Geneva and Paris, 14 June 2010

Third Report on G20 Investment Measures[1]

At the London and Pittsburgh Summits, G20 Leaders have committed to forego protectionism and have requested public reports on their adherence to this commitment.[2] The present document is the third report on investment and investment-related measures in response to this mandate. It has been prepared jointly by the OECD and UNCTAD Secretariats and covers investment and investment-related measures taken between November 2009 and May 2010.[3]

I. Investment developments in G20 countries

Foreign direct investment (FDI) flows into G20 countries – and globally – continued to decline in 2009 by around 40% (Figure 1). However, FDI inflows began to pick up in the first half of 2009 and then stagnated, a trend that is expected to continue.[4] Uncertainties remain and it may take some time before FDI flows return to pre-crisis levels. Total inflows into the 19 G20 member countries reached USD 600 billion in 2009, while global FDI inflows reached USD 1 trillion.

---

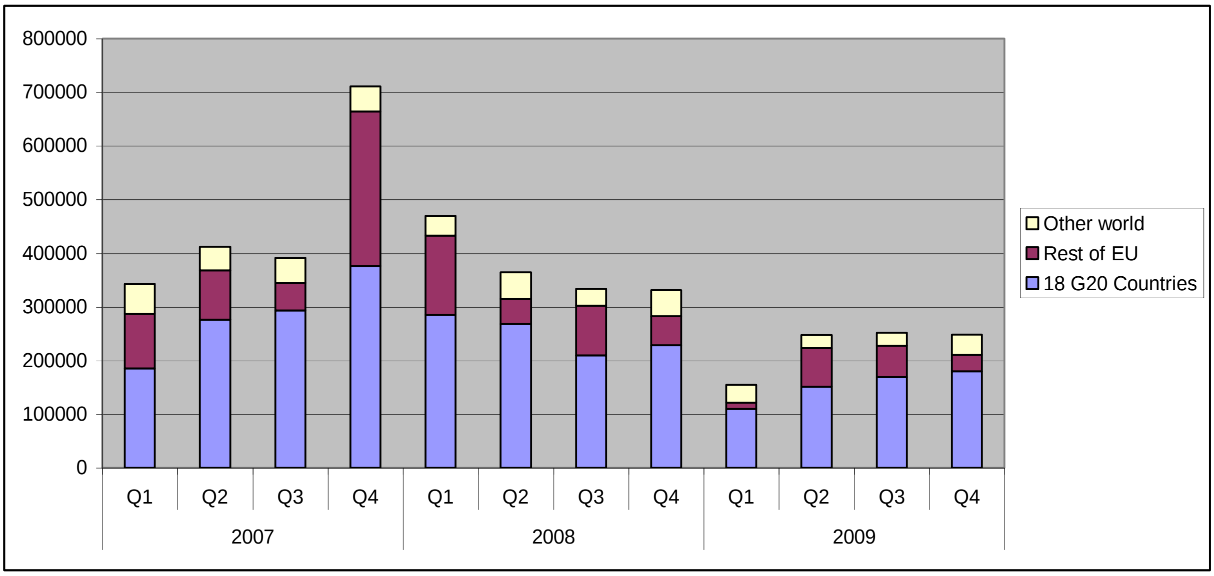
1 Information provided by OECD and UNCTAD Secretariats.

2 Earlier reports by WTO, OECD and UNCTAD to G20 Leaders are available on the websites of the OECD and UNCTAD.

3 The reporting period for this OECD-UNCTAD report on "G20 Investment Measures" overlaps in part with that of the March 2010 WTO-OECD-UNCTAD "Report on G20 Trade and Investment Measures", which covered the period from September 2009 to February 2010. This choice of the reporting period ensures that the present report on investment measures covers the same period as the report on trade measures, prepared by WTO.

4 For further information and analysis of recent trends, see OECD Investment News, Issue 13, forthcoming, June 2010 (www.oecd.org/investment) and UNCTAD's "Global Investment Trends Monitor", Issue No 3, April 2010 (http://www.unctad.org/en/docs/webdiaeia20104_en.pdf). Final data on OECD FDI flows for 2009 are reported in OECD Investment News, Issue 13, and available for download from the OECD statistics portal (www.oecd.org/statistics). Final data on global FDI flows for 2009 will be in UNCTAD's "World Investment Report 2010: Investing in a Low-carbon Economy".

Figure 1: FDI inflows 2007 Q1 – 2009 Q4 by group of countries (USD million).*



* Source: UNCTAD. Global FDI data shown here includes only data for the 67 countries included in UNCTAD's global FDI index. Data for Saudi Arabia was not available.

II. Investment policy measures

During the reporting period, all G20 members except Argentina took some sort of investment policy action (investment-specific measures, investment measures relating to national security, emergency and related measures with potential impacts on international investment)[5] or concluded international investment agreements. Emergency measures with potential impacts on international investment continued to account for most measures taken during the period (Table 1).

Table 1: Investment and investment-related measures taken or implemented between 1 November 2009 and 20 May 2010.

	Investment-specific measures	Investment measures related to national security	Emergency and related measures with potential impacts on international investment*	International investment agreements
Argentina				
Australia	•	•	•	
Brazil	•			
Canada	•		•	
China	•		•	•
France			•	•
Germany			•	•
India	•		•	•
Indonesia	•			•
Italy			•	•
Japan			•	

5 Annex 2 contains detailed information on the coverage, definitions and sources of the information in this report.

	Investment-specific measures	Investment measures related to national security	Emergency and related measures with potential impacts on international investment*	International investment agreements
Korea, Republic of			•	•
Mexico				•
Russian Federation			•	
Saudi Arabia	•			•
South Africa	•		•	•
Turkey				•
United Kingdom			•	•
United States			•	•
European Union				•

* Emergency and related measures include ongoing implementation of existing measures and introduction of new measures that were implemented at some point in the reporting period.

(1) Investment specific measures

Governments of 8 G20 members took investment specific measures (those not designed to address national security or emergency concerns) during the reporting period:

- Australia announced to increase the threshold on foreign ownership stakes in Australian international airlines, including the flag carrier Qantas. The 25% limit on individual foreign investors in Qantas and a 35% cap for total foreign airline holdings were removed, but the overall cap of 49% on foreign ownership was maintained. Australia also will allow 100% foreign ownership of domestic airlines. Reforms of Australia's foreign investment screening framework came into effect; the new rules clarify that the screening mechanism covers all forms of foreign investment regardless of their structure. Australia also tightened the rules applicable to foreign investment in residential real estate.

- Brazil imposed a 1.5% levy on the creation of depositary receipts by companies or investors converting local shares. The levy seeks to alleviate distortions caused by Brazil’s earlier introduction of a levy on short-term portfolio investments.

- Canada released the thresholds applicable for 2010 for review of foreign investment proposals from WTO-member country investors. The threshold is calculated every year in relation to the evolution of GDP; for the first time in more than a decade, the new threshold is lower than in the preceding year.

- China allowed the establishment of sales service departments by foreign-funded insurance companies; introduced regulations for the administration of representative offices of foreign enterprises; and allowed foreign investors to use the partnership structure for investments in China. The country also increased the thresholds of foreign investment projects requiring central government approval from USD 100 million to USD 300 million, a move that forms part of China’s efforts to decentralise FDI approval authority.

- India consolidated into one document FDI regulations that were spread over a large number of individual documents to make its foreign investment regulations more accessible to investors. The country liberalised the establishment of foreign branch and liaison offices under the country’s foreign exchange control regime. Also, India withdrew some of the temporary relaxations of the Federal Reserve Bank’s External Commercial Borrowings policy but established a one-time relaxation of the policy in light of an auction of 3G mobile communication frequency spectrum. India further increased the thresholds that trigger certain approval procedures for inward investment. India eased the administrative procedures for the participation of Indian companies in a consortium with international operators to construct and maintain submarine cables on a co-ownership basis. India also moved further towards allowing foreign institutions to provide higher education services in India; a respective bill was introduced into parliament. India introduced minimum prices for certain sales of shares from residents to non-residents and price caps for transactions in the opposite direction. India prohibited FDI in manufacturing of cigars, cigarettes, cigarillos as well as tobacco and tobacco substitutes.

- Indonesia enacted a first regulation on the implementation of the new electricity law; this law, which came into force in late 2009, abolishes the monopoly of state-owned electricity company PT Perusahaan Listrik Negara on the supply and distribution of electricity to end-customers. The law allows private investors, including foreign investors, to generate, transmit, distribute and sell electricity. Indonesia also issued a regulation that specifies the scope of the obligation for foreign investors to divest mining concessions in Indonesia. It requires that within five years of commencement of production, 20% of the foreign capital must be sold to local parties, including central, provincial or regional governments, regency, state-owned companies, regional-owned companies, or private national entities.

- Saudi Arabia allowed foreign investors to invest in an exchange-traded fund of Saudi Arabian shares.

- South Africa allowed banks registered in the country to acquire direct and indirect foreign exposure of up to 25% of their total liabilities.

Thus, this report finds, like the two reports to G20 Leaders that preceded it, that almost all investment specific measures point towards liberalisation of international capital flows or increased regulatory clarity.

(2) Investment measures related to national security

Australia announced a new administrative procedure for the approval of certain foreign investment proposals in mining on the territory of a large weapon testing range.

(3) Emergency and related measures with potential impacts on international capital movements

Emergency measures with potential impacts on international capital movements continued to be the most common investment-related measure taken by G20 governments (Table 1). The sheer size of these measures and their potential effects on competitive conditions (e.g. on firm entry and exit), particularly in globalised sectors such as finance and automobiles, create a strong presumption that they influence worldwide capital flows. G20 Leaders were aware of this when they committed to "minimise any negative impact on trade and investment of our domestic policy actions including fiscal policy and action in support of the financial sector."[6]

The emergency measures described in the annex underscore the complexity of governments' approaches to dealing with this phase of the crisis. Table 2 shows that, during the reporting period, in total, 14 governments introduced or continued to implement emergency measures.

Emergency measures were implemented in both the financial and non-financial sectors. Non-financial measures were mainly directed at supporting the following areas:

[6] G20 London Summit Declaration, para. 22.

- *Automotive:* this sector has benefitted from emergency schemes across all stages of the productions process/value chain, with measures supporting suppliers, manufactures and dealers. Altogether, 5 governments took action with respect to this sector.
- *Agriculture:* Four governments operate temporary aid schemes providing access to finance for the agriculture sector.
- *Ship building:* In order to facilitate restructuring of the shipping industry, 2 governments operate special funds to purchase vessels from shipyards; one of the schemes was established during the reporting period.
- *Green products:* Three governments subsidize interest rates for investments in enterprises which produce "green" products. These schemes target both the automotive and other sectors.

Beyond these areas, other measures addressing more broadly the non-financial sectors include numerous cross-sectoral schemes by central, regional or local governments. These measures take a wide variety of forms, including the provision of loans, interest rates subsidies, investment guarantees, and working capital.

In line with their respective implementation schedules, most schemes were maintained, while some of the schemes are now closed to new entrants. Some schemes were extended and some new schemes were adopted in non-financial sectors during the reporting period (Table 2).

- *Some schemes were closed to the entry of new firms:* Seven governments concluded their support schemes as planned, terminating support schemes in the financial and automotive sectors.
- *Some schemes were maintained:* Several of the schemes are scheduled to conclude at the end of 2010 and were maintained during the reporting period. The bulk of on-going measures relates to the financial and automotive sectors or aim at supporting the real economy more broadly. Altogether, eleven governments maintained their programmes open for companies to receive additional support.
- *New emergency schemes were introduced, mostly in the agricultural sector:* Seven countries introduced new temporary aid schemes, with most of these new schemes supporting access to finance for the agriculture sector, and one each in the areas of shipping, the real economy or for green products.

Thirteen countries continue to carry outstanding assets and liabilities left as a legacy of emergency schemes even once those schemes have been closed to new entrants. This legacy of emergency measures is large; the total amount of public commitments – equity, loans and guarantees – on 20 May 2010 exceeded USD 1 trillion.[7] In the financial sector, public expenditure commitments for certain individual companies reach hundreds of billions of USD, and individual companies in the non-financial sectors have received advantages worth several billion USD each. In the financial sector, only about a tenth of the financial firms that had benefitted from such support had reimbursed loans, repurchased equity or relinquished public guarantees at the end of the reporting period. Several hundred financial firms thus continued to benefit from such public support, and in non-financial sectors, at least 20,000 individual firms continued to benefit from emergency support programmes.

[7] The US has abolished a fixed cap on commitments under one of its emergency programmes; this decision is not taken into account for the calculation of the estimate.

Table 2: Status of emergency measures.

	Financial sector				Non-financial sectors			
	At least one emergency scheme was closed for new entry of firms in the reporting period	At least one emergency measure continued to be open for entry of new firms on 20 May 2010	At least one new scheme was introduced in the reporting period	Legacy assets still held by government on 20 May 2010	At least one emergency scheme was closed for new entry of firms in the reporting period	At least one emergency measure continued to be open for entry of new firms on 20 May 2010	At least one new scheme was introduced in the reporting period	Legacy assets still held by government on 20 May 2010
Argentina								
Australia		•						
Brazil								
Canada	•			•		•		•
China						•	•	
France	•	•		•		•	•	•
Germany		•		•		•	•	•
India	•							
Indonesia								
Italy	•			•		•	•	•
Japan	•	•		•		•		•
Korea, Republic of						•		•
Mexico								
Russian Federation						•	•	•
Saudi Arabia								
South Africa						•	•	•
Turkey								
United Kingdom	•			•		•	•	•
United States	•			•	•			•
European Union								

Other measures taken during the reporting period show that governments continue to try to ensure that the benefits of emergency support are focused on the countries providing that support. For example, support by France for three automobile manufacturers was provided in return for these companies' commitments to *inter alia* not close factories in France until their 5-year, government-backed loans had come to term. During the reporting period, the French government reminded one of these firms of this commitment while publicly challenging its plan to relocate a production facility abroad. In a separate case, France provided a state loan to a French car company for the production of a specific model on a domestic production site; the loan agreement establishes minimum requirements for domestic sourcing of components for this car model. Although these are the only cases about which clear information is available, it is also possible that other governments with shares in or loans to individual firms are exerting similar pressures on those firms.

Some governments also took steps to clarify how they manage their rights to participate in the governance of firms in which they hold shares as a result of emergency measures. The French president stated that the French government would be an active stakeholder in the companies in which the State has acquired shares. The US has set out principles for the exercise of its voting rights in car makers and in Citigroup, a bank. While US Treasury Department has stated that it does not intend to involve itself in the day-to-day management of any company, it stated that it will exercise its voting rights on certain matters, including major corporate transactions such as mergers, as well as issuance of equity securities with voting rights.

(4) International investment agreements

During the reporting period, G20 member countries also continued the negotiation of new international investment agreements (IIAs). Between 1 November 2009 and 20 May 2010, the 20 economies covered by this report concluded 12 bilateral investment treaties (BITs)[8] and 8 other agreements with investment provisions. These further enhance the large network of IIAs that G20 members have created with a view to ensuring openness and predictability of their policy frameworks governing investment (Table 3).[9]

Table 3: G20 Members' International Investment Agreements.

	BITs		Other IIAs		
	Concluded 1 Nov 2009 – 20 May 2010	Total as of 20 May 2010	Concluded 1 Nov 2009 – 20 May 2010	Total as of 20 May 2010	Total IIAs as of 20 May 2010
Argentina		58		16	74
Australia		22		16	38
Brazil		14		16	30
Canada		28		21	49
China		125	2	14	139
France	1	102	2	64	166
Germany	1	135	2	64	199
India	3	78	1	11	89
Indonesia		62	1	21	83
Italy	1	94	2	64	158
Japan		15		18	33
Korea, Republic of	1	91	1	15	106
Mexico	1	28		16	44
Russian Federation		65		3	68
Saudi Arabia	1	21		10	31
South Africa	1	46		9	55
Turkey	1	80	1	19	99
United Kingdom	1	104	2	64	168
United States		47	1	59	106
European Union			2	61	61

Source: UNCTAD.

The new BITs signed by G20 members during the reporting period tend to include the traditional protection provisions such as minimum standards of treatment, protection against expropriation and recourse to international investor-State dispute settlement. The new "other IIAs" differ considerably from these agreements, as only one of them contains the full set of investment protection disciplines typically found in BITs, while the others focus on liberalization and investment promotion or set the stage for future negotiations.

---

8 G20 countries also concluded 29 Double Taxation Treaties (DTTs).

9 As of 20 May 2010, there were over 2,757 BITs, 2,927 DTTs and approximately 302 FTAs, or economic cooperation agreements containing investment provisions ("other IIAs"), making a total of 5,986 IIAs. For further information and analysis of the IIA regime, see UNCTAD's forthcoming "World Investment Report 2010: Investing in a Low-carbon Economy".

In addition to these IIAs, Canada and the EU signed the Canada-EU Air Transport Agreement in December 2009. The agreement will *inter alia* allow investors of one party to acquire up to 49% of airline companies in the other. Investors will also be allowed to set up and control new airlines in each others' markets. In March 2010, the EU and the US reached an agreement ad referendum on a "second stage" Open Skies aviation agreement. The agreement provides for an annual review of developments, including towards legislative changes in the areas of ownership and control and sets out incentives to liberalise ownership rules. It will allow majority ownership and effective control of each others' airlines for the two countries on a reciprocal basis.

Of relevance in this context is also that with entry into force of the Lisbon Treaty on 1 December 2009, the European Union acquired the competence for FDI under the Union's common commercial policy.

III. Overall policy implications

This inventory of investment measures shows that, by and large, G20 governments have continued to honour their commitment, taken at the Washington, London and Pittsburgh summits, to refrain from raising new barriers to international investment. Most of the general investment policy measures (those not geared to safeguarding national security or responding to the crisis) pointed toward greater openness and transparency for foreign investors. G20 Leaders are to be commended for resisting protectionist pressures, thereby contributing to a return to growth and boosting investor confidence.

Managing the investment impacts of emergency measures taken in response to the crisis still constitutes a great challenge for G20 governments. Although these measures are not, on the whole, overtly discriminatory toward foreign investors, they pose serious threats to market competition in general and to competition operating through international investment in particular.

Some G20 countries have moved into a new phase of the administration of their emergency measures and programmes. This includes the dismantling of some emergency schemes, the unwinding of advantages provided to individual companies under emergency schemes, but also the continuation and expansion of programmes and the introduction of schemes for new sectors.

G20 Leaders should ensure that such programmes are wound down at an appropriate pace and that the crisis is not used as a pretext to discriminate directly or indirectly against certain investors, including foreign investors.

Three areas require G20 Leaders' particular attention:

- *Ensuring that assets acquired as a legacy of crisis-related schemes are disposed of in a timely, non-discriminatory and open manner*. Governments have begun the process of unwinding their financial stakes acquired in companies participating in emergency schemes. They also continue to hold shares or loans in and to extend guarantees for tens of thousands of companies. Such positions, if held too long, can create confusion between governments' regulatory and ownership roles and can disrupt competitive processes in product and capital markets.
- *Winding down emergency schemes*. Governments continue to operate some schemes and to extend benefits to new firms. Such schemes should be scaled back as quickly as economic conditions permit so as to send a strong message to domestic and foreign investors that they henceforth are expected to operate without State aid on a commercial basis in the market place.
- *Making progress on fundamental reform* so as to restore confidence in the financial sector and the market economy. In addition to the obvious benefits of such fundamental reform (e.g. in financial and prudential regulation and in monetary and fiscal institutions) for economies as a

whole, it will, by building trust internationally, make it easier for countries to preserve and extend an open policy framework for international capital flows.

G20 Leaders' commitment to resist protectionism and promote global investment expires at the end of 2010. Protectionist pressures will persist as long as the impact and aftershocks of the crisis weigh on the recovery. Openness to international investment is a precondition for strong global economy, job creation, and innovation. Therefore, G20 Leaders should extend their commitment to resist protectionism and promote global investment to reassure investors.

ANNEX 1

Investment and investment-related measures
(1 November 2009 – 20 May 2010)

	Description of Measure	Date	Source
Argentina			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Australia			
Investment policy measures	On 16 December 2009, the Australian Transport Minister announced that while the Government would maintain the cap of 49% on foreign ownership of Australian international airlines (Air Navigation Act 1920), it would remove the secondary restrictions of 25% for foreign individual shareholdings and 35% for total foreign airlines shareholdings in Qantas (Qantas Sale Act 1992). The Government also announced that it will continue to allow 100% foreign ownership of domestic airlines. The announced step had not been implemented at the end of the period covered by this report.	16 December 2009	"National Aviation Policy – White Paper", Commonwealth of Australia, December 2009; "National Aviation Policy Statement Released", Minister for Infrastructure, Transport, Regional Development and Local Government media release AA539/2009, 16 December 2009; and "Launch of the Aviation White Paper - National Press Club", Minister for Infrastructure, Transport, Regional Development and Local Government speech AS25/2009, 16 December 2009.
	On 12 February 2010, the Foreign Acquisitions and Takeovers Amendment Act 2010 received Royal Assent. It clarifies the operation of the Foreign Acquisitions and Takeovers Act 1975 to ensure that it applies equally to all foreign investments irrespective of the way they are structured. The amendments are intended to capture complex investment structures which may provide avenues of control beyond that provided through traditional shares or voting power. The amendments apply retrospectively, from the date of the Treasurer's announcement (12 February 2009).	12 February 2010	"Amendments to Foreign Acquisitions and Takeovers Act", Treasurer media release No. 017 of 2009, 12 February 2009; the "Foreign Acquisitions and Takeovers Amendment Bill 2010"; and Policy and Supporting Documents, Foreign Investment Review Board (FIRB) website.
	On 24 April 2010, the Australian Government announced a major tightening of the foreign investment rules as they relate to residential real estate. The new rules: require temporary residents to seek approval to acquire residential real estate in Australia, prevent foreign non-residents from investing in Australian real estate if that investment does not add to the housing stock; ensure that investments by temporary residents in established properties are only for their use whilst they live in Australia; and if the investment concerns vacant land, foreigners are required to build within 24 months or resell the property.	24 April 2010	"Government Tightens Foreign Investment Rules for Residential Housing", Treasurer media release No. 074 of 2010, 24 April 2010.
Investment measures relating	On 17 May 2010, the Minister of Defence announced that any prospective mining	17 May 2010	"*Mining Interests in the Woomera Prohibited Area Government*

	Description of Measure	Date	Source
to national security	investment proposals in the Woomera Prohibited Area, a weapon testing range, where foreign involvement is a factor, and requires Foreign Investment Review Board (FIRB) approval, applicants should first seek assessment from the Defence Department before making any application to the FIRB.		*Statement*", Minister of Defence press release, 17 May 2010.
Emergency and related measures with potential impacts on international investment	Australia continued to implement its car dealership financing special purpose vehicle (SPV) that was legally established as a financing trust on 2 January 2009 and activated on 1 September 2009. The establishment of the SPV followed the announcement in October 2008 by GE Money Motor Solutions and GMAC that they intended to depart the Australian wholesale floor plan finance market. On 13 May 2009, the Government announced that Ford Credit would be able to participate in the SPV to allow it to support its dealership network. With funding from the four major Australian banks, namely ANZ, Commonwealth Bank of Australia, National Australia Bank, and Westpac, the SPV provides temporary liquidity support to support the financing of eligible participating car dealershjp financiers. The Government supports the SPV by guaranteeing the monthly interest payments and the repayment of principal on the final maturity date, 1 January 2012. The Government guarantee is supported by the Car Dealership Financing Guarantee Appropriation Act 2009, which received Royal Assent on 6 July 2009.	Ongoing	"Activation of Car Dealership Financing Special Purpose Vehicle ('Ozcar')", Treasurer media release No. 94, 28 August 2009; "Car Dealer Financing: Establishment of a Special Purpose Vehicle", Treasurer media release No. 136, 5 December 2008; and "Treasurer Releases Update on Car Dealer Financing and the Special Purpose Vehicle", Treasurer media release No. 145, 19 December 2008; "Car Dealer Financing Special Purpose Vehicle: Supporting Legislation and Ford Credit", Treasurer media release No. 71, 13 May 2009; and "Car Dealership Financing Guarantee Appropriation Act 2009".
Brazil			
Investment policy measures	On 18 November 2009, the Brazilian Government put into effect a 1.5% levy on the creation of depositary receipts by companies or investors converting local shares. According to the Ministry of Finance, the levy seeks to alleviate distortions caused by the introduction of a 2% levy on short-term portfolio investments by non-residents in local fixed income instruments and stocks that Brazil had introduced on 19 October 2009 to prevent excessive capital inflows that could lead to asset price bubbles and create upward pressure on the Real.	18 November 2009	Decree No 7011 of 18 November 2009.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Canada			
Investment policy measures	On 1 January 2010, Canada released the thresholds applicable in 2010 for review of foreign investment proposals from WTO-member country investors. The threshold value for 2010 was set at CAD 299 million, down from CAD 312 million in 2009, marking the first decline since 1997. Pursuant to the Investment Canada Act, a new threshold is	1 January 2010.	Canada Gazette Part I of 6 February 2010, page 167.

	Description of Measure	Date	Source
	calculated every year in relation to the growth in Nominal Gross Domestic Product at market prices.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	Canada continued to implement the Economic Action Plan, the country's framework for response measures to the crisis, which was initially announced on 27 January 2009. The plan contains support to financial and non-financial sectors.		Fifth report to Canadians on Canada's Economic Action Plan, in: "Leading the Way on Jobs and Growth", p. 193, 4 March 2010.
	Support for the financial sector was provided under the CAD 200 billion Extraordinary Financing Framework that consists of various components, some of which were phased out during the reporting period.		
	– The two temporary facilities that the Canadian Government had created – the Canadian Lenders Assurance Facility and the Canadian Life Insurers Assurance Facility – expired as planned on 31 December 2009 without having ever been used by its intended beneficiaries. The Government had created the facilities in May 2009 to provide Canadian deposit-taking institutions and life insurers with insurance on wholesale term borrowing.	Until 31 December 2009	Fifth report to Canadians on Canada's Economic Action Plan, in: "Leading the Way on Jobs and Growth", p. 265, 4 March 2010; "*Canadian Lenders Assurance Facility and Canadian Life Insurers Assurance Facility*", Government of Canada website; "*Minister of Finance Announces Launch of Canadian Life Insurers Assurance Facility*", Department of Finance news release no. 2009-049, 22 May 2009.
	– The Insured Mortgage Purchase Program, which was designed to allow for the purchase of qualifying insured mortgages from Canadian financial institutions, expired at the end of March 2010. Under the programme, participating financial institutions were able to access stable long-term government financing in exchange for high-quality mortgage assets. Over CAD 60 billion had been provided to banks and other lenders under the programme.	Until 31 March 2010	Fifth report to Canadians on Canada's Economic Action Plan, in: "Leading the Way on Jobs and Growth", p. 265, 4 March 2010.
	– The Canadian Secured Credit Facility, which was designed to support the financing of vehicles and equipment and to stimulate private lending to these sectors, also expired on 31 March 2010. Under the facility that was operated by the Business Development Bank of Canada (BDC) the Government had committed to purchase up to CAD 12 billion of newly issued term asset-backed securities backed by loans and leases on vehicles and equipment and dealer floor plan loans.	Until 31 March 2010	Fifth report to Canadians on Canada's Economic Action Plan, in: "Leading the Way on Jobs and Growth", p. 266, 4 March 2010.
	– Canada continued to implement the Business Credit Availability Program that seeks to improve access to financing for Canadian businesses. The programme, which is operated by Export Development Canada (EDC) and the Business Development Bank of Canada (BDC), offers direct lending and other types of support and facilitation at market rates to businesses with viable business models whose access to financing would otherwise be restricted. By 31 January 2010, almost 9,000 companies had received support of a gross volume of almost CAD 5 billion under the programme.	Ongoing	Business Credit Availability Program website, Department of Finance.
	– Canada continued to implement the support to companies in various industry sectors including access to financing for firms operating in forestry, agriculture, as well as	Ongoing	"Leading the Way on Jobs and Growth", Fifth report to Canadians on Canada's Economic Action Plan, 4 March 2010, p. 251.

	Description of Measure	Date	Source
	to SMEs.		
	Canada and Ontario maintained holdings in Chrysler (2%) and General Motors (11.7%), arising from earlier loans and debtor-in-possession financing of CAD 14.58 billion combined. The governments of Canada and Ontario also received USD 403 million of preferred shares in the restructured General Motors.	Ongoing	"Leading the Way on Jobs and Growth", Fifth report to Canadians on Canada's Economic Action Plan, 4 March 2010, p. 248.
China			
Investment policy measures	China's Insurance Regulatory Committee adopted a circular that allows the establishment of sales service departments by foreign-funded insurance companies.	18 December 2009	"Reply on Issues Concerning the Foreign-Funded Insurance Firms' Establishment of Sales Service Department", MOFCOM Laws and regulations site (in Chinese).
	On 4 January 2010, the State Administration for Industry and Commerce and the Ministry of Public Security jointly issued the "Notice on Further Administration of Registration of Foreign Companies' Resident Representative Offices" that introduces new regulations for the administration of representative offices of foreign enterprises. Detailed measures include the strengthened screening of registration materials, the registration form of one-year duration, and a requirement of no more than four representatives under normal circumstances.	4 January 2010	MOFCOM Laws and regulations site (in Chinese).
	On 1 March 2010, the Decree of the State Council of the People's Republic of China No. 567 on Measures for the Administration on the Establishment of Partnership Business by Foreign Enterprises or Individuals in China entered into force. The decree, which was promulgated on 25 November 2009, allows foreign investors to use the partnership structure for investments in China. The Decree of the State Administration for Industry and Commerce No. 47, promulgated on 29 January 2010 contains administrative provisions on the registration of foreign-funded partnership enterprises.	1 March 2010	Decree of the State Council of the People's Republic of China No. 567 on Measures for the Administration on the Establishment of Partnership Business by Foreign Enterprises or Individuals in China; Decree of the State Administration for Industry and Commerce No. 47, 29 January 2010.
	On 6 April 2010, the State Council released opinions on foreign investment that reaffirm China's policy to encourage foreign investment and are expected to guide more specific regulatory action in the future. The Opinions notably indicate that the threshold of foreign-invested projects in the encouraged or permitted categories that triggers central level approval will be raised to USD 300 million, up from USD 100 million. The Opinions also call for a revision of the *Catalogue for the Guidance of Foreign Investment Industries* towards expanding the domains open to foreign investment.	6 April 2010	Several Opinions of the State Council on Further Utilizing Foreign Capital, Guo Fa [2010] No. 9.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	In December 2009, China established the China Shipbuilding Industry Investment Fund to support the Chinese shipbuilding industry. The CNY 20 billion fund acquires cancelled vessels, places orders for new vessels and invests in Chinese shipyards to mitigate the effects of steep fall in demand for vessels. The	December 2009	

	Description of Measure	Date	Source
	fund began setting orders for ships in March 2010.		
France			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	France continued to operate its scheme to inject capital into banks that were considered fundamentally sound, but needed to reinforce their capital base; however, only one bank still benefitted from the scheme on 20 May 2010, down from six in late 2009. The scheme allows eligible banks to sell securities to the Société de prise de participation de l'État (SPPE), a wholly state-owned investment company. The scheme includes obligations for the beneficiary banks with regard to financing the real economy the observance of which are monitored locally and nationally. A mediation system is also planned to ensure compliance with the obligations. The beneficiary banks must also undertake to adopt measures concerning the remuneration of senior management and market operators (including traders) and to observe ethical rules consistent with the general interest. The programme is budgeted up to EUR 21 billion. Five of the six French banks that had benefitted from capital injections under the scheme had reimbursed the SPPE on 14 February 2010 (Crédit Mutuel reimbursed the SPPE on 1 October 2009, Crédit Agricole on 27 October 2009, BNP Paribas on 3 November 2009, Société Generale on 4 November 2009). The only bank in which the SPPE still held equity on 20 May 2010 is BPCE, the bank that emerged from the Caisse d'Épargne and Banque Populaire, formerly two separate banks. The SPPE holds EUR 3 billion in non-voting preference shares of the BPCE.	Ongoing	European Commission decisions N613/2008, N29/2009, N164/2009 and N249/2009.
	France discontinued its scheme for refinancing credit institutions on 30 November 2009, when the scheme expired as planned. The scheme, which became law in October 2008 and was extended in May 2009, established the wholly state-owned Société de Financement de l'Economie Française (SFEF, previously known as Société de refinancement des activités des établissements de crédits – SRAEC). The scheme authorised SFEF to provide medium and long-term financing to any bank authorised in France, including the subsidiaries of foreign groups. SFEF benefitted from a state guarantee and was allowed to extend lending up to EUR 265 billion. Credit institutions that benefitted from the scheme had to pay a premium over and above the normal market price and had to make commitments regarding their conduct.	Until 30 November 2009	European Commission decisions N548/2008 and N251/2009; Loi nº 2008-1061 du 16 Octobre 2008 de finances rectificative pour le financement de l'économie. European Commission decision N548/2008 dated 30 October 2008.
	On 17 February 2010, Renault received a EUR 100 million loan from the French government for the production of the firm's electric car *Zoé* in France. A formal agreement between the government and the company, in which France holds a 15% stake, also foresees that 70% of the components for the car be	January 2010; 17 February 2010	Response of the Minister for Industry to a question at the National Assembly, question no. 1837, Journal Officiel,13 January 2010, p.6; Comptes rendus de la Commission des finances, 17 February 2010.

	Description of Measure	Date	Source
	sourced in France, up from the planned 40%, after two years of production. The requirement to source French-made components is an expression of the broader Government policy to require car companies in France to increase the share of French-made components in their automobile manufacturing.		
	As part of the support that three French automakers, Renault, Renault Trucks and PSA/Peugeot-Citroën, had received in early 2009, the companies committed not to shut any plants in France for 5 years, corresponding to the duration of a loan of a combined EUR 6.5 billion to the three companies. Then, France provided a commitment to the Commission that the loan agreements "will not contain any condition concerning either the location of their activities or the requirement to prioritise France-based suppliers". This commitment was tested when it emerged in January 2010 that Renault considered producing one of its car models in a plant in Turkey rather than in France. Senior members of Government, including the Industry Minister, a vice-Minister and the French President, publicly opposed the plan to relocate the production of one of the firm's models to a site in Turkey, stressing the firm's commitment, aid previously received by the firm and the State's 15% stake in the firm. The CEO of the firm was called in for questioning over the plan, and the Industry Minister reminded the firm's Director for acquisitions and suppliers that the government deems that cars destined for sale in France must be produced in France.		Response of the Minister for Industry to a question at the National Assembly, question no. 1837, Journal Officiel,13 January 2010, p.6; Comptes rendus de la Commission de l'économie, 17 February 2010; "Questions/Réponses—Le Pacte Automobile", government note, 6 March 2009.
	France's Strategic Investment Fund (Fonds Stratégique d'Investissement, FSI), endowed with EUR 20 billion when established on 19 December 2008, continued to acquire stakes in companies including NicOx, Bontoux, Mecachrome, Avanquest, GLI International, Innate Pharma, Phoebe Ingenica, Vallourec, IPS, Gruau, Limagrain, Cylande, and Inside Contactless. All these companies were under French control at the time of the investment. According to the Fund's annual report on 2009, the investment sought to accelerate the development of these enterprises by means of capital increases – or to support companies in temporary difficulties. The large majority of the investments were made in the context of capital increases of the concerned firms. However, in one case, the FSI has also co-founded a new company in cooperation with two French automobile producers and a French state owned research institution. The FSI also invested in or considered investing in some companies that were in financial difficulties at the time of the investment. In December 2009, for instance, the FSI acquired 30% in the holding company of Mecachrome International, then under bankruptcy protection, and in early 2010 considered an investment of EUR 10 million in Heuliez Véhicule Electrique, a new subsidiary of the automotive company Heuliez, which encountered financial difficulties and eventually entered bankruptcy proceedings on 18 May 2010. According to its strategic orientations, the FSI intends to be involved in	Ongoing	"Le FSI annonce sa participation aux cotés de Renault, Nissan et du Commissariat à l'Energie Atomique (CEA) à la création en France d'une société commune de recherche et développement, de production, de commercialisation et de recyclage de batteries destinées aux véhicules électriques", FSI press release, 5 November 2009; "Résultats 2009 du FSI", FSI press release, 19 April 2010; "Les orientations stratégiques du Fonds stratégique d'investissement", undated strategy statement of the FSI; Comptes rendus de la Commission de l'économie, 17 February 2010. "Augustin de Romanet: 'Nous n'abandonnerons pas nos entreprises aux prédateurs'", Figaro Magazine, 9 January 2009.

	Description of Measure	Date	Source
	the governance of the enterprises in which it has holdings. As of mid-May 2010, the FSI held stakes of or exceeding 20% in 5 companies.		
	France continued to operate its other state-owned or state co-owned funds that are mandated to assist companies to cope with the crisis and the financial difficulties that it triggered. They include notably a FSI-run programme for SMEs to assist them in strengthening their capital, and, since 1 October 2009, the *Fonds de consolidation et de développement des entreprises* (FCDE). This latter fund, endowed with capital of EUR 200 million, invests in companies that are in financial difficulties, did not succeed in obtaining sufficient investment from private investors, but have potential for development. The fonds will only take minority stakes limited to EUR 15 million. The fund's capital is contributed by the FSI (47.5%) and a consortium of private banks. Once it has received approval by the financial market authority, the fund will be managed by a body composed of its shareholders. In the meantime, the CDC Entreprises, a subsidiary of the public Caisse des Dépôts, operates the fund.		"*Le FSI lance le programme FSI-PME, destiné à renforcer les fonds propres des PME ayant des projets de croissance*", FSI press release, 5 October 2009. "*Lancement du Fond de consolidation et de développement des entreprises*", press release, Médiateur du crédit, 1 October 2009.
	France continued to implement its four temporary framework schemes that it had established to support the real economy manage the consequences of the crisis until 31 December 2010. These include: a scheme for small amounts of aid of up to EUR 500 000 per undertaking in 2009-2010 combined. A second scheme that provides aid in form of subsidised interest rates for loans contracted no later than 31 December 2010; the subsidy may only remain in place on interest payments before 31 December 2012. A third scheme concerning subsidized guarantees to companies for investment and working capital loans concluded by 31 December 2010. A fourth framework scheme allows to grant loans with a reduced interest rate at most during two years and until 31 December 2010 to businesses investing in the production of "green" products (i.e. products that comply with or overachieve EU environmental product standards that have been adopted but are not yet in force).. The scheme is open for companies of any size and any sector, and the expected beneficiaries include in particular the automotive industry. The scheme may be implemented by state, regional and local authorities. The French government estimates that about 500 enterprises may benefit from this fourth scheme.	Ongoing	European Commission decisions N7/2009, N188/2009, and N278/2009; N15/2009; N23/2009; N11/2009.
	On 2 December 2009, France introduced a new temporary aid scheme to support access to finance for the agriculture sector. The framework scheme allows federal, regional and local authorities to provide until 31 December 2010 direct grants, interest rate subsidies, and subsidised loans and guarantees. The overall budget of the scheme is limited to EUR 700 million, and the French authorities expect up to 1,000 companies to benefit directly from the scheme. The scheme complements the aforementioned measures.	2 December 2009	European Commission decision N609/2009.

	Description of Measure	Date	Source
Germany			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The Financial Market Stabilisation Fund (SoFFin) continued to operate and was prolonged until 30 June 2010. Since its establishment in October 2008, the fund is the vehicle to provide the state assistance to the financial sector to weather the financial crisis. The fund provides guarantees and capital to affected financial institutions, including to German subsidiaries of foreign financial institutions (FMStFG). By 30 April 2010, SoFFin had received applications from 26 institutions with a gross volume of EUR 219.3 billion. On that date, SoFFin had granted stabilisation measures to 11 German financial institutions. The total volume of the measures were EUR 172.5 billion, of which EUR 144.4 billion were guarantees; EUR 28 billion were provided as capital; one liquidation institution has been founded and one further bank filed an application for the establishment of a liquidation institution. During the reporting period, SoFFin was notably involved in a series of measures that aimed at stabilising banks that had been in State ownership or had come under State ownership as a consequence of the crisis. SoFFin also continued to prepare unwinding financial positions it had taken in banks as the financial crisis unfolded:	Ongoing	Law of 17 October 2008 (Finanzmarktstabilisierungsfondsgesetz —FMStFG). European Commission decisions N512/2008, N625/2008, N330/2009 and N665/2009; "Stabilisierungsmaßnahmen des SoFFin", SoFFin website.
	– SoFFin established a first liquidation institution ("bad bank") for WestLB, a state controlled bank, on 11 December 2009, based on a law introduced in July 2009. WestLB transfers a portfolio of "toxic" and non-strategic assets with a nominal value of EUR 85.1 billion to the liquidation institution. The shareholders of WestLB remain liable for future losses of the transferred assets. SoFFin also granted the bank a EUR 3 billion capital injection that can be turned into shares at a later stage, whereby a 49% stake in the bank may not be exceeded. Moreover, between 1 October and 30 November 2009, SoFFin had provided an additional risk shield by guaranteeing EUR 6.3 billion to prevent a drop of its overall capital ratio that would have triggered a bank resolution. Germany submitted a restructuring plan for the bank that requires among others that WestLB: reduce its balance sheet by 50% until March 2011, and change the bank's ownership structure through a public tender procedure before the end of 2011. These elements are designed to offset the distortion of competitive conditions that the stabilisation and support measures in favour of the bank had triggered.	11 December 2009	"Bundesanstalt für Finanzmarktstabilisierung errichtet Abwicklungsanstalt der WestLB", SoFFin press release, 14 December 2009. European Commission decision C40/2009; "Law on the development of financial market stabilisation/Gesetz zur Fortentwicklung der Finanzmarktstabilisierung", in force since 23 July 2009; "SoFFin unterstützt WestLB", SoFFin press release, 26 November 2009; European Commission decisions N531/2009 and C43/2008.
	– On 4 November 2009 and again in May 2010, the SoFFin increased the capital of Hypo Real Estate Holding AG (HRE) by	4 November 2009; 21 December 2009;	"HRE – Übertragung der Aktien der Minderheitsaktionäre nach erfolgtem Squeeze-Out", SoFFin information,

Description of Measure	Date	Source
EUR 3 billion and EUR 1.85 billion, respectively to a total amount of EUR 8.15 billion, following a squeeze-out of remaining shareholders on 13 October 2009 that left SoFFin as the sole owner of HRE. On 21 December 2009, SoFFin provided the now fully state-owned bank a guarantee of EUR 43 billion, which replaces an earlier guarantee of the same amount provided by the Federal Government and a consortium of financial institutions. Overall, HRE benefits of public guarantees of EUR 95 billion. On 21 January 2010, HRE filed an application to SoFFin to establish a "bad bank" to which it would eventually transfer assets valued at up to EUR 210 billion, subject to approval by the European Commission.	May 2010	14 October 2009; "HRE – SoFFin beschließt Kapitalerhöhung um 3 Mrd. Euro", SoFFin press release, 4 November 2009. European Commission decision N557/2009; "SoFFin löst Liquiditätsfazilität ab – Restrukturierung der HRE schreitet voran", SoFFin press release, 21 December 2009. European Commission decision N694/2009 and European Commission press release IP/09/1985, dated 21 December 2009.
In addition to measures executed under the SoFFin scheme, Germany prolonged and then terminated a guarantee for the state-controlled Nord/LB by 15 February 2010. The maximum volume of the guarantee for 2009 and 2010 combined was limited to EUR 20 billion.	Until 15 February 2010	European Commission decisions N412/2009 and N655/2008.
On 15 December 2009, the restructuring plan for LBBW, a state-owned bank, became effective. The restructuring plan, that the German government had developed requires among others that LBBW: reduce its balance sheet; focus its activities in financing German SMEs and reduces capital market activities and proprietary trading; and implement corporate governance changes that include the change of its current legal status to that of a joint stock corporation.	15 December 2009	European Commission decision C17/2009.
Germany continued to implement six support schemes that it had established to support the real economy, and added a new, seventh, support scheme:		
– Germany maintained its credit and guarantee programme "Wirtschaftsfonds Deutschland" that disposes of a gross volume of up to EUR 115 billion and is scheduled to run until 31 December 2010. It consists of a credit component (up to a total of EUR 25 billion), a credit guarantee component (up to EUR 75 billion), as well as a loan subsidy programme (budgeted at up to EUR 15 billion and administered by the State-owned development bank KfW). Under the programme, decisions on major support measures (i.e. applications for credit in excess of EUR 150 million and credit guarantees in excess of EUR 300 million or cases of fundamental significance—increased risks, unusual loan and/or collateral structure, or special significance for regional or sectoral employment) are taken by an inter-ministerial Steering Group which takes into account inter alia the long term viability of the firm and whether or not it has access to commercial credit. By the end of April 2010, almost 14,000 applications from companies have been approved, and EUR 12.3 billion, almost 11% of the available volume, had been committed. At the end of April 2010, the overwhelming majority (about 98%) of beneficiaries were SMEs, but about 48% of the volume of support went to large companies. Until end-April 2010, 58% of	Ongoing	"Kredit- und Bürgschaftsprogramm der Bundesregierung/Wirtschaftsfonds Deutschland". Detailed documentation (in German) is provided on the website of the Federal Ministry for Economy and Technology; "KfW Sonderprogramm 2009", initially introduced on 5 November 2008. European Commission decision N661/2008. Modifications of the programme were planned to enter into force in February 2010 "Verbesserungen im KfW Sonderprogramm für mittelständische Unternehmen", press release, Federal Ministry for Economic Affairs and Technology, 10 December 2009; "Burgbacher: ‚Wirtschaftsfonds Deutschland ist ein Erfolg'", press release of the Federal Ministry for Economic Affairs and Technology, 12 April 2010.

	Description of Measure	Date	Source
	the approved applications by volume were for credits, and 42% for credit guarantees.		
	– Germany continued to implement its framework scheme for small amounts of aid that broadens channels for distributing existing funds earmarked for state aid. It authorises the government to provide businesses with aid in various forms up to a total value of EUR 500 000 each. The measures can be applied until the end of 2010.	Ongoing	"Regelung zur vorübergehenden Gewährung geringfügiger Beihilfen im Geltungsbereich der Bundesrepublik Deutschland während der Finanz- und Wirtschaftskrise ("Bundesregelung Kleinbeihilfen")". European Commission decisions N668/2008, N299/2009 and N411/2009.
	– Germany also continued to implement four schemes that allow authorities at federal, regional and local levels to grant aid in various forms. The schemes include a scheme regarding subsidized guarantees for investment and working capital loans concluded by 31 December 2010. A second scheme permits authorities at federal, regional and local level, including public development banks, to provide loans at reduced interest rates. A third scheme concerns the granting of risk capital. All three schemes initially came into force in February 2009 and are scheduled to expire on 31 December 2010. A fourth framework scheme, concerning reduced interests on loans to businesses investing in the production of "green" products entered into effect in August 2009. The scheme is open for companies of any size and any sector, and the expected beneficiaries include in particular the automotive industry and products related to Ecodesign measures.	Ongoing	"Regelung zur vorübergehenden Gewährung von Bürgschaften im Geltungsbereich der Bundesrepublik Deutschland während der Finanz- und Wirtschaftskrise". European Commission decision N27/2009; "Regelung zur vorübergehenden Gewährung niedrigverzinslicher Darlehen an Unternehmen im Geltungsbereich der Bundesrepublik Deutschland während der Finanz- und Wirtschaftskrise". European Commission decision N38/2009; "Bundesrahmenregelung Risikokapital", European Commission decision N39/2009; "Bundesrahmenregelung zur Herstellung grüner Produkte", European Commission decision N426/2009.
	– On 23 November 2009, Germany established a new temporary aid scheme to support access to finance for the agriculture sector. The framework scheme allows federal, regional and local authorities to provide until 31 December 2010 direct grants, interest rate subsidies, and subsidised loans and guarantees. The scheme complements the aforementioned measures.	Ongoing	"Bundesregelung landwirtschaftliche Kleinbeihilfen", European Commission decision N597/2009.
India			
Investment policy measures	On 30 December 2009, the Reserve Bank of India (RBI) issued guidelines on the implementation of India's foreign exchange control regime. The Guidelines liberalise the establishment of foreign branch and liaison offices in India, and delegated respective powers concerning the administration of their establishment. On the same day, the RBI also provided eligibility criteria and procedural guidelines for the establishment of such offices.	30 December 2009	Reserve Bank of India, RBI/2009-2010/279 A. P. (DIR Series) Circular No.24, dated 30 December 2009; Reserve Bank of India, RBI/2009-2010/278 A. P. (DIR Series) Circular No. 23, dated 30 December 2009.
	With effect on 1 January 2010, the Reserve Bank of India withdrew some of the temporary relaxations of the Bank's External Commercial Borrowings policy. In turn, a one-time relaxation from the Bank's External Commercial Borrowings policy was made on 25 January 2010 in conjunction with an auction of 3G mobile communication frequency spectrum. The relaxation sought to enable successful bidders for the spectrum to pay for the spectrum allocation.	1 January 2010; 25 January 2010	Reserve Bank of India, RBI/2009-2010/ 252 A.P. (DIR Series) Circular No.19, 9 December 2009.
	On 25 March 2010, India increased the	25 March 2010	Press Note No.1 (2010 Series),

	Description of Measure	Date	Source
	thresholds that trigger certain approval procedures for inward investments. The new rules foresee that inward investment proposals worth up to INR 12 billion would be considered by the Minister of Finance, up from INR 6 billion. Only proposals exceeding this threshold need to be approved by the Cabinet Committee on Economic Affairs. The amendment also abolishes the requirement for prior approval for additional foreign investment into the same entity under certain conditions. These changes, which were initially announced in a press note, have been integrated into the new Consolidated FDI Policy, section 4.9.		Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, 25 March 2010; "Consolidated FDI Policy", Circular 1 of 2010, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.
	On 1 April 2010, India issued a Consolidated FDI Policy that brings into one circular all prior regulations on FDI, including those contained in the Foreign Exchange Management Act (FEMA, 1999), RBI Regulations under FEMA, 1999 and Press Notes/Press Releases/Clarifications issued by DIPP. The circular is not intended to make substantive changes to the existing regulations. The Circular is scheduled to be updated every six months to update India's FDI policy, and a new consolidated circular will thus be issued on 30 September 2010.	1 April 2010	"Consolidated FDI Policy", Circular 1 of 2010, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.
	On 1 April 2010, the Reserve Bank of India allowed Indian companies to participate in a consortium with international operators to construct and maintain submarine cable systems on a co-ownership basis under the automatic route.	1 April 2010	Reserve Bank of India, RBI/2009-10/376 A.P. (DIR Series) Circular No.45, dated 1 April 2010.
	On 3 May 2010, the Foreign Educational Institution (Regulation of Entry and Operation) Bill, 2010 was introduced in the Lok Sabha, the Indian Parliament. Once passed into law, the Bill would provide for regulated entry and operations of Foreign Educational Institutions to provide higher education services in India.	3 May 2010	Foreign Educational Institution (Regulation of Entry and Operation) Bill, 2010.
	On 4 May 2010, the Reserve Bank of India modified the pricing guidelines for the transactions of shares, preference shares and convertible debentures between residents and non-residents. For the sale of listed shares by a non-resident to a resident, the change sets minimum prices that take into consideration medium term past performance rather than the current market price; the minimum price of unlisted shares is to be determined according to fair value. Where a non-resident sells shares in an Indian company to a resident buyer, the price may not exceed the so determined price.	4 May 2010	Reserve Bank of India, RBI/2009-10/445 A. P. (DIR Series) Circular No.49, dated 4 May 2010.
	On 10 May 2010, the Indian Government prohibited FDI in manufacturing of cigars, cigarettes, cigarillos as well as tobacco and tobacco substitutes for both domestic consumption and export; the measure also concerns production in tax-free special economic zones. Previously, foreign ownership of up to 100% was allowed in this area.	10 May 2010	Press Note No.2 (2010 Series), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, 10 May 2010.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential	India's Stressed Asset Stabilisation Fund, a Special Purpose Vehicle (SPV) established in January 2009 to provide liquidity support to	Until 31 December 2009	"Special Arrangements to give Liquidity Support to NBFCs extended", RBI Press release, 22 July 2009;

	Description of Measure	Date	Source
impacts on international investment	non-deposit taking, systemically important Non-Banking Financial Companies, ceased to make fresh purchases on 31 December 2009. The SPV, operated by Industrial Development Bank of India Stressed Asset Stabilisation Fund (IDBI SASF), directly purchased short term paper from the issuing NBFCs upon their request, while the Reserve Bank of India offered to purchase securities issued by the SPV guaranteed by the Government of India for an aggregate amount of INR 200 billion. The SPV was scheduled to recover all dues by 31 March 2010.		"Second Quarter Review of Monetary Policy 2009-10", Reserve Bank of India, 27 October 2009.
Indonesia			
Investment policy measures	On 8 January 2010, the Government of Indonesia enacted the Presidential Regulation of the Republic of Indonesia Number 4/2010. It constitutes the first Regulation on the implementation of Electricity Law No. 30/2009 Concerning Electricity, which allows private investors, including foreign investors, to generate, transmit, distribute and sell electricity. Hitherto, the state-owned electricity company, PT Perusahaan Listrik Negara (PLN), had a monopoly on the supply and distribution of electricity to consumers. According to article 11 of the law, state-owned enterprises retain the right of first priority to develop electric power projects; Regulation 4/2010 elaborates further on the roles of PT PLN and private investors. Further regulations that enable the implementation of the law must be stipulated within 1 year after entry into force of the Law Concerning Electricity.	8 January 2010	Presidential Regulation of the Republic of Indonesia Number 4/2010 on Electricity Law No. 30/2009.
	On 1 February 2010, Indonesia issued Government Regulation No. 23/2010 on Mining Activities in relation to the Mining Law (Law No. 4/2009). The regulation specifies the scope of the obligation for foreign investors to divest mining concessions in Indonesia, set out in article 112 of the Mining Law. Specifically, Regulation 23/2010 requires that within five years of commencement of production, 20% of the foreign capital must be sold to local parties, including central, provincial or regional governments, regency, state-owned companies, regional-owned companies, or private national entities.	1 February 2010	Government Regulation No. 23/2010 on Mining Activities.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Italy			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		

	Description of Measure	Date	Source
Emergency and related measures with potential impacts on international investment	Italy discontinued implementation of its guarantee scheme for the financial sector after its scheduled expiry on 16 December 2009. The scheme, initially introduced in late 2008 and prolonged for six months in June 2009, consisted of three components: a state guarantee on banks' liabilities; swaps between state securities and liabilities of Italian banks; and a state guarantee in favour of non-banking institutions willing to lend high quality bonds to Italian banks for refinancing operations with the Eurosystem. Solvent Italian banks, including subsidiaries of foreign banks incorporated in Italy, were eligible for the measures.	Until 16 December 2009	Decree-law No 155 on "Urgent measures to guarantee the stability of the credit system and the continued availability of credit to enterprises and consumers in the current crisis on international financial markets" and Decree-Law No 157 on "Further urgent measures to guarantee the stability of the credit system"; European Commission decisions N520a/2008 and N328/2009.
	Italy also discontinued implementation of its recapitalisation scheme for banks on 31 December 2009, the programme's scheduled end date; the scheme had been extended and slightly modified once more in October 2009. The scheme had authorised the injection of capital into banks incorporated under Italian law, including subsidiaries of foreign banks. A later modification encouraged early redemptions. The Ministry of Economy and Finance administered the scheme and the Bank of Italy was involved in the evaluation of applicant institutions. In total, five applications were received under the scheme.	Until 31 December 2009	Article 12 of Decree-Law No 185 of 28 November 2008 and implementing decree. European Commission decisions N648/2008, N97/2009 and N466/2009.
	Italy continued to implement its scheme that allows subsidies on interest rates for investment loans for the production of "green" products (i.e. products that comply with or overachieve EU environmental product standards that have been adopted but are not yet in force). The scheme is open for companies of any size and any sector, and the beneficiaries will include in particular the automotive industry, affected by crisis-related difficulties to access capital and declining sales, and supports specifically development and production of components that will be competitive in the future. The scheme, budgeted of up to EUR 300 million, and introduced on 26 October 2009, is open to companies of all sizes, and over 1,000 undertakings are expected to benefit directly from the scheme. Interest rate subsidies under this scheme may not be granted after 31 December 2010. The scheme is administered by the Ministry for Economic Development, but other levels of the public administration may be involved in the scheme's administration at a later stage.	Ongoing	"Decreto del Presidente del Consiglio dei Ministri del 3 giugno 2009" and "Dettagli operativi"; European Commission decision N542/2009.
	Italy also continued to implement its framework scheme for small amounts of aid. The scheme allows authorities at national, regional and local levels to provide businesses with aid in various forms up to a total value of EUR 500 000 each. The measures can be applied until 31 December 2010. When the scheme was introduced, the Italian authorities estimated that more than 1000 companies would benefit from aid granted under the scheme.	Ongoing	European Commission decision N248/2009.
	On 1 February 2010, Italy established a new temporary aid scheme to support access to finance for the agriculture sector. The framework scheme allows authorities to provide this support until 31 December 2010.	1 February 2010	European Commission decision N706/2009.

	Description of Measure	Date	Source
Japan			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	On 30 April 2010, Japan discontinued the Stock Purchasing Program under which the Bank of Japan had purchased stocks held by commercial banks for a total amount of JPY 387.8 billion since its stock purchasing programme resumed on 23 February 2009. Under the programme, the Bank of Japan bought qualified listed stocks with a rating of at least BBB- at market price from certain banks that hold a current account with the Bank of Japan up to a limit of JPY 250 billion per bank and up to an overall cap of JPY 1 trillion. The stock purchase sought to reduce market risks of Japanese financial institutions resulting from volatile stock values that adversely affected management of financial institutions and credit intermediation.	Until 30 April 2010	"Termination of the Stock Purchasing Program", Bank of Japan release, 30 April 2010; "The Bank of Japan to Resume Stock Purchases Held by Financial Institutions", Bank of Japan release, 3 February 2009.
	Japan continued to implement its capital injection programme. Under the programme, which is based on the Act on Special Measures for Strengthening Financial Functions, the Japanese government injects capital into deposit-taking institution to help them properly and fully exercise their financial intermediary functions to SMEs. The programme is scheduled to expire on 31 March 2012. The overall budget for capital injections is capped at JPY 12 trillion.	Ongoing	"Financial Assistance and Capital Injection by Deposit Insurance Corporation of Japan", FSA website. www.fsa.go.jp/common/diet/170/index.html. www.fsa.go.jp/news/20/20081216-3.html.
	Japan also continued to operate the share purchase programme of the Banks Shareholding Purchase Corporation (BSPC). Japan had reactivated this programme in March 2009. The programme originally expired on 31 September 2006 but it was extended to March 2012. The BSPC is an authorised corporation which can purchase shares issued and/or owned by member banks, upon request from the member banks. Currently all members are Japanese banks, but local branches of foreign banks are eligible to become members as well. The amended Act on Special Measures for Strengthening Financial Functions which was enacted in March 2009 provides a government guarantee up to JPY 20 trillion for the BSPC's operations.	Ongoing	www.bspc.jp/pdf/saikai.pdf.
	The government-owned Japan Finance Corporation (JFC) continued to cover parts of losses that designated financial institutions suffered as a result of providing financing to business operators that implemented an authorized business restructuring plan. The measure came into force under an amendment to the Act on Special Measures for Industrial Revitalisation and a related cabinet ordinance on 30 April 2009. On 8 December 2009; the government extended the duration of the measure until the end of September 2010.	Ongoing	Ministry of Economy, Trade and Industry press release (in Japanese); "Cabinet Ordinance to Partially Amend the Enforcement Order for the Act on Special Measures for Industrial Revitalization", Ministry of Economy, Trade and Industry press release, 24 April 2009; "Emergency Economic Countermeasures for Future Growth and Security", Cabinet Decision, 8 December 2009.
	The government extended the period of crisis response operations in which the Development	Ongoing	"Emergency Economic Countermeasures for Future Growth and

	Description of Measure	Date	Source
	Bank of Japan and Shoko Chukin Bank provide two-step loans and purchase Commercial Paper from the end of March 2010 to the end of March 2011.		Security", Cabinet Decision, 8 December 2009.
	Japan also continued to implement measures to enhance credit supply to firms: It increased the funds available for emergency credits for SMEs from JPY 30 trillion to JPY 36 trillion and increases the volume of safety-net loans by government-affiliated financial institutions from JPY 17 trillion to JPY 21 trillion.	Ongoing	"Emergency Economic Countermeasures for Future Growth and Security", Cabinet Decision, 8 December 2009.
	The state-backed Japan Bank for International Cooperation (JBIC) continued to implement temporary measures that provide Japanese companies operating abroad in developing or industrialised countries with loans and guarantees to finance their investment projects in developing countries. The support is provided by JBIC or through domestic financial institutions that receive two-step five-year loans from JBIC with a total volume of up to USD 3 billion. These financial institutions are required to on-lend these funds to overseas Japanese SMEs, mid-tier firms and second-tier large corporations to further support firms governed by Japanese law by financing their overseas subsidiaries' business activities. Eligible for support under the schemes are: (1) Japanese companies and their overseas subsidiaries and affiliates conducting business operations in industrial countries; and (2) major Japanese companies having equity stakes in projects in developing countries (overseas investment loans). The measure, which was initially scheduled to expire at the end of March 2010, was extended on 15 February 2010 by one year until the end of March 2011. By 31 March 2010, 130 financing operations – loans and guarantees – had been carried out with an overall amount of over JPY 2 trillion.	Ongoing	"Overseas Investment Finance for Japanese Firms to Finance Their Business Operations in Industrial Countries", JBIC release, 15 January 2009; "JBIC's Response to Global Financial Turmoil", JBIC release, 15 January 2009; "JBIC's Response to Global Financial Turmoil No. 2", JBIC release, 2 April 2009; "Public Invitation to Domestic Financial Institutions to Apply for Two-Step Loans Based on 'Countermeasures to Address the Economic Crisis'", JBIC news release NR/2009-10, 26 May 2009; "JBIC Extends Emergency Measures Intended to Respond to Global Financial Turmoil", JBIC release, 26 February 2010; "JBIC's Emergency Measures in Response to Global Financial Turmoil", JBIC News Release NR/2010-4, 13 April 2010.
Korea, Republic of			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The Republic of Korea continued to operate its Corporate Restructuring Fund. The fund, which is administered by Korea Asset Management Corporation (KAMCO), is to purchase until 2014 non-performing loans from financial institutions as well as assets of the companies that undergo restructuring. The fund will purchase above-mentioned loans and assets within the amount of KRW 10 trillion in 2010. The Fund disposes of up to KRW 40 trillion (USD 27 billion) through government-guaranteed bonds.	Ongoing	
	In November 2009, KAMCO expanded the ship purchase scheme and continued to purchase vessels from shipping companies to help them cope with short-term liquidity problems. The shipping fund, which has a volume of KRW 4 trillion, has been established through contributions from private	November 2009	"Restructuring Initiatives for Shipping Industry", Financial Services Commission Press release, 23 April 2009.

	Description of Measure	Date	Source
	investors and financial institutions as well as from the Restructuring Fund managed by KAMCO. The fund was initially established on 13 May 2009 as part of efforts to facilitate restructuring of the shipping industry and began purchasing ships in July 2009.		
Mexico			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
Russian Federation			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	On 30 December 2009 the Russian Government issued its Anti-Crisis guidelines for 2010. The guidelines stipulate that certain anti-crisis measures adopted in the Russian Government's Anti-Crisis Programme for 2009 will continue to be implemented throughout 2010 and new measures will be approved as necessary. The Anti-Crisis guidelines allocate RUB 195 billion to the implementation of the measures. The measures that Russia continues to implement include the following: – Russia continues to support "backbone" organisations, i.e. companies that have important impacts on the Russian economy and that are eligible for state support measures. An Interdepartmental Working Group allocates support in the form of capital injections, direct state support and state guarantees of loans to the 295 enterprises designated by the Government Commission on Sustained Economic Development as backbone organisations. – Russia continues to provide financial support to some large domestic companies, including car maker AvtoVAZ, United Aircraft Building Corporation, railway wagon producer Uralvagonzavod and Oboronprom industrial corporation. In late December 2009 the Government allocated RUB 28 billion to AvtoVAZ. An additional RUB 10 billion have been reserved for disbursement once the restructuring programme developed with and approved by shareholders for AvtoVAZ has been completed. This support to the company follows earlier allocations of RUB 37 billion to service the company's debts and	Ongoing	"The Anti-Crisis Guidelines of the Government of the Russian Federation for 2010", Protocol No. 42 of Russian Government meeting dated 30 December 2009; "Russian Government's Anti-Crisis Programme for 2009", 9 June 2009; Cabinet meeting record, 30 December 2009.

	Description of Measure	Date	Source
	RUB 5 billion to implement programmes to support and re-train workers. United Aircraft-Building Corporation will receive, in 2010, RUB 11 billion; Uralvagonzavod will receive RUB 10 billion. – Russia also allocated, for the whole of 2010, guarantees of RUB 80 billion to small businesses. In addition, RUB 100 billion have been allocated for loans for SMEs; this programme is implemented by the Russian Development Bank's partner banks. Productive and innovative companies are priority recipients of these support measures.		
Saudi Arabia			
Investment policy measures	On 16 March 2010, Saudi Arabia's Capital Market Authority (CMA) announced its approval for Falcom Financial Services to offer an exchange-traded fund of Saudi shares, which is accessible to non-resident foreign investors who have a bank account in Saudi Arabia. The first fund to make use of this opportunity began trading on 28 March 2010.	16 March 2010	"*CMA announces offering of Exchange Trade Fund*", CMA release, 16 March 2010.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
South Africa			
Investment policy measures	On 1 March 2010, the Exchange Control Circular No. 5/2010, issued by the South African Reserve Bank on 17 February 2010, entered into effect. The circular allows South African banks to acquire direct and indirect foreign exposure up to 25% of their total liabilities.	1 March 2010	Exchange Control Circular No. 5/2010, South African Reserve Bank, 17 February 2010.
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	South Africa continued to provide assistance to companies in distress through the Industrial Development Corporation (IDC), a state-owned development finance institution. Over two years, ZAR 6.1 billion is available to address the challenges of access to credit and working capital for firms in distress due directly to the crisis; companies that do not offer the prospect of long-term viability are not eligible. At the end of September 2009, IDC had received 33 applications to the total value of ZAR 2.3 billion; about ZAR 1.5 billion concerned a few large applications in the automotive industry. By end-March 2010, applications to the value of ZAR 1.1 billion had been approved.	Ongoing	IDC Presentation to Parliamentary Committee on Economic Development, dated 13 October 2009. Address by Mr Ebrahim Patel, Minister of Economic Development, 23 March 2010.
	On 14 April 2010, the Industrial Development Corporation (IDC) and the Unemployment Insurance Fund (UIF) launched a	14 April 2010	"*IDC and UIF announce R2 Billion fund to create employment*", IDC media release, 14 April 2010.

	Description of Measure	Date	Source
	ZAR 2 billion fund from which companies promising to expand employment can borrow up to ZAR 100 million. Successful applicants will receive debt funding at fixed preferential rates. The Fund specifically targets start-ups and companies that require working capital for expansions or acquisitions.		"*UIF Fact Sheet*", undated.
Turkey			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	None during reporting period.		
United Kingdom			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The UK discontinued its Government Credit Guarantee Scheme (CGS) as well as the recapitalisation scheme on 28 February 2010. The schemes had initially come into force in October 2008, were modified in December 2008 and were prolonged in April and December 2009. UK-incorporated financial institutions, including subsidiaries of foreign institutions with substantial business in the UK, were eligible for the scheme. The limit on guarantees was set to GBP 250 billion, and GBP 50 billion were initially set aside for recapitalisation.	Until 28 February 2010	European Commission decisions N677/2009, N507/2008, N650/2008, N193/2009 and N537/2009.
	The UK phased out the Asset Backed Securities guarantee scheme on 31 December 2009. At the time of its inception in April 2009, the scheme was conceived to restart securitisation in the UK and offered a government guarantee for residential mortgage-backed securities. UK incorporated banks, including UK subsidiaries of foreign institutions, that have a substantial business in the UK and building societies were eligible for this scheme. The scheme was prolonged in October 2009 until the end of 2009. No bonds were issued under this scheme.	Until 31 December 2009	European Commission decisions N550/2009 and N232/2009.
	The British government continued to prepare to unwind financial positions it had taken in banks as the financial crisis unfolded. Restructuring of these banks—Northern Rock, Lloyds HSOB, Royal Bank of Scotland, and Bradford&Bingley—which had come under state ownership following significant state support, seeks to transform the banks into smaller, viable banks that will be privatised after separation and liquidation of impaired assets.		

	Description of Measure	Date	Source
	– Northern Rock, which had received government support measures including recapitalisation measures of up to GBP 3 billion, liquidity measures of up to GBP 27 billion and guarantees covering several billion GBP, was split into two separate companies on 1 January 2010, both still held in Government ownership. The operational part, Northern Rock plc, will eventually be sold to a third party, while Northern Rock (Asset Management) plc, a "bad" bank holding illiquid assets, will run down past loans and eventually be liquidated.	Ongoing	European Commission press release IP/09/1600.
	– Restructuring of Lloyds HBOS also progressed: On 18 November 2009, the restructuring plan for the bank that the UK Government had presented was approved by the European Commission. The restructuring plan requires among others that Lloyds HBOS: exit riskier and more volatile lending activities and sell branches and sections of its operations.	Ongoing	European Commission decision N428/2009.
	– Restructuring of Royal Bank of Scotland (RBS) moved forward with the approvals by the European Commission of an impaired asset relief measure and the restructuring plan of RBS on 14 December 2009. Under the plan, RBS is obliged to divest parts of its business such as its insurance, transaction management and commodity trading operations, and 300 branches. RBS had received capital of over GBP 45 billion and guarantees of more than GBP 280 billion from the British Government. In May 2010, the British government held of RBS and committed to approach potentially interested buyers for the operating businesses by no later than 31 December 2011 and to complete the disposal of the divestment businesses by no later than 31 December 2013.	Ongoing	European Commission decisions N422/2009 and N621/2009.
	The British Government continued to implement its four temporary framework schemes that it had established to support the real economy manage the consequences of the crisis until 31 December 2010. These include schemes for granting subsidised public loans, for granting loan guarantees and a scheme providing for interest rate subsidies for investment loans for the production of "green" products (i.e. products that comply with or overachieve EU environmental product standards that have been adopted but are not yet in force). The overall budget for the three schemes combined is GBP 8 billion. The fourth framework scheme, which allows the provision of direct grants, reimbursable grants, interest rate subsidies, and subsidised public loans in 2009 and 2010 combined, has a separate budget envelope of up to GBP 1 billion. The schemes are administered at country, regional, and local levels. UK authorities estimate that the number of beneficiaries of the schemes will exceed 1,000 firms.	Ongoing	European Commission decisions N257/2009 and N460/2009; European Commission decision N71/2009; European Commission decision N72/2009; European Commission decision N43/2009.
	The UK introduced an additional framework scheme that allows the provision of small amounts of compatible aid to primary agricultural producers. The scheme is available	1 January 2010	European Commission decision N71/2010.

	Description of Measure	Date	Source
	until 31 December 2010.		
	The British Government also continued to implement the temporary Working Capital Guarantee Scheme. Under this scheme, the UK offers banks up to a total of GBP 10 billion of guarantees in respect of portfolios of working capital loans to sound, credit-worthy companies. Extensions of guaranteed loans were allowed until 31 March 2010 only and the government guarantees under the scheme expire on 31 March 2011 at the latest.	Ongoing	European Commission decision N111/2009.
United States			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Emergency and related measures with potential impacts on international investment	The US Government discontinued certain components of the Troubled Assets Relief Program (TARP); other elements remained in place and some of them were adjusted. The TARP was established pursuant to the Emergency Economic Stabilization Act of 2008 (EESA) as a comprehensive set of measures to provide stability to and prevent the disruption of the economy and financial system and protect taxpayers. On 9 December 2009, the Treasury Secretary certified the extension of TARP authority until 3 October 2010 and defined a strategy for exit from the programme, including re-focusing banking support on smaller and community banks. It is expected that the total commitments under the program will not exceed USD 550 billion of the USD 700 billion authorized. As of 31 March 2010, approximately USD 545 billion had been planned for TARP programmes. The total cost of TARP was then estimated at about USD 117 billion. By 5 April 2010, the amount financial institutions have repaid under TARP had reached USD 181 billion. During the reporting period, a number of TARP components were discontinued, and exit began:	Ongoing	Financial Stability Oversight Board Quarterly Report to Congress for the quarter ending December 31, 2009, p. 28; "*Troubled Assets Relief Program (TARP), Monthly report to Congress is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008*" – March 2010; "*TARP Repayments Reach $181 Billion*", Government Press Release, 5 April 2010.
	– On 9 November 2009, Treasury announced the closing of the Capital Assistance Program (CAP). The programme was designed to ensure that banks have adequate capital. Eighteen of the 19 banks that had participated in the "stress test" demonstrated no need for additional capital under CAP. GMAC, a bank holding company providing automotive finance, mortgage operations, insurance and commercial finance, and the only institution that was not able to raise sufficient capital from private sources, satisfied the capital requirements of the "stress test" after a conversion of existing government investments and an additional investment under the Automotive Industry Financing Program (AIFP) that took place on 30 December 2009 and lead to a US Government stake of 56.3% in GMAC. The most likely exit strategy with respect to Treasury's investment in GMAC is to	9 November 2009; 30 December 2009.	"*Treasury Announcement Regarding the Capital Assistance Program*", Treasury press release, 9 November 2009; Report by Treasury Secretary Geithner to Congress, 23 April 2010, p. 5.

	Description of Measure	Date	Source
	gradually sell Treasury's equity interest beginning with an initial public offering.		
	– The Targeted Investment Program (TIP) ended in December 2009 after Bank of America had redeemed USD 20 billion of preferred stock on 9 December 2009, and Citigroup had repurchased USD 20 billion of trust preferred securities on 23 December 2009. TIP made investments in institutions that are critical to the functioning of the financial system.	9 December 2009, 23 December 2009	TARP Transaction Report 3 May 2010, p.19; Report by Treasury Secretary Geithner to Congress, 23 April 2010, p. 4.
	– The Capital Purchase Program (CPP) was closed on 31 December 2009; Treasury continued to receive repayments on the investments that stood at USD 56 billion on 3 Mai 2010. The programme, which was started in October 2008, was designed to strengthen the capital bases of US banks. The total amount of commitments under the programme was almost USD 205 billion, and 707 US financial institutions benefitted from the scheme as the Treasury bought stock or warrants from individual institutions ranging from USD 300,000 to USD 25 billion. USD 137 billion had been repaid to the Treasury by 3 May 2010. At the end of March 2010, Treasury had investments in 641 financial institutions, after 66 institutions had bought the capital back and thus exited from the scheme.		Report by Treasury Secretary Geithner to Congress, 23 April 2010, p. 4; Financial Stability Oversight Board Quarterly Report to Congress for the quarter ending December 31, 2009, p. 32; TARP Transaction Report 3 May 2010, p. 15; "*FAQ on Capital Purchase Program Deadline*", undated Treasury document; "*Capital Purchase Program*", US Treasury website; "*Troubled Assets Relief Program (TARP), Monthly report to Congress is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008*" – March 2010.
	– In the reporting period, GM successively repaid loans that the company had received from the United States, Canadian and Ontario governments, beginning on 18 December 2009; the full amount was reimbursed by 20 April 2010. The US Government continues to hold a 60.8% stake in New GM after it had converted loans to GM to equity on 10 July 2009. As of 31 December 2009, Treasury also owned 9.9% of the equity in New Chrysler and had USD 5.1 billion of loans outstanding to New Chrysler. The Treasury department periodically evaluates both public and private options to exit the equity investments in these companies.	18 December 2009 to 20 April 2010	TARP Transaction Report 3 May 2010, p.17; "*GM to begin repaying federal loans in December ahead of schedule*", GM press report, 16 November 2009. "*GM makes first payment on government loans*", GM press report, 18 December 2009; Financial Stability Oversight Board Quarterly Report to Congress for the quarter ending December 31, 2009, p. 44.
	– At the end of April 2010, the Automotive Supplier Support Program expired as planned, after GM Supplier Receivables and Chrysler Receivables had repaid the drawn loans of USD 290 million and USD 123 million, respectively. The programme, under which Treasury provided loans to auto suppliers to ensure that such suppliers received compensation for their services and products had a maximum aggregate limit of USD 3.5 billion.	5 April 2010, 7 April 2010	TARP Transaction Report 3 May 2010, p.18; Financial Stability Oversight Board Quarterly Report to Congress for the quarter ending December 31, 2009, p. 46.
	The US Treasury (i.e. the general fund for US taxpayers) continues to be the beneficiary of a trust (the Series C Trust) that holds securities with approximately 79.8% of the voting rights of the common stock in AIG that result from investments in AIG that were initially carried out through the Federal Reserve Bank of New York (FRNBY) in September 2008; as well as credit facilities provided since September 2008. Special governance provisions apply to the Series C Trust: The FRBNY has appointed		"*Troubled Assets Relief Program (TARP), Monthly report to Congress is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008*" – March 2010.

	Description of Measure	Date	Source
	three independent trustees who have the power to vote the stock and dispose of the stock with prior approval of FRBNY and after consultation with the US Treasury Department. In addition, the US Treasury Department also holds preferred shares of AIG. On 1 April 2010, Treasury exercised its rights pursuant to those shares to appoint two directors to the AIG board of directors.		
	The Treasury has set out principles for the exercise of its voting rights in new GM, new Chrysler, GMAC and Citigroup (other arrangements apply to AIG, see above). These include that Treasury does not participate in the day-to-day management of any company in which it has an investment. Treasury intends to exercise its right to vote only on certain matters consisting of the election or removal of directors; certain major corporate transactions such as mergers, sales of substantially all assets, and dissolution; issuances of equity securities where shareholders are entitled to vote; and amendments to the charter or bylaws.		"*Troubled Assets Relief Program (TARP), Monthly report to Congress is pursuant to Section 105(a) of the Emergency Economic Stabilization Act of 2008*" – March 2010, p. 18; Report by Treasury Secretary Geithner to Congress, 23 April 2010, p. 5.
	On 31 December 2009, the U.S. Treasury modified the support mechanisms for Government-Sponsored Enterprises Fannie Mae and Freddie Mac. Several programmes established under the Housing and Economic Recovery Act (HERA) were terminated. In turn, the cap on the Treasury's funding commitment under the Preferred Stock Purchase Agreements (PSPAs) agreements was removed to accommodate any reduction in net worth of the entities until end 2012.	31 December 2009	"*Treasury issues update on status of support for housing programs*", Treasury news release, 2009-12-25-15-34-2543, 24 December 2009.
	On 23 December 2009, the Treasury, the Federal Deposit Insurance Corporation (FDIC), the Federal Reserve Bank of New York and Citigroup Inc. agreed to terminate the loss-sharing agreement with Citigroup that covered a pool of originally USD 301 billion in assets. No losses were incurred under the program, and Treasury and the FDIC retain USD 5.2 billion of trust preferred securities of Citigroup, as well as warrants. Treasury commenced public auctions of warrants issued by CPP participants and raised a total of approximately USD 1.1 billion. The warrants sold were issued by Capital One Financial Corporation, JP Morgan Chase&Co. and TCF Financial Corporation.	23 December 2009	Termination Agreement, 23 December 2009.
European Union			
Investment policy measures	With the entry into force of the Lisbon treaty on 1 December 2009, the European Union acquired the exclusive competence of foreign direct investment under the Union's common commercial policy.	1 December 2009	Article 207 Treaty on the Functioning of the European Union (TFEU).
Emergency and related measures with potential impacts on international investment	The EU limits and controls Member States' aid to industries or individual companies under the EU competition policy framework of the Common Market as set out in articles 107-109 TFEU (previously articles 87-89 of the TEC). This regime seeks to avoid distortions of competition that could result from State aid intervening in the economy. The specific situation of the financial crisis and its impact on the real economy has led the European Commission to temporarily adapt the EU State aid policies in order to enhance Member	Ongoing	

	Description of Measure	Date	Source
	States' flexibility for their response to the crisis. These modifications concerned first the financial sector—from autumn 2008 onwards—and, subsequently, from December 2008 on, the real economy.		
	Financial sector		
	The European Commission continued to review guarantee and recapitalisation schemes that EU-member states notified or re-notified to the Commission. As set out in its earlier Communications, the Commission's approval of such schemes is limited to 6 months, requiring EU-member states to re-notify the schemes periodically if they wished to extend them. This requirement enables the Commission to ensure consistency and effectiveness; impose adjustments to the schemes, in particular in light of issues raised by Member states or other parties; and eventually withdraw approval of state aid once conditions that warranted them have abated. The regular reviews of the schemes that are publicly available and include an assessment of the operation and application of the schemes. In the reporting period, the Commission also concluded three formal investigation procedures that involve a thorough review of the compatibility of the overall support that individual financial institutions had received with the restrictions imposed on state aid. The reviews constitute an element of the framework in place to control and limit discrimination of competitors and distortion of market conditions.	Ongoing	*Communication from the Commission - The application of State aid rules to measures taken in relation to financial institutions in the context of the current global financial crisis*, OJ C270, 25 October 2008, p. 8; *Communication from the Commission—the recapitalisation of financial institutions in the current financial crisis: limitation of aid to the minimum necessary and safeguards against undue distortions of competition*, OJ C 10, 15 January 2009, p. 2; *Communication from the Commission on the treatment of impaired assets in the Community banking sector*, OJ C72, 26 March 2009, p. 1. "*DG Competition's review of guarantee and recapitalisation schemes in the financial sector in the current crisis*", p. 2.
	The Commission also approved restructuring plans of financial institutions that had received emergency state aid earlier during the crisis. The Commission had made the approval of some emergency measures (recapitalisations and impaired asset measures) conditional upon the presentation of restructuring plans within 6 months. These plans must require that the concerned financial institutions pay a significant proportion of the restructuring costs, restore their long-term commercial viability, and tackle the distortions of competition that result from the state aid. To compensate the distortions of competition, the financial institutions are required to divest part of their businesses. During the reporting period, restructuring plans were approved among others for Dunfermline Building Society, LBBW, Lloyds HBOS, and Royal Bank of Scotland.		*Communication from the Commission on the treatment of impaired assets in the Community banking sector*, OJ C72, 26 March 2009, p. 1; paragraph 55 of the communication. Communication from the Commission on the return to viability and the assessment of restructuring measures in the financial sector in the current crisis under the State aid rules, OJ C 195, 19 August 2009.
	In December 2009, the Council of the European Union agreed on common principles adopted Conclusions on Exit Strategies for the Financial Sector. The document formulates agreed principles for the design of exit strategies and unwinding financial support schemes by EU-member states that are planned to start in 2011 at the latest.		Conclusions of the Council of the European Union (document EUCO6/09 dated 11 December 2009), paragraphs 9-11, referring to the Conclusions of the Council of the European Union (ECOFIN) (document 17066/09 dated 3 December 2009).
	Automotive sector and cross-sectoral measures		
	The Commission also continued to assess the compliance of member governments' support to the real economy with the state aid and internal market rules. The benchmark for assessment continue to be the standards that the Commission set out in its Temporary		Temporary framework for State aid measures to support access to finance in the current financial and economic crisis (2009/C16/01), OJ of 22 January 2009. A consolidated version, taking into account amendments adopted on

	Description of Measure	Date	Source
	Community Framework for State aid measures to support access to finance in the current financial and economic crisis. The framework was initially adopted on 17 December 2008 and slightly amended on 25 February 2009, 28 October 2009 and on 8 December 2009, and is applicable from the day of its adoption until 31 December 2010. This Framework temporarily relaxes State aid restrictions based on article 107(3)(b) TFEU (formerly article 87 EU-treaty). Among other goals, the control of measures under the Framework seeks to ensure that state interventions in restructuring deals were not dependent on commitments concerning the location of production within the EU.		25 February 2009 (Communication from the Commission—Amendment of the Temporary framework for State aid measures to support access to finance in the current financial and economic crisis, and applicable from 25 February 2009 onwards) was published in OJ C83 of 7 April 2009.

ANNEX 2

Methodology—Coverage, definitions and sources

Reporting period. The reporting period of the present document is from 1 November 2009 to 20 May 2010. This implies an overlap of the reporting periods with the last report to G20 Leaders, which was published on 8 March 2010. 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. That certain policies had been under development before the financial and economic crisis unfolded does not prevent it from being included in this inventory.

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 purpose of this report, investment measures by recipient countries consist of those measures that impose or remove differential treatment of foreign or non-resident investors compared to domestic investors. 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 and UNCTAD 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. International investment law also recognises that countries may need flexibility in designing and implementing policies that respond to crises. For example, the OECD investment instruments provide for derogations to liberalisation commitments "if its economic and financial situation justifies such a course of action" but imposes time limits on such derogations and asks members to "avoid unnecessary damage" to others.[10] The emergency measures, which in practice focus mainly on financial services and automobiles, include: *ad hoc* rescue and restructuring operations for individual firms and various schemes that give rise to capital injections and credit guarantees. Several emergency schemes that provide cross-sectoral aid to companies were adopted and these are included in the inventory.

A large number of crisis related measures was taken during the reporting period. However, the report defines measures in a manner that takes into account the need to keep the size of the report manageable, a fairly narrow definition of emergency measure has been used. The report classifies an "*emergency or related measure with potential impacts on international investment"* as: any measure that a government has identified as having been enacted to deal with the crisis; and that may have a direct or indirect impact on foreign investment and that may differentiate between domestic and foreign or non-resident investors,[11] or that raises barriers to outward investment. This includes programs that permit rescues or restructuring of individual firms, or lending, guarantees or other aid schemes for individual companies. In addition, the measures must be expected to have an impact on international capital flows (e.g. schemes that influence the pattern of entry and exit in globalised sectors such as automobiles and financial services).

Measures not included. Several types of measures are not included in this inventory:

---

[10] See article 7 paragraphs a., d. and e. of the OECD Codes of Liberalisation.

[11] The existence of differentiation does not itself imply discrimination against foreign or non-resident investors or investment.

- *Fiscal stimulus*. Fiscal stimulus measures were not accounted for unless these contained provisions that may differentiate between domestic and foreign or non-resident investors.
- *Local production requirements* were not included unless they apply *de jure* only to foreign firms.
- *Visas and residence permits*. The report does not cover measures that affect visa and residence permits as business visa and residency policy is not deemed likely to be a major issue in subsequent political and economic discussions.
- *Companies in financial difficulties for other reasons than the crisis*. A number of countries provided support to companies in financial difficulties – in the form of capital injections or guarantees – in particular to state-owned airlines. Where there was evidence that these companies had been in substantive financial difficulties for other reasons than the crisis, these measures are not included as "emergency measures".
- *Central Bank measures*. Many central banks adopted practices to enhance the functioning of credit markets and the stability of the financial system. These measures influence international capital movements in complex ways. In order to focus on measures that are of most relevance for investment policies, measures taken by Central Banks are not included unless they involved negotiations with specific companies or provided for different treatment of non-resident or foreign-controlled enterprises.

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 and UNCTAD Secretariats;
- other publicly available sources: specialised web sites, press clippings etc.