

CEE Booklet – FDI Screening

Preface

The landscape of foreign direct investment (FDI) screening in Central Eastern Europe (CEE) has undergone a profound transformation over the past decade, driven by a confluence of geopolitical tensions, heightened concerns over strategic asset protection, and the European Union's growing emphasis on economic security.

This booklet (now in its fourth edition) provides an up-to-date overview of the currently existing FDI regimes in CEE. Following the trend of tightening or setting up FDI screening mechanisms, this booklet covers FDI screening regimes in 13 CEE jurisdictions. In addition, it touches upon the investor screening regimes in Bosnia and Herzegovina, Montenegro and Serbia.

For more information, please visit

<https://www.schoenherr.eu/capabilities>



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Albania

Legal basis

Law No. 7764/1993, dated 2 November 1993, on Foreign Investments (the "Law on Foreign Investments").

Decision No. 226, dated 1 April 2026, approving the Regulation on Procedures for the Assessment and Screening of Foreign Direct Investments relating to or affecting critical public infrastructure, critical technology and dual-use goods, the supply of critical data, access to sensitive information and media freedom (the "Regulation").

Filing requirement

Mandatory screening applies for reasons of security or public order in three main cases:

- (i) where a third-country investor acquires a target operating in a defined sensitive or particularly sensitive sector;
- (ii) where an EU investor is controlled by a third-country government or entity (including state or military bodies); and
- (iii) where an EU investor has 10 % or more third-country ownership or receives funding or other resources from a third country that may influence strategic decisions (even where the capital participation is below 10 %), and the target operates in a particularly sensitive sector.

Certain categories of investments are expressly excluded:

- (i) portfolio investments by natural persons made solely for financial returns without any intention or ability to influence management or control;
- (ii) internal group restructurings or mergers that do not result in a change of foreign control;
- (iii) ongoing competitive procedures with binding offers already submitted; and
- (iv) exploitation contracts not finalised before the Regulation enters into force.

Relevant sectors

The Regulation sets two categories of sensitive sectors with different notification thresholds:

- (i) Sensitive sectors: Investments in critical infrastructure, critical technologies and dual-use goods, security of supply of critical resources, access to sensitive information and media. Notification is required when foreign participation reaches 25 %, or when an existing investor increases its share to 30 %, 40 %, 50 % or 75 %; and
- (ii) Particularly sensitive sectors: Investments in sectors such as defence, critical energy infrastructure, critical digital infrastructure, water supply, Fintech and strategic investments. Notification is required at 10 % participation.

Process and timetable

Competent authority: The Interministerial Committee for the Screening of Foreign Direct Investments ("KNIHD"), chaired by the Minister of Economy and Innovation.

Additionally, the KNIHD is supported by a Secretariat, a technical-administrative body that coordinates procedures and serves as the single point of contact.

Mandatory filing requirement: Yes.

Filing deadline: No, the only requirement is that the filing must be made prior to the completion of an investment that meets the screening criteria.

Responsibility for filing: The foreign investor and/or the target undertaking, within 10 days of becoming aware of an unreported transaction – with joint and several liability for non-compliance.

Sanctions: Where a foreign direct investment is prohibited or conditionally authorised, the relevant investment agreements are void or produce effects only in accordance with imposed conditions. The KNIHD has the power to declare share purchase agreements or other related investment agreements invalid, set timeframes for the fulfilment of conditions or mitigating measures, and prescribe measures necessary to rectify or eliminate the consequences of a prohibited or void investment.

Length of the proceedings: After filing, the Secretariat checks formal completeness within 10 calendar days (plus 10 calendar days to fix deficiencies) and sends the file to the KNIHD within 10 calendar days of the documentation being completed. The KNIHD has 30 calendar days from the Secretariat's proposal to clear the investment or start a detailed investigation, with an additional 90 calendar days available in certain cases. KNIHD decisions may be appealed before the Administrative Court of First Instance of Tirana within 45 calendar days of notification.

Austria

Legal basis

Investment Control Act ("ICA"), OJ I No 87/2020, which entered into force in July 2020.

EU FDI Screening Regulation ((EU) 2019/452), OJ L 79I, 21 March 2019.

Filing requirement

A mandatory notification obligation is triggered if:

- (i) a foreign investor, i.e. a non-EU, non-EEA or non-Swiss individual or entity,
- (ii) invests (directly or indirectly) via the acquisition of
 - voting rights of at least 10 % (in especially sensitive sectors; see below), 25 % or 50 %,
 - control, or
 - substantial/all assets (asset deals),
- (iii) in an Austrian undertaking that has its seat or central administration in Austria (local nexus),
- (iv) with activities in or related to a sensitive sector listed in the Annex to the ICA.

No approval is required for investments in micro-enterprises, i.e. undertakings with fewer than 10 employees and an annual turnover or balance sheet total of less than EUR 2m.

Relevant sectors

The sectoral scope of the Austrian FDI regime is very broad and covers all activities in or related to the areas listed in Parts 1 and 2 of the Annex to the ICA.

Part 1 contains an exhaustive list of especially sensitive areas, for which the 10 % voting right threshold applies. These are as follows:

- (i) defence equipment and technologies;
- (ii) operation of critical energy infrastructure;
- (iii) operation of critical digital infrastructure (in particular 5G);
- (iv) water;
- (v) operation of systems that enable the data sovereignty of the Republic of Austria.

Part 2 contains an indicative list of other areas that are critical for public security and/or order, including:

- (i) critical infrastructure, such as energy, IT, transport, health, food, telecommunications, defence, finance, etc.;
- (ii) critical technologies and dual-use goods, including AI, robotics, semiconductors, cybersecurity, quantum and nuclear technologies, nano or biotechnologies, etc.;
- (iii) security of the supply of critical resources, such as energy, raw materials, food, medicines, vaccines, etc.;
- (iv) access to sensitive information, such as personal data, or the ability to control such information; and
- (v) the freedom and pluralism of the media.

Process and timetable

Competent authority: Federal Ministry of Economy, Energy and Tourism (*Bundesministerium für Wirtschaft, Energie und Tourismus*; "BMWET")

Mandatory filing requirement: Yes.

Filing deadline: No, but there is an obligation to file without undue delay after the signing of a contract or announcement of the intention to make a public offer.

Responsibility for filing: The obligation to notify rests primarily with the foreign investor (i.e. the acquirer). Additionally, the ICA foresees a reporting obligation in subsidiarity for the Austrian target undertaking. The BMWET can assume jurisdiction *ex officio* if it becomes aware of a transaction subject to approval that has not been notified.

Sanctions: Implementation ahead of local regulatory clearance is subject to criminal sanctions and/or administrative fines.

Length of the proceedings:

Phase 1: One month starting after the 15-day (extendable) period for the EU Cooperation Mechanism within which the EU Commission and/or Member States can comment on the transaction (under the EU FDI Screening Regulation), which commences upon the BMWET's completeness check, which usually takes around five working days.

Phase 2: Two months.

Bulgaria

Legal basis

Amendment to the Investment Promotion Act ("AIPA").

Regulation for the implementation of the Investment Promotion Act and Regulation for the organisation and operation of the Interdepartmental Council for Screening Foreign Direct Investments

Regulation (EU) 2019/452 (the "EU FDI Screening Regulation").

The AIPA entered into force on 12 March 2024, but only became fully applicable on 22 July 2025.

Filing requirement

The AIPA mandates the prior screening of any foreign direct investment that directly or indirectly originates from a non-EU controlled entity and meets one of the following criteria:

- (i) the investment exceeds EUR 2m; or
- (ii) the investment results in the acquisition of at least 10 % ownership in an undertaking generating revenue in Bulgaria.

Certain investments – such as those involving foreign investors from Russia or Belarus, or persons carrying out certain activities related to, among others, the production of petroleum-based products in relation to critical infrastructure – always require prior screening.

Further, as an exception, certain investments that would not otherwise meet the above trigger criteria, but may potentially impact security or public order, are also subject to screening.

Relevant sectors

The AIPA applies to investments in sectors outlined in Article 4, item 1 of the EU FDI Regulation, i.e.:

- (i) critical infrastructure;
- (ii) critical technologies;
- (iii) supply of critical inputs;
- (iv) access to sensitive information; and
- (v) freedom and pluralism of the media.

It also covers investments by certain persons engaged in specific activities related to, among others, the production of petroleum-based products in relation to critical infrastructure.

Process and timetable

Competent authority: Invest Bulgaria Agency reviews the applications for completeness; the Interdepartmental Council for Screening of Foreign Direct Investments (the "FDI Screening Council") reviews the filings on their substance.

Mandatory filing requirement: Yes.

Filing deadline: The investment must be notified before implementation.

Responsibility for filing: The foreign investor.

Sanctions: Implementation ahead of local regulatory clearance is subject to a fine of 5 % of the value of the investment, though not less than about EUR 25,500.

Length of the proceedings: The FDI Screening Council must issue a decision on the investment within 45 calendar days of the investor's complete notification. This period may be extended by an additional 30 calendar days.

Bosnia and Herzegovina

Bosnia and Herzegovina does not have a foreign investment screening regime comparable to those now emerging in the European Union under the EU FDI Screening Regulation. However, the country operates an authorisation system covering the defence and media sectors.

Legal basis

Regulated on multiple levels due to the country's political and administrative structure:

- Bosnia and Herzegovina (state level) – Foreign Direct Investments in BiH Policy Act (Official Gazette of BiH, Nos. 4/1998, 17/1998, 13/2003, 48/2010 and 22/2015) ("FDI Policy Act"), which sets out rules on the state level;
- FBiH – FBiH Foreign Investments Act (Official Gazette of FBiH, Nos. 61/2001, 50/2003 and 77/2015), which sets rules in the entity of FBiH; and
- RS – RS Foreign Investments Act (Official Gazette of RS, No. 21/2018), which sets out rules in the entity of RS.

Filing requirement

Under the FDI Policy Act, a direct foreign investment is an investment into a newly established company or institution, or into an existing domestic company or institution, which may be in cash, in-kind and in rights.

In addition, the RS Foreign Investment Act specifies the following forms of foreign investments:

- establishment of a legal entity fully owned by a foreign investor;
- establishment of a legal entity jointly owned by a foreign and domestic investor;
- investing into an existing legal entity;
- special forms of investment.

The filing regime encompasses all transactions in the relevant sectors.

Relevant sectors

The defence sector – specifically the production (and sale in FBiH) of arms, ammunition, explosives for military use and military equipment – and the media sector – specifically media activities such as terrestrial broadcasting of TV and radio content.

Process and timetable

Competent authority: The state-level government, as well as:

- in FBiH: the Ministry of Energy, Mining and Industry (defence sector) and the FBiH Ministry of Traffic and Communications (media sector);
- in RS: the Ministry of Trade and Tourism and/or the RS Ministry of Energy and Mining (defence sector), and the RS Ministry of Transport and Communications (media sector).

Mandatory filing requirement: Yes.

Filing deadline: No deadline is prescribed for the foreign investor to submit the filing.

Responsibility for filing: The foreign investor is obliged to notify the relevant authority of a foreign investment and obtain its approval.

Sanctions: There are no specific penalties within the applicable rules.

Length of the proceedings: The government is obliged to decide on the proposal within 60 days of receiving the complete request.

Croatia

The FDI Act entered into force at the end of 2025. The screening regime has been fully operational since June 2026, following the adoption of the Ordinance on the Content of the Application for Approval of a Foreign Investment. This ordinance prescribes in detail the content and form of the application for approval of foreign direct investments. However, one key implementing regulation remains pending: the government regulation establishing detailed designation criteria for identifying obliged entities. Once this regulation is adopted, the relevant authorities are expected to finalise the list of designated entities. In the meantime, self-assessment and reliance on the provisional list are recommended.

Legal basis

- The Foreign Direct Investment (FDI) Screening Act (Official Gazette No. 136/2025) entered into force on 13 November 2025 (the "Act").
- The Ordinance on the Content of the Application for Approval of a Foreign Investment (Official Gazette No. 68/2026) entered into force on 27 June 2026 (the "Ordinance").

Filing requirement

Any direct or indirect investment in an obliged entity, through which a foreign investor acquires, increases or decreases a qualified holding (i.e. 10 % of shares or voting rights) or obtains control over that entity, is subject to prior approval by the Ministry of Finance. Under the Act, "control" is broadly defined to include both direct and indirect means of exercising a decisive influence over an obliged entity. This influence is not limited to share ownership but may also arise from rights, agreements or other arrangements that enable significant influence over management or key decisions.

An **obliged entity** is defined as any company (i) registered, (ii) having a permanent establishment, or (iii) to be incorporated (i.e. a greenfield investment) in Croatia in connection with a foreign investment, whose activities may affect national or EU security or public order. The obligation to notify foreign investments is linked to the identification of obliged entities by the competent authorities, i.e. the Act operates on a designation principle. Each authority, acting within its respective sector, will be responsible for identifying entities subject to obligations under the FDI Act within six months of the entry into force of the Government regulation establishing detailed designation criteria.

A **foreign investor** is defined as:

- any natural person who is not a citizen of Croatia or another EU or EEA Member State (including dual nationals who also hold third-country citizenship) and stateless persons;
- any legal person organised under the laws of a third country (including trusts and similar foreign legal forms);
- any investment migration intermediary (as regulated by Regulation (EU) 2024/1624 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing);
- any legal person established in Croatia or another EU or EEA Member State that is directly or indirectly controlled by a foreign investor or a public body of a third country; and

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- any subsidiary or branch in Croatia or another EU or EEA Member State that is directly or indirectly controlled by a foreign investor or a public authority of a third country, including any downstream subsidiaries or branches and companies effectively controlled or influenced by them.

The Act also applies to investments made prior to its entry into force. Any such retroactive screening must be conducted by the authority within three years of the Act's entry into force.

Relevant sectors

- Energy, energy storage
- Transportation
- Health; manufacture, production and distribution of chemicals, production of medical devices and in vitro diagnostic medical devices
- Water management, waste management, water intended for human consumption, wastewater, and regulatory and protective water structures for flood defence
- Trust services, IT managed services, managed cybersecurity services, electronic data intermediation and e-invoicing services
- Manufacture, processing and distribution of food
- Research, including space, artificial intelligence, robotics, semiconductors, quantum and nuclear technologies, nanotechnology and biotechnology, other specialised research fields, and the administration of the top-level national internet domain name registry
- Defence
- Media
- Banking
- Financial services and financial market infrastructure
- Dual-use goods
- Digital infrastructure and ICT managed services
- Electronic communications, postal services and railway services
- State election system

Process and timetable

Competent authority: Ministry of Finance.

Mandatory filing requirement: Yes.

Filing deadline: The notification must be submitted prior to the acquisition of a qualified holding or control and no later than the registration of the relevant changes with the court register, the conclusion of a concession or public-private partnership agreement, or registration with the Central Depository and Clearing Company.

Responsibility for filing: Either the foreign investor or the obliged entity.

Sanctions: Potential divestment obligation.

Length of the proceedings: The Ministry of Finance will issue a final decision within 120 days of filing a complete notification, or within 150 days in exceptional cases.

Czech Republic

New FDI legislation entered into force on 1 May 2021. It introduced a mandatory, suspensory, pre-closing notification obligation for acquisitions of "effective control" over companies operating in the Czech Republic in sectors deemed capable of threatening the security of the Czech Republic and internal or public order, where the investor is resident outside the European Union, or the ultimate controlling parent is resident outside the European Union.

Mandatory notifications can take the form of either (i) a mandatory FDI filing or (ii) a mandatory FDI consultation. In addition, the authority has a call-in power with respect to foreign investments into non-sensitive industries. To avoid uncertainty, a foreign investor can also make use of a voluntary consulting procedure for such investments.

Legal basis

Act No. 34/2021 Coll., on Foreign Investment Screening and Amendments to Related Legislation (the "Act"), which entered into force on 1 May 2021. EU FDI Screening Regulation (Regulation (EU) 2019/452), OJ L 79I, 21 March 2019.

Filing requirement

The notification obligation is triggered if a foreign investor – i.e. a non-EU individual or entity, an individual or entity directly or indirectly controlled by a non-EU individual or entity, or a trustee of a trust, where the person who set up the trust or who in any way exercises actual influence over the trust, or the beneficiary of the trust, is a non-EU individual or entity or an individual or entity directly or indirectly controlled by a non-EU individual or entity – intends to make an investment of any form aimed at carrying out economic activity in the Czech Republic, which enables the exercise of an effective degree of control in a target undertaking active in the Czech Republic. An effective degree of control is to be understood as:

- (a) the acquisition of at least 10 % of voting rights or the possibility to exercise a corresponding influence in the target undertaking;
- (b) membership in the target undertaking's corporate bodies;
- (c) ownership of an asset through which the economic activity is performed; or
- (d) the ability to gain access to information, systems or technologies that are deemed important in relation to the protection of the Czech Republic's security and internal or public order.

Mandatory filings and mandatory consultations are triggered if the above requirements are met and the investment is directed to one of the sensitive sectors. A voluntary consulting procedure is available for all investments meeting the above criteria but outside the sensitive sectors.

Relevant sectors

Sensitive activities include:

1. the production, research, development, innovation or maintenance of military material (as listed in the EU Military Material List);
2. critical infrastructure subjects designated as such by an administrative authority (such as energy, gas, heat and water management, food and agriculture, healthcare,

transportation, communication and IT systems, financial markets, emergency services and public administration);

3. the provision of regulated services in the higher regime under the Cybersecurity Act;
4. the development and production of dual-use products listed in Annex IV of the EU Dual-Use Regulation 2021/821.

If the investment concerns the media sector, the Act provides for a mandatory consultation where the target undertaking holds a licence for nationwide radio or television broadcasting, or is a publisher of periodicals with a minimum daily average of 100,000 printed copies in the preceding calendar year.

Foreign investments which do not fall within the above categories can be screened *ex officio* up to five years after closing, unless the investor makes use of the voluntary consultation procedure.

Process and timetable

Competent authority: Ministry of Industry and Trade.

Mandatory filing requirement: Yes (for sensitive sectors).

Filing deadline: An investment requiring a mandatory filing cannot be implemented prior to obtaining approval.

Responsibility for filing: The direct foreign investor is responsible for obtaining the necessary approval.

Sanctions: Implementation ahead of local regulatory clearance is subject to administrative fines.

Length of the proceedings: Consultation: 45 days (obligatory for the media sector). Unconditional approval: 90 days (+30 days). Conditional approval / Rejection: > 90 days (+30 days).

Hungary

Legal basis

Two parallel FDI screening mechanisms now apply in Hungary (*New foreign investments screening rules in Hungary*):

1) Approval by the Minister of the Prime Minister's Cabinet Office

Act No. LVII of 2018 on the Control of Investments Detrimental to the Interests of Hungarian National Security (the "Act").

Government Decree No. 246/2018 (XII. 17.) on the execution of Act No. LVII of 2018 ("Decree 246/2018").

Government Decree No. 129/2023 (IV. 17.) on emergency rules for the sale of the debtor in order to continue its business activity in winding-up proceedings.

Hereinafter referred to as "MCO FDI Screening".

2) Approval by the Ministry of National Economy

Act No. L of 2025 on "raising the emergency decrees issued in view of the armed conflict in Ukraine to the level of law", effective until 31 December 2026 ("Act 2025").

Hereinafter referred to as "MNE FDI Screening".

The EU FDI Screening Regulation (Regulation (EU) 2019/452), OJ L 79I, 21 March 2019.

Filing requirement

1) MCO FDI Screening

MCO FDI Screening applies to (i) investors from outside the EU, Switzerland and EEA, and to (ii) any subsidiary of such an investor if the subsidiary is established in the EU, Switzerland or an EEA Member State and the investor holds a majority of the voting rights in the subsidiary or has a decisive influence in it. The foreign investor must obtain the prior approval of the Minister of the Prime Minister's Cabinet Office if it intends to:

- directly or indirectly acquire more than a 25 % interest in an existing or yet to be established company with its registered seat in Hungary (and, in the case of a publicly listed company, more than a 10 % interest), provided that the company pursues activities deemed sensitive for national security ("Hungarian Company");
- acquire decisive influence in a Hungarian Company;
- establish a branch office in Hungary; or
- acquire a right to operate or use sensitive infrastructure or assets in Hungary.

All transactions that result in a foreign investor acquiring more than a 25 % interest in a Hungarian Company are subject to foreign investment screening. Moreover, prior approval is required when a foreign investor acquires an interest of less than 25 % but this acquisition results in more than a 25 % interest in the respective Hungarian Company being held by several foreign investors.

2) MNE FDI Screening

Under Act 2025, approval by the Ministry of National Economy is required for investments by foreign investors acquiring (i) an interest exceeding 5 % or 3 % in the case of a publicly listed company and a value of HUF 350m (approx. EUR 1m), (ii) a 10 %, 20 % or 50 % interest irrespective of its value, or (iii) an interest as a result of which a more than 25 % interest will be held by several foreign shareholders. Furthermore, the foreign investor must obtain approval from the Ministry of National Economy if it intends to acquire the right to use or operate infrastructure necessary for pursuing activities in strategic sectors.

A "foreign investor" is (a) a company or organisation domiciled in, or a citizen of, a state outside of the EU, the EEA or Switzerland, or (b) a company or organisation whose majority owner is either domiciled in, or a citizen of, a state outside of the EU, the EEA or Switzerland. However, certain acquisitions of at least a majority interest require approval by the Ministry of National Economy if the foreign investor is a company or other organisation domiciled in the EU, the EEA or Switzerland. Act 2025 applies to investments in companies that have their seat in Hungary and:

- (a) are a limited liability or private limited or public (listed) company; and
- (b) operate in specified "strategic" sectors.

Nevertheless, Act 2025 is not applicable to a transaction that directly affects only a foreign company, where Act 2025 was applicable only because the foreign company has a Hungarian subsidiary that qualifies as a strategic company. Therefore, transactions above the level of a Hungarian subsidiary (qualifying as a strategic company), do not require approval by the Ministry of National Economy.

Relevant sectors

1. MCO FDI Screening

The Act contains a complex system regarding the sectors and activities which are under scrutiny. These activities in the specific sectors include activities that:

- 1) are traditionally considered sensitive, e.g. manufacturing of arms, ammunition, dual-use items and secret service equipment;
- 2) fall under the Hungarian Gas Act, Water Supply Act, Electricity Act or the Electronic Communications Services Act; or
- 3) are considered sensitive based on other reasons, e.g. involvement in the creation, development or operation of communication systems of the Hungarian State and Hungarian municipalities, certain insurance and re-insurance services or services directly linked thereto, operation of the central credit information system, or operation of certain payment systems.

2. MNE FDI Screening

"Strategic" sectors include the manufacturing of medicines, medical devices or other chemicals; fuel production; telecommunications; retail and wholesale (including motors and cars); manufacturing of electronic devices, machinery, steel and vehicles; the defence industry (e.g. manufacturing and trade of arms and ammunition, as well as technologies used for military purposes); power generation and distribution; services connected to the state of emergency; financial services (including insurance, brokering and other services); food processing (including meat, milk, grains, tobacco, fruits and

vegetables); agriculture; transport and storage; construction (including the production of building materials); healthcare; tourism (hospitality and cafeteria services); waste management and others (e.g. dam construction, higher education services and activities related to critical raw materials). Special provisions apply to certain Hungarian companies operating in the solar energy sector, as the Hungarian state has a first-ranked pre-emption right in such acquisitions.

Process and timetable

1. MCO FDI Screening

Competent authority: Minister of the Prime Minister's Cabinet Office.

Mandatory filing requirement: Yes.

Filing deadline: The foreign investor must file for approval within 10 days of (i) the date of execution of the underlying agreement, preliminary agreement or undertaking, or (ii) the date on which the relevant commercial registry records the change in the activity of a strategic company.

Responsibility for filing: The foreign investor and its management (as the acquirer) are responsible for obtaining the necessary approval.

Standstill requirement: Yes.

Sanctions: Implementation of the transaction ahead of local regulatory clearance is subject to (i) fines under Decree 246/2018, and if the Ministry prohibits the transaction (ii) invalidity of the underlying agreement(s) and corporate actions (e.g. shareholders' resolution). In addition, the foreign investor must (iii) sell its shares or eliminate its influence in the Hungarian Company, or the Hungarian Company must modify its activity, or the foreign investor must close its branch, within three months.

Length of the proceedings: 60 calendar days, which may be extended by an additional 60 calendar days.

2. MNE FDI Screening

Competent authority: Ministry of National Economy.

Mandatory filing requirement: Yes.

Filing deadline: The request for approval must be made within 10 days of the execution of the underlying agreement.

Responsibility for filing: The foreign investor and its management (as the acquirer) are responsible for obtaining the necessary approval.

Standstill requirement: Yes.

Sanctions: Implementation of the transaction ahead of local regulatory clearance is subject to (i) fines under Act 2025, and if the Ministry of National Economy prohibits the transaction (ii) invalidity of the underlying agreement(s) and corporate actions (e.g. shareholders' resolution).

Length of the proceedings: 30 business days, which may be extended once by an additional 15 calendar days. In the case of an acquisition of a Hungarian company operating in the solar energy sector, the deadline is extended, as the Hungarian state may exercise a first-ranked pre-emption right over the company within 90 business days from the date on which the Ministry of National Economy receives the complete application for FDI approval and confirms to the foreign investor that such a pre-emption right is applicable.

Kosovo

Legal basis

Law No. 08/L-209 on Sustainable Investments (Official Gazette of the Republic of Kosovo, No. 17/2024), which entered into force on 4 September 2024 (the "FDI Law").

Filing requirement

A mandatory screening/notification obligation is triggered if:

- (i) a foreign investor (i.e. a non-Kosovar natural or legal person, or a Kosovar entity ultimately controlled by a foreign person),
- (ii) makes or intends to make an investment in Kosovo,
- (iii) which is likely to affect public order or national security, particularly in sensitive sectors (see below).

Screening may be initiated:

- at the request of the foreign investor;
- at the request of an interested party;
- at the request of the Investment Council, the Minister or another competent body; or
- *ex officio* by the authorities.

No exemption exists for micro-enterprises or small undertakings. However, projects with a value below EUR 10m do not qualify as strategic investments and thus fall outside the special regime for strategic projects.

Relevant sectors

The sectoral scope covers investments related to:

- (i) critical infrastructure;
- (ii) critical technology and dual-use goods under applicable legislation;
- (iii) the supply of critical goods, including energy, raw materials and food;
- (iv) access to or control over sensitive information; and
- (v) media freedom and pluralism.

Additional factors considered include whether the foreign investor is state-controlled, has previously engaged in activities affecting public order or national security, or poses a risk of involvement in unlawful conduct.

Process and timetable

Competent authority: The FDI Law establishes two distinct authorities with complementary roles:

- (i) the Investment Council of the Republic of Kosovo (ICK) is conceived as the decision-making body at a strategic and policy level, mandated to evaluate, select, supervise and decide on strategic investment projects, including sensitive cases involving public order and state security; and

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- (ii) the Agency for Investments and Exports (AIE), organised under the Office of the Prime Minister, acts as the executive and operational body, with responsibilities for promoting and facilitating investments, providing after-care services, promoting exports, and serving as the technical secretariat for the Council.

As of March 2026, the ICK and the AIE have not yet been formally established.

Mandatory filing requirement: Yes, for foreign investments likely to affect public order or national security.

Filing deadline: No specific filing deadline is prescribed; filing or screening can be triggered pre- or post-investment. While the FDI Law does not expressly prohibit implementing an investment before a decision, it gives the authorities power to prohibit, revoke or annul investments that have already taken place if they are deemed harmful, i.e. contrary to the law.

Responsibility for filing: Primarily the foreign investor; however, proceedings may also be initiated by authorities or other interested parties.

Sanctions: Investments may be prohibited, annulled or required to be divested if they pose a threat to public order or national security, or if any imposed conditions are not fulfilled. Additionally, misrepresentation of facts or concealment of data can lead to annulment and liability for damages.

Length of the proceedings: The screening process must be concluded within 60 days of a complete submission.

Moldova

Legal basis

Law on the examination mechanism of investments of importance for state security (the "FDI Law") No. 174/2021 dated 11 November 2021.

Filing requirement

The notification obligation is triggered if any natural or legal person intends to make an investment by any means, directly or indirectly, individually or jointly, including as ultimate beneficial owner(s) in a Moldovan area of significance for state security. This includes:

- by the acquisition of control, the acquisition or increase of a "qualified participation", in a company active in areas of significance for state security (including in a company that invests in companies active in these areas);
- by the entry into certain types of concession agreements, i.e. (i) works concession contract or a service concession contract, and (ii) concessions in the field of defence and state security;
- by the entry into a public-private partnership agreement relating to "assets of national security significance" or falling within areas of significance for state security;
- by the entry into investment agreements with the Moldovan Government relating to "assets of national security significance" or falling within areas of significance for state security;
- by the entry into a sale and purchase agreement in relation to assets representing at least 25 % of the value of the assets of companies already investing in areas of significance for state security; or
- by the entry into financial transactions (loans/credits or subsidies) between a company already investing in areas of significance for state security and persons from other states that are directly or indirectly controlled by the governments of other states.

The FDI Law does not provide for a financial threshold from which the transactions in question would fall within its scope.

No approval is required for an investment carried out by an undertaking from the financial sector, as well as those involving international financial institutions.

Relevant sectors

The FDI Law defines the relevant sectors through the following exhaustive list:

- (a) the hydrometeorological and geophysical field;
- (b) radioactive waste management; operation of energy (including electric energy, natural gas and petroleum products); transport, water and sewerage; aerospace, defence, election infrastructure;
- (c) the exploitation of artificial intelligence technologies, robotics, semiconductors, cybersecurity, aerospace, defence technologies, quantum and nuclear technologies, nanotechnologies and biotechnologies;
- (d) the production of means of cryptographic protection for information;
- (e) the production and acquisition of means for protecting information classified as a state secret, for the purpose of resale;
- (f) the production of explosive materials for industrial use and their distribution activities;
- (g) aviation security activities;

- (h) the design, production, maintenance and operation of aircraft – including unmanned aircraft – and their components;
- (i) the design, production, maintenance and operation of systems and components used in air traffic management and provision of air navigation services;
- (j) the design, maintenance and operation of airports and heliports, including any safety-critical equipment used therein;
- (k) the management of airports, bus stations, rail traffic, inland waterways, ports and quays for waterway traffic;
- (l) television broadcasting and audio-visual services;
- (m) the provision of fixed or mobile electronic communications networks and/or services;
- (n) the supply of services in national ports;
- (o) the geological exploration and/or exploitation of mineral deposits;
- (p) the production, export, re-export or import of weapons, ammunition and military equipment; products, technologies and services that can be used in the manufacture and use of nuclear, chemical, biological and missile weapons; and
- (q) the administration of public registers of the state, information security.

The FDI Law also provides a filing requirement in relation to assets of national security significance. The list of assets of national security significance is exhaustive and approved by the government decree.

Process and timetable

Competent authority: Council for the Promotion of Investment Projects of National Importance.

Mandatory filing requirement: Yes.

Filing deadline: Prior to carrying out investment activities in areas of significance for state security.

Responsibility for filing: The responsibility for filing remains with the potential investor or foreign acquirer.

Sanctions: Entering into or executing transactions without the prior approval of the Council may result in the Council deciding to: (i) request the termination of the agreement or transaction and the repair of any damage caused, irrespective of the law governing the agreement or transaction; (ii) suspend the investor's voting rights, right to convene a general meeting of shareholders, right to include items on the agenda, right to propose members to management bodies, right to receive dividends or net income and other related rights; and (iii) instruct the management to annul the target's issued shares and issue new shares to be held as treasury shares by the Moldovan company, which must then be transacted (sold) in accordance with applicable legislation, including the FDI Law.

Length of the proceedings: The Council will examine the request within 45 days of its receipt. This period may be suspended for up to 20 days if the potential investor is required to provide additional documents for the filing.

Consecutive (later) changes to the investor's UBO structure: Whenever new circumstances regarding its UBO arise, the investor is obliged to proactively inform the Council, even if the investor's investments were previously approved. During the review of such circumstances, the Council may request documents or information concerning the new structure and suspend any previously issued approval. If, after the review, the Council concludes that the new investor (through its UBO or UBOs) no longer meets the legal requirements, it may notify the investor and, within 60 days from the date of such notification, order the sale of the participation or the annulment of the prior transaction. Likewise, reporting entities in the field of money laundering in Moldova – such as banks, attorneys and notaries – are obliged to inform the Council of any changes to the

investor's UBO structure that differ from the structure previously recorded in the State Register of Legal Entities of Moldova.

Montenegro

Montenegro has announced the establishment of its first dedicated FDI regime, modelled on EU principles. Currently, Montenegro lacks a unified legal and institutional mechanism for screening foreign direct investments. It operates a single-sector authorisation system specifically covering the defence sector. The existing Law on Foreign Investments (Official Gazette of Montenegro, Nos. 18/11, 45/14 and 73/19) contains only limited provisions on the approval of investments in companies engaged in the production and trade of weapons and military equipment.

Legal basis

On 30 July 2026, the Montenegrin Government adopted the Proposal for the Establishment of an Effective FDI Screening Mechanism in Montenegro (the "Proposal"), prepared in accordance with EU standards. The Proposal will serve as the basis for a new special law on FDI and implementing bylaws regulating this area.

Filing requirement

The screening would be initiated for investments through which control, significant influence or at least 10 % of the ownership interest or voting rights in a company operating in strategically sensitive sectors is acquired.

Relevant sectors

The list of covered sectors is broad and includes, among others: energy infrastructure; transport and logistics (ports, airports and railways); electronic communications and digital infrastructure; water management; healthcare and biotechnologies; financial infrastructure; media; the defence industry; access to sensitive personal data of citizens; critical raw materials; land adjacent to critical infrastructure; and agricultural land and food production.

A detailed list would be set out in an annex to the law and could be amended by a government bylaw.

Process and timetable

Competent authority: The Ministry of Economic Development supported by a Foreign Investment Review Council. The final decision on the investment would be made by the Montenegrin Government, on the proposal of the Ministry and following a prior opinion from the Council.

Mandatory filing requirement: Yes.

Filing deadline: To be specified by a separate law.

Responsibility for filing: Investors from non-EU countries, as well as undertakings in Montenegro or the EU that are controlled by third-country investors.

Sanctions: The Ministry may initiate proceedings *ex officio* if an investment subject to the notification obligation has not been notified. Monetary penalties are envisaged for failure to notify and the completion of a transaction without prior authorisation. Additionally, the law would introduce corrective measures, which may include the subsequent submission of a notification, suspension of management rights, or an order for divestiture of the acquired interest or restoration of the pre-transaction situation.

Length of the proceedings: An initial screening is conducted within 45 days; if no risks to security or public order are identified, the investment is approved. Otherwise, an in-depth screening is initiated.

Current regime – defence sector:

-
- A foreign investment is an investment in cash, in-kind, services, property rights or securities. A foreign investor may: (i) establish a company (solely or with other investors); (ii) establish a branch of a foreign company; (iii) acquire shares and stock in a Montenegrin company; and (iv) acquire a Montenegrin company. It further covers concession, franchising, financial leasing and real estate purchase agreements.
 - A foreign investment is subject to screening and approval only if it concerns an investment into or the incorporation of a company active in the production and trade of arms and military equipment.
 - The competent authorities are the Ministry of Economic Development, the Ministry of Defence and the Ministry of the Interior.
 - No deadline is prescribed for the foreign investor to submit a filing.
 - No sanctions are prescribed, but approval is mandatory when the conditions are met, and closing must be suspended until approval is obtained.

North Macedonia

North Macedonia is one step away from adopting the Law on Notification and Screening of Foreign Direct Investments, which is modelled on the EU FDI screening regime. The Law is currently in draft form and is expected to be adopted in the course of 2026 (the "Draft Law").

North Macedonia already operates a sector authorisation system specifically covering the defence and energy sectors.

In addition, all direct investments made by non-residents are subject to mandatory registration.

Legal basis

The Foreign Exchange Operations Act (Official Gazette of RNM, Nos. 34/2001, 49/2001, 103/2001, 51/2003, 81/2008, 24/2011, 135/2011, 188/2013, 97/2015, 153/2015 and 23/2016, and Official Gazette of RNM, No. 110/2021), the Act on Development, Production and Trade of Military Goods (Official Gazette of RNM, No. 298/21), the Energy Act (Official Gazette of RNM, Nos. 101/25, 135/25 and 172/26) and the Draft Law, currently undergoing the parliamentary adoption procedure.

Filing requirement

Under the Draft Law, a mandatory filing obligation is triggered where a foreign investor intends to make an investment of any kind aimed at establishing or maintaining lasting direct or indirect links with a company registered in the Republic of North Macedonia. This includes the acquisition of at least 10 % of the share capital or voting rights, as well as investments involving the acquisition of the company's assets or investments relating to activities, sectors or critical infrastructure falling within the scope of the Draft Law.

The Draft Law allows retrospective *ex officio* review of certain completed investments for up to five years where the foreign investor did not conduct prior consultations with the Ministry of Foreign Affairs and Foreign Trade.

Relevant sectors

Under the Draft Law, sensitive sectors and activities include:

- (a) defence-related activities, including the production, development and trade of military goods;
- (b) critical infrastructure, including energy, transport, water, health, communications, media, data, aerospace, defence, electoral and financial infrastructure, as well as related sensitive facilities and land;
- (c) network and information systems security;
- (d) sensitive and dual-use technologies;
- (e) the supply of critical inputs, including energy, raw materials and food;
- (f) access to or control over sensitive information, including personal data; and
- (g) audio and audiovisual media services, video-sharing platforms and electronic communications networks used for broadcasting or rebroadcasting.

Process and timetable

Competent authority: Under the Draft Law, the Ministry of Foreign Affairs and Foreign Trade is competent for the screening review, while the Government of North Macedonia approves (unconditionally or conditionally) or prohibits investments.

Mandatory filing requirement: Yes.

Filing deadline: An investment requiring approval under the Draft Law cannot be implemented prior to obtaining the Government's decision.

Responsibility for filing: Under the Draft Law, the foreign investor or the domestic target company.

Sanctions: Implementation ahead of local regulatory clearance is subject to administrative monetary fines and measures, including prohibition on further investment, restriction of ownership or voting rights, or an order for sale of the target company.

Length of the proceedings: Under the Draft Law, the total duration of the screening procedure, calculated from the issuance of the confirmation of a complete filing until submission of the information and proposed decision to the Government of North Macedonia, cannot exceed 90 days, or 120 days in exceptional cases. There is no deadline for the Government of North Macedonia to adopt its decision.

Defence sector, energy sector and direct investments by non-residents

The North Macedonian regime currently provides for separate filing and registration requirements applicable to: (i) foreign investments in the defence sector; (ii) acquisitions of control over certain operators in the energy sector; and (iii) direct investments made by non-residents. Each regime has its own scope, competent authority, procedure and consequences for non-compliance, irrespective of the regime under the Draft Law.

1. Defence sector

Scope

The filing regime in the defence sector applies to investments by a foreign legal entity in a company engaged in the development and production of military equipment.

Competent authority: Ministry of Economy.

Mandatory filing requirement: Yes.

Filing deadline: The approval must be obtained before the investment is implemented.

Responsibility for filing: The foreign investor.

Sanctions: Failure to obtain the required approval may result in (i) a fine of EUR 4,000 to EUR 8,000 for a resident company that enables a foreign investment without prior approval from the Ministry of Economy; (ii) a fine of EUR 500 to EUR 1,000 for the responsible person within the resident company; (iii) a one- to five-year prohibition on carrying out the production and trade of military equipment for the company and/or a corresponding prohibition applicable to the responsible person; and (iv) confiscation of the objects used to commit the misdemeanour.

Length of proceedings: 60 days.

2. Energy sector

Scope

The energy-sector regime applies where an electricity transmission system operator or the respective system owner, or a gas transmission system operator or the respective system owner, is or may become controlled by a person from a third country.

Competent authority: The Energy Regulatory Commission.

Mandatory filing requirement: Yes.

Filing deadline: The Energy Regulatory Commission must be notified immediately upon the occurrence of circumstances that may lead to an acquisition of control.

Responsibility for filing: The electricity transmission system operator or system owner, or gas transmission system operator or system owner.

Sanctions: Failure to notify may result in a review of the operator's certification, ultimately leading to the revocation of the relevant licence.

Length of proceedings: Six months.

3. Direct investments made by non-residents

Scope

Under the Foreign Exchange Operations Act, the following are considered direct investments: (i) incorporation of a company or an increase of the registered capital; (ii) establishment of a subsidiary or acquisition of full ownership in an existing company; (iii) participation in a newly established or existing company where the investor holds or acquires more than 10 % of the registered capital or voting rights; (iv) a long-term loan with a maturity of five years or more, where the loan is granted by an investor to a company wholly owned by that investor; and (v) a long-term loan with a maturity of five years or more intended to establish lasting economic relations between entities engaged in a mutual economic venture.

Competent authority: The Register of Direct Investments (RDI) within the Central Registry.

Mandatory filing requirement: Yes.

Filing deadline: 60 days from the date of the transaction that constitutes the legal basis for making the direct investment.

Responsibility for filing: The resident company in which the non-resident has invested.

Sanctions: A fine of (i) up to EUR 5,000 on the resident company, and (ii) up to EUR 400 on the manager of the resident company. The transfer of profits abroad, as well as funds generated from the sale of shares in the Macedonian company or from its liquidation, is conditional upon the foreign investment having been duly registered.

Length of proceedings: No specific statutory deadline.

Poland

Legal basis

Act of 24 July 2015, on Control of Certain Investments (the "Act", OJ 2023, item 415, as amended).

The Act establishes two distinct sets of rules for different investors, with other companies and sectors being protected, separate competent authorities, and specific procedural rules and fines. Both sets of rules are presented below as "FDI 1" and "FDI 2".

Filing requirement

FDI 1:

The notification obligation is triggered if an investor – regardless of its nationality or place of registration – intends to make an investment (i.e. the acquisition of an undertaking or its organisational part, the acquisition of shares in an undertaking or the acquisition of control over an undertaking) in an undertaking operating in a sector affecting public security and/or public order in Poland.

FDI 1 covers the acquisition of a "significant participation", defined as a shareholding conferring at least 20 %, 25 % or 33 % of the voting rights in the target entity.

FDI 2:

The notification obligation is triggered if a foreign investor (non-EU, non-EEA, non-OECD individual/entity) intends to make an investment (i.e. the acquisition of an undertaking or its organisational part, the acquisition of shares in an undertaking or the acquisition of control over an undertaking) in an undertaking with its registered seat in Poland that achieved domestic revenues exceeding EUR 10m in any of last two years and is covered by FDI 2.

Under FDI 2, a minority shareholding that does not confer control may be subject to investment screening, although acquisitions of shareholdings below 20 % are exempt.

Relevant sectors

FDI 1:

The Act can be applied to companies operating in 15 strategic sectors of the Polish economy, for instance:

- (a) power generation and distribution;
- (b) gasoline and diesel production, transport and storage;
- (c) production of chemicals and fertilisers;
- (d) telecommunications;
- (e) manufacture and trade of arms, ammunition and military technologies, etc.

A list of companies active in strategic sectors covered by the regulation is published by the Council of Ministers. As of 13 February 2025, it includes 23 companies.

FDI 2:

FDI 2 applies to targets that:

- (a) are publicly listed companies; or
- (b) own assets defined as critical infrastructure under Polish law; or
- (c) develop or modify software for specific sensitive use, such as to control power plants or networks, to operate facilities or systems for the supply of utilities, to operate equipment or systems used for voice and data transmission or for storage and processing, to operate or manage facilities or systems used for cash supply, card payments, conventional transactions, securities settlement and derivative transactions, to provide insurance services, or to operate transport systems or facilities; or
- (d) operate in selected sensitive sectors, such as telecommunications, power generation and distribution, fuel production, transport and storage, production of chemicals, manufacturing of medicines or medical devices, processing of meat, milk, grains, fruits and vegetables, manufacturing and trade of arms and ammunition, as well as technologies used for military purposes, etc.

Process and timetable

Competent authority: Minister of State Assets or Minister of Defence (depending on the sector in which the protected undertaking operates) for FDI 1, and the minister responsible for economic affairs (i.e. Minister for Finance and Economy) for FDI 2.

Mandatory filing requirement: Yes (for both FDI 1 and FDI 2).

Filing deadline: A relevant agreement needs to be reported prior to the signing of a contract or publication of a public offer to the relevant authority (for both FDI 1 and FDI 2).

Responsibility for filing: The investor (as the acquirer) is responsible for obtaining the necessary approval. In certain cases, the protected undertaking is obliged to submit the notification (e.g. if the acquisition of significant participation is a result of redemption of shares of the protected entity, demerger or amendments to the agreement or statutes of the protected entity with respect to the preference of shares) (for both FDI 1 and FDI 2).

Sanctions: Implementation ahead of local regulatory clearance is subject to criminal sanctions, i.e. a fine of up to PLN 100m (approx. EUR 24m) and/or imprisonment of six months to five years for FDI 1. For FDI 2, the respective sanctions are a fine of up to PLN 50m (approx. EUR 12m) or imprisonment of six months to five years.

Length of the proceedings: 90 days (FDI 1).

FDI 2:

Phase 1: 30 business days.

Phase 2: 120 calendar days.

Romania

Legal basis

Competition Law No. 21/1996, republished, with further amendments.

Emergency Government Ordinance No. 46/2022 regarding the implementation measures of the EU FDI Regulation, and amending and supplementing the Competition Law, with further amendments.

Government Decision No. 1326/2022 on the approval of the Regulation on the organisation and functioning of the FDI Screening Commission.

Decision No. 73/2012 of the National Defence Supreme Council on the application of the legal provisions of Article 46(9) of the Competition Law, republished, with further amendments.

Guidelines issued on the basis of Article 3(5) of the EGO 46.

EU FDI Screening Regulation (Regulation (EU) 2019/452), OJ L 79I, 21 March 2019.

*There is a new draft Emergency Ordinance amending and supplementing certain legislative acts (the "New EGO") proposing significant changes to the Romanian FDI regime.

Filing requirement

Criteria for triggering the FDI filing:

- (a) the investment must occur in certain sectors deemed sensitive from a national security standpoint; and
- (b) the investment must have a value exceeding EUR 2m, although even transactions below this value may be screened if they are likely to trigger potential risks or effects for national security or public order.

Both non-EU and EU investors (including Romanian investors) will need to file their investments in sensitive sectors.

The investment value generally refers to the value attributable to the Romanian leg of the transaction (the local investment value), including share purchases, capital contributions, in-kind contributions, financing or multi-step acquisitions producing effects in Romania. In multi-jurisdictional transactions, investors may allocate a reasonable and substantiated value to the Romanian leg (e.g. pro-rata based on Romanian assets, turnover or other financial indicators). If no allocation is made or substantiated, the authority may assert jurisdiction based on the global transaction value. In any event, jurisdiction may also be triggered where the Romanian target's local assets or turnover exceed the *de minimis* threshold, even if the pro-rated local transaction value falls below that threshold.

Note: The New EGO would increase the value threshold to EUR 5m, while the authority would retain significant discretion to review sub-threshold deals that may pose risks to national security or public order.

Foreign direct investments can consist of:

- (a) changes in control of the ownership structure and/or effective participation in the management of a company;
- (b) an investment of any kind made by a foreign (non-EU) and/or EU investor to establish or maintain long-lasting and direct links between the investor and an undertaking, through funds made available for carrying out an economic activity in

Romania that allow the investor to exercise control over the management of the business;

- (c) greenfield investments and/or extensions of current capacity productions, diversifying the production or otherwise making significant changes to the current production processes ("new" investments);
- (d) internal reorganisations, where a change occurs in the ownership chain above a Romanian entity;
- (e) exclusions from the scope: portfolio investments, consisting of (a) acquisitions of shares on stock exchanges, which (b) do not lead to any direct involvement in the management of the company.

Note: The New EGO would extend coverage to both share and asset acquisitions, including tangible and intangible assets used in economic activities. Screening would include asset and infrastructure transactions in sensitive sectors (e.g. technology or land). The New EGO would introduce anti-fragmentation rules to prevent parties from artificially splitting transactions in order to fall under the threshold and avoid jurisdiction, with multiple interdependent deals between the same parties within a one-year period being aggregated and treated as a single investment.

The New EGO provides that certain intra-group transactions involving EU or OECD investors may qualify for an exemption, provided there is no change of control or beneficial ownership and financing comes exclusively from qualifying jurisdictions.

Relevant sectors

The investment must take place in one of the following domains (deemed of strategic importance for national security):

- (a) security of citizens and communities;
- (b) border security;
- (c) energy security;
- (d) transport security;
- (e) supply of vital resources security;
- (f) critical infrastructure security;
- (g) security of IT and communication systems;
- (h) security of financial, tax, banking and insurance activities;
- (i) security of weapons, munitions, explosives, toxic substances manufacturing and circulation;
- (j) industrial security;
- (k) protection against disasters;
- (l) protection of agriculture and the environment;
- (m) protection of state-funded companies or of their management during privatisation.

The above sectors will be reviewed in conjunction with the sensitive areas defined by the EU FDI Regulation.

Note: The New EGO would redefine sensitive sectors to include assets in critical and emerging technologies (AI, semiconductors, cybersecurity, quantum and nuclear tech), critical infrastructure (energy, transport, health, communications, financial systems, data processing), defence and dual-use industries, pharmaceuticals (production and distribution), and agro-food and agriculture.

Investments in media companies

Transactions concerning companies (i) with audio-visual licences or that (ii) issue publications with an average of at least 5,000 printed copies per day in the last calendar year or that (iii) have a web portal with a minimum of 10,000 views per month are bound to special transparency rules. Such transactions will be subject to a public consultation process of at least 30 calendar days. Investments in media entities listed above are notifiable under the FDI regime regardless of whether the target has a local presence in Romania.

Process and timetable

Competent authority: FDI Screening Commission (via the Romanian Competition Council).

Note: Under the New EGO, the Commission for the Examination of Foreign Direct Investments would be rebranded as the Commission for the Examination of Direct Investments (CEID) and would assume a strengthened role under government authority, with a leaner composition of representatives from key ministries and national security institutions.

Mandatory filing requirement: Yes.

Filing deadline: N/A (from a practical perspective, filing should occur as close as possible to the transaction signing date). The FDI regime applies to all "ongoing transactions", including investments in relation to which the parties announced their intention to conclude an agreement (e.g. via a preliminary agreement, MoU or LoI).

Responsibility for filing: Investor(s) gaining sole or joint control and/or gaining effective participation in the management of a company or making a "new" investment.

Standstill requirement: Yes.

Sanctions: Fines of up to 10 % of the total worldwide turnover for (i) gun-jumping, (ii) providing inaccurate or misleading information, or (iii) failure to observe the commitments set in a conditional clearance decision.

Length of the proceedings:

Phase 1: Non-conditional clearance is expected in principle within 135 calendar days as of the date when filing is deemed complete (requests for information stop the clock).

Phase 2: This will involve, among other things, the approval of the National Defence Council, which adds another 90 calendar days to the review process. Other approvals may also be required, on a case-by-case basis.

The timeline applicable in case of conditional clearances or rejection decisions is not transparent, as these can only be made via a government decision.

Note: Under the New EGO, the procedural timelines are set to be clearer, with substantive review to be completed within approximately 45 days from the filing being deemed complete, with extended periods reserved for complex or sensitive cases requiring deeper national security assessment.

Filing fee: Filings are subject to a screening fee of EUR 10,000, payable upon submission. Payment must be made in local currency (RON), according to the National Bank of Romania's exchange rate available on the last day of the month prior to the submission. The screening fee can be returned to the investor if the authority finds that the investment does not meet the requirements for an FDI screening.

Note: Please note that under the New EGO, the filing fee would be reduced to EUR 5,000.

Serbia

Serbia does not have a foreign investment screening regime comparable to European regimes shaped by the EU FDI Screening Regulation. Instead, Serbia operates a single-sector authorisation system covering the defence sector.

Legal basis

The Production and Trade of Arms and Military Equipment Act (Official Gazette of Serbia No. 36/2018).

Filing requirement

A foreign investment in arms and military equipment manufacturing is defined by the Arms Act as an investment of capital by a foreign investor by way of:

- establishing a company active in the manufacturing of arms and military equipment, either independently or with another domestic or foreign natural or legal person or with the Republic of Serbia;
- recapitalisation of a company active in the manufacturing of arms and military equipment; or
- purchase of capital of a company active in the manufacturing of arms and military equipment.

In this sense, a company active in the manufacturing of arms and military equipment means a company incorporated in Serbia and holding an appropriate licence to produce these items.

All transactions falling under the above criteria need to be notified for foreign investment screening and approval.

Relevant sectors

The current foreign investment screening regime in Serbia is limited to the defence sector, specifically to foreign investments in the production of arms and military equipment.

Process and timetable

Competent authority: Ministry of Defence and the Serbian government

Mandatory filing requirement: Yes.

Filing deadline: There is no filing deadline, but the process of changing ownership over a company active in the production of arms and military equipment cannot be initiated without prior approval.

Responsibility for filing: The foreign investor is obliged to notify the relevant authority of a foreign investment and obtain its approval.

Sanctions: The Arms Act provides for penalties if a change of ownership is initiated without the required approval. The range of penalties is approximately EUR 4,200 – 6,000 (RSD 500,000 – 750,000) for companies and EUR 420 – 600 (RSD 50,000 – 75,000) for responsible individuals.

Length of the proceedings: Upon receipt of the request by the Ministry of Defence, the government must issue its decision (based on a proposal from the Ministry of Defence) within 120 days of the date of receipt.

Slovakia

The full investment screening legislation entered into force on 1 March 2023. Under the FDI regime, certain direct or indirect investments by foreign investors into Slovak entities must be notified and are subject to approval by the Ministry of Economy of the Slovak Republic.

Legal basis

Act No. 497/2022 Coll., on Screening of Foreign Investments, as amended (the "FDI Act"), entered into force on 1 March 2023. Regulation No. 61/2023 Coll., laying down critical foreign investments, as amended, also entered into force on 1 March 2023.

Filing requirement

The FDI Act recognises:

- (i) mandatory filing – triggered if a foreign investor intends to make an investment in a Slovak target active in a critical sector;
- (ii) voluntary filing – possible if a foreign investor intends to make an investment in a Slovak target active in a non-critical sector;
- (iii) *ex officio* screening – the authority may call in a transaction up to two years after implementation of the transaction for non-critical investments. There is no limitation period for investments in critical sectors.

The notification obligation is triggered if a foreign investor, i.e. a non-EU individual or entity or an EU individual or entity that is controlled, financed or acts in concert with a non-EU individual or entity, a public authority of a third country, or an entity with the equity participation of a third country, intends to carry out an investment (directly or indirectly) in a Slovak target. This includes:

- the acquisition of a target's business (asset deal);
- the acquisition of a participation in a target (share deal), meaning at least 25 % shareholding/voting rights for a non-critical investment or 10 % for a critical investment;
- the increase of a participation in a target, the relevant thresholds being 50 % for a non-critical investment and 20 %, 33 % or 50 % for a critical investment;
- acquisition of control over a target by other means (e.g. by controlling the composition of corporate bodies).

In addition, greenfield investments in the form of the establishment of a new company, as well as certain financing deals, such as the creation of a pledge over shares or assets of a Slovak company, can also qualify as a foreign investment if the pledge agreement grants specific rights to the pledgee in relation to the business decisions of that company, and thus trigger FDI screening.

Relevant sectors

A transaction falls under the mandatory regime if the Slovak target is active in:

- manufacturing firearms, parts, ammunition, optical instruments, explosives, pyrotechnic products or devices for jamming electronic signals;
- manufacturing, providing certain services or conducting research, development or product innovation for military/defence or dual-use equipment;

- manufacturing, research, development or innovation in the biotechnology industry in healthcare;
- operating a critical infrastructure element;
- operating an essential service under the NIS2 regulation;
- providing cloud services;
- the manufacture, research, innovation or development of cryptographic devices or components certified in the Slovak Republic or holding such devices; or
- the media sector in certain categories.

A transaction can fall under the voluntary regime if the economic activity performed by the Slovak target falls outside the above categories. The FDI authority has published a list of scenarios where it highly recommends filing for a voluntary screening, especially when (i) a Slovak target supplies special, not easily replaceable, products to State authorities or other sensitive customers, or (ii) the foreign investor is directly or indirectly controlled by a public authority of a third country or an entity with capital participation from a third country, or (iii) a Slovak target is involved in projects or programmes of EU interest.

Process and timetable

Competent authority: Ministry of Economy and the Slovak government.

Mandatory filing requirement: Yes, for critical investments.

Filing deadline: A notification falling under the mandatory FDI screening regime must be filed before closing. Until the transaction is approved, the standstill obligation applies. A voluntary notification must also be filed before closing, but closing can take place even if the FDI proceedings have not yet finished.

Responsibility for filing: The notification obligation lies with the foreign investor (i.e. the actual acquirer, not the SPV, if applicable).

Sanctions: Up to the value of the transaction or up to 2 % of the sum of the total net worldwide turnover of the foreign investor (group level), whichever is higher. There are also different penalties for failure to provide the required cooperation.

Length of the proceedings: The Ministry of Economy must issue its decision within 130 days for critical investments and 45 days for non-critical investments. The Ministry may request additional information, which suspends the review period. In practice the review period is approximately 2.5 to 3.5 months for mandatory screening and approximately two months for voluntary screening.

Slovenia

Slovenia's foreign investment screening regime is set out in the Investment Promotion Act. Under this regime, certain direct or indirect investments by foreign investors into Slovenian entities in specified sectors must be notified to the Ministry of Economy, Tourism and Sport.

Legal basis

Investment Promotion Act (Official Gazette of the Republic of Slovenia, Nos. 13/18, 204/21, 29/22 and 65/23).

Filing requirement

A notification obligation is triggered if the transaction:

- (i) is one of the notifiable types;
- (ii) is conducted by a foreign investor; and
- (iii) is in one of the relevant sectors (see below).

Notifiable transactions include: (a) direct or indirect acquisitions of at least 10 % of the share capital or voting rights in a corporate entity registered in Slovenia; and (b) investments in tangible or intangible assets to establish a new corporate entity in Slovenia, where the foreign investor directly or indirectly acquires at least 10 % of the share capital or voting rights in the newly established entity (greenfield investments). Any subsequent acquisition reaching at least 10 % participation or voting rights is also notifiable.

A foreign investor is a citizen of a third country (i.e. a country outside the EU) or a legal entity established in a third country that: (a) intends to make, or has already made, a direct foreign investment in Slovenia; or (b) directly or indirectly holds at least 10 % of the share capital or voting rights in a legal entity established in an EU Member State that intends to make, or has already made, such an investment in Slovenia. A foreign direct investment is an investment by a foreign investor intended to establish or maintain lasting direct or indirect links with a corporate entity established in Slovenia, through the first or any subsequent direct or indirect acquisition of at least 10 % of its share capital or voting rights.

Relevant sectors

Relevant sectors include:

1. 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);
2. critical technologies and dual-use items, including artificial intelligence, robotics, semiconductors, cybersecurity, aerospace, defence, energy storage, quantum and nuclear technologies, nanotechnologies and biotechnologies;
3. the supply of critical inputs, including energy or raw materials and food security;
4. access to sensitive information, including personal data, or the ability to control such information;
5. the freedom and pluralism of the media; and/or

6. projects or programmes of EU interest as listed in Annex 1 of Regulation (EU) 2019/452.

Process and timetable

Competent authority: Ministry of Economy, Tourism and Sport.

Mandatory filing requirement: Yes.

Filing deadline: 15 days from:

- the conclusion of the agreement under which a foreign investor directly or indirectly acquires at least 10 % of the share capital or voting rights in a corporate entity registered in Slovenia;
- publication of the takeover bid; or
- registration of establishment of a new legal entity in Slovenia.

The FDI Commission has also confirmed in its decisions that a notification may be filed early and clearance obtained in advance, before any filing trigger occurs (for example, in the case of acquisitions of shares on the market).

Responsibility for filing: The foreign investor, target company or acquired company, or the newly established entity.

Standstill requirement: No.

Sanctions: A fine of up to EUR 500,000 may be imposed on corporate entities that fail to notify within the mandatory deadline. Their representatives may also be fined up to EUR 10,000. Sanctions may also apply for non-compliance with the notification procedure.

Length of the proceedings: Two months (instructive/non-binding deadline) from filing of the complete notification with the Ministry (the authority will decide whether an in-depth screening is to be carried out once the notification is filed with the Ministry). In cases where in-depth screening proceedings (Phase II) are initiated, the FDI Expert Group (a specialised body within the Ministry) must deliver an opinion within two years from the date of the transaction or the entry of the newly established legal entity in the court register. Based on the opinion of the FDI Expert Group, the Ministry will decide within an additional two months.

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