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Update: On November 17, 2026, the Minister of Interior submitted to the Hungarian Parliament a draft bill (No. T/1123) titled on the amendment of certain laws relating to law enforcement and sports matters falling within the competence of the Minister of Interior, as well as certain other laws. Section 213 of the draft bill would extend the application of the provisions of Chapter IV of Act L of 2025 until April 30, 2027, instead of the current deadline of December 31, 2026. Draft bill No. T/1123 does not include the amendment to Act LVII of 2018 detailed below; thus, the date for the harmonization of the currently parallel investment screening mechanisms is expected to be postponed.

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Significant Changes Expected to Hungary's FDI Screening Regime

On 4 November 2026, the Hungarian Government published for public consultation a draft bill on the amendment of certain laws relating to law enforcement matters, certain provisions of which would significantly affect the screening regime applicable to foreign direct investments ("FDI") in Hungary. The primary objective of the proposed amendments is to simplify and harmonise the investment screening mechanisms currently operating in parallel.

In this context, the draft bill would repeal the investment screening regime set out in Chapter IV of Act L of 2025 (the origins of which can be traced back to the state of emergency declared in response to the COVID-19 pandemic) and integrate the screening of the investments concerned into the framework established by Act LVII of 2018 on the Control of Foreign Investments Violating Hungary's Security Interests, thereby also harmonising the applicable procedural rules. Accordingly, the proposed changes would not abolish FDI screening but rather restructure the existing regime.

As part of the proposed amendments, Act LVII of 2018 would be supplemented by a new Section 2/A, introducing a notification obligation where all the following conditions are met:

(i) the investor is a natural person who is a citizen of a state other than a Member State of the European Union, a Member State of the European Economic Area or the Swiss Confederation, or a legal person or other organisation incorporated or registered in such a state;
(ii) the investor intends to acquire an interest in a company having its registered seat in Hungary and carrying out, as its principal activity, a registered activity falling within one of the subsectors specified in Annex 1 to Act LVII of 2018;
(iii) the investor intends to acquire, through the acquisition of an ownership interest, a direct majority control within the meaning of Sections 8:2(1) and (2) of Act V of 2013 on the Civil Code ("Civil Code"); and
(iv) at least one of the following financial thresholds is met:
    a. the net turnover of the Hungarian company concerned in its last completed financial year amounts to or exceeds HUF 180 billion; or
    b. the transaction value of the contemplated acquisition of the ownership interest amounts to or exceeds HUF 10 billion.

The proposed regime would cover six sectors (compared to the 63 sectors listed in Annex 1 to Act L of 2025), namely:

(i) manufacture of coke and refined petroleum products;
(ii) manufacture of chemicals and chemical products;

(iii) manufacture of basic pharmaceutical products and pharmaceutical preparations;
(iv) manufacture of basic metals;
(v) manufacture of fabricated metal products, except machinery and equipment; and
(vi) electricity, gas, steam and air conditioning supply.

The main differences between the FDI screening regime currently in force under Act L of 2025 and the new regime to be integrated into the framework of Act LVII of 2018, which is expected to enter into force on 1 January 2027, subject to the adoption of the draft bill, are summarised in the table below:

	FDI regime under Act L of 2025	**New FDI regime integrated into the 2018 Act**
Foreign investor	In certain cases, citizens of other EU and EEA Member States and the Swiss Confederation, as well as legal persons and other organisations incorporated or registered in these jurisdictions, may also qualify as foreign investors	Only investors from outside the EU, EEA and the Swiss Confederation qualify as foreign investors
Relevant business activities	63 sectors; both principal and secondary business activities are relevant	6 sectors; only the principal business activity is relevant
Transaction type	Both the acquisition of an ownership interest and the acquisition of an operating right are subject to notification	Only the acquisition of an ownership interest is subject to notification
Extent and nature of control acquired	In certain cases, the acquisition of a minority interest, including an indirect interest of as little as 3%, is also subject to notification	Only the acquisition of direct majority influence within the meaning of Sections 8:2(1) and (2) of the Civil Code is subject to notification
Transaction thresholds	Total investment value of HUF 350 million or more	Transaction value of HUF 10 billion or more, or net turnover of the target company in its last completed financial year of HUF 180 billion or more

Overall, the proposed amendments envisage the establishment of a more unified and targeted FDI screening regime. If adopted and brought into force, the new rules are expected to significantly reduce the number of transactions subject to notification.

However, the draft bill published for public consultation does not contain any transitional provisions. Consequently, several questions remain open, including for example the treatment of transactions where the notification of the acquisition of an ownership interest is submitted before 1 January 2027, but the competent Minister has not issued a decision before that date, and the transaction would no longer qualify as notifiable under the new rules.

Accordingly, in the case of transactions expected to close towards the end of 2026 or in early 2027, particular care should be taken to ensure that all matters relating to the notification of the acquisition of an ownership interest to the competent Minister are comprehensively addressed, taking into account the anticipated changes to the regulatory framework.

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