



EY Global Foreign Direct
Investment screening guide

Multi-jurisdiction summary

30 April 2021

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working world

Important notes

- ▶ This document provides a snapshot of the FDI screening mechanisms across several jurisdictions (list of jurisdictions is not exhaustive).
- ▶ It is updated on an ongoing basis but should not be relied upon as legal advice. The purpose of the document is to support conversations about policies that have been proposed or implemented in the different jurisdictions.
- ▶ For latest news and developments on this topic, reach out to your [EY Law contacts](#).
- ▶ Legends used in this guide to classify relevant sectors:

Yes, FDI rules in place.

No FDI rules in place.

Consideration of foreign direct Investment (FDI) screening has become an important step in planning cross-border transactions. An ever increasing number of jurisdictions are moving to adopt FDI screening regulations. Moreover, the ongoing COVID-19 pandemic increased the need for such rules, which led many jurisdictions to complement their existing regimes or to adopt measures specifically in light of COVID-19.

This trend to stricter and more consistent FDI screening is highlighted by the example of the European Union (EU), which is a relatively new player in this area. Currently, 17 of 28 EU Member States have notified the Commission that they have adopted FDI-related measures. On the basis of a Regulation that came into force in October 2020, Member States are required to provide information to the Commission, as well as to the network of other Member States, on cases that undergo national screening under the FDI rules.

The objective of such rules is not to discourage foreign investment but to safeguard key operations and assets in each respective jurisdiction. FDI screening measures may vary greatly in their scope, including:

- ▶ Mandatory or voluntary
- ▶ Pre-closing or post-closing
- ▶ Dependent on a specific threshold or a percentage of shareholding in national businesses
- ▶ Concern some or all sectors in a jurisdiction
- ▶ Subject to procedural timelines

EY's FDI screening guide provides an overview of the screening regimes in more than 25 jurisdictions. We will continue to update this guide on a regular basis, including new developments and jurisdictions.

With experienced trade lawyers in more than 60 jurisdictions, EY Law can advise you on the relevant FDI issues that are particular to your organization. Please contact the lead authors or reach out to your [EY Law contacts](#) for further information.



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28 Jurisdictions

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Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Are there FDI rules in place for specific sectors?

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/Insurance	Real Estate/Land	Others
<p>1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.</p> <p>Yes.</p> <p>Australia adopted a new foreign investment regime which took effect from 1 January 2021.</p> <p>Complex monetary thresholds apply to the jurisdiction of incorporation of the foreign investor and the Australian asset being acquired.</p> <p>See specific sector notes for further details.</p>			<p>2) Is notification under FDI rules mandatory?</p> <p>The notification to the relevant authorities can be mandatory or voluntary depending on the following factors:</p> <ul style="list-style-type: none"> Identity of the foreign investor Whether the monetary thresholds apply Whether any Real Estate/Land is being acquired (either directly or via a business acquisition) The nature of the business being acquired <p>The Treasurer of the Commonwealth of Australia retains the ability to 'call-in' transactions that may not be notifiable.</p>			<p>3) Is the relevant authority's approval mandatory prior to closing (suspensory)?</p> <p>In some cases, conditional approval may be given. Conditions may include, for example:</p> <ul style="list-style-type: none"> Provision of additional financial reporting Use and location of data Details of investment in, and use of, land or other assets being acquired <p>Suspensions are not common. It is more likely that a transaction will not be approved. If the Treasurer 'calls-in' transactions that are not notified, they may add conditions to those transactions.</p>		

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4) Please provide the process timeline

The process timeline is 30 days plus 10 days for formal written notice.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

The COVID-19 measures adopted have been lifted and are no longer in force as of 1 January 2021.

The measures were in place and applied to transactions from midnight on 29 March 2020 to midnight on 31 December 2020.

6) Legal Reference

- ▶ Foreign Acquisitions and Takeovers Act 1975 (Cth)
- ▶ Security of Critical Infrastructure Act 2018 (Cth)

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Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Others	Corporate reorganizations are not exempt from the relevant FDI sectors.

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place	No FDI rules in place
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Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.	2) Is notification under FDI rules mandatory?	3) Is the relevant authority's approval mandatory prior to closing (suspensory)?
<p>Yes.</p> <p>Establishment or acquisition of a Canadian business by a foreign entity requires notification or review under the Investment Canada Act.</p> <p>Key transaction review thresholds are as follows:</p> <ul style="list-style-type: none"> ▶ For 2021, C\$1.565 bn in enterprise value for investments seeking to acquire control of a Canadian business by: <ul style="list-style-type: none"> ▶ Trade agreement investors that are not state-owned enterprises ▶ If the Canadian investee company is controlled by a 'trade agreement investor'* and the proposed foreign investor is not subject to any trade agreement ('Non-trade agreement investor') and, further, is not a state-owned enterprise ▶ For 2021, C\$415 mn in asset value for investments seeking to directly acquire control of a Canadian business by: <ul style="list-style-type: none"> ▶ World Trade Organization (WTO) investors that <p>are state-owned enterprises</p> <ul style="list-style-type: none"> ▶ Non-WTO investors that are state-owned enterprises where the Canadian business that is the subject of the investment is, immediately prior to the implementation of the investment, 'controlled by a WTO investor' ▶ C\$5 mn in asset value for direct investments, or C\$50 mn in asset value for indirect transactions, resulting in control of the Canadian business transferring to a 'WTO agreement investor' (or such investor increasing its control over the Canadian business) <p>*Full list of trade agreements, including under the WTO entered into by Canada is here: Trade and investment agreements (international.gc.ca)</p> <p>These thresholds also apply to investments made by all non-Canadian investors to acquire control of a Canadian business that is a cultural business.</p>	<p>Yes.</p> <p>Notification under FDI rules is mandatory.</p>	<p>The approval can be pre-closing or post-closing, dependent on the relevant circumstances of the transaction.</p>

4) Please provide the process timeline

The investment review process timeline is dependent on the relevant circumstances.

Any foreign entity (i.e., investor) commencing its business in Canada is required to send a notification to the authorities. There is no approval required from Investment Canada for this notification.

The notification must be issued by the investor to Investment Canada no later than 30 days after the investment was implemented.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no material legislative changes at the federal level. However, the Canadian government has announced an 'enhanced scrutiny' and in-depth approach for the review and approval process for FDI.

No explicit end date has been indicated.

6) Legal Reference

- ▶ Investment Canada Act

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.	2) Is notification under FDI rules mandatory?	3) Is the relevant authority's approval mandatory prior to closing (suspensory)?
<p>Yes.</p> <p>The applicable thresholds are:</p> <ul style="list-style-type: none"> Foreign investment in military or similar industries involved in state defense and security, as well as military facilities and land surrounding military-controlled facilities/enterprises (no matter whether the foreign investor obtains actual control over the enterprise) Foreign investment in <ul style="list-style-type: none"> Any significant agricultural product Energy source and resources Major equipment manufacturing facility Infrastructure, transportation services Cultural products and services Information technology and internet products and services Financial services <ul style="list-style-type: none"> Key technologies Other significant fields related to state security where the investor obtains actual control over the enterprise <p>'Obtaining actual control over the enterprise' shall involve the following circumstances:</p> <ul style="list-style-type: none"> The foreign investor holds 50% or more equity in the enterprise The foreign investor holds less than 50% equity in the enterprise, but voting rights may have a significant impact on the resolutions of the board of directors, shareholders' meeting or general meeting of shareholders Other circumstances that cause the foreign investor to have a significant impact on business decision-making of the enterprise (e.g., personnel appointments, finance and technology procurement) <p>See specific sector notes for further details.</p>	<p>Yes.</p> <p>The foreign investor(s) should notify the relevant authorities prior to making the investment into China.</p> <p>The relevant authority refers to the Working Mechanism Office, under the control of the National Development and Reform Commission (NDRC), and jointly led by the NDRC and Ministry of Commerce of the People's Republic of China (MOFCOM).</p>	<p>Yes.</p> <p>Approval from the relevant authorities must be obtained prior to formalizing the investment.</p>

4) Please provide the process timeline

- ▶ Preview: Within 15 working days after receipt of the application, the authority will notify the applicant in writing whether the investment is subject to a security review
- ▶ Security review: During the preview period, if the authority decides that the investment is subject to a security review, it shall complete such review within 30 working days upon the date of written decision above being made
 - ▶ The outcome of such security review shall be:
 - ▶ The investment is deemed to have no impact on state security and the authority shall make a decision of clearing the notification
 - ▶ The investment is deemed (actually or potentially) to have an impact on state security and the authority shall make a decision to initiate a special review
- ▶ Special review: The special review shall be completed within 60 working days from the date of initiation. In exceptional cases this period of review may be extended

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.

6) Legal Reference

- ▶ The Foreign Investment Law of the People's Republic of China
- ▶ The State Security Law of the People's Republic of China
- ▶ Measures for the Security Review of Foreign Investment

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Real Estate/Land	There are FDI rules in place for the Real Estate/Land which surrounds military facilities.
Others	This applies to various sectors such as: <ul style="list-style-type: none">▶ Significant Agricultural product,▶ Major equipment manufacturing▶ Significant transportation services▶ Significant cultural products and services, etc

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.

Yes.

The government has recently introduced the Fast-Track Business Activation Mechanism to encourage FDI inflows. This framework enables new or existing foreign companies to swiftly expand their operations in Cyprus. The mechanism is available to eligible companies which meet the following requirements:

- ▶ Have a physical presence in Cyprus
- ▶ In the case of an existing company, a minimum turnover of €500.000 per year for three out of the last five years and submission of audited accounts to the competent authority
- ▶ In the case of a new company, a five-year business plan illustrating its growth potential

Companies which receive the approval of the relevant ministry will be able to complete all the necessary procedures for their registration and incorporation in Cyprus within seven working days.

Some key points of the country's investment appeal are:

- ▶ The possibility of 100% foreign shareholding in almost all sectors of the economy
- ▶ One of the lowest corporate tax rates in the EU (i.e., 12.5%)
- ▶ An attractive tax environment (Cyprus has signed double-taxation treaties with more than 39 countries)

2) Is notification under FDI rules mandatory?

Yes.

Notification is mandatory and must be made to the relevant sectoral regulator. Further, in respect of sectors falling under the government approval route for FDI, prior permission is required to be obtained for the investment.

3) Is the relevant authority's approval mandatory prior to closing (suspensory)?

Yes.

Approval from the relevant authorities must be obtained prior to formalizing the investment.

4) Please provide the process timeline

The process for approving FDI in certain sectors may vary depending on the sector involved and may take between two to eight months.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.

6) Legal Reference

There are sector specific legislation and regulations (further information available in the notes).

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Critical Infrastructure	<p>Some of the categories that may be considered as critical infrastructure and that may entail specific eligibility criteria or minimum applicant requirements are:</p> <ul style="list-style-type: none"> ▸ Telecom services: Regulatory and licensing regime applies according to local legislation ▸ Tertiary education institution: License only granted to residents of the Republic of Cyprus or citizens of another EU member state ▸ Radiofrequencies for radiocommunications services: No eligibility criteria exist for applicants, however regulatory or licensing procedures must be followed ▸ Operation of hotels and other tourism establishments: Investor must be an individual or legal entity resident in the Republic of Cyprus, or a citizen of another EU Member State, or a legal entity registered in another EU Member State ▸ Energy/electricity-related infrastructure: Subject to licensing and regulatory thresholds and applications
Critical Technologies	<p>There is no specific category for critical technologies. Some restrictions still apply in Cyprus for either EU or third-country nationals, in the following areas:</p> <ul style="list-style-type: none"> ▸ Real estate ▸ Tertiary education ▸ Television and radio, utilities, newspapers/magazines ▸ Airlines <p>Such investment proposals are considered on their merits and will need approval from a relevant regulatory body, in prior consultation with other government departments. Most issues relating to minimum investment amounts or maximum participation percentages have largely been abolished, although licensing or regulatory requirements still apply for certain activities. FDI in Critical Technologies may also be subject to additional sector-specific guidelines or regulatory consents.</p>
Critical Resources	<p>FDI in Critical Resources may also be subject to additional sector-specific guidelines or regulatory consents.</p>
Access to Sensitive Data	<p>FDI in respect of Access to Sensitive Data may also be subject to additional sector-specific guidelines or regulatory consents.</p>

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Defense and/or National Security	Due to the ongoing COVID-19 pandemic, there are strict procedures regarding investments in defense and national security.
Media	Investment proposals for this sector are considered on their merits and will need approval from a relevant regulatory body and prior consultation with other government departments. Most issues relating to minimum investment amounts or maximum participation percentages have largely been abolished, although licensing or regulatory requirements still apply for certain activities.
Finance/Banking/Insurance	<p>Credit Institutions Credit institutions must receive a licence from the Central Bank of Cyprus (CBC) to be able to commence operations.</p> <ul style="list-style-type: none"> ▸ A licence may be granted to: <ul style="list-style-type: none"> ▸ A credit institution established in Cyprus ▸ A branch of a credit institution which has a licence to operate in a third country ▸ The identity of all direct or indirect shareholders of the credit institution must be disclosed to the CBC ▸ The shareholders and the directors of the credit institution must satisfy the suitability criteria of the CBC ▸ The initial capital of the credit institution must exceed €5,000,000 <p>Insurance Companies Insurance Companies must receive a licence from the Superintendent of Insurance to commence insurance operations.</p> <ul style="list-style-type: none"> ▸ Minimum capital requirements: <ul style="list-style-type: none"> ▸ For general insurance companies: €2,500,000 ▸ For life insurance companies: €3,700,000 ▸ For reinsurance companies: €3,600,000
Real Estate/Land	Restrictions on acquisition of property in Cyprus have been gradually receding, particularly since Cyprus joined the EU in 2004. EU citizens and companies incorporated in Member States (irrespective of the nationality of the shareholders) are free to acquire property under the same terms as Cypriot citizens. It is only in relation to third-country nationals or companies incorporated outside the EU that may be subject to certain restrictions under applicable legislation. These applicants are required to first obtain the permission of the Council of Ministers prior to acquisition of immovable property (such as, freehold property, leases in excess of 33 years, or shares in a Cyprus company owning local property). Usually approval is routinely granted for land or housing not exceeding 3,500-4,000 square meters for residential use by such applicant. Family members of the original applicant can also acquire property, assuming they are entirely independent from the applicant (both residentially and from a financial perspective) and that such use does not permit leasing, letting or commercial use. Occupation of the property by the applicants is permitted until the approval is granted. Following grant of the permit, no further restrictions exist for its sale or disposal either testamentary or otherwise, and heirs by law need no further permit in order to register such property under their name.

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.	2) Is notification under FDI rules mandatory?	3) Is the relevant authority's approval mandatory prior to closing (suspensory)?
<p>Yes.</p> <p>FDI screening rules apply to investments in the Czech Republic made by persons (natural or legal) domiciled or ultimately controlled from outside the EU.</p> <p>The following activities meet the threshold for FDI screening rules, if carried out by a non-EU investor:</p> <ul style="list-style-type: none"> ▶ An acquisition of shares meeting or exceeding 10% of the total shares in a company ▶ The non-EU investor, or its affiliated person, becomes a member of the statutory board of the target company ▶ Acquisition of ownership rights for goods or services which are covered by FDI rules ▶ Acquisition of other means of control, which would facilitate the investor's access to information, systems or technologies important for maintaining the safety of, or public order in, the Czech Republic <p>The thresholds will apply even if the change of ownership is indirect and will occur at the parent company level. No shares of the Czech target company need to be transferred for the investment to fall within the applicable FDI screening rules.</p>	<p>Notification is mandatory and must be made for the following investments:</p> <ul style="list-style-type: none"> ▶ Manufacture, research and development (R&D) of military material ▶ Manufacture or R&D of dual use items (military or civil) ▶ Critical infrastructure and related IT systems: Companies and goods in the following industries may be regarded as critical infrastructure in certain circumstances: <ul style="list-style-type: none"> ▶ Electricity, gas, heat and oil-related infrastructure ▶ Water management ▶ Food and agriculture ▶ Healthcare ▶ Transportation ▶ Telecommunications ▶ Financial markets, banking and insurance <p>The target company should be aware if it is a part of the Czech Republic's critical infrastructure as this position is established by a decision of relevant authorities. Checking the target company's status in the Czech Republic is standard practice in due diligence exercises.</p> <p>Less formal consultation procedures apply to the media sector, including television and radio broadcasting, and newspaper publishing. For those companies falling within the critical infrastructure sector, foreign investors should note that there is no publicly available register of such companies.</p>	<p>Yes.</p> <p>Approval from the relevant authorities must be obtained prior to formalizing the investment.</p> <p>Failure to obtain the approval may lead to an adverse decision by the relevant authorities within five years of the investment, which could order the unwinding of the investment by mandating a sale by the investor to a third party or, if such decision is not complied with, by selling the investment in a public auction.</p> <p>Breach of the FDI screening rules may also result in imposition of a fine of up to 2% of the investor's global turnover.</p>

4) Please provide the process timeline

If the investment does not raise concerns as regards the safety of, or public order in, the Czech Republic, approval will be provided by the Ministry of Industry and Trade (Ministry) within 90 days of filing of the application.

If the investment raises concerns, the Ministry will refer the matter to the Government of the Czech Republic, which will decide within a further 45 days whether to permit or prohibit the investment or make it subject to fulfillment of conditions.

Investors may also consult with the Ministry if they are not sure whether the FDI screening rules will apply to their proposed investment. The Ministry will inform the investor within 45 days of such consultation if it deems that the contemplated investment falls within the scope of the FDI screening rules.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.

6) Legal Reference

- ▶ Act No. 34/2021 Coll., on screening of foreign investment (*zákon o prověřování zahraničních investic*)

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening								
Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking /Insurance	Real Estate/Land	Others
<p>1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.</p> <p>Yes.</p> <p>Most EU Member States have already instituted relevant FDI screening regulations. However, the type of measure and relevant thresholds depend on the laws of the respective Member State.</p> <p>The EU Regulation is limited to enjoining Member States to implement a national screening process.</p> <p>If a Member State has, or adopts, FDI screening rules, it must notify these to the European Commission and other Member States.</p> <p>Moreover, if a transaction is being reviewed in a Member State under FDI rules, the Member State must inform the Commission accordingly.</p> <p>The Commission and other Member States may provide comments or opinions on the FDI under scrutiny. The Member State screening the FDI only needs to 'give due consideration' to the comments and/or opinions received.</p> <p>See specific sector notes for further details.</p>			<p>2) Is notification under FDI rules mandatory?</p> <p>The character of the notification (mandatory/voluntary) depends on Member State rules.</p>			<p>3) Is the relevant authority's approval mandatory prior to closing (suspensory)?</p> <p>The type of approval depends on the rules of the respective Member State.</p>		

4) Please provide the process timeline

For transactions notified to the Commission by the Member State, there is a minimum of 15 calendar days and up to a maximum of 40 calendar days for the Commission to deliver its opinion. Other Member States may also intervene.

If additional information is required, the deadline may be extended up to 25 calendar days following the receipt of requested information.

Where a foreign investment does not undergo a national screening process, Member States and the Commission may provide comments and opinions within 15 months after the foreign investment has been completed.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no FDI screening regulations specifically adopted at EU level in the context of the COVID-19 pandemic.

In a Communication by the Commission (March 2020), Member States were urged “to be particularly vigilant to avoid that the current health crisis results in a sell-off of Europe’s business and industrial actors, including SMEs.”

To this end, Member States were asked to:

- Make full use of their FDI screening mechanisms to take account of the risks to critical health infrastructure, supply of critical inputs, and other critical sectors
- If they do not have a national screening mechanism, to establish such mechanism

6) Legal Reference

- Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of FDI into the EU (FDI Screening Regulation)
- Communication from the Commission, Guidance to the Member States concerning foreign direct investment and free movement of capital from third countries, and the protection of Europe’s strategic assets, ahead of the application of Regulation (EU) 2019/452 (FDI Screening Regulation)

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Others	Under the current Regulation, any FDI under review by a Member State must be notified to the Commission. The EU criteria when considering FDI is non-exhaustive. Guidance to be followed for the specific sectors depend on Member State rules.
<p>Notes:</p> <p>The Commission will consider the effects of FDI on security or public order. Member States and the Commission may “consider all relevant factors, including the effects on critical infrastructure, technologies (including key enabling technologies) and inputs which are essential for security or the maintenance of public order, the disruption, failure, loss or destruction of which would have a significant impact in a Member State or in the Union” (Recital 13 of the Regulation).</p>	

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Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking /Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.	2) Is notification under FDI rules mandatory?	3) Is the relevant authority's approval mandatory prior to closing (suspensory)?
<p>Yes.</p> <p>The applicable thresholds according to the applicable legislation are:</p> <ul style="list-style-type: none"> ▶ Act on the Screening of Foreign Corporate Acquisitions in Finland and the National Contact Point required by Regulation (EU) 2019/452 of the European Parliament and of the Council <p>A corporate acquisition that requires the approval of the Ministry of Economic Affairs and Employment refers to activities as a result of which:</p> <ul style="list-style-type: none"> ▶ A foreign owner gains control of at least one tenth, one third or one half of the aggregate number of votes conferred by all shares in the company ▶ A foreign owner gains control of a corresponding actual influence in a limited liability company or other monitored entity <ul style="list-style-type: none"> ▶ Competition Act (948/2011) as amended, Chapter 4 <p>The provisions on the control of concentrations shall apply to:</p> <ul style="list-style-type: none"> ▶ A concentration where the combined turnover of the parties to the concentration exceeds €350 mn ▶ The turnover in Finland of at least two of the parties resulting from the transaction exceeds €20 mn for both <p>A concentration referred to in Section 22 of the Competition Act shall be notified to the Finnish Competition Authority (FCA) following the conclusion of the agreement, acquisition of control, or the announcement of a public bid referred to in section 3, Chapter 6 of the Securities Market Act (495/1989) but prior to the implementation of the transaction. A concentration may also be notified to the FCA as soon as the parties demonstrate with sufficient certainty their intention to conclude the concentration.</p> <p>The Market Court may, upon the application of the FCA, prohibit or order a concentration be dissolved, or attach conditions on the implementation of a concentration, if the concentration may significantly impede effective competition in the Finnish markets or a substantial part thereof, in particular as a result of the creation or strengthening of a dominant position.</p> <p>See specific sector notes for further details.</p>	<p>Yes.</p> <p>Notification under FDI rules is mandatory.</p>	<p>Yes.</p> <p>Approval from the relevant authorities must be obtained prior to formalizing the investment.</p>

4) Please provide the process timeline

Act on the Screening of Foreign Corporate Acquisitions in Finland and The National Contact Point required by Regulation (EU) 2019/452 of the European Parliament and of the Council:

- The process timeline is a maximum of six months
- Competition Act (948/2011) as amended Chapter 4:**
- The process timeline is between one and six months

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.

6) Legal Reference

- Act on the Screening of Foreign Corporate Acquisitions in Finland (172/2012) as amended
- The National Contact Point required by Regulation (EU) 2019/452 of the European Parliament and of the Council
- Competition Act (948/2011) as amended, Chapter 4
- Act on Co-operation within Undertakings (334/2007) as amended, Chapter 6
- Limited Liability Companies Act (624/2006) as amended, Chapter 6
- Securities Markets Act (746/2012) as amended, Chapters 6 and 11
- Bilateral investment protection agreements
- WTO (World trade organization): GATS, TRIMS (Trade Related Investment Measures)
- Treaty establishing the European Community, Part Three: Free movement of persons, services and capital, Articles 51, 52, 65
- OECD Codes of Liberalisation of Capital Movements and of Current Invisible Operations

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Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Others	This sector has FDI guidelines as per the EU Competition Regulation.

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Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking /Insurance	Real Estate/Land	Others
<p>1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.</p> <p>Yes.</p> <p>The applicable thresholds are:</p> <ul style="list-style-type: none"> ▶ All investors: <ul style="list-style-type: none"> ▶ Acquisition of control of a French entity (presumed to be above 40% of shares or voting rights) ▶ Acquisition of all, or part, of a branch of an activity of a French entity ▶ Non-EU/EEA investors: <ul style="list-style-type: none"> ▶ Acquisition, solely or jointly, of more than 25% of voting rights in a French entity <p>There are temporary COVID-19 measures in place. Therefore, until 31 December 2021 the voting rights thresholds for FDI from non-EU/EEA investors is lowered to 10% of voting rights.</p> <p>See specific sector notes for further details.</p>			<p>2) Is notification under FDI rules mandatory?</p> <p>Yes.</p> <p>Notification under FDI rules is mandatory.</p>			<p>3) Is the relevant authority's approval mandatory prior to closing (suspensory)?</p> <p>Yes.</p> <p>Approval from the relevant authorities must be obtained prior to formalizing the investment.</p>		

4) Please provide the process timeline

Phase 1 - 30 working days - Potential outcomes:

- No authorization needed
- Unconditional authorization
- Refer for In-depth analysis

Phase 2 (In-depth analysis) - 45 additional working days - Potential outcomes:

- Unconditional authorization
- Conditional authorization
- Prohibition

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

Yes.

The FDI screening regulations adopted in the context of the COVID-19 pandemic are applicable until 31 December 2021. The voting rights thresholds for FDI from non-EU/EEA investors is lowered to 10% of voting rights.

6) Legal Reference

- Monetary and financial code:
 - Art. L. 151-1 to L. 151-7
 - Art. R. 151-1 to R. 151-17

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Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Others	This applies to the gambling sector, with the exception of casinos.

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/Insurance	Real Estate/Land	Others
<p>1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.</p> <p>No.</p> <p>Georgia does not screen foreign investment in to the country. There are no FDI thresholds applicable in Georgia.</p> <p>However, certain conditions may apply depending on the investment sector.</p> <p>See specific sector notes for further details.</p>			<p>2) Is notification under FDI rules mandatory?</p> <p>No.</p>			<p>3) Is the relevant authority's approval mandatory prior to closing (suspensory)?</p> <p>Not applicable.</p>		

4) Please provide the process timeline	5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?	6) Legal Reference
Not applicable.	There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.	<ul style="list-style-type: none">▸ Law of Georgia on Promotion and Guarantees of Investment Activity

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Critical Infrastructure	Only the State of Georgia may invest in distributing electricity. Investment by foreign and private investors in the territory of Georgia for activities related to railway transport is only permitted if the managerial power of the investor is excluded.
Defense and/or National Security:	Investment by foreign and private investors in Georgia for activities related to introducing and testing new or modified types of weapons, or in the production and sale of military equipment to raise the defense capability of the country may be only be with prior permission of the government, and developing a military industrial complex is only permitted if managerial power of the investor is excluded.
Finance/Banking/Insurance:	For banks, the investors with significant shares are subject to compliance criteria set forth by the National Bank of Georgia. Holders of significant shares in insurance agencies are also subject to compliance criteria set forth by the Legal Entity of Public Law (LEPL) insurance state supervision service. Disclosure of information on holders of significant shares in banks and insurance agencies to the appropriate regulatory bodies is mandatory.
Real Estate/Land:	Generally, agricultural land in Georgia may only be owned by a Georgian national or by a company owned by Georgian nationals. Certain exemptions may apply.

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others
<p>1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.</p> <p>Yes.</p> <p>The German FDI control mechanism distinguishes between a sector-specific investment review and a general (cross-sector) investment review. The applicable thresholds may differ depending on the review procedure and the business area of the relevant undertaking, as follows:</p> <ul style="list-style-type: none"> ▶ Regarding investments in undertakings active in certain critical areas (such as critical infrastructure, defense and information technology security) the threshold is 10% of the voting rights ▶ For investments in undertakings not active in these sectors the threshold is 25 % of voting rights <p>Voting rights to be taken into account are such rights immediately held by the acquiring party, as well as such rights held by undertakings where the acquirer holds voting rights of at least 10% or 25% respectively.</p> <p>Thresholds are met if the sum of the voting rights to be acquired and those voting rights previously held meet or exceed the threshold.</p> <p>German FDI control is not limited to the acquisition of shares but applies equally to asset deals.</p> <p>See specific sector notes for further details.</p>			<p>2) Is notification under FDI rules mandatory?</p> <p>A transaction that is subject to the sector-specific investment review must be notified. A notification is also mandatory in the context of the general investment review for critical infrastructure.</p> <p>Other transactions may be reviewed ex officio, therefore a voluntary notification may be advisable.</p>			<p>3) Is the relevant authority's approval mandatory prior to closing (suspensory)?</p> <p>The sector-specific investment review and the general investment review for critical infrastructure have suspensive effect.</p> <p>In addition to the suspensory effect, infringements of the prohibition on implementing a transaction can, in some cases, lead to imprisonment of natural persons and to monetary penalties.</p> <p>The FDI environment in Germany has been changing over the last few years and the government has adopted a more interventionist approach. Depending on the business area of the relevant target, accurate and detailed assessments are regularly required and often commitments from the acquiring party must be agreed.</p>		

4) Please provide the process timeline

The process timeline depends on the respective procedure, and such procedures can last between two and six months.

The procedure may be prolonged or interrupted due to delays caused by requests for additional information or ongoing settlement negotiations.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

The COVID-19 pandemic has resulted in closer scrutiny of the medical research and development market, and the wider health sector.

This trend of the German legislature to stricter FDI regulation has been observed prior to the COVID-19 pandemic.

6) Legal Reference

- Foreign Trade and Payments Act (*Außenwirtschaftsgesetz*)
- Foreign Trade and Payments Ordinance (*Außenwirtschaftsverordnung*)

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
FDI controls are applicable to areas:	
Critical Infrastructure	<ul style="list-style-type: none">▸ Transport and traffic▸ Software specifically designed or modified for usage in critical infrastructure
Critical Resources	<ul style="list-style-type: none">▸ Energy▸ Water▸ Food supply
Access to Sensitive Data	<ul style="list-style-type: none">▸ Cloud computing services
Defense and/or National Security	<ul style="list-style-type: none">▸ Weapons and military equipment
Media	<ul style="list-style-type: none">▸ Telecommunications, in particular
Others	<ul style="list-style-type: none">▸ Healthcare▸ Medical devices▸ Diagnostic equipment etc.,

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking /Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.

No.

There are no FDI screening rules in Hong Kong. However, mandatory notifications/approvals from the respective regulators/authorities are required for the following sectors:

- Banking
- Insurance
- Securities and futures
- Provident fund
- Telecommunications

[See specific sector notes for further details.](#)

Investors should be aware of the implications of the National Security Law:

For the purpose of carrying out business activities in the Hong Kong SAR (Special Administrative Region of China), companies, organizations and individuals are advised to pay special attention to the pecuniary or other financial assistance or property they provide to others to ensure that such assistance will not be used for the acts and/or activities which would endanger the national security.

[See further implication details.](#)

2) Is notification under FDI rules mandatory?

No.

There are no FDI screening rules in the Hong Kong SAR. However, mandatory notifications/approvals from the respective regulators/authorities are required for the following sectors:

- Banking
- Insurance
- Securities and futures
- Provident fund
- Telecommunications

[See specific sector notes for further details.](#)

3) Is the relevant authority's approval mandatory prior to closing (suspensory)?

Yes.

There are no FDI screening rules in Hong Kong. However, mandatory notifications/approvals from the respective regulators/authorities are required for the following sectors:

- Banking
- Insurance
- Securities and futures
- Provident fund
- Telecommunications

[See specific sector notes for further details.](#)

4) Please provide the process timeline

The process timeline varies depending on the relevant industry and its restrictions.

[See specific sector notes for further details.](#)

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.

6) Legal Reference

- Banking Ordinance, (Chapter (Cap.) 155)
- Securities and Futures Ordinance (Cap. 571)
- Insurance Ordinance (Cap. 41)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485)
- Communications Authority Ordinance (Cap. 616)
- Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region (National Security Law)

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Access to Sensitive Data and Defense and/or National Security	<p>The National Security Law in Hong Kong SAR is the only relevant law for these sectors which criminalizes four types of acts:</p> <ul style="list-style-type: none"> ▸ Secession ▸ Subversion ▸ Terrorist activities ▸ Collusion with a foreign country or with external elements to endanger national security <p>The law stipulates the corresponding penalties which, in the most serious cases, could result in life imprisonment.</p> <p>In the case of conflict between local laws of the Hong Kong SAR and the National Security Law, the National Security Law will prevail.</p>
Media	<p>In the broadcasting industry, a domestic TV service license can only be granted to a body corporate 'ordinarily resident in Hong Kong'. Prior approval from the Communications Authority is required for a non-Hong Kong resident investor to hold, acquire or exercise 2% or more of the voting control in a domestic free television program service licensee and the voting influence of a foreign shareholder is weakened in certain circumstances. A sound broadcasting licensee must be a Hong Kong company and the aggregate of its voting shares held by non-resident investors must not exceed 49% of its total voting shares.</p>
Finance/Banking/Insurance: Banking sector	<p>A person intending to become a 'shareholder controller' of an authorized institution (i.e., banks, restricted license banks or deposit-taking companies) incorporated in Hong Kong SAR must serve a notice to the Hong Kong Monetary Authority (HKMA) stating such intention and obtain its prior approval.</p> <p>A shareholder controller is a person who, alone or with any associate(s), is entitled to exercise, or control the exercise of, 10% or more of the voting power of an authorized institution. Only upon receiving a notice of consent from the HKMA, or the passing of three months after giving notice and not having received a notice of objection from the HKMA, can a person become a shareholder controller. The HKMA in reaching its decision will consider whether a potential shareholder controller is 'fit and proper'.</p>
Finance/Banking/Insurance: Insurance sector	<p>A proposed 'shareholder controller' of an authorized insurer must make an application to, and obtain a 'no objection' authorization from, the Hong Kong Insurance Authority (HKIA).</p> <p>A shareholder controller means a person who, alone or with its associate(s), is entitled to exercise 15% or more of the voting power of the insurer. Only upon receiving a notice of no objection from the HKIA, or three months having passed without any such notice being received, can the proposed investor become a shareholder controller. In making its determination, the HKIA must consider whether the proposed shareholder controller is 'fit and proper' to hold that position.</p>

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Others	<p>Licensed Corporation:</p> <p>A proposed 'substantial shareholder' of a licensed corporation must also obtain prior approval from the Securities and Futures Commission (SFC).</p> <p>A licensed corporation is a company that carries out the regulated activities listed in Schedule 5 to the Securities and Futures Ordinance (Cap. 571), which include dealing in or advising on securities, advising on corporate finance or asset management.</p> <p>A 'substantial shareholder' is a person who, alone or with its associate(s), controls either 10% of the voting power of a licensed corporation, or 35 % of the voting power of a company that in turn controls 10% of the voting power of the licensed corporation. The SFC must be satisfied that the proposed substantial shareholder will remain a 'fit and proper' person to be licensed.</p> <hr/> <p>Trustee for a provident fund scheme:</p> <p>A proposed 'substantial shareholder' of an approved trustee for a provident fund scheme must gain prior consent from the Mandatory Provident Fund Schemes Authority (MPFA), which may only be given to applicants of good reputation and character.</p>
<p>Notes:</p> <p>Further implication of Hong Kong SAR National Security Law:</p> <ul style="list-style-type: none"> ▶ It is stipulated under the Hong Kong SAR National Security Law (Art. 21 and Art. 23) that whoever incites, assists in, abets, or provides pecuniary or other financial assistance or property for the commission by other persons of the offences of Secession and Subversion shall be guilty of an offence. If the circumstances of the offences are of a serious nature, the person shall be sentenced to fixed-term imprisonment of not less than five years but not more than 10 years; if the circumstances are of a minor nature, the person shall be sentenced to fixed-term imprisonment of not more than five years, short-term detention or restriction ▶ Similarly, under Art. 26, whoever provides support, assistance or facility such as training, weapons, information, funds, supplies, labor, transport, technologies or venues to a terrorist organization or a terrorist, or for the commission of a terrorist activity; or manufactures or illegally possesses hazardous substances or uses other means to prepare for the commission of a terrorist activity, shall be guilty of an offence. If the circumstances of the offence are of a serious nature, the offender shall be sentenced to fixed-term imprisonment of not less than five years but not more than 10 years, and shall be imposed with a criminal fine or subject to confiscation of properties; in other circumstances, the offender shall be sentenced to fixed-term imprisonment of not more than five years, short-term detention or restriction, and shall be imposed with a criminal fine 	

Hungary (Usual FDI screening mechanism)

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Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.	2) Is notification under FDI rules mandatory?	3) Is the relevant authority's approval mandatory prior to closing (suspensory)?
<p>Yes.</p> <p>The applicable thresholds are:</p> <ul style="list-style-type: none"> ▸ Ownership share to be acquired exceeds 25% ▸ Ownership share to be acquired exceeds 10% of a public company limited by shares ▸ Foreign investors' ownership share to be acquired collectively exceeds 25% (except for a public company limited by shares) ▸ Where the investor is acquiring dominant influence according to the Hungarian Civil Code (e.g., it has the right to appoint and recall the majority of the executive officers or supervisory board members) <p>See specific sector notes for further details.</p>	<p>Yes.</p> <p>Notification under FDI rules is mandatory.</p>	<p>Yes.</p> <p>Approval from the relevant authorities must be obtained prior to formalizing the investment.</p>

4) Please provide the process timeline

The process timeline is 60 days (extended up to additional 60 days)

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

No.

The COVID-19 pandemic has no effects on the usual FDI screening mechanism.

[Please refer to the temporary FDI screening mechanism in light of the COVID-19 pandemic.](#)

6) Legal Reference

- Act LVII of 2018 on Controlling Foreign Investments Violating Hungary's Security Interests
- Act V of 2013 on the Civil Code
- Government Decree 246/2018. (XII. 17.) on the Implementation of Act LVII of 2018 on Controlling Foreign Investments Violating Hungary's Security Interests
- Regulation (EU) 2019/452 of the EP and of the Council of 19 March 2019 establishing a framework for the screening of FDI into the Union
- Act CXLI of 1997 on Real Estate Registration
- Government Decree 251/2014 (X. 2.) on the Acquisition by Foreigners of Real Estate Other Than Agricultural and Forestry Land
- Act CXXII of 2013 on Transactions in Agricultural and Forestry Land

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Media	FDI rules apply to this sector where the investment is treated as that into Hungary's critical infrastructure, as laid down in 2019/452 EU regulation.
Real Estate/Land	There is a separate screening mechanism whereby the above details provided in Q1 to Q4 are not applicable for the acquisition of: <ul style="list-style-type: none">▶ Real estate, other than agricultural and forestry land - The process is also suspensory and the length of the process is 45 days▶ Agricultural and forestry land - It is prohibited for non-EU citizens and generally prohibited for non-EU legal entities

Hungary (Temporary FDI screening mechanism in light of the COVID-19 pandemic)

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Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening								
Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/Insurance	Real Estate/Land	Others

1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.	2) Is notification under FDI rules mandatory?	3) Is the relevant authority's approval mandatory prior to closing (suspensory)?
<p>Yes.</p> <p>The applicable thresholds are:</p> <ul style="list-style-type: none"> ‣ The total value of investments meets or exceeds HUF350 mn ‣ Ownership share meets or exceeds 10% and the total value of investments meets or exceeds HUF350 mn ‣ Ownership share meets or exceeds 15%, 20% or 50% ‣ Foreign investors' ownership share collectively exceeds 25% (except for a public company limited by shares) ‣ Transferring or relinquishing the right to use, or the right of operation, of the infrastructure, equipment or instruments essential for pursuing strategic business activity (e.g., carrying out an activity related to a relevant sector) or for providing such assets as security <p>The COVID-19 FDI screening mechanism does not affect the usual FDI screening mechanism referred to the slides above. As a result, two parallel FDI screening mechanisms now apply in Hungary. The COVID-19 FDI screening mechanism is applicable until 30 June 2021, but may be extended due to the prevailing circumstances.</p> <p>See specific sector notes for further details.</p>	<p>Yes.</p> <p>Notification under FDI rules is mandatory.</p>	<p>No.</p>

4) Please provide the process timeline

The process timeline is 30 working days (extend up to an additional 15 days).

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

Yes.

This temporary screening mechanism was specifically adopted in the context of the COVID-19 pandemic. The relevant provisions are laid down in the following laws:

- Act No. LVIII of 2020
- Government Decree 289/2020 (VI. 17.).

The COVID-19 FDI screening mechanism is applicable until 30 June 2021, but may be extended due to the prevailing circumstances.

6) Legal Reference

- Act No. LVIII of 2020 on the Transitional Rules related to the End of the State of Danger and Pandemic Preparedness
- Government Decree 289/2020 (VI. 17.)
 - Defines the measures required for the economic protection of companies established in Hungary
 - Sets out a detailed list of those activities which categorize a target company of strategic importance and
 - Trigger FDI screening for the related transaction (subject to meeting the appropriate thresholds)
- Regulation (EU) 2019/452 of the EP and of the Council of 19 March 2019 establishing a framework for the screening of FDI into the EU

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Finance/Banking/Insurance	Financial infrastructure is excluded from the Finance/Banking/Insurance sector.
Real Estate/Land	The COVID-19 FDI screening mechanism shall only be applied to Real Estate/Land if it is crucial for use as critical infrastructure.

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place	No FDI rules in place
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Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others
<p>1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.</p> <p>Yes.</p> <p>There are two routes under which FDI may be brought into India:</p> <ul style="list-style-type: none"> Automatic route Government approval route <p>FDI thresholds are not uniform in India and may differ based on the sector in which the investment is to be made.</p>			<p>2) Is notification under FDI rules mandatory?</p> <p>Yes.</p> <p>Notification with respect to FDI is mandatory and must be made to the Reserve Bank of India (RBI) and, where applicable, to the relevant sector regulator. Further, in respect of sectors falling under the government approval route for FDI, prior permission is required to be obtained for investment.</p>			<p>3) Is the relevant authority's approval mandatory prior to closing (suspensory)?</p> <p>Yes.</p> <p>With respect to the sectors falling under government route for FDI, approval from the relevant authorities must be obtained prior to formalizing the investment.</p>		

4) Please provide the process timeline

The process for FDI into sectors requiring government approval may vary depending on the sector involved and may take between three to six months.

Indian law requires local entities receiving FDI to complete issuance of securities against FDI within 60 days from receipt of funds.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.

6) Legal Reference

FDI in India is regulated under the Foreign Exchange Management Act, 1999 (FEMA) and the rules and regulations prescribed thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (NDI Rules).

The Department for Promotion of Industry and Internal Trade, part of the Government of India's Ministry of Commerce and Industry, makes policy pronouncements on FDI through Consolidated FDI Policy Circulars, Press Notes and Press Releases which are notified by the Department of Economic Affairs as amendments to the NDI Rules under FEMA. Currently, the Consolidated FDI Policy Circular dated 15 October 2020 is in force.

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Critical Infrastructure	<p>While FDI policy in India does not have specifically mention critical infrastructure, some of the following categories may be applicable under this sector:</p> <ul style="list-style-type: none"> ▸ Telecommunications: 100% equity FDI Cap - Automatic up to 49% and government route beyond 49% ▸ Railway Infrastructure: 100% equity FDI Cap - Automatic route ▸ Petroleum and natural gas (exploration activities in oil and natural gas fields): 100% equity FDI Cap - Automatic route ▸ Petroleum refining by Public Sector Undertakings (PSU): 49% equity FDI Cap - Automatic route ▸ Power exchanges registered under the Central Electricity Regulatory Commission (Power Market) Regulations, 2010: 49% equity FDI Cap - Automatic route ▸ Aviation/airports (greenfield and existing):100% equity FDI Cap - Automatic route <p>FDI in some of the above stated sectors may also be subject to additional sector-specific guidelines or regulatory consents.</p>
Critical Technologies	<p>While FDI policy in India does not have specifically mention critical technologies, some of the following categories may be applicable under this sector:</p> <ul style="list-style-type: none"> ▸ Telecommunications: 100% equity FDI Cap - Automatic up to 49% and government route beyond 49% ▸ Satellites: Establishment and operation, subject to the sectoral guidelines of the Department of Space and/or the Indian Space Research Organisation - 100% equity FDI Cap - Government route <p>FDI in some of the above stated sectors may also be subject to additional sector-specific guidelines or regulatory consents.</p>
Critical Resources	<p>While FDI policy in India does not have specifically mention critical resources, some of the following categories may be applicable under this sector:</p> <ul style="list-style-type: none"> ▸ Mining and exploration of metal and non-metal ores: 100% equity FDI Cap - Automatic route ▸ Coal and lignite: 100% equity FDI Cap - Automatic route ▸ Mining and mineral separation of titanium-bearing minerals and ores: 100% equity FDI Cap - Government route ▸ Petroleum and natural gas (exploration activities in oil and natural gas fields) :100% equity FDI Cap - Automatic route ▸ Petroleum refining by PSU: 49% equity FDI Cap - Automatic route <p>FDI in some of the above stated sectors may also be subject to additional sector specific guidelines or regulatory consents.</p>

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Access to Sensitive Data	<p>While FDI policy in India does not have specifically mention access to sensitive data, some of the following categories may be applicable under this sector:</p> <ul style="list-style-type: none"> ▸ Teleports, direct-to-home, mobile television, headend-in-the sky broadcasting services and cable networks: 100% equity FDI Cap - Automatic route ▸ Terrestrial broadcasting (FM radio): <ul style="list-style-type: none"> ▸ Subject to such terms and conditions, as specified from time to time by the Ministry of Information and Broadcasting, for grant of permission for establishing FM radio stations ▸ 49% equity FDI Cap - Government route ▸ Up-linking of news and current affairs TV channels: 49% equity FDI Cap - Government route ▸ Credit information companies: 100% equity FDI Cap - Automatic route <p>FDI in some of the above stated sectors may also be subject to additional sector specific guidelines or regulatory consents.</p>
Defense and/or National Security	<p>Subject to industrial license under the Industries (Development & Regulation) Act, 1951 and manufacturing of small arms and ammunition under the Arms Act, 1959:</p> <ul style="list-style-type: none"> ▸ 100% equity FDI Cap - Automatic up to 74% ▸ Government route beyond 74% wherever it is likely to result in access to modern technology, or for other reasons to be recorded <p>FDI in defense is also subject to additional sector specific guidelines or regulatory consents.</p>
Media	<ul style="list-style-type: none"> ▸ Uploading or streaming of news and current affairs via digital media: 26% equity FDI Cap - Government route ▸ Publishing of newspaper and periodicals dealing with news and current affairs: 26% equity FDI Cap - Government route ▸ Publication of Indian editions of foreign magazines dealing with news and current affairs: 26% equity FDI Cap - Government route ▸ Publication of facsimile editions of foreign newspapers: 100% equity FDI Cap - Government route ▸ Up-linking of non-news and current affairs TV channels or down-linking of TV Channels: 100% equity FDI Cap - Automatic route ▸ Teleports, direct-to-home, mobile television, headend-in-the sky broadcasting services and cable networks: 100% equity FDI Cap - Automatic route ▸ Terrestrial broadcasting (FM radio): <ul style="list-style-type: none"> ▸ Subject to such terms and conditions, as specified from time to time by the Ministry of Information and Broadcasting, for grant of permission for establishing FM radio stations ▸ 49% equity FDI Cap - Government route ▸ Up-linking of news and current affairs TV Channels: 49% equity FDI Cap - Government route <p>FDI in some of the above stated sectors may also be subject to additional sector-specific guidelines or regulatory consents.</p>

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Finance/Banking/Insurance	<ul style="list-style-type: none"> ‣ Asset reconstruction company: 100% equity FDI Cap - Automatic route ‣ Banking (private sector): 74% equity FDI Cap - Automatic up to 49% and Government route beyond 49% and up to 74%. ‣ Banking (public sector): 20% equity FDI Cap - Government route ‣ Credit information companies: 100% equity FDI Cap - Automatic route ‣ Infrastructure companies in securities markets: 49% equity FDI Cap - Automatic route ‣ Insurance company: 49% equity FDI Cap - Automatic route ‣ Intermediaries or insurance intermediaries - 100% equity FDI Cap - Automatic route ‣ Pension sector: 49% equity FDI Cap - Automatic route ‣ White label ATM operations: 100% equity FDI Cap - Automatic route ‣ Other regulated financial services activities: 100% equity FDI Cap - Automatic route <p>FDI in some of the above stated sectors may also be subject to additional sector-specific guidelines or regulatory consents.</p>
Real Estate/Land	<p>While real estate business or construction of farm houses are prohibited sectors in India for FDI, 'real estate business' does not include development of townships, construction of residential/commercial premises, roads or bridges. The Real Estate Investment Trusts (REITs) must be registered and regulated under the Securities and Exchange Board of India REITs Regulations 2014. Accordingly, FDI is permitted in the said exempted sub-sectors:</p> <ul style="list-style-type: none"> ‣ Construction/development projects: 100% equity FDI Cap - Automatic route ‣ Industrial parks (new and existing): 100% equity FDI Cap - Automatic route <p>FDI in some of the above stated sectors may also be subject to additional sector-specific guidelines or regulatory consents.</p>
Others	<ul style="list-style-type: none"> ‣ Pharmaceuticals: <ul style="list-style-type: none"> ‣ Greenfield: 100% equity FDI Cap - Automatic route ‣ Brownfield: 100% equity FDI Cap - Automatic up to 74% Government route beyond 74% ‣ Retail and wholesale trading: <ul style="list-style-type: none"> ‣ Cash and single brand product retail trading: 100% equity FDI Cap - Automatic route ‣ Wholesale trading, including carry wholesale trading and sourcing from MSEs: 100% equity FDI Cap - Automatic route ‣ E-commerce activities: 100% equity FDI Cap - Automatic route ‣ Multi-brand retail trading: 51% equity FDI Cap - Government route <p>FDI in some of the above stated sectors may also be subject to additional sector-specific guidelines or regulatory consents.</p>

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening								
Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking /Insurance	Real Estate/Land	Others
1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.			2) Is notification under FDI rules mandatory?			3) Is the relevant authority's approval mandatory prior to closing (suspensory)?		
<p>Yes.</p> <p>Kindly refer to Q2 for relevant thresholds.</p>			<p>Yes.</p> <p>Until 30 June 2021, the notification is mandatory for the following transactions:</p> <ul style="list-style-type: none"> ▶ Any resolution adopted or transaction entered into by any EU or non-EU entity holding strategic assets in the relevant sectors, resulting in change of control, ownership, or destination of use of assets (asset deals) ▶ Any acquisition of shareholdings (share deals), by any EU or non-EU entity, in companies holding strategic assets in the relevant sectors, resulting in a change of control of the target company ▶ Any acquisition of shareholdings (share deals), by any non-EU entity, in companies holding strategic assets in the relevant sectors, resulting in the acquisition of at least 10% of share capital or voting rights (taking into account any shares or rights already directly or indirectly held), provided that the total investment value is equal to or higher than €1 mn. Such acquisitions will also be subject to notification whenever the holding thresholds of 15%, 20%, 25% and 50% are exceeded 			<p>Yes.</p> <p>The relevant resolutions or effects of the transaction are suspended for the term of up to 45 business days, commencing from the receipt of the notification, including cases of purchasing controlling shares in a company or voting rights related to those shares.</p> <p>The FDI notification must be made within 10 days of formalization of the investment (e.g., signing of binding agreement or adoption of the corporate resolution approving the relevant transaction).</p>		

4) Please provide the process timeline

The process timeline is 45 business days. Once that period of time has expired without government intervention, the 'Golden Power' is understood not to have been exercised.

The FDI notification must be made within 10 days of formalization of the investment (e.g., signing of binding agreement or adoption of the corporate resolution approving the relevant transaction).

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

Yes.

The Law Decree no. 23 dated 8 April 2020 widens the scope of application of the Italian FDI screening in order to protect security and public order ('Golden Power regulation').

This regulation, issued in light of the COVID-19 pandemic, is applicable until 30 June 2021.

6) Legal Reference

- Law Decree no. 21/2012, converted with amendments by Law no. 56/2012, and recently amended by means of the Law Decree no. 23/2020
- Prime Ministerial Decrees (DCPM) no. 179 of 18 December 2020 and no. 180 of 23 December 2020

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking /Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.	2) Is notification under FDI rules mandatory?	3) Is the relevant authority's approval mandatory prior to closing (suspensory)?
<p>Yes.</p> <p>While there are no financial thresholds in place, applicable screening rules depend on the sector for the proposed investment.</p>	<p>As there is no specific regulation, every investment - business opening or into existing operations - is subject to national legislation. Notification is required for each investment to the State Revenue Service and Statistics office.</p> <p>Mandatory notification will depend on the applicable sector for the proposed investment.</p> <p>The national cabinet is vested with powers to reject or provide conditional approval for transactions that it deems would potentially endanger national security (Section 38 (1) of the National Security Law). For this decision, the Cabinet takes into consideration the opinion of state security institutions.</p>	<p>No.</p>

4) Please provide the process timeline

The process timeline will depend on the investment area and type of investor. If the investment area requires a license, this may take up to 30 days.

Once approved, registration in the Commercial Register takes up to three days. Applying for State Revenue Service registration as a taxpayer takes up to 30 days.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.

The Foreign Investors' Council in Latvia (FICIL) and Stockholm School of Economics in Riga (SSE Riga) launched a report on the impact of Covid-19 crisis on companies in Latvia to provide policymakers with information that can contribute to developing fair, strategic and evidence-based policies on recovering from the current crisis.

6) Legal Reference

- The by-law of the Investment and Development Agency of Latvia ([Latvijas Investīciju un attīstības aģentūras nolikums \(likumi.lv\)](#))
- FICIL and SSE Riga report ([Research - FICIL Foreign Investors Council in Latvia | ĀIPL](#))

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Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening										
Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others		
1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.							2) Is notification under FDI rules mandatory?			
<p>Yes.</p> <p>According to the Law on Protection of Objects Important to Ensuring National Security of the Republic of Lithuania, essential companies must notify the Committee regarding intended transactions, or significant changes in transactions that are already concluded, when the value of the transaction exceeds 10% of the current annual income of the company.</p> <p>The conclusion of the transaction must also be notified to the critical information infrastructure managers, in accordance with the Law on Public Procurement or on the Law of the Republic of Lithuania on Procurement by Contracting Entities in the Field of Water Management, Energy, Transport or Postal Services, regardless of the value of the transaction, if, during the tender procedure, compliance requirements were outlined for suppliers, subcontractors, goods, services or work in the interests of national security.</p> <p>Moreover, first and second category companies important for national security must inform the Committee of the intended transactions when the counterparty is granted the rights on the basis indicated in the Art.13 (4) (1), and the third party is granted the rights indicated in the Art. 13 (4) (1a). It is specified that the Committee's examination of the transaction consists of assessment according to the following criteria:</p> <ul style="list-style-type: none"> ▶ The counterparty is granted the right to service, access or otherwise become acquainted with the communication and information systems (or their parts) specified in the critical infrastructure manager's or company's 							<p>security plans, or other critical information infrastructure manager's or company's internal documents that are significantly important for the activities of the critical information infrastructure manager or the company's activity</p> <ul style="list-style-type: none"> ▶ The counterparty is granted the right, on the basis of the transaction, to participate in the implementation of a project of special national interest ▶ The counterparty is granted the right to operate or manage, on a transactional basis, facilities and assets essential to national security or to take other significant actions that may pose a risk or threat to national security, which may affect facilities and property which are important for national security <p>However, if a decision is made that a transaction meets the interests of national security, other transactions with an equivalent object and with the same counterparty shall be deemed as in accordance with national security interests, unless there is new data on the compliance of the transaction or the counterparty (third party) with national security interests.</p> <p>As the screening is performed only for companies, indicated sectors are not relevant.</p>		<p>Yes.</p> <p>Applicants for whom such mandatory notification apply are specified in Q1.</p> <p>Please note that for the investment in a sector of strategic importance to national security, a different procedure applies.</p> <p>The economic sectors of strategic importance for national security are the following:</p> <ul style="list-style-type: none"> ▶ Energy ▶ Transport ▶ Information technology and telecommunications or other advanced technologies ▶ Finance and credit ▶ Military equipment <p>Such sectors are relevant once an investment is made.</p>	

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3) Is the relevant authority's approval mandatory prior to closing (suspensory)?	4) Please provide the process timeline	5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?	6) Legal Reference
<p>Yes.</p> <p>Approval from the relevant authorities must be obtained prior to formalizing the investment.</p>	<p>The process timeline is 18 days unless the Committee decides that additional information is required from the respective subject.</p>	<p>There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.</p>	<p>▸ The Law on Protection of Objects Important to Ensuring National Security of the Republic of Lithuania, No. IX-1132 (new edition No. XIII992 dated 2018-01-12)</p>

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening								
Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others
<p>1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.</p> <p>No.</p> <p>Luxembourg is among the 13 Member States who have not yet adopted a domestic screening mechanism for FDI.</p> <p>The Bill of law N° 7578 was introduced on 7 May 2020 to remedy this situation. This bill has been accepted by the Parliament but no discussion has yet taken place regarding its adoption.</p>			<p>2) Is notification under FDI rules mandatory?</p> <p>Not Applicable.</p>			<p>3) Is the relevant authority's approval mandatory prior to closing (suspensory)?</p> <p>Not Applicable.</p>		

4) Please provide the process timeline	5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?	6) Legal Reference
Not Applicable.	There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.	▸ Bill of law N° 7578

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Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening								
Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/Insurance	Real Estate/Land	Others
<p>1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.</p> <p>Yes. The applicable threshold is 10% of the foreign investment. See specific sector notes for further details.</p>			<p>2) Is notification under FDI rules mandatory?</p> <p>Yes. Notification under FDI rules is mandatory.</p>			<p>3) Is the relevant authority's approval mandatory prior to closing (suspensory)?</p> <p>Yes. Approval from the relevant authorities must be obtained prior to formalizing the investment. The National FDI Screening Office may extend the period required to decide on FDI.</p>		

4) Please provide the process timeline

The process timeline is expected to be approximately 60 days.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.

6) Legal Reference

- Act No. LX of 2020

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Finance/Banking/Insurance	This sector requires a licence from the Malta Financial Services Authority.

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.

Yes.

Foreign investors may not participate (even with authorization) in activities:

- Considered reserved for the Mexican State
- Reserved exclusively for Mexicans
- Where a maximum participation by foreign capital is limited to a specific percentage

Activities reserved for the Mexican State, among others, are the following:

- Exploration and drilling of oil and other hydrocarbons
- Planning and control of the national electricity system, as well as the public electricity transmission and distribution service
- Generation of nuclear energy
- Radioactive minerals
- Telegraphs
- Radiotelegraphy
- Postal service
- Issuance of currency
- Control, supervision, and surveillance of ports, airports and heliports

Activities reserved for Mexicans, among others, are the following:

- Land transportation of passengers, tourism, and freight, not including courier services

- Development banking institutions
- The provision of professional and technical services expressly indicated by the applicable legal provisions

Limited activities, among others, are the following:

- Up to 10% in cooperative production companies

Please refer to comments in the following slides.

1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds (*continued*)

- Up to 49% in:
 - Manufacture and commercialization of explosives, firearms, cartridges, ammunition and fireworks, not including the acquisition and use of explosives for industrial and extractive activities, nor the preparation of explosive mixtures to carry out said activities
 - Printing and publication of newspapers for exclusive circulation within the national territory
 - Series 'T' shares of companies that own agricultural, livestock, and forestry lands
 - Fishing in fresh water, coastal and in the exclusive economic zone, not including aquaculture
 - Port administration
 - Port pilotage services for vessels to carry out inland navigation operations
 - Shipping companies dedicated to the commercial exploitation of vessels for inland navigation and cabotage, with the exception of tourist cruises and the exploitation of dredgers and naval devices for construction, conservation and port operation
 - Supply of fuels and lubricants for ships, aircraft and railway equipment
 - Broadcasting
 - Regular and non-regular national air transport services, non-regular international air transport services in the form of air taxis and specialized air transport services

There are additional restrictions on the acquisition of real estate in restricted areas (i.e., the strip of national territory measuring 100 kilometers along the borders and 50 kilometers along the beaches, according to section I of Art. 27 of the Mexican Constitution).

2) Is notification under FDI rules mandatory?

Authorization from the National Foreign Investment Commission is required for foreign investors to participate in more than 49% in the following activities:

- Port services for vessels to carry out their inland navigation operations, such as towing, rope mooring and launching
- Shipping companies dedicated to the exploitation of vessels exclusively in high-altitude traffic
- Private pre-school, elementary school and high school education services
- Construction, operation and exploitation of railways that are a general means of transportation
- Provision of the public rail transport services

Foreigners who intend to acquire real estate outside the restricted area, or obtain concessions for the exploration and exploitation of mines and waters in national territory, must submit in advance a document to the Ministry of Foreign Affairs in which they agree with the provisions of Section I of Art. 27 of the Mexican Constitution and obtain the corresponding permit from the Ministry.

3) Is the relevant authority's approval mandatory prior to closing (suspensory)?

Yes.

Approval from the relevant authorities must be obtained prior to formalizing the investment.

4) Please provide the process timeline

The process timeline is 45 business days.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.

However, investors should not that there are currently delays in registrations, authorizations or any other procedures.

6) Legal Reference

- Foreign Investment Law

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking /Insurance	Real Estate/Land	Others
<p>1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.</p> <p>Yes.</p> <p>The screening rules relate to acquisition by an overseas person of certain categories of New Zealand assets, namely:</p> <ul style="list-style-type: none"> ▸ Sensitive land ▸ Significant business assets ▸ Fisheries quota <p>The monetary threshold for significant business assets is generally business assets with a value over NZ\$100 mn but may be higher for investors from certain countries with which New Zealand has a free trade agreement.</p> <p>Generally, the threshold for a relevant interest relates to the acquisition (directly or indirectly) of an interest in more than 25% of the relevant New Zealand asset. Different size thresholds apply to the assessment of whether land is sensitive land depending on the nature and location of the land. For leasehold and similar interests, the relevant threshold is currently a term of more than three years, although this is expected to change to 10 years.</p> <p>See specific sector notes for further details.</p>			<p>2) Is notification under FDI rules mandatory?</p> <p>Yes.</p> <p>Currently, as a temporary COVID-19 pandemic-related measure, transactions involving the acquisition of an interest in New Zealand businesses is subject to mandatory notification obligations to enable screening for 'national interest' considerations, with no minimum monetary threshold. Any acquisition of relevant interests in sensitive land, fisheries quota or business assets over the relevant monetary threshold requires express consent.</p>			<p>3) Is the relevant authority's approval mandatory prior to closing (suspensory)?</p> <p>Yes.</p> <p>Where notification or consent is required, the transaction cannot proceed until consent has been given. Obtaining any required consent should be a mandatory pre-condition in any agreement for the acquisition of an interest in relevant New Zealand assets to avoid breaches.</p>		

4) Please provide the process timeline

Typically a response to a notification should be received within 10 business days, but can take as long as 70 business days. Applications for consent can take from two months to more than 12 months, depending on complexity and the nature of the assets involved.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

Yes.

A temporary emergency notification regime was introduced in June 2020. This notification regime requires the Overseas Investment Office to be notified of FDI that is not already subject to the FDI screening regime, irrespective of the value of the transaction.

The temporary notification regime is required to be reviewed every 90 days to assess whether the effects of the COVID-19 pandemic justify the regime being maintained in force. The last review was conducted in February 2021 and the next review was scheduled for 25 May 2021.

6) Legal Reference

- Overseas Investment Act 2005
- Overseas Investment Regulations 2005

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Critical Infrastructure	Water infrastructure or any other category of strategically important business that may be prescribed in regulations (none to date).
Others	Any investment where a foreign government or its associates would hold a 10% or greater interest in the asset.
<p>Notes:</p> <p>The regime applies across all sectors. The relevant sectors highlighted here are of particular relevance to the recently introduced 'national interest' assessment. The national interest assessment can also be used to consider potential inconsistency with other Government objectives, such as environmental or economic objectives.</p>	

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking /Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.	2) Is notification under FDI rules mandatory?	3) Is the relevant authority's approval mandatory prior to closing (suspensory)?
<p>Yes.</p> <p>The key act governing the rules of acquisition of shares and assets by foreign investors is the Act of 24 July 2015 on the control over certain investments (FDI Act). The FDI Act was amended as a result of the COVID-19 pandemic and this amendment is expected to remain in effect until 25 July 2022. However, the regulation may be extended.</p> <p>The FDI Act applies generally to</p> <ul style="list-style-type: none"> ▸ Acquisitions of shares in public companies (regardless of sector in which the given company operates) ▸ Companies operating in one of the dozens of sectors indicated in the FDI Act (even if they are not public companies), if revenue from sales and services of the given company in the territory of Poland in any of the two financial years preceding the notification exceeded the equivalent of €10 mn <p>The FDI Act requires prior notification to the President of the Polish Competition Authority (PCA) of an intent by a non-EEA or Organisation for Economic Co-operation and Development (OECD) entity to make an investment that results in the acquisition, achievement or obtaining, either directly, indirectly or consequentially, a significant participation or the status of dominant company with respect to a protected company. 'Significant participation' is defined as 20% or 40% (depending on the factual situation) of the shares in voting rights, capital or profits, or the acquisition or lease of an enterprise or an organized part.</p> <p>See specific sector notes for further details.</p>	<p>Yes.</p> <p>As a rule, the PCA must be notified in advance of a transaction. Where there is a tender offer for the sale or exchange of shares in a public company, notification must be made prior to publication of the tender offer. The entity submitting the notification is obliged to refrain from performing the action covered by the notification until the deadline by which the decision should be issued.</p> <p>The regulations provide for exceptions from prior notification where there is an indirect acquisition as a result of actions performed under the provisions of foreign law. In those circumstances, the notice may be given after the acquisition is made, within one of the statutory periods.</p>	<p>Yes.</p> <p>Approval from the relevant authorities must be obtained prior to formalizing the investment.</p>

4) Please provide the process timeline

The process timeline is 30 days for Phase 1 and an additional 120 days for Phase 2.

The Office of Competition and Consumer Protection (OCCP) proceedings are divided into two phases. In Phase 1, the PCA has a 30 day deadline to issue a decision or move the case to Phase 2.

According to the PCA's guidelines, the PCA must decide the case for 'non-controversial' transactions within 30 days (Phase 1). In Phase 2, the PCA has 120 days to issue a decision. A number of events can suspend both of these deadlines, including a request for information from the PCA, which suspends the running of the deadline until the applicant's response is received.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

Yes.

There are FDI screening regulations specifically adopted in the context of the COVID-19 pandemic in Poland.

The FDI Act was amended as a result of the COVID-19 pandemic and this amendment is expected to remain in effect until 25 July 2022. However, the regulation may be extended.

6) Legal Reference

- ▶ The Act of 24 July 2015 on the control over certain investments (unified text, Journal of Laws of 2020, item 2145, as amended)

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Others	<p>This includes:</p> <ul style="list-style-type: none"> ▶ Public companies in all sectors ▶ Development or modification of specified types of software ▶ Cloud computing, data collection ▶ Medical equipment, instruments and devices ▶ Production of drugs or other pharmaceutical products ▶ Processing of meat, cereals, milk, fruits and vegetables
<p>Notes:</p> <p>The sectors covered by the FDI Act include those that are traditionally considered strategic (energy, gas, telecommunications, fuel, chemicals, etc..) as well as those that are not usually considered strategic in other jurisdictions (such as pharmaceuticals and food processing).</p> <p>Notwithstanding the above, provisions that could potentially be classified as FDI regulations can be also found in other legislation.</p> <p>This applies to:</p> <ul style="list-style-type: none"> ▶ Real estate ▶ Air transport ▶ Radio and television broadcasting ▶ Airport and seaport operations ▶ Insurance ▶ Weapons or military equipment ▶ Where sector regulations are in place or are planned in the near future (for example, the media sector, which is likely to be regulated in the near future) <p>These regulations may impose specific requirements on the rules and manner in which foreign investors conduct their activities, as well as imposing obligations to obtain additional approvals before commencing such activities. For this reason, any acquisition by foreign investors of shares or assets of companies in the sectors indicated in this table should be preceded by a detailed analysis of current requirements and procedures relating to such acquisition.</p>	

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.	2) Is notification under FDI rules mandatory?	3) Is the relevant authority's approval mandatory prior to closing (suspensory)?
<p>Yes.</p> <ul style="list-style-type: none"> ▶ Any economic concentration or change of control in an operation must be analyzed from a national security perspective ▶ Any transaction with a value meeting or exceeding €2 mn or the RON equivalent. Transactions below this value may be examined if, due to their nature, they might have a significant impact on, or pose significant risk to, national security or public order <p>See specific sector notes for further details.</p>	<p>Yes.</p> <p>Usually performed as part of the merger clearance process, the notification to the relevant authority being sent by the competition authority which was notified with respect to an economic concentration.</p> <p>Any transaction with a value meeting or exceeding €2 mn or the RON equivalent, a notification under FDI rules is mandatory.</p>	<p>Yes.</p> <p>Approval from the relevant authorities must be obtained prior to formalizing the investment.</p> <p>For circumstances where, the competent authority notifies the competition authority that the operation may pose risks to the national security.</p>

4) Please provide the process timeline	5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?	6) Legal Reference
<p>No legally prescribed duration.</p> <p>For any transaction with a value meeting or exceeding €2 mn or the RON equivalent, the process timeline is expected to be around 60 days from the date the authority receives a complete application, including all necessary approvals from other relevant authorities.</p>	<p>There are no provisions in the FDI legislation specifically adopted in the context of the COVID-19 pandemic.</p>	<ul style="list-style-type: none">▸ Competition Law no. 21/1996▸ Romanian Supreme Council of National Defense Decision no. 73/2012▸ Draft government emergency ordinance concerning the measures for the implementation of EU Regulation 452/2019 and for supplementing Competition Law no. 21/1996 <p>Note: The updated legislation is still in draft form and should be adopted in the next period.</p> <p>The screening mechanism (as provided in the current form of the draft) will also apply to:</p> <ul style="list-style-type: none">▸ Legal entities which have their registered office in EU member states, but which are controlled by a non-EU natural person, a legal entity which has its registered office in a third country or an entity without legal personality which is organized under the laws of a third country▸ A fiduciary administrator who is a non-EU natural person, a legal entity which has its registered office in a third country or an entity without legal personality which is organized under the laws of a third country

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Critical Technologies	There is no express reference to critical technologies but the FDI control mechanism does apply to the security of computer and communication systems.
Defense and/or National Security	There is no express mention of defense/national security among the relevant sectors but the objective of the FDI control mechanism concerns operations which may pose a risk to national security. Therefore should any investor be concerned with this area, they are obliged to seek detailed advice, especially if the investment target is involved in the manufacturing and distribution of guns, ammunition, explosives or toxic substances.
Real Estate/Land	There is no express mention of Real Estate/Land, but the FDI control mechanism does apply to the protection of agriculture and environment.
Others:	<p>Legislation specifies the following sectors are subject to these rules and thresholds:</p> <ul style="list-style-type: none"> ▸ Security of citizens and communities ▸ Security of state borders ▸ Energy security ▸ Transportation security ▸ Computer and communication systems security ▸ Industrial security ▸ Protection against natural disasters ▸ Protection of agriculture and the environment ▸ Protection of privatization of state-owned enterprises, or their management <p>The FDI control mechanism applies to any operation which is susceptible to analysis from a national security perspective, irrespective of the party's nationality.</p>

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.	2) Is notification under FDI rules mandatory?	3) Is the relevant authority's approval mandatory prior to closing (suspensory)?
<p>Yes.</p> <p>The applicable threshold is for transactions leading to acquisitions of at least 10% share capital or voting rights.</p> <p>See specific sector notes for further details.</p>	<p>Yes.</p> <p>Notification under FDI rules is mandatory.</p> <p>The notification must be made in the Slovenian language.</p>	<p>No.</p> <p>The notification must be made within 15 days after the conclusion of the transaction.</p> <p>However, the authorities may decide not to allow such investment and transaction, which means any agreements, resolutions or registrations would be declared void. Therefore it is advisable to seek approval before a transaction is concluded or executed.</p>

4) Please provide the process timeline

The process timeline is usually expected to be approximately two months.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

Yes.

The FDI regulations for Slovenia were adopted specifically in the context of the COVID-19 pandemic. The regulations are expected to be in force until 30 June 2023.

6) Legal Reference

- Act Determining the Intervention Measures to Mitigate and Remedy the Consequences of the COVID-19 pandemic Epidemic (ZIUOOPE), Official Gazette no. 80/20, 152/20 - ZZUOOP, 175/20 - ZIUOPDVE and 203/20 - ZIUPOPDVE

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Real Estate/Land	Real Estate/Land related to critical structure is subject to a review procedure.
Others	Certain projects and programs are in the interest of the EU.

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.	2) Is notification under FDI rules mandatory?	3) Is the relevant authority's approval mandatory prior to closing (suspensory)?
<p>Yes.</p> <p>FDI screening rules apply to all investments as a result of which the investor holds a stake equal to, or greater than, 10% of the share capital of certain Spanish companies, that are carried out by:</p> <ul style="list-style-type: none"> ▸ Residents of non-EU/European Free Trade Area (EFTA) states ▸ EU/EFTA residents whose beneficial ownership corresponds to non-EU/EFTA residents are subject to authorization, being understood that such beneficial ownership exists when the latter ultimately hold or control, directly or indirectly, above 25% of the equity or voting rights of the investor, or when the non-EU-EFTA residents exercise control via other means, directly or indirectly, over the investor <p>Moreover, until 30 June 2021, the 25% threshold will include all investors who are not Spanish residents (i.e. including EU/EFTA residents).</p>	<p>Notification is mandatory when the thresholds are met or when the target is active in one of the relevant sectors.</p> <p>Furthermore, notification is also mandatory when:</p> <ul style="list-style-type: none"> ▸ The foreign investor is directly or indirectly controlled by the government, including public bodies or the armed forces, of a third country ▸ The foreign investor has made investments or participated in activities in sectors affecting security, public order and public health in another EU Member State ▸ If there is a serious risk that the foreign investor carries out criminal or illegal activities affecting public security, public order or public health in Spain 	<p>Yes.</p> <p>Investment operations carried out without the required prior authorization will be deemed null and void and with no validity or legal effect until they are legalized. Carrying out transactions without requesting authorization when it is required (or prior to it being granted or acting in breach of the established conditions) will constitute a highly serious infringement and will lead to enforcement action. Along with the transaction being declared null and void, the authorities have the right to levy monetary penalties or a reprimand (public or private).</p>

4) Please provide the process timeline

The process timeline is expected to be approximately six months by law, however usual practice suggests that the relevant authorities issue their decision approximately two months from the formal submission of the transaction.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

Yes.

The Transitional Provision of Royal Decree-Law 34/2020 sets forth a transitional regime for the suspension of the liberalization of certain direct foreign investments made by residents of other EU/EFTA countries. This regime will be applicable until 30 June 2021.

6) Legal Reference

- Law 19/2003, of 4 July, on the legal structure regulating the movement of capital and economic transactions in the international market and regarding certain measures against money laundering (in its consolidated version) (specially Art. 7 bis)
- Royal Decree 664/1999, of 23 April, on foreign investments (regarding National Defense)
- The Transitional Provision of Royal Decree-Law 34/2020 sets forth a transitional regime applicable until 30 June 2021, for the suspension of the liberalization of certain direct foreign investments made by residents of other EU/EFTA countries

Prospective investors should note that it is possible to submit a formal petition to the corresponding government ministry (depending on the transaction) to ask if the transaction must be notified or not.

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening								
Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking /Insurance	Real Estate/Land	Others
<p>1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.</p> <p>No.</p> <p>There is no general threshold. However, thresholds may be defined separately per sector.</p> <p>Switzerland does not currently possess comprehensive rules on FDI. Rules limiting and regulating foreign investment have been adopted for some sectors, notably real estate (Lex Koller) and banking. Moreover, a de facto limitation on foreign investment has to be taken into account for sectors where state ownership prevails. However, a parliamentary motion was accepted in spring 2020 giving the Federal Council the task of preparing and submitting a draft bill to the Parliament on FDI in Swiss companies within two years.</p> <p>See specific sector notes for further details.</p>			<p>2) Is notification under FDI rules mandatory?</p> <p>The notification duties are regulated at sector specific level.</p>			<p>3) Is the relevant authority's approval mandatory prior to closing (suspensory)?</p> <p>This condition is dependent on the sector.</p> <p>For example:</p> <ul style="list-style-type: none"> In the real estate sector, the authorization has a suspensive effect (Art. 26 of the Federal Law on Acquisition of Real Estate by Foreign Persons) In the banking sector, a bank may not start its activities and be registered in the commercial registry before it is granted the required authorization (Art. 3 Federal Banking Act) 		

4) Please provide the process timeline

Generally, no waiting period is prescribed by law. The duration of the process may vary depending on the specific sector, region and complexity of the case. For example, in the banking sector, a period of six months should generally be taken into account.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.

6) Legal Reference

Different laws may apply depending on the sector, such as:

- Federal Law on Acquisition of Real Estate by Foreign Persons (Lex Koller)
- Federal Banking Act
- Federal Act on Telecommunications
- Federal Act on Radio and Television
- Federal Nuclear Energy Act
- Federal Aviation Act

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Critical Infrastructure	There is no specific regulation limiting investment in critical infrastructure. A de facto limitation of foreign investment must, however, be taken into account as critical infrastructure is largely state owned. A license is required for telecommunications, as well as nuclear energy. In these sectors, reciprocity of treatment is required
Defense and/or National Security	There may be a de facto limitation on foreign investment as the sector is largely state owned
Media	In the radio and television sector, investment is subject to a license. Foreign investments are dependent on reciprocity requirements
Finance/Banking/Insurance	An additional regulatory approval is required when a controlling stake of a Swiss-controlled bank or securities firm is transferred to foreign ownership. The same applies to foreign-controlled banks when significant changes in their foreign control occur
Others	Licenses are required in the telecommunications, radio and television, aviation and nuclear energy sectors. In these sectors, reciprocity of treatment under foreign law is required. Reciprocity is required, with exceptions, in the banking sector as well. It should be noted that in sectors where partial or total ownership by the state prevails, such as critical infrastructure, a limitation of foreign investment may occur de facto based on the state ownership, even if there is no specific FDI regulation in place

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking /Insurance	Real Estate/Land	Others
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1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.

Yes, wherever there will be a direct change in ownership of UAE based companies, the approval of the relevant licensing authorities must be obtained before the change will be recognized and the company's constitutional documents must be updated to reflect the change. In addition, according to UAE Cabinet Resolution no. 58 of 2020, all UAE companies must keep a record of changes in ultimate beneficial ownership (UBO) where there is a change in ownership or control of at least 25% of the UBO's issued share capital.

With regard to foreign ownership restrictions in the UAE, previously UAE Federal Law No. 2/2015 on Commercial Companies (Companies Law), and its prior iterations dating back to 1984, required companies incorporated in the UAE mainland to appoint a UAE national (or a company wholly owned by a UAE national/s) to hold a minimum of 51% of the shares of the company. This restriction did not apply in the UAE's Free Zones, which are separate economic zones within each Emirate that have their own rules for licensing businesses within that jurisdiction and their own companies regulations. The FDI restriction in Art. 10 of the Companies Law was repealed by Art. 1 of the Federal Decree-Law No. 26/2020 (the CCL Amendment), together with other key amendments. The default position is now that a foreign investor may hold up to 100% of the shares in an LLC.

However, the new Art. 10 provides that certain 'Activities of Strategic Impact' will require some level of ownership by UAE nationals. The UAE Cabinet is expected to issue a resolution that will specify what the Activities of Strategic Impact comprise in due course. In addition, the Economic Departments in each Emirate will have the discretion to determine the percentage of the company shareholding that must be owned by UAE nationals and the number of UAE nationals who must be appointed to the board.

A new Art.151 amends the requirements concerning the composition of the board of directors of a Public Joint Stock Company. The Chairman and the majority of the board members are no longer required to be UAE nationals, but are subject to requirements determined by the Cabinet or by the Economic Department in each Emirate in accordance with the new Art.10.

The amendments of Art. 10 and Art.151 will take effect six months from the date of publication of the CCL Amendment in the Official Gazette, being 31 March 2021.

2) Is notification under FDI rules mandatory?

As mentioned under Q1, the consent of the licensing authority in the Emirate in which the company is based must be obtained for any direct changes in ownership of that company.

In addition, any significant changes (25% or more of the company's issued share capital) in the UBO of a UAE based company (whether based in the UAE mainland or in a Free Zone) must be recorded in a register that must be maintained by the company for such purpose and must be open to inspection by the UAE licensing authorities.

Changes in the ultimate ownership of wholly UAE national owned companies that result in such companies having mixed ultimate ownership (both foreign and UAE ownership) must be mandatorily reported to the licensing authority in the Emirate in which the subsidiary is based as that subsidiary will then cease to be entitled to certain privileges that are granted only to wholly UAE national-owned companies.

3) Is the relevant authority's approval mandatory prior to closing (suspensory)?

There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.

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4) Please provide the process timeline

- ▶ A number of documents must normally be collated to effect a transfer of shares in a company in the UAE. The document requirements tend to be broadly similar irrespective of whether the UAE company is based in the UAE mainland or in a Free Zone
- ▶ The licensing authority's document requirements typically include
 - ▶ Board resolutions from the buyer and seller (assuming they are corporate entities and not individuals) approving the share sale
 - ▶ Powers of attorney authorizing individuals in country to effect the share transfer
 - ▶ The company constitutional documents of the buyer and an amendment to the official Memorandum of Association of the target company to reflect the change in its shareholding.
- ▶ Documents issued or signed outside the UAE must, typically, be notarized by a notary public and legalized by the UAE embassy in the relevant country, which can be time consuming. The entire process can, therefore, take between two to three months in a Free Zone and three to four months in the UAE mainland

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.

6) Legal Reference

- ▶ Federal Law No. 2/2015 on Commercial Companies (as amended)
- ▶ Federal Decree - Law No. 26/2020 (Companies Law Amendments), gazetted on 30 September 2020

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
<p>Notes:</p> <ul style="list-style-type: none">▶ The UAE is a federation comprising seven Emirates: Abu Dhabi, Dubai, Sharjah, Ras Al Khaimah, Ajman, Fujairah and Umm Al Quwain. All seven Emirates have adopted measures to create a more favourable environment for foreign investment. As mentioned above, the UAE Government has recently passed an amendment to the Companies Law to entice foreign investment in the UAE mainland. The strategic plan promoted by the Government, 'Vision 2021', favors greater FDI, especially in key strategic sectors such as technology. In the UAE's Free Zones, foreign investors may hold 100% of a company's shares. The primary benefits of establishing a business in the Free Zones include exemptions from import and export customs duty, corporate income tax and, in relation to certain Free Zones which are deemed to be Designated Zones under the UAE Federal VAT Law, certain transactions being deemed to be outside the scope of the VAT regime▶ Abu Dhabi and Dubai have also implemented a dual licensing regime: Entities located in certain Free Zones are permitted to carry out particular commercial activities outside the Free Zone, if this is permitted by both the Free Zone Authority and the Department of Economic Development in the Emirate in which the entity is based▶ Abu Dhabi and Dubai also permit the acquisition of real estate by foreigners in certain freehold developments	

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening

Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/ Insurance	Real Estate/Land	Others			
<p>1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.</p> <p>Yes.</p> <p>Target Turnover of £1 mn & Share of Supply conditions:</p> <p>The applicable thresholds are either:</p> <ul style="list-style-type: none"> ▶ Target has turnover of £1 mn in the UK ▶ The Parties have a combined United Kingdom (UK) share of supply of 25% or more ▶ The Target alone has a UK share of supply of 25% or more <p>Target Turnover of £ 70 mn & Share of Supply conditions:</p> <p>The applicable thresholds are either:</p> <ul style="list-style-type: none"> ▶ Target has turnover of £70 mn in the UK ▶ The Parties have a combined UK share of supply of 25% or more <p>Special Rules:</p> <p>There are additional special rules in place. The</p>			<p>special rules apply under the Enterprise Act 2002 where:</p> <ul style="list-style-type: none"> ▶ One of the parties is a current or former government contractor that holds or may hold or receive confidential information, documents or other articles relating to defense (and in this case there is no turnover or share of supply threshold) ▶ Certain media and broadcasting mergers where one party has at least a 25% share of supply 			<p>2) Is notification under FDI rules mandatory?</p> <p>No.</p> <p>The notification is voluntary. The government can call a transaction in for review by issuing a public interest intervention notice (PIIN) up to four months after completion.</p> <p>For Special Rules: The government can call a transaction in for review by issuing a special public interest notice (SPIIN).</p>			<p>3) Is the relevant authority's approval mandatory prior to closing (suspensory)?</p> <p>No.</p> <p>The government can call a transaction in for review and impose a standstill order.</p>		

4) Please provide the process timeline

- **Phase 1:**
 - 40 working days for assessment
 - No statutory timeframe for decision
- **Phase 2:**
 - 24 weeks (with possible eight week extension) plus 30 (non-working) days for decision

For Special Rules:

- **Phase 1:** There is no statutory timeframe for this phase
- **Phase 2:** 24 weeks (with possible eight week extension) plus 30 (non-working) days for the decision

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

Yes, for transactions with Target Turnover of £ 70 mn & Share of Supply conditions.

There are no time limitations. The regulations allow the government to intervene in any merger to maintain in the UK the ability to combat and mitigate the effects of any public health emergency.

6) Legal Reference

- **Enterprise Act 2002:** The Act contains powers for the government to investigate and prohibit investments on public interest grounds

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Others	<p>Legislation specifies the following sectors are subject to these rules and thresholds:</p> <ul style="list-style-type: none">▸ Development or production of items for military or military and civilian use (dual use)▸ Design and maintenance of aspects of computing hardware▸ Development and production of quantum technology▸ Artificial intelligence▸ Cryptographic authentication▸ Advanced materials
<p>Notes:</p> <p>In addition to the three public interest grounds specified (i.e., Defense and-or National Security, Media and Finance/Banking/Insurance sectors), the government can intervene in any merger on the ground of the need to maintain in the UK the capability to combat and mitigate the effects of public health emergencies.</p>	

Legends for relevant sectors, along with hyperlinks to any additional information for the given sector:

Yes, FDI rules in place

No FDI rules in place

Sectors subject to FDI screening								
Critical Infrastructure	Critical Technologies	Critical Resources	Access to Sensitive Data	Defense and/or National Security	Media	Finance/Banking/Insurance	Real Estate/Land	Others
<p>1) Are Foreign Direct Investment (FDI) screening rules applicable in this jurisdiction? Provide a description of the relevant thresholds.</p> <p>Yes.</p> <p>There are no common thresholds applicable to FDI screening.</p> <p>From 1 January 2021, the Law on Investment 2020 takes effect. Under this new law, the feasibility of investment in Vietnam for foreign investors will be assessed based on their contemplated business sectors. Accordingly, the business sectors are classified into three groups:</p> <ul style="list-style-type: none"> ▸ Sectors for which FDI is not permitted ▸ Sectors for which FDI is permitted but subject to conditions (e.g., restrictions on foreign ownership ratio or type of investment) ▸ Sectors for which FDI is permitted in general, as the new investment law seeks to create more favorable conditions for foreign investors contemplating investment in Vietnam <p>See specific sector notes for further details.</p>			<p>2) Is notification under FDI rules mandatory?</p> <p>The FDI screening is performed under a licensing mechanism rather than a notification mechanism.</p> <p>Nevertheless, during the implementation of an investment project, notifications or reports must be prepared such as:</p> <ul style="list-style-type: none"> ▸ Report on collection of information regarding investment capital implementation ▸ Report on status of implementation of investment project ▸ Report on regular supervision and assessment of project operation ▸ Reports relating to business operation of the project enterprise under Vietnamese law 			<p>3) Is the relevant authority's approval mandatory prior to closing (suspensory)?</p> <p>This will depend on the applicable laws, assessments, guidance and decisions of relevant competent authorities.</p>		

4) Please provide the process timeline

The process timeline will depend on the applicable laws, assessments, guidance and decisions of relevant competent authorities.

5) Are there FDI screening regulations specifically adopted in the context of the COVID-19 pandemic? If yes, until when are these expected to be in force?

There are no FDI screening regulations specifically adopted in the context of the COVID-19 pandemic.

6) Legal Reference

- Law on Investment
- Law on Public - Private Partnership Investment and related laws

Please refer to jurisdiction-specific relevant sector comments:

Relevant Sectors	Additional Information
Others	This applies to various sectors such as: <ul style="list-style-type: none">▸ Transportation▸ Education▸ Manufacturing, production and distribution: For investments by merger and acquisition transactions in the manufacturing sector, foreign investors may face stricter requirements

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