

**ORGANISATION FOR ECONOMIC
CO-OPERATION AND DEVELOPMENT**

RESTRICTED

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COUNCIL

DERESTRICTION OF A REPORT

**INTRODUCTION TO THE OECD CODES OF LIBERALISATION OF CAPITAL
MOVEMENTS AND OF CURRENT INVISIBLE OPERATIONS**

**(Report by the Committee on Capital Movements and
Invisible Transactions)**

COMPLETE DOCUMENT AVAILABLE ON OLIS IN ITS ORIGINAL FORMAT

1. This Report [DAFFE/INV(93)38/REV1 and Corrigendum 1] updates an earlier Introduction to the OECD Codes of Liberalisation, which are legally binding instruments designed to promote the liberalisation of capital movements and current invisible operations.
2. The purpose of this Report is to contribute to a better understanding of the principles and procedures of the OECD Codes. It also provides detailed explanations of the coverage of the Codes and may therefore serve as a manual for Code users. It will be particularly useful for countries who wish to become Members of OECD, and whose acceptance of the Code obligations will be an essential condition of their accession to the Organisation.
3. In Chapter II of the Report, the meaning and scope of the liberalisation agreement are explored in detail, while Chapter III considers the coverage of operations contained within each Code. In Chapter IV, the OECD procedures for authorising outstanding restrictions under the Codes are discussed, while Chapter V considers the monitoring and examination procedures by which the Organisation encourages the removal of restrictions over time. Annex 1 reproduces the list of operations covered by the Capital Movements Code, accompanied by explanatory notes. Annex 2 lists the operations covered by the Current Invisibles Code. Annex 3 provides a brief history of the precursors of the OECD Codes. An index of key terms is provided in Annex 4.
4. The Committee at its Meeting on 21-22 February 1994 approved the Report entitled "Introduction to the OECD Codes of Liberalisation". The Secretary-General, on the proposal of the Committee, submits this Report to the Council with his recommendation for its derestriction. If the Council agrees to derestrict the Report, the Secretary-General intends to issue it as a publication for sale.
5. The Secretary-General accordingly invites the Council to adopt the following draft entry in its Minutes:

THE COUNCIL

- a) noted the Note by the Secretary-General [C(94)130];
- b) noted the Report by the Committee on Capital Movements and Invisible Transactions on the Introduction to the OECD Codes of Liberalisation [DAFFE/INV(93)38/REV1 and Corrigendum 1] and agreed to its derestriction.