



FREEDOM OF INVESTMENT PROCESS

**Inventory of investment
measures taken between
16 September 2016 and
15 February 2017**

The “**Freedom of Investment**” (FOI) process hosted by the OECD Investment Committee monitors investment policy developments in the 57 economies that participate in the process.

The present report was prepared for the Freedom of Investment Roundtable 25 held on 8 March 2017. It follows on from earlier reports, available at www.oecd.org/daf/inv/investment-policy/g20.htm.

More information about the FOI process is available at www.oecd.org/daf/investment/foi.

This work is published on the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of the Organisation or of the governments of its member countries. This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

© OECD 2017. This report may be freely reproduced with appropriate source attribution.

TABLE OF CONTENTS

| | |
|--|----------|
| INTRODUCTION..... | 5 |
| PART I: INVESTMENT POLICY DEVELOPMENTS BETWEEN 16 SEPTEMBER 2016 AND 15 FEBRUARY 2017 | 6 |
| PART II: REPORTS ON INDIVIDUAL ECONOMIES – INVESTMENT MEASURES (16 SEPTEMBER 2016 – 15 FEBRUARY 2017) | 8 |
| Argentina | 8 |
| Australia..... | 8 |
| Austria | 9 |
| Belgium | 9 |
| Brazil | 9 |
| Canada | 9 |
| Chile..... | 10 |
| P.R. China..... | 10 |
| Colombia | 11 |
| Costa Rica..... | 11 |
| Czech Republic..... | 12 |
| Denmark | 12 |
| Egypt..... | 12 |
| Estonia | 12 |
| Finland | 12 |
| France | 13 |
| Germany | 13 |
| Greece..... | 13 |
| Hungary | 13 |
| Iceland | 13 |
| India | 14 |
| Indonesia..... | 15 |
| Ireland..... | 15 |
| Israel | 15 |
| Italy..... | 15 |
| Japan | 16 |
| Jordan..... | 16 |
| Korea | 16 |
| Latvia..... | 16 |
| Lithuania..... | 16 |
| Luxembourg..... | 16 |
| Malaysia..... | 17 |
| Mexico | 17 |
| Morocco..... | 17 |
| Netherlands..... | 17 |

| | |
|--------------------------|----|
| New Zealand..... | 17 |
| Norway | 18 |
| Paraguay | 18 |
| Peru..... | 18 |
| Poland..... | 18 |
| Portugal..... | 18 |
| Romania..... | 19 |
| Russian Federation | 19 |
| Saudi Arabia | 19 |
| Singapore | 19 |
| Slovenia | 19 |
| Slovak Republic..... | 20 |
| South Africa..... | 20 |
| Spain | 20 |
| Sweden..... | 20 |
| Switzerland | 20 |
| Tunisia | 20 |
| Turkey..... | 21 |
| United Kingdom | 21 |
| United States..... | 21 |
| European Union..... | 22 |

ANNEX: METHODOLOGY – COVERAGE, DEFINITIONS AND SOURCES..... 23

INTRODUCTION

1. Monitoring and exchange of information on investment policy developments has been a regular feature of the *Freedom of Investment* (FOI) Roundtables hosted by the OECD Investment Committee since the Roundtables' inception in 2006. To support policy dialogue on these developments among the 56 economies invited to the Roundtables, the OECD Secretariat establishes inventories of recent developments and makes them available to the public.¹
2. The present report is part of an on-going response to this mandate. It uses the established methodology applied in earlier reports and covers developments between 16 September 2016 and 15 February 2017.
3. The present report contains two parts:
 - Part I summarises the investment policy developments that have taken place in the reporting period.
 - Part II contains a full inventory of policy measures that economies invited to participate in the Roundtables have taken in the reporting period.
4. An annex describes the methodology applied to establish this inventory.

¹ The reports can be found at: www.oecd.org/daf/investment/foi. In this report, Paraguay and Singapore are included for the first time.

PART I: INVESTMENT POLICY DEVELOPMENTS BETWEEN 16 SEPTEMBER 2016 AND 15 FEBRUARY 2017

5. During the reporting period between 16 September 2016 and 15 February 2017, ten of the 56 economies invited to participate in the *Freedom of Investment* Roundtables modified their investment policies. These include Argentina, Australia, P.R. China, Egypt, Iceland, India, Indonesia, Malaysia, Tunisia and the United States. Many of these investment policy measures do not specifically relate to FDI, but rather concern non-FDI capital flows.

6. One of the 56 economies, Canada, clarified its investment policies related to national security.

7. For the first time since the immediate aftermath of the financial and economic crisis of 2008/2009, two phenomena have been observed as being spread across a wider range of Roundtable participants than usually, and including advanced economies:

- some governments have engaged in one-on-one discussions with individual companies, or have made widely publicised statements on the merits of specific major outward investment projects by specific companies without basing these actions on formalised policies; and
- some governments have focused their policy interest on *outbound* foreign direct investment, rather than inward investment.

8. As set out when such measures were taken in the context of crisis-response² both these phenomena present specific challenges in relation to predictability, fairness, and non-discrimination for the investment policy community. Firstly, the absence of formulated policy that underpin specific statements – combined with the authority of those making the statements – leave investors in uncertainty over present and future conditions in which they operate. Secondly, the selectiveness of such statements in relation to specific companies and investment projects lowers predictability on which companies and projects may also be concerned by the implicit – but non-formal – policies, their rationale, and material and temporal scope of such implicit policies. Finally, in cases of one-on-one government negotiations with individual companies, issues of non-discrimination arise, because not all companies have access to such negotiations and the resulting conditions, especially if the agreements reached in such negotiations are not publicly available and are not applied in a consistent manner as government policy.

9. In addition to the concrete challenges that arise from these types of informal or non-transparent measures for investors, such government actions are difficult to monitor and for this reason are not included in this inventory, even though there is a strong presumption that they influence international capital flows. The international investment policy community has yet to develop categories and approaches to classify and scrutinise such policy measures.

10. Table 1 provides an overview over which countries took investment policy measures or investment policy measures related to national security.

² See the Inventory of investment-related emergency responses to the crisis in the *Inventory of Investment Measures Taken between 15 November 2008 and 31 August 2009*.

Table 1. Investment and investment-related measures taken between 16 September 2016 and 15 February 2017

| | Investment-specific measures | Investment measures related to national security |
|--------------------|------------------------------|--|
| Argentina | • | |
| Australia | • | |
| Austria | | |
| Belgium | | |
| Brazil | | |
| Canada | | • |
| Chile | | |
| P.R. China | • | |
| Colombia | | |
| Costa Rica | | |
| Czech Republic | | |
| Denmark | | |
| Egypt | • | |
| Estonia | | |
| Finland | | |
| France | | |
| Germany | | |
| Greece | | |
| Hungary | | |
| Iceland | • | |
| India | • | |
| Indonesia | • | |
| Ireland | | |
| Israel | | |
| Italy | | |
| Japan | | |
| Jordan | | |
| Korea | | |
| Latvia | | |
| Lithuania | | |
| Luxembourg | | |
| Malaysia | • | |
| Mexico | | |
| Morocco | | |
| Netherlands | | |
| New Zealand | | |
| Norway | | |
| Paraguay | | |
| Peru | | |
| Poland | | |
| Portugal | | |
| Romania | | |
| Russian Federation | | |
| Saudi Arabia | | |
| Singapore | | |
| Slovak Republic | | |
| Slovenia | | |
| South Africa | | |
| Spain | | |
| Sweden | | |
| Switzerland | | |
| Tunisia | • | |
| Turkey | | |
| United Kingdom | | |
| United States | • | |
| European Union | | |

**PART II: REPORTS ON INDIVIDUAL ECONOMIES – INVESTMENT MEASURES
(16 SEPTEMBER 2016 – 15 FEBRUARY 2017)**

| Description of Measure | Date | Source | |
|--|--|--|--|
| Argentina | | | |
| <i>Investment policy measures</i> | Effective 5 January 2017, Argentina shortened the holding period for foreign capital to zero days by modifying Decree No. 616/2005. Previously, and since 17 December 2015, investors had to hold capital for at least 120 days. | 5 January 2017 | <i>Resolución 1 - E/2017</i> , Ministerio de Hacienda, Mercado Cambiario, |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| Australia | | | |
| <i>Investment policy measures</i> | On 1 October 2016, Queensland, an additional foreign acquirer duty (“AFAD”) of 3% the acquisition of residential real estate by a foreigner. The change follows on earlier introductions or increases of AFADs by three territorial subdivisions of Australia – New South Wales, Queensland and Victoria – applicable to foreign acquirers of residential real estate. Such additional foreign acquirer duties were first introduced by Victoria in May 2015 at a 3% rate, calculated on the purchase price, for purchases on or after 1 July 2016, Victoria increased the rate of the additional foreign acquirer duty (“AFAD”) to 7%. New South Wales introduced a similar “surcharge purchaser duty” of 4% for purchases by foreigners on or after 21 June 2016. The conditions under which AFADs apply vary among the States; in Victoria, acquisitions by New Zealanders are exempted; in New South Wales, New Zealanders who are ordinarily resident in Australia are not subject to the surcharge purchaser duty, either. | 1 October 2016; 21 June 2016; 1 July 2016. | For New South Wales: <i>NSW Budget Statement 2016-17</i> ; “ <i>Surcharge purchaser duty</i> ”, NSW Office of State Revenue website; For Queensland: <i>Duties and Other Legislation Amendment Act (no. 37 of 2016)</i> , assented 27 Jun 2016; “ <i>Additional foreign acquirer duty – FAQ</i> ”, Queensland Government, 30 June 2016; For Victoria: <i>Duties Act 2005</i> , Victoria Government Gazette No. G 33 Thursday 20 August 2015. |
| | Victoria and New South Wales introduced land tax surcharges of foreign owners of real estate. In Victoria, the land tax surcharge on foreigners was set at 0.5% effective from 1 January 2016, and was increased threefold to 1.5% effective from 1 January 2017; it is levied only on absentee foreign owners, but excludes Australian and New Zealand nationals. New South Wales introduced a 0.75% land tax surcharge for absentees – foreign owners of real estate under specific conditions – effective for the 2017 land tax year. | 1 January 2016; 1 January 2017 | For Victoria: <i>Guidelines Issued under Section 3b of the Land Tax Act 2005</i> , Victoria Government Gazette No. G 33 Thursday 20 August 2015; <i>Land Tax Act 2005 (No. 88 of 2005) as amended as at 29 June 2016</i> ; <i>Absentee owner surcharge</i> , State revenue office, 1 January 2017. For New South Wales: <i>New South Wales 2016-17 Budget Speech</i> , 21 June 2016; “ <i>Land tax surcharge</i> ”, Office of State Revenue, NSW government. |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | In a media release dated 23 January 2017, the Attorney-General and the Treasurer announced the establishment of a “Critical Infrastructure Centre” within the Attorney-General’s Department to manage national security risks to | 23 January 2017 | “ <i>Keeping Australia’s Critical Infrastructure Secure</i> ”, Joint Media Release of the Attorney General and the Treasurer, |

| Description of Measure | Date | Source |
|--|--|---|
| | Australia's critical infrastructure stemming from inward investment. The Centre is expected to develop coordinated national security risk assessments and to provide advice to support government decision-making on investment transactions. It is also expected to provide greater certainty and clarity to investors and industry on the types of assets that will attract national security scrutiny. The scope of "critical infrastructure" covers the most critical assets in electricity, water and ports sectors, but may be extended in consultation with states, territories, industry and investors.. | 23 January 2017. |
| Austria | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Belgium | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Brazil | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Canada | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | On 19 December 2016, the Canadian Government issued <i>Guidelines on the National Security Review of Investments</i> under the <i>Investment Canada Act</i> . The Guidelines provide information to investors about the administration of the Act's national security review process and include factors that the Government considers when assessing whether an investment poses a national security risk. | 19 December 2016 "Guidelines on the National Security Review of Investments". "Attracting global investments to develop world-class companies", Government of Canada news release, 19 December 2016. |
| <i>Other developments</i> | On 3 November 2016, the Canadian Minister of Transport announced a forthcoming liberalisation of foreign investment in Canadian airlines. While currently, foreign ownership of Canadian airlines is capped at 25%, individual investors will single international companies will be able to own 49 % of an airline in Canada – up from the current maximum 25% foreign ownership. He however clarified that a participation from a combination of multiple foreign investors will remain capped at the current maximum of 25% ownership. | 3 November 2016 "Speaking notes for the Honourable Marc Garneau, Minister of Transport – Transportation 2030", Government of Canada, 3 November 2016. |

| Description of Measure | Date | Source |
|--|---|---|
| <p>In a news release of 19 December 2016, the Canadian Government announced a forthcoming review of the <i>Investment Canada Act</i> that will accelerate the pace at which the programmed increase of trigger thresholds under the “net benefit” test will be phased in; specifically, the trigger threshold for the test will be raised to CAD 1 billion in enterprise value from the existing amount of CAD 600 million two years ahead of the initial schedule.</p> | 19 December 2016 | <p>“<i>Attracting global investments to develop world-class companies</i>”, Government of Canada news release, 19 December 2016.</p> |
| <p>Following the introduction of an additional 15% property transfer tax on residential property transfers to foreign entities – natural and legal persons – in the Greater Vancouver Regional District by British Columbia on 2 August 2016, British Columbia’s Premier Christy Clark announced on 29 January 2017 that foreigners holding work permits who live and work in the Greater Vancouver Regional District will be exempted from the additional tax. No timeline was set for the introduction of the exemption, which appears to have not been passed at the end of the reporting period on 15 February 2017.</p> | 2 August 2016 | <p><i>Property Transfer Tax Act [RSBC 1996] CHAPTER 378</i>, Section 2.01-2.04;</p> <p>“<i>Additional Property Transfer Tax on Residential Property Transfers to Foreign Entities</i>”, Ministry of Finance Tax Information Sheet 2016-006, 27 July 2016;</p> <p>“<i>B.C. to lift foreign buyers tax for people with work permits</i>”, Global News interview, 29 January 2017.</p> |
| <h2>Chile</h2> | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| <h2>P.R. China</h2> | | |
| <i>Investment policy measures</i> | <p>On 1 October 2016, the People’s Republic of China’s <i>Decision on Revising the Four Laws, Including the Law of the People’s Republic of China on Wholly Foreign-Owned Enterprises</i> entered into force. Adopted by the Standing Committee of the National People’s Congress on 3 September 2016, the decision eases the approval requirements for establishment and changes to foreign-investment companies. Pursuant to these new amendments, prior approval is no longer required for establishment or changes of a foreign investment enterprise, if the investment is not made in an industry identified in the ‘Negative List’ of industries subject to special administrative measures.</p> <p>Shortly after, on 8 October 2016, MOFCOM and the National Development and Reform Commission (NDRC) jointly issued Announcement 2016 No.22, which clarifies the decision.</p> <p>Also on 8 October 2016, MOFCOM issued the final Provisional Administrative Measures on the filing for Establishment of and Changes to Foreign-Investment Enterprises, which has been subject to a public consultation between 3 and 22 September 2016.</p> <p>In turn, the new rules require foreign investors to file more extensive information than the former approval regime. Foreign investment enterprises are notably required to disclose their ultimate effective controllers as well as their territorial source of funds. Pursuant to the new regulation, MOFCOM will conduct a formality review of the files to verify the accuracy of information and may decide that the transaction triggers a national security review.</p> | <p>1 October 2016; 8 October 2016</p> <p><i>Decision on Revising the Four Laws, including the Law of the People’s Republic of China on Wholly Foreign-Owned Enterprises</i>, adopted by the Standing Committee of the National People’s Congress, 3 September 2016;</p> <p><i>Provisional Administrative Rules on Foreign Invested Enterprises’ Establishment and Changes</i>, Ministry of Commerce, 3 September 2016;</p> <p><i>Provisional Administrative Measures on the Establishment of and Changes to Foreign-Investment Enterprises</i>, Ministry of Commerce, 8 October 2016;</p> <p><i>Announcement 2016 No. 22</i>, jointly issued by the National Development and Reform Commission (NDRC) and the Ministry of Commerce, 8 October 2016.</p> <p>“<i>National Development and Reform Commission and Ministry of Commerce Announces to Promote the Reform of Foreign-invested Enterprises to Set up Filing Management</i>”, MOFCOM media release, 10 October 2016.</p> |

| | Description of Measure | Date | Source |
|--|--|-------------------------------------|---|
| | On 29 November 2016, the People's Bank of China promulgated the <i>Notification on Further Clarifications on Overseas RMB Loans by Domestic Enterprises</i> . The notice requires pre-registration of RMB-denominated loans and requires a shareholding relationship between a China-based lender and a foreign borrower. | 29 November 2016 | <i>Notification on Further Clarifications on Overseas RMB Loans by Domestic Enterprises</i> , People's Bank of China, 29 November 2016. |
| | On 7 January 2017, the <i>State-owned Assets Supervision and Administration Commission</i> (SASAC) issued regulatory rules on outbound investments by centrally controlled state firms. | 7 January 2017 | " <i>Measures for the Supervision and Administration of Investment in Central Enterprises</i> ", SASAC, Order No.34, 7 January 2017. |
| | Also on 7 January 2017, SASAC announced the release of a list of projects that Central state-owned enterprises would not be allowed to invest in. By the end of the reporting period on 15 February 2017, the list had not been made public. | 7 January 2017 | " <i>Measures for the Supervision and Administration of Overseas Enterprises of Central Enterprises</i> ", SASAC, Order No.35, 7 January 2017. |
| | On 26 January 2017, the State Administration of Foreign Exchange (SAFE) widened the scope of domestic foreign exchange loan settlement and facilitated foreign exchange management of multinational companies operating in China. | 26 January 2017 | <i>Further Promoting the Reform of Foreign Exchange Management and Improving the Realistic Compliance Audit</i> , State Administration of Foreign Exchange, Circular [2017] No. 3, 26 January 2017. |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | On 17 January 2017, China's State Council announced a series of 20 measures to further liberalise inward foreign investment. They include a lifting of investment restrictions in sectors including financial and other services, certain manufacturing sectors, among others, and would be achieved through a future revision of the <i>Catalogue for the Guidance of Foreign Investment Industries</i> (the <i>Catalogue</i>) and other policies. On 7 December 2016, China's National Development and Reform Commission (NDRC) and the Ministry of Commerce had published <i>consultation draft revisions to the Catalogue</i> which, once finalised, will constitute its 7 th version. The consultation period ended on 7 January 2017. | 17 January 2017; 7 December 2016 | " <i>Notice on Several Measures on Increasing of Openness to Foreign Investment and Active Use of Foreign Investment</i> ", Guo Fa [2017] No. 5; " <i>Consultation draft revisions to the foreign investment industrial guidance catalogue</i> ", NDRC website, 7 December 2016. |
| Colombia | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| Costa Rica | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |

| Description of Measure | Date | Source |
|--|---|---|
| Czech Republic | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Denmark | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Egypt | | |
| <i>Investment policy measures</i> | On 3 November 2016, the Central Bank of Egypt (CBE) announced a liberalization of the foreign exchange market. Banks and other market participants are henceforth at liberty to quote and trade at any exchange rate. | 3 November 2016 “Foreign Exchange Market Liberalization”, Central Bank of Egypt, press release, 3 November 2016. |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | A compendium of IMF documents dated January 2017 report on the Egyptian authorities’ commitment to further reduce remaining capital controls by end-June 2017, in particular to lift the remaining USD 100 000 on transfers abroad by individuals without an underlying commercial transaction and the cap of USD 50 000 on cash deposits for importing non-priority goods. | January 2017 “Arab Republic of Egypt”, IMF Country Report No. 17/17, January 2017. |
| Estonia | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Finland | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |

| Description of Measure | Date | Source | |
|--|---|--------------------------------------|--|
| France | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| Germany | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| Greece | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| Hungary | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| Iceland | | | |
| <i>Investment policy measures</i> | In connection with the lifting of restrictions on capital flows, the Central Bank granted pension funds and other domestic custodians of third-pillar pension savings a further exemption from the Foreign Exchange Act, no. 87/1992, now running until end 2017. The exception allows the beneficiaries to invest in financial instruments issued in foreign currency. The Central Bank had permitted such exception previously. | 19 October 2016; 28 December 2016 | “New authorisation for pension funds’ foreign investment”, Central Bank of Iceland, 19 October 2016; “Pension funds’ authorisation for foreign investment in 2017”, Central Bank of Iceland, 28 December 2016 |
| | With the entry into effect of the Act Amending the Foreign Exchange Act no. 87/1992 on 21 October, a series of capital controls that Iceland had introduced in 2008 were lifted. Henceforth, FDI was unrestricted – while requiring confirmation by the Central Bank of Iceland –, investment in financial instruments issued in foreign currency, other monetary claims in foreign currency, and prepayment and full payment (retirement) of foreign-denominated loans became permissible up to the equivalent of ISK 30 million | 21 October 2016 | Act Amending the Foreign Exchange Act no. 87/1992; “Amendments to the Foreign Exchange Act”, Central Bank of Iceland, 21 October 2016 |

| Description of Measure | Date | Source |
|--|---|---|
| <p>under specific conditions, and individuals were permitted to purchase one piece of real estate per calendar year, irrespective of the purpose and the purchase price.</p> <p>On 1 November 2016, the Central Bank of Iceland announced <i>Amended Rules on Special Reserve Requirements for New Foreign Currency Inflows</i>; the amendments include some exemptions for specified types of capital and individuals.</p> <p>Effective 1 January 2017, Iceland reduced or abolished further parts of the capital controls that had been introduced in 2008. These changes became effective through new Rules on Foreign Exchange and a series of other amendments in the Bank's Rules on Foreign Exchange. The new rules allow residents and non-residents to transfer deposits and securities to and from Iceland, to trade in securities abroad, and purchase or withdraw foreign currency in cash, up to a maximum of ISK 100 million.</p> <p><i>Investment measures relating to national security</i></p> <p><i>Other developments</i></p> | <p>1 November 2016</p> <p>1 January 2017</p> <p>None during reporting period.</p> <p>None during reporting period.</p> | <p>"Amended Rules on Special Reserve Requirements for New Foreign Currency Inflows", Central Bank of Iceland, 1 November 2017</p> <p>"Amendments to the Rules on Foreign Exchange, etc.", Central Bank of Iceland, 31 December 2017;</p> <p>Act no. 87/1992 on Foreign Exchange;</p> <p>Act no. 105/2016;</p> <p>Rules no. 1266/2016, on Foreign Exchange.</p> |
| India | | |
| <p><i>Investment policy measures</i></p> | <p>On 20 October 2016, the Reserve Bank of India announced that Foreign Venture Capital Investors would henceforth be allowed to invest in equity, equity linked instruments or debt instruments issued by an unlisted Indian company provided that the company is a start-up or that it is engaged in one of ten sectors (biotechnology, hardware and software development, nanotechnology, seed research and development, research and development of new chemical entities in pharmaceutical sector, dairy industry, poultry industry, production of bio-fuels, larger hotel-cum-convention centres and infrastructure sector).</p> <p>Effective 25 October 2016, India liberalised foreign investment in financial services. Henceforth, foreign investment in financial services up to 100% is authorised under the automatic route, that is, without approval procedure.</p> <p>On 27 October 2016, the Reserve Bank of India set out the conditions under which start-ups may take out External Commercial Borrowings (ECB). The possibility had been opened in the Fourth Bi-monthly Monetary Policy Statement for the year 2016-17 released on 4 October 2016.</p> <p>On 3 November 2016, the Reserve Bank of India announced that Indian banks may henceforth issue Rupee denominated bonds overseas within the limit set for foreign investment in corporate bonds.</p> <p>On 17 November 2016, the Reserve Bank of India announced the liberalisation of foreign portfolio investment in unlisted corporate debt securities under certain conditions. Previously, such foreign portfolio investment was only allowed for companies in the infrastructure sector.</p> <p>On 25 January 2017, the Reserve Bank of India announced the prohibition of direct investments by an Indian party in countries identified by the FATF as "non co-operative countries and territories"; at the end of the reporting period on 15 February 2017, this list comprised 10 jurisdictions.</p> | <p>20 October 2016</p> <p>25 October 2016</p> <p>27 October 2016</p> <p>3 November 2017</p> <p>17 November 2016</p> <p>25 January 2017</p> <p>"Investment by a Foreign Venture Capital Investor (FVCI) registered under SEBI (FVCI) Regulations, 2000", RBI/2016-17/89, A.P. (DIR Series) Circular No.7.</p> <p>Press note 6 (2016), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry;</p> <p>"Foreign investment in Other Financial Services", RBI/2016-17/90, A.P. (DIR Series) Circular No.8.</p> <p>"External Commercial Borrowings (ECB) by Startups", RBI/2016-17/103, A.P. (DIR Series) Circular No.13.</p> <p>"Issuance of Rupee denominated bonds overseas by Indian banks", RBI/2016-17/107, A.P. (DIR Series) Circular No.14.</p> <p>"Investment by Foreign Portfolio Investors (FPI) in corporate debt securities", RBI/2016-17/138, A.P. (DIR Series) Circular No.19.</p> <p>"Prohibition on Indian Party from making direct investment in countries identified by the Financial Action Task Force (FATF) as 'Non Co-operative countries and territories'", RBI/2016-17/216, A.P. (DIR</p> |

| Description of Measure | | Date | Source |
|--|---|------------------|--|
| <i>Investment measures relating to national security</i> | None during reporting period. | | Series) Circular No.28, 25 January 2017. |
| <i>Other developments</i> | During the Union Budget Session 2017, India's Minister of Finance announced on 1 February 2017 that the Foreign investment Review Board (FIPB), the institution in charge of processing applications for inward FDI, would be abolished in 2017/2018, given that more than 90% of the total FDI inflows are now through the automatic route and that e-filing and online processing of the remaining applications has now been implemented. | 1 February 2017 | <i>Budget 2017-2018</i> , Speech by the Minister of Finance, 1 February 2017 |
| Indonesia | | | |
| <i>Investment policy measures</i> | On 10 November 2016, Indonesia's central bank issued <i>Regulation No. 18/40/PBI/2016 concerning the Implementation of Payment Transaction Processing</i> . The regulation caps direct and indirect foreign ownership in principals and clearing/end-settlement processors (card and e-money), and payment gateway service providers to 20%; previously, there was no foreign ownership ceiling in this area. | 10 November 2016 | <i>Regulation No. 18/40/PBI/2016</i> concerning the Implementation of Payment Transaction Processing, 10 November 2016 |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| Ireland | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| Israel | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| Italy | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |

| Description of Measure | Date | Source |
|--|-------------------------------|--------|
| Japan | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Jordan | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Korea | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Latvia | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Lithuania | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Luxembourg | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national</i> | None during reporting period. | |

| | Description of Measure | Date | Source |
|--|--|-----------------|---|
| <i>security</i> | | | |
| <i>Other developments</i> | None during reporting period. | | |
| Malaysia | | | |
| <i>Investment policy measures</i> | Effective 5 December 2016, the Financial Markets Committee (FMC) and Bank Negara Malaysia (BNM, Malaysia's Central Bank) introduced a number of rules regarding foreign exchange through the "Supplementary Notice on Foreign Exchange Administration Rules - Measures to Promote the Development of Malaysian Financial Market". These include a cap on hedging of USD and RMB exposure of RM 6 million per client per onshore bank; institutional investors may hedge their foreign exchange exposure up to 25% of invested Ringgit-denominated assets, and, central bank approval provided, beyond this limit. The change also introduces a mandatory conversion requirement of 75% of export proceeds; the Central Bank may however grant exemptions from this cap. | 5 December 2016 | "Supplementary Notice on Foreign Exchange Administration Rules - Measures to Promote the Development of Malaysian Financial Market", Bank Negara Malaysia, undated. |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| Mexico | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| Morocco | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| Netherlands | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| New Zealand | | | |
| <i>Investment policy</i> | On 1 February 2017, the <i>Overseas Investment Amendment</i> | 1 February 2017 | <i>Overseas Investment Amendment</i> |

| Description of Measure | Date | Source |
|--|--|--|
| <i>measures</i> <i>Investment measures relating to national security</i> <i>Other developments</i> | <p><i>Regulations (No. 2) 2016</i> took effect. The Regulations implement five exemptions from the requirement for consent under the investment screening regime in respect of overseas investments. The changes also include an increase of the fees that investors need to pay for the review process. The amendment had been subject to a consultation in September 2016. Further exemptions that had been suggested during the consultation may be introduced in the future.</p> <p>None during reporting period.</p> <p>None during reporting period.</p> | <p><i>Regulations (No 2) 2016</i> [consultation draft]</p> |
| Norway | | |
| <i>Investment policy measures</i> <i>Investment measures relating to national security</i> <i>Other developments</i> | <p>None during reporting period.</p> <p>None during reporting period.</p> <p>None during reporting period.</p> | |
| Paraguay | | |
| <i>Investment policy measures</i> <i>Investment measures relating to national security</i> <i>Other developments</i> | <p>None during reporting period.</p> <p>None during reporting period.</p> <p>None during reporting period.</p> | |
| Peru | | |
| <i>Investment policy measures</i> <i>Investment measures relating to national security</i> <i>Other developments</i> | <p>None during reporting period.</p> <p>None during reporting period.</p> <p>None during reporting period.</p> | |
| Poland | | |
| <i>Investment policy measures</i> <i>Investment measures relating to national security</i> <i>Other developments</i> | <p>None during reporting period.</p> <p>None during reporting period.</p> <p>None during reporting period.</p> | |
| Portugal | | |
| <i>Investment policy measures</i> | <p>None during reporting period.</p> | |

| Description of Measure | Date | Source |
|--|-------------------------------|--------|
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Romania | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Russian Federation | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Saudi Arabia | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Singapore | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Slovenia | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |

| Description of Measure | Date | Source |
|--|-------------------------------|--------|
| Slovak Republic | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| South Africa | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Spain | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Sweden | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Switzerland | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |
| <i>Other developments</i> | None during reporting period. | |
| Tunisia | | |
| <i>Investment policy measures</i> | None during reporting period. | |
| <i>Investment measures relating to national security</i> | None during reporting period. | |

| | Description of Measure | Date | Source |
|--|--|-------------------|--|
| <i>security</i> | | | |
| <i>Other developments</i> | None during reporting period. | | |
| Turkey | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |
| United Kingdom | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |
| <i>Other developments</i> | <p>On 23 January 2017, the UK government announced a new industrial policy. This policy gives some indications on the models that policymakers consider for the planned mechanism to assess inbound FDI projects. So far, the United Kingdom has only a limited review mechanism in place, but had announced on 15 September 2016 that it wanted to strengthen this mechanism in this area.</p> | 23 January 2017 | <p>“Building our Industrial Strategy - Green Paper, January 2017”, United Kingdom Government release;</p> <p>“PM unveils plans for a modern Industrial Strategy fit for Global Britain”, U.K. Government press release, 22 January 2017.</p> |
| | <p>Following the referendum on the continued membership of the United Kingdom in the European Union held on 23 June 2016, the United Kingdom engaged in conversations with individual companies in the context of major investment projects in the country. For instance, in a letter to the CEO of the Japanese car company Nissan, the UK government committed to secure the company’s investment in the Sunderland Plant. The content of the letter is not public. However, on 31 October 2016, Secretary of State for Business, Energy and Industry Strategy gave a parliamentary statement on Nissan and clarified that the UK government would continue its programme of support for the competitiveness of the automotive sector and that it would ensure that trade and investment in the auto industry would remain free and unencumbered</p> | 31 October 2016 | <p>“Statement on Nissan - Sunderland”, Parliament news website;</p> <p>Minister of State, Department for Business, Energy and Industrial Strategy transcript of a session in the Upper House of 31 October 2016.</p> |
| United States | | | |
| <i>Investment policy measures</i> | On 30 September 2016, the Federal Communications Commission released a report and order that simplifies the foreign ownership filing and review process for broadcast licensees. While the rule under which <i>direct</i> ownership of a broadcast station is restricted to U.S. citizens or to entities in which non-U.S.-citizens own no more than 20%, did not change, rules on indirect ownership were adjusted by extending the rules developed for foreign ownership reviews for common carrier and certain aeronautical licensees to the broadcast context. The change also provides a reformed framework for a publicly traded broadcast or common carrier licensee or controlling U.S. parent to ascertain its foreign ownership. | 30 September 2016 | FCC 16-128, Federal Communications Commission |
| <i>Investment measures relating to national security</i> | None during reporting period. | | |

| | Description of Measure | Date | Source |
|-----------------------------------|-------------------------------|------|--------|
| <i>Other developments</i> | None during reporting period. | | |
| European Union | | | |
| <i>Investment policy measures</i> | None during reporting period. | | |
| <i>Other developments</i> | None during reporting period. | | |

ANNEX: METHODOLOGY – COVERAGE, DEFINITIONS AND SOURCES

Reporting period. The reporting period of the present inventory is from 16 September 2016 and 15 February 2017. An investment measure is counted as falling within the reporting period if new policies entered into force or applied during the period. Items listed as “other developments” contain investment policy-related developments that occurred or became known during the reporting period and that may be of interest for the investment policy community at the Freedom of Investment Roundtable. Measures that were taken after the reporting period but before the finalisation of the present inventory were also included, and will be mentioned in the next inventory as well.

Definition of investment. For the purpose of this report, international investment is understood to include all international capital movements, including foreign direct investment.

Definition of investment measure. For the purposes of this report, investment measures consist of any action that either: imposes or removes differential treatment of foreign or non-resident investors compared to the treatment of domestic investors in like situations; or: that imposes or removes restrictions on international capital movements.

National security. International investment law, including the OECD investment instruments, recognises that governments may need to take investment measures to safeguard essential security interests and public order. The investment policy community at the OECD monitors these measures to help governments adopt policies that are effective in safeguarding security and to ensure that they are not disguised protectionism.

Other developments. The inventory also lists, in the category “Other developments”, developments that do not constitute an investment measure, as defined above, but appear nonetheless to be of interest to the investment policy community.

Sources of information. The sources of the information presented in this report are:

- official notifications made by governments to various OECD processes (e.g. the Freedom of Investment Roundtable or as required under the OECD investment instruments);
- information contained in other international organisations’ reports or otherwise made available to the OECD Secretariat;
- other publicly available sources: specialised web sites, press clippings etc.