

Croatia

LAW ON FOREIGN INVESTMENT SCREENING (2025)

Unofficial translation

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PARLIAMENT OF CROATIA

2010

Pursuant to Article 89. of the Constitution of the Republic of Croatia, I hereby issue

DECISION ON THE PROMULGATION OF THE LAW ON FOREIGN INVESTMENT SCREENING

I hereby promulgate the Foreign Investment Screening Act, adopted by the Croatian Parliament at its session on 24 October 2025.

Class: 011-02/25-02/77

Reg.No.: 71-10-01/1-25-2

Zagreb, October 30, 2025

The President of the Republic of Croatia

Zoran Milanović, acting president of the Republic of Croatia

LAW ON FOREIGN INVESTMENT SCREENING

PART ONE GENERAL PROVISIONS

Article 1. The subject of this law

This Act regulates the procedure for reviewing and controlling foreign investments, determines the competent authorities in the foreign investment review process and their obligations, identifies the obligated entities and foreign investors, provides for cooperation between the Republic of Croatia and the European Commission (hereinafter: the Commission) and the Member States of the European Union (hereinafter: the Union), and addresses other matters relevant to the field of foreign investment screening.

Article 2. European Union law

This Act ensures the implementation of 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 (Text with EEA relevance) (OJ L 79 I/1, 21.3.2019). ('Regulation (EU) 2019/452').

Article 3. Appropriate application of other regulations

(1) All matters governing commercial companies shall be subject to the provisions of the laws regulating the establishment, organization, dissolution, and status changes of commercial companies, unless otherwise provided by this Act.

(2) All matters governing ownership rights and other real rights shall be subject to the provisions of the laws and other special regulations governing ownership rights and other real rights, unless otherwise provided by this Act.

Article 4. Relationship with other regulations and exemptions from the application of this Act

(1) The provisions of this Act shall be applied accordingly to all types of concessions, including public-private partnership contracts, prescribed by the general law governing concessions and special regulations governing the granting of concessions or the law governing public-private partnerships, in which a foreign investor appears as a concessionaire.

(2) The provisions of this Act shall apply accordingly to free zones regulated by the Free Zones Act, in which a foreign investor appears as the holder of the consent for the establishment of free zones, the manager of the zone or its separate part and/or the user of the zone.

(3) The provisions of this Act shall apply accordingly to concentrations governed by competition regulations in which a foreign investor appears as a party to the concentration.

(4) Agricultural land, as well as forests and forest land owned by the Republic of Croatia, which are governed by the law regulating agricultural land and the law regulating forests and forest land, respectively, are excluded from the application of the provisions of this Act concerning foreign investments.

Article 5. The aim of this Act

This Act establishes a transparent and effective system for the screening of foreign investments for the purpose of safeguarding the national security and/or public order of the Republic of Croatia and/or safeguarding the security and/or public order of the Union and/or the Member States (hereinafter: security and/or public order).

Article 6. Basic concepts

The terms in this Act have the following meanings:

1) The concession grantor is:

a) an entity competent to grant a concession as regulated by the general law governing concessions and special regulations governing concessions, or

b) the public partner as regulated by the law governing public-private partnerships;

2) the foreign investor and the responsible persons of the foreign investor are in good repute if they meet the following conditions:

a) that they are not subject to criminal proceedings or have been convicted of criminal offences for which criminal proceedings are initiated ex officio, which are prescribed by the law governing criminal offences and other laws prescribing criminal offences in the Republic of Croatia or in a Member State, and

b) that they are not subject to criminal proceedings or that they have not been convicted of any of the criminal offences under the laws of third countries which, according to their description, correspond to the criminal offences prescribed by the law governing criminal offences and other laws prescribing criminal offences in the Republic of Croatia or in a Member State;

(3) A completed foreign investment is any foreign investment—whether involving the approval of a foreign investment, an increase or decrease of a qualified shareholding, or the acquisition of a controlling position—that has been carried out in accordance with the provisions of this Act, and on the basis of which the competent commercial court has registered the obligated entity and all subsequent entries in the court register, or on the basis of which the obligated entity, after concluding a concession agreement or a public-private partnership agreement and all subsequent amendments to those agreements, has been entered into the concession register, or on the basis of which the obligated entity has been entered into the depository of the Central Depository and Clearing Company (hereinafter: CDCC), including all subsequent entries.

4) a Member State is a Member State of the Union and a signatory State to the Agreement on the European Economic Area

5) assets are assets of any kind, irrespective of how they are acquired, movable or immovable, tangible or intangible, including but not limited to financial assets, economic resources, including oil and other natural resources, and legal documents or instruments in any form, including electronic or digital, proving ownership of or interest in such assets or other assets; including, but not limited to, bank credits, traveler's cheques, bank cheques, payment orders, shares, securities, bonds, bills of exchange or letters of credit, as well as any interest, dividends or other income arising from such funds or other assets or values arising out of or generated by such funds or other assets, as well as any other assets that may be used to acquire funds, goods or services

6) Public-private partnership is a partnership as regulated by the general law governing concessions and the law governing public-private partnerships

7) Concession is as regulated by the general law governing concessions, including public-private partnerships

8) The Concessionaire is:

a) an economic operator as regulated by the general law governing concessions, in which the foreign investor has a qualifying holding or controlling position and which includes the persons of competitors and tenderers, depending on the stages of the concession granting procedure and the areas and activities in which concessions are granted, in accordance with the general law governing concessions

activities in which concessions are granted, in accordance with the general law governing concessions and special regulations governing concessions, or

b) a private partner which, depending on the type of public-private partnership, is or a special purpose vehicle or an economic operator, as regulated by the law governing public-private partnerships, and in which the foreign investor has a qualifying holding or a controlling position

9) control position means the effective control of an obliged entity by a foreign investor through direct or indirect control of the obliged entity or the holders of a unit in the obliged entity through an equity interest or by other means, including, but not limited to, a majority of voting rights in the obliged entity, regardless of whether they are shared by persons acting jointly or not, the right to appoint or remove a majority of the members of the administrative or supervisory board or members of the management board of the obliged entity; relevant veto rights or decision-making rights related to shares in the obliged entity, exercising significant influence and imposition of relevant decisions in the obliged entity, deciding on the distribution of profits of the obliged entity or decision-making that leads to a change in the assets of the obliged entity, concluding formal or informal agreements or arrangements with the obliged entity or other holders of shares in the obliged entity or members of the management or supervisory board or members of the management board of the obliged entity or other responsible persons of the obliged entity

10) Critical entity is an entity as regulated by the law governing the field of critical infrastructures

11) qualifying holding is a proportion of ownership by which a foreign investor, individually or jointly with related parties or through joint action, by direct or indirect investment in the assets of the obliged entity, acquires control of at least 10% of the shares and/or voting rights, or property rights, or of total shares or business interests (hereinafter: shares)

12) Competent authorities for the identification of obliged entities are public authorities, including concession providers, which carry out the procedure of identification of obliged entities from their line area of competence

13) Undeclared foreign investment is a foreign investment for which the applicant has not submitted an application for approval of a foreign investment

14) obliged entity is a trader or a company, regardless of its legal form, with its registered office or business establishment in the Republic of Croatia, which operates or will be established in connection with a foreign investment, in relation to which a foreign investment affects or may affect security or public order;

15) the responsible persons of the foreign investor are the beneficial owners, including, but not limited to, the natural and legal persons founders and their responsible persons within the meaning of this point, the president and members of the management board, the president and members of the supervisory or management board, executive directors, persons authorised to represent them, including procurators, and other persons who, individually or jointly, hold a controlling position; direct or indirect control, through ownership or management, or exercising significant influence or otherwise appropriate from the relevant influence on the business as a whole

16) The applicant is an obliged entity or a foreign investor who submits an application for approval of a foreign investment

17) investment migration intermediary means an intermediary as regulated by Regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (Text with EEA relevance)

18) Qualifying holding increase is any form of direct or indirect increase in the investment of a foreign investor in the assets of an obliged entity, alone or through joint action, which leads to a change in the ownership or management structure or in the controlling position of the obliged entity, whenever the prescribed threshold for the acquisition of a qualifying holding is reached

(19) projects or programmes of Union interest means projects or programmes with a significant amount or substantial share of Union funding, or covered by Union law in respect of critical entities that are essential for the security or public order of the Union, and which relate to the projects or programmes listed in the Annex to Regulation (EU) 2019/452 and to any future relevant projects or programmes in the event of amendments and/or additions to the list adopted by Commission delegated acts

20) Foreign investment screening is the process of assessing and verifying foreign investment applications, deciding on foreign investment applications and controlling foreign investments.

21) Register of Concessions:

a) is a register kept by the Ministry of Finance, as prescribed by the general law governing concessions, which contains a central source of information on all concessions and represents a single electronic record of all concession contracts granted in the territory of the Republic of Croatia;

b) are all other registers of concessions in different areas and for different activities as prescribed by special regulations governing the granting of concessions managed by the competent public authorities, or

c) is a register of public-private partnership contracts established and maintained by the ministry responsible for the economy as prescribed by the law governing public-private partnerships;

22) Risk of negative impact of a foreign investment is any potential negative impact, suspicion and/or probability that a foreign investment, regardless of whether it is a decision-making process on a submitted application for authorisation or a foreign investment control procedure, poses a threat to security and/or public order

23) Reduction of a qualifying holding is any form of direct or indirect reduction of an investment of a foreign investor in the assets of an obliged entity, alone or through joint action, which leads to a change in the ownership or management structure, or in the controlling position of the obliged entity below the prescribed threshold of 10% for the acquisition of a qualifying holding

24) A foreign investor is:

a) a natural person who is not a citizen of the Republic of Croatia or a Member State, including natural persons who, in addition to the citizenship of the Republic of Croatia or a Member State, also have the citizenship of a third country and stateless natural persons

b) An intermediary in investment migration

c) a legal person constituted or otherwise organised in accordance with the laws of a third country, including a trust and a foreign law entity assimilated to a trust, comprising an express trust and other similar legal forms of foreign law;

d) a legal person established in the Republic of Croatia or a Member State that is directly or indirectly controlled by a foreign investor or a public authority of a third country, through an ownership or management structure or a controlling position, or where a public authority of a third country has control or influence over the foreign investor in any other way, or

e) a subsidiary or branch of a foreign investor in the Republic of Croatia or a Member State that is directly or indirectly controlled by a foreign investor or a public authority of a third country, including any subsidiaries or branches of a foreign investor and any subsidiaries or branches of subsidiaries of a foreign investor, as well as any company over which the foreign investor or a public authority of a third country effectively exercises control or influence;

25) foreign investment is any direct or indirect foreign investment of any kind in an obliged entity, by which a foreign investor, by investing its capital, acquires or increases a qualifying holding or has a controlling position, for the purpose of performing an economic activity, economic use of a common or other good in the Republic of Croatia, including the performance of works, the supply of goods and the provision of services, and investments that enable effective participation in the management of an obliged entity that performs economic activity or participates in the control of that obliged entity (hereinafter: economic activity), in order to:

a) the establishment or maintenance of temporary or permanent links with an existing obliged entity or an obliged entity to be established, and/or

b) effective participation in the ownership structure, management and/or control of the existing obliged entity or the obliged entity to be established;

26) beneficial owner is a natural person as regulated by the law governing the prevention of money laundering and terrorist financing;

27) Public authorities are state administration bodies and other state bodies, local and regional self-government units, legal persons vested with public authority, legal persons founded by the Republic of Croatia or a local or regional self-government unit, legal persons performing public service, legal persons financed predominantly or entirely from the state budget or from the budget of local and regional units on the basis of a special regulation. self-government, i.e. from public funds and companies in which the Republic of Croatia and local and regional self-government units have separate or joint majority ownership

(28) public authority of a third country means a government or other executive state body, an armed forces, a territorial or self-governing body exercising state authority, and another state body in a state other than a member state

A third country is a foreign country that is not a Member State.

"joint action" means any active and/or passive action with the aim of acquiring, increasing or decreasing a visible or disguised qualifying holding or controlling position in an obliged entity carried out by:

(a) two or more foreign investors, at least one of whom is not a holder of a qualifying holding or a controlling position;

(b) two or more foreign investors, neither of which is an independent holder of a qualifying holding or a controlling position;

c) a foreign investor and a domestic unit-holder, at least one of whom is not a holder of a qualifying holding or a controlling position, or

d) a foreign investor and a domestic unit-holder, neither of which is an independent holder of a qualifying holding or a controlling position.

Article 7. Gender equality

The terms used in this Act, which have a gender meaning, refer equally to the male and female gender.

PART TWO COMPETENT AUTHORITIES FOR THE IMPLEMENTATION OF THE FOREIGN INVESTMENT SCREENING PROCEDURE

Article 8. Foreign Investment Screening Commission

(1) The Government of the Republic of Croatia (hereinafter: the Government) shall adopt a decision on the establishment of the Commission for the Screening of Foreign Investments (hereinafter: the Commission), which shall regulate the organisation, mode of operation and other issues of importance for the effective application of this Act, coordinated by the Ministry of Finance.

(2) The task of the Commission shall be to coordinate inter-institutional cooperation and the efficient flow of information between public authorities involved in the implementation of this Act and Regulation (EU) 2019/452.

(3) In addition to the tasks referred to in Paragraph 2 of this Article, the Commission shall be responsible for analysing and assessing the risk of negative impact of foreign investment of identified obliged entities, adopting an opinion on the basis of which the Ministry of Finance decides in the procedure of verifying foreign investments, harmonizing positions, coordinating and monitoring common policies and activities in achieving strategic and operational objectives in the field of implementing measures, actions and procedures for the purpose of verifying foreign investments, as well as for other tasks entrusted to him by this Act.

(4) In order to perform the tasks and tasks necessary for the implementation of this Act and to make decisions within the scope of work of the Commission, representatives of the Commission shall use the administrative, technical and professional resources of the competent authorities referred to in Article 10, paragraph 1 of this Act, and if necessary for the purpose of issuing an opinion in the procedure of verification of foreign investments, they may additionally request legal and professional assistance through inter-institutional cooperation.

(5) The Commission shall be composed of representatives of the Ministry of Finance and representatives of the competent authorities referred to in Article 10, Paragraph 1 of this Act.

(6) The Government may also appoint representatives of other bodies participating in the foreign investment screening procedure to the Commission by a decision.

Article 9. National Contact Point

(1) The National Contact Point was established at the ministry responsible for economic affairs by the Regulation implementing 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 (Official Gazette, No. 105/20) and shall continue to operate in accordance with the provisions of this Act.

(2) The national contact point shall be responsible for coordinating and cooperating with the competent contact points in the Member States and the Commission on all matters related to the implementation of Regulation (EU) 2019/452, and in particular:

- a) the preparation of the annual report for the previous calendar year on a standardised form prescribed by the Commission, in accordance with Article 5 of the Regulation; Regulation (EU) 2019/452 and
- b) submitting comments or requests for opinions or comments and acting on comments, requests and opinions prescribed by Articles 6 to 9 of the Act; Regulation (EU) 2019/452.

(3) In addition to the tasks referred to in Paragraph 2 of this Article, the National Contact Point shall be obliged, without delay, and no later than within three days of receipt, to submit to the Commission the comments, information, requests and opinions prescribed by Articles 6 to 9 of the Act. Regulation (EU) 2019/452.

(4) The national contact point may, for the purpose of providing the information referred to in Articles 7 and 9. Pursuant to Article 9(1), (2) and (3) of Regulation (EU) 2019/452, request in writing from the foreign investor carrying out the investment in the Republic of Croatia and/or the obliged entity in which the foreign investment is planned or has been carried out, to provide the information referred to in Article 9(1), (2) and (3) of the Act. Regulation (EU) 2019/452.

(5) The foreign investor and/or obliged entity referred to in Paragraph 4 of this Article shall submit the requested information to the National Contact Point no later than seven days from the receipt of the request referred to in Paragraph 4 of this Article.

(6) The administrative and technical tasks referred to in this Article shall be performed for the Commission by the National Contact Point.

Article 10. Competent authorities for the identification of obliged entities and records of obliged entities

(1) The competent authorities for determining the obliged entity shall be the following public authorities:

1. the ministry responsible for the economy for taxpayers from the following sectors: energy, energy storage, economic activities from Section C, Sections 26, 27 and 28. National Classifications of Activities 2025 – NKD 2025

2. the ministry responsible for transport for taxpayers from the following sectors: transport, economic activities from section C, sections 29 and 30. National Classifications of Activities 2025 – NKD 2025
3. the ministry responsible for health for obliged entities from the following sectors: healthcare, water intended for human consumption, production, production and distribution of chemicals, production of medical devices and in vitro diagnostic medical devices
4. the ministry responsible for environmental protection for obliged entities in the following sectors: water management, waste management, water intended for human consumption, wastewater, regulation and protective water structures for flood protection
5. the ministry responsible for digital transformation for obliged entities from the sector: trust service providers and for obliged entities from the sector providers of managed services: providers of managed security services and information intermediaries as defined by the regulation governing the exchange of electronic invoices between undertakings
6. the ministry responsible for agriculture for taxpayers from the sector: production, processing and distribution of food;
7. the ministry responsible for science and education for obliged entities in the research sector: space, artificial intelligence, robotics, semiconductors, quantum and nuclear technology, nanotechnology and biotechnology, as well as special narrower areas of research, and the register of national top-level internet domain names
8. Ministry responsible for foreign affairs for taxpayers from the dual-use sector
9. the ministry responsible for defence for taxpayers from the defence sector and the achievement of the defence function;
10. Agency for Electronic Media for Obligated Entities in the Media Sector
11. Central State Cyber Security Authority for obliged entities in the digital infrastructure sector: providers of Internet traffic exchange hubs, providers of domain name system (DNS) services, except operators of root name servers, cloud computing service providers, data centre service providers and providers of content delivery networks, and for obliged entities in the information and communication technology sector: providers of managed services, providers of managed services security services and information intermediaries as defined by the regulation governing the exchange of electronic invoices between undertakings
12. Croatian Regulatory Agency for Network Industries for obliged entities in the digital infrastructure sector: providers of public electronic communications networks and providers of publicly available electronic communications services, for obliged entities in the postal services sector and for obliged entities in the field of railway services market
13. State Election Commission for Taxpayers from the Electoral System Sector
14. Croatian National Bank for obliged entities in the banking sector and
15. Croatian Financial Services Supervisory Agency for obliged entities in the financial market infrastructure sector.

(2) In addition to the bodies referred to in Paragraph 1 of this Article, the competent authorities for the determination of obliged entities shall also be the concession grantors, in accordance with the regulations governing the granting of concessions or according to the subject matter of the public-private partnership contract.

(3) The competent authority for the identification of obliged entities shall identify all obliged entities within its area of competence, keep and regularly update the records of identified obliged entities in each change, and regularly submit them to the Ministry of Finance.

(4) The records referred to in Paragraph 3 of this Article shall include: the company, registered office or establishment, as well as contact details and the total number of all obliged entities, including e-mail addresses and telephone numbers, names and descriptions of the main activities performed by the obliged entities, the names and/or types of critical entities in relation to which the obliged entities perform economic activities, with an indication of critical entities of strategic interest for the Republic of Croatia, together with a list of the territories concerned, specific narrower areas and categories or types of operators, as well as a short list and description of the main activities they carry out or the services they provide.

(5) When two or more competent authorities are competent to identify the same obliged entity, these authorities shall be obliged to act independently when applying paragraphs 3 and 4 of this Article, with the duty of mutual cooperation and exchange of relevant information.

(6) The competent authority for the identification of obliged entities shall be obliged to notify all identified obliged entities within its competence of the obligations under this Act no later than eight days from the date of determination of these obliged entities.

(7) The competent authority for the identification of obliged entities shall be obliged to inform all obliged entities, who are no longer considered obliged entities after updating the records of identified obliged entities, of this fact and of the fact that as of the date of receipt of such notification, they are no longer subject to the obligations of verification of foreign investments under this Act.

subject to the obligations of verification of foreign investments under this Act.

(8) The Ministry of Finance shall submit the consolidated list of identified obliged entities referred to in Paragraph 3 of this Article to the Commission for confirmation of the identified obliged entities.

(9) The criterion for determining the obliged entity referred to in paragraph 3 of this Article is the activity performed by the obliged entity, determined according to the National Classification of Activities.

(10) A detailed list of sectors and subsectors in these activities, with the elaboration of the criteria referred to in Paragraph 9 of this Article, for the determination of the obliged entities referred to in Paragraph 3 of this Article, shall be prescribed by the Government by Regulation.

Article 11. Control bodies

(1) The control bodies are:

a) the competent commercial court

b) CDCC

c) the concession grantor, and

d) a public authority competent for the protection of competition.

(2) The Ministry of Finance shall submit to all control bodies referred to in Paragraph 1 of this Article a confirmed consolidated list of identified obliged entities referred to in Article 10, Paragraph 8 of this Act.

(3) The control bodies referred to in Paragraph 1 of this Article shall ex officio perform the function of a control mechanism that prevents the completion of foreign investments without previously conducting the procedure of verification of foreign investments and obtaining a decision of the Ministry of Finance approving the applicant's application for approval of a foreign investment.

PART THREE FOREIGN INVESTMENT SCREENING PROCEDURES

Article 12. Initiation of the Foreign Investment Screening Procedure

(1) The procedure for the verification of a foreign investment shall be initiated upon a request for approval of a foreign investment by the applicant or ex officio.

(2) The request referred to in Paragraph 1 of this Article shall be submitted to the Ministry of Finance by registered mail or electronically.

(3) The applicant shall, prior to the acquisition, increase or decrease of a qualifying holding or the acquisition of a controlling position, and no later than before the submission of the application for registration and all subsequent applications for registration of the obliged entity in the court register, or before the adoption of a decision on granting a concession, or at the latest before the conclusion of a concession contract, or before the conclusion of a public-private partnership contract, and any subsequent appendices to such contracts to be entered in the Register of Concessions, or before each entry in the depository of the CDCC, submit to the Ministry of Finance an application for approval of foreign investment in that obliged entity.

(4) The Minister of Finance shall regulate in more detail the content of the application and the information and documentation to be submitted with the application by means of an ordinance.

Article 13. Acting on an application for approval of a foreign investment

(1) Upon receipt of an application for approval of a foreign investment, the Ministry of Finance shall carry out an administrative verification procedure to verify the regularity of the application for approval of a foreign investment, i.e. whether it is permitted, submitted by an authorised person and whether it contains all the necessary information and documentation to be able to act on it.

(2) The administrative verification procedure referred to in Paragraph 1 of this Article may not last longer than 30 days from the date of submission of the application for approval of foreign investment, except in the cases referred to in Paragraphs 5 and 6 of this Article when it may not last longer than 60 days from the date of submission of the application for approval of foreign investment.

(3) If the Ministry of Finance determines that the application for approval of a foreign investment is not in order, it shall issue a conclusion inviting the applicant to supplement the application for approval of a foreign investment within a period that may not be shorter than eight days or longer than 15 days, with a warning of the legal consequences if it fails to do so within the specified period.

(4) If the applicant fails to complete the application for approval of a foreign investment within the period referred to in paragraph 3 of this Article, and the application cannot be acted upon, the Ministry of Finance shall reject the application for approval of a foreign investment by a decision.

(5) When it determines that the application for approval of a foreign investment is in order, the Ministry of Finance shall submit it to the Commission and the National Contact Point without delay, and no later than within three days, together with all the attached documentation, for the purpose of informing the Commission and the Member States.

(6) The national contact point shall inform the Commission and the Member States without delay and at the latest within three days of the submitted application for authorisation of a foreign investment in accordance with the obligations arising from the cooperation mechanism set out in Regulation (EU) 2019/452.

(7) Notwithstanding Paragraph 5 of this Article, the Ministry of Finance may reject an application for approval of a foreign investment by way of a decision if it determines that, in accordance with the law

approval of a foreign investment may be a decision in accordance with, in accordance with the law governing restrictive measures, restrictive measures have been applied to the foreign investor or their responsible persons, or persons related to them within the meaning of that Act, or if there is a suspicion or reason to suspect that such persons are the persons to whom they should be applied criteria for inclusion in a specific sanctions list.

Article 14. Opinion of the Commission

(1) The Ministry of Finance may, at the written proposal of the Commission, request the foreign investor carrying out the investment in the Republic of Croatia and/or the obliged entity in which the foreign investment is planned to be carried out to submit additional documentation, data or other information relevant to the adoption of an opinion on the submitted application for approval of the foreign investment.

(2) In the case referred to in Paragraph 1 of this Article, the Ministry of Finance shall set an appropriate deadline for the submission of additional documentation, data or other information to the foreign investor and/or obliged entity, which may not exceed 15 days.

(3) If a foreign investor or obliged entity referred to in Paragraph 1 of this Article fails to comply with the request of the Ministry of Finance or fails to submit the required additional documentation, data or other information within the deadline referred to in Paragraph 2 of this Article, or fails to act within the prescribed deadline upon the request of the National Contact Point referred to in Article 9, Paragraphs 4 and 5 of this Act, the Commission shall prepare and adopt the opinion referred to in Paragraph 1 of this Article in accordance with the documentation at its disposal and other available information and data, with the obligation to indicate and assess the circumstances of the impact on the adoption of the said opinion by the failure of a foreign investor or obliged entity to act at the request of the Commission or the National Contact Point.

(4) When adopting its opinion, the Commission shall be obliged to:

1. assess the risk of a negative impact of the foreign investment, taking into account at least the following risk factors:

(a) whether the foreign investor is directly or indirectly controlled by a public authority of a third country, including through an ownership structure or significant financial resources;

b) whether the foreign investor is already involved in activities affecting security and/or public order in a Member State

c) whether there is a serious risk that the foreign investor is involved in illegal activities

2. take into account the comments, opinions, expert arguments and other information provided by the Commission and the Member States;

3. To take into account the Commission's opinion on the impact of foreign investment on projects or programmes of Union interest

4. verify and determine whether the persons referred to in Article 13, paragraph 7 of this Act, in accordance with the law governing restrictive measures, have been subject to restrictive measures or have been included in the sanctions lists, or if there is a suspicion or reason to suspect that these persons are persons to whom the criteria for inclusion on a particular sanctions list should be applied;

5. verify the good repute of the foreign investor and its responsible persons;

6. take into account the acts of the Government regulating strategic planning for the resilience of critical entities and the national risk assessment of critical infrastructure, adopted on the basis of the law governing the field of critical infrastructures, and

7. take into account the acts of the Government regulating medium-term strategic planning and the National Cyber Crisis Management Program, adopted on the basis of the law governing the field of cyber security.

(5) The Commission shall prepare and adopt an opinion on the impact on security and/or public order no later than 90 days from the date of submission of a proper application for approval of a foreign investment, and submit it to the Ministry of Finance without delay, and no later than within three days.

(6) Notwithstanding Paragraph 5 of this Article, the deadline for the preparation and adoption of an opinion may be extended by 30 days when the Commission assesses that in order to determine the true state of affairs or the complete factual situation and the assessment of evidence, it is necessary to request additional documentation or carry out additional checks or analyses, of which it is obliged to inform the parties to the proceedings without delay.

Article 15. Deciding on the application for approval of foreign investment

(1) A decision on an application for approval of a foreign investment shall be made by a decision issued by the Ministry of Finance no later than 120 days from the date of submission of a valid application for approval of a foreign investment, or no later than 150 days from the date of submission of a valid application for approval of a foreign investment to the Ministry of Finance in the cases referred to in Article 14, paragraph 6 of this Act.

(2) The Ministry of Finance shall issue the decision referred to in Paragraph 1 of this Article on the basis of the opinion of the Commission referred to in Article 14, Paragraph 5 of this Act.

PART FOUR FOREIGN INVESTMENT CONTROLS AND LEGAL CONSEQUENCES OF CONTROLS

Article 16. Foreign Investment Control

(1) The Ministry of Finance may, at the proposal of any member of the Commission, ex officio initiate the procedure of foreign investment control:

(a) in the case of undeclared foreign investment

b) on the basis of an assessment of the risk of negative impact of foreign investment

c) on the basis of petitions, information, notifications, indications and other information that a foreign investor and/or obliged entity is acting contrary to the purpose of this Act;

d) in case of doubt or when it is established that the approved application for approval of the reduction of a qualifying holding has been submitted with the aim of acquiring, increasing or reducing a disguised qualifying holding in an obliged entity through a joint action or the joint action has occurred subsequently

e) in the cases referred to in Article 9, paragraph 2, point b) of this Act,

f) on the basis of the Commission's notification of the results obtained by conducting the analysis and assessment of the risk of negative impact of foreign investment of identified obliged entities, or

g) in other cases where there is a suspicion that a foreign investor and/or obliged entity is acting contrary to the purpose of this Act.

(2) The provisions of Articles 12 to 15 of this Act shall apply accordingly to the procedures for the control of foreign investments.

Article 17. Legal consequences of control

(1) When the Ministry of Finance, after conducting the procedure of control of foreign investments referred to in Article 16, Paragraph 1, Items b) to g) of this Act, determines that there has been a violation of the provisions of this Act, and in particular when it determines that there has been a violation or threat to security and/or public order, or when it is necessary for the protection of the public interest, the Ministry of Finance shall revoke the decision on the approved foreign investment by a decision.

(2) The Ministry of Finance shall, by the decision referred to in Paragraph 1 of this Article, order the foreign investor, and in the case of an established joint action also the shareholder, to sell all shares or units and property rights, if any, as well as to submit proof of sale and information about the buyer and set a deadline for the sale, which may not exceed nine months.

(3) Notwithstanding Paragraph 2 of this Article, the Ministry of Finance may, by way of a decision, extend the deadline for the fulfilment of the obligation referred to in Paragraph 2 of this Article to the foreign investor and, in the case of an established joint action and the unit holder, at their reasoned request, by a maximum of six months for the fulfilment of the obligation referred to in Paragraph 2 of this Article, if they prove that for objective reasons they were unable to fulfil that obligation within the period referred to in Paragraph 2 of this Article.

(4) From the moment of enforceability of the decision referred to in Paragraph 1 of this Article, a foreign investor may not dispose of shares, voting rights, property rights or shares, or in any other way exercise rights attached to shares, shares or voting or property rights, except for the purpose of fulfilling the obligation referred to in Paragraph 2 of this Article.

(5) The restriction referred to in Paragraph 4 of this Article shall also apply to the unit holder in the case of an established joint action.

(6) The obliged entity shall ensure that the persons referred to in Paragraph 2 of this Article do not act contrary to the obligations referred to in Paragraphs 2 and 4 of this Article and that, from the time of the enforceability of the decision referred to in Paragraph 1 of this Article until the expiry of the deadline specified in Paragraphs 2 and 3 of this Article, it shall regularly notify the Ministry of Finance in writing of any changes during the sale of shares or shares and property rights, if any.

(7) Notwithstanding Paragraph 1 of this Article, in the case referred to in Article 16, Paragraph 1, Item a) of this Act, the provisions of Paragraphs 2 to 6 of this Article shall be applied accordingly.

PART FIVE CESSATION OF FOREIGN INVESTMENT

Article 18

(1) If a foreign investor has withdrawn from the obliged entity, the obliged entity shall notify the Ministry of Finance thereof and provide it with all documentation on the time, manner and all legal consequences of such termination, including information relating to the distribution of shares or shares, voting, property and other rights, if any, together with information on their acquirer.

(2) In the case referred to in Paragraph 1 of this Article or in the event of the termination of the obliged entity, the Ministry of Finance shall ex officio issue a decision on the revocation of the decision on the approved foreign investment in the obliged entity.

PART SIX INTERINSTITUTIONAL COOPERATION AND ACCESS AND SUBMISSION OF DATA TO THE MINISTRY OF FINANCE

SUBMISSION OF DATA TO THE MINISTRY OF FINANCE

Article 19. Interinstitutional cooperation

(1) The competent control body referred to in Article 11, paragraph 1 of this Act shall be obliged to notify the Ministry of Finance without delay, and no later than within eight days, of any attempt to register or register an undeclared foreign investment, or of a suspicion of an attempt or registration of an undeclared foreign investment, without a prior decision of the Ministry of Finance approving the applicant's application for approval of a foreign investment.

(2) The Ministry of Finance shall be obliged, in the manner and within the deadlines referred to in Paragraph 1 of this Article, to notify the competent control body referred to in Paragraph 1 of this Article and the Commission, the National Contact Point and the public authority under whose jurisdiction the identified obliged entity is, of any decision issued by the Ministry of Finance either adopting, rejecting or rejecting the application for foreign investment, or revoking the decision on the approved foreign investment, and submit the relevant documentation to that effect.

(3) For the purpose of protecting security and/or public order and protecting the rights of third parties, the competent control body referred to in Paragraph 1 of this Article shall be obliged, without delay, and no later than within eight days of receipt of the notification referred to in Paragraph 2 of this Article, to make a public record in the court register, CDCC depository, concession register or other appropriate public book, register or record of any change adopted by the decision of the Ministry of Finance referred to in Paragraph 2 of this Article that affects or may be influence the status, rights, obligations or conduct of the obliged entity.

(4) For the purpose of exchanging data and information, the control body referred to in Paragraph 1 of this Article shall cooperate with the competent authorities for the implementation of the foreign investment screening procedure referred to in Articles 8, 9 and 10 of this Act, and at their request, provide them with all documentation and information related to the foreign investment within their jurisdiction.

(5) The competent authorities referred to in Article 10, paragraphs 1 and 2 of this Act shall be authorised to collect data from public authorities and legal persons for the purpose of determining the obliged entity.

Article 20. Access and submission of data to the Ministry of Finance

(1) Public authorities and courts shall be obliged to provide the Ministry of Finance with timely direct or indirect access to financial and administrative data, information and documentation at their disposal free of charge, unless otherwise provided by another law.

(2) Notwithstanding Paragraph 1 of this Article, when direct access to data, information and documentation is not provided or is in any way hindered, public authorities and courts shall be obliged to submit data, information and documentation to the Ministry of Finance at its request within the deadline set by the Ministry of Finance, and no later than 15 days from the date of receipt of the request.

PART SEVEN JUDICIAL PROTECTION AND LIABILITY FOR DAMAGES

Article 21. Judicial protection

No appeal shall be allowed against the decisions of the Ministry of Finance issued in accordance with the provisions of this Act, but an administrative dispute may be initiated before the High Administrative Court of the Republic of Croatia by means of a lawsuit.

Article 22. Liability for damage

The Republic of Croatia shall not be liable for damage caused by the application of this Act, unless the damage was caused intentionally or by gross negligence of public authorities or courts.

PART EIGHT PROTECTION OF PERSONAL AND OTHER DATA AND DATA RETENTION

Article 23. Protection of personal and other data

(1) Information and data obtained within the application of this Act and Regulation (EU) 2019/452 shall be used only for the purpose for which they were requested.

(2) The protection of information collected and exchanged within the implementation of this Act and Regulation (EU) 2019/452 shall be ensured by the application of regulations governing data secrecy and information security.

(3) Any processing of personal data pursuant to this Law and Regulation (EU) 2019/452 shall be carried out in accordance with national and Union law, and only if necessary for the screening of foreign investments and to ensure the effectiveness of the cooperation ensured by this Law and Regulation (EU) 2019/452.

(4) The provisions of this Article shall not apply to the processing and exchange of personal data in the course of activities carried out by the bodies of the security and intelligence system in the field of national security, activities related to matters in the field of national security carried out by the bodies of the defence system, as well as to the processing and exchange of personal data in the performance of

the retention system, as well as to the processing and erasing of personal data in the performance of activities as provided for in Article 4, paragraph 2 of the Act. Treaty on the Functioning of the European Union.

Article 24. Data retention

(1) The obliged entity shall keep the data, information and documentation collected pursuant to this Act and Regulation (EU) 2019/452 for ten years after the foreign investment ceases in any manner prescribed by this Act.

(2) The Ministry of Finance and the competent authorities for the implementation of the foreign investment screening procedure referred to in Articles 8 to 11 of this Act shall keep the data, information and documentation referred to in Paragraph 1 of this Article and Article 14, Paragraphs 1, 3 and 4 and Article 19 of this Act for ten years from the date of closure (archiving) of the case or the occurrence of the circumstances referred to in Paragraph 1 of this Article.

(3) The records of identified obliged entities referred to in Article 10, Paragraph 3 of this Act shall be kept permanently by the competent authorities for the identification of obliged entities referred to in Article 10, Paragraphs 1 and 2 of this Act.

(4) The Ministry of Finance shall keep the consolidated list of identified obliged entities referred to in Article 10, paragraph 8 of this Act permanently.

(5) After the expiry of the deadlines referred to in Paragraphs 1 and 2 of this Article, personal data and data, information and documentation referred to in this Article shall be destroyed in accordance with the applicable regulations governing the protection of personal data or the law governing archival records and archives.

PART NINE: INFORMATION AND DISCLOSURE OF INFORMATION

Article 25

(1) The competent authorities for the identification of obliged entities shall ensure the availability of statistical data on the decisions adopted upon the submitted applications for approval of foreign investment, the field of investment according to the criteria determining critical entities and the origin of foreign investors, and other relevant information from their field of competence to the general public through their websites, social networks and/or other forms of public communication.

(2) The list of obliged entities, data on obliged entities and foreign investors, as well as all other data generated for the purpose of implementing this Act shall be used exclusively for these purposes and shall not be made public.

PART TEN: TRANSITIONAL AND FINAL PROVISIONS

Article 26

Procedures initiated under the provisions of the Regulation implementing 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 (Official Gazette, No. 105/20) by the entry into force of this Act shall be completed in accordance with the provisions of that Regulation.

Article 27

The Minister of Finance shall enact the ordinance referred to in Article 12, paragraph 4 of this Act within 90 days from the date of entry into force of this Act.

Article 28

(1) The Government shall make a decision on the establishment of the Commission referred to in Article 8, Paragraph 1 of this Act within 30 days from the date of entry into force of this Act.

(2) The Inter-Ministerial Commission for the Screening of Foreign Direct Investments in the Union established by the Regulation implementing 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 in the Union (Official Gazette, No. 105/20) shall continue to operate in accordance with the provisions of this Act until the decision referred to in paragraph 1 of this Article is adopted.

Article 29

The competent authority for the determination of obliged entities referred to in Article 10, paragraphs 1 and 2 of this Act shall be obliged, within six months from the date of entry into force of the regulation referred to in Article 10, paragraph 10 of this Act, to identify all obliged entities within the scope of its competence.

Article 30

(1) The provisions of this Act on the verification of foreign investments shall be applied accordingly to obliged entities in which the foreign investment as prescribed by this Act was made before the entry into force of this Act.

(2) The verification of foreign investment for the obliged entities referred to in Paragraph 1 of this Article shall be carried out within three years from the date of entry into force of this Act.

Article 31

On the date of entry into force of this Act, the Regulation implementing Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening

European Parliament and of the Council of 18 March 2018 establishing a framework for the screening of foreign direct investments into the Union ("Official Gazette", No. 105/20.).

Article 32

This Act shall enter into force on the eighth day from the date of its publication in the Official Gazette.

Class: 022-02/25-01/99 Zagreb, October 24, 2025

PARLIAMENT OF CROATIA

The Speaker of the Croatian Parliament,

Gordan Jandroković, acting