



## **FREEDOM OF INVESTMENT PROCESS**

**Inventory of investment  
measures taken between  
1 March and  
15 September 2012**

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The “Freedom of Investment” (FOI) process hosted by the OECD Investment Committee monitors investment policy developments in the 55 economies that participate in the process.

The present report was prepared for the Freedom of Investment Roundtable 17 on held on 8 October 2012. It follows on from earlier reports, available at [www.oecd.org/daf/internationalinvestment/investmentpolicy/g20.htm](http://www.oecd.org/daf/internationalinvestment/investmentpolicy/g20.htm).

Information contained in this report was used for the 7th and 8th report on trade and investment measures, prepared jointly by WTO, OECD and UNCTAD under a mandate by G20 Leaders.

More information about the FOI process is available at [www.oecd.org/daf/investment/foi](http://www.oecd.org/daf/investment/foi).

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## INVESTMENT POLICY DEVELOPMENTS BETWEEN 1 MARCH AND 15 SEPTEMBER 2012

By adhering to the OECD investment instruments, governments commit themselves to open, non-discriminatory policies toward foreign direct investment and other capital movements and have agreed to engage in peer reviews on their observance of these commitments. G20 Leaders made and extended similar *ad hoc* commitments to standstill at their summits in Washington, London, Pittsburgh, Toronto, Seoul, Cannes and Los Cabos and requested that the WTO, OECD and UNCTAD report publicly on their “adherence to these undertakings”. APEC Leaders likewise made an *ad hoc* commitment to refrain from raising new barriers to investment.<sup>1</sup>

During the reporting period – that is, between 1 March 2012 and 15 September 2012 – 15 out of the 55 participants in the *Freedom of Investment* (FOI) Roundtables took some sort of investment measure (that is, investment-specific measures or investment measures relating to national security) (Table 1).

Most investment-specific policy changes introduced in the reporting period point towards liberalisation, thereby continuing the thrust of policy developments documented in earlier reports to the FOI Roundtable.<sup>2</sup> Investment policy activity was very unevenly distributed among the participants in the Roundtable. Large emerging economies tend to introduce the bulk of policy changes, while many advanced economies have not changed any of their investment policies in the reporting period, and, more often than not, in the past years.

Real estate investments were, as in earlier reports, a focus of policy action during the reporting period. Actions in this area varied; e.g. Australia has initiated steps to increase transparency about foreign ownership of real estate and Turkey has liberalised the rules governing real estate acquisitions by foreigners.

This reporting period also saw unusually high numbers of investment measures relating to national security, as well as preparation of modifications to existing policies. Finland and Italy introduced significant changes to existing policies that in both countries dated from the early 1990’s. France also changed its policies in this area. Austria and the Russian Federation were reconsidering policies that had been modified recently.

During the reporting period, a series of decisions were made by governments – and courts – on whether or not foreign investment was to be subjected to review in countries that operate broader investment screening such as Canada and New Zealand. As noted earlier in this context, a number of inward investment reviews have been and continue to be associated with complaints by competitors (through lobbying and use of media). For example, during the reporting period, in two separate cases, Canadian telecoms operators raised questions about foreign inward investments. In New Zealand, a domestic competitor requested a judicial review of the government’s grant of consent to an investment by a Chinese company with whom the New Zealand unsuccessfully competed in an international tender process for selling several dairy farms that had gone into receivership. This suggests that in some instances

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<sup>1</sup> Vladivostok Declaration of the 2012 APEC Leaders’ Meeting, Vladivostok, Russia, 8-9 September 2012: “[...] we reaffirm our pledge to refrain through the end of 2015 from raising new barriers to investment [...]. We reaffirm our commitment to rollback protectionist measures [...] and encourage the WTO and other international organisations to deepen their monitoring of protectionist measures, consistent with their respective mandates.”

<sup>2</sup> These reports are available at the website [www.oecd.org/daf/investment/G20](http://www.oecd.org/daf/investment/G20).

commercial entities use foreign investment review procedures to influence competitive conditions in their sectors.

In the reporting period, one country (Malaysia) created a new fund for investing directly in domestic, private companies while three others (Canada, France and Italy) used previously created Funds to make new investments in domestic companies. Malaysia established a Fund to invest government funds in Malaysian-owned companies in certain sectors; Italy's recently established *Fondo Strategico Italiano (FSI)*, Italian Strategic Investment Fund) launched its investment programme with two investments in Italian companies, while the French FSI made new investments in French companies during the reporting period. Canada's government invested in a Canadian company through an aerospace and defence industry Fund. The question of how these funds' investment activities might interact with inward investment flows into their countries has yet to be explored in depth.

There were few signs during the reporting period that countries had made major progress in unwinding assets and liabilities acquired as part of their response to the financial and economic crisis in 2008/2009. Governments continued to hold large pools of illiquid assets in "Bad Banks" and maintained their ownership positions in banks. At least two countries in the Eurozone – France and Spain – provided assistance to financial institutions that led to additional state ownership in such institutions.

**Table 1: Investment and investment-related measures taken between 1 March and 15 September 2012.**

	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		
Peru		
Poland		
Portugal		
Romania		
Russian Federation	•	
Saudi Arabia		
Serbia		
Slovak Republic		
Slovenia		
South Africa		
Spain		
Sweden		
Switzerland		
Tunisia		
Turkey	•	
United Kingdom		
United States		
European Union		

**Reports on individual economies:  
Recent investment policy measures (1 March– 15 September 2012)**

	Description of Measure	Date	Source
<b>Argentina</b>			
<i>Investment policy measures</i>	On 3 May 2012, the National Congress of Argentina adopted a law declaring that the achievement of self-sufficiency in the provision of hydrocarbons (including exploration, exploitation, industrialization, transport and commercialization) is of national public interest and a priority goal of Argentina. To guarantee the fulfilment of this goal, the law declares to be in the public interest and subject to expropriation the 51% of the share capital ( <i>patrimonio</i> ) of YPF SA owned by Repsol YPF S.A. and the 51% of the share capital ( <i>patrimonio</i> ) of Repsol YPF Gas S.A. owned by Repsol Butano S.A. (represented by 60% of the Class A shares of Repsol YPF Gas S.A.). It establishes that among the principles of hydrocarbons policy is the integration of public and private, national and international capital in strategic alliances as well as the maximization of investment and resources. In order to fulfil its objectives, the law declares that YPF S.A. will turn to international and domestic financial resources, and to any type of agreement of association and strategic alliances with other public, private, national, foreign or mixed companies.	3 May 2012	<i>Reports on G20 Trade and Investment Measures</i> , OECD, WTO, UNCTAD, 31 May 2012; Law No. 26.741, Boletín Oficial, 7 May 2012; “ <i>Yacimientos Petrolíferos Fiscales. Declárase de Interés Público Nacional el logro del autoabastecimiento de hidrocarburos. Créase el Consejo Federal de Hidrocarburos. Declárase de Utilidad Pública y sujeto a expropiación el 51% del patrimonio de YPF S.A.</i> ”
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
<b>Australia</b>			
<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>	On 8 March 2012, the Australian Treasurer announced the approval of a merger of <i>Yancoal Australia Limited</i> and <i>Gloucester Coal Limited</i> . The approval was given under a series of conditions, including the obligation of Yancoal's parent company, <i>Yanzhou Coal Mining Company</i> , to divest, by the end of 2013, to less than 70% of Yancoal. Yanzhou also committed to: quarantine, from 31 December 2012 on, voting rights of shares that it holds above 70% in Yancoal; to reduce its economic ownership in two assets by the end of 2014; list Yancoal on the Australian Securities Exchange by the end of 2012; market coal produced at their Australian mines on arms-length terms with reference to international benchmarks and in line with market practices; operate Yancoal as an Australian incorporated and headquartered company that is managed in Australia using a predominately Australian management and sales team; ensure Yancoal, and any of its operating subsidiaries, have at least two directors whose principal place of residence is in Australia, one of whom will be independent of Yanzhou and its related entities; and ensure that the Chief Executive Officer and Chief	8 March 2012	“ <i>Foreign Investment Decision</i> ”, Treasurer media release No.099, 8 March 2012.

	Description of Measure	Date	Source
	<p>Financial Officer of Yancoal have their principal place of residence in Australia and that the majority of Yancoal's board meetings in any calendar year are held in Australia.</p> <p>On 15 June 2012 the Assistant Treasurer and the Minister for Agriculture, Fisheries and Forestry announced the establishment of a working group to consult on the development of a Commonwealth foreign ownership register for agricultural land. This consultation process seeks to enhance transparency in foreign ownership of agricultural land, and follows the release, on 18 January 2012, of a Policy Statement on Foreign Investment in Agriculture, which provides guidance on factors the Australian Government typically considers in assessing foreign investment applications involving the agricultural sector.</p> <p>On 31 August 2012, Australia approved the acquisition of <i>Cubbie Group Ltd</i>, a cotton growing business under administration since 2009, to a consortium of Chinese-Japanese-owned <i>Shandong RuYi Scientific&amp;Technological Group Co Ltd</i> and Australian-owned <i>Lempriere Pty Ltd</i>. The approval was subject to undertakings by the consortium in relation to employment, ownership, board composition, management and water use. Initially the Consortium will be owned 80% by RuYi and 20% by Lempriere, but RuYi has committed that it will divest to 51% to an independent third party within 3 years, and that its board representation remains no more than proportionate to its shareholding following the sell down.</p>	<p>15 June 2012</p> <p>31 August 2012</p>	<p>“Gillard Government to Consult on Foreign Ownership Register for Agricultural Land”<a href="http://www.firb.gov.au/content/_downloads/Australias_Foreign_Investment_Policy_(English)2012.pdf">http://www.firb.gov.au/content/_downloads/Australias_Foreign_Investment_Policy_(English)2012.pdf</a>”, Assistant Treasurer Media Release No. 47, undated.</p> <p>“Foreign Investment Decision”, Treasurer media release No.079, 31 August 2012.</p>
<b>Austria</b>			
<i>Investment policy measures</i>	<p>On 14 March 2012, the Austrian Financial Market Authority (FMA) released a set of measures regarding the business models used by Austrian banks operating in Central, Eastern and South-eastern Europe (CESEE). These measures, which have been developed by jointly with the Austrian National Bank (OeNB) include continual monitoring by the supervisor of the ratio of net new lending to local stable funding. The supervisor established a reference ratio of over 110% as a potential alarm signal. The FMA will discuss and assess with the competent host and home supervisors in the supervisory colleges to agree on any necessary supervisory measures. On 21 November 2011, FMA and OeNB had announced its intention to make “<i>credit growth [...] in the future [...] conditional on the growth of sustainable local refinancing (comprising mainly local deposits, but also local issuance activity and supranational funding, e.g. by the EBRD or the EIB). In the future, subsidiaries that are particularly exposed must ensure that the ratio of new loans to local refinancing (i.e. the loan-to-deposit ratio including local refinancing) does not exceed 110%</i>”.</p>	<p>14 March 2012; 21 November 2011</p>	<p>“Austrian Supervisory Authority Publishes Guideline to Strengthen the Sustainability of the Business Models of Large Internationally Active Austrian Banks”, Financial Market Authority (FMA), 14 March 2012;</p> <p>“FMA and OeNB Devise a Set of Measures to Strengthen Business Model Sustainability for Austrian Banks Operating in CESEE”, Financial Market Authority (FMA), 21 November 2011.</p>
<i>Investment measures relating to national security</i>	<p>None during reporting period.</p>		
<i>Other developments</i>	<p>None during reporting period.</p>		
<b>Belgium</b>			
<i>Investment policy measures</i>	<p>None during reporting period.</p>		
<i>Investment measures relating</i>	<p>None during reporting period.</p>		

	Description of Measure	Date	Source
<i>to national security</i>			
<i>Other developments</i>	None during reporting period.		
<b>Brazil</b>			
<i>Investment policy measures</i>	<p>Brazil adjusted the coverage of the financial transactions (IOF) tax at three occasions:</p> <ul style="list-style-type: none"> <li>– On 1 March 2012, it extended a 6% financial transactions tax on overseas loans maturing within up to three years. Since its introduction in April 2011, this tax was only levied on loans with maturities of up to two years;</li> <li>– On 12 March 2012, the application of the tax was further extended to loans with maturities of up to five years;</li> <li>– On 14 June 2012, Brazil reduced the application of the IOF tax again to overseas loans with a maturity of up to two years.</li> </ul> <p>Presidential Decree 7.787, of 15 August 2012 exempts guarantee insurance for public infrastructure projects from the 6.38% IOF tax. The measure will take effect in mid-October 2012, 90 days after the publication of the Decree.</p>	<p>1 March 2012; 12 March 2012; 14 June 2012.</p> <p>15 August 2012; October 2012.</p>	<p><i>Presidential Decree 7.683</i> of 29 February 2012; <i>Presidential Decree 7.698</i>, of 9 March 2012; <i>Presidential Decree 7.751</i>, of 13 June 2012.</p> <p><i>Presidential Decree 7.787</i> of 15 August 2012.</p>
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
<b>Canada</b>			
<i>Investment policy measures</i>	<p>On 25 May 2012, the Canadian Government released a <i>Mediation Guideline</i> to make formal mediation procedures available under the <i>Investment Canada Act</i>. This mediation procedure provides a voluntary means of resolving disputes when the Minister believes an investor has failed to comply with a written undertaking given as part of an investment agreement. Mediation does not necessarily replace litigation in such cases but may be chosen as a less costly and quicker option.</p> <p>On 29 June 2012, changes to the Telecommunications Act received Royal Assent. The changes, which were introduced through Bill C-38, Part 4, Division 41, liberalise foreign investment in the telecom sector. Foreign investors are now allowed to invest in telecom companies that have a market share of no more than 10%.</p>	<p>25 May 2012</p> <p>29 June 2012</p>	<p><i>“Minister Paradis Announces Additional Improvements to the Foreign Investment Review Process”</i>, Canada News Center release, 25 May 2012.</p> <p>Bill C-38, Part 4, Division 41</p>
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	<p>On 26 April 2012 Canada’s Supreme Court declined to hear a challenge to a decision by Canada’s Federal Court of Appeal to allow mobile phone operator <i>Globalive</i> to offer services in Canada. Competitors of <i>Globalive</i>, including competing operator <i>Telus</i>, had questioned whether the company met Canada’s foreign ownership rules in 2009, leading to a series of decisions by the Governor in Council, the Canadian Radio-television and Telecommunications Commission (CRTC), and Canada’s Federal Court of Appeal.</p> <p>In June 2012, <i>Globalive</i> applied to the Canadian Radio-television and Telecommunications Commission to assess <i>Telus’</i> own compliance with Canada’s foreign ownership</p>	26 April 2012	Supreme Court of Canada Case Information: “Public Mobile v. Globalive Wireless Management Corp., et al.”.

	Description of Measure	Date	Source
	<p>rules.</p> <p>In order to improve transparency in the administration of the <i>Investment Canada Act</i>, which regulates the review procedure for inward investment and authorizes the government to review investments on national security grounds, Canada released, on 25 May 2012, the annual report 2009-2010 on the implementation of the Act. The report, the first of its kind since 1992, explains features of the review mechanisms and informs about the administration of the Act.</p> <p>On 25 May 2012, the Canadian Government announced plans to amend regulations to progressively raise the review threshold from CAD 330 million in asset value to CAD 1 billion in enterprise value over a four-year period. The government also announces plans to amend the <i>Investment Canada Act</i> to increase the ability to publicly communicate certain information on the review process, while preserving commercial confidences; and promote investor compliance with undertakings by authorising the Minister of Industry and the Minister of Canadian Heritage to accept security from an investor for any penalties that may be ordered by a court in the event of a contravention of the Act.</p> <p>On 23 July 2012, Canada subjected the proposal by <i>China National Offshore Oil Corporation</i> to acquire <i>Nexen Inc.</i> to a review under the <i>Investment Canada Act</i>. Shortly prior to this decision, Canada approved <i>Glencore International plc's</i> acquisition of <i>Viterra Inc.</i> on 15 July 2012, and of <i>BD White Birch Investment LLC's</i> acquisition of <i>White Birch Paper Company</i>.</p> <p>On 16 April 2012, the Canadian Minister of Industry announced a repayable government investment of close to CAD 400,000 in a project by a Canadian company that develops nano-structured aerospace and defence products. The investment was made under the Strategic Aerospace and Defence Initiative, a programme established to ensure that Canada's aerospace and defence industry remains a global leader in an emerging market segment; so far, more than CAD 825 million have been invested under this initiative.</p>	<p>25 May 2012</p> <p>25 May 2012</p> <p>23 July 2012</p> <p>16 April 2012</p>	<p><i>Investment Canada Act—Annual Report 2009–2010</i>.</p> <p>“<i>Minister Paradis Announces Additional Improvements to the Foreign Investment Review Process</i>”, Canada News Center release, 25 May 2012.</p> <p>“<i>Minister Paradis Confirms China National Offshore Oil Corporation and Nexen Inc. Transaction Is Subject to Review Under the Investment Canada Act</i>”, Canada News Center release, 23 July 2012</p> <p>“<i>Government of Canada Invests in Mississauga Nanotechnology Firm</i>”, Government of Canada news release, 16 April 2012.</p>
<b>Chile</b>			
<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 7 September 2012, Chile and Hong Kong, China signed a free trade agreement that includes an investment protection and promotion chapter.</p> <p>On 9 September 2012, Chile and China signed a Supplementary Agreement on Investment of the <i>China-Chile Free Trade Agreement</i>. The original FTA, which did not include an investment chapter, was signed in November 2005 and entered into effect in October 2006.</p>	<p>7 September 2012</p> <p>9 September 2012</p>	<p>“<i>HK and Chile to begin negotiations on Free Trade Agreement</i>”, Hong Kong Government press release 19 December 2011.</p> <p>“<i>Negotiation of a Free Trade Agreement between Hong Kong and Chile – Consultation Document</i>”, Trade and Industry Department Hong Kong, China.</p>

	Description of Measure	Date	Source
<b>P.R. China</b>			
<i>Investment policy measures</i>	On 28 March 2012, the State Council executive meeting approved the <i>General Scheme for the Financial Reform Pilot Zone in Wenzhou Zhejiang</i> . The experimental scheme is planned to allow the city's residents to make direct outbound investment and to explore the establishment of a regular outbound investment channel.	28 March 2012	"Private lending reform", Wenzhou government website carrying China Daily Article of 30 March 2012; "PBC governor visits pilot financial reform zone", News reported on Chinese Government's official web site, 10 April 2012.
	On 4 April 2012, China Securities Regulatory Commission (CSRC) announced the increase of the quota that <i>Qualified Foreign Institutional Investors</i> (QFII) are allowed to invest in China's offshore capital market to an aggregate of USD 80 billion, up from USD 30 billion.	4 April 2012; 27 July 2012	"QFII investment quota to be increased by \$50 Billion", China Securities Regulatory Commission News Release, 4 April 2012.
	On 27 July 2012, the CSRC promulgated <i>Provisions on Relevant Matters Concerning the Implementation of Measures for the Administration of Securities Investment within the Borders of China by Qualified Foreign Institutional Investors (QFIIs)</i> . The Provisions aim to reduce eligibility requirements for QFIIs; allow QFIIs to select multiple brokers and to invest in inter-bank bond market and private placement bonds issued by small and medium enterprises (SMEs). Moreover, the shareholding ratio limit of all overseas investors was increased from 20% to 30%.		"The CSRC Promulgates Provisions on Relevant Matters Concerning the Implementation of Measures for the Administration of Securities Investment within the Borders of China by Qualified Foreign Institutional Investors (QFIIs)", China Securities Regulatory Commission News Release, 27 July 2012.
	On 4 April 2012, CSRC also announced the expansion of the <i>Renminbi Qualified Foreign Institutional Investor (RQFII)</i> scheme. The aggregate amount of RMB that foreign investors can raise in Hong Kong, China for investment has been increased to RMB 70 billion, up from RMB 20 billion previously. Under the RQFII programme, foreign investors can invest in the mainland securities market through specifically licensed Hong Kong, China-based financial firms.	4 April 2012	"RQFII Investment Quota to be Increased by 50 Billion RMB Yuan", China Securities Regulatory Commission News Release, 4 April 2012.
<i>Investment measures relating to national security</i>	None during reporting period.		
Other developments	In a circular dated 14 May 2012, the China Securities Regulatory Commission suggests to relevant agencies an extended list of measures to encourage the development of China's capital markets.	14 May 2012	"Circular on Implementing the Highlights of the Certain Opinion of the State Council on Encouraging and Guiding the Sound Development of Private Investment", China Securities Regulatory Commission News Release, 25 May 2012.
	On 13 May 2012, China, Japan and Korea signed a trilateral investment agreement.	13 May 2012	<i>Agreement among the Government of Japan, the Government of the Republic of Korea and the Government of the People's Republic of China for the Promotion, Facilitation and Protection of Investment.</i>
<b>Colombia</b>			
<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.		
<b>Costa Rica</b>			
<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.		
<b>Czech Republic</b>			
<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.		
<b>Denmark</b>			
<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.		
<b>Egypt</b>			
<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.		
<b>Estonia</b>			
<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
<b>Finland</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	On 1 June 2012, Finland's "Act on the Monitoring of Foreigners' Corporate Acquisitions" came into force. The Act establishes a new cross-sectoral review mechanism designed to secure national defense and to safeguard public order and security. The mechanism gives the government the authority to block an acquisition by a foreign – i.e. non-EU and non-EFTA – entity of a domestic business if the government believes that such an acquisition poses threats of "severe damage" to the "fundamental interests" of society.	1 June 2012	Laki ulkomaalaisten yritysostojen seurannasta, 13.4.2012/172. Notification of Finland to the OECD, DAF/INV/RD(2012)16.
<i>Other developments</i>	None during reporting period.		
<b>France</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	On 9 May 2012, the <i>decree n°2012-691 of 7 May 2012 on foreign investments subject to prior authorisation</i> entered into effect. The decree further specifies the scope of the sectors in which foreign investment is subject to prior authorisation and abolishes all reference to the notion of indirect control by an investor.	9 May 2012	Decree n°2012-691 du 7 mai 2012 relatif aux investissements étrangers soumis à autorisation préalable
<i>Other developments</i>	None during reporting period.		
<b>Germany</b>			
<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.		
<b>Greece</b>			
<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.		
<b>Hungary</b>			
<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>Other developments</i>	None during reporting period.		
<b>Iceland</b>			
<i>Investment policy measures</i>	On 13 March 2012, Iceland passed two amendments to the capital controls regime to halt increasing circumvention of the controls through the bond market and possible negative effects of large capital flows originating from the winding-up process of the failed Icelandic banks. Henceforth, investors may no longer change amortization and the indexation share of a CPI indexed annuity bond into foreign currency and transfer out of the economy. The other amendment concerns the management of funds collected during the winding up of the failed Icelandic banks, which has now been placed under control of the Central Bank.	13 March 2012	"Amendments to the Icelandic capital controls legislation on 13 March 2012", Prime Minister's office release, 17 March 2012.
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	On 27 August 2012, the Central Bank of Iceland published the Central Bank's report to the Minister of Economic Affairs, entitled "Prudential rules after capital controls". The report sets out prudential rules designed to protect the financial system against the risk that could accompany unrestricted capital flows prior to the lifting of capital controls. The report also discusses the possibility of placing temporary restrictions on the pace at which pension funds may build up foreign assets after the controls have been lifted as well as possible rules or policy instruments that could be used in response to excess capital inflows of the type that occurred in Iceland during the run-up to the financial crisis.	27 August 2012	"Prudential rules after capital controls", Central Bank of Iceland news release, 27 August 2012.
<b>India</b>			
<i>Investment policy measures</i>	<p>With the entry into effect of the "Circular 1 of 2012 – Consolidated FDI policy document" – on 10 April 2012, India issued a revised and updated framework of its foreign investment rules. The circular incorporates amendments to rules that had come into effect since the last issue of a consolidated FDI policy document, including on:</p> <ul style="list-style-type: none"> <li>– the abolition of the requirement of government approval for investments in commodity exchanges by Foreign Institutional Investors (FII);</li> <li>– the possibility for Foreign Venture Capital Investors to invest in eligible securities through private arrangement or purchase from a third party;</li> <li>– the requirement for Indian companies to inform the Reserve Bank of India if the Board of Directors and their General Body wish to accept foreign ownership by Foreign Institutional Investors under the Portfolio Investment Scheme of an aggregate of more than 24% of their capital.</li> </ul> <p>The Reserve Bank of India also issued a series of Master Circulars that consolidate the regulatory framework applicable to international investment. The <i>Master Circular on Foreign Investment in India</i>, announced on 2 July 2012 with a sunset date of 1 July 2013 aggregates the rules issued under the <i>Foreign Exchange Management Act</i>.</p> <p>Also on 2 July 2012, India's Reserve Bank issued a <i>Master Circular on Direct Investment by Residents in Joint Venture (JV)/ Wholly Owned Subsidiary (WOS) Abroad</i>, which consolidates the rules on outward foreign investments.</p>	10 April 2012 2 July 2012	<p><i>Circular 1 of 2012</i> and "Press Release on Circular 1 of 2012 Consolidated FDI Policy Document", Department of Industry Policy and Promotion, Ministry of Commerce and Industry, 10 April 2012;</p> <p>"Master Circular on Foreign Investment in India", Reserve Bank of India, RBI/2012-13/15 Master Circular No.15/2012-13;</p> <p>"Master Circular on Direct Investment by Residents in Joint Venture (JV)/ Wholly Owned Subsidiary (WOS) Abroad", Reserve Bank of India, RBI/2012-13/11 Master Circular No. 11/2012-13</p>
	On 19 March 2012, the Reserve Bank of India extended the	19 March 2012	"Investment in Indian Venture

Description of Measure	Date	Source
scope of instruments in which Foreign Venture Capital Investors can invest.		<i>Capital Undertakings and /or domestic Venture – Capital Funds by SEBI registered Foreign Venture Capital Investors</i> ”, Reserve Bank of India circular RBI/2011-12/452 A.P. (DIR Series) Circular No. 93.
On 28 March 2012, the Reserve Bank of India made a series of amendments to the rules that govern outward foreign investments by Indian parties to grant more flexibility for such operations.	28 March 2012	“ <i>Overseas Direct Investments by Indian Party – Rationalisation</i> ”, Reserve Bank of India, RBI/2011-12/473 A.P. (DIR Series) Circular No. 96.
The Reserve Bank of India (RBI) modified several elements of the policies applicable for External Commercial Borrowings (ECB), including the following:		
– On 20 April 2012, the RBI increased the ceiling for External Commercial Borrowings (ECB) for companies that develop energy and road infrastructure. Power companies may now use up to 40% of the ECBs for refinancing of their rupee debt (up from 25%); the remainder must be used for investment in a new project. ECBs are also allowed for capital expenditure under the automatic route for the purpose of maintenance and operations of toll systems for roads and highways.	20 April 2012	“ <i>External Commercial Borrowings (ECB) Policy – Liberalisation and Rationalisation</i> ”, Reserve Bank of India, RBI/2011-12/519 A. P. (DIR Series) Circular No. 111.
– On 20 April 2012, the RBI allowed companies that had taken out ECBs to refinance them through new ECBs under the approval route even when the new ECB had higher costs; previously, refinancing was only possible if the refinancing would have reduced the cost.	20 April 2012	“ <i>External Commercial Borrowings (ECB) Policy – Refinancing/Rescheduling of ECB</i> ”, Reserve Bank of India, RBI/2011-12/520 A. P. (DIR Series) Circular No. 112.
– On 24 April 2012, the RBI raised the limit for ECB for the Civil Aviation Sector. The overall ECB ceiling for the entire civil aviation sector was set to USD 1 billion and an individual airline company may borrow up to USD 300 million. Those amounts can be used as working capital or for the refinancing of outstanding working capital Rupee loans extended by domestic lenders.	24 April 2012	“ <i>External Commercial Borrowings for Civil Aviation Sector</i> ”, Reserve Bank of India, RBI/2011-12/523, A.P. (DIR Series) Circular No. 113.
– On 25 June 2012, the RBI further relaxed the rules on ECB for companies in the manufacturing and infrastructure sectors. Companies operating in these sectors may borrow up to an aggregate of USD 10 billion to repay outstanding Rupee loans or for fresh Rupee capital expenditure. The cap for individual companies is set at 50% of their average annual export earnings realised during the past three financial years. On 11 September 2012, the RBI slightly modified the formula that determines the borrowing limit. Also on 25 June 2012, the Reserve Bank broadened possibilities for foreign institutional investors to invest in debt of Indian infrastructure companies: it raised the overall limits for bond emissions from USD 15 billion to USD 20 billion, allowed additional types on investors to invest in these bonds, and shortened the maturity of half of the bonds – i.e. to an overall limit of up to USD 10 billion – from 5 to 3 years. Finally, conditions for investment in infrastructure debt by qualified foreign investors were relaxed.	25 June 2012 11 September 2012	“ <i>External Commercial Borrowings (ECB) – Repayment of Rupee loans</i> ”, Reserve Bank of India, RBI/2011-12/617 A. P. (DIR Series) Circular No. 134. “ <i>ECB Policy – Repayment of Rupee loans and/or fresh Rupee capital expenditure – USD 10 billion scheme</i> ”, Reserve Bank of India, RBI/2012-13/200 A.P. (DIR Series) Circular No. 26. “ <i>Foreign investment in India by SEBI registered FII in Government securities and SEBI registered FII and QFIs in infrastructure debt</i> ”, Reserve Bank of India, RBI/2011-12/618 A. P. (DIR Series) Circular No. 135.
– On 11 September 2012, the Reserve Bank of India modified the conditions for short-term credit taken out by companies in the infrastructure sector to import capital goods.	11 September 2012	“ <i>ECB Policy – Bridge Finance for Infrastructure Sector</i> ”, RBI/2012-13/201 A.P. (DIR Series) Circular No. 27.
On 5 May 2012, a liberalisation of the interest rate for export credit in foreign currency came into effect. Henceforth, banks are allowed to determine their interest rates for export credit in foreign currency.	5 May 2012	“ <i>Deregulation of Interest Rates on Export Credit in Foreign Currency</i> ”, Reserve Bank of India, RBI/2011-12/534

Description of Measure	Date	Source
<p>On 8 May 2012, the Reserve Bank of India restricted the application of the permission to issue equity shares for imports of capital goods. Second-hand machinery is henceforth excluded from the scope of the authorisation.</p>	8 May 2012	<p>DBOD.DIR.No.100/04.02.001/2011-12.  <i>"FDI in India - Issue of equity shares under the FDI scheme allowed under the Government route"</i>, Reserve Bank of India, RBI/2011-12/541 A. P. (DIR Series) Circular No.120.</p>
<p>On 8 May 2012, the Reserve Bank of India modified the rules governing foreign investment in commodity exchanges and non-banking financial companies. An aggregate limit of foreign ownership of 49% used to apply for FDI and portfolio investment by Foreign Institutional Investors (FII); the modification abolishes the requirement of government approval for portfolio investments.</p> <p>Modifications were also introduced for foreign investment in non-banking financial companies. These changes, which were further clarified on 15 May 2012, restrict the possibility for foreigners to invest up to 100% in certain leasing operations.</p>	8 May 2012; 15 May 2012	<p><i>"Foreign investment in Commodity Exchanges and NBFC Sector – Amendment to the FDI Scheme"</i>, Reserve Bank of India, RBI/2011-12/542 A. P. (DIR Series) Circular No.121;  <i>"Foreign investment in NBFC Sector under the FDI Scheme – Clarification"</i>, Reserve Bank of India, RBI/2011-12/562 A.P. (DIR Series) Circular No. 127.</p>
<p>On 10 May 2012, the Reserve Bank of India introduced an obligation for foreign exchange earners to convert 50% of their foreign currency earnings into rupees; previously, foreign exchange earners were allowed to keep foreign currencies. Moreover, foreign exchange earners are not allowed to use foreign currencies in their accounts to maintain assets in foreign currency; hence before exchanging rupees into foreign currencies, they need to use their foreign currencies for their transactions. A Circular dated 16 May 2012 clarifies the method to calculate the amounts that need to be converted. A further circular dated 18 July 2012 exempted resident foreign currency accounts from the conversion requirement.</p>	10 May 2012; 16 May 2012; 18 July 2012	<p><i>"Exchange Earner's Foreign Currency (EEFC) Account"</i>, Reserve Bank of India, RBI/2011-12/547 A. P. (DIR Series) Circular No. 124;  <i>"Exchange Earner's Foreign Currency (EEFC) Account"</i>, Reserve Bank of India, RBI/2011-12/564 A.P. (DIR Series) Circular No. 128;  <i>"Exchange Earner's Foreign Currency Account"</i>, Reserve Bank of India, RBI/2012-13/135 A. P. (DIR Series) Circular No. 8.</p>
<p>On 16 July 2012, the Reserve Bank of India authorised Qualified Foreign Investors to invest under certain conditions in Indian corporate debt securities.</p>	16 July 2012	<p><i>"Scheme for Investment by QFIs in Indian corporate debt securities"</i>, RBI/2012-13/134 A. P. (DIR Series) Circular No. 7.</p>
<p>On 1 August 2012, India allowed citizens of Pakistan or entities incorporated in Pakistan to make investments in India, under the Government route; defence, space and atomic energy remain excluded from this liberalisation.</p> <p>On 7 September 2012, India also allowed outward investment by Indian parties in Pakistan.</p>	1 August 2012 7 September 2012	<p><i>Press Note No.3 (2012 Series)</i>, Department of Industry Policy and Promotion, Ministry of Commerce and Industry, 1 August 2012;  <i>"Overseas Investment by Indian Parties in Pakistan"</i>, Reserve Bank of India, RBI/2012-13/198, A. P. (DIR Series) Circular No. 25.</p>
<p>Effective 20 September 2012, India eased the conditions for foreign investment in single brand retailing. While 100% FDI in single-brand retailing has been allowed since January 2012, specific conditions had to be met, among others that the foreign investor must be the owner of the brand and that, for FDI beyond 51%, local sourcing was required to be at least 30%. Henceforth, the foreign investor does not need to be the brand owner – to accommodate franchising and licensing arrangements –, and the local sourcing requirement has been softened to adapt it to the feasibility, for instance for high-tech and similar products where local sourcing is impractical.</p>	20 September 2012	<p><i>"Amendment of the existing policy on Foreign Direct Investment in Single-Brand Product Retail Trading"</i>, Press Note No. 4 (2012 Series), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.</p>
<p>FDI in multi-brand retailing is now allowed, but only in States that agree to allow FDI in this sector and only in or around cities with a population of more than 1 million. Also, at least 50% of the investment has to be made in backend infrastructure. This liberalisation had already been decided in November 2011, but its implementation had been suspended.</p>	20 September 2012	<p><i>"Review of the policy on Foreign Direct Investment – allowing FDI in Multi-Brand Retail Trading"</i>, Press Note No. 5 (2012 Series), Department of Industry Policy and Promotion, Ministry of</p>

	Description of Measure	Date	Source
	Foreign airlines are henceforth allowed to own up to 49% in scheduled and non-scheduled air transport services. Hitherto, foreign investment in airlines was allowed, but only by foreigners that were not themselves airlines. Restrictions remain beyond the ownership ceiling; a scheduled operator's permit will only be granted to a company: that is registered and has its principle place of business within India; the Chairperson and at least two thirds of Directors must be Indian nationals and the substantial ownership and control must be vested in Indian nationals.	20 September 2012	Commerce and Industry. "Review of the policy on Foreign Direct Investment in the Civil Aviation Sector", Press Note No. 6 (2012 Series), Department of Industry Policy and Promotion, Ministry of Commerce and Industry.
	Foreign investment in companies in the broadcasting sector was liberalised; the ceilings for foreign investment in teleports and mobile TV were lifted to 74%, up from 49%.	20 September 2012	"Review of the policy of Foreign Investment (FI) in companies operating in the Broadcasting Sector", Press Note No. 7 (2012 Series), Department of Industry Policy and Promotion, Ministry of Commerce and Industry.
	Since 20 September 2012, foreign investment is allowed up to 49% in Power Trading Exchanges; FDI is allowed up to a limit of 26% under the government approval route, and the remainder under the automatic route for Foreign Institutional Investors (FII). Any single FII may not hold more than 5% of equity in such companies, and these investors may only acquire shares on the secondary market.	20 September 2012	"Policy on foreign investment in Power Exchanges", Press Note No. 8 (2012 Series), Department of Industry Policy and Promotion, Ministry of Commerce and Industry.
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	In July 2012, an inter-ministerial group on foreign direct investment in pharmaceuticals has recommended to the Prime Minister rolling back some of the approval requirements for foreign investment in the pharmaceutical sector. New rules that had been introduced in November 2011 require government approval for all foreign investments in the sector, with the exception of greenfield investments, while until then, all FDI in pharma was allowed through the automatic route, i.e. without prior approval. The July 2012 proposal by the inter-ministerial group suggests that the approval requirement be limited to foreign investments that result in an equity holding higher than 49%. Investments resulting in an equity holding of less than 49% as well as those made in subsidiaries will not need approval.	July 2012	<i>Press Note No.3 (2011 Series)</i> , Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion, dated 8 November 2011.
<b>Indonesia</b>			
<i>Investment policy measures</i>	Government Regulation 24/2012, signed by the President on 21 February 2012 and released on 7 March 2012, requires that foreign-owned mining companies operating in coal, minerals and metals progressively divest their holdings to Indonesians – including the central government, regional government, state enterprise or other domestic investors – to reach the maximum authorised ceiling of 49% share ownership ten years after production has begun. Hitherto, the authorised foreign ownership ceiling was 80%. The divestment should reach 20% in the sixth year of production, 30% in seventh year, 37% in the eighth year, 44% in the ninth year and 51% in the tenth year.	7 March 2012	"Peraturan pemerintah Republik Indonesia nomor 24 tahun 2012 tentang perubahan atas peraturan pemerintah nomor 23 tahun 2010 tentang pelaksanaan kegiatan usaha pertambangan mineral dan batubara", Presidential Decree 24/2012, 21 February 2012.

	Description of Measure	Date	Source
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	<p>On 13 July 2012, Indonesia's parliament passed the <i>Higher Education Bill</i>, which will, once in effect, allow foreign universities to acquire accreditation to operate in Indonesia. According to the Bill, foreign providers must be non-profit and can only set up campuses in cooperation with an Indonesian university. The Bill also regulates how universities are run and courses are accredited.</p> <p>Ministerial regulations will define where foreign universities will be allowed to set up, which programmes they are allowed to offer; priority would be given to disciplines uncommon at Indonesian universities because they require significant investment or skills.</p>	13 July 2012	" <i>Higher Education Bill</i> ", Indonesian Parliament website (in Bahasa).
	<p>On 29 March 2012, the <i>ASEAN Comprehensive Investment Agreement</i> (ACIA) took effect. The ACIA supersedes the earlier ASEAN Investment Guarantee Agreement (IGA) and the ASEAN Investment Area (AIA) and its subsequent Protocols. The agreement was signed in February 2009.</p>	29 March 2012	<i>ASEAN Comprehensive Investment Agreement</i> ; " <i>Agreements &amp; Declarations</i> ", ASEAN Secretariat website.
<b>Ireland</b>			
<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.		
<b>Israel</b>			
<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.		
<b>Italy</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	<p>On 15 May 2012, the Law of 11 May 2012, No. 56 entered into effect. It converted in law, with modifications, the Decree-Law of 15 March 2012. The new law establishes a mechanism for government review of transactions regarding assets of companies operating in the sectors of defence or national security, as well as in strategic activities in the energy, transport and communications sectors. The law also abolishes the former Italian Golden Share Law (No 474 of 1994), which the European Commission had deemed to contravene European Law.</p> <p>The new law accords special powers to the government in cases where an acquisition or other form or transaction triggers a threat of severe prejudice to essential interests of the State.</p>	15 May 2012	Law of 11 May 2012, n. 56, Gazzetta Ufficiale della Repubblica italiana n. 111 del 14 maggio 2012.

	Description of Measure	Date	Source
	<p>Special powers can be exercised both towards national or foreign investors or investments, except in case of veto to majority takeovers by buyers from outside the EU in the energy, transport and telecommunications sectors (see below).</p> <p>In the defence and national security sectors, the Government may act through the exercise of special powers as follows: the imposition of specific conditions on acquisitions of participations in companies engaged in strategic activities; the veto on decisions regarding those companies or ownership structure; the opposition to the acquisition of ownership in such companies by subjects other than the Italian State, Italian public entities or entities under their control, in cases where these acquisitions would lead to voting rights that may compromise interests of defence or national security.</p> <p>In the sectors of energy, transport and communications the government's special powers consist in: the veto on or the authorisation of, under specific conditions, decisions, acts or operations concerning strategic assets; the imposition of specific conditions to make affective acquisitions by non EU investors of companies owning strategic assets. In exceptional cases and when the above-mentioned acquisition determines control rights, the Government has the right of opposition to the entire acquisition by buyers from outside the EU (in compliance with article 49 of the Treaty of the Functioning of the European Union).</p> <p>The law further sets out which authorities carry out the risk assessment and the criteria to follow and define timeframes and obligations on companies to provide information to the government about the investment project.</p> <p>At the end of the reporting period on 15 September 2012, the Decrees required to implement the law – concerning themes such as the identification of key strategic activities in the sector of defence and national security – were under preparation for approval by the government, according to the procedures and timing of the law.</p>		
<i>Other developments</i>	<p>On 29 May 2012, the <i>Fondo Strategico Italiano (FSI)</i>, Italian Strategic Investment Fund) announced that its first investments had been approved. The two investments that FSI made are in Italian companies <i>Reti TLC – Metroweb</i>, a fibre-optic network operator, and <i>Kedrion</i>, a pharmaceutical company. The investment in <i>Reti TLC – Metroweb</i> of up to EUR 500 Million seeks to provide the company with funds to expand its operations throughout Italy; the EUR 150 million investment in <i>Kedrion</i> – EUR 75 million in equity, and EUR 75 million in convertible debt – seeks to enable the company to finance the expansion of its production sites in Italy and to acquire an identified foreign pharmaceutical company. The investment in <i>Reti TLC – Metroweb</i> leads to a 46.2% government holding in the company.</p> <p>Equipped with a capital of currently EUR 4 billion, the FSI was officially launched in August 2011 on the basis of Ministerial Decree MEF 8/5/2011 to acquire minority holdings in companies in “strategic” sectors such as defence, security, infrastructure and public services, transport, communication, energy, insurance, financial services, research and high-technology.</p>	29 May 2012	“FSI: le nuove operazioni per 1 miliardo di euro”, FSI release, 29 May 2012.
<b>Japan</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national</i>	None during reporting period.		

	<b>Description of Measure</b>	<b>Date</b>	<b>Source</b>
<i>security</i>			
<i>Other developments</i>	On 13 May 2012, China, Japan and Korea signed a trilateral investment agreement.	13 May 2012	<i>Agreement among the Government of Japan, the Government of the Republic of Korea and the Government of the People's Republic of China for the Promotion, Facilitation and Protection of Investment.</i>
<b>Jordan</b>			
<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.		
<b>Korea</b>			
<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>	On 13 May 2012, China, Japan and Korea signed a trilateral investment agreement.	13 May 2012	<i>Agreement among the Government of Japan, the Government of the Republic of Korea and the Government of the People's Republic of China for the Promotion, Facilitation and Protection of Investment.</i>
<b>Latvia</b>			
<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.		
<b>Lithuania</b>			
<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
<b>Luxembourg</b>			
<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.		
<b>Malaysia</b>			
<i>Investment policy measures</i>	At the occasion of the launch of the Malaysian Investment Development Authority (MIDA) on 3 July 2012, the Malaysian Prime Minister announced the creation of a <i>Domestic Investment Strategic Fund</i> . Managed by MIDA, the Fund would use MYR 1 billion (approx. USD 320 million) to accelerate, including through incentives for acquiring foreign companies, the participation of Malaysian-owned companies in specified industries (high value-added, high technology, knowledge-intensive and innovation-based), to intensify technology acquisition by Malaysian-owned companies, and to enable Malaysia-owned companies to secure international standards and certifications in strategic industries. The assistance will be granted on a case-by-case basis. The Fund had become available on 2 July 2012.	2 July 2012	“The Official Launch Of Malaysian Investment Development Authority (MIDA) New Corporate Headquarters And Logo”, Prime Minister’s speech, 3 July 2012.  “PM announces new RM1 billion Domestic Investment Strategic Fund”, MIDA e-News.
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	On 29 March 2012, the <i>ASEAN Comprehensive Investment Agreement</i> (ACIA) took effect. The ACIA supersedes the earlier ASEAN Investment Guarantee Agreement (IGA) and the ASEAN Investment Area (AIA) and its subsequent Protocols. The agreement was signed in February 2009.	29 March 2012	<i>ASEAN Comprehensive Investment Agreement</i> ; “Agreements & Declarations”, ASEAN Secretariat website.
<b>Mexico</b>			
<i>Investment policy measures</i>	On 9 August 2012 a General Resolution by the Federal Government became effective. It facilitates the establishment of foreign legal persons in Mexico by establishing new criteria for the application of Article 17 of the Foreign Investment Law. This resolution replaces the prior authorisation requirement for the establishment of a branch of a foreign legal entity in Mexico with a mere notice to be submitted to the Directorate-General of Foreign Investment of the Ministry of Economy. Legal persons created under the laws of Canada, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Japan, Nicaragua, Peru, the United States and Uruguay may benefit from this facility.	9 August 2012	“Resolucion general por la que se establece el criterio para la aplicacion del articulo 17 de la ley de inversion extranjera relativo al establecimiento de personas morales extranjeras en Mexico”, Diario Oficial de la Federaci3n, 8 August 2012.
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
<b>Morocco</b>			
<i>Investment policy</i>	None during reporting period.		

	Description of Measure	Date	Source	
<i>measures</i>				
	<i>Investment measures relating to national security</i>	None during reporting period.		
	<i>Other developments</i>	None during reporting period.		
<b>Netherlands</b>				
	<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.		
<b>New Zealand</b>				
	<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>	On 8 August 2012, the Court of Appeal dismissed an appeal and judicial review in relation to the Government's grant of consent to <i>Milk New Zealand Holding Limited (Milk NZ)</i> , a wholly-owned subsidiary of <i>Shanghai Pengxin</i> , a Chinese company, to acquire a group of farms in New Zealand. The farms were auctioned off by international tender following the previous owner's bankruptcy. The Overseas Investment Office (OIO) had recommended that Ministers approve the foreign investment, which they did in late January 2012 and again in April 2012 after a first challenge in court by a competing bidder. The Court of Appeal's decision sheds light on the interpretation of elements of New Zealand's overseas investment rules.	8 August 2012	" <i>Tiroa E &amp; Te Hape B Trusts v CE Land Information New Zealand</i> ", NZCA 355/2012, Court of Appeal of New Zealand, 7 August 2012.
<b>Norway</b>				
	<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.		
<b>Peru</b>				
	<i>Investment policy measures</i>	None during reporting period.		
	<i>Investment measures relating to national security</i>	None during reporting period.		
	<i>Other</i>	None during reporting period.		

	Description of Measure	Date	Source
<i>developments</i>			
<b>Poland</b>			
<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.		
<b>Portugal</b>			
<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.		
<b>Romania</b>			
<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.		
<b>Russian Federation</b>			
<i>Investment policy measures</i>	On 23 May 2012, the Central Bank of the Russian Federation issued Decree No.2818-Y on the rights of subsidiaries of foreign banks operating in Russia to open local branch offices. The decree removed a previously existing obligation to obtain permission from the Central Bank and replaced it by a notification requirement. The Decree entered into force 10 days after its official publication.	23 May 2012	Decree No.2818-Y, Central Bank of the Russian Federation, 23 May 2012.
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	In mid-2012, the State Duma Property Committee adopted a draft bill which suggests including Internet services with more than 20 million users per month and any print media regardless of circulation as well as printing and broadcasting companies in the list of companies that have strategic importance; this would subject foreign acquisitions beyond specific thresholds in such companies to the approval of the government's Foreign Investment Commission. Current legislation only covers television and radio and print media with a circulation of more than 1 million.	6 August 2012	

Description of Measure	Date	Source
<b>Saudi Arabia</b>		
<i>Investment policy measures</i>		
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
<b>Serbia</b>		
<i>Investment policy measures</i>		
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
<b>Slovak Republic</b>		
<i>Investment policy measures</i>		
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
<b>Slovenia</b>		
<i>Investment policy measures</i>		
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
<b>South Africa</b>		
<i>Investment policy measures</i>		
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	On 30 May 2012, Cabinet approved the <i>Private Security Industry Regulation Amendment Bill</i> , 2012 for submission to Parliament. The Bill seeks to amend the <i>Private Security Industry Regulation Act</i> (No. 56 of 2001) to address a threat to national security posed by the participation of foreigners in such companies. Once passed into law, its amendments would require, among others, that certain degrees of ownership and	30 May 2012  "Statement on Cabinet meeting of 30 May 2012", Government Communications, 1 June 2012.  <i>PSIRA Amendment Bill.</i>

	Description of Measure	Date	Source
	control of security companies be exercised by South African citizens. At the end of the reporting period on 15 September 2012, the Bill had not yet been passed.  On 26 July 2012, the Minister for Trade and Industry revealed in a speech that Cabinet had decided to refrain from entering into BITs in future, except in cases of compelling economic and political circumstances. Cabinet had also instructed that all first generation BITs – i.e. those that South Africa signed shortly after the democratic transition in 1994 – should be reviewed with a view to termination, and possible renegotiation on the basis of a new Model BIT to be developed.	26 July 2012	“Minister Davies Launched UNCTAD Investment Policy Framework”, the DTI, 26 July 2012.
<b>Spain</b>			
<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.		
<b>Sweden</b>			
<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.		
<b>Switzerland</b>			
<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.		
<b>Tunisia</b>			
<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.		
<b>Turkey</b>			
<i>Investment policy</i>	On 3 May 2012, Turkey passed Law No. 6302 amending the	3 May 2012	Law No. 6302, Official Gazette

	<b>Description of Measure</b>	<b>Date</b>	<b>Source</b>
<i>measures</i>	Land Registry Law. The amendments broaden the extent to which foreign individuals and companies can acquire real estate in Turkey. Henceforth, a foreign individual may acquire up to 30 hectares across the country. The Council of Ministers may allow acquisitions twice this amount or restrict or prohibit a specific acquisition. The new Law also regulates the acquisition of real estate by foreign-controlled companies incorporated in Turkey, while acquisitions by foreign companies remain governed by sector-specific laws.		of 18 May 2012, no. 28196.
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
<b>United Kingdom</b>			
<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.		
<b>United States</b>			
<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.		
<b>European Union</b>			
<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 document is from 1 March 2012 to 15 September 2012. An investment measure is counted as falling within the reporting period if new policies were prepared, announced, adopted, 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.

*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 by recipient countries consist of any action that imposes or removes differential treatment of foreign or non-resident investors compared to the treatment of domestic investors in like situations. Investment measures by home countries are those that impose or remove restrictions on investments to other countries (e.g. attaching restrictions on outward investments as a condition for receiving public support).

*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.

*Emergency measures with potential impacts on international capital movements.* Earlier inventories in this series listed emergency measures, including *ad hoc* rescue and restructuring operations for individual firms and various schemes that gave rise to capital injections and credit guarantees as well as emergency schemes that provided cross-sectoral aid to companies. As almost all such measures related to the crisis that broke in 2008 have now been phased out and the mechanisms and implications of the unwinding process have been described in detail in earlier reports, this inventory does not list the status of earlier emergency measures and their unwinding. Any new emergency measures that participants in the FOI Roundtables may take in the future will again be reported in this series of inventories.

*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 and verification.* 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.





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