an additional 4 months; can be extended by further 4 months in complex cases.	✓	✓ (also criminal)

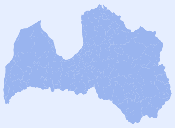
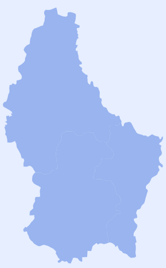
Overview of foreign investment regimes
(continued)

Jurisdiction	Thresholds	Timeline	Suspensory?	Civil sanctions?
Greece 	Direct or indirect acquisition of 10% or more of share capital or voting rights in highly sensitive sectors or 25% or more in sensitive sectors by a “foreign investor”, defined as: • Any foreign natural person or enterprise from outside the EU; • Any enterprise in the EU that is directly or indirectly controlled by a person or enterprise from outside the EU; or • For highly sensitive sectors, any EU entity with ≥10% non-EU ownership. There is no minimum transaction value threshold; even minority investments above the relevant percentage trigger notification.	**Filing and initial scope check**: Upon submission, it is determined within 5 days whether the investment falls within the scope. If the filing is complete and in scope, it is forwarded to the Interministerial Committee for the Control of FDI (the "Committee") within 10 days. **Phase I – Initial review**: The Committee must decide within 30 days from receiving the file to either clear the investment or decide to initiate an in-depth review. **Phase II – In-depth review**: the Committee must issue a recommendation within 30 days, with a possible one-time extension of an additional 30 days (maximum 60 days in total). The timeline may be suspended (“stop-the-clock”) if the Committee seeks input from external experts, the European Commission, or other Member States, or if additional information is requested from the investor. **Final decision**: The Minister of Foreign Affairs must issue a final decision within an indicative period of 30 days from receiving the Committee’s recommendation, with an absolute maximum of 60 days. If no decision is issued within 60 days, the investment is deemed approved by default.	✓ Note though, assuming clearance of the transaction, the absence of any sanctions in case of closing before clearance, as long as a complete filing has been submitted before closing)	✓

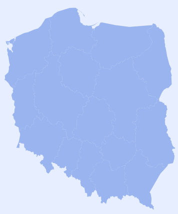
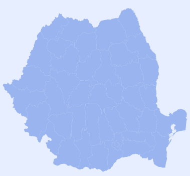
Overview of foreign investment regimes
(continued)

Jurisdiction	Thresholds	Timeline	Suspensory?	Civil sanctions?
Hungary 	Mandatory General FDI Regime: investments which lead to total foreign investment exceeding 25% (private companies) or 10% (publicly listed companies). Non-percentage thresholds also apply. Mandatory Special FDI Regime: majority control; or 5% control where the investment exceeds approx. EUR910,000 (3% in case of public companies); or investments where total foreign investment exceeds 25%; or increases in ownership to 10%, 20% or 50%. Non-percentage related triggering events also apply.	Notification to be made within 10 days of signing. 60 days (General FDI Regime) and 30 business days (Special FDI Regime) to decide on the transaction, potentially extended by 60/15 days.	✓	✓
Ireland 	The Irish FDI regime applies where a third-country undertaking, or person connected with a third-country undertaking acquires control of an asset or undertaking in Ireland or changes the percentage of shares or voting rights it holds in an undertaking in Ireland from (i) below 25% to above 25% or (ii) below 50% to above 50%. The value of the transaction must exceed EUR2 million, and the transaction must relate to, or impact upon the relevant matters (as set out in Article 4(1) of the EU FDI Regulation). The Minister also has broad powers to review non-notifiable transactions. **N.B**: Internal reorganisations are excluded from the scope of the Irish FDI regime.	The Minister for Enterprise, Tourism and Employment is required to make a decision within 90 days from the date on which the screening notice in relation to the transaction is issued following notification of the transaction. However, the Minister can extend this period to 135 days.	✓	✓ (also criminal)
Italy 	Defence and national security: acquisition exceeding 3%, 5%, 10%, 15%, 20%, 25% and 50% of the target's capital. Energy, transport, communication, healthcare, agri-food, financial, credit, and insurance sectors: acquisition of control by EU (including Italian) acquirers. Other sectors: acquisition of (1) direct or indirect control; (2) 10% stake (or voting rights) where investment's value at least EUR1 million; OR (3) 15%, 20%, 25% or 50% by non-EU acquirer(s).	45 calendar days (30 calendar days for the 5G sector). This time limit can be extended: • by up to 10 calendar days, if additional information is required from the parties; and • by up to 20 calendar days if additional information is required from third parties; and • according to the provisions set out in Article 6, paragraph 6 of Regulation (EU) 2019/452.	✓	✓

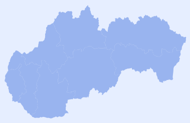
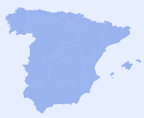
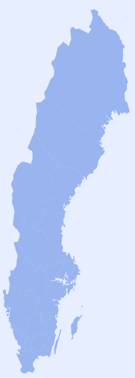
Overview of foreign investment regimes
(continued)

Jurisdiction	Thresholds	Timeline	Suspensory?	Civil sanctions?
Latvia 	The restrictions apply to companies, partnerships, associations, and foundations regarding the acquisition of at least 10% of shares or significant influence, decisive influence, transfer of undertaking, preservation of participation or voting rights if the UBO or controlling entity changes, or loans exceeding 10% of the protected entity's assets from a non-EU, non-EEA, non-NATO lender. For partnerships and associations, this includes the admission of a new member and the preservation of membership if the UBO or controlling entity changes.	1 month from filing, which term can be extended for up to additional 3 months.	✓	✗
Lithuania 	• Acquisition of 1/4 or more voting rights or shares in (a) Category I entity, (b) Category II entity, (c) Entity operating in an economic sector of strategic importance or the territory of the protection zone; • Acquisition of 1/3 or more voting rights in the Category III entity; • Acquisition of rights into asset or infrastructure which is important for national security; • Transactions whose value exceeds 10% of the category I, II, and III entity's annual turnover in the preceding financial year and certain other transactions of such entities.	Pre-notification (if applicable) approx. 10 working days; **Phase I:** approx.25 working days; **Phase II:** approx.4 months. Or **Phase I:** approx. 29 working days; **Phase II:** approx. 5 months.	✓	✗ (only invalidity of transaction and/or restriction of voting rights)
Luxembourg 	Investments of any kind made by non-EU/EEA investors, enabling the investor to control directly or indirectly or in concert a Luxembourg company, i.e.: • have a majority of the voting rights of the shareholders of that company; • have the power to appoint the majority of the management or supervision body while being shareholder of that company; • have control over a majority of the voting rights via participation or via agreement made with other shareholders; or • exceeding the threshold of 25% of ownership of the capital conferring voting rights.	Decision as to whether or not a notified investment will be subject to a screening procedure is taken within 2 months from the date of the acknowledgement of receipt of the notification. Thereafter, screening procedure may not exceed 60 calendar days from the date when it is triggered. Statutory time-limit for the screening procedure is suspended when additional information is required until receipt of such information.	✓ Only if the screening procedure (Phase II) is triggered.	✓ Administrative measures & penalties in case of non-compliance.

Overview of foreign investment regimes
(continued)

Jurisdiction	Thresholds	Timeline	Suspensory?	Civil sanctions?
The Netherlands 	**Cross sector:** A change of control over undertakings active as vital providers, managers of business campuses, or in sensitive technologies. A lower threshold applies to highly sensitive technologies: the acquisition/increase of 10%, 20% or 25% of voting rights and/or appointment rights. **Telecoms sector:** Telecommunications acquisitions of predominant control, including, in any event:(1) the possession (solely or jointly) of at least 30% of the (direct or indirect) voting rights, (2) the ability to name more than half the board members, or (3) the ability to exercise control through special governance rights over certain companies in the sector. Other sectors: typically a change of control over undertakings active in such sector.	8 weeks, potentially extended by 6 months.	✓	✓
Poland 	Under the foreign investment regime, acquisitions by non-EU/EEA/OECD investors of 20% or 40% of shares/votes/profit, acquisition of dominance/control (including the power to decide on the directions of the activities of the target, management agreement) or lease of an organised part of the enterprise of a protected Polish company. Under specific companies regime: 20%, 25%, 33%, 50% shares/votes/profit.	30 working days for initial proceedings; if no approval – an additional 120 calendar days to issue a decision.	✓	✓ (also criminal)
Romania 	The Romanian regimes concerns investments above EUR 2 million carried out in a number of areas of interest from a national security perspective. However, even FDIs which do not meet this threshold may fall under the scope of the new FDI regime if they have a significant impact on, or represent a risk to, security or public order. Although only non-EU controlled investments are expressly concerned, for precautionary reasons a comfort letter may be sought for EU investments in certain cases.	The authorization is granted within up to 135 days after the authorization request becomes effective. However, the timeline may be extended in case a detailed analysis is required.	✓	✓

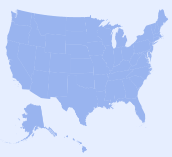
Overview of foreign investment regimes
(continued)

Jurisdiction	Thresholds	Timeline	Suspensory?	Civil sanctions?
Russia 	Acquisitions of 25% or more in subsoil strategic entities or above 50% in all other strategic entities. Lower thresholds for state-owned foreign investors. **NB**: no minimum threshold under the new FDI regime concerning direct or indirect acquisition of shareholding or other rights with respect to Russian LLCs and JSCs.	Three to six months, but can also take longer.	✓	✓
Slovak Republic 	Any (i) change of ownership in the critical infrastructure including by way of a sale of business (asset deal), or (ii) direct or indirect change in ownership (share deal) exceeding 10% of the registered capital or voting rights, or in the exercise of influence of a comparable magnitude.	60 days for evaluation by the Ministry of Economy.	✓	✓
Spain 	10% of share capital or voting rights, or acquisition of control of all or part of the company.	3 months.	✓	✓
Sweden 	**SFDI:** Investments made in (i) Swedish entities or assets, (ii) carrying out certain protected activities, and (iii) where the investor, through the investment, acquires a certain level of influence. The notification obligation applies to investors from third countries and EU member states (incl. Swedish investors). **PSA:** All transactions that involve the transfer of security-sensitive activities that are of importance to Sweden's security. This includes activities in many areas, including the protection of water, electricity and heating plants, IT facilities, healthcare, transport infrastructure and surveillance of important buildings. There are no other qualifying conditions or thresholds to determine the transactions covered by the legislation. Instead, the relevant authority must be notified of all transfers, regardless of their structure or size.	**Investments falling under the SFDI:** An initial 25 working days after receiving a complete notification (Phase I). An in-depth examination of the investment must be terminated within three months (Phase II). There is a possibility to extend the deadline to six months if there are particular reasons. **Investments falling under the PSA:** The Act does not contain any timelines for the authority's examination.	✓	✓

Overview of foreign investment regimes
(continued)

Jurisdiction	Thresholds	Timeline	Suspensory?	Civil sanctions?
UK 	Mandatory national security filing for investments in a target with sensitive activities which either exceed a threshold of 25%, 50% or 75% of shares or voting rights, or confers the ability to veto or determine any class of resolution governing the affairs of the target. Voluntary filing for other investments that (for investments in legal entities) meet the criteria above or confer material influence or (for investments in assets) allow the investor to use/direct/control the asset, or to do so to a greater extent. Deals can also be reviewed under the voluntary filing merger control regime on media plurality, financial stability or public healthcare emergency grounds if: (i) any party to a transaction has UK turnover over GBP 10 million and either (a) the target has UK turnover of GBP 100 million or more, (b) the target and buyer have overlapping activities with a share of supply in the UK (or part of it) of 25% or more, or (c) if the acquirer has a UK turnover of GBP 350 million or more and a share of supply of 33% or more and the target has a UK nexus. In addition, any direct or indirect acquisition by parties with links to foreign Governments of shares, voting rights or board seats in a UK newspaper is prohibited, subject to an exemption for interests of up to 15% held by certain State-owned investment funds.	**National security filings:** 30 working days, plus a further 30-75 working days if there is a detailed review. **Merger control filings:** Deadline is four months from closing in Phase I (no deadline if deal not closed) but review typically takes between 20-80 working days. If a Phase II investigation is opened, an additional six to eight months. **Foreign powers newspaper regime:** no time limits.	✓ (for mandatory filings)	✓ (also criminal)

Overview of foreign investment regimes
(continued)

Americas				
Jurisdiction	**Thresholds**	**Timeline**	**Suspensory?**	**Civil sanctions?**
Canada 	Various thresholds, inter alia, acquisitions of control when exceeding certain financial thresholds; establishment of a new Canadian business; non-control investments injurious to national security. Voluntary filing possible for non-notifiable transactions. 2025 thresholds for direct acquisitions and indirect acquisitions of cultural Canadian businesses: • WTO investor: CAD 1.386 billion or greater enterprise value • Trade Agreement investor: CAD 2.079 billion or greater enterprise value • SOE: assets of CAD 551 million or greater • Direct acquisition of cultural business: assets of CAD 5 million or greater • Indirect acquisition of cultural business: assets of CAD 50 million or greater (unless more than 50% of the value of total assets are in Canada, in which case the above CAD 5 million test applies) • Investors that do not qualify for WTO investor status are subject to the same thresholds that apply to cultural investments.	Net benefit review: 45 days from complete application; can be extended by an additional 30 days unilaterally and thereafter with consent of the investor. National security review: up to 155 days after initiating proceedings, subject to additional extensions on consent (200 days from date of complete application or notice, subject to extensions).	✓ (for direct acquisitions exceeding financial threshold or for national security reviews initiated pre-closing).	✓
USA 	**CFIUS:** Jurisdiction and mandatory filing considerations are often fact-intensive assessments; no set percentage thresholds. Expanded jurisdiction and potential mandatory filing requirements for transactions involving certain businesses involved with critical technologies, sensitive personal data, and critical infrastructure, though CFIUS interest can cover a much wider range of sectors. **Outbound Investment:** Detailed due diligence is often required to assess whether a transaction may be subject to the US Outbound Investment Security Program, particularly if the transaction counterparty is engaged in activities relating to AI, semiconductors or microelectronics, or quantum information technologies.	**CFIUS Filings:** Short-form declarations typically take five to six weeks (though can result in a request for a full notice). Full notices typically take three to five months, though longer if there is a withdrawal and refiling (e.g., if more time is needed to negotiate mitigation measures). **Outbound Investment:** A US person must file a notification with the Treasury Department within 30 days of completing any transaction requiring notification and must notify Treasury within 30 days of receiving previously unavailable information required to be included in the notification.	✓ (for mandatory CFIUS filings, which require a 30-day waiting period after filing)	✓ (CFIUS: for missed mandatory filings, material misstatements or omissions, and violations of mitigation requirements; OISP: for OISP violations; criminal sanctions also possible)

Overview of foreign investment regimes
(continued)

Asia Pacific				
Jurisdiction	**Thresholds**	**Timeline**	**Suspensory?**	**Civil sanctions?**
Australia 	Various. Generally, acquisitions of >20% in an Australian target and acquisitions of interests in Australian land will require FIRB approval. Thresholds for direct and indirect acquisitions of interests in Australian businesses are based on the higher of the total asset value or total issued securities value of any entity: • National security or Australian media businesses, or any FGI investment: AUD 0 • Free trade agreement partners: AUD 1.339 billion (non-sensitive businesses) and A$310 million (sensitive businesses) • Non-free trade agreement partners: AUD 310 million Offshore acquisitions with Australian subsidiaries will have the consideration paid apportioned based on the EBIT of the Target and its Australian subsidiaries.	Approximately 60-90 days.	✓	✓ (also criminal)
China (National Security Review process) 	Acquisition of any stake (for targets in military or related industry), or acquisition of actual control (for targets in other sectors).	Preliminary review: 15 business days. General review phase: 45 business days (from application). Special review: 105 business days (from application).	✓	✓ (potential unwinding of the transaction)
Japan 	Pre-closing filing: (i) acquisition of (a) a single share of a non-listed Japanese company, or (b) acquisition of 1% or more of the issued shares or voting shares of a listed Japanese company; AND (ii) such Japanese company is in certain restricted sectors. Various other thresholds, including the transfer of a Japanese business and the appointment of a director of a Japanese company. Post-acquisition report: certain investments in listed companies meeting the exemptions, and most investments in non-listed companies that are not subject to a pre-closing filing requirement.	Pre-closing filing review: 30 calendar days, although often shortened. Potentially extended to up to five months. Post-acquisition report: 45 calendar days following the investment.	✓	✗ (**only** criminal sanctions)

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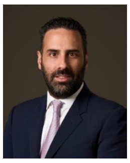

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