



FREEDOM OF INVESTMENT PROCESS

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

The OECD monitors investment policy changes in the 56 economies participating in its freedom of investment process hosted by the OECD Investment Committee and publishes regular reports

Find earlier reports online at www.oecd.org/daf/inv/investment-policy/g20.htm.

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INTRODUCTION

1. Monitoring and exchange of information on investment policy developments has been a regular feature of the *Freedom of Investment* (FOI) Roundtables hosted by the OECD Investment Committee since the Roundtables' inception in 2006. To support policy dialogue on these developments among the 56 economies invited to the Roundtables, the OECD Secretariat establishes inventories of recent developments and makes them available to the public.¹

2. The present report is part of an on-going response to this mandate. It uses the established methodology applied in earlier reports and covers developments between 16 February and 15 September 2016.

3. The present report contains two parts:

- Part I summarises the investment policy developments that have taken place in the reporting period between 16 February and 15 September 2016.
- Part II contains a full inventory of policy measures that economies invited to participate in the Roundtables have taken in the reporting period. The annex describes the methodology applied to establish this inventory.

4. An annex describes the methodology applied to establish this inventory.

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

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

5. During the reporting period between 16 February and 15 September 2016, twelve of the 56 economies invited to participate in the *Freedom of Investment* Roundtables modified their investment policies. These include Argentina, Australia, Brazil, Canada, P.R. China, Greece, Iceland, India, Indonesia, Korea, Malaysia and Mexico.

6. None of the economies changed their investment policies related to national security, but one country, the United Kingdom, announced its intention to change its existing arrangements.

7. Among the noteworthy policy changes figure measures taken by territorial subdivisions of Australia and Canada to introduce surcharges of acquisition or ownership of residential real estate in response to strong rises in asset prices.

8. In some other countries, notably India, a series of significant liberalisations were taken.

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

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

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

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

	Description of Measure	Date	Source
Argentina			
<i>Investment policy measures</i>	On 11 March 2016, rules on the repatriation of export proceeds for certain industries were relaxed.	11 March 2016	<i>Resolución 30/2016</i> Secretaría de Comercio – Comercio Exterior
	On 16 May 2016, the Central Bank announced the launch of peso-denominated government bonds offered to residents and non-residents. In an auction following the announcements, foreign investors were offered only bonds with relatively longer maturities, while domestic investors could also acquire bonds with shorter maturities.	16 May 2016	Comunicación “A” 5974, Banco Central de la República Argentina, 1 July 2016.
	Effective from 1 July 2016, the conversion requirement for foreign exchange earnings of exporters was relaxed; henceforth, the conversion needs to be carried out within 365 days rather than in 120 days as previously.	1 July 2016; 30 August 2016	Resolución 91/2016, Secretaría de Comercio, Ministerio de Producción;
	Effective 30 August 2016, the conversion requirement for foreign currency earnings of exporters was further relaxed; the conversion now has to take place within 1,825 days.		Comunicación “A” 6003, Banco Central de la República Argentina, 1 July 2016;
	Effective 9 August 2016, the cap on foreign currency acquisitions by Argentinean residents – which stood at USD 5 million per month – was abolished. Requirements to justify the foreign exchange operations were also relaxed.	8 August 2016	Resolución 242/2016, Secretaría de Comercio, Ministerio de Producción. Comunicación “A” 6037, Banco Central de la República Argentina, 8 August 2016.
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
Australia			
<i>Investment policy measures</i>	On 31 March 2016, changes to Australia’s foreign investment review rules became effective. Henceforth, acquisitions by foreign non-government acquirers of certain infrastructure assets from the Commonwealth, a State, a Territory or a local governing body of Australia or an entity wholly owned by the Commonwealth, a State, a Territory or a local governing body, which had hitherto been exempted from reviews, are subject to review.	31 March 2016	<i>Foreign Acquisitions and Takeovers Amendment (Government Infrastructure) Regulation 2016</i>
	In the reporting period, three territorial subdivisions of Australia – New South Wales, Queensland and Victoria – introduced, increased or announced additional stamp duties applicable to foreign acquirers of residential real estate. Such additional foreign acquirer duties were first introduced by Victoria in May 2015 at a 3% rate, calculated on the purchase price, for purchases on or after 1 July 2016, Victoria increased the rate of the additional foreign acquirer duty (“AFAD”) to 7%. New South Wales introduced a similar “surcharge purchaser duty” of 4% for purchases by foreigners on or after 21 June 2016. In Queensland, an AFAD of 3% will come into effect on 1 October 2016 for residential real estate. The conditions under which AFADs	21 June 2016; 1 July 2016; 1 October 2016	For New South Wales: <i>NSW Budget Statement 2016-17</i> ; “ <i>Surcharge purchaser duty</i> ”, NSW Office of State Revenue website; For Queensland: <i>Duties and Other Legislation Amendment Act (no. 37 of 2016)</i> , assented 27 Jun 2016; “ <i>Additional foreign acquirer duty – FAQ</i> ”, Queensland Government, 30 June 2016;

Description of Measure	Date	Source
	apply vary among the States; in Victoria, acquisitions by New Zealanders are exempted; in New South Wales, New Zealanders who are ordinarily resident in Australia are not subject to the surcharge purchaser duty, either.	For Victoria: <i>Duties Act 2005</i> , Victoria Government Gazette No. G 33 Thursday 20 August 2015.
	Victoria and New South Wales introduced land tax surcharges of foreign owners of real estate. In Victoria, the land tax surcharge on foreigners was set at 0.5% effective from 1 January 2016, and was increased threefold to 1.5% effective from 1 January 2017; it is levied only on absentee foreign owners, but excludes Australian and New Zealand nationals. New South Wales introduced a 1.5% land tax surcharge for absentees –foreign owners of real estate under specific conditions – in 2016; the additional tax becomes effective from 2017.	1 January 2016; 1 January 2017 For Victoria: <i>Guidelines Issued under Section 3b of the Land Tax Act 2005</i> , Victoria Government Gazette No. G 33 Thursday 20 August 2015; For New South Wales: <i>Land Tax Act 2005 (No. 88 of 2005) as amended as at 29 June 2016</i> .
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	On 19 August 2016, the Australian Treasurer announced the prohibition of the 99-year lease of 50.4 % of Ausgrid, New South Wales' electricity distribution network, by <i>State Grid Corporation of China</i> , a Chinese State-owned enterprise, and Hong Kong-listed <i>Cheung Kong Infrastructure</i> . Information about a potential domestic bidder, supposedly at a significantly lower price, became known in late September 2016.	19 August 2016 "Statement on decision to prohibit the 99-year lease of 50.4 per cent of Ausgrid under current proposed structure", Treasurer media release, 19 August 2016.
Austria		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Belgium		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Brazil		
<i>Investment policy measures</i>	On 25 June 2016, Brazil's president vetoed a law that would have abolished foreign ownership restrictions of domestic airlines. The veto also led to an unwinding of a lesser liberalisation that had been passed through Provisional Measure No. 714, issued on 1 March 2016 and effective 2 March 2016. That measure had increased the foreign ownership cap in domestic airlines to 49%, up from 20%, and repealed the requirement that directors be exclusively Brazilian nationals. With the veto, the ownership limit that existed prior to March 2016 is anew effective. However, the issue remains under discussion in the government and a new proposal of air services liberalisation is expected to be submitted to Congress.	25 June 2016; 2 March 2016 MPV 714/2016 (medida provisória) 03/01/2016, Diário oficial, 2 March 2016. Mensagem N° 421 of 25 July 2016.

	Description of Measure	Date	Source
	Effective 2 May 2016, Brazil changed the financial transaction tax (IOF) that applies to certain operations. As part of these changes, the tax rate for foreign inward direct investment in publicly traded shares has been set to 0; and the tax rate for settlement of foreign exchange transactions for the purchase of foreign currency in cash has been set to 1.1%.	2 May 2016	<i>Decreto N° 8.731 of 30 April 2016</i>
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
Canada			
<i>Investment policy measures</i>	Effective 2 August 2016, British Columbia, a province of Canada, imposed an additional property transfer tax on residential property transfers to foreign entities – natural and legal persons – in the Greater Vancouver Regional District. The tax, at 15% of the fair market value of the acquired property, applies in addition to the general property transfer tax. The tax does not apply to non-residential property, or to trusts that are mutual fund trusts, real estate investment trusts or specified investment flow-through trusts.	2 August 2016	<i>Property Transfer Tax Act [RSBC 1996] CHAPTER 378, Section 2.01-2.04;</i> <i>“Additional Property Transfer Tax on Residential Property Transfers to Foreign Entities”, Ministry of Finance Tax Information Sheet 2016-006, 27 July 2016.</i>
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
Chile			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
P.R. China			
<i>Investment policy measures</i>	A public notice by the People’s Bank of China that came into effect on 17 February 2016 relaxed conditions for foreign institutional investors’ participation in China’s bond market.	17 February 2016	<i>Public Notice No. 3 [2016], People’s Bank of China</i>
	On 5 September 2016, China’s State Administration of Foreign Exchange and the People’s Bank of China issued rules that relax requirements applicable under the <i>Renminbi Qualified Foreign Institutional Investors (RQFII)</i> scheme. This scheme, established in 2011, allows foreign institutional investors to acquire domestic securities using offshore yuan. The new rules, set out in the <i>Circular on Matters related to Domestic Securities Investment by RMB Qualified Foreign Institutional Investors</i> , ease the process to obtain quota, and shortened the holding-period for the principal.	5 September 2016	<i>Circular on Matters related to Domestic Securities Investment by RMB Qualified Foreign Institutional Investors, SAFE website</i>
<i>Investment measures relating to national security</i>	None during reporting period.		

	Description of Measure	Date	Source
<i>security</i>			
<i>Other developments</i>	On 8 September 2016, China's Insurance Regulatory Commission announced the forthcoming possibility for mainland Chinese insurance companies to invest in Hong Kong, China's stock market through the <i>Shanghai-Hong Kong Stock Connect</i> programme.	8 September 2016	<i>China Insurance Regulatory Commission announcement, 8 September 2016</i>
Colombia			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
Costa Rica			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
Czech Republic			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
Denmark			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
Egypt			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		

Description of Measure	Date	Source
Estonia		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Finland		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
France		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Germany		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Greece		
<i>Investment policy measures</i>	Effective 25 July 2016, Greece relaxed some of the restrictions on capital movements it had imposed on 28 June 2015. Instead of 420 EUR per week, customers are henceforth allowed to withdraw 840 EUR every two weeks, and no withdrawal limits apply to new deposits. Also, 30% of the amounts transferred from abroad can be withdrawn, up from 10% previously. Finally, retail customers are allowed to pay off loans early.	25 July 2016 Decision of the Minister of Finance of 21 July 2016, Official Gazette 2282/B/22-7-2016 of 22 July 2016.
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	

Description of Measure	Date	Source	
Hungary			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
Iceland			
<i>Investment policy measures</i>	<p>In the reporting period, Iceland took further steps to prepare the liberalisation of capital controls that the country had introduced in 2008:</p> <p>On 19 May 2016, Iceland's Central bank granted pension funds and other domestic custodians of third-pillar pension savings a temporary exemption from the Foreign Exchange Act, thereby permitting them to invest in financial instruments issued in foreign currency. The authorisation was capped at ISK 10 billion and applied until 30 June 2016. On 1 July 2016, the temporary exemption was extended until mid-September 2016.</p> <p>On 4 June 2016, <i>Rules on Special Reserve Requirements for New Foreign Currency Inflows</i> were published. These temporary rules provide the Central Bank of Iceland with a new policy instrument – a capital flow management measure – to temper inflows of foreign currency and to affect the composition of such inflows. Amendments to the rules were made public on 15 June 2016.</p> <p>Act no. 37/2016, passed by Parliament on 22 May 2016, grants owners of offshore króna assets temporary permission to withdraw, on a voluntary basis, part or all of the funds from accounts subject to special restrictions in order to use the funds for foreign exchange transactions with the Central Bank of Iceland at a defined exchange rate; the authorisation remains in effect until 1 November 2016.</p>	<p>19 May 2016; 1 July 2016</p> <p>4 June 2016; 15 June 2016</p>	<p>“<i>Pension funds' authorisation for foreign investment</i>”, Sedlabanki media release, 19 May 2016; “<i>Pension funds' authorisation for foreign investment</i>”, Sedlabanki media release, 1 July 2016.</p> <p>“<i>Rules no. 490/2016 on Special Reserve Requirements for New Foreign Currency Inflows</i>”; “<i>Rules no. 537/2016 amending Central Bank of Iceland Rules no. 490/2016 on special reserve requirements for new foreign currency inflows</i>”, Central Bank of Iceland, 15 June 2016</p> <p>“<i>Act on the treatment of króna-denominated assets subject to special restrictions</i>”, Act no. 37/2016; “<i>Act No. 42/2016 on Amending the Foreign Exchange Act, the Act on the Treatment Króna-Denominated Assets Subject to Special Restrictions, and the Act on a Special Tax on Financial Undertakings</i>”; “<i>Rules no. 425/2016 on procedures for ISK assets subject to special restrictions</i>”; “<i>Rules no. 430/2016 on Foreign Exchange</i>”, published 27 June 2016; “<i>Temporary authorisation for withdrawals from accounts subject to special restrictions and for foreign exchange transactions with the Central Bank of Iceland</i>”, Sedlabanki media release, 31 August 2016; “<i>Rules no 518/2016 amending rules no. 425/2016 on procedures for ISK assets subject to special restrictions</i>”.</p>
<i>Investment measures relating</i>	None during reporting period.		

Description of Measure	Date	Source
<i>to national security</i>		
<i>Other developments</i>	<p>A bill brought into parliament on 17 August 2016, proposes relaxations of capital controls for Icelandic residents. The rules put forward in the bill would allow residents, among others, to: buy one item of real estate abroad per calendar year; purchase securities for up to ISK 100 million; invest abroad without monetary limits but under the requirement of Central bank approval; and purchase foreign currency for travel abroad.</p> <p>The bill had not become law at the end of the reporting period; its second reading in parliament took place on 29 September 2016.</p>	<p>17 August 2016</p> <p><i>Bill 826 on Foreign Exchange, Icelandic Paliament website; “Liberalisation - removal of capital controls”, Government news release, 16 August 2016.</i></p>
India		
<i>Investment policy measures</i>	<p>On 23 March 2016, India liberalised its FDI policy for the pension sector; henceforth, foreign investment in pension funds is allowed up to 49% under the automatic route. In 2015, India had already liberalised FDI in this sector, but only investments up to 26% were under the automatic route, and investments between 26% and 49% required approval.</p> <p>Likewise on 23 March 2016, India liberalised its FDI policy for the insurance sector; henceforth, foreign investment in the insurance sector up to 49% is now allowed under the automatic route, up from 26% previously.</p> <p>On 29 March 2016, India issued clarification on the application of its FDI policy regarding e-commerce. According to the clarification, 100% FDI under the automatic route is permitted, under certain conditions, for marketplace e-commerce (where the e-commerce platform facilitates between buyer and seller), while inventory-based e-commerce (where the e-commerce entity owns the goods for sale) remains closed to FDI.</p> <p>On 6 May 2016, the Government of India permitted 100% foreign direct investment (FDI) in the capital of Assets Reconstruction Companies under the automatic route. FDI had already been permitted in this sector, but only up to 49% was allowed under the automatic route, while government approval was required for FDI in the sector beyond 49%.</p> <p>On 30 March 2016, changes to India’s external commercial borrowing (ECB) policy came into effect. They address particular needs of the infrastructure sector and amend the revised framework for India’s external commercial borrowing (ECB) policy, which had entered into effect on 30 November 2015, following a public consultation.</p> <p>The new 2015 ECB policy: imposes fewer restrictions on end uses and allows higher all-in-cost ceiling. for long term foreign currency borrowings; imposes fewer restrictions on INR denominated ECBs; expands the list of overseas lenders to include long-term lenders (insurance companies, pension funds, sovereign wealth funds); and establishes a negative list of end-use restrictions applicable in case of long-term ECB and INR denominated ECB.</p> <p>On 1 January 2016 and 4 April 2016, increased ceilings for foreign portfolio investors’ investment in Indian Government Securities came into effect. An overall cap of such investment for any central government security is set at 20% of the outstanding stock of this security. The changes follow an earlier increase amendment of 12 October 2015, and a further increase has been scheduled for 5 July 2016.</p>	<p>23 March 2016</p> <p>23 March 2016</p> <p>29 March 2016</p> <p>6 May 2016</p> <p>30 November 2015; 30 March 2016</p> <p>1 January 2016; 4 April 2016</p> <p>Press note 2 (2016), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry; Press note 4 (2015), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.</p> <p>Press note 1 (2016), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.</p> <p>Press note 3 (2016), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.</p> <p>Press note 4 (2016), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.</p> <p><i>External Commercial Borrowings (ECB) Policy – Revised framework, Reserve Bank of India Circular RBI/2015-16/255, A.P. (DIR Series) Circular No.32, 30 November 2015</i></p> <p><i>External Commercial Borrowings (ECB) – Revised framework, Reserve Bank of India Circular RBI/2015-16/349, A.P. (DIR Series) Circular No.56</i></p> <p><i>“Investment by Foreign Portfolio Investors (FPI) in Government Securities” Reserve Bank of India Circular RBI/2015-16/198, A.P. (DIR Series) Circular No 19, 6 October 2015.</i></p> <p><i>“Investment by Foreign Portfolio</i></p>

Description of Measure	Date	Source	
		<i>Investors (FPI) in Government Securities</i> Reserve Bank of India Circular RBI/2015-16/348, A.P. (DIR Series) Circular No. 55, 29 March 2016.	
On 21 April 2016, India authorised foreign investment in units issued by Real Estate Investment Trusts, Infrastructure Investment Trusts and Alternative Investment Funds to facilitating foreign investment in collective investment vehicles for real estate and infrastructure sectors.	21 April 2016	“ <i>Foreign Investment in units issued by Real Estate Investment Trusts, Infrastructure Investment Trusts and Alternative Investment Funds governed by SEBI regulations</i> ”, RBI/2015-16/377, A.P. (DIR Series) Circular No. 63.	
Following a Government decision on 20 June 2016, a Press Note issued on 24 June 2016 announced a number of changes to the framework for inward FDI in India that had last been issued in a comprehensive Consolidated FDI Policy Circular on 7 June 2016. The note announced liberalisations in several sectors, including in civil aviation, defence, pharmaceuticals, food product retail trading, broadcasting, private security agencies, single brand retail trading, and animal husbandry.	24 June 2016	Press note 5 (2016), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.	
On 27 July 2016, the Cabinet approved the raising of the foreign shareholding limit from 5% to 15% in Indian Stock Exchanges, depositories, banking and insurance companies, and commodity derivative exchanges. The measure had been announced in the Union Budget 2016-17.	27 July 2016	“Cabinet increases the limit for foreign investment in Stock Exchanges from 5% to 15%”, Government of India press release 147855, 27 July 2016.	
Also on 27 July 2016, the Cabinet decided that foreign portfolio investors are henceforth allowed to acquire shares through initial allotment. Hitherto, foreign investors were limited to acquire shares in the secondary market only.	27 July 2016	“Cabinet increases the limit for foreign investment in Stock Exchanges from 5% to 15%”, Government of India press release 147855, 27 July 2016.	
On 10 August 2016, the Cabinet approved the liberalization of rules governing foreign investment for non-banking finance companies. Foreigners are henceforth allowed to invest in NBFCs without government approval, provided that the institutions are regulated by any of the financial sector regulators.	10 August 2016	“Cabinet approves foreign investment in other Financial Services sector”, Government of India press release 148700, 10 August 2016.	
<i>Investment measures relating to national security</i>	None during reporting period.		
<i>Other developments</i>	None during reporting period.		
Indonesia			
<i>Investment policy measures</i>	On 12 May 2016, the President of Indonesia signed the new Negative Investment List (<i>Daftar Negatif Investasi - DNI</i>). The negative list sets out which sectors are open and closed for foreign investment and which conditions apply. The new list permits or increases the allowed ceiling for foreign investment in a number of sectors including tourism, film and cold storage as well as golf courses, health support services and airport support. The list also adds restrictions to foreign investment in a number of sectors or requires local partnership arrangements, in particular with MSMEs. Transitional provisions ensure that existing foreign owned companies are not affected by the closure or restrictions introduced by the new Negative Investment List.	12 May 2016	Presidential Decree Number 44 (2016).
<i>Investment measures relating to national security</i>	None during reporting period.		

Description of Measure	Date	Source
<i>Other developments</i>	None during reporting period.	
Ireland		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Israel		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Italy		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Japan		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Jordan		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	

Description of Measure	Date	Source
Korea		
<i>Investment policy measures</i>	On 16 June 2016, the Korean Ministry of Finance announced changes to caps on foreign exchange derivatives positions effective July 2016; domestic banks will be allowed to hold positions up to 40% of their capital, up from 30% previously, and foreign bank subsidiaries in Korea are allowed to hold positions of 200% of their capital, up from 150%. The Ministry also announced measures on foreign exchange derivative positions as of 2017.	Ministry of Finance press release, 16 June 2016.
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Latvia		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Lithuania		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Luxembourg		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Malaysia		
<i>Investment policy measures</i>	Effective 1 August 2016, Malaysia's Employees Provident Fund, a pension fund under the Ministry of Finance with the equivalent of over USD 170 billion under management, announced the removal of its 30% foreign fund exposure cap on investments by members. Henceforth, members are allowed to invest in unit-trust funds that are fully focussed on overseas investments, with a caveat that the funds must be recognised by the EPF.	1 August 2016
<i>Investment</i>	None during reporting period.	

Description of Measure	Date	Source
<i>measures relating to national security</i>		
<i>Other developments</i>	None during reporting period.	
Mexico		
<i>Investment policy measures</i>	On 2 September 2016, three resolutions that clarify the application of Mexico's rules on foreign investment came into effect. The <i>Resolución General por la que se determina la actualización del supuesto jurídico para la inscripción, presentación de avisos y cancelación de inscripción ante el Registro Nacional de Inversiones Extranjeras</i> clarifies the earliest date when the mandatory registration and notices of cancellation of registration in the National Foreign Investment Registry can be submitted. The <i>Resolución General por la que se establece el periodo máximo de información que deberá presentarse para la actualización ante el Registro Nacional de Inversiones Extranjeras</i> specifies the length of the period over which notices to the National Foreign Investment Registry can be required. Finally, the <i>Resolución General por la que se establece el criterio del término control, para efectos de la inversión neutra</i> defines the term "control" for the purpose of determining "neutral investments", i.e. foreign investments in Mexican companies that are not taken into account when the percentage of foreign capital in the capital stock of Mexican companies is assessed.	2 September 2016 <i>Resolución General por la que se determina la actualización del supuesto jurídico para la inscripción, presentación de avisos y cancelación de inscripción ante el Registro Nacional de Inversiones Extranjeras</i> , Federal Official Gazette 2 September 2016; <i>Resolución General por la que se establece el periodo máximo de información que deberá presentarse para la actualización ante el Registro Nacional de Inversiones Extranjeras</i> Federal Official Gazette, 2 September 2016; <i>Resolución General por la que se establece el criterio del término control, para efectos de la inversión neutra</i> , Federal Official Gazette, 2 September 2016.
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Morocco		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Netherlands		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
New Zealand		
<i>Investment policy measures</i>	None during reporting period.	

Description of Measure	Date	Source
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Norway		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Paraguay		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Peru		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Poland		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Portugal		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	

Description of Measure	Date	Source
Romania		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Russian Federation		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Saudi Arabia		
<i>Investment policy measures</i>	On 14 June 2016, Saudi Arabia announced the decision to increase the ceiling for foreign investment in wholesale and retail trade sector from 75% to 100%, under certain conditions. For example, foreign firms will have to invest at least SAR 200 million in the first five years after obtaining a licence.	14 June 2016 "Council of Ministers Approves 100 Percent Ownership in the Trading Sector", Saudi Arabian General Investment Authority news release, 14 June 2016
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Singapore		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Slovenia		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	

Description of Measure	Date	Source
Slovak Republic		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
South Africa		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	On 28 April 2016, an explanatory summary of the International Arbitration Bill, 2016, was published in the South African Government Gazette. The bill, which seeks to incorporate the UNCITRAL Model Law on International Commercial Arbitration into South African law and to provide anew for the recognition and enforcement of foreign arbitral awards; to repeal the Recognition and Enforcement of Foreign Arbitral Awards Act, 1977 had not been read in parliament at the end of the reporting period.	28 April 2016 International Arbitration Bill, 2016
Spain		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Sweden		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
Switzerland		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	

Description of Measure	Date	Source
Tunisia		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	On 17 September 2016, Tunisia’s parliament adopted a new investment code. ²	
Turkey		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	
United Kingdom		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	<p>On 15 September 2016, the United Kingdom government announced that ministers will impose a new legal framework for future foreign investment in Britain’s critical infrastructure, which will include nuclear energy.</p> <p>The U.K government also stated that it would be able to prevent the sale of EDF’s controlling stake prior to the completion of construction, without the prior notification and agreement of ministers, an arrangement to be confirmed in an exchange of letters between EDF and the U.K government. EDF, a French, government backed company, will build the plant.</p> <p>With respect to the new legal framework envisaged for future foreign investment in British critical infrastructure, the U.K. government states that it will “take a special share in all future nuclear new build projects. This will ensure that significant stakes cannot be sold without the Government’s knowledge or consent”. Further, the “Office for Nuclear Regulation will be directed to require notice from developers or operators of nuclear sites of any change of ownership or part-ownership. This will allow the Government to advise or direct the ONR to take action to protect national security as a result of a change in ownership.”</p> <p>More generally with respect to future legislation, the government states that “[T]here will be reforms to the Government’s approach to the ownership and control of critical infrastructure to ensure that the full implications of foreign ownership are scrutinised for the purposes of national security. This will include a review of the public</p>	<p>15 September 2016</p> <p>“Government confirms Hinkley Point C project following new agreement in principle with EDF”, United Kingdom Government press release, 15 September 2016.</p>

² An authentic version of the text of the law was not publicly available when the preparation of this document was finalised.

Description of Measure	Date	Source
<p>interest regime in the Enterprise Act 2002 and the introduction of a cross-cutting national security requirement for continuing Government approval of the ownership and control of critical infrastructure.”</p>		
United States		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
<i>Other developments</i>	<p>On 30 September 2016, the Federal Communications Commission released a report and order that simplifies the foreign ownership filing and review process for broadcast licensees. While the rule under which <i>direct</i> ownership of a broadcast station is restricted to U.S. citizens or to entities in which non-U.S.-citizens own no more than 20%, did not change, rules on indirect ownership were adjusted by extending the rules developed for foreign ownership reviews for common carrier and certain aeronautical licensees to the broadcast context. The change also provides a reformed framework for a publicly traded broadcast or common carrier licensee or controlling U.S. parent to ascertain its foreign ownership.</p>	<p>30 September 2016 FCC 16-128, Federal Communications Commission</p>
European Union		
<i>Investment policy measures</i>	None during reporting period.	
<i>Other developments</i>	None during reporting period.	

ANNEX: METHODOLOGY – COVERAGE, DEFINITIONS AND SOURCES

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

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

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

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

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

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

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