

22 November 2018

# Twentieth Report on G20 Investment Measures<sup>1</sup>

When the global financial crisis broke out in 2008, G20 Leaders committed to resisting protectionism in all its forms at their 2008 Summit in Washington. At their subsequent summits in London, Pittsburgh, Toronto, Seoul, Cannes, Los Cabos, St Petersburg, Brisbane, Antalya, Hangzhou and Hamburg, they reaffirmed this pledge and called on WTO, OECD, and UNCTAD to monitor and publicly report on their trade and investment policy measures.

The present document is the twentieth report on investment and investment-related measures made in response to this call.<sup>2</sup> It has been prepared jointly by the OECD and UNCTAD Secretariats and covers investment policy and investment-related measures taken between 16 May 2018 and 15 October 2018.

## I. Development of Foreign Direct Investment (FDI) flows

Global FDI flows decreased by more than 40 percent to around USD 450 billion in the first half of 2018 compared to the same period of 2017.<sup>3</sup> This decrease was largely due to large repatriations of earnings by US parent companies from their foreign affiliates as a result of the corporate tax reform in the United States.<sup>4</sup> In the first half of 2018 compared to first half of 2017, FDI inflows to developed economies fell by more than 50% while inflows to developing economies were more stable. The largest sources of FDI

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<sup>1</sup> 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).

<sup>2</sup> 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.

<sup>3</sup> See OECD, [FDI in Figures](#) and UNCTAD's [Global Investment Trend Monitor](#). For further information and analysis on trends on FDI inflows see UNCTAD, [World Investment Report 2018: Investment and New Industrial Policies, June 2018](#).

<sup>4</sup> 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](#).

worldwide in the first half of 2018 were Germany, Japan, France, China, and the Netherlands. The United States, which usually is the largest source of FDI, recorded negative outward investment mostly due to the tax reform.

## II. Investment policy measures

### 1. Foreign direct investment-specific measures

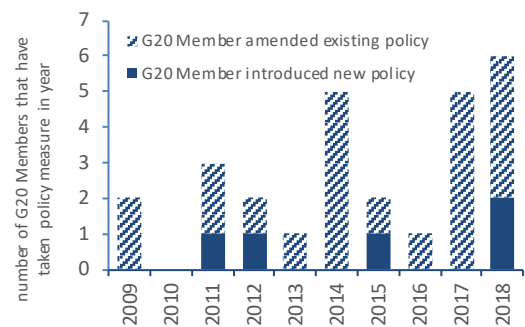
Six G20 Members have taken measures that are specific to FDI in the reporting period. These were Australia, Canada, China, India, Indonesia, and South Africa. Some of these measures liberalised foreign investment (relaxations in air transport in Canada and new negative lists issued by China that reduce the number of sectors in which restrictions for foreign investors apply). In some other cases, specific investment regulations were clarified (India) or bureaucratic burden diminished (Indonesia). In Australia, levies were increased for real-estate acquisitions or ownership by foreigners. In South Africa, the new Promotion of Investment Act came into effect, with the objective to substitute investment treaty protection by national legislation.

A detailed description of the measures is available in [Annex 1](#) of this report.

### 2. Investment measures related to national security

In the reporting period, three G20 Members changed their investment policies related to national security; such policies seek to address potential threats to national security that stem from international investment. All the three G20 Members – Russian Federation, United Kingdom and United States – already had mechanisms to manage threats to their national security that stem from international investment. While the Russian Federation relaxed review procedures in specific cases, the United Kingdom and the United States expanded the scope of existing review mechanisms.

The changes are part of a broader and sustained trend to introduce or enhance investment policies motivated by national security concerns. The [previous report](#) in this series had noted that three G20 Members had introduced such policies (Australia, China and Italy) in the reporting period running from mid-October 2017 to mid-May 2018, and the [report covering mid-May 2017 to mid-October 2017](#) had likewise identified three G20 Members who had taken such measures (then Germany, Japan and the Russian Federation). Further policy changes are planned in France, the United Kingdom and the European Union and will be reported when they come into effect.



Source: OECD/UNCTAD monitoring reports on G20 investment policy measures 2009-2018

The attention to investment policies related to national security extends beyond G20 membership.<sup>5</sup> A series of other countries are studying the merits of explicit rules in the area (see insert on the evolution of policies in G20 Members over the past years). While significant variance continues to characterise this policy area, some similarities emerge. They include a broadening of the scope of transactions that are subject to review and a lowering of trigger thresholds to also include smaller investments and stakes.<sup>6</sup>

While countries have the right to safeguard their essential security interests, there is a latent risk that such policies are designed or implemented for purposes that go beyond genuine national security concerns.

<sup>5</sup> Latvia and Lithuania, for instance, have introduced new or amended existing policies in this area recently, Hungary and Norway have passed legislation that is scheduled to come into effect in early 2019, and the Netherlands has such legislation under preparation.

<sup>6</sup> “[Current trends in investment policies related to national security and public order](#)”, OECD, November 2018.

Agreed policy disciplines, such as the [G20 Guiding Principles for Global Investment Policymaking](#)<sup>7</sup> and the [Guidelines for Recipient Country Investment Policies relating to National Security \(2009\)](#), combined with peer monitoring of policy design and implementation can play an important role in managing the risk of unwarranted application of such policies under the guise of national security. Greater transparency and respect of internationally agreed corporate governance principles by certain categories of sensitive investors, such as the [OECD Guidelines on Corporate Governance of State-Owned Enterprises](#) could further alleviate the national security concerns of host States and thus enable foreign investment in sensitive areas.<sup>8</sup> UNCTAD's Investment Policy Framework for Sustainable Development (IPFSD) also provides guidance.<sup>9</sup>

### 3. *Investment policy measures not specific to FDI*<sup>10</sup>

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

G20 Members have expressed interest in better understanding and articulating the linkages between capital account openness, growth and resilience. Appropriate disciplines and policy instruments, such as those included in the [OECD Code of Liberalisation of Capital Movements](#), can help ensure open and orderly capital movements that are needed to support inclusive growth and sustainable development.

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”.<sup>11</sup> 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.<sup>12</sup> Argentina, Brazil and South Africa have requested to adhere to the instrument. The first peer reviews of applicants' positions of Brazil and South Africa under the Code were held in October 2018. In addition, a multilateral conference on the OECD Code was held in Brazil on advancing its convergence to the Codes in October 2018, and seminars on the Code were held in the Russian Federation and South Africa in the first half of 2018.

The current review of the [Code of Liberalisation of Capital Movements](#) has entered its decision-making phase, now with a view of drafting amendments to the Code and/or the [User's Guide](#). Non-adhering G20 members contributed importantly to the diagnostic discussions, testifying of the great value that G20 Members attach to international cooperation on disciplines in this area.

The OECD continued to contribute to discussions in the G20 Finance track, recently [reporting](#) to the G20 Finance Ministers and Central Bank Governors on developments related to the Code, as well as providing a [note](#) to the International Financial Architecture Working Group on the treatment under the Code of illustrative examples of capital flow management measures.

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<sup>7</sup> Endorsed in September 2016 at the G20 Leaders Summit in Hangzhou, China.

<sup>8</sup> “[State-owned enterprises, international investment and national security: The way forward](#)”, OECD *insights*, 19 July 2017.

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

<sup>10</sup> 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.

<sup>11</sup> *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.

<sup>12</sup> [Communiqué of the G20 Finance Ministers and Central Bank Governors Meeting, Baden-Baden, Germany, 17-18 March 2017](#), paragraph 4.

#### 4. *International Investment Agreements*

During the reporting period, G20 Members concluded four new bilateral investment treaties (BITs)<sup>13</sup> and one new “other IIA”:<sup>14</sup> The Agreement Between the European Union and Japan for an Economic Partnership (signed on 17 July 2018). As of 15 October 2018, there were 2,956 BITs and 381 “other IIAs”. During the reporting period, the termination of seven BITs concluded by Ecuador with G20 Members became effective.<sup>15</sup> Data on G20 Members’ IIAs is available in Annex 3.

### III. Overall policy implications

On the face of this 20<sup>th</sup> report on G20 investment measures, the 5-month reporting period from mid-May 2018 to mid-October 2018 shows a low number of investment policy measures. This finding stands in contrast to the tense trade policy environment.

G20 Members paid significant attention to investment policies related to national security concerns, continuing a trend in and beyond G20 Membership in the past year. These policies are driven by different dynamics and so far show no evidence of overshooting their legitimate declared intent. Nonetheless, the increase in national security related measures in recent times and the fact that several countries are preparing more such measures underlines the importance of multilateral dialogue on good policy design, as is already taking place at the OECD and UNCTAD. Along with monitoring and transparency efforts, this contributes to keeping such policies closely tailored to purpose.

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<sup>13</sup> “Agreement between the Government of the Republic of Indonesia and the Government of the Republic of Singapore on the Reciprocal Promotion and Protection of Investments” (signed on 11 October 2018); “Agreement between the Government of the Republic of Turkey and the Government of the Republic of Zambia on the Reciprocal Promotion and Protection of Investments” (signed on 28 July 2018); “Agreement between the Government of the Republic of Turkey and the Government of the Republic of Lithuania on the Reciprocal Promotion and Protection of Investments” (signed on 28 August 2018); and “Agreement between the Government of the Republic of Turkey and the Government of the State of Palestine concerning the Reciprocal Promotion and Protection of Investments” (signed on 5 September 2018).

<sup>14</sup> “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.

<sup>15</sup> The BITs between Ecuador and Argentina (termination became effective on 18 May 2018); Ecuador and Canada (termination became effective on 19 May 2018); Ecuador and China (termination became effective on 19 May 2018); Ecuador and France (termination became effective on 18 May 2018); Ecuador and Germany (termination became effective on 18 May 2018); Ecuador and United Kingdom (termination became effective on 18 May 2018); and Ecuador and United States (termination became effective on 18 May 2018).

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

	Description of Measure	Date	Source
<b>Argentina</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>Australia</b>			
<i>Investment policy measures</i>	<p>Some Australian states introduced or increased surcharges on foreign owners and acquirers of residential real estate. In the reporting period, changes came into force for the Australian Capital Territory (ACT), Queensland and Tasmania:</p> <ul style="list-style-type: none"> <li>• Effective 1 July 2018, a land tax surcharge of 0.75% on assets located in ACT is applicable to foreigners – individuals who are not nationals or permanent residents of Australia.</li> <li>• Queensland increased the ‘Additional Foreign Acquirer Duty’ for foreign real estate acquirers to 7% as of 1 July 2018, up from 3% previously.</li> <li>• Tasmania introduced a 3% foreign investor duty surcharge for foreign real estate acquirers as of 1 July 2018.</li> </ul>	1 July 2018	<p>Regarding ACT: <a href="#">Land Tax Amendment Act 2018</a>.</p> <p>Regarding Queensland: <a href="#">Revenue Legislation Amendment Act 2018</a>.</p> <p>Regarding Tasmania: <a href="#">Duties Act 2001, part 3A</a>.</p>
	<p>On 25 September 2018, the Australian government issued revised guidelines on the application of the requirement for an open and transparent sale process for foreign purchases of agricultural land, a requirement that had been <a href="#">made explicit on 1 February 2018</a>. The requirement has been refined to only apply to sales of agricultural land that are intended to be used for a primary production business or residential development. The revised guidelines also introduced further exceptions, including leasehold interests or licences – except where they have freehold characteristics, and allows for alternative means to ensure participation by Australian bidders in land sales.</p>	25 September 2018	<p>“<a href="#">Revised guidance – open and transparent sale process requirement</a>”, Australian Government, 26 September 2018;</p> <p><a href="#">Guidance note 17</a>, FIRB, 25 September 2018;</p> <p><a href="#">Guidance note 21</a>, FIRB, 25 September 2018.</p>
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>Brazil</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>Canada</b>			
<i>Investment policy measures</i>	<p>On 23 May 2018, the Transportation Modernization Act received royal assent. Effective 27 June 2018, it amends the <a href="#">Canada Transportation Act</a> and its rules on Canadian ownership and control in fact for Canadian air carriers. Henceforth, the ceiling for foreign ownership has been set at 49%, up from 25%, subject to restrictions: a single foreigner may not own or control more than 25% of the voting interests in a Canadian air carrier, and foreign air carriers may not own more than 25% of the voting interest</p>	23 May 2018	<p><a href="#">Canada Transportation Act; Bill C-49</a>.</p> <p>“<a href="#">Minister Garneau’s statement on the Transportation Modernization Act receiving Royal Assent (23 May 2018)</a>”, Government of Canada, 23 May 2018.</p>

	Description of Measure	Date	Source
<i>Investment measures relating to national security</i>	<p>in a Canadian carrier. The Canadian Minister of Transport had <a href="#">announced</a> the planned change in November 2016.</p> <p>None during reporting period.</p>		
<b>P.R. China</b>			
<i>Investment policy measures</i>	<p>On 28 July 2018, the <a href="#">Special Administrative Measures for Foreign Investment (Negative List) (2018 Edition)</a>, issued by the Ministry of Commerce and the National Development and Reform Commission (“NDRC”) came into effect, replacing sections of the <a href="#">2017 Catalogue of Industries for Guiding Foreign Investment, which was promulgated on 28 June 2017</a>. Compared to the <a href="#">2017 entries</a>, the 2018 list relaxes or removes restrictions on foreign investments in several areas. The document also sets out plans and timelines for planned further relaxations of rules on foreign investment in specific sectors such as vehicle manufacturing, securities and futures.</p>	28 July 2018	<a href="#">Special Administrative Measures for Foreign Investment (Negative List) (2018 Edition)</a> , Ministry of Commerce/National Development and Reform Commission.
	<p>A new negative list for foreign investment in China’s currently 11 Pilot Free Trade Zones became effective 30 July 2018. The list, issued by NDRC and the Ministry of Commerce, further reduces the number of sectors in which restrictions for foreign investors apply. The document, officially called “<a href="#">Special Administrative Measures for Foreign Investment Access in the Pilot Free Trade Zone (Negative List) (2018 Edition)</a>”, allows broader foreign access in sectors such as the seed industry, oil and gas, mineral resources, value-added telecommunications, and culture. New measures on value-added telecommunications had been trialled in the Shanghai Pilot FTZ prior to being applied more broadly to all PFTZs.</p>	30 July 2018	<a href="#">Special Management Measures for Foreign Investment Access in the Free Trade Zone (Negative List) (2018 Edition)</a>
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>France</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>Germany</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>India</b>			
<i>Investment policy measures</i>	On 20 June 2018, India issued clarifications on FDI in food product retail trading by requiring that the business of food product retailing be kept distinct and separate from other businesses of the investee company.	20 June 2018	“ <a href="#">FDI Policy Clarification on Food Product Retail Trading</a> ”, Department of Industrial policy and Promotion, Ministry of Commerce and Industry, 20 June 2018.

	Description of Measure	Date	Source
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>Indonesia</b>			
<i>Investment policy measures</i>	On 21 June 2018, Indonesia issued Government Regulation No. 24 of 2018 on Electronic Integrated Business Licensing Services (GR No. 24/2018). The change abolishes approval from BKPM (Badan Koordinasi Penanaman Modal, Indonesian Investment Coordination Board) for many corporate actions involving a foreign investment company (e.g. change of shareholders, change of capital structure and/or conversion of a domestic company into a foreign investment company).	21 June 2018	Badan Koordinasi Penanaman Modal, <a href="#">Pernyataan Pers Menteri Koordinator Bidang Perekonomian RI: Kini, Izin Baru Akan Diproses Melalui OSS (21 June 2018)</a> .
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>Italy</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>Japan</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>Republic of Korea</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>Mexico</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>Russian Federation</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	On 12 June 2018, the <a href="#">Federal Law of May 31, 2018 N 122-FZ "On Amendments to Certain Legislative Acts of the Russian Federation regarding the clarification of the concept 'foreign investor'</a> came into effect. The new rules reframe the application of rules under which foreign	12 June 2018	<a href="#">Federal Law of May 31, 2018 N 122-FZ "On Amendments to Certain Legislative Acts of the Russian Federation regarding</a>

	Description of Measure	Date	Source
	investment in certain sectors is subject to review, set out in the <i>Law on the Procedure for Foreign Investment in Business Entities of Strategic Importance for National Defence and State Security</i> . Nominally foreign entities controlled by Russian residents will no longer be considered as foreign investors, and review procedures and restrictions have been relaxed provided that the acquirer of an asset discloses their beneficial ownership.		<a href="#">the clarification of the concept 'foreign investor'".</a>
<b>Saudi Arabia</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>South Africa</b>			
<i>Investment policy measures</i>	On 13 July 2018, the <a href="#">Protection of Investment Act</a> came into effect with the <a href="#">publication of the presidential proclamation</a> on the commencement of the Act. The Act, which had been adopted and assented to in 2015, has been passed following the termination by South Africa of a series of investment treaties that the country had concluded in the mid-1990s.	13 July 2018	<a href="#">Protection of Investment Act</a>
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>Turkey</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
<b>United Kingdom</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	<p>On 11 June 2018, the United Kingdom brought two amendments to the Enterprise Act 2002 into force. These amendments change the conditions for the application of the UK's reviews of inward investment to manage national security concerns. The changes <a href="#">lower the turnover test threshold</a> for mergers and acquisitions from GBP 70 million to GBP 1 million in three sectors:</p> <ul style="list-style-type: none"> <li>• the development or production of items for military or military and civilian use ('dual use');</li> <li>• the design and maintenance of aspects of computing hardware; and</li> <li>• the development and production of quantum technology.</li> </ul> <p>The <a href="#">share of supply test</a> – an alternative criterion that could trigger a review – was likewise amended to also cover situations where the acquisition target already supplies 25% of the UK market in its sector; previously, only situations where the acquisition created a 25% supply position or led to an increase of the market share in the sector in the UK was covered.</p>	11 June 2018	<p><a href="#">Enterprise Act 2002 (Share of Supply Test) (Amendment) Order 2018, SI 2018/578;</a></p> <p><a href="#">Enterprise Act 2002 (Turnover Test) (Amendment) Order 2018, SI 2018/593;</a></p> <p><a href="#">"Government upgrades national security investment powers"</a>, U.K Government news release, 24 July 2018;</p> <p>Notification to the OECD, <a href="#">DAF/INV/RD(2018)7</a>, 27 September 2018.</p>



	Description of Measure	Date	Source
<b>United States</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	On 13 August 2018 changes to the foreign investment review process under the Committee for Foreign Investment in the United States (CFIUS) came into effect. The changes, set out in sections 1701 and following of the <a href="#">Foreign Investment Risk Review Modernization Act (FIRRMA)</a> expand the scope of covered transactions to address growing national security concerns and extend the timeline for CFIUS reviews. On 11 October 2018, an <a href="#">Interim Rule</a> brought further clarifications on the process and procedures. Further changes – such as the expansion of CFIUS jurisdiction and filing obligations – will come into effect when implementing regulations have been adopted or within 18 months from the entry into force of FIRRMA.	13 August 2018	<a href="#">Foreign Investment Risk Review Modernization Act (FIRRMA)</a> Notification to the OECD <a href="#">DAF/INV/RD(2018)8</a> , 4 October 2018.
<b>European Union</b>			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		

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

*Reporting period.* The reporting period of the present document is from 16 May 2018 to 15 October 2018. 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 May 2018 to 15 October 2018)  
– Reports on individual economies<sup>16</sup>**

Description of Measure	Date	Source
<b>Argentina</b>		
None during reporting period.		
<b>Australia</b>		
None during reporting period.		
<b>Brazil</b>		
None during reporting period.		
<b>Canada</b>		
None during reporting period.		
<b>P.R. China</b>		
On 3 August 2018, the People’s Bank of China (PBOC) imposed a 20% reserve requirement for onshore foreign exchange forward contracts. Such a requirement, had already been in place since October 2015 until its temporary abolition on 11 September 2017.	3 August 2018	<a href="#">“The PBC Decided to Adjust the Risk Reserve Requirement on Financial Institutions’ FX Forward Sales to 20 Percent”</a> , PBOC news release, 3 August 2018.
<b>France</b>		
None during reporting period.		
<b>Germany</b>		
None during reporting period.		
<b>India</b>		
On 15 June 2018, The Reserve Bank of India allowed greater flexibility in the application of rules on foreign portfolio investors’ investment in debt.	15 June 2018	<a href="#">“Investment by Foreign Portfolio Investors (FPI) in Debt – Review”</a> , RBI/2017-18/199 A.P. (DIR Series) Circular No.31, 15 June 2018.
On 19 September 2018 and 3 October 2018, India relaxed several aspects of its External Commercial Borrowing (ECB) policies. In particular, the maturity periods for ECB for companies in the manufacturing sector were shortened from 3 years to 1 year; Indian Banks were given greater leeway to underwrite Rupee denominated bonds issued overseas; minimum maturities for ECB for Oil Marketing Companies were likewise shortened and individual ceilings lifted.	19 September 2018; 3 October 2018	<a href="#">“External Commercial Borrowings (ECB) Policy – Liberalisation”</a> , RBI/2018-2019/54 A.P. (DIR Series) Circular No.10, 19 September 2018; <a href="#">“External Commercial Borrowings (ECB) Policy – Liberalisation”</a> , RBI/2018-2019/54, A.P. (DIR Series) Circular No.10, 3 October 2018.
<b>Indonesia</b>		
None during reporting period.		

<sup>16</sup> This inventory has been established by the OECD Secretariat under the responsibility of the Secretary-General of the OECD.

Description of Measure	Date	Source
<b>Italy</b>		
None during reporting period.		
<b>Japan</b>		
None during reporting period.		
<b>Republic of Korea</b>		
None during reporting period.		
<b>Mexico</b>		
None during reporting period.		
<b>Russian Federation</b>		
On 1 August 2018, the Central Bank of the Russian Federation changed the reserve requirements. The changes widen the differential between requirements for Rouble and foreign currency denominated liabilities.	1 August 2018	<a href="#">Required reserve ratios, Central Bank of the Russian Federation, undated.</a>
<b>Saudi Arabia</b>		
None during reporting period.		
<b>South Africa</b>		
None during reporting period.		
<b>Turkey</b>		
On 15 August 2018, the <a href="#">Turkish banking regulator (BDDK) announced</a> a reduction of the limit on the amount of currency swap and similar products to 25% of banks' capital, down from 50% previously, in order to reduce shorting of the lira.	15 August 2018; 17 August 2018	
On 17 August 2018, the <a href="#">BDDK announced</a> that it would also include lira forward, option and other derivatives in its limits on banks' foreign exchange transactions.		
<b>United Kingdom</b>		
None during reporting period.		
<b>United States</b>		
None during reporting period.		
<b>European Union</b>		
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 May 2018 to 15 October 2018. 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<sup>17</sup>

	BITs			Other IIAs			Total IIAs as of 15 October 2018
	Concluded between 16 May 2018 and 15 October 2018	Effectively terminated between 16 May 2018 and 15 October 2018	As of 15 October 2018	Concluded between 16 May 2018 and 15 October 2018	Effectively terminated between 16 May 2018 and 15 October 2018	As of 15 October 2018	
Argentina		1	55			18	73
Australia			17			20	37
Brazil			21			18	39
Canada		1	31			21	52
China		1	127			22	149
France		1	103			69	172
Germany		1	132			69	201
India			61			13	74
Indonesia	1		43			17	59
Italy			84			68	152
Japan			28	1		20	48
Republic of Korea			94			20	114
Mexico			32			16	48
Russian Federation			79			6	85
Saudi Arabia			24			13	37
South Africa			39			11	50
Turkey	3		109			21	130
United Kingdom		1	105			68	173
United States		1	45			68	113
European Union				1		68	68

Source: UNCTAD's IIA Navigator (<http://investmentpolicyhub.unctad.org/IIA>).

<sup>17</sup> The total number of IIAs has been revised as a result of retroactive adjustments to UNCTAD's IIA Navigator (<http://investmentpolicyhub.unctad.org/IIA>).

