

OECD GENERAL INVESTMENT POLICY PRINCIPLES

The OECD general investment policy principles are established in the OECD Code of Liberalisation of Capital Movements, adopted by the OECD country governments in 1961, and the OECD Declaration on International Investment and Multinational Enterprises of 1976 as revised in 2000, adopted by forty-one OECD and non-OECD country governments. They apply to treatment of all foreign investors, including SWFs, and are as follows:*

- *Non discrimination.* Foreign investors are to be treated not less favourably than domestic investors in like situations. While the OECD instruments protect directly the investment freedoms of those SWFs established in OECD member countries, they also commit members to using their best endeavours to extend the benefits of liberalisation to all members of the International Monetary Fund. Experience has shown that, in practice, OECD governments nearly always adopt liberalisation measures without discriminating against non-OECD countries -- investors from non-member countries reap the same benefits of free market access as OECD residents. Outright discrimination against non-OECD based investors would be a major departure from OECD tradition.
- *Transparency.* Information on restrictions on foreign investment should be comprehensive and accessible to everyone.
- *Progressive liberalisation.* Members commit to the gradual elimination of restrictions on capital movements across their countries.
- *“Standstill”.* Members commit to not introducing new restrictions.
- *Unilateral liberalisation.* Members also commit to allowing all other members to benefit from the liberalisation measures they take and not to condition them on liberalisation measures taken by other countries. Avoidance of reciprocity is an important OECD policy tradition. The OECD instruments are based on the philosophy that liberalisation is beneficial to all, especially the country which undertakes the liberalisation. ■

Governments adhering to the OECD Declaration on International Investment and Multinational Enterprises

Argentina
Australia
Austria
Belgium
Brazil
Canada
Chile
Czech Republic
Denmark
Egypt
Estonia
Finland
France
Germany
Greece
Hungary
Iceland
Ireland
Israel
Italy
Japan
Korea
Latvia
Lithuania
Luxembourg
Mexico
The Netherlands
New Zealand
Norway
Peru
Poland
Portugal
Romania
Slovak Republic
Slovenia
Spain
Sweden
Switzerland
Turkey
United Kingdom
United States

* Source: OECD Investment Committee report on recipient country policies and SWFs, approved by governments on 4 April 2008.