MERGER CONTROL AND FDI

Comparative Guide for

Croatia,

Czech Republic,

Hungary,

Montenegro,

Poland,

Romania,

Serbia,

Slovakia

August, 2025

INTRODUCTION

This comparative guide provides a concise yet practical overview of Merger Control and Foreign Direct Investment (FDI) Control regimes across key jurisdictions in Central and Eastern Europe (CEE): Poland, Czech Republic, Slovakia, Hungary, Romania, Croatia, Serbia, and Montenegro.

As the region continues to attract significant inbound investment and cross-border M&A activity, navigating the evolving regulatory landscape has become increasingly complex. While EU-level rules provide a degree of harmonization, national regulators apply distinct thresholds, timelines, and review standards. At the same time, FDI regimes—some newly introduced or recently strengthened—are playing an ever more prominent role in deal clearance, particularly in strategic sectors.

This guide is designed for legal practitioners, in-house counsel, investors, and dealmakers involved in transactions with a CEE nexus. It offers a side-by-side comparison of notification requirements, review procedures, and enforcement trends, helping users anticipate potential hurdles and structure deals more efficiently.

Whether you're conducting preliminary due diligence or managing a multi-jurisdictional filing strategy, this guide is intended as a practical tool to support smooth execution and regulatory compliance in the region.

Should you have any questions or require jurisdiction-specific advice, the contact person for each country is listed on the last page.

Sincerely,
Horizons Alliance
Your legal partner in CEE

I. MERGER CONTROL

CROATIA

1. What kinds of transactions are subject to merger control?

A transaction subject to merger control is defined as a transaction whereby:

- two or more previously independent undertakings merge into one undertaking;
- an undertaking acquires direct or indirect control or prevailing influence of one or more undertakings or of part or parts of other undertakings;
- there is a change of control over an undertaking which arose in some other way prescribed by the Croatian Company's Act and accompanying bylaws (e.g. certain entrepreneurial contracts).

Furthermore:

- transactions that result in the establishment of a full-function joint venture will also be subject to merger control;
- if the acquisition of a minority interest confers someone with de facto control of a business, the transaction will be subject to merger control.

An undertaking is deemed to have direct or indirect control over another undertaking if the controlling undertaking: (i) has more than half of shares in the controlled undertaking; (ii) may exercise more than half of the voting rights; (iii) has the right to appoint more than half of the members of the Management Board, the Supervisory Board or the appropriate management bodies of the controlled undertaking, or (iv) is otherwise entitled to manage the business of the controlled undertaking.

2. What are the applicable filing thresholds under merger control rules?

A merger notification must be filed if the following is met cumulatively:

- the combined annual worldwide turnover of all the parties to the merger amounts to at least HRK 1 billion (EUR 132,722,808.41, pursuant to fixed conversion rate EUR 1 = 7.53450) in accordance with the financial statements for the financial year preceding the merger, if at least one of the parties to the merger is established and/or has a subsidiary in the Republic of Croatia, and
- the total turnover of each of at least two parties to the concentration in the Republic of Croatia, amounts to at least HRK 100 million (EUR 13,272,280.84, pursuant to fixed conversion rate EUR 1 = 7.53450) in accordance with the financial statements for the financial year preceding the merger.

These thresholds apply to all transactions, apart from mergers in the media market, where merger filing is obligatory regardless of the turnover or size of the parties.

3. Is notification of transactions mandatory?

If the statutory threshold is cumulatively met, merger filing is mandatory.

4. At what stage must a transaction be notified?

A merger notification must be filed when a binding agreement has been concluded, a takeover bid has been published, or a controlling interest has been acquired. There is no specific deadline, but the transaction may not be implemented before the merger has been approved by the Agency.

5. Are there any exemptions from merger control rules?

There is no obligation to file a merger notification in the following situations:

- Where credit institutions or other financial undertakings, investment funds or insurance companies whose regular activities include transactions and dealing in securities are temporarily in possession of interests in an undertaking acquired with the intention to resell, if they do not exercise voting rights in such a way to influence competitive conduct of that undertaking. The disposal must take place within one year (possibility of prolongation for an additional twelve months) of the date of acquisition;
- Where control is transferred onto a professional insolvency administrator or liquidator who has powers under applicable insolvency legislation;
- Acquisition of shares because of internal restructuring of affiliated undertakings;
- Transactions involving only foreign businesses (foreign-to-foreign).

6. Does the merger control regime cover indirect and incremental acquisitions?

Yes. Indirect and incremental acquisitions are covered, provided they lead to a lasting change of control. Two or more transactions between the same parties/groups carried out over a period of two years shall be considered as one merger carried out on the day of the last transaction.

7. Are foreign-to-foreign transactions subject to merger control?

There is no obligation to file a merger notification regarding transactions involving only foreign businesses. To be subject to merger control, at least one of the parties to the merger must be established in or have a subsidiary in Croatia.

8. What is the name of a merger control authority?

The Croatian Competition Agency (hereinafter: the "**Agency**") [*Croatian: Agencija za zaštitu tržišnog natjecanja*]

9. What are the statutory time limits for the merger control process?

The merger control process in Croatia is structured into several phases, each with specific timelines defined by both legal provisions and administrative practice:
1) informal pre-notification consultations with the Agency (if requested by the parties) - in the pre-notification phase, there are no formal rules governing consultations with the Agency, and there is no fixed duration for this stage;
2) phase I - during this phase, the Agency can either approve the merger (with or without commitments) or decide to initiate a more detailed Phase II investigation. The statutory deadline for Phase I is 30 days from the date the notification is deemed complete;
3) phase II - upon launching Phase II, the Agency typically provides the parties with a preliminary statement of concern. This phase often involves detailed market analysis, economic assessments, and negotiations over potential remedies to address anti-competitive concerns. The statutory deadline for completing Phase II is 3 months from the date it is formally initiated.

In exceptional cases, the Agency may extend the review period to up to an additional 3 months, depending on the complexity of the case.

10. What is the average duration of proceedings in practice (if such information is available)?

In practice the duration of the proceedings will often be longer than the formal deadlines.

For example, the initial stage of Phase I, during which the Agency determines whether the notification is deemed complete, takes 2-4 weeks on average, and the official 30-day deadline kicks in only after that point. Depending on the complexity of the merger filing, the duration of Phase II may also be longer in practice.

11. What sanctions may apply for non-compliance with merger control regulations?

The most serious infringements may be sanctioned with fines of up to 10% of the total annual turnover of the undertaking in the last financial year for which financial statements were closed.
For less serious violations, fines may amount to up to 1% of the total annual turnover. Minor infringements may be penalized with fixed fines ranging from HRK 10,000 to 100,000 (EUR 1,327.23 to 13,272.28, pursuant to fixed conversion rate EUR 1 = 7.53450). In cases of short-term breaches, daily penalties may also be imposed.
Additionally, the Agency may request or impose interim measures to prevent serious and irreparable harm or to safeguard legal order. Such measures may be ordered by the Agency itself or requested before a court.
If a merger has been implemented without approval, the Agency may prohibit the merger and order a separation of the businesses or any other measure capable of restoring competition.

12. What are the applicable fees?

There is currently no filing fee for merger notifications in Croatia.

CZECH REPUBLIC

1. What kinds of transactions are subject to merger control?

Under Czech law, merger control applies to transactions such as the merger of two or more previously independent undertakings, the acquisition of direct or indirect control over another undertaking or part thereof (for example, through the purchase of shares or by contract), and the creation of a joint venture that performs all the functions of an independent economic entity on a lasting basis. These transactions are subject to review if the relevant turnover thresholds are met.

2. What are the applicable filing thresholds under merger control rules?

Merger notification is required if the combined net turnover of all merging parties in the Czech Republic for the last completed accounting period exceeds CZK 1,500,000,000 (approx. EUR 61,286,850), and at the same time, the net turnover of each of at least two merging parties in the Czech Republic exceeds CZK 250,000,000 (approx. EUR 10,215,752).
Alternatively, notification is required if the net turnover of at least one merging party in the Czech Republic exceeds CZK 1,500,000,000, and at the same time, the worldwide net turnover of another merging party (including a jointly controlled undertaking) exceeds CZK 1,500,000,000.

3. Is notification of transactions mandatory?

Yes, notification of transactions that constitute a concentration (please refer to point 1 above) and meet the relevant turnover thresholds is mandatory in the Czech Republic.

CZECH REPUBLIC

4. At what stage must a transaction be notified?

The transaction must be notified before its implementation, that is, before the acquisition of control, the merger, or the creation of a joint venture takes place (e.g., closing of the transaction). Notification may be submitted after the conclusion of the agreement establishing the concentration, after the announcement of a takeover bid, or after the creation of a right or obligation to acquire or transfer a share, but always before the actual implementation of the concentration.

5. Are there any exemptions from merger control rules?

Yes, under Czech law there are certain exceptions to merger control rules. A concentration does not require notification to or approval by the Office for the Protection of Competition in particular cases, such as: transactions between undertakings that form a single economic unit (i.e. a group of undertakings under common control), where no change of control occurs in relation to third parties; temporary acquisitions by banks or investment service providers that arise in connection with rescue operations or financial restructuring, or the interim acquisition of shares or interests with the sole purpose of resale.
Furthermore, an acquisition is not considered a concentration if certain powers of statutory bodies of the undertaking temporarily pass to persons acting under special legal regulations, such as a liquidator or insolvency administrator.

6. Does the merger control regime cover indirect and incremental acquisitions?

Yes. The regime applies to both direct and indirect acquisitions of control, whether through shareholdings, contractual arrangements, or via holding structures (such as SPVs), whenever decisive influence over the target is obtained.
It also covers incremental acquisitions: the notification obligation arises when the acquirer obtains control, even if this is achieved step by step through several transactions rather than in a single deal. Separate notifications may be required, for example, for the initial acquisition of joint control and later for the transition to sole control.
If several related transactions are interconnected in terms of subject, timing, and parties, they may be treated as a single concentration, even if each step separately falls below the notification thresholds.

7. Are foreign-to-foreign transactions subject to merger control?

Yes, transactions between foreign entities may be subject to merger control in the Czech Republic if they have an impact on the Czech market (according to the applicable turnover thresholds).

CZECH REPUBLIC

It does not matter whether the parties have their registered office or place of business in the Czech Republic; what matters is whether they achieve the required turnover in the Czech Republic.

8. What is the name of a merger control authority?

The Office for the Protection of Competition (in Czech *Úřad pro ochranu hospodářské soutěže*).

9. What are the statutory time limits for the merger control process?

The Office for the Protection of Competition must decide in the basic (first-phase) proceedings within 30 days of receiving a complete notification. If the case requires an in-depth review, the decision must be issued within 5 months from the start of the extended proceedings. These time limits may be suspended, for example, if the Office requests additional information from the parties. In practice, proceedings that are moved to the second phase often take a year or more to complete.

10. What is the average duration of proceedings in practice (if such information is available)?

In practice, the vast majority of merger control cases in the Czech Republic are cleared within the statutory deadlines, provided the notification is well prepared. Most transactions are reviewed under the simplified procedure, where clearance is typically granted within 20 days. In the standard first-phase procedure, decisions are usually issued within 30 days of submission. Delays are rare unless the Office requests additional information, which is uncommon for clear-cut, properly documented cases.
There is also an increasing emphasis on the pre-notification phase, which is becoming essential to ensure a smooth and timely review and to avoid later delays due to information requests. Only a small minority of cases proceed to in-depth (second-phase) review, which can take several months or longer.
Between 2020 and 2024, 75.5% of cases were cleared in the simplified first-phase procedure, 18.6% in the standard procedure, and only 1.7% proceeded to the second phase. This demonstrates that, in most cases, the average duration does not exceed 20–30 days, unless the transaction is particularly complex or raises competition concerns.

CZECH REPUBLIC

11. What sanctions may apply for non-compliance with merger control regulations?

For violations of merger control rules, the Office for the Protection of Competition may impose a fine of up to 10% of the undertaking's net turnover for implementing a concentration without approval or for failing to notify a notifiable transaction. restoring the previous state, especially if the concentration was carried out without approval.
A fine of up to CZK 300,000 (approx. EUR 12,233) (or higher in more serious cases) may also be imposed for not providing required information or for submitting false or misleading data. The Office can further order remedial measures, such as

12. What are the applicable fees?

The applicable fee for filing a merger notification with the Czech Office for the Protection of Competition is CZK 100,000 (approx. EUR 4,078).

HUNGARY

1. What kinds of transactions are subject to merger control?

Merger control includes transactions between undertakings that result in a permanent acquisition of control or a merger of undertakings. This includes, in particular:

- mergers or amalgamations of undertakings;
- acquisitions of control - where one or more undertakings acquire, directly or indirectly, control of another undertaking (for example, by purchasing shares, parts of a company or a business); and
- the establishment of a joint venture where the new undertaking is created as an independent market player in all respects.

In addition, agreements providing for *de facto* control (e.g. shareholder agreements giving one party decisive influence) may also constitute a concentration.

2. What are the applicable filing thresholds under merger control rules?

Mandatory threshold: If the combined net turnover of the groups of undertakings involved in the concentration exceeded HUF 20 billion (approx. EUR 50,553) in the previous financial year, and if the turnover of at least two groups of undertakings exceeded HUF 1.5 billion (approx. EUR 3,790,602) individually, the concentration must be notified to the Hungarian Competition Authority (HCA). (Only turnover realized in Hungary (from domestic customers) should be taken into account for the calculation.)

Voluntary (soft) threshold: If the above mandatory threshold is not met, but the combined turnover of the undertakings concerned exceeds HUF 5 billion (approx. EUR 2,635,340) and it is not obvious that the concentration does not significantly reduce competition, the HCA may investigate the transaction ex officio.

In such a case, the parties may decide to voluntarily notify the transaction in advance for prior clearance. If no notification is submitted, the HCA may start an investigation, in its sole discretion, within 6 months from the transaction's implementation.

3. Is notification of transactions mandatory?

Yes, if the mandatory threshold is met.
However, if only the voluntary (soft) threshold is met but the transaction does not exceed the mandatory threshold, then notification is not required. In such cases, the parties may voluntarily choose to request prior approval. However, as mentioned above, the HCA reserves the right to review the transaction ex officio within six months of its implementation, even if no prior notification was submitted.

4. At what stage must a transaction be notified?

The notification must be submitted before the implementation (closing) of the transaction.

5. Are there any exemptions from merger control rules?

Yes, some transactions are exempted from merger control rules, as follows:

- National strategic importance (government decree) - the government may classify certain transactions as being of "national strategic importance" by individual decree;
- Intra-group restructuring ;
- Temporary financial investments (resale within 1 year) ;
- Transactions funded by state capital funds - certain acquisitions made by state or mixed-ownership investment funds —have been exempted from notification by specific government decrees ;
- State-led venture capital investments - if a state-controlled VC fund acquires joint control under an EU-approved state aid scheme, no prior HCA approval is required.

6. Does the merger control regime cover indirect and incremental acquisitions?

Yes. Hungarian merger control regime covers both indirect and incremental acquisitions. If the same purchaser acquires multiple businesses from the same seller group within a two-year period, the turnover of those businesses must be aggregated for the purpose of assessing the notification thresholds, provided that the earlier acquisitions were not notified to the Hungarian Competition Authority.

7. Are foreign-to-foreign transactions subject to merger control?

Yes, provided that the Hungarian turnover thresholds are met. Hungarian merger control applies based on turnover generated in Hungary, regardless of the registered seat or location of the parties involved.

8. What is the name of a merger control authority?

Gazdasági- és Versenyhivatal (Hungarian Competition Authority).

9. What are the statutory time limits for the merger control process?

The Hungarian merger control procedure consists of the following phases and time limits:

1) Accelerated procedure (Pre-screening)

Following the submission of the notification, the Hungarian Competition Authority (HCA) has 8 calendar days to conduct a preliminary review. Within this short period, the HCA decides whether a more detailed investigation is necessary.

2) Investigation

The investigation may vary between 30 calendar days to 6 months, depending on the nature and complexity of the cases. These deadlines may be extended by an additional 2 months in justified cases (in certain cases two times).

Within these deadlines, the Hungarian Competition Authority (HCA) must issue a substantive decision.

The above deadlines refer to the HCA's internal administrative timelines. The total time to final clearance may vary depending on how quickly the parties submit all required information and whether they engage in pre-notification discussions.

10. What is the average duration of proceedings in practice (if such information is available)?

The actual duration of the authorization procedure depends on the complexity of the case. In an accelerated procedure, the process can be completed within a week. In simpler cases, a decision is typically reached in practice in approx. 1.5-2 months.

11. What sanctions may apply for non-compliance with merger control regulations?

Hungarian competition law expressly prohibits the implementation of a concentration before clearance. If the parties still close the transaction before the Hungarian Competition Authority's (HCA) approval, the HCA may impose a fine (up to HUF 300,000 – approx. EUR 758- per day for the duration of the transaction).
In more serious cases - for example, if the parties implement the concentration despite a firm prohibition decision - the maximum fine can be up to 13% of the previous year's net turnover of the companies concerned.

12. What are the applicable fees?

The application for merger clearance is subject to the payment of a procedural fee and ranges from HUF 1,300,000 (approx. EUR 3,285) to HUF 21 million (approx. EUR 53,054), depending on the procedure required for the decision.

MONTENEGRO

1. What kinds of transactions are subject to merger control?

The following types of transactions are subject to merger control:

- mergers and other statutory changes leading to consolidation of undertakings;
- acquisitions by one (sole control) or more (joint control) undertakings of direct or indirect control over another undertaking or undertakings, or parts of undertakings which can be considered to constitute an individual business unit; and
- establishments of joint ventures or acquisitions of joint control over existing undertakings, performing on a long-term basis all functions of an autonomous undertaking.

Control is defined as the possibility of exercising (solely or jointly) decisive influence over an undertaking, on a *de jure* or *de facto* basis.

2. What are the applicable filing thresholds under merger control rules?

The mandatory merger filing exists if one of the following financial thresholds is met:

- the aggregate worldwide turnover of all the undertakings concerned in the year preceding the concentration is at least EUR 20 million, provided that at least one of the undertakings concerned achieved a turnover in Montenegro of at least EUR 1 million; or
- the aggregate turnover in Montenegro of at least two undertakings concerned is at least EUR 5 million in the year preceding the concentration.

MONTENEGRO

3. Is notification of transactions mandatory?

If the filing thresholds indicated above are met, the merger filing is mandatory.

4. At what stage must a transaction be notified?

The merger clearance must be obtained prior to the implementation of the transaction. The deadline for submission under the Competition Law is 15 days as of the signing of the binding agreement(s).

5. Are there any exemptions from merger control rules?

Under the Competition Law, a concentration does not arise (and thus no merger control filing is required) when:

- a bank or another financial institution temporarily acquires, in the course of regular business activities, shares for further resale to be realized within a period of 12 months (with a possible extension of six months), provided that the shareholders' rights are not used during this period to influence business decisions of the respective undertaking that concern its conduct in the market;
- a joint venture aims to coordinate the market activities of two or more independent undertakings, as it shall be assessed under rules regulating restrictive agreements; and
- when control over an undertaking is acquired by a person in the capacity of a bankruptcy or liquidation receiver (*stečajni ili likvidacioni upravnik*).

6. Does the merger control regime cover indirect and incremental acquisitions?

Any acquisition that results in a change of control may be covered by merger control regime (provided that the thresholds are met, or if the authority initiates *ex officio* investigation).

7. Are foreign-to-foreign transactions subject to merger control?

Any foreign-to-foreign merger is subject to merger control in Montenegro, provided any of the turnover thresholds stipulated above are satisfied.

8. What is the name of a merger control authority?

Competition Agency of Montenegro (*Agencija za zaštitu konkurencije Crne Gore*).

MONTENEGRO

9. What are the statutory time limits for the merger control process?

Upon submission of a complete notification, the Competition Agency is obliged to issue a decision approving the concentration unconditionally within 105 working days, or a decision approving the concentration subject to conditions within 125 working days.
If the concentration creates or strengthens a dominant market position and consequently prevents, restricts or distorts competition, the Competition Agency shall prohibit the concentration within 130 working days.
The Competition Agency shall render a decision within 25 working days if the notified concentration does not meet the financial thresholds. If the Competition Agency does not render a decision within the above-mentioned deadlines, the transaction is deemed cleared.

10. What is the average duration of proceedings in practice (if such information is available)?

For no-issue transactions, the usual duration is approximately 3-4 months following the initial submission of the merger notification.

11. What sanctions may apply for non-compliance with merger control regulations?

The undertakings concerned are obliged to suspend the implementation of the transaction until the Competition Agency clears it.
If an undertaking performs a concentration without prior clearance of the Competition Agency (breaching the standstill obligation), it may be fined 1–10% of its total annual turnover in the financial year preceding the violation.
The responsible persons within the undertaking in violation may be fined in the range of EUR 1,000–4,000.
In cases where a concentration is performed without clearance, the Competition Agency may also impose various structural or behavioural measures and, in particular, the divestment of shares or the limitation/prohibition of use of voting rights. The Competition Agency has recently stepped up its activities and imposed fines in several cases, and it also issued a public statement related to the obligation of the parties to respect the standstill obligation.

MONTENEGRO

12. What are the applicable fees?

The filing (or rather clearance) fee for clearance decisions issued in summary (Phase I) proceedings is 0.03% of the combined annual turnover of the undertakings concerned – capped at EUR 15,000 (payable in two parts: EUR 600 with the filing, and the remainder once the Competition Agency sends the payment notification).
For clearance decisions in investigation (Phase II) proceedings, the fee is 0.07% of the combined annual turnover of the undertakings concerned – capped at EUR 20,000.

POLAND

1. What kinds of transactions are subject to merger control?

- The merger of two or more independent entrepreneurs;
- Acquisition – by purchase or subscription of shares, other securities, interests, or in any other way - of direct or indirect control over one or more entrepreneurs by one or more entrepreneurs;
- The creation of a joint venture;
- Acquisition of part of the property of another entrepreneur.

The notification obligation may also arise when acquiring minority stakes if they provide actual control over the entrepreneur

2. What are the applicable filing thresholds under merger control rules?

The concentration must be notified if:

- The combined worldwide turnover of the entrepreneurs participating in the concentration in the financial year preceding the year of notification exceeds the equivalent of EUR 1,000,000,000, or
- The combined turnover on the territory of the Republic of Poland of the entrepreneurs participating in the concentration in the business year preceding the year of notification exceeds the equivalent of EUR 50,000,000.

Notification is not required if the turnover of the entrepreneur or the part of the assets over which control is to be acquired did not exceed the equivalent of EUR 10,000,000 on the territory of Poland in any of the two financial years preceding the notification.

POLAND

3. Is notification of transactions mandatory?

Yes. Notification of the intention to concentrate is mandatory if the specified turnover thresholds are met. Entrepreneurs cannot make a concentration before obtaining the President of the UOKiK's approval.

4. At what stage must a transaction be notified?

Notification must be made before the concentration occurs, i.e., before acquiring control or shares, forming a joint venture, merging or acquiring. The transaction may not be implemented before a decision is issued by the President of the UOKiK (prohibiting so-called ''gun jumping'')

5. Are there any exemptions from merger control rules?

Yes, these include:

- Concentration within a single capital group;
- Temporary acquisition of shares by financial institutions, subject to resale within one year;
- Acquisition of a business as part of bankruptcy proceedings;

6. Does the merger control regime cover indirect and incremental acquisitions?

Yes, the regulations cover direct and indirect acquisitions of control, as well as situations in which control of an entrepreneur is gradually increased (*incremental acquisitions*) if the results in exceeding the control threshold. In such situations, notification should occur before the process begins.

7. Are foreign-to-foreign transactions subject to merger control?

Yes. Foreign-to-foreign transactions must be reported if they affect the Polish market, i.e. if the turnover thresholds in Poland are met. Place of residence of the participants in the concentration is irrelevant.

8. What is the name of a merger control authority?

President of Office of Competition and Consumer Protection (in Polish: *Prezes Urzędu Ochrony Konkurencji i Konsumentów*)

POLAND

9. What are the statutory time limits for the merger control process?

The procedure is carried out in two stages:

- Stage I: 1 month days from the receipt of a complete application,
- Stage II (for more complicated cases): an additional four months.

Questions from the UOKiK to the applicant suspend the above deadlines.

10. What is the average duration of proceedings in practice (if such information is available)?

In practise, most cases are completed in Stage I, usually within 3-5 weeks. More complex concentrations (stage II) usually take from 2 to 6 months, depending on the complexity of the case.

11. What sanctions may apply for non-compliance with merger control regulations?

Failure to notify of a concentration is punishable by:
A fine of up to 10 percent of the entrepreneur's annual turnover,
an order to restore the previous state of affairs or sell shares.

12. What are the applicable fees?

The stamp duty for the notification of concentration is PLN 15,000 (approx. EUR 3,500).

ROMANIA

1. What kinds of transactions are subject to merger control?

Transactions amounting to an economic concentration (*i.e.* a change of control on a lasting basis) are subject to merger control if certain turnover thresholds are met.

A concentration shall be deemed to arise from:

- the merger of two or more previously independent undertakings or parts of undertakings, or
- the acquisition, by one or more persons already controlling at least one undertaking, or by one or more undertakings, whether by purchase of securities or assets, by contract or by any other means, of direct or indirect control of the whole or parts of one or more other undertakings;
- the creation of a joint venture performing on a lasting basis all the functions of an autonomous economic entity shall constitute a concentration.

2. What are the applicable filing thresholds under merger control rules?

Economic concentrations need to be notified when (i) the combined turnover of all the undertakings concerned is more than the RON (Romanian currency) equivalent of EUR 10 million; and (ii) the Romanian turnover of each of at least two of the undertakings concerned is more than the RON equivalent of EUR 4 million.

ROMANIA

3. Is notification of transactions mandatory?

Yes, economic concentrations that meet the turnover thresholds need to be notified and cleared.

4. At what stage must a transaction be notified?

Transactions need to be notified and cleared prior to the implementation of the change of control arising therefrom.

5. Are there any exemptions from merger control rules?

Economic concentrations may be implemented prior to clearance if the antitrust authority issues a derogation in this respect. However, such derogations are virtually unheard of.

6. Does the merger control regime cover indirect and incremental acquisitions?

Yes, indirect acquisitions of control, as well as incremental acquisitions (i.e. two or more transactions which take place within a two-year period between the same persons or undertakings) need to be notified if the turnover thresholds are met.

7. Are foreign-to-foreign transactions subject to merger control?

Yes, if such transactions give rise to economic concentrations and the turnover thresholds are met.

8. What is the name of a merger control authority?

The Romanian Competition Council (in Romanian: *Consiliul Concurenței din România*).

9. What are the statutory time limits for the merger control process?

Economic concentrations that are deemed by the authority to be compatible with a competitive environment are cleared within 45 days from submission of a complete notification. However, the 45-day period only commences once the notifying party has adequately complied with any requests for additional information received after the initial merger filing and the latter is deemed complete.

ROMANIA

10. What is the average duration of proceedings in practice (if such information is available)?

6-8 weeks from the merger filing date.

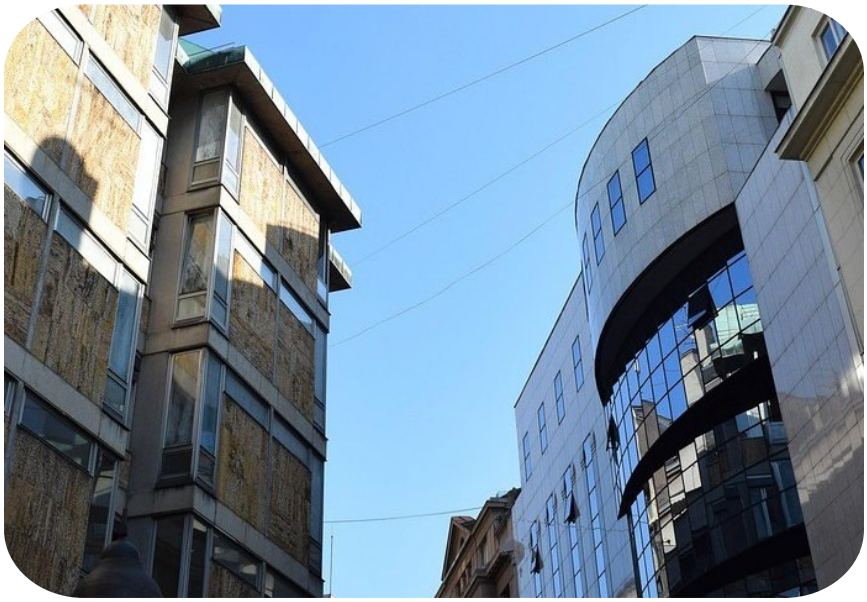
11. What sanctions may apply for non-compliance with merger control regulations?

Fines ranging from 0.5% to 10% of the transgressor's group's Romanian turnover.

12. What are the applicable fees?

Filing fees amount to approx. EUR 1,000. Once a transaction is cleared an authorization tax is due. The amount thereof depends on the Romanian turnover of undertakings concerned, and, for practical purposes, ranges between EUR 20,000 – 25,000.

SERBIA



1. What kinds of transactions are subject to merger control?

The following types of transactions are subject to merger control:

- mergers and other statutory changes leading to consolidation of undertakings;
- acquisitions by one (sole control) or more (joint control) undertakings of direct or indirect control over another undertaking or undertakings, or parts of undertakings which can be considered to constitute an individual business unit; and
- establishments of joint ventures or acquisitions of joint control over existing undertakings, performing on a long-term basis all functions of an autonomous undertaking.

An undertaking is deemed to have control over another undertaking if it has the potential to exercise decisive influence on the latter's activities.

Through the local practice, the Serbian competition authority clarified that asset deals can equally (as share deals) constitute a concentration (if the acquirer acquires decisive influence over the acquired business through the asset purchase).

The bankruptcy rules further provide that acquisitions of control through bankruptcy proceedings as well as bankruptcy restructurings may not be performed contrary to the Competition Law. Thus, the Serbian competition authority can review such acquisitions of control and restructuring plans.

2. What are the applicable filing thresholds under merger control rules?

The mandatory merger filing exists if one of the following financial thresholds is met:

- the aggregate worldwide turnover of all the undertakings concerned in the year preceding the concentration is at least EUR 100 million, provided that at least one of the undertakings concerned achieved a turnover in Serbia of at least EUR 10 million; or
- the aggregate turnover in Serbia of at least two undertakings concerned is at least EUR 20 million in the year preceding the concentration, and each of at least two of the undertakings concerned achieved a turnover in Serbia of at least EUR 1 million.

Additionally, mergers implemented through a takeover bid within the meaning of the Serbian Law on Takeovers of Joint Stock Companies must be notified even if the turnover threshold requirements are not met.

Upon learning that a concentration has been implemented, the Serbian competition authority can initiate an *ex officio* investigation if the joint market share of the participants in the relevant market in Serbia is at least 40% or if there is a reasonable indication that the concentration should be prohibited. The burden of proof that the 40% market share threshold is met lies with the Serbian competition authority.

3. Is notification of transactions mandatory?

As long as the filing thresholds indicated above are met, the merger filing is mandatory.

4. At what stage must a transaction be notified?

The merger clearance must be obtained prior to the implementation of the transaction. The deadline for submission under the Competition Law is 15 days as of the signing of the binding agreement(s).

5. Are there any exemptions from merger control rules?

Under the Competition Law, a concentration does not arise (and thus no merger control filing is required) when:

- a bank, insurance company or another financial institution temporarily acquires, in the course of regular business activities, shares for further resale to be realized within a period of 12 months (with a possible extension of six months);
- an investment fund or a fund management company acquires a stake in an undertaking, provided that it utilizes its rights stemming from that stake only to maintain its investment's value and under the condition that it does not influence the behavior of that undertaking in the market;
- a joint venture aims to coordinate the market activities of two or more independent undertakings, as it shall be assessed under rules regulating restrictive agreements; and

a person acting as a bankruptcy receiver (*stečajni upravnik*) acquires control over an undertaking.

6. Does the merger control regime cover indirect and incremental acquisitions?

Any acquisition that results in a change of control may be covered by merger control regime (provided that the thresholds are met, or if the authority initiates *ex officio* investigation).

7. Are foreign-to-foreign transactions subject to merger control?

Any foreign-to-foreign merger is subject to merger control in Serbia, provided any of the turnover thresholds stipulated above are satisfied.

8. What is the name of a merger control authority?

Competition Commission of the Republic of Serbia (*Komisija za zaštitu konkurencije Republike Srbije*).

9. What are the statutory time limits for the merger control process?

Under the Competition Law, the Competition Commission must decide whether to clear the transaction in summary proceedings (Phase I) or to initiate investigation proceedings (Phase II) within one month from the receipt of a complete merger notification. The actual time limit will start only once the parties have submitted all the documents and data that the Competition Commission requires to assess the concentration.
If the Commission does not decide within one month (i.e., clearing the concentration in summary proceedings or opening investigation proceedings), the concentration is deemed cleared. However, should the Competition Commission decide to open investigation proceedings, it must ultimately decide whether to clear (unconditionally or conditionally) or prohibit the transaction within 4 months from the date of initiating the investigation proceedings.

10. What is the average duration of proceedings in practice (if such information is available)?

For Phase I proceedings, the usual duration is approximately 2 months following the initial submission of the merger notification. For Phase II proceedings, the duration varies from case to case, e.g. from six to twelve months following the initial submission.

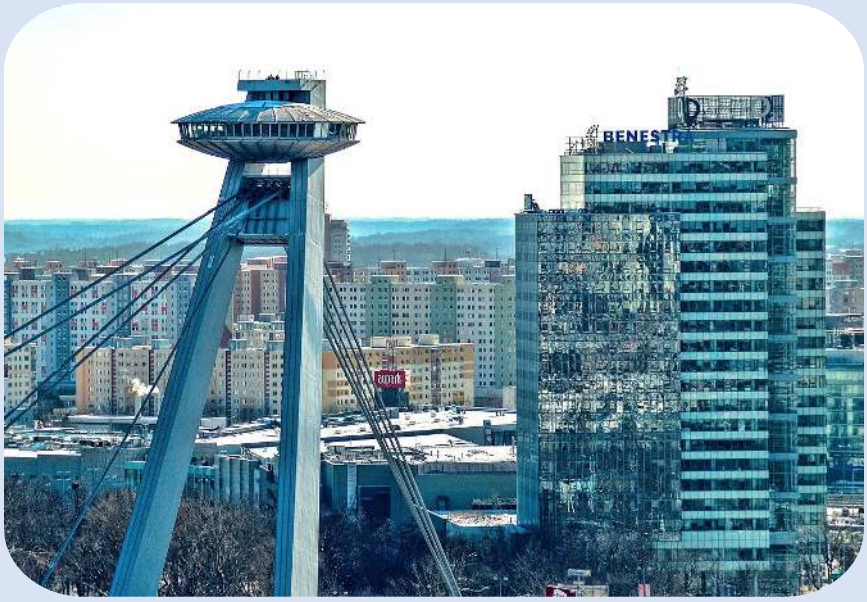
11. What sanctions may apply for non-compliance with merger control regulations?

The Competition Law provides that parties that fail to timely notify a transaction face procedural penalties in the range of EUR 500–5,000 per day of delay, capped at 10% of the total annual turnover generated by the violating undertaking(s).
Further, the breach of the standstill obligation is subject to fines of up to 10% of the total annual turnover generated in Serbia in the year preceding the initiation of investigation.
At the same time, the Competition Commission may also enact de-concentration measures to (re)establish or protect competition in the market (by ordering the parties to split a company, divest shares, terminate a contract or undertake any other steps necessary).

12. What are the applicable fees?

The filing (or rather clearance) fee for clearance decisions issued in summary (Phase I) proceedings is 0.03% of the combined annual turnover of the undertakings concerned – capped at EUR 25,000. For clearance decisions in investigation (Phase II) proceedings, the fee is 0.07% of the combined annual turnover of the undertakings concerned – capped at EUR 50,000.
The fee should be paid within three days following the submission of the merger notification; failing which, the notification will be deemed withdrawn. Confirmation of the payment must be presented to the Commission. However, in practice, the payment can be made at any stage prior to the issuance of the clearance decision.

SLOVAKIA



1. What kinds of transactions are subject to merger control?

Transactions subject to merger control primarily include:

- Mergers of two or more independent undertakings;
- Acquisitions by one or more undertakings of direct or indirect control over the whole or parts of one or more other undertakings. This includes the acquisition of shares, assets, or contractual rights;
- The creation of a full-function joint venture;
- Other concentrations as defined in the Slovak Competition Act (Act No. 187/2021 Coll. on Protection of Competition)

2. What are the applicable filing thresholds under merger control rules?

The specific turnover thresholds are stipulated by law. Generally, filing is mandatory if any of the following thresholds are met:

Domestic Turnover Threshold:

- The combined turnover of all undertakings concerned in Slovakia exceeds **EUR 46 million** in the financial year preceding the concentration, and
- At least **two undertakings** each achieved turnover of **EUR 14 million or more** in Slovakia, in the financial year preceding the concentration.

Domestic and Worldwide Turnover Threshold (alternative tests):

- In case of a **merger or acquisition of joint control**:

  (i) At least one party achieved turnover of **EUR 14 million or more** in Slovakia, and

  (ii) Another party achieved **worldwide turnover** of **EUR 46 million or more,** in the financial year preceding the concentration; or

- In case of an **acquisition of sole control**:
  (i) The target (or the part being acquired) achieved turnover of **EUR 14 million or more** in Slovakia, and
  (ii) Another party achieved **worldwide turnover** of **EUR 46 million or more,** in the financial year preceding the concentration.

3. Is notification of transactions mandatory?

Yes, notification of transactions that meet the applicable filing thresholds is mandatory.

4. At what stage must a transaction be notified?

A transaction must be notified to the Antimonopoly Office of the Slovak Republic (AMO) prior to its implementation.

5. Are there any exemptions from merger control rules?

Yes, certain exemptions exist, such as:
- Temporary acquisition of securities by financial institutions for resale, provided they do not exercise voting rights with a view to determining the competitive behaviour of that undertaking;
- Acquisitions where control is acquired by a person acting as a liquidator or administrator in insolvency proceedings;
- Acquisitions by undertakings whose normal activities include transactions in securities for their own account or for the account of others, provided certain conditions are met.

6. Does the merger control regime cover indirect and incremental acquisitions?

Yes, the merger control regime in Slovakia covers both indirect and incremental acquisitions if they lead to the acquisition or increase of control over an undertaking or parts thereof, and the applicable thresholds are met.

7. Are foreign-to-foreign transactions subject to merger control?

Yes, foreign-to-foreign transactions are subject to merger control in Slovakia if they meet the domestic turnover thresholds and have an impact on the Slovak market.

SLOVAKIA

8. What is the name of a merger control authority?

The Antimonopoly Office of the Slovak Republic (Protimonopolný úrad Slovenskej republiky) – AMO.

9. What are the statutory time limits for the merger control process?

- Phase I (initial review): The AMO generally has 25 working days from the date of a complete notification to issue a decision.
- Phase II (in-depth investigation): If the AMO identifies serious doubts about the compatibility of the concentration with the competition rules, it will open Phase II proceedings, which can take up to 90 working days. This period can be extended under specific circumstances.

It is important to note that requests for information from the AMO will "stop the clock," meaning the statutory time limits are suspended until the requested information is provided. Additionally, at the request of the parties or with their consent, the AMO may prolong both Phase I and Phase II periods, even repeatedly, by a total of up to 30 working days.

10. What is the average duration of proceedings in practice (if such information is available)?

While statutory deadlines are set by Slovak competition law, in practice, Phase I proceedings (including any pre-notification contacts) typically take around 2 to 3 months, especially in straightforward cases that do not raise substantive competition concerns.
Phase II proceedings, which involve a more detailed assessment of the transaction's effects on competition, generally last approximately 9 - 12 months, particularly where the case is complex or remedies are proposed.

11. What sanctions may apply for non-compliance with merger control regulations?

Sanctions for non-compliance can include:
Fines for failure to notify a notifiable concentration (ranging up to 10% of the aggregate worldwide turnover of the undertakings concerned in the preceding financial year).
Fines for implementing a concentration before approval (gun-jumping).
Orders to dissolve the concentration or take other measures to restore effective competition.

12. What are the applicable fees?

The administrative fee for notification of concentration is EUR 5,000.

II. FDI CONTROL

CROATIA

There is currently **no FDI approval regime in place**, so no notifications are mandatory in terms of formal FDI screening.

However, there are certain reporting obligations related to foreign direct investments which the Croatian National Bank collects for statistical purposes. The companies are required to report all foreign direct investments to the Croatian National Bank based on which foreign investors acquire at least 10% or more of equity in legal entities in Croatia, within 30 days following the end of the month when the investment was made.

The Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union applies directly in Croatia. Croatia currently has no formal national legislation governing foreign direct investment (FDI) screening. However, an implementing regulation entered into force on 2 October 2020, establishing the National Contact Point and the Interdepartmental Commission as competent authorities to cooperate with other Member States and the European Commission under the EU screening framework. No mandatory screening mechanism has been introduced so far.

The National Contact Point has limited powers, including the ability to request information from a foreign investor or a Croatian undertaking receiving the investment, which must be submitted within 7 days of the request.

Croatia is working with the OECD to prepare a national FDI screening mechanism. A new Act on the Screening of Foreign Direct Investments is planned for adoption in 2025, under the responsibility of the Ministry of Finance. This new legislation is expected to align Croatia's regime with EU standards, especially Articles 3 and 4 of Regulation 2019/452, and cover aspects such as critical infrastructure, investor obligations, confidentiality, timelines, and risk assessment.

CZECH REPUBLIC

1. Which investors are subject to FDI approval requirements?

FDI approval requirements apply to investors who are not citizens or legal entities based in the Czech Republic or another EU member state, as well as to entities that are directly or indirectly controlled by persons from outside the Czech Republic or the EU. The rules also cover trusts or similar arrangements if key persons involved—such as the founder, trustee, beneficiary, or supervisory person—do not have citizenship or a registered office in the Czech Republic or the EU, or are controlled from outside the EU.

2. Which entities / businesses are protected under FDI regulations?

In the Czech Republic, foreign direct investment regulations protect companies operating in areas essential to national security and public order. This includes businesses involved in the production, development, or research of military equipment, operators of critical infrastructure (such as energy, transport, or data centers), administrators of key information and communication systems, and companies engaged in the development or production of dual-use goods.

.

Please also note a consultation with the Ministry for Industry and Trade of the Czech Republic is mandatory if the target holds a license for nationwide radio or television broadcasting, or publishes periodicals with a combined average daily print run of at least 100,000 copies.

3. What kinds of transactions are subject to FDI control?

In the Czech Republic, foreign direct investment control applies to transactions where a foreign investor acquires direct or indirect effective control over a Czech company operating in a protected sector (such as defense, critical infrastructure, or cybersecurity). This typically includes acquiring shares or interests that provide decisive influence (usually 10% or more of voting rights), entering into agreements that enable control over the company, or increasing capital or otherwise gaining effective control.

CZECH REPUBLIC

4. What are the applicable filing thresholds under FDI rules?

There is no monetary filing threshold under Czech law, but rather the filing obligation is triggered solely by the acquisition of an effective level of control over the target company or asset.

5. At what stage must a transaction be notified?

The transaction must be notified before its implementation, that is, before the acquisition of effective control over the target company in a protected sector. Notification must be submitted prior to the closing of the transaction or before the transfer of shares or voting rights that trigger the screening requirement.

6. Are there any exemptions from the FDI screening regime?

The FDI screening regime does not apply to a foreign investment that is carried out as part of recovery or resolution measures, early intervention measures, or crisis management procedures under the Czech Act on Recovery and Resolution in Financial Markets, or to a foreign investment that is urgently necessary to prevent the failure of a target entity that is a financial services provider.

7. Does the FDI screening regime cover indirect and incremental acquisitions?

Yes, the foreign direct investment screening regime in the Czech Republic also applies to indirect and gradual acquisitions.

8. What is the name of an FDI control authority?

Ministry for Industry and Trade of the Czech Republic and the Government of the Czech Republic respectively, depending on the screening of foreign direct investments regime the transaction falls under.

9. Can FDI and merger notifications be dealt with jointly?

No, meaning that the screening of a foreign direct investment and merger control cannot be joint into a single administrative proceeding. Even though the screening of a foreign direct investment and merger control fall under separate regimes and separate control authorities, they can be initiated (however, by two separate filings with two separate authorities) and conducted at the same time, e.g. are not dependent on one another.

10. What are the statutory time limits for the FDI screening process?

The Ministry of Industry and Trade must issue a decision on the screening of a foreign investment within 90 days of receiving a complete notification.

In justified cases, this period can be extended up to 120 days. If there are potential security or public order risks, the Ministry may negotiate conditions with the investor and submit the case to the government, which has 45 days to either confirm the approval with conditions or allow the investment without conditions. If risks cannot be eliminated by conditions, the government may prohibit the investment within 45 days, and the Ministry will issue a decision accordingly.

12. What sanctions may apply for non-compliance with FDI regulations?

For violations of foreign direct investment regulations, a fine of up to 2% of the foreign investor's total net turnover for the last completed accounting period may be imposed, or between CZK 100,000 and CZK 100,000,000 (approx. EUR 4,065 - EUR 4,065,302) if the turnover cannot be determined. For less serious violations, a fine of up to 1% of the net turnover, or between CZK 50,000 and CZK 50,000,000 (approx. EUR 2,033 - EUR 2,032,768) if the turnover cannot be determined, may be imposed.

13. How extensive is the scope of party-related information typically required for screening?

Far from providing information just on an acquisition SPV, the Ministry of Industry and Trade examines the whole group while requiring a rather detailed group structure chart, in which countries the individual members of the group operate and in which areas of business. Information is normally requested on the ownership structure of the whole group, including information on who is a member of the elected bodies of the various members of the group. The information obligation is very extensive and largely at the discretion of the Ministry of Industry and Trade.

14. What are the applicable fees?

Neither the law nor the implementing regulations impose any obligation to pay an administrative fee for initiating the screening procedure of a foreign investment.

HUNGARY

1. Which investors are subject to FDI approval requirements?

The foreign investors for the purposes of the FDI rules are subject to FDI approval requirements in Hungary. These foreign investors are as follows:

- Actual foreign investors: A citizen of a country located outside of the EU, EEA or Switzerland or a legal or other entity having its registered seat in such country; or
- Investors with foreign background: A legal or other entity having its registered seat in Hungary, in any member states of the EU, any member states of the EEA or Switzerland, if the majority shareholder is a citizen of a country located outside of the EU, EEA or the Switzerland or a legal or other entity registered in such country.
- EU-based investors: Certain transactions by these investors may also be subject to approval in strategic sectors.

2. Which entities / businesses are protected under FDI regulations?

The so-called 'strategic companies' are protected under FDI regulations. Strategic companies include Hungarian limited liability companies and joint stock companies (Kft., Zrt., Nyrt.) active in key sectors listed in the FDI regulation

— such including defense, nuclear, government infrastructure, energy, transport, telecommunications and communications, financial sector (banking, insurance), health, food and agriculture, construction, trade (retail/wholesale) and tourism and others.

3. What kinds of transactions are subject to FDI control?

The FDI regulation contains the following exhaustive list of the transactions for which ministerial approval must be sought if the transaction to be completed by a foreign investor meets the statutory thresholds:

- acquiring, directly or indirectly, shares/quota in a strategic company,
- making capital contribution to a strategic company,
- transforming, merging, demerging a strategic company,

- issuing bonds with a right of conversion, subscription or transformation by a strategic company,
- establishing usufructuary right on the shares or quota of a strategic company.

4. What are the applicable filing thresholds under FDI rules?

.

The thresholds / conditions applicable to transactions triggering FDI approval are the following:

- Investments reaching or exceeding HUF 350 million (approx. EUR 883,922) if:
    - an Investor with Foreign Background or EU-based Investor acquires majority stake in a strategic company; or
    - an Actual Foreign Investor acquires directly or indirectly at least 5% (3% for public limited companies) of shares in a strategic company as a result of the acquisition of shares, bonds or usufructuary rights in a strategic company.
- In case of Actual Foreign Investors (irrespective of the value of the transaction) if:
    - as a result of the acquisition of shares, bonds or usufructuary right, the Actual Foreign Investor acquires 10%, 20% or 50% of shares in a strategic company; or
    - the shares of Actual Foreign Investors jointly reach or exceed 25% in a strategic company as a result of those transactions.
- Certain asset deals involving strategic infrastructure or equipment may trigger approval if such asset deal is concluded by a foreign investor or a legal or other entity in which the foreign investor directly or indirectly has majority ownership pursuant to the Hungarian Civil Code.

5. At what stage must a transaction be notified?

The notification must be submitted electronically to the Minister within 10 days of the signing of the transaction. The transaction cannot be legally completed until the Minister's decision has been obtained, meaning that the foreign investor cannot be registered as a shareholder in the trade registry and cannot exercise shareholder rights.

6. Are there any exemptions from the FDI screening regime?

Yes, if the transaction is between foreign entities and it results in the indirect change in the Hungarian subsidiary's ownership.

7. Does the FDI screening regime cover indirect and incremental acquisitions?

Yes, if other conditions are met.

8. What is the name of an FDI control authority?

The government body responsible for these FDI approvals is the Ministry for National Economy. In practice, the decision is issued by the minister in charge of that Ministry.

9. Can FDI and merger notifications be dealt with jointly?

No. Currently, there is no consolidated procedure or one-stop-shop for FDI and competition (merger control) procedures. They are parallel, independent obligations.

10. What are the statutory time limits for the FDI screening process?

The Minister has 45 business days from the receipt of the submission to issue a decision. This deadline may be extended three times, each by up to 30 business days. As a result, the decision-making period can reach up to 135 business days (approximately 6–7 months).

11. What is the average duration of proceedings in practice (if such information is available)?

The duration of FDI approval procedures depends on the actual case. In simpler cases, the decision is made within a few weeks. However, in many cases, the Minister uses almost the full time to make a decision - especially if the case is complex or further information is needed. Official statistics on the average time are not publicly available, but parties should expect a lead time of at least 1.5-2 months.

12. What sanctions may apply for non-compliance with FDI regulations?

If a foreign investor fails to comply with the notification requirement or ignores the Minister's decision prohibiting the transaction, the following sanctions may apply:
Nullity: The agreement concluded without notification or despite a prohibition decision by the Minister is null and void.

Fines: The amount of the fine may be up to twice the value of the transaction, but at least (i) HUF 100,000 (approx. EUR 253) in the case of a natural person, and (ii) at least 1% of the last annual net turnover of the strategic company in the case of a legal person or entity.

Post facto actions: If the notification is not made, the Minister may, ex officio, become aware of the transaction and start an FDI procedure. During such procedure, the Minister may investigate the transaction retrospectively for 5 years and may, for national security reasons, either prohibit or require selling the shareholding. In such a case, the transaction may be declared null and void and fines may also be imposed.

13. How extensive is the scope of party-related information typically required for screening?

A wide range of information and documents describing the transaction itself and the foreign investor must be submitted to the Minister in connection with the FDI approval (either in Hungarian language, or with official Hungarian translation). These documents include, among others, (i) a detailed description and circumstances of the transaction; (ii) documents prepared in connection with the transaction (e.g. the SPA), and (iii) documents confirming the foreign investor's existence, UBO and ownership structure (e.g. trade registry extracts, establishment documents, etc.). The exact scope of the documents depends on the actual transaction.

14. What are the applicable fees?

The submission of the FDI notification is free of charge.

MONTENEGRO

Montenegro **does not provide for general reporting/notification obligation on a par with the EU FDI Screening Regulation regime**. However, certain foreign direct investment control may be applicable in case of certain transactions in the defense industry.

Although the law is silent on the actual criteria, it could be safely assumed that foreign investment must be aligned with the defense, security, and foreign policy interests of Montenegro.

The foreign investment may be rejected if the foreign investment may have adverse effects on defense, national and public security, the protection of human health, or the environment.

POLAND

1. Which investors are subject to FDI approval requirements?

The notification obligation applies to:

- non-EU, EEA and OECD entities (individuals without limitation as well as a corporation having its registered seat within EU, EEA and/or OECD for a period shorter than 2 years), and
- EU, EEA and OECD entities, if there are grounds to believe they are acting on behalf of an entity outside these areas (e.g., through capital or personal ties).

2. Which entities / businesses are protected under FDI regulations?

Strategic companies operating in sectors crucial to security and public order (e.g., energy, telecommunications, defense, health care, and chemicals) are subject to protection. Poland's regime is one of the strictest in the EU – some transactions in non-obvious sectors may also be subject to notification (such as IT, cloud and fintech).

3. What kinds of transactions are subject to FDI control?

Subject to notification are, among others:

- acquisition of significant participation by acquisition of shares resulting in a 20 percent or 40 percent voting right in the target's governing bodies,
- acquisition of an enterprise or an organized part thereof,
- acquisition of dominant status.

4. What are the applicable filing thresholds under FDI rules?

The basic threshold is a company's turnover or asset value in excess of EUR 10,000,000.

5. At what stage must a transaction be notified?

Applications must be submitted before transactions are executed. A transaction cannot be executed before approval is granted or the objection period expires.

POLAND

6. Are there any exemptions from the FDI screening regime?

No.

7. Does the FDI screening regime cover indirect and incremental acquisitions?

Yes. The law covers both indirect acquisitions and gradual increases in shares, if they result in exceeding the specified thresholds of voting rights or control.

8. What is the name of an FDI control authority?

Minister of Economic Development and Technology.

9. Can FDI and merger notifications be dealt with jointly?

No, these are two separate proceedings, though they may occasionally involve the same transaction. Notifications should be submitted separately.

10. What are the statutory time limits for the FDI screening process?

The President of UOKiK has:

- at the 1st stage up to 30 working days for preliminary analysis and possible initiation of appropriate proceedings,
- at the 2nd stage up to 120 working days to issue a decision, (the proceedings may be extended if more time is needed to complete documentation).

11. What is the average duration of proceedings in practice (if such information is available)?

In practice:

- Simple cases – decision within 1 month,
- Complicated cases take 2-4 moths, with deadlines calculated from the time a complete application is submitted.

12. What sanctions may apply for non-compliance with FDI regulations?

Failure to report the investment is punishable by:

- Penal sanctions imposed by a court- a penalty of up to PLN 50,000,000 (approx. EUR 11,731,526) or even imprisonment;
- Civil law sanctions imposed by the Minister may include the limitation of voting rights or even an official decision that shares acquired without FDI clearance must be disposed of

POLAND

13. How extensive is the scope of party-related information typically required for screening?

A wide range of information is required, including the following:

- The ownership structure of the investor and the target,
- Capital and personal relationships,
- Information about the investor's and acquired entity's business activities,
- A description of the further investment and development plan for the target,
- Financial data.

14. What are the applicable fees?

The proceedings are free of charge.

ROMANIA

1. Which investors are subject to FDI approval requirements?

FDI approval is required for certain investments made either by (i) foreign investors (i.e. natural persons who are not citizens of an EU member state, legal persons that are not headquartered in an EU member state or are ultimately controlled by a non-EU citizen) or (ii) EU investors.

2. Which entities / businesses are protected under FDI regulations?

FDI approval is required for investments in those activity domains set forth in Supreme Defense Council Decision no. 73 of 2012 i.e.: (i) security of citizens and communities; (ii) border security; (iii) energy security; (iv) transport security; (v) security of the supply systems of vital resources; (vi) critical infrastructure security; (vii) security of IT and communications systems; (viii) security of financial, fiscal, banking and insurance activities; (ix) security of the production and trade of arms, ammunitions, explosives and toxic substances; (x) industrial security; (xi) disaster management; (xii) protection of agriculture and environment; and (xiii) privatization or management of companies owned by the state.

3. What kinds of transactions are subject to FDI control?

FDI clearance is required for:

1) foreign direct investments - an investment of any kind made by an investor (whether EU investor or non-EU investor) with the purpose of establishing or maintaining lasting and direct links between the foreign investor and the target undertaking, including investments which allow an effective participation in the management or control of the undertaking; or

2) new investments - an investment in tangible and intangible assets, related to the start-up of a new undertaking, the capacity expansion of an existing undertaking, the diversification of the production of an undertaking or a fundamental change in the overall production process of an undertaking.

4. What are the applicable filing thresholds under FDI rules?

In order for an investment to be subject to FDI clearance, its value must exceed EUR 2,000,000.

5. At what stage must a transaction be notified?

A transaction must be notified before being effectively implemented.

6. Are there any exemptions from the FDI screening regime?

There are no exemptions for the investments that fall within the scope of the FDI screening procedure that meet the minimum threshold.

7. Does the FDI screening regime cover indirect and incremental acquisitions?

Yes, such transactions are covered, to the extent that they can be classified as foreign direct investments, EU investments or new investments.

8. What is the name of the FDI authority?

FDI clearance requests are reviewed and cleared by the Foreign Direct Investment Clearance Commission ("**CEISD**"), a collegial body subordinated to the Government of Romania. The Romanian Competition Council has an FDI task force which supports the CEISD and, following the latter's assessment, the Romanian Competition Council issues the FDI clearance, conditional clearance or veto decision, as the case may be.

9. Can FDI and merger notifications be dealt with jointly?

The FDI and merger clearance procedures can be commenced at the same time, but they will be handled separately.

10. What are the statutory time limits for the FDI screening process?

There are clear statutory time limits in case of the FDI clearance decisions, as the CEISD has up to 60 days to review and approve an FDI clearance filing, counted from the date the filing is deemed complete and the prerequisite opinions of other authorities, as the case may be, are obtained.

In its turn, the Romanian Competition Council has, in the case of non-EU investors, 30 days from the receipt of the CEISD approval to issue the FDI clearance decision, respectively 10 days in the case of EU investors. However, there are no statutory time limits for conditional authorization decisions or for veto decisions.

11. What is the average duration of proceedings in practice (if such information is available)?

On average, FDI clearance proceedings raising no national security or public order risks will be finalized in one to two months as of the FDI filing having been deemed complete.

12. What sanctions may apply for non-compliance with FDI regulations?

Providing misleading or false information, or implementing a transaction which would have been subject to FDI screening before obtaining clearance, or implementing an FDI investment in breach of the FDI clearance conditions are sanctioned with fines of up to 10% of the investor's turnover for the financial year prior to the sanctioning year.

13. How extensive is the scope of party-related information typically required for screening?

The type of information required is rather limited, concerning the investor, the investment and the target of the investment.

14. What are the applicable fees?

The FDI clearance filing requires a EUR 10,000 filing fee.

SERBIA

Serbia **does not provide for general reporting/notification obligation on a par with the EU FDI Screening Regulation regime**. However, certain foreign direct investment control may be applicable in case of certain transactions in the defense industry.

FDI control (in the defense industry), encompasses: 1) incorporation of a new company in Serbia which will be active in production of weapons and armaments; 2) capital increase of existing company which is active in production of weapons and armaments; and 3) acquisition of shares or voting rights in such undertakings.

The Law on the Production and Trade of Weapons and Armaments of Serbia provides a set of rules for approval of foreign investments into the defense sector. For a start, there are two separate types of foreign investments: a) a "regular" foreign investment; and b) foreign investment into the company belonging to the Group of Defense Industry of Serbia ("**GDIS**").

A "regular" foreign investment encompasses the above-mentioned transactions into companies not belonging to GDIS. This means that there are no caps or limits to the amount of foreign investment into such companies (i.e., even 100% of share capital could be acquired in such situations).

Further, the company belongs to GDIS if it is engaged in the production of weapons and armaments, while being majorly owned by the Serbian state. In such companies, the Law on the Production and Trade of Weapons and Armaments limits foreign investment to a maximum of 49% of the company's capital, with no single foreign investor permitted to hold more than 15% of the capital.

SLOVAKIA

1. Which investors are subject to FDI approval requirements?

Under the Slovak Act No. 497/2022 Coll. on the Screening of Foreign Investments (FDI Act), foreign investors are responsible for applying for screening to the Ministry of Economy (MoE). A "foreign investor" is broadly defined as anyone who has made or intends to make a foreign investment and is not a citizen of Slovakia or another EU Member State, or does not have a registered office or place of business in Slovakia or any other EU Member State.
The definition also extends to include certain Slovak and EU Member State entities that might otherwise appear domestic but are effectively linked to a non-EU element. Specifically, this includes entities:

- Acting in concert with or controlled by a non-EU entity.
- Financed by a third country public authority or an entity with foreign state's shareholding.
- Whose ultimate beneficial owner is a non-EU entity.
- Legal arrangements of assets (such as trusts) with a foreign element, or the person managing their assets if they lack legal personality, can also be considered foreign investors.
- Other entities designated under the FDI Act.

2. Which entities / businesses are protected under FDI regulations?

The FDI regulations protect Slovak entities that have their registered office in Slovakia, regardless of its legal form, legal personality, method of financing, and line of business, including profit-making.
The protected entities/businesses are those that operate in specific, sensitive sectors, particularly those classified as "Critical Foreign Investments" (CFIs). Critical foreign investments are defined by a decree of the Slovak Government and cover areas such as:

- Manufacturing and research of defense industry products.
- Manufacturing and research of dual-use items.
- Production and research in healthcare biotechnology.
- Operation of critical infrastructure.
- Operation of an essential service.

SLOVAKIA

- Provision of digital services in cloud computing.
- Production, research, development, or innovation of national information encryption devices.
- Broadcasting authorization (excluding local programming).
- Provision of content-sharing platforms with annual turnover exceeding two million euros.
- Publishing periodic publications (non-local) communicating news to the public.
- Operating news web portals (non-local).
- Operating news agencies.

3. What kinds of transactions are subject to FDI control?

The FDI Act applies if a foreign investment enables the foreign investor, directly or indirectly, to:

- Acquire the business of the target.
- Exercise an effective interest in the target (e.g., 10% or more of shareholding/voting rights for critical investments, 25% or more for non-critical investments).
- Increase an effective interest in the target (to thresholds like 20%, 33%, or 50% for critical investments, or 50% for non-critical).
- Acquire control over the target (within the meaning of EU Merger Regulation).
- Acquire the target's key assets (for critical investments only, if indispensable for the critical activities).

4. What are the applicable filing thresholds under FDI rules?

The thresholds are related to the acquisition of "effective interest" or "control" as outlined in question 3. There are no monetary value thresholds for the investment itself, only for the level of influence or ownership acquired.

5. At what stage must a transaction be notified?

- Critical foreign investments: Notification and approval must occur *prior to implementation* (pre-closing).
- Non-critical foreign investments: If voluntarily notified, it can be done pre-closing. If not, the MoE can initiate a review post-closing.

6. Are there any exemptions from the FDI screening regime?

The provided information outlines specific types of transactions that are not considered foreign investments for the purposes of the FDI Act:

- An investment that meets the definition of a foreign investment, provided that it is intended to be made or has been made **between entities that have the same partners or owners**.

SLOVAKIA

- The establishment or creation of a **security interest** with respect to the target person, provided that such interest does not give a secured creditor which is a foreign investor any rights with respect to business decisions of the target person.
- A transaction carried out in the **ordinary course of business** for the purpose of selling or buying goods, products, inventory, or services.

7. Does the FDI screening regime cover indirect and incremental acquisitions?

Yes, the FDI screening regime in Slovakia explicitly covers both indirect and incremental acquisitions.

8. What is the name of an FDI control authority?

The Ministry of Economy of the Slovak Republic (MoE) is the primary authority responsible for FDI control.

9. Can FDI and merger notifications be dealt with jointly?

No, FDI and merger notifications are distinct processes handled by different authorities (MoE for FDI, AMO for merger control). While both might be triggered by the same transaction, they are separate procedures and cannot be dealt with jointly.

10. What are the statutory time limits for the FDI screening process?

- Preliminary assessment phase (for voluntary non-critical notifications): 45 calendar days.
- Review procedure (for critical investments and MoE-initiated reviews): 130 calendar days. If the MoE does not issue a decision within this period, the investment is deemed approved.

If the MoE requests additional information, the statutory time limits are interrupted until the applicant submits the complete information. Furthermore, proceedings may be stayed for a maximum of 30 days at the proposal of the foreign investor for significant reasons, during which time limits are suspended.

11. What is the average duration of proceedings in practice (if such information is available)?

The average period for consideration of the negative impact of foreign investment was around 61 calendar days, and the average length of the review of the negative impact of foreign investment was around 84 calendar days.

SLOVAKIA

12. What sanctions may apply for non-compliance with FDI regulations?

Non-compliance with the FDI Act is subject to various sanctions, which the Ministry of Economy (MoE) may impose repeatedly. These sanctions include administrative offenses and significant fines, and in severe cases, can lead to the reversal of the investment. In particular completing a critical foreign investment in contravention of the prior approval requirement, violating mitigating measures/obligations, violating administrator appointment, violating restriction/prohibition of rights, or violating a foreign investment prohibition/reversal obligation: Fines up to the value of the foreign investment or 2% of the sum of the total net turnover of the foreign investor, controlled person, and controlling person for the last completed accounting period (whichever is greater).

13. How extensive is the scope of party-related information typically required for screening?

The scope of party-related information typically required for screening is extensive, particularly concerning the identity, ownership, control, and financial background of the parties involved.

14. What are the applicable fees?

The FDI Act itself does not specify explicit application fees for the screening process.

FOR MORE INFORMATION, CONTACT:

Mate Lovrić
mate.lovric@lnp-law.hr
+385 98 584 935
CROATIA

Jan Frey
frey@rowan.legal
+420 734 423 419
CZECH REPUBLIC

Zita Albert
zita.albert@erdospartners.com
+36 30 983 1525
HUNGARY

Djuro Otašević
djotasevic@nko-law.com
+381 60 348 46 22
MONTENEGRO, SERBIA

Marcin Macieszczak
m.macieszczak@gessel.pl
+48 602 775 811
POLAND

Gelu Goran
ggoran@birisgoran.ro
+40 722 635 722
ROMANIA

Branko Janković
bzjankovic@nko-law.com
+ 381 64 3109 732
SERBIA, MONTENEGRO

Martin Hricko
mhricko@hkv.sk
T: +421 907 700 808
SLOVAKIA