24 June 2019

Twenty-first Report on G20 Investment Measures[1]

At the G20 London summit in April 2009, G20 leaders mandated WTO, OECD and UNCTAD to report publicly on new trade and investment policy measures.

The present document is the twenty-first report on investment and investment-related measures made in response to this call.[2] It has been prepared jointly by the OECD and UNCTAD Secretariats and covers investment policy and investment-related measures taken between 16 October 2018 and 15 May 2019.

I. Development of Foreign Direct Investment (FDI) flows

In 2018, global FDI inflows decreased by more than 10% compared to 2017, to USD 1.3 trillion.[3] The drop was largely due to the 2017 US tax reform which prompted US parent companies to repatriate large amounts of earnings held with foreign affiliates.[4] FDI inflows to developed economies fell by slightly more than 25% in 2018 while inflows to developing economies were stable. In 2018, major sources of FDI worldwide were Japan, China, and France. The United States recorded negative outflows in the first half of 2018 but returned to its position as the major source of FDI worldwide in the second half of the year.

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1 This report is issued under the responsibility of the Secretary-General of the OECD and the Secretary-General of UNCTAD. It has no legal effect on the rights and obligations of member states of the WTO, OECD, or UNCTAD. Nothing in this report implies any judgment, either direct or indirect, as to the consistency of any measure referred to in the report with the provisions of any WTO, OECD, or UNCTAD agreement or any provisions thereof. As its previous report, this document distinguishes between measures related to foreign direct investment (prepared jointly by OECD and UNCTAD) and measures related to other international capital flows (prepared solely by OECD).

2 Earlier reports by WTO, OECD and UNCTAD to G20 Leaders are available on the websites of the OECD and UNCTAD. A summary table of all investment measures taken since 2008 is also available on those websites.

3 The most recent figures are available in OECD, FDI in Figures and UNCTAD, World Investment Report 2019, Special Economic Zones, June 2019

4 For an analysis of the impact of the 2017 US Tax Cut and Jobs Act on international investment see UNCTAD, Tax Reform in the United States: Implications for International Investment.

II. Investment policy measures

1. *Foreign direct investment-specific measures*

Six G20 Members have taken policy measures that are specific to FDI in the reporting period. These were Australia, Brazil, Canada, China, India, and Saudi Arabia.

- *Brazil* and *Saudi Arabia* liberalized foreign investment in certain industries.
- *China* adopted a new Foreign Investment Law and issued a "Negative List of Market Access", which supplements the "Special Administrative Measures for Foreign Investment (2018 Negative List)".[5]
- *Australia* and *Canada* increased the thresholds for their foreign investment review mechanisms for investment originating in certain countries. These measures were taken in in the context of Regional Trade Agreements and hence only apply to investors from the respective treaty partners. *Western Australia* also increased levies for real-estate acquisitions by foreigners.
- *India* modified rules on the opening of certain project offices and clarified its policies for FDI in inventory-based e-commerce.

A detailed description of the measures is available in Annex 1 of this report.

2. *Investment measures related to national security*

G20 Members continued to be preoccupied with threats to their essential security interests associated with foreign investment and ownership of companies established in their territory. In the reporting period, new policies or changes to existing ones became effective in five G20 Members –France, Germany, Italy, the United States, and the European Union. With the exception of the EU, these economies already had policies to address such concerns. In addition, China and South Africa have adopted, but not yet brought into force, legislation that will reform or establish mechanisms to review foreign investment to manage potential threats to their essential security interests.[6] The United Kingdom was lately consulting on a major overhaul of its policies, and Japan is reportedly working on reforms of its system to come into effect later in 2019 (see insert on the evolution of policies in G20 Members over the past decade).

The trend to introduce or enhance investment policies motivated by national security concerns reaches beyond G20 Members. It picked up steam in 2018, and previous reports in this series have noted that on average, six countries among the G20 Members had changed policies in this area per year over the past two years. This development is set to continue in the near future, given firm announcements or plans for further changes in this area in a number of G20 economies.

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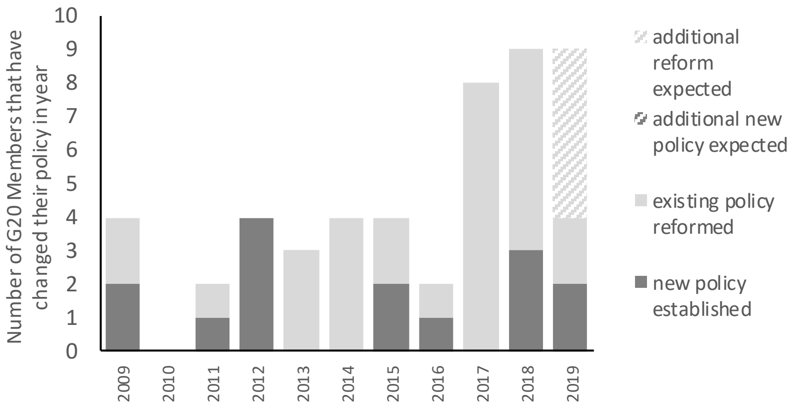
5 For the latter measure, see the 20th OECD-UNCTAD Report on G20 Investment Measures of 22 November 2018.

6 The change in China is brought by the Foreign Investment Law 2019 that the National People's Congress adopted on 15 March 2019. This law will enter into effect on 1 January 2020. South Africa's policy is included in the *Competition Amendment Act, 2018*, published 14 February 2019, which was not in force at the end of the reporting period on 15 May 2019.

Recent policy changes with regard to foreign investment screening to safeguard essential security interests include a broadening of the scope of transactions that are subject to review – in particular to include assets that provide the acquirer access to sensitive personal data and advanced technology –, an extension of the timeframe for the screening process and a lowering of trigger thresholds to also include smaller investments and stakes.[7]



Source: OECD/UNCTAD monitoring reports on G20 investment policy measures 2009-2019

Safeguarding essential security interests is a responsibility of governments, and its legitimacy is recognised by international investment law. The line between legitimate measures to safeguard essential security interests and those that serve other purposes is difficult to draw, however. Agreed policy principles and disciplines, such as the G20 Guiding Principles for Global Investment Policymaking[8] and the OECD Guidelines for Recipient Country Investment Policies relating to National Security (2009), play an important role in containing the risk of overreach. UNCTAD's Investment Policy Framework for Sustainable Development (IPFSD) also provides guidance.[9]

3. Investment policy measures not specific to FDI[10]

Investment policy measures not specific to FDI relate to the degree to which economies are integrated in global financial markets. Three G20 Members – China, India, and the Russian Federation – took measures that fall in this category in the reporting period. A description of the measures is available in Annex 2 of this report.

Work around the OECD Code of Liberalisation of Capital Movements has continued to contribute to G20 Members' understanding and articulation of an appropriate framework for capital flow management, one that reaps the benefits of capital flows while mitigating their risks.

The first half of 2019 marked the completion of the first review of the Capital Movements Code in 25 years, adopted by OECD Ministers on 22 May 2019. The Review was aimed at strengthening the instrument while adapting it to current requirement for capital flow management. The Review clarified the treatment of macro-prudential measures under the Code, provided new understandings concerning currency-based measures; developed a clear framework for the assessment of measures; formalised the possible consultation of other relevant International Organisations; and improved decision-making rules.

G20 Members were regularly updated over the course of 2016-2019, and the detailed outcomes of the Review were presented to G20 Finance and Central Bank Governors at their meeting on 6 June 2019. Non-adhering G20 members contributed importantly to the diagnostic discussions of the Review, testifying to the value that G20 Members attach to international cooperation on disciplines in this area. All G20 members are invited to participate in meetings of the Advisory Task Force on the Codes on a permanent basis. An OECD-G20 High-Level Seminar on Capital Flows "Integration or Fragmentation? International Capital Flow in the post crisis world", co-organized with the Japanese G20 Presidency, will be held in Paris

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7 "*Acquisition- and ownership-related policies to safeguard essential security interests – current and emerging trends*", OECD, March 2019; UNCTAD, World Investment Report 2019, Special Economic Zones, June 2019.

8 Endorsed in September 2016 at the G20 Leaders Summit in Hangzhou, China.

9 See paragraph 2.1.2 of the National Investment Policy Guidelines, in: UNCTAD, Investment Policy Framework for Sustainable Development, 2015.

10 This section on "Investment policy measures not specific to FDI" has been prepared by the OECD under the responsibility of the Secretary-General of the OECD. Annex 2 provides information on the coverage, definitions and sources of the information contained in this section.

on 11 September 2019, bringing the debate on capital flow management forward and launching the revised Code.

G20 engagement with the OECD Codes has been further reinforced by the adherence applications of Argentina, Brazil and South Africa. The adherence process is progressing, with a peer review of Brazil's position held in March 2019. Adherence to the Code supports the effective implementation of the G20 "Coherent Conclusions" calling for capital flow management measures to be "transparent, properly communicated, and targeted to specific risks identified" and for "multilateral surveillance to assess both their individual impact and aggregate spillover effects".[11] The G20 Finance Ministers and Central Bank Governors have called on all G20 Members that are not already Code Adherents to consider adhering to the instrument.[12]

4. *International Investment Agreements*

During the reporting period, G20 Members concluded seven new bilateral investment treaties (BITs)[13] and seven new "other IIAs"[14]. In addition, at least three IIAs entered into force: the BIT between the Republic of Korea and Myanmar (31 October 2018), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership – "CPTPP" – (which entered into effect for some of its signatories on 30 December 2018) and the EU-Japan Economic Partnership Agreement – "EPA" – (1 February 2019).[15] Furthermore, during the reporting period, the termination of three BITs concluded with G20 Members became effective.[16] As of 15 May 2019, there were 2,935 BITs and 388 "other IIAs". Data on G20 Members' IIAs is available in Annex 3.

III. Overall policy implications

G20 members have taken relatively few investment policy measures during the 7-month reporting period from mid-October 2018 to mid-May 2019, marking a further decline in policymaking activity compared to earlier reporting periods.

G20 Members' attention to investment policies designed to safeguard essential security interests continued to grow, following a trend that began in early 2018 and extends beyond G20 membership. Most changes

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11 *G20 Coherent Conclusions for the Management of Capital Flows Drawing on Country Experiences*, endorsed by G20 Finance Ministers and Central Bank Governors, 15 October 2011.

12 Communiqué of the G20 Finance Ministers and Central Bank Governors Meeting, Baden-Baden, Germany, 17-18 March 2017, paragraph 4.

13 The BITs between: Argentina and Japan (signed on 1 December 2018); Armenia and the Republic of Korea (signed on 19 October 2018); Australia and Uruguay (signed on 5 April 2019); Brazil and Guyana (signed on 13 December 2018); Cambodia and Turkey (signed on 21 October 2018); Japan and Jordan (signed on 27 November 2018); the Republic of Korea and Uzbekistan (19 April 2019).

14 "Other IIAs" encompass a variety of international agreements with investment protection, promotion and/or cooperation provisions – other than BITs. They include free trade agreements (FTAs), regional trade and investment agreements (RTIAs), comprehensive economic partnership agreements (CEPAs), cooperation agreements, association agreements, economic complementation agreements, closer economic partnership arrangements, agreements establishing free trade areas, and trade and investment framework agreements (TIFAs). Unlike BITs, "other IIAs" may also cover plurilateral agreements. The "other IIAs" that were concluded in the reporting period are the Investment Agreement between Australia and Hong Kong, China (signed on 26 March 2019); the CEPA between Australia and Indonesia (signed on 4 March 2019); the FTA between Brazil and Chile (signed on 21 November 2018); the EPA between CARIFORUM States and the United Kingdom (signed on 22 March 2019); the EPA between the EFTA States and Indonesia (signed on 16 December 2018); the Investment Protection Agreement between the European Union and Singapore (signed on 19 October 2018); the United States-Mexico-Canada Agreement (signed on 30 November 2018).

15 While the CPTPP has entered into force, several signatories have not yet ratified the agreement and are therefore not bound by it. The EU-Japan EPA does not contain provisions on investment protection, but the Parties are currently conducting negotiations on this issue.

16 The BITs between: Australia and Viet Nam (effectively terminated on 14 January 2019); India and North Macedonia (effectively terminated on 16 October 2018); Italy and Syrian Arab Republic (effectively terminated on 13 November 2018).

in this policy area are driven by a heightened awareness and concerns over threats associated with sensitive personal data or the acquisition of advanced technology with dual-use applications.

The uncertainty generated by current trade tensions is likely to discourage capital spending. However, the impact of those developments on international investment is likely to be diverse and specifics are difficult to predict: trade barriers could lead to reallocation of investment to locations not directly affected by those measures, or a further decline in global foreign investment if trade and related frictions lead to a global economic slowdown.

The potential impact of new policies and their implementation on cross-border investment flows calls for a close monitoring of these policy developments and continuous multilateral dialogue, as is already taking place at the OECD and UNCTAD.[17]

[17] E.g. the Conference on "*Acquisition- and ownership-related policies to safeguard essential security interests*" held on 12 March 2019 at the OECD, to which all G20 Members were invited, as well as UNCTAD's biennial World Investment Forum and the meetings of UNCTAD's Investment Commission.

Annex 1: Recent investment policy measures related to FDI (16 October 2018 to 15 May 2019) – Reports on individual economies

	Description of Measure	Date	Source
Argentina			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Australia			
Investment policy measures	On 30 December 2018, the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)* entered into force for Australia, Canada, Japan, Mexico, New Zealand, and Singapore. The same agreement entered into force for Vietnam on 14 January 2019. Private investors from treaty partners now have access to higher investment thresholds before being subject to review. The threshold for reviewing treaty partners' proposed acquisition of non-sensitive businesses and developed commercial land in Australia increased from AUD 266 million to AUD 1,154 million.	30 December 2018/ 14 January 2019	"*Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)*", Australian Government website, undated. "*Monetary thresholds*", FIRB website, undated.
	On 1 January 2019, Western Australia began charging foreign buyers of residential property an additional 7% duty on direct or indirect acquisitions.	1 January 2019	"*Increase in Foreign Buyers Surcharge to assist in Budget repair*", Government of Western Australia Media Statement, 10 May 2018; Duties Amendment (Additional Duty for Foreign Persons) Act 2018; Information on Foreign Buyers Duty, Australian Government website, undated.
	On 26 March 2019, the Australia-Hong Kong Free Trade Agreement and the associated Investment Agreement were signed. Once in force, private investors from Hong Kong, China, will have access to higher investment thresholds before being subject to review. The threshold for reviewing treaty partners' proposed acquisitions of non-sensitive businesses and developed commercial land in Australia will increase from AUD 266 million to AUD 1,154 million.	26 March 2019	"*Australia-Hong Kong Free Trade Agreement*", Australian Government website, undated.
Investment measures relating to national security	None during reporting period.		
Brazil			
Investment policy measures	Effective 13 December 2018, Brazil allowed 100% foreign ownership of air transport services in the country by revoking conditions in the Aeronautical Code, that hitherto capped foreign ownership of air transport services at 20% and required that the management be exclusively in the hands of Brazilian nationals. To remain effective, the provisional measure needs to be confirmed by the Parliament within 180 days. A similar temporary measure had been introduced in 2016 but had not become permanent.	13 December 2018	Provisional Measure No.863 of 13 December 2018.
Investment measures relating to national security	None during reporting period.		

	Description of Measure	Date	Source
Canada			
Investment policy measures	On 30 December 2018, the *Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)* entered into force for Australia, Canada, Japan, Mexico, New Zealand, and Singapore; on 14 January 2019 the same agreement entered into force for Vietnam. With the entry into force, a review threshold of CAD 1.568 billion in enterprise value applies to investments by private investors from these countries (Mexican investor already benefitted from a higher threshold), while private investment originating in WTO countries with which Canada has no trade agreement in force attracts a review as of CAD 1.045 billion in enterprise value.	30 December 2018; 14 January 2019	Investment Canada Act – Thresholds, Canada government website, undated.
Investment measures relating to national security	None during reporting period.		
P.R. China			
Investment policy measures	On 21 December 2018, the Ministry of Commerce and the National Development and Reform Commission (NDRC) issued a Negative List of Market Access, which applies to both domestic and foreign investment.	21 December 2018	Negative List of Market Access (2018 Edition) MOFCOM/NDRC media release No.1892 (2018).
	On 15 March 2019, China adopted its new Foreign Investment Law. This legislation will provide a better business environment for foreign investments. The law will take effect on 1 January 2020, and will replace the three existing laws on Chinese-foreign equity joint ventures, wholly foreign-owned enterprises and Chinese-foreign contractual joint ventures. The new law is aimed to further encourage foreign investment in China, strengthen protection of the legal rights and interests of foreign investors and foreign invested-enterprises. The State shall administer foreign investments under the regime of pre-establishment national treatment with a negative list, which will promote a level playing field that is stable, transparent and predictable, and ensure that foreign-invested enterprises participate in market competition on an equal basis.	15 March 2019	The National People's Congress (NPC) of the People's Republic of China, "Foreign Investment Law of the People's Republic of China (2019)", 15 March 2019
Investment measures relating to national security	None during reporting period.		
France			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 1 January 2019, changes to France's mechanism for the review of foreign investment to safeguard its essential security interests became effective. The changes broaden the sectors to which the authorisation requirement applies; add additional reasons that may justify the refusal of a foreign investment under the mechanism; and allow the takeover target to request an opinion on whether an envisaged transaction would require authorisation.	1 January 2019	Décret no 2018-1057 du 29 novembre 2018 relatif aux investissements étrangers soumis à autorisation préalable, Journal Officiel de la République Française, 1 December 2018,
Germany			
Investment policy measures	None during reporting period.		

	Description of Measure	Date	Source
Investment measures relating to national security	On 29 December 2018, a revision of the *Foreign Trade and Payments Ordinance* came into effect. It modifies the existing national investment screening procedure to safeguard Germany's essential security interests in particular by lowering the screening threshold from previously 25% of voting rights to 10% for acquisitions by non-EU foreigners in the sectors critical infrastructure; related software; cloud-computing; telematics; and certain media.	29 December 2018	"*Investment policy related to national security*", Notification by Germany to the OECD, 13 February 2019.
India			
Investment policy measures	Effective 21 January 2019, the Indian government abolished the requirement to obtain government approval for the opening of a project office by a non-resident who has entered into an agreement with or was awarded a contract with the Ministry of Defence, Service Headquarters or Defence Public Sector Undertakings.	21 January 2019	"*Foreign Exchange Management (Establishment in India of a branch office or a liaison office or a project office or any other place of business) (Amendment) Regulations, 2019*", Gazette of India, 21 January 2019.
	On 1 February 2019, a review of the *Consolidated FDI Policy Circular of 2017* came into effect. The review, announced in Press Note 2 (2018), clarifies the conditions under which foreign investors can carry out e-commerce in India. Specifically, the clarification prohibits FDI in inventory-based e-commerce, where the investors own inventory rather than offering a marketplace for e-commerce.	1 February 2019	Press Note 2 (2018), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, 26 December 2018.
Investment measures relating to national security	None during reporting period.		
Indonesia			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Italy			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 26 March 2019, an amendment to Italy's rules on special powers, laid down in Law No.56 of 11 May 2012, came into effect. The new rules, which were passed into law on 13 May 2019, add 5G-based communications services to the list of strategic assets for the purpose of the national security review process; also, an entity that enters in 5G-related goods or service contracts or acquires components for 5G networks from non-EU providers now needs to notify the contract and in order to allow the Government to screen any risk related to 5G networks on grounds of national security. The change implements the call from Heads of State or Government expressed at the European Council on 22 March 2019 for a concerted approach to the security of 5G networks and in line with the Commission Recommendation on Cybersecurity of 5G networks C(2019) 2335 final.	26 March 2019	Law Decree No. 22/2019 of 25 March 2019, passed into law on 13 May 2019.
Japan			
Investment policy measures	None during reporting period.		

	Description of Measure	Date	Source
Investment measures relating to national security	None during reporting period.		
Republic of Korea			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Mexico			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Russian Federation			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Saudi Arabia			
Investment policy measures	On 23 October 2018, Saudi Arabia allowed foreign investment in road transport, real estate brokerage, audiovisual services and recruitment offices.	23 October 2018	
Investment measures relating to national security	None during reporting period.		
South Africa			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 14 February 2019, the *Competition Amendment Act, 2018* was published in the official Gazette. The Act, once in force, will allow the President to constitute a national security review committee on foreign investments which will conduct mandatory reviews of inward foreign investment to safeguard South Africa's essential security interests. Sectors as well as critical infrastructure assets to which the review mechanism will apply are to be listed.	14 February 2019	Competition Amendment Act, 2018;
	On 29 March 2019, the Competition Commission South Africa published Guidelines for the determination of administrative penalties for failure to notify mergers and implementation of mergers contrary to the Competition Act No 89 of 1998, as amended, in the Official Gazette. The Guidelines set out the methodology for determining administrative penalties for the failure to notify mergers, including in the context of the mandatory national security review mechanism that the legislation of 14 February 2019 has established.	29 March 2019	Guidelines for the determination of administrative penalties for failure to notify mergers and implementation of mergers contrary to the Competition Act No 89 of 1998, as amended, Competition Commission, Government Gazette No.473, 29 March 2019.

	Description of Measure	Date	Source
Investment measures relating to national security	None during reporting period.		
Turkey			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
United Kingdom			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
United States			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 10 November 2018, Interim Rules that require filings with the Committee for Foreign Investment in the United States (CFIUS) for certain investments in critical technologies and expand jurisdiction to certain non-controlling investments came into effect. The Rules implement some of the new powers and obligations that CFIUS and other authorities received as part of the Foreign Investment Risk Review Modernization Act (FIRRMA), which had come into effect on 13 August 2018. The Interim rules expand CFIUS reviews to include certain non-controlling, non-passive investments in companies involved with critical technologies and introduce mandatory filings of certain transactions whereas hitherto CFIUS filings were voluntary. The interim rules are a temporary pilot programme that will end no later than 5 March 2020.	10 November 2018	"*Determination and Temporary Provisions Pertaining to a Pilot Program To Review Certain Transactions Involving Foreign Persons and Critical Technologies*", Federal Register, Vol. 83, No.197, 11 October 2018.
European Union			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 10 April 2019, the Regulation of the European Parliament and of the Council establishing a framework for the screening of foreign direct investments into the Union entered into force. Its provisions will apply from 11 October 2020. The Regulation creates a mechanism for exchange of information related to specific investment proposals among EU Member States and the Commission and in particular allows the Commission to issue non-binding opinions if an investment threatens essential security interest of more than one Member State; or when an investment could undermine a programme of the whole EU; and sets standards for EU Member States' national policies to safeguard their essential security interests.	10 April 2019	Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union, Official Journal of the European Union, 21 March 2019.

Methodology for the inventory presented in Annex 1 — Coverage, Definitions and Sources

Reporting period. The reporting period of the present document is from 16 October 2018 to 15 May 2019. 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.

Investment. For the purpose of the inventory presented in Annex 1, international investment is understood to include only foreign direct investment. Investment policy measures not specific to FDI are not included in this inventory but shown in Annex 2 of this report.

Investment measure. For the purposes of this annex, investment measures consist of any action that either: imposes or removes differential treatment of foreign or non-resident investors compared to the treatment of domestic investors in like situations. Reporting on such policy measures has no legal effect on the rights and obligations of member states of the WTO, OECD, or UNCTAD.

National security. International investment law, including the OECD investment instruments, recognises that governments may need to take measures to safeguard essential security interests and public order. For the purpose of this report, national security related measures are understood as including policies which relate to national security risks associated with the acquisition, ownership or control of assets. National security related measures are included irrespective of whether the measure applies to foreigners only or whether it also covers nationals of the country that takes the measure. The investment policy community at the OECD and UNCTAD monitors these measures to help governments adopt policies which are effective in safeguarding national security and to ensure that they are not disguised protectionism.

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.

Investment measures included in this report have been verified by the respective G20 members.

Annex 2: Recent investment policy measures not specific to FDI (16 October 2018 to 15 May 2019) – Reports on individual economies[18]

Description of Measure	Date	Source
Argentina		
None during reporting period.		
Australia		
None during reporting period.		
Brazil		
None during reporting period.		
Canada		
None during reporting period.		
P.R. China		
On 14 January 2019, the State Administration of Foreign Exchange (SAFE) increased the total amount that foreign institutional investors can place in China's financial markets under the *Qualified Foreign Institutional Investor* programme to USD 300 billion, up from USD 150 billion, the cap in effect since July 2013.hitherto.	14 January 2019	"*Total Qualified Foreign Institutional Investor (QFII) increased to US$300 billion*", SAFE media release, 14 January 2019.
France		
None during reporting period.		
Germany		
None during reporting period.		
India		
Throughout the reporting period, several measures to ease foreign portfolio investors' possibilities to invest in debt came into effect:		
• Effective 15 February 2019, the Reserve Bank of India abolished the restriction hitherto imposed on foreign portfolio investors that no investor may hold more than 20% of its corporate debt portfolio in a single enterprise.	15 February 2019	"*Investment by Foreign Portfolio Investors (FPI) in Debt*", RBI/2018-19/123, A.P. (DIR Series) Circular No. 19, 15 February 2019.
• On 1 March 2019, a new scheme for foreign portfolio investors' access to Indian debt – the 'Voluntary Retention Route' – became effective. Under this route, macro-prudential and other requirements are relaxed for investments of which a certain percentage is voluntarily committed for a certain period of time.	1 March 2019	"'*Voluntary Retention Route' (VRR) for Foreign Portfolio Investors (FPIs) investment in debt*", RBI/2018-19/135, A.P. (DIR Series) Circular No.21, 1 March 2019.
• On 25 April 2019, the Reserve Bank of India allowed foreign portfolio investors to invest in municipal bonds.	25 April 2019	"*Investment by Foreign Portfolio Investors (FPI) in Debt – Review*", RBI/2018-19/176, A.P. (DIR Series) Circular No. 33, 25 April 2019.
In the reporting period, the rules governing External Commercial Borrowing underwent a series of changes; the overall framework was set	6 November 2018; 26 November 2018; 16 January 2019.	"*External Commercial Borrowings (ECB) Policy – Review of Minimum Average Maturity and Hedging Provisions*", RBI/2018-19/71, A.P.

18 This inventory has been established by the OECD Secretariat under the responsibility of the Secretary-General of the OECD.

Description of Measure	Date	Source
out in a Master Direction issued on 26 March 2019. The changes that were made in the reporting period: • reduced the minimum average maturity requirement of ECBs in the infrastructure space from 5 to 3 years for hedged and from 10 to 5 years for unhedged loans; • reduced the mandatory hedge coverage ratio from 100% to 70% of ECBs for ECBs with maturities between 3 and 5 years; and • broadened the scope of eligible borrowers, allowed ECBs of up to USD 750 million per financial year under the automatic route, i.e. without prior approval, and set the minimum average maturity period to 3 years for most cases, and to 5 years in some cases.		(DIR Series) Circular No.11, 6 November 2018; "*External Commercial Borrowings (ECB) Policy – Review of Hedging Provision*", RBI/2018-19/79, A.P. (DIR Series) Circular No.15, 26 November 2018; "*External Commercial Borrowings (ECB) Policy – New ECB Framework*", RBI/2018-19/109, A.P. (DIR Series) Circular No. 17, 16 January 2019.
Indonesia		
None during reporting period.		
Italy		
None during reporting period.		
Japan		
None during reporting period.		
Republic of Korea		
None during reporting period.		
Mexico		
None during reporting period.		
Russian Federation		
Effective 1 April 2019, the Central Bank of the Russian Federation widened the differential of reserve requirements between liabilities held in Rouble and foreign currency denominated liabilities for non-resident legal entities, individuals, and credit institutions.	1 April 2019	Required reserve ratios, Central Bank of the Russian Federation, undated.
Saudi Arabia		
None during reporting period.		
South Africa		
None during reporting period.		
Turkey		
None during reporting period.		
United Kingdom		
None during reporting period.		
United States		
None during reporting period.		

Description of Measure	Date	Source
European Union		
None during reporting period.		

Methodology for the inventory presented in Annex 2 — Coverage, Definitions and Sources

Reporting period. The reporting period of the present document is from 16 October 2018 to 15 May 2019. 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.

Investment. For the purpose of the inventory presented in Annex 2, international investment is understood to include all international capital movements; however, measures specifically concerning foreign direct investment are not reported in this Annex, but rather in Annex 1 of the present document.

Investment measure. For the purposes of this Annex 2, investment measures consist of any action that either (i) imposes or removes differential treatment of foreign or non-resident investors compared to the treatment of domestic investors in like situations; or (ii) imposes or removes restrictions on international capital movements.

Reporting on international capital movements has no legal effect on the rights and obligations of member states of the WTO, OECD, or UNCTAD.

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

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

Investment measures included in this report have been verified by the respective G20 members.

Annex 3: G20 Members' International Investment Agreements[19]

	BITs			Other IIAs			Total IIAs as of 15 May 2019
	Concluded between 16 October 2018 and 15 May 2019	Effectively terminated between 16 October 2018 and 15 May 2019	As of 15 May 2019	Concluded between 16 October 2018 and 15 May 2019	Effectively terminated between 16 October 2018 and 15 May 2019	As of 15 May 2019	
Argentina	1		56			18	74
Australia	1	1	19	2		22	41
Brazil	1		22	1		19	41
Canada			32	1		20	52
China			127			22	149
France			101	1		70	171
Germany			131	1		70	201
India		1	23			13	36
Indonesia			42	2		19	61
Italy		1	72	1		69	141
Japan	2		32			20	52
Republic of Korea	2		95			20	115
Mexico			32	1		16	48
Russian Federation			79			6	85
Saudi Arabia			24			13	37
South Africa			40			10	50
Turkey	1		109			21	130
United Kingdom			103	2		71	174
United States			45	1		68	113
European Union				1		71	71

Source: UNCTAD's IIA Navigator (https://investmentpolicy.unctad.org/international-investment-agreements).

[19] The number of IIAs may have been revised as a result of retroactive adjustments to UNCTAD's database on BITs and "other IIAs" (https://investmentpolicy.unctad.org/international-investment-agreements).