



AUGUSTAABOGADOS

## NEWSLETTER

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### NEW EXTENSION OF THE TRANSITIONAL REGIME SUSPENDING THE LIBERALISATION OF CERTAIN FOREIGN DIRECT INVESTMENTS

The Spanish Government has decided to extend, until 31 December 2026, the transitional regime that suspends the liberalisation of certain foreign direct investments in Spain carried out by residents of other European Union (EU) countries and of the European Free Trade Association (EFTA).

This measure was initially introduced in the sole transitional provision ("*disposición transitoria única*") of the Spanish Royal Decree-Law 34/2020, of 17 November, and was initially set for a six-month period in response to the economic impact of the COVID-19 health crisis. Since then, this transitional regime has been extended on several occasions.

The preamble of the new Royal Decree-Law 9/2024, of 23 December, which implements this latest extension, justifies it on the grounds of the need to "*maintain protection against risks related to public order, health, and security*" in a "*context of growing geopolitical tensions and instability*".

As a result of this, foreign direct investments made by EU and EFTA residents will remain subject to the prior authorisation regime established in Article 7 bis of the Spanish Law 19/2003, provided that the following cumulative requirements are met:

1. That the investor acquires a stake equal to or greater than 10% of the share capital of a Spanish company or gains control over it, in accordance with Article 7.2 of the Spanish Law 15/2007, of 3 July, on the Defence of Competition;

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2. That the investment is made (a) in a public company listed in Spain whose shares are wholly or partially admitted to trading on an official secondary market in Spain and has its registered office in Spain, or (b) in an unlisted company, provided that the value of the investment exceeds 500 million euros; and
3. That the company targeted by the investment operates in a sector deemed strategic, as defined in Section 2 of Article 7 bis of the Spanish Law 19/2003.

Likewise, the regime for controlling foreign direct investments in Spain will continue to apply to investments made by residents in Spain, provided that their ultimate beneficial ownership lies with residents of third countries

In conclusion, this new extension continues to pose a challenge for foreign investors in strategic sectors in Spain, as they will need to comply with the prior authorisation regime. Previously, Augusta Abogados published a brief explanatory note detailing the procedure to obtain such prior authorisation.

- New legal framework for the control of foreign direct investment in the EU [\(read more\)](#)
- Suspension of the regime of liberalization of foreign direct investments in Spain following COVID-19 [\(read more\)](#)
- Foreign direct investment in Spain [\(read more\)](#)
- New modifications to the regime of suspension of foreign investments in Spain [\(read more\)](#)
- Restricciones a las inversiones extranjeras en España – actualizaciones de fin de año [\(read more\)](#)
- Operaciones Internacionales M&A y las novedades en el régimen de inversiones extranjeras [\(read more\)](#)

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