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CEE LEGAL NEWSLETTER Q2/2025

LEGAL NEWS for investors and entrepreneurs

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HUNGARY

LEGAL NEWS

OVERVIEW OF RECENT LEGAL AMENDMENTS, NEW LAWS AND REGULATIONS

Discontinuation of the paper-based social security record booklet ('tb-kiskönyv')

On 2 June 2025, Act XXXIV of 2025 on the discontinuation Social Security Record Booklet and amendments to certain laws in the fields of public education, social affairs, child protection and disability entered into force, introducing the discontinuation of the paper-based certificate used to verify social security status and entitlement to health insurance benefits - commonly known as the Social Security Record Booklet ('tb-kiskönyv'). This legislation also amends various laws in the fields of public education, social services, child protection, and disability affairs.

The most significant change brought about by the new law concerns the form officially titled 'Certificate of Insurance Status and Health Insurance Benefits', more widely known as the 'Social Security Record Booklet'. As of 1 January 2026, this document will be replaced by a fully electronic registry - referred to as the 'e-Social Security Record Booklet'. This digital system, managed by the health insurance authority, will maintain up-to-date electronic records of insured individuals' insurance relationships, monetary health insurance benefits under the Health Insurance Act, and accident-related sick pay. The electronic record will serve as the basis for processing claims related to these benefits.

The primary objective of the legislation is to reduce administrative burdens on businesses. By transitioning to a digital system, it eliminates the need to resubmit or document information already available in government databases. The elimination of the physical Social Security Record Booklet aligns with broader efforts to reduce bureaucracy and streamline administrative processes.

Through the introduction of the e-Social Security Record Booklet, the legislator not only eases administrative obligations for employers but also ensures modern, purpose-specific, and comprehensive access to relevant data for benefit payers involved in processing health insurance claims.

Beyond these reforms, the new legislation also impacts the education, child protection, social welfare, and disability sectors. It includes both harmonization-oriented and technical legal amendments, as well as changes aimed at enhancing the effectiveness of sectoral legislation implementation.

Changes to civil litigation rules – Introduction of a new type of lawsuit

On 20 June 2025, Act XLIX of 2025 on the amendment of justice-related laws entered into force.

One of the most important amendments affects Act CXXX of 2016 on the Code of Civil Procedure (hereinafter: *Hungarian Civil Procedure Code*), which has been expanded to include several new procedural instruments not previously regulated under the Code.
Among the key changes is a new rule for delays in court proceedings: if a court fails to take a procedural action within the time limit set by law, it is required to automatically provide monetary compensation to the parties.

This compensation begins accruing from the day following the missed deadline and is calculated daily at a rate equal to 1.5% of the prevailing minimum wage as of the first day of delay.

The court must notify its financial administration office of the compensation obligation within eight days of carrying out the delayed procedural act. The financial office is then required to arrange the payment within 30 days of receiving the notification.

Another major innovation is the introduction of a simplified lawsuit procedure (*'egyszerűsített per'*). This procedure may only be used if the parties have agreed in writing, typically through a contractual clause. However, such an agreement is not permitted in cases involving personal status (e.g., family law) or consumer disputes.

Key features of the simplified procedure include:

- mandatory legal representation for all parties;
- no division between the preparatory and substantive phases of the hearing;
- only limited submission of preparatory procedural documents;
- evidence may only be submitted in the form of written documents or expert opinions - no witness testimony;
- several procedural deadlines are shortened compared to ordinary litigation.

The amendment also significantly reshapes the rules governing judicial review, with the aim of streamlining appellate procedures.

In addition, the new rules make it possible - where technical conditions allow - for members of the public or parties to attend court hearings remotely as online observers.

The above changes will come into force in two phases:

- 19 August 2025, and
- 1 January 2026, depending on the specific provision.

Changes in certain tax laws

On 20 June 2025, Act LIV of 2025 on Certain Tax Obligations and the Amendment of Certain Tax Acts entered into force and amended a number of tax laws.

Corporate tax

According to the most important amendments:

- ✓ The pre-tax profit shall be reduced by 150 percent of the multiplied amount of the increase in the number of employees compared to the previous tax year, or in the case of a transformation, merger or division, to the previous tax year of the predecessor, or in the absence of a previous tax year, to zero, and the monthly minimum wage for the tax year in force on the first day of the tax year.

- ✓ The pre-tax profit shall be increased by the amount of the 150 percent plus 20 percent of the multiplied amount of the decrease in the average number of employees and the monthly minimum wage for the tax year on the first day of the previous tax year, but not more than the amount of the benefit received under the previous indent, plus 20 percent, given that the amount of benefit claimed in the fourth tax year or earlier preceding the tax year in which the average number of employees was reduced shall not be taken into account.

The above amendments will be effective from 1 September 2025.

It should also be emphasized that as of July 20, 2025, the legislation referenced in this section elevates to statutory level the provisions concerning certain windfall taxes, which were previously set forth at the level of government decrees.

Windfall taxes

With regard to the windfall tax applicable to *credit institutions and financial enterprises*, the elevation of the rules to statutory level does not affect the substance of the provisions applicable to the year 2025. For the 2025 tax year, the base of the windfall tax shall be the pre-tax profit determined on the basis of the annual report for the 2023 tax year, adjusted by various increasing and decreasing items. The tax rate for the tax year beginning in 2025 is 7% on the portion of the tax base not exceeding HUF 20 billion, and 18% on the portion exceeding this amount.

For the 2025 tax year, taxpayers may reduce their tax liability - subject to specific conditions and based on their government securities purchases - by an amount equal to 10% of the nominal value increase in their holdings of government securities, up to a maximum of 50% of the tax due for the given year.
Credit institutions and financial enterprises must determine their windfall tax liability for the 2025 tax year using a dedicated tax return form by 10 June 2025 and pay the tax in two equal instalments by 10 June 2025 and 10 December 2025.

Pursuant to the amendment, the tax obligation for credit institutions and financial enterprises will remain in force for the 2026 tax year as well. In 2026, the tax base will be the pre-tax profit - adjusted by various modifying items - determined on the basis of the annual report for the 2024 tax year. For 2026, the tax rate will be 8% on the portion of the tax base not exceeding HUF 20 billion, and 20% on the portion exceeding this amount.

In relation to the windfall tax applicable to *crude oil product manufacturers*, the elevation of the rules to statutory level similarly does not affect the substance of the provisions applicable to the year 2025. These provisions shall also remain applicable for the 2026 tax year.
The tax base is calculated as the product of the global market price differential of crude oil originating from the Russian Federation and the quantity (in barrels) of such crude oil purchased during the relevant month. A fixed deduction of 5 USD per barrel may be applied. The tax rate is 95%.

Crude oil product manufacturers must determine their windfall tax liability monthly, using the official tax return form provided by the national tax authority, and must declare and pay the tax by the 20th day of the month following the month to which the liability pertains.

Separation of the legal framework for the register of legal entities and court procedures relating to legal entities and voluntary liquidation

On 20 June 2025, the Hungarian Parliament adopted two new laws: Act LIX of 2025 on the Register of Legal Entities and Act LX of 2025 on Certain Court Procedures Concerning Legal Entities and Voluntary Liquidation.

To date, these areas have been regulated under a single piece of legislation - Act V of 2006 on Company Publicity, Court Registration Proceedings and Voluntary Liquidation - which has undergone numerous amendments over the years. As a result, the clarity and usability of the legal text have diminished in several areas. There has also been growing demand from legal practitioners for a more streamlined registration and change-registration process for legal entities listed in the civil register, similar to the one applied to companies.

In response, the legislator is overhauling the current structure of court-managed registers (namely, the company register and the civil register) and is establishing a unified, administrative register. Going forward, the registry will no longer be maintained by the courts, but by an administrative authority. However, courts will retain certain responsibilities: they will continue to exercise legal supervision and will retain jurisdiction over specific non-contentious procedures, especially those concerning dissolution without legal succession.

In the first phase, the registers of companies, civil organisations, and other non-company entities will be merged. The long-term objective is to enable unified access to data on all types of legal persons within a single registry.

In parallel, new unified procedural rules will apply to both companies and civil organisations - entities that were previously governed by separate systems. Act LX of 2025 will regulate both civil litigation and non-contentious proceedings involving the legal entities falling within its scope.

It is important to note that both acts will enter into force on 1 January 2027. Until then, the current legislative framework and judicial practice will remain in effect, providing ample time for the technical infrastructure necessary for the implementation of the new rules to be put in place.

Amendments to the ESG Act: Key changes and transitional provisions

As of June 20, 2025, amendments to the ESG Act introduced modifications to the scope of large enterprises subject to the ESG Act. Under the proposed changes, a company would fall within the scope of the ESG Act if its principal activity is classified under the economic sectors listed in the updated Annex 1 of the Act, and it meets both of the following criteria: (i) annual net revenue exceeding HUF 90 billion and (ii) an average workforce of more than 500 employees.
To ease compliance burdens, the ESG Act's transitional provisions were also amended. Specifically, they aim to reduce obligations related to sustainability due diligence for the 2024–2026 financial years.

Under the new rules, companies will not be required to have their ESG reports for the 2024 financial year audited in 2025. Additionally, ESG reports and related audit certificates for the 2024, 2025, and 2026 financial years do not need to be submitted to the regulatory Authority, nor published on the company's website. Nevertheless, the Authority retains the right to review compliance through regulatory oversight.

In an effort to further minimize administrative demands, the amendments introduced temporary exemptions for micro, small, and medium-sized enterprises (SMEs). Until 30 June 2027:

- Micro and small enterprises cannot be compelled to submit ESG-related data.
- SMEs may not undertake ESG data reporting obligations via contractual terms or written declarations.

New framework for foreign investors: amendments to share acquisition rules

Amendments to Governmental Decree nr. 561/2022. (XII. 23.) on the different application, during a state of emergency, of certain provisions necessary for the economic protection of companies in Hungary brought two significant changes to the rules of share acquisitions for foreign investors.

As of June 24, 2025, the standard 30-day administrative deadline for the minister to authorise such acquisitions has been extended to 45 days, which is considered a more realistic timeframe, reflecting the feedback from the market where deadlines were often difficult to meet. This new feature also allows the minister responsible for reviewing the reported acquisition to request up to three additional extensions of 30 working days each (up to a total of 90 additional working days), if needed to clarify the facts of the case. The notifying party must be informed of any extension in writing before the current deadline expires.

In addition, if the minister issues a prohibitive decision - subject to certain exceptions - the state has a pre-emption right, which must be exercised within 90 days and under the same terms as set out in the original contract.

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ROMANIA

LEGAL NEWS

OVERVIEW OF RECENT LEGAL AMENDMENTS, NEW LAWS AND REGULATIONS

Consumer protection

In response to EU-wide inflation, Romania has adopted two significant legal instruments in 2024 aimed at strengthening consumer rights. Law no. 243/2024 enhances protection for individuals with consumer loans, especially those granted by non-banking financial institutions (NBFIs). It introduces clear definitions of credit costs and imposes strict limits on the annual percentage rate (APR), which vary based on loan size. Crucially, existing borrowers may request the revision of their loan terms to comply with the new, more favorable cost thresholds. The law also targets deceptive practices, such as hidden fees or excessive penalties, and sets caps on amounts that debt collectors can recover.

Order no. 539/2024, meanwhile, addresses the phenomenon of "shrinkflation" by mandating that retailers clearly inform consumers when product sizes decrease without price changes. A visible notice must be displayed for at least 30 days to ensure transparency. Although Order 539/2024 lacks specific sanctions, violations can still attract significant fines under broader consumer protection laws.
Together, these enactments reflect Romania's commitment to economic fairness and consumer transparency during financially challenging times.

Energy sector: major regulatory and investment initiatives

Romania is advancing its clean energy transition through major regulatory and investment initiatives. The second Contracts for Difference (CfD) tender, launched by the Ministry of Energy, aims to support 3,472 MW of new renewable energy capacity (2,000 MW wind, 1,472 MW solar). With a budget of €3 billion sourced from the Modernization Fund, the scheme ensures price stability for renewable producers through capped strike prices (€80/MWh for wind, €73/MWh for solar). Applications are due by July 11, 2025, and evaluated by the national transmission operator, Transelectrica.

Additionally, a draft emergency ordinance (GEO 31/2025) seeks to streamline urban planning and construction permitting, crucial for accelerating investments under the National Recovery and Resilience Plan (NRRP). It introduces stricter deadlines, consolidated clarifications, and digital processes to reduce bureaucracy. Tacit approvals will apply in most cases if authorities fail to respond on time, encouraging administrative accountability while safeguarding critical sectors like defense and cultural heritage.

Lastly, the government issued a Call for Expressions of Interest to conduct a comprehensive offshore wind study in the Black Sea. The study will identify viable maritime zones for 800+ MW wind farms, supporting Romania's goal of reaching 3 GW offshore capacity by 2035. It will include wind assessments, environmental mapping, grid integration analysis, and spatial planning, using international standards. This preparatory step precedes a formal procurement process and underscores Romania's strategic commitment to offshore wind development.

Insolvency statistics

In 2024, Romania's economy mirrored broader European challenges amid geopolitical tensions and inflationary pressures, with GDP growth slowing to 1.0%. The country recorded over 7,274 company insolvencies, a 9% increase from 2023. Notably, "impact companies" (those with assets over EUR 1 million) surged by 58%, signaling deeper vulnerabilities in core business sectors. Key affected industries include wholesale and retail trade, construction, and manufacturing, with Bucharest and key counties like Cluj and Bihor leading in case numbers.

A significant shift occurred in pre-insolvency procedures, such as the preventive concordat, which doubled in popularity, showing a move toward restructuring over liquidation following EU Directive 2019/1023 and national legislative updates. However, despite this shift, over 155,000 companies were in some form of financial distress by early 2025, a record high.

Forecasts for 2025 suggest up to 180,000 companies may face financial difficulty, with the number of dissolved businesses now double that of the 2008–2009 crisis. Structural issues persist, including high fiscal deficits, rising public debt, and an alarming presence of "zombie" companies—those surviving on debt without generating sustainable revenues. Many firms conceal debt burdens and delay insolvency filings, which diminishes the efficacy of recovery efforts and highlights a fragile and transitioning Romanian corporate landscape.

Commercial law – NACE update

Starting January 1, 2025, Romania implemented the third revision of the NACE classification, requiring all companies to update their declared business activities. Although there is a grace period until September 25, 2026, updates are mandatory any time corporate changes (e.g., shareholder shifts, mandate renewals) trigger amendments to the articles of association.

Historically, Romanian companies included broad activity scopes in their founding documents but only selectively declared NACE codes to the Trade Registry. This flexible approach, once tolerated, is no longer accepted for companies moving to the new classification. Companies now face two options: retain a wide range of activities and risk inspections and non-compliance, or streamline their business object to reflect actual operations, reducing legal and regulatory exposure.

The update process can be done in one or two steps, depending on whether filings are made online or in person. While burdensome, the revision offers companies a valuable opportunity to reassess business priorities, eliminate unused codes, and ensure regulatory compliance.
Ultimately, this reform encourages greater transparency, sharper business planning and a more realistic alignment between a company's stated objectives and its operational capabilities.

Competition law: police assistance powers and changes to privileged documents procedures

On June 23, 2025, Law no. 111/2025 ("Law 111/2025") endorsing Government Emergency Ordinance no. 99/2024 („GEO 99/2024") on the modification and supplementation of certain acts in the field of competition was published in the Official Gazette of Romania and entered into force on June 26, 2025.
In comparison to the initial version of GEO 99/2024, Law 111/2025 brings a series of additional changes to the Romanian Competition Law no. 21/1996. These concern the following key aspects:

- the power granted to the Romanian Police to assist the Competition Council in the process of copying, seizing and collecting electronic information during dawn raids,
- modified conditions whereunder undertakings may request that correspondence be deemed as privileged; and
- procedural conditions for the application to stay the decision of the President of the Competition Council whereby correspondence is deemed as not privileged, as well as the conditions whereunder the Competition Council may eventually unseal the relevant correspondence.

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CROATIA

LEGAL NEWS

OVERVIEW OF RECENT LEGAL AMENDMENTS, NEW LAWS AND REGULATIONS

Extension of the reduced VAT rate on natural gas

Amendments to the Value Added Tax Act have extended the application of the reduced VAT rate of 5% on the supply of natural gas, including related fees, until 31 March 2026.

Amendments to the Fiscalization Act and impact on the VAT system

Following the adoption of the new Fiscalization Act by the Croatian Parliament on 6 June 2025, a phase of gradual implementation of significant amendments has begun, aimed at modernising and simplifying the fiscal system in Croatia. Starting from 1 September 2025, the use of digital certificates for invoice fiscalization will be introduced, replacing the previous forms and procedures for reporting business premises data, while abolishing fiscalization of accompanying documents. This will greatly ease administrative burdens for entrepreneurs, especially in the business-to-consumer (B2C) segment.

From the beginning of 2026, fiscalization will be extended to all taxpayers in the B2C segment, regardless of the payment method, including specific activities such as retail sale of daily press and tobacco products.

At the same time, the obligation to issue and receive electronic invoices (e Invoices) will be introduced among VAT taxpayers, and other entities such as public authorities and budget users not registered for VAT will also be included. This new practice of eInvoice fiscalization will simplify business processes and further reduce the need for traditional tax forms.

In 2027, the obligation to issue e Invoices will expand further to include a wider group of non-VAT taxpayers, including tradesmen, freelance professions, and local government units. All these entities will be required to fiscalize both issued and received Invoices, thereby ensuring full transparency of tax flows and significantly reducing administrative burdens.

These changes will result in the abolition of numerous existing tax returns and records, which is expected to bring substantial savings and simplify tax procedures. At the same time, the legislative framework will be aligned with EU VAT directives, particularly regarding rules for the digital age, necessitating amendments to other relevant regulations to fully implement the new fiscalization system.

Amendments to the Voluntary Pension Funds Act

Pursuant to the most recent amendments to the Voluntary Pension Funds Act, which entered into force on 29 March 2025, the key changes primarily relate to pension payment conditions, as well as the rights and obligations of fund members.

Under the new provisions, pensions of up to EUR 13,300 may be paid directly from the voluntary pension fund. If, after a lump-sum payment, the remaining balance on a member's account is up to EUR 17,299.99, the member may choose to receive the remaining amount as a temporary pension from the fund. In cases where the account balance amounts to EUR 17,300 or more, up to EUR 13,300 may still be paid out temporarily from the fund, while the remaining amount must be paid through a pension insurance company.

Additionally, the management company now has the legal right to reject membership applications from individuals who are subject to asset-freezing or similar restrictive measures. Furthermore, in the event of a permanent loss of working capacity or general inability to work occurring during fund membership, members may access early pension payouts from voluntary pension insurance. These payouts can be structured as temporary, lifelong, or lump-sum payments.

Establishment of the Central Population Register

Following the entry into force of the Central Population Register Act in April 2025, full implementation of the new register is planned for 1 June 2026. Once operational, Croatia will no longer conduct a traditional population census every ten years. Instead, demographic and household data will be drawn from the Central Population Register, maintained by the Tax Administration.

The register will consolidate information on individuals, households, and family relationships, using the personal identification number (OIB) as the core identifier. Data will be collected from existing public records, and the register will be regularly updated through automated data exchange with competent authorities.

Beyond its original purpose of replacing the census, the register will serve broader administrative functions, such as verifying eligibility for social benefits, managing inheritance and tax procedures, and supporting the assessment of income and property. Citizens will be able to view their data via the e-Citizens portal or in person, and request corrections through the source institution, not directly in the register.

Amendments to Croatian Foreigners Act

Croatia has introduced amendments to Foreigners Act, bringing notable changes to foreign employees work and stay in Croatia which bring stricter oversight and more responsibility for employers.

Key changes include:

- ✓ **Longer residence and work permits**

Employees can now be granted residence and work permits for up to 3 years (previously limited to 1 year), provided the employment agreement matches that duration. A 60-day grace period is introduced for foreign employees after job loss to allow time to find a new employer.

Additionally, residence and work permit for seasonal employees can now be issued for up to nine months, instead of the previous six-months maximum.
These measures reduce administrative burdens for employers and increase labor market flexibility.

✓ **Eligibility requirements for employers**

To hire a foreign employee, an employer must have at least one domestic employee i.e., a citizen of an EEA member state or the Swiss Confederation as a full-time employee for at least one year.

Additionally, the employer must have no outstanding tax liabilities or previous offenses (such as unlawful employment), and must meet a minimum monthly turnover requirement:

- €10,000/month for companies,
- €15,000/month for sole traders (or per season, if seasonal business).

✓ **Blue Card for high-skilled workers**

- The EU Blue Card, designed to attract and retain highly skilled professionals, is now valid for up to 4 years, depending on the contract and passport validity;
- Minimum gross salary required: the amount of the gross annual salary derived from the monthly or annual salary stated in the employment agreement should not be less than 1.5 times the average gross monthly salary paid in the Republic of Croatia in the previous year, according to the officially published data of the state administration authority responsible for statistics.

EU Blue Card will now also be available to individuals without formal qualifications but with professional skills, however exclusively in the IT sector.

✓ **Employer financial guarantees**

An obligation has been introduced for the employer to pay into the state budget an amount equal to one average gross monthly salary paid in the Republic of Croatia in the previous year in the event that an employee, for whom a permit was issued based on the opinion of the Croatian Employment Service (HZZ), does not start work within the prescribed deadline or if the employer terminates the agreement before the expiry of three months of work in Croatia. To secure the settlement of this claim, the employer is required to issue a promissory note in favor of the Republic of Croatia for each third-country national entering the Republic of Croatia based on a visa, within five days of issuing the permit.

This measure aims to encourage employers to conduct thorough selection procedures for workers they genuinely need.

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SLOVAKIA

LEGAL NEWS

OVERVIEW OF RECENT LEGAL AMENDMENTS, NEW LAWS AND REGULATIONS

New Construction Act

The National Council of the Slovak Republic has adopted Act No. 24/2025 Coll., the Construction Act, which entered into force on 1 April 2025.

The objective of the new Construction Act is to establish a legal framework aimed at simplifying and accelerating the construction process, reducing the administrative burden of permitting procedures, and ensuring greater transparency in this field. The Act significantly simplifies the preparatory phase of construction by abolishing the existing dual-decision model (territorial decision and building permit) and introducing a single procedure — the procedure for a construction intention. Within this procedure, the building authority grants consent to the proposed construction activity.

Following the issuance of a decision on the construction intention, the builder gains legal certainty that the intended construction is permissible, thereby allowing for the development of a detailed construction project. This project, once verified by the building authority, becomes immediately enforceable. Alternatively, the builder may choose to elaborate the documentation of the construction intention directly into the detailed construction project, which the building authority will verify concurrently with the legal force of the decision on the construction intention. This alternative mirrors the current joint territorial and building permit procedure and is suited for cases where the builder has resolved land ownership rights or does not plan phased construction over an extended timeframe.

The Act also introduces a legal fiction of consent by affected authorities: if such an authority fails to respond within the statutory period of 30 or 60 days, consent is deemed granted. This measure aims to expedite the review process for construction intentions.

Additionally, the Act provides a supplementary procedure concerning unauthorized constructions completed prior to the Act's effective date. Such structures must either be retrospectively certified or removed within a defined timeframe, in order to prevent the long-term presence of non-permitted and non-approved, yet continuously used, buildings.

The new Construction Act further emphasizes the role of authorized professionals in the construction process. In particular, it clarifies the scope of authority and responsibility of author of the project documentation, site managers, contractors, construction supervisors, surveyors, and structural engineers throughout both the preparatory and execution phases of construction.

Draft Act on the Commercial Register

The Ministry of Justice of the Slovak Republic has submitted a draft Act intended to fully replace the currently valid and effective Act No. 530/2003 Coll. on the Commercial Register.

The draft Act aims to reduce the administrative burden on entrepreneurs and to establish interconnection with other registers, particularly reference registers. This interconnection should ensure the updating of data and introduce the legal binding force of information published online. The process of establishing companies should be simplified by assigning exclusive competence for all initial registrations and changes across all forms of business companies to registrars (notaries). The deletion of registered entities will remain within the jurisdiction of registry courts.

Under the proposed legal framework, applications for registration, amendment, or deletion will continue to be examined formally — i.e., the notary or registry court will only review the completeness of the application, including attachments, the consistency of the data in the application with the supporting documents, and fulfillment of other legally prescribed formal prerequisites. For entries of particular legal significance, such as mergers or divisions of companies, a certain level of substantive review will remain necessary to ensure compliance with specific statutory conditions.

A novelty introduced by the draft Act is the option to reserve a company's business name prior to its formation, allowing entrepreneurs to build their brand and identity in advance. Simultaneously, the Act will prevent the registration of business names that may cause confusion with other registers or public authorities, addressing issues arising in practice when some entrepreneurs seek to create the false impression of being a public authority through misleading names.

Regarding the initial registration of business companies, the draft introduces the possibility to submit an application without providing a trade license. If the business activity falls within a clearly defined scope of free trades, the company will obtain the license upon registration in the Commercial Register. This provision aims to expedite and simplify the process of company formation.

To enhance the credibility of data recorded in the Commercial Register, it is proposed that the founding document of every legal form of a company be executed in the form of a notarial deed or a contract authorised by an attorney.

The proposed effective date of the draft Act is 1 March 2026.

Draft Amendment to Act No. 7/2005 Coll. on Bankruptcy and Restructuring

The primary objective of the amendment proposed by the Ministry of justice of the Slovak Republic is to enhance the efficiency of insolvency proceedings by removing certain administrative obligations and addressing current application-related issues. The proposed changes aim to respond to practical needs and eliminate interpretative ambiguities and inconsistencies across insolvency law.

The amendment expands the legal framework for contractual penalty presumptions, eliminates the administrative burden of proving an additional creditor in anticipated insolvency within creditor-initiated bankruptcy filings, adjusts the process for small bankruptcies, and removes certain formal requirements such as signature certification. It also refines the construction and voting procedures of creditors' committees, clarifies the rules for replacing trustees and rectifies issues concerning the appointment of trustees in cases of conversion from restructuring to bankruptcy.

Further modifications aim to simplify the submission of restructuring plans, expand the options for asset realization during debt relief, broaden the pool of entities authorized to purchase assets from the bankruptcy estate, and introduce provisions related to commodities and electricity. The amendment also includes consequential changes to related regulations, such as the Commercial Code, Act No. 8/2005 Coll. on Trustees, and Act No. 111/2022 Coll. on the Resolution of Imminent Insolvency and on amendments to certain acts.

The proposed effective date of the amendment is 1 October 2025.

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UKRAINE

LEGAL NEWS

OVERVIEW OF RECENT LEGAL AMENDMENTS, NEW LAWS AND REGULATIONS

Amendments to the Civil Code of Ukraine to protect bona fide acquirers is now in force

As of 9 April 2025, amendments to the provisions of the Civil Code of Ukraine aimed at strengthening protection for bona fide acquirers has come into effect.

These amendments were adopted to limit abuses of procedural remedies that previously enabled the de facto indefinite challenge of the transfer of state or municipal property into private ownership (i.e., land plots and buildings) through so-called negatory actions (claims for the removal of obstacles to property use).

On 12 March 2025, the Verkhovna Rada of Ukraine adopted Law No. 12089 (the "Law"), which introduces a number of amendments to the Civil Code of Ukraine aimed at protecting bona fide acquirers of real estate previously owned by the state or municipalities. The Law will come into force after its signing by the President and publishing.

Why is the Law needed?

For a long time, law enforcement authorities could, practically without any time limits, challenge the transfer of state or municipal property (land plots, buildings, etc.) into private ownership by filing so-called 'negatory actions' (i.e., claims to remove obstacles to property use). This created significant risks for investors and owners of such assets.

What will change?

Upon the Law coming into force, if state or local authorities have taken any actions to alienate property, all disputes over its return must be resolved exclusively under the rules of Articles 387 and 388 of the Civil Code of Ukraine, i.e. by filing a vindication claim (a claim for reclamation or recognition of rights). The definition of a bona fide ('good faith') acquirer and the cases under which the property may be reclaimed from such an acquirer remain the same. A bona fide acquirer is one who acquired the immovable property for value and did not know, and could not have known, that it was alienated.

The main innovations of the Law:

- ***Time limit for reclamation:*** If more than ten years have passed since real estate was transferred into private ownership, it can no longer be reclaimed by the state or a local community. These provisions have retrospective effect and also apply to property transferred before the Law comes into force. The time limits do not apply to certain critically important cases (critical infrastructure, defence facilities, assets of strategic importance, cultural heritage monuments, and some others).
- ***Statute of limitation in reclamation disputes:*** A three-year statute of limitations applies, calculated from the date of the first private acquired title (i.e., from the date of state registration or the actual transfer, if registration was not mandatory).

- ***Compensation for property value***: The court, when deciding on the reclamation, simultaneously decides on compensation for the bona fide acquirer based on the appraised value of such property. In this case, the plaintiff (the state or the local community) must deposit the required funds with the court in advance. At the same time, the plaintiff acquires the right of recourse against the person through whose fault the property was unlawfully alienated. These provisions also have a retrospective effect and apply to cases already pending in court but not yet decided by the first-instance court.

New privatisation rules for leased assets

On 16 April 2025, Law-12230 was adopted, introducing amendments to the procedure for privatisation of state and municipal property that has been leased.

Prior to these amendments, the Law of Ukraine On Privatisation of State and Municipal Property allowed tenants who had carried out inseparable improvements amounting to at least 25% of the market value of the asset to acquire the leased property through direct purchase, bypassing the auction process. This often led to abuses and, in some cases, undervaluation of state and municipal assets.

What has changed?

The option of direct (non-auction) purchase has been abolished. Instead, new forms of privatisation are introduced for leased assets:

- privatisation auction of a leased property with inseparable improvements – a transitional mechanism applicable to tenants who had obtained approval for improvements prior to the entry into force of these amendments;
- privatization auction with compensation conditions – applicable where inseparable improvements were made after the new rules come into effect.

Detailed procedures for conducting such auctions are to be established by the Cabinet of Ministers of Ukraine (CMU).

Conditions for tenant participation in privatisation auctions with improvements

A tenant who has carried out inseparable improvements may acquire the leased property at the highest bid submitted at auction, provided that the following criteria are met:

- the value of the inseparable improvements equals or exceeds 25% of the market value of the leased property (as determined in accordance with the methodology approved by the CMU);
- the improvements were properly authorised – the tenant obtained written consent for their implementation;
- the inseparable nature and scope of the improvements have been confirmed by a construction expert's opinion, and their value has been confirmed by a valuation report;
- the lease agreement is valid at the time the privatisation decision is made, and the tenant has duly complied with its terms, with no outstanding rent payments.

The tenant must confirm their consent to pay the highest proposed auction price, or alternatively, provide advance consent to pay the second-highest bid.

Compensation

If the winning bidder is not the tenant, the tenant is entitled to compensation for the value of the improvements, regardless of whether they participated in the auction, provided that:

- the privatisation procedure includes compensation for inseparable improvements made by the lessee;

or

- the tenant either declined to exercise the pre-emptive right or was unable to do so.

If the tenant wins the auction, the value of the confirmed improvements will be credited against the final purchase price of the asset.

The amount of compensation is calculated proportionally to the sale price but shall not exceed the actual value of the improvements as confirmed by the construction expert's opinion.

Is direct purchase still available?

The direct purchase mechanism remains available only if a single participant applies for privatisation. In such cases, the asset may be sold to the applicant at the price they offer, provided that it is not lower than the starting price.

When do the changes take effect?

The changes will enter into force one year after their official publication.

New initiative: the state will transfer land under destroyed property to its owners free of charge

On 13 May 2025, the Verkhovna Rada adopted Draft Law No. 13174 in the first reading, which provides for the transfer of land plots, without bidding, to individuals whose real estate was destroyed as a result of hostilities.

The draft law proposes to expand the list of state- and municipally owned land plots that are exempt from sale through competitive procedures by including those plots where real estate (buildings, structures) destroyed due to hostilities was previously located. The ownership rights to such property must have been officially terminated in the State Register of Property Rights to Real Estate (SRPR) due to its destruction. These land plots may be transferred into private ownership free of charge or granted for use to the former property owners of the destroyed property.

Additionally, the general prohibition on free-of-charge land transfers to ownership in effect during martial law will not apply to such land plots.

The draft law also introduces a condition such that, during martial law and for five years after its termination or cancellation, the designated use of such land plots may be determined:

- without complying with the requirement of consistency between the land plot's designated purpose and the functional zoning of the territory;
- without approved urban planning documentation – provided that the new designated use corresponds to the function of the real estate object that existed on the land plot prior to its destruction.

Public-private partnership reform: Verkhovna Rada Committee recommends adoption of Draft Law No. 7508

In July 2022, the Verkhovna Rada registered Draft Law No. 7508, which aims to significantly reform the legislation framework governing public-private partnerships (PPPs). The reform aims to enhance the mechanism for attracting private investment into the public sector – an especially urgent need in the context of Ukraine's reconstruction.

On 2 May 2025, the Verkhovna Rada Committee on Economic Development resolved to recommend the draft law for adoption in the second reading.

Key amendments expected upon adoption include:

- the introduction of simplified procedures for smaller public-private partnership (PPP) projects (valued at up to USD five million), as well as for reconstruction-related initiatives, allowing their implementation without the requirement of a full-scale feasibility study;
- the expansion of PPP applicability to a broader range of assets, including transport infrastructure, residential housing and social infrastructure;
- the ability to involve donor organisations and utilise grant funding to support PPP initiatives;
- the deployment of electronic platforms to facilitate transparent and competitive tender procedures.

PPP under the U.S.-Ukraine Reconstruction Investment Fund

On 30 April 2025, Ukraine and the United States signed the Agreement on the Establishment of the US-Ukraine Reconstruction Investment Fund, the so-called "mineral resources agreement" (the Agreement). The Agreement was ratified on 8 May 2025.

In addition to its primary objective of establishing and operating the US-Ukraine Reconstruction Investment Fund, the Agreement also covers the implementation of PPP projects related to the construction and operation of infrastructure assets classified as "strategic" or "significant."

Ukraine and South Korea expand their economic partnership

On 2 May 2025, the Ministry of Economy of Ukraine and the Ukrainian-Korean Business Council Association (UKBC) signed a Memorandum of Cooperation. The document outlines the coordination of efforts to strengthen bilateral economic collaboration between Ukraine and the Republic of Korea through the UKBC.

The parties will focus on attracting investment into key sectors of Ukraine including industry, agriculture, energy and infrastructure. Additional priorities include supporting companies in their efforts to enter the other partner's market, developing joint projects in innovation, digitalisation and green energy, as well as facilitating logistics and trade.

Soon, a list of priority projects is expected to be developed for implementation under the memorandum.

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ALBANIA

SPECIAL FOCUS

LATEST DEVELOPMENTS IN THE TOURISM AND HOSPITALITY SECTORS

Albania's tourism sector: A year of record growth

Albania's tourism sector has demonstrated robust growth over recent years. In 2024, the country recorded approximately 11.7 million international arrivals, reflecting a 15% increase compared to the prior year. This expansion is attributable to Albania's rich cultural heritage, pristine coastal destinations along the Adriatic and Ionian Seas, numerous UNESCO World Heritage sites, and a growing portfolio of cultural events. Government efforts to promote sustainable and environmentally friendly tourism, coupled with substantial investments in infrastructure, have been instrumental in enhancing both accessibility and the overall visitor experience. Additionally, Albania's competitive pricing and well-known tradition of hospitality continue to draw tourists from across Europe and worldwide.

The sector's growth has contributed positively to the national economy by creating employment opportunities and stimulating development in complementary industries such as hospitality, real estate, and artisanal crafts. Moving forward, Albania is committed to sustaining this trajectory by prioritizing quality service delivery, expanding luxury accommodation offerings, and positioning itself as a year-round tourism destination.

Vlora International Airport

Vlora International Airport, inaugurated in 2025 near the village of Akërni in southern Albania, represents a major advancement in the country's transportation infrastructure. As Albania's third international airport, it features the longest runway in the Balkans at 3.2 kilometers, designed to accommodate wide-body aircraft, including long-haul and transatlantic flights.

The terminal building of Vlora International Airport covers an area of approximately 20,000 to 22,000 square meters, featuring state-of-the-art passenger amenities designed to accommodate up to 2 million travelers annually. Strategically situated near the Albanian Riviera, the airport is set to enhance Albania's global connectivity, fostering stronger links with international markets. This development is anticipated to drive growth in regional tourism, attract investments in the hospitality and logistics sectors, and create thousands of new employment opportunities, thereby supporting both local communities and the broader national economy. The project also integrates sustainable practices, including the installation of renewable energy sources like solar panels. Although constructed within a protected environmental zone, government and stakeholders have committed to balancing infrastructure development with environmental preservation, ensuring compliance with international conservation standards.

Vlora International Airport is a landmark infrastructure project that enhances Albania's aviation capabilities, supports economic diversification, and strengthens the country's position as a competitive destination in the Mediterranean.

Kep Merli Residences, Albania's first luxury eco-resort

Kep Merli, located along Albania's southern coast near the UNESCO-protected site of Butrint, represents one of the country's most ambitious and high-value private developments in tourism and real estate.
The development features two 5-star hotels, over 50 signature villas, two marinas, spa and wellness centers, fine dining venues, and extensive leisure facilities. The project addresses the growing demand for luxury coastal experiences in the Mediterranean, while capitalizing on Albania's competitive advantages: unspoiled natural assets, favorable tax regimes, improving infrastructure, and increased international tourism. The proximity to cultural heritage sites and strategic positioning along the Albanian Riviera further enhances its appeal to high-net-worth individuals and institutional investors.
With increasing interest from global buyers and regional investors alike, Kep Merli is not just a development — it is a long-term asset in a market undergoing rapid transformation. Its mix of hospitality, residential, and marine components make it uniquely positioned to deliver diversified revenue streams and strong capital appreciation over time.For forward-looking investors seeking early entry into a premium destination with untapped growth potential, Kep Merli stands as one of the most promising investment opportunities in Albania and the broader Mediterranean region.

MGallery Hotel opens on Albania's Southern coast

The prestigious Green Coast Hotel – MGallery Collection has officially commenced operations on Albania's southern coast, marking a significant milestone in the development of the country's high-end tourism sector. This strategic project is the result of a collaboration between the BALFIN Group and Accor, one of the world's leading hotel groups.

Situated in Palasë, between the Llogara National Park and the Ionian Sea, the hotel offers 112 refined guest rooms and suites, blending modern boutique aesthetics with natural materials and panoramic sea views. The architectural design respects the local landscape and aims to deliver an immersive, elegant experience rooted in Mediterranean tradition. Operated under the MGallery Hotel Collection brand, known globally for its distinctive and story-driven properties, this development is positioned to attract both leisure and business travelers. It also represents a substantial contribution to the Albanian Riviera's evolving tourism infrastructure and aligns with the national strategy for sustainable, year-round tourism.
As a franchise model managed by the Green Coast team, it represents a significant example of cross-border hospitality cooperation and investment in local talent development. This opening not only enhances the premium tourism offering in Albania but also affirms investor confidence in the country's long-term potential as a luxury destination.

Meliá Hotels International – Expanding premium hospitality in Albania

As one of the world's leading hotel groups, Meliá Hotels International has made a strategic entry into the Albanian market, positioning itself as a key player in the country's fast-growing tourism and hospitality sector. Known for its asset-light growth model and premium brand portfolio, Meliá has partnered with local and regional developers to establish a strong and diverse presence across Albania's coastal and urban destinations.

Key openings include the Meliá Durrës resort, a 455-room beachfront property in Gjiri i Lalzit, and the Velipoja Grand Europa, operating under the "Affiliated by Meliá" model. The group is also expanding with new developments such as Gran Meliá Tirana and Hotel Altea Meliá Collection in Palasë, while Sol Tropikal Durrës is already fully operational, collectively reinforcing Meliá's long-term commitment to the Albanian market.

From an investor perspective, Meliá's entry into Albania reflects strong confidence in the country's tourism potential and reinforces its shift toward higher-end, sustainable travel offerings. With over seven new properties planned within the next two years and partnerships with institutional entities such as the Albanian Investment Corporation, Meliá is not only expanding its global footprint but actively shaping Albania's premium hospitality landscape. For investors seeking exposure to the region's luxury tourism growth and real estate-backed hospitality models, Meliá's development pipeline in Albania offers both brand strength and long-term value.

Sazan Island's upcoming luxury resort

Sazan Island, located at the strategic convergence of the Adriatic and Ionian Seas, is the focus of an ambitious development initiative aimed at establishing a high-end luxury eco-resort. Formerly a restricted military area, the island is now envisioned as a model of sustainable tourism and exclusive hospitality.The proposed resort project aims to integrate discreet architectural design with the island's unique natural and historical character. Plans include a boutique hotel, private luxury villas, wellness and spa facilities, fine dining venues, and environmentally sensitive access infrastructure. Emphasis will be placed on preserving the island's rich biodiversity and heritage, including its distinctive ecosystems and cultural remnants from both the Italian and communist periods.

The project will adhere to principles of ecological responsibility, incorporating renewable energy sources, water conservation systems, and limited-capacity visitor policies to ensure long-term environmental sustainability. This development is expected to position Sazan Island as one of the most exclusive destinations in the Mediterranean, contributing to Albania's growing reputation as a premium tourism market, while simultaneously promoting cultural preservation, environmental stewardship, and economic growth.

Tirana Selman Stërmasi (Dinamo) Stadium redevelopment

The Dinamo Stadium project represents a major investment in Tirana's sports infrastructure, aimed at revitalizing one of the city's historic football venues. Located in the heart of Tirana, the stadium has long been a centerpiece for local sports and community events, and the redevelopment plan seeks to modernize its facilities to meet contemporary standards.

The project involves a comprehensive overhaul, including the construction of a new stadium with increased seating capacity, enhanced spectator amenities, and upgraded training facilities. The redesign prioritizes safety, accessibility, and sustainability, incorporating advanced technologies and environmentally friendly materials. Upon completion, the Dinamo Stadium is expected to serve as a multifunctional venue capable of hosting national and international football matches, concerts, and cultural events, thereby contributing to Tirana's urban regeneration and tourism development. The project also aims to support the growth of local sports by providing state-of-the-art facilities for athletes and fostering community engagement.

This redevelopment aligns with broader national efforts to promote sports and healthy lifestyles, positioning Dinamo Stadium as a symbol of Tirana's dynamic and modern urban landscape.

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FRANCE

LEGAL NEWS

OVERVIEW OF RECENT LEGAL AMENDMENTS, NEW LAWS AND REGULATIONS

The Ordinance of 12 March 2025 reforming nullity regime in Company law

Long criticized for its complexity and uncertainty, the regime governing nullities in Company law was based on overlapping provisions from both the Civil Code and the Commercial Code.

To address this, Ordinance of 12 March 2025, adopted pursuant to the enabling law of 13 June 2024, was published in the Official Journal on 13 March 2025 and will enter into force on 1 October 2025.

This reform clarifies the applicable rules by incorporating certain general provisions from the Commercial Code into the Civil Code, which now becomes the default legal framework for nullities in corporate matters.

The main innovation includes:

Streamlining grounds for nullity

The Ordinance narrows the grounds for the nullity of a company for just two cases, (i) the incapacity of all founders, or (ii) a failure to meet the statutory minimum of two shareholders. Other irregularities now fall under the general law of contracts.

The breach of a company's articles of association is no longer a ground for nullity, unless a legal provision or a specific clause provides otherwise in certain types of companies.

The text also introduces the notion of a "corporate decision" ("*décision sociale*"), replacing the former references to "acts" or "resolutions". Only such internal decisions may now be subject to nullification, excluding contracts with third parties or non-binding opinion.

Judicial review of corporate decisions

A new review mechanism is introduced for challenging corporate decision. A decision may only be annulled if three cumulative conditions are met (the "triple test").

- The claimant demonstrates actual prejudice linked to the breached rule;
- The irregularity influenced the outcome of the decision;
- The annulment would not have disproportionate consequences for the company.

This marks a clear shift from the previous regime and aims to limit automatic annulments, thereby strengthening the legal certainty of collective decisions.

Clarification of the legal effects of nullity

The Ordinance also revises the legal consequences of nullity. The limitation period of bringing an action in nullity is shortened from three years to two, except in the case of capital operations, mergers, or demergers.

The nullity of a company terminates the corporate contract without retroactive effect and generally triggers its liquidation. However, in the presence of a sole shareholder, the company's assets are transferred automatically to that shareholder without the need for liquidation.

Additionally, the judge may postpone the effects of nullity where immediate retroactivity would cause excessive harm to the corporate interest.

A major contribution of the reform is the elimination of the risk of "waterfall nullities," by providing that the nullity of an irregular appointment or maintenance of a corporate body does not affect the validity of the decisions it made.

Revised implementation timelines for CS3D and CSRD under the Omnibus I Directive

Initially adopted on 16 June 2024, the Corporate Sustainability Due Diligence Directive (CS3D) introduced a phased implementation timeline for both EU-based companies and non-EU based companies, starting in July 2027, based on company size and net turnover.

However, the Omnibus I Directive adopted by the European Commission on 26 February 2025 and published in the Official Journal of the European Union on 16 April 2025, partially revises this timeline.

Nicknamed the "stop of clock" directive, it grants member states an additional year by postponing the transposition deadline on the CS3D to 26 July 2027.

As a result, the application of due diligence obligations for certain companies has also been deferred by one year, and the applicability thresholds have been updated. The new timeline is as follows:

- **EU-based companies**: from 26 July 2028, for companies with more than 3,000 employees and a net worldwide turnover above EUR 900 million;
- **Non-EU companies**: from 26 July 2028, for companies generating over EUR 900 million in net turnover within the EU;
- **Other companies concerned**: from 26 July 2029

In addition, the scope of Omnibus I extends beyond CS3D. It also provides for a two-year delay in the application of certain sustainability reporting obligations under the Corporate Sustainability Reporting Directive (CSRD), particularly for large companies not yet subject to the regime, as well as for listed SMEs.

The reform of group action regime in France

The law of 30 April 2025, known as the "DDADUE Law", introduces a major reform of the French group action ("*action de groupe*") mechanism through its Article 16. It transposes the European Directive of 25 November 2020 on representative actions and puts an end to a fragmented and underutilized regime.

Initially introduced by the Hamon Law of 2014, group actions aimed to improve consumer access to justice. However, its narrow scope and procedural complexity hindered its development, despite a few sectorial extensions. The 2025 reform seeks to simplify and unify the regime.

Unified legal framework and broadened scope

The reform repeals the various sectorial regimes in favor of a single, unified legal framework applicable to all group actions, with the notable exception of those relating to public health, which retain a separate regime.

This new framework, established by Article 16 of the 2025 Law, applies to any breach of legal or contractual obligations committed by a person acting in the course of their professional activity, as well as to legal persons governed by public law or private bodies entrusted with a public service mission.

A group action may be brought whenever several natural or legal persons find themselves in a similar situation.

Expanded standing to sue

The new regime grants general standing to certified associations, provided they meet requirement of independence, transparency, and demonstrated activity.

Non-certified associations may initiate a group action solely to seek cessation of a breach, provided they have been lawfully declared for at least two years and can demonstrate sustained public activity.
Finally, representative trade unions are also entitled to bring a group action, particularly in matters of discrimination, data protection, and employer breaches affecting individuals under their authority.

A reformed procedure

With the exception of labour law matters, the new law abolishes the prior formal notice requirement provided for under the 2014 and 2016 legislative texts. The new regime establishes a two-stage procedure:

- **Liability phase**: The court rules on the existence of the alleged breach based on individual cases submitted by the claimant entity. It then defines the criteria for group membership, the types of compensable harm, the methods for assessing damages, and sets a timeframe for joining the group (between two months and five years).
  The simplified procedure under the former consumer law regime which allowed direct compensation without an opt-in phase has been repealed.

- **Compensation phase**: The individual compensation procedure remains the default. Victims must come forward to claim compensation, without the option of being represented by a third party, as previously allowed.
  However, where the damages are sufficiently uniform, a collective redress mechanism may be ordered, enabling the court to oversee a negotiated settlement between the parties.

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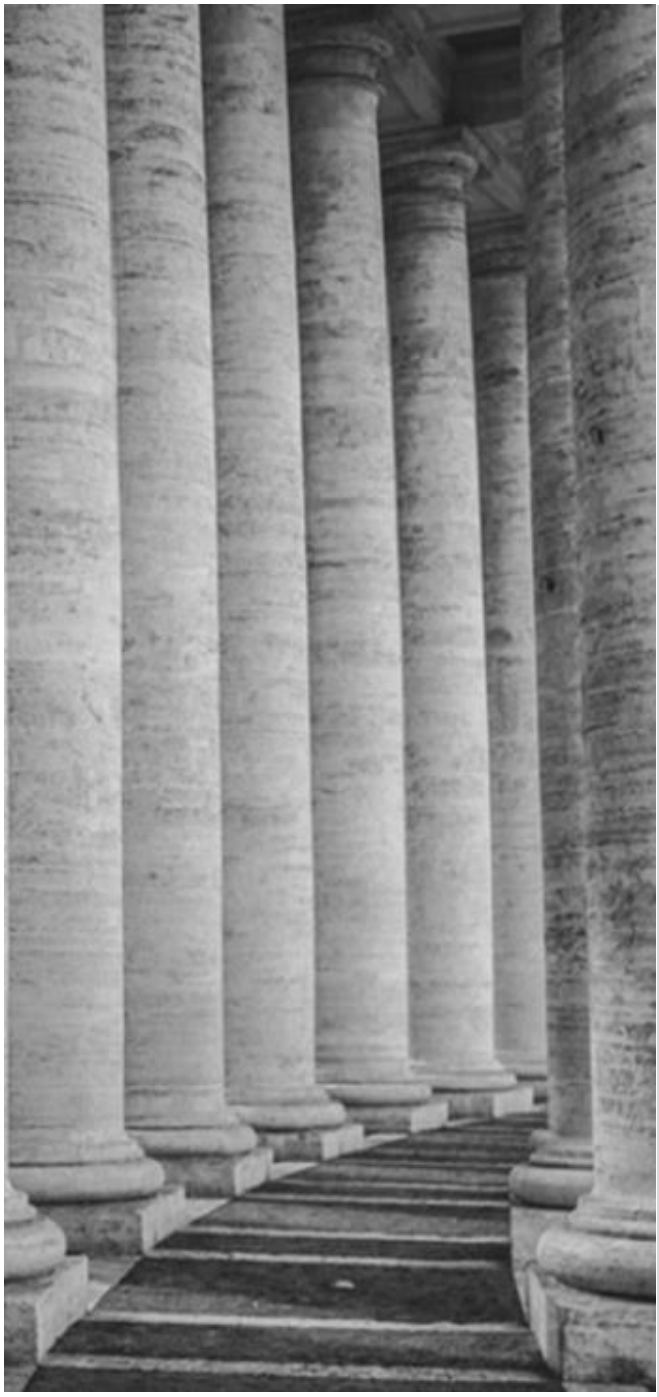

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