

INVESTMENT POLICY MONITOR

Nº. 14
October 2015

A PERIODIC REPORT BY THE UNCTAD SECRETARIAT

HIGHLIGHTS

Twenty-five countries took forty one investment policy measures in the review period (June 2015–September 2015). Liberalisation and promotion measures relating to numerous industries were predominant, with developing countries and transition economies taking the lead. All investment promotion measures granted tax incentives for investments or facilitated investment procedures. New investment restrictions for foreign investors were mainly based on strategic or national security considerations.

The universe of international investment agreements (IIAs) continues to expand, with intensified efforts at the regional and megaregional levels (e.g. the conclusion of negotiations for the Trans-Pacific Partnership). During the reporting period, countries concluded seven IIAs, including four bilateral investment treaties (BITs) and three “other IIAs”.

New treaties continue to include provisions safeguarding the right to regulate for sustainable development objectives, as well as other elements mentioned in UNCTAD’s Roadmap for IIA Reform and in UNCTAD’s updated Investment Policy Framework for Sustainable Development. Among others, this includes clauses to preserve the right to regulate (including general exceptions, definition of indirect expropriation and denial of benefits clauses) and refinements to investor-State dispute settlement (ISDS) (including a time limit for the filing of claims and allowing for *amicus curiae* submissions in the proceedings).

All of this is happening against the background of a growing recognition, by all stakeholders, that there is a pressing need for systematic reform of the global IIA regime.

An intensified policy discourse on the role of IIAs in harnessing foreign direct investment (FDI) for sustainable development is also underway in a number of international fora. Examples include the discussions on the role of IIAs in the Financing for Development (FfD) process, for reaching the Sustainable Development Goals (SDGs) or for the promotion and protection of Human Rights.

While countries’ individual reform efforts can help strengthen the sustainable development dimension of their IIA networks, they also carry the risk of further fragmentation of the global IIA regime. Only a common approach will deliver a coherent IIA regime in which stability, clarity and predictability help achieve the objectives of all stakeholders: to effectively harness international investment relations for the pursuit of sustainable development.

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A. National investment policies

As in previous review periods, the vast majority of new investment policy measures aimed at creating more favourable investment conditions (figure 1). In total, 41 measures were taken by 25 countries (table 1). Investment liberalization and promotion measures were adopted in numerous important sectors and industries, including air transportation, telecommunication and e-commerce. New investment restrictions for foreign investors were mainly based on strategic and national security considerations, such as the adoption of new rules and mechanisms for the approval of FDI in strategic national economic sectors, or the application of existing rules to the real estate sector.

The share of investment liberalization and promotion measures taken between January and September 2015 stands at 85 per cent.

Figure 1: Annual changes in national investment policies, 2000–September 2015

Source: UNCTAD.

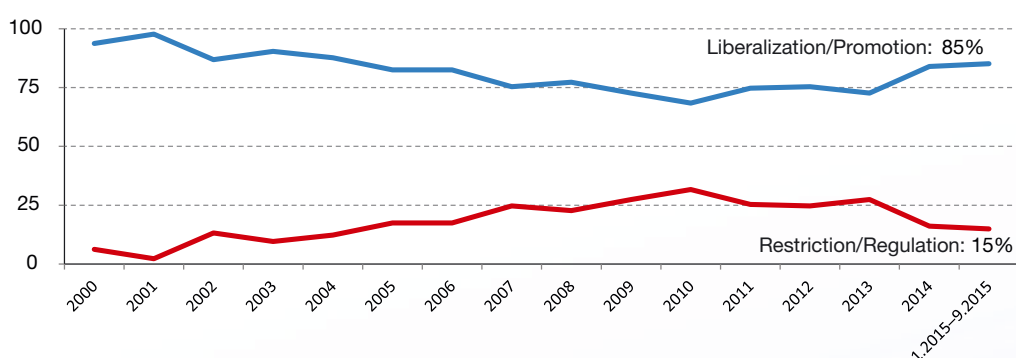


Table 1. Summary table of national investment policy measures adopted between 1 June 2015 and 30 September 2015

	Entry (21)	Operational treatment (8)	Promotion Facilitation (8)	General business climate (8)
Algeria				1
Angola (*)	1		2	
Argentina	1			
Australia				1
Bolivia, Plurinational State of		1		
Chile (*)		1	1	
China	4	2		
Congo, Democratic Republic of (*)	1			1
Egypt				1
France	1			
Greece	1			
India	4	1		
Indonesia			1	
Korea, Republic of		1		
Maldives	1			
New Zealand	1			
Poland	1			
Portugal	3		1	1
Qatar				1
Russian Federation			2	
Rwanda (*)		1	1	
Saudi Arabia	1			
Spain				1
Ukraine				1
Viet Nam	1	1		

Source: UNCTAD.

* Measures are double-counted because they related to both types

1. Entry/Establishment of investment

Thirteen countries - *Angola, Argentina, China, Democratic Republic of Congo, France, Greece, India, Maldives, New Zealand, Poland, Portugal, Saudi Arabia and Viet Nam* - adopted new policy measures relating to the entry and establishment of foreign investors. The majority of them relaxed restrictions on foreign ownership or opened up new business opportunities.

Among the most noteworthy measures are:

- *Argentina* enacted a law to require the government to get approval in Congress to sell a State's stake in Argentinian companies.
- *China* allowed full foreign ownership of e-commerce businesses, authorized foreign investors to set up bank card clearing companies and loosened restrictions of foreign investment in the real estate market. It also adopted a National Security Law which allows the State to establish, inter alia, security reviews of foreign commercial investment.
- *France, Greece and Portugal* privatized a number of companies and infrastructures in the transportation sector.
- *India*, by introducing a composite cap, abolished the sub-ceilings between various forms of foreign investment, such as foreign direct investment (FDI), portfolio, non-resident Indian investments and venture capital. It permitted FDI in the activity of White Label ATM up to 100 per cent under the automatic route and broadened the scope of eligible capital instruments. The country also increased the thresholds of inward FDI projects that require prior approval.
- *Maldives* allowed foreign ownership of land in the country for the first time.
- *New Zealand* blocked a large-scale land purchase of a local farm by a foreign investor. The proposed land purchase was found to involve sensitive national assets which did not result in substantial benefit for New Zealand.
- *Viet Nam* removed the 49 per cent cap on foreign ownership of public companies, while maintaining preexisting restrictions for certain sectors.

2. Operational treatment of investment

Seven countries - *the Plurinational State of Bolivia, Chile, China, India, Republic of Korea, Rwanda and Viet Nam* - took measures with respect to the treatment of investors after establishment in the host country. For example:

- *The Plurinational State of Bolivia* adopted a new conciliation and arbitration law.
- *China* allowed foreign-invested enterprises to convert the foreign exchange capital into RMB at any time.
- *The Republic of Korea* allowed foreign companies to hire more non-Korean employees during the first two years of operations.

3. Promotion/Facilitation of investment

Six countries - *Angola, Chile, Indonesia, Portugal, the Russian Federation and Rwanda* - adopted measures for the promotion or facilitation of investment. On the whole, countries granted tax incentives for investments or facilitated investment procedures. For instance:

- *Angola* enacted a new Private Investment Law to give tax incentives and reduce the bureaucratic procedures for foreign investors (regardless of the investment amount) and domestic investors (with a cut-off minimum capital amount).
- *Chile* introduced a new Framework Law for Foreign Investment. The new law creates a Foreign Investment Promotion Agency, and guarantees investors access to the formal foreign exchange market, the free remittance of capital and

earnings, protection against arbitrary discrimination and exemption from sales and service tax on imports of capital goods that comply with certain requirements.

- *Indonesia* expanded industry sectors eligible for tax holidays and simplified the relevant procedures.
- *The Russian Federation* designated Vladivostok as a free port and approved the establishment of five areas of priority socio-economic development in the Far Eastern Federal District.

4. General business climate

Eight countries – *Algeria, Australia, Democratic Republic of Congo, Egypt, Portugal, Qatar, Spain* and *Ukraine* – undertook measures affecting the general business climate. The majority of these measures relates to reducing the corporate tax burden or streamlining the registration process. For example:

- *Algeria* reduced the corporate tax rates for companies producing goods, while increasing it for the companies importing goods for resale in Algeria.
- *Egypt* lowered the top tax rate on companies and individuals and suspended a 10 per cent capital gains tax for two years.
- *Qatar* introduced a new Commercial Companies Law which dropped the minimum share capital of liability companies and created a “one-stop shop” for licencing.

B. International investment policies

1. IIAs signed

During the reporting period, four bilateral investment treaties (BITs) were signed:¹ the BITs between *Japan* and *Oman*,² *Mauritius* and *Zambia*,³ *China* and *Turkey*⁴ and between *Mauritius* and the *United Arab Emirates*.⁵ This brought the total number of BITs to over 2,930 by the beginning of October 2015.⁶

The *Japan-Oman* BIT includes post-establishment national treatment (NT) and most-favoured nation (MFN) treatment, protection against expropriation, fair and equitable treatment (FET), a free-transfer-of-funds clause subject to detailed exceptions as well as an investor-State dispute settlement (ISDS) mechanism. The agreement also contains sustainable development elements related to the protection of health, safety and the environment. The BITs between *China* and *Turkey*, and *Mauritius* and the *United Arab Emirates* and *Zambia* are expected to include all the typical investment protection provisions.

In addition to BITs, three other international investment agreements (“other IIAs”) were signed during the reporting period: two free trade agreements (FTAs) with investment

¹ The texts of three BITs were not available at the time of writing the report.

² Signed on 19 June 2015.

³ Signed on 14 July 2015.

⁴ Signed on 29 July 2015.

⁵ Signed on 20 September 2015.

⁶ See also UNCTAD’s database on IIAs, available at <http://investmentpolicyhub.unctad.org/IIA>. The “IIA Navigator” contains the texts of over 2,300 BITs, 330 “other IIAs” and 65 model agreements, dating from 1959 to the present day, making it the world’s most comprehensive collection of IIA texts. Information in the “Navigator” is continuously adjusted as a result of verification and comments from Member States. A treaty is included in UNCTAD’s IIA data once it is formally entered into by the parties (i.e. once the IIA is “concluded”). Treaties whose negotiations have been concluded, but which have not been signed, are not counted. A treaty is excluded from IIA statistics once its termination becomes effective. The impact of the “survival clause” on existing investments is disregarded for the counting of treaties. In cases of renegotiations, where countries conclude a new IIA that replaces an earlier IIA between them, only one - and not both - of the treaties between the same parties is counted. Depending on the situation, the counted treaty can be the “old” one, if this one remains in force pending the ratification of the newly concluded IIA.

chapters (between *Australia* and *China*⁷ and between *China* and the *Republic of Korea*⁸) and one Cooperation and Facilitation Investment Agreement (CFIA) (between *Brazil* and *Malawi*⁹). In all, this brings the number of “other IIAs” to over 350, and the total number of IIAs to over 3,280 at the beginning of October 2015.

The investment chapter of the FTA between *Australia* and *China* contains some of the typical substantive investment provisions covering both liberalization and protection issues, and procedural provisions establishing an ISDS mechanism. The chapter contains provisions on NT and MFN treatment, but omits investment protections such as FET, an expropriation provision, or a free-transfer-of-funds clause. MFN treatment is applicable to both pre- and post-establishment stages for both parties to the agreement. NT is applicable to both pre- and post-establishment stages for Chinese investors and their investments in Australia, but only to the post-establishment stage for Australian investors and their investments in China. The chapter also contains elements that aim at preserving regulatory space for public policies of host countries and/or at minimizing exposure to investment arbitration. These include a list of general exceptions, and refinements to the ISDS mechanism.¹⁰ The FTA provides a future work programme, envisaging the review of the investment chapter and the launching of negotiations of a comprehensive investment chapter, which would include consideration of the existing *Australia-China* BIT.¹¹

The FTA between *China* and the *Republic of Korea* covers investment protection issues. Among others, it includes provisions on NT and MFN treatment, expropriation, FET, performance requirements (incorporating the World Trade Organization (WTO) Agreement on Trade-Related Investment Measures (TRIMs) in the FTA), a free-transfer-of-funds clause, as well as an ISDS mechanism. The investment chapter also contains sustainable development features and/or elements aimed at preserving the parties’ right to regulate. Sustainable development features include a reference to sustainable development, social development and environmental protection in the preamble, and a “not lowering environmental standards” clause. Elements that aim at preserving regulatory space for public policies of host countries and/or at minimizing exposure to investment arbitration include a definition of indirect expropriation, a carve-out of non-discriminatory regulatory measures from the scope of the expropriation provision, exceptions from the free-transfer-of-funds obligations, a denial of benefits clause, transparency clauses directed at States and investors, exclusion of ISDS provisions contained in other IIAs and certain other matters¹² from the scope of the MFN clause and refinements of the ISDS mechanism.¹³

The CFIA between *Brazil* and *Malawi*, based on *Brazil’s* new model investment treaty, contains substantive provisions including expropriation and NT, both subject to the applicable domestic law, as well as MFN treatment and a free-transfer-of-funds clause. The agreement’s preamble contains references to the promotion of sustainable development and the contracting States’ regulatory autonomy and the right to regulate. The CFIA, further, includes provisions on the improvement of institutional governance, with the establishment of focal points and of a Joint Committee, the identification of ongoing agendas for investment cooperation and

⁷ Signed on 17 June 2015.

⁸ Signed on 1 June 2015.

⁹ Signed on 25 June 2015.

¹⁰ Refinements include, for example: only the IIA’s national treatment clause is subject to ISDS; a time limit of three years for the filing of claims; a clause on public access to hearings and documents, amicus curiae submissions are allowed; and a right to attend hearings and make submissions to the tribunal on questions of interpretation of the agreement is granted to the non-disputing contracting party.

¹¹ Signed and entered into force on 11 July 1988.

¹² In addition to a so-called “REIO exception”, the MFN clause also includes exceptions for agreements facilitating small scale trade in border areas or agreements involving aviation, fisheries and maritime matters, including salvage.

¹³ Refinements to ISDS include for example: a time limit of three years for the filing of claims; a provision envisaging the obligatory submission of the claim to domestic administrative review prior to its submission to arbitration.

facilitation, the creation of mechanisms for risk mitigation and dispute prevention and a corporate social responsibility (CSR) provision. The CFIA also defines a specific thematic agenda for further investment cooperation and facilitation, including work on questions of payment and transfers, business visa facilitation, technical and environmental regulations, as well as regulatory and institutional exchanges between the contracting parties.

2. IIAs that entered into force

Two IIAs entered into force during the reporting period. The Pacific Alliance Framework Agreement concluded between *Chile, Colombia, Mexico and Peru*¹⁴ and the *Mexico and Panama* FTA.¹⁵ Both IIAs cover both investment liberalization and protection issues. Among others, they both include provisions on NT and MFN treatment, expropriation, FET, the prohibition of performance requirements, free-transfer-of-funds clauses, as well as an ISDS mechanism. The agreements' preambles contain a reference to sustainable development and the State's right to regulate. The IIAs also comprise elements that aim at preserving regulatory space for public policies of host countries and/or at minimizing exposure to investment arbitration. These include a definition of indirect expropriation, a carve-out from expropriation for non-discriminatory regulatory measures and compulsory licenses in conformity with WTO law, exceptions from the free-transfer-of-funds obligations, denial of benefits clauses, exclusion of ISDS provisions contained in other IIAs from the scope of the MFN clause and refinements of the ISDS clause.¹⁶

3. Concluded IIA negotiations

In addition, a number of IIA negotiations were concluded. Notably, ministers of the 12 Trans-Pacific Partnership (TPP) countries – *Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, and Viet Nam* – announced the conclusion of negotiations of the TPP.¹⁷ The agreement is expected to contain an investment chapter covering typical investment protection provisions, including NT, MFN treatment, FET in accordance with customary international law, protection against expropriation, prohibition of performance requirements and a free-transfer-of-funds clause, subject to exceptions. The chapter is also expected to include provisions preserving the ability of the parties to regulate investment for public policy objectives. It is also expected to contain an ISDS mechanism that is refined, e.g. with safeguards to prevent abusive and frivolous claims and to ensure the right of governments to regulate in the public interest, including on health, safety, and environmental protection.¹⁸

Other examples include the conclusion of negotiations for the BIT between *Canada and Hong Kong (China)*,¹⁹ the CFIA between *Brazil and Colombia*²⁰ and FTAs between

¹⁴ Entered into force on 20 July 2015.

¹⁵ Entered into force on 1 July 2015.

¹⁶ For example, both IIAs provide for a time limit for the filing of claims, provisions ensuring the transparency of the proceedings and amicus curiae submissions.

¹⁷ Concluded on 4 October 2015 (i.e. outside of the reporting period for this IPM issue).

¹⁸ The procedural safeguards include: transparent arbitral proceedings, amicus curiae submissions, non-disputing party submissions, expedited review of frivolous claims and possible award of attorneys' fees, review procedure for an interim award, binding joint interpretations by TPP parties, time limits on bringing a claim and rules to prevent a claimant pursuing the same claim in parallel proceedings. <http://www.international.gc.ca/media/comm/news-communiques/2015/10/02a.aspx?lang=eng>; and <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2015/october/summary-trans-pacific-partnership>.

¹⁹ <http://www.international.gc.ca/media/comm/photos/2015/05/24a.aspx?lang=eng>.

²⁰ The Brazil-Colombia CFIA was signed on 9 October 2015 (i.e. outside of the reporting period of this IPM).

Canada and Israel,²¹ Canada and Ukraine,²² and Singapore and Turkey.²³ The European Union and Viet Nam reached an agreement in principle for a comprehensive FTA. Discussions are ongoing for an investment protection chapter. The agreement still needs to be translated into legal text.²⁴

On 22 June 2015, Guatemala signed a Protocol on Accession to join the EFTA-Central America FTA. The accession of Guatemala will become effective sixty days after completion of the necessary internal procedures by all the parties.²⁵

On 29 June 2015, the European Union, Colombia and Peru signed the Additional Protocol to the FTA between them to take account of Croatia's accession to the European Union.²⁶ This signature is part of the process of ensuring that Croatia fully benefits from the network of trade agreements the European Union has with third countries.²⁷

4. Ongoing IIA negotiations

A number of IIA negotiations are ongoing. Particularly active countries are, for example, Brazil,²⁸ Canada,²⁹ China,³⁰ the European Union,³¹ India,³² Japan³³ and the United States.³⁴ Other ongoing IIA negotiations include those between Brazil and

²¹ Concluded on 21 July 2015 http://sice.oas.org/TPD/CAN_ISR/Expansion/Conclusion_neg_expansion_e.pdf.

²² Concluded on 14 July 2015 http://sice.oas.org/TPD/CAN_UKR/Negotiations/Conclusion_of_negotiations_e.pdf.

²³ Announced on 6 October 2015 http://www.channelnewsasia.com/news/singapore/singapore-turkey-to-ink/2173352.html?cid=cna_editorspick_070814 (i.e. outside of this IPM's reporting period).

²⁴ It is expected that both processes will be completed by the end of 2015. The agreement in principle was announced on 4 August 2015. http://trade.ec.europa.eu/doclib/docs/2006/december/tradoc_118238.pdf.

²⁵ http://www.sice.oas.org/TPD/CACM_EFTA/CACM_EFTA_e.ASP.

²⁶ Croatia joined the European Union on 1 July 2013.

²⁷ <http://trade.ec.europa.eu/doclib/press/index.cfm?id=1342&title=Croatia-to-formally-become-part-of-the-EU-Colombia/Peru-Trade-Agreement>.

²⁸ Brazil is currently negotiating its new model with Chile (first meeting in August), Peru and Tunisia. It has initiated talks with Algeria, Dominican Republic, Morocco, Nigeria, Singapore, South Africa and Vietnam. The new model has also been presented in September to all MERCOSUR countries - Argentina, Paraguay, Uruguay and Venezuela - that agreed to initiate discussions in view of concluding a common agreement. Among others, see: http://sice.oas.org/whatsnew_pending/CHL_BRZ_to_negotiate_Accord_on_Coop_Investment_s.pdf.

²⁹ Canada is negotiating BITs (so-called Foreign Investment Promotion and Protection Agreements (FIPAs)), among others, with Ghana, Indonesia, Kazakhstan, Kenya, Kosovo, Macedonia, Mongolia, Pakistan, Tunisia, the United Arab Emirates and Viet Nam. <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fipa-apie/index.aspx?lang=eng>. Canada is also negotiating several FTAs, among others with the Caribbean Community (CARICOM); the Dominican Republic; El Salvador, Guatemala and Nicaragua; India; Japan; Morocco; Singapore), and it is in the process of modernizing its existing FTA with Costa Rica. <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fta-ale.aspx?lang=eng>. Regarding Kosovo, this designation is without prejudice to positions on status, and is in line with UNSC 1244 and the ICJ Opinion on the Kosovo declaration of independence.

³⁰ China is negotiating BITs with the European Union and the United States. It is also negotiating several FTAs/EPAs (with respectively: the Gulf Cooperation Council (GCC); Norway; Japan and the Republic of Korea; Sri Lanka; the Maldives) and is negotiating the upgrading of its FTA with ASEAN countries (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam). <http://fta.mofcom.gov.cn/list/enrelease/1/encateinfo.html>.

³¹ The European Union is negotiating a BIT with China. It is also negotiating several FTAs/EPAs (with the Andean Community (Bolivia, Colombia, Ecuador and Peru), ASEAN countries, Egypt, India, Japan, Malaysia, MERCOSUR countries, Morocco, Myanmar, Singapore, Thailand and the United States. The European Union is also a negotiating party in two megaregional agreements.

³² India is negotiating a number of FTAs/EPAs (with respectively: Australia, Canada, Egypt, EFTA, the European Union, Indonesia, Israel, Mauritius, New Zealand, the Southern African Customs Union and Thailand).

³³ Japan is negotiating FTAs/EPAs with Canada, China and the Republic of Korea, Colombia, the European Union, the GCC, the Republic of Korea and Turkey. http://www.mofa.go.jp/policy/economy/fta/related_information.html.

³⁴ The United States is currently negotiating several BITs, among others with China, India, Mauritius and Pakistan. It is in discussions with the East African Community (EAC) - Burundi, Kenya, Tanzania, Uganda). In addition the United States is a negotiating party in two mega-regionals.

Chile (first meeting in August),³⁵ Brazil and Peru, the Central American States (Costa Rica, Guatemala, El Salvador, Honduras, Nicaragua) and the Republic of Korea (first talks in September),³⁶ Colombia and Japan (thirteenth round in September),³⁷ Ecuador and the Republic of Korea (launch of negotiations in August),³⁸ the European Free Trade Association (EFTA) and the Philippines (third round in September),³⁹ EFTA and Viet Nam,⁴⁰ the European Union and Myanmar,⁴¹ the European Union and the Pacific Region,⁴² Japan and Turkey (third round in September),⁴³ and between Mexico and Turkey (fifth round in July).⁴⁴

Negotiations for the *Trade in Services Agreement (TISA)* are currently conducted by 24 members of the WTO,⁴⁵ after Uruguay's recent withdrawal from the negotiations.⁴⁶ The agreement aims at opening up markets and improving rules in areas such as licensing, financial services, telecoms, e-commerce, maritime transport, and professionals moving abroad temporarily to provide services. The thirteenth round of TISA negotiations took place this July in Geneva, Switzerland and the fourteenth in October 2015.⁴⁷ It included a stocktaking exercise, considered a milestone on the path toward concluding the TISA negotiating process.⁴⁸

During the reporting period, also negotiations on megaregional integration initiatives continued.⁴⁹ These include negotiations for the COMESA-EAC-SADC Tripartite Agreement, also known as Tripartite Free Trade Area (TFTA), involving 26 countries,⁵⁰ the Pacific Agreement on Closer Economic Relations (PACER⁵¹ Plus) involving 16 countries,⁵² the Regional Comprehensive Economic Partnership (RCEP) involving 16 countries,⁵³ and the *European Union-United States Transatlantic Trade and Investment Partnership (TTIP)*. Specifically:

- TFTA negotiations on cross border investment, part of “phase two”, covering also trade in services, competition policy, and intellectual property rights are scheduled

³⁵ http://sice.oas.org/whatsnew_pending/CHL_BRZ_to_negotiate_Accord_on_Coop_Investment_s.pdf.

³⁶ <http://english.motie.go.kr/?p=6040&paged=0>.

³⁷ http://www.mofa.go.jp/press/release/press4e_000846.html.

³⁸ <http://english.motie.go.kr/?p=5922&paged=3>.

³⁹ <http://www.efta.int/Free-Trade/news/EFTA-and-Philippines-hold-third-round-negotiations-61321>.

⁴⁰ <http://www.efta.int/Free-Trade/news/EFTA-and-Vietnam-continue-free-trade-talks-59931>.

⁴¹ http://trade.ec.europa.eu/doclib/docs/2006/december/tradoc_118238.pdf.

⁴² http://trade.ec.europa.eu/doclib/docs/2009/september/tradoc_144912.pdf.

⁴³ http://www.mofa.go.jp/press/release/press4e_000851.html.

⁴⁴ http://sice.oas.org/TPD/MEX_TUR/Negotiations/5th_round_s.pdf.

⁴⁵ The 24 WTO members that are taking part in the TISA talks: Australia, Canada, Chile, Taiwan Province of China, Colombia, Costa Rica, the European Union, Hong Kong (China), Iceland, Israel, Japan, the Republic of Korea, Liechtenstein, Mauritius, Mexico, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, Switzerland, Turkey and the United States.

⁴⁶ <https://www.presidencia.gub.uy/comunicacion/comunicacionnoticias/tisa-vazquez-uruguay-no-continua>.

⁴⁷ The fourteenth negotiating round is outside of this IPM's reporting period.

⁴⁸ <http://dfat.gov.au/trade/agreements/trade-in-services-agreement/news/Pages/news.aspx>. The fourteenth round took place in October (i.e. outside of this IPM's reporting period).

⁴⁹ Megaregionals are broad economic agreements among a group of countries that have a significant combined economic weight and in which investment is one of the key subject areas covered. Taking seven of these negotiations together, they involve a total of 88 developed and developing countries. If concluded, they are likely to have important implications for the current multi-layered international investment regime and global investment patterns. See UNCTAD, World Investment Report (WIR) 2014, p. 119. http://unctad.org/en/PublicationsLibrary/wir2014_en.pdf.

⁵⁰ Negotiations are carried out by the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC). The TFTA covers the following countries: Angola, Botswana, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Lesotho, Libya, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

⁵¹ Pacific Island Forum developing countries: Cook Islands, Federated States of Micronesia, Fiji, Kiribati, the Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

⁵² Pacific Island Forum developing countries, as well as Australia and New Zealand.

⁵³ This includes the 10 members of ASEAN and the six countries with which ASEAN has existing FTAs – Australia, China, India, Japan, the Republic of Korea and New Zealand.

to begin at the end of this year.⁵⁴ On 10 June 2015, the TFTA (framework) agreement was launched during the Tripartite Summit of Heads of State and Government in Sharm El Sheikh. Sixteen countries (out of 26 countries involved) have so far signed the agreement.⁵⁵ It will come into force once ratification is attained by two-thirds of the 26 member States.⁵⁶

- PACER Plus negotiations are ongoing, with negotiations on most chapters close to conclusion. The 46th Pacific Islands Forum was held in Port Moresby, Papua New Guinea, from 8 to 10 September 2015. The next Forum Trade Ministers meeting is scheduled to take place in Rarotonga, Cook Islands, from 29 to 30 October 2015.⁵⁷
- TTIP negotiations are ongoing. The tenth round took place in Brussels, Belgium between 13 and 17 July 2015,⁵⁸ and the eleventh took place in Miami, United States between 19 and 23 October 2015.⁵⁹ Negotiations on investment protection standards and on ISDS in TTIP are still on hold. They are to be resumed based on the new approach proposed by the European Commission, which is currently being discussed with the Member States of the *European Union* and the European Parliament.⁶⁰
- The ninth round of negotiations for the RCEP was held between 1 and 7 August in Pyi Taw, Myanmar, followed by the third RCEP Ministerial Meeting in Kuala Lumpur, Malaysia on 24 August 2015. Significant progress was made on negotiations for trade in goods, with ministers reaching a final decision on the modality for initial tariff offers.⁶¹ The tenth round of negotiations took place between 12 and 13 October 2015.⁶²

5. Other IIA-related developments

In addition to the conclusion, entry into force and negotiation of IIAs, there were a number of other important developments related to international investment policies at the national, regional, plurilateral and multilateral levels. The following is a non-exhaustive overview.

National level

India's new model BIT

India's efforts to adopt a new model BIT are ongoing. The Law Commission of India submitted its report analysing and suggesting changes to the draft model BIT on 27 August 2015.⁶³ Prior public consultation on the BIT's text ended on 11 April 2015 and the received comments, available on the website of the Government of India, are currently being analysed.⁶⁴

⁵⁴ http://www.eac.int/index.php?option=com_content&view=article&id=1903:communique-3rd-comesa-eac-sadc-tripartite-summit&catid=146:press-releases&Itemid=194#; <http://www.ictsd.org/bridges-news/bridges-africa/news/the-tripartite-free-trade-area-agreement-a-milestone-for-africa%E2%80%99s>.

⁵⁵ These are: Angola, Burundi, Comoros, the Democratic Republic of Congo, Djibouti, Egypt, Kenya, Malawi, Namibia, Rwanda, Seychelles, Sudan, Tanzania, Uganda, Swaziland and Zimbabwe. http://www.comesa.int/index.php?option=com_content&view=article&id=1566:tfta-signatures-rise-as-swaziland-signs&catid=5:latest-news&Itemid=41.

⁵⁶ <http://www.sadc.int/news-events/news/comesa-eac-sadc-tripartite-free-trade-area-launched/>.

⁵⁷ <http://dfat.gov.au/trade/agreements/pacer/pages/pacific-agreement-on-closer-economic-relations-pacer-plus.aspx#news>.

⁵⁸ http://trade.ec.europa.eu/doclib/docs/2015/july/tradoc_153651.pdf.

⁵⁹ <http://trade.ec.europa.eu/doclib/events/index.cfm?id=1375>.

⁶⁰ The proposal was released on 16 September 2015. See: http://europa.eu/rapid/press-release_IP-15-5651_en.htm.

⁶¹ <http://www.mfat.govt.nz/Trade-and-Economic-Relations/2-Trade-Relationships-and-Agreements/RCEP/>.

⁶² http://world.kbs.co.kr/french/news/news_Ec_detail.htm?No=49736. (Outside the reporting period for this IPM issue.)

⁶³ <http://pib.nic.in/newsite/PrintRelease.aspx?relid=126381>. For the full text of the report see: <http://lawcommissionofindia.nic.in/reports/Report260.pdf>.

⁶⁴ <https://mygov.in/group-issue/draft-indian-model-bilateral-investment-treaty-text/>.

Norway's new model BIT

The public consultation Norway organized on its new draft model BIT closed on 14 September 2015. Norway is in the process of analysing the received comments.⁶⁵

Regional and plurilateral levels

*The European Commission's proposal for an investment court*⁶⁶

In the European Union, the European Commission presented a proposal for a new approach for TTIP on 16 September 2015, which includes an investment court system meant to replace the existing ISDS mechanism. The proposal introduces a number of innovative elements, such as a first instance tribunal and an appeals tribunal, judges' qualifications requirement, refined definition of the type of claims susceptible to ISDS or asserting the parties' right to regulate. The European Commission intends to include these elements in all ongoing and future investment negotiations.

*Organisation for Economic Co-operation and Development (OECD) Base Erosion and Profit Shifting (BEPS) Project*⁶⁷

On 5 October 2015, the OECD released the final report for its BEPS project, a collective effort by OECD and G20 member States to counter harmful tax avoidance schemes by multinational enterprises. The output of the project was presented to G20 Finance Ministers at their meeting on 8 October 2015 in Lima, Peru, in anticipation of the Summit of G20 leaders in November in Turkey. The package of 15 actions provides governments with possible solutions for closing gaps in international rules that allow corporate profits to be artificially shifted to low/no tax environments. The final report for Action 11 on "Measuring and Monitoring BEPS" contains inputs from UNCTAD related to FDI-based methodologies to measure BEPS, and policy implications for international tax and investment policy coherence. From an international investment policy perspective, the most relevant BEPS outputs include proposals on preventing treaty abuse (action 6) and on making dispute resolution mechanisms more effective (action 14), which contain parallels with ongoing IIA and ISDS reform discussions. Noteworthy from this perspective is also action 15 on developing a multilateral instrument to reform bilateral tax treaties.⁶⁸

Multilateral level

United Nations Convention on Transparency in Treaty-based Investor-State Arbitration During the reporting period five countries signed the United Nations Convention on Transparency in Treaty-based Investor-State Arbitration⁶⁹ (*Belgium*,⁷⁰ *the Republic of Congo*,⁷¹ *Gabon*,⁷² *Luxembourg*⁷³ and *Madagascar*⁷⁴) and one country ratified it (*Mauritius*⁷⁵). This brings the number of signatories of the Convention to sixteen.⁷⁶

⁶⁵ <https://www.regjeringen.no/no/dokumenter/horing---modell-for-investeringsavtaler/id2411615/>.

⁶⁶ http://europa.eu/rapid/press-release_IP-15-5651_en.htm

⁶⁷ <http://www.oecd.org/ctp/beps.htm>. These developments are outside of this IPM's reporting period.

⁶⁸ <http://www.oecd.org/ctp/beps-actions.htm>.

⁶⁹ For the text of the Convention see: <http://www.uncitral.org/pdf/english/texts/arbitration/transparency-convention/Transparency-Convention-e.pdf>.

⁷⁰ Signed on 15 September 2015.

⁷¹ Signed on 30 September 2015.

⁷² Signed on 29 September 2015.

⁷³ Signed on 15 September 2015.

⁷⁴ Signed on 1 October 2015 (i.e. outside of this IPM's reporting period).

⁷⁵ Ratified on 5 June 2015.

⁷⁶ These are Belgium, Canada, the Republic of Congo, Finland, France, Gabon, Germany, Italy, Luxembourg, Madagascar, Mauritius, Sweden, Switzerland, Syria, United Kingdom, United States, see http://www.uncitral.org/uncitral/en/uncitral_texts/arbitration/2014Transparency_Convention_status.html.

On 24 June 2015, UNCTAD launched the 2015 World Investment Report (WIR 2015) which offers a menu of options for the reform of the IIA regime, together with a roadmap to guide policymakers at the national, bilateral, regional and multilateral levels. The report responds to the pressing need for systematic reform of the global IIA regime. Today, the question is not about whether or not to reform, but about the what, how and extent of such reform. The WIR offers an action menu for such reform, noting that only a common approach will deliver an IIA regime in which stability, clarity and predictability help achieve the objectives of all stakeholders: effectively harnessing international investment relations for the pursuit of sustainable development. The report also proposes a set of principles and guidelines to ensure coherence between international tax and investment policies.

*Financing for Development (Ffd) Conference: the Addis Ababa Action Agenda (AAAA)*⁷⁸

Adopted on 27 July 2015, the AAAA on FfD emphasizes the need for governments to establish the signals and enabling environments that can effectively catalyse and harness investment, channelling it into areas essential for achieving the SDGs and away from areas that are inconsistent with that agenda. Paragraph 91 of the AAAA is devoted to IIAs and states: “The goal of protecting and encouraging investment should not affect our ability to pursue public policy objectives. We will endeavour to craft trade and investment agreements with appropriate safeguards so as not to constrain domestic policies and regulation in the public interest. We will implement such agreements in a transparent manner. We commit to supporting capacity-building including through bilateral and multilateral channels, in particular to least developed countries, in order to benefit from opportunities in international trade and investment agreements. We request UNCTAD to continue its existing programme of meetings and consultations with Member States on investment agreements.”

*2015 Update of UNCTAD’s Investment Policy Framework for Sustainable Development*⁷⁹

The 2015 Update of UNCTAD’s Investment Policy Framework presents an Action Plan for Private Investment in the SDGs, with a focused set of action packages that can help shape a big push for private investment in sustainable development. The updated Policy Framework also offers new insights for international investment policy making. Recent IIA developments have made it necessary to offer more detailed options for the liberalization of “pre-establishment” components of these agreements, and to reflect ongoing efforts by the international community to reform international investment governance.

*62nd Session of UNCTAD’s Trade and Development Board (TDB)*⁸⁰

On 16 September 2015, UNCTAD’s Member States (a total of 193 countries) together with representatives from the private sector and international and civil society organizations convened for the 62nd Session of the TDB. Under “Item 7: Investment for Development - Reforming the International Investment Regime” of other issues, they discussed UNCTAD’s “Roadmap for Reform of the International Investment Regime”. This was UNCTAD’s first inter-governmental meeting in response to the call

⁷⁷ <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=1245>.

⁷⁸ http://www.un.org/ga/search/view_doc.asp?symbol=A/CONF.227/L.1.

⁷⁹ <http://investmentpolicyhub.unctad.org/ipfsd>.

⁸⁰ <http://unctad-worldinvestmentforum.org/switzerland2014/follow-up-event-trade-development-board/>.

of the outcome document of the FfD Conference, held in July 2015 in Addis Ababa, to continue consultations on IIAs.

Adoption of the Sustainable Development Goals (SDGs)⁸¹

The United Nations SDGs, adopted at the United Nations Sustainable Development Summit, 25-27 September 2015, set out a new vision for the world, outlining priorities for inclusive and sustainable growth and development. The 17 goals and 169 targets comprehensively address the economic, environmental, and social dimensions of sustainable development and point to the fundamental role of public and private capital in achieving those objectives. According to UNCTAD's 2014 WIR, developing countries alone face an annual investment gap of USD 2.5 trillion for meeting SDG-implied resource demands.⁸²

Working Group on Transnational Corporations (TNCs) and Other Business Enterprises with Respect to Human Rights⁸³

Following up on the United Nations Human Rights Council's Resolution 26/9 of 14 July 2014, an open-ended intergovernmental working group was established to work on TNCs and other business enterprises with respect to human rights and elaborate an international legally binding instrument to regulate, in international human rights law, the activities of transnational corporations and other business enterprises. The first session of the working group took place from 6 to 10 July 2015 in Geneva, Switzerland.⁸⁴ Participants discussed various questions, including ways to implement the United Nations' Guiding Principles on Business and Human Rights and the principles which should underlie the legally binding instrument regulating TNCs' respect of human rights.

⁸¹ http://www.un.org/pga/wp-content/uploads/sites/3/2015/08/120815_outcome-document-of-Summit-for-adoption-of-the-post-2015-development-agenda.pdf.

⁸² <http://unctad.org/en/pages/PublicationWebflyer.aspx?publicationid=937>.

⁸³ See draft report: <http://www.ohchr.org/Documents/HRBodies/HRCouncil/WGTransCorp/Session1/Draftreport.pdf>.

⁸⁴ <http://www.ohchr.org/EN/HRBodies/HRC/WGTransCorp/Pages/IGWGOntnc.aspx>.

ANNEX 1. Investment policy measures taken between 1 June 2015 and 30 September 2015

	Description of Measure	Date	Source
Algeria			
General Business Climate	The revised 2015 budget increased corporation tax rates (including tax on profits) from 23% to 26% for companies importing goods for resale in Algeria, while reducing it from 23% to 19% for companies producing goods.	8 August 2015	Government revises tax regime, http://viewswire.eiu.com/index.asp?layout=VWArticleVW3&article_id=663411450&region_id=&country_id=210000021&channel_id=190004019&category_id=&refm=vwCh&page_title=Article , 5 August 2015
Angola			
Entry / Promotion	The new law aims to reduce the administrative procedures leading to the acceptance of eligible investments. Also, it aims to match the incentive and benefit mechanisms with the country's current economic framework. Incentives and tax benefits are now analyzed, in accordance with specific criteria included in the law, allowing for a gradual reduction of industrial tax, investment income tax and urban property transfer tax. The law applies to foreign investments, regardless of their amount, as well as to domestic investments with an amount equal to or greater than Kz 50 million (approx. US\$399,000).	5 August 2015	Ernst & Young, Angola enacts new Private Investment Law, 5 August 2015
Promotion	The new regulations (Presidential order 182/15, of 30 September) for carrying out private investment in Angola stipulates the creation of a "fast lane" to speed up procedures and technical support units in each ministry. It provides that the investment process must be rapid and benefit from the practice of a 'fast lane' («via verde»), with expedited and automated processing, dedicated, personalised support and computer integration of public services at a 'service desk' within each ministerial department. Investments of less than US\$10 million will be reviewed by the "ministerial department responsible for the main activity of private investment," and above this amount the responsibility passes to the President, who can still delegate the review of the investment to the appropriate Ministry.	30 September 2015	Private investment in Angola has new regulations, 9 October 2015. http://www.angolahub.com/index.php/en/angola-news/3370-private-investment-in-angola-has-new-regulations .
Argentina			
Entry	On 23 September 2015, Argentina's Congress gave final approval to a law that makes it harder for the Government to sell State stakes in local firms. The law creates an agency to administer the State's stakes in Argentinian companies and requires the Government to get two-thirds approval in Congress to sell a stake.	23 September 2015	Ministry of Economics and Public Finance, Es ley la agencia nacional de participación estatal en empresas, 24 September 2015
Australia			
General Business Climate	Effective 1 July 2015, Australia requires foreign farmland owners to declare their interests with the country's tax office. The tax office will gather information on the location and size of the property as well as the country of origin of the foreign investor. The information will be entered into a national register.	1 July 2015	Press release, Australian Government, The Treasury, Government strengthens the foreign investment framework, 2 May 2015
Bolivia, Plurinational State of			
Treatment	On 25 June 2015, the Plurinational State of Bolivia adopted a new conciliation and arbitration law. The law states that investment disputes involving the State will be subject to Bolivian jurisdiction; in cases where the disputing parties agree to use national arbitration procedures, they shall first try to resolve the dispute through conciliation. (Art. 127)	25 June 2015	Ley No. 708 de conciliación y arbitraje, http://www.fundempresa.org.bo/docs/content_new/ley-n-708-conciliacion-y-arbitraje-_223.pdf , 25 June 2015

Chile			
Treatment / Promotion	On 16 June 2015, the new Framework Law for Foreign Investment entered into force. The new law establishes that the President of the Republic will define Chile's foreign investment promotion strategy and will be supported directly for this purpose by a Committee of Ministers for the Promotion of Foreign Investment. The new institutional framework will also include a Foreign Investment Promotion Agency (IPA) with the mission of implementing the State policy so as to attract all types of foreign capital and investment to the country. The IPA will coordinate with the country's regional governments. The law also guarantees investors access to the formal foreign exchange market, the free remittance of capital and earnings, protection against arbitrary discrimination and exemption from sales and service tax on imports of capital goods that comply with certain requirements.	16 June 2015	CIE Chile, President Bachelet promulgates new Framework Law for Foreign Investment, 16 June 2015
China			
Treatment	As of 1 June 2015, the SAFE Circular on Further Simplifying and Improving Policies for Foreign Exchange Administration for Direct Investment (Hui Fa No. 13 [2015]) seeks to facilitate the operations of cross-border investment funds of enterprises by abolishing a number of registration and verification obligations related to foreign exchange operations.	1 June 2015	State Administration of Foreign Exchange, SAFE Further Simplifies and Improves Foreign Exchange Administration for Direct Investment, , 29 April 2015
Treatment	A further SAFE Circular of the State Administration of Foreign Exchange Regarding the Reform of the Administration of Foreign Exchange Registered Capital Settlement for Foreign-Invested Enterprises (Hui Fa No. 19 [2015]) came into force on 1 June 2015. The Circular allows foreign-invested enterprises to convert their foreign exchange capital into RMB at any time, to use RMB converted from their foreign exchange capital for making equity investments within China, and simplify the use of such funds.	1 June 2015	State Administration of Foreign Exchange, SAFE Reforms Administrative Approaches to Settlement of Foreign Exchange Capital to Further Facilitate Capital Operations by Enterprises, 11 June 2015
Entry	Effective 1 June 2015, P.R. China allowed foreign companies to set up bank card clearing companies and provide bank card clearing services in China. Where clearing services concern Chinese domestic bank card transactions, a business license and a registered capital of over RMB 1 billion are required.	1 June 2015	Linklaters Legal Alert, China opens up its bank card payment clearing market, 26 June 2015
Entry	On 19 June 2015, the Ministry of Industry and Information Technology relaxed foreign ownership restrictions in the e-commerce sector; henceforth, 100% foreign ownership is allowed in this sector. The liberalisation followed the issuing of the State Council Opinions on the Vigorous Development of E-Commerce to Accelerate the Cultivation of a New Driving Force in the Economy on 4 May 2015.	19 June 2015	Circular of the Ministry of Industry and Information Technology on Liberalizing the Restrictions on Foreign Shareholding Percentages in Online Data Processing and Transaction Processing Business (For-Profit E-Commerce Business), [2015] Circular No. 196, 19 June 2015
Entry	On 1 July 2015, the National Security Law came into effect. As a framework law, it lays down the general principles and obligations of the State in maintaining security in the country. Article 59 of the Law allows the State to establish, inter alia, a national security review and oversight mechanism to conduct a national security review of foreign commercial investment, special items and technologies, internet services and other major projects and activities which might impact national security. The framework for such reviews based on national security considerations had first been established in 2011.	1 July 2015	National Security Law of the Peoples Republic of China, 1 July 2015
Entry	On 19 August 2015, China relaxed restrictions on foreign investment in the real estate market. In particular, restrictions on the ratio of registered capital to total investment by foreign real estate enterprises were eliminated. In addition, restrictions that prohibit foreign real estate investment enterprises from access to bank lending in and outside China and to foreign exchange settlement were also relaxed.	19 August 2015	Press conference, Ministry of Commerce, Circular of the Ministry of Housing and Urban-Rural Development regarding the adjustment of the access and administration of foreign investment in real estate, [2015] Circular No. 122, 16 September 2015

Congo, Democratic Republic of the			
Entry / General Business Climate	A new hydrocarbon law has entered into force. It provides, inter alia, for a minimum capital gains tax rate of 35% and a minimum stake for the Congolese state of 20% in all hydrocarbon projects. It also introduces open tenders for exploration and production licenses, which were previously granted through direct negotiations between firms and the authorities, and requires the names of bidders to be published.	5 August 2015	New hydrocarbons code passed, http://viewswire.eiu.com/index.asp?layout=VWArticleVW3&article_id=573409641&region_id=430000443&refm=vwReg&page_title=Latest+analysis , 8 August 2015
Egypt			
General Business Climate	A Presidential decree lowered the top tax rate on companies and individuals from 25 percent to 22.5 percent. It also suspended a 10 percent capital gains tax for two years as of August 2015. The highest income bracket to which the new 22.5 percent rate will apply went down from 250,000 Egyptian pounds (\$31,948.88) to 200,000 (\$25,560) the decree says.	3 August 2015	Egypt suspends capital gains tax, http://english.alarabiya.net/en/business/economy/2015/08/23/Egypt-lowers-top-tax-rate-and-suspends-capital-gains-tax.html , 23 August 2015
France			
Entry	On 15 June 2015 a contract was signed between the French state-owned company, «Centre national d'études spatiales» (CNES) and the joint enterprise Airbus Safran Launchers (ASL) for the sale of CNES's entire 34,68% stake in the space satellite launcher company Arianespace. With this sale Arianespace will become entirely privately owned.	15 June 2015	L'Etat signe la vente de ses parts à Airbus et Safran, http://www.latribune.fr/entreprises-finance/industrie/aeronautique-defense/arianespace-l-etat-signe-la-vente-de-ses-parts-a-airbus-et-safran-484418.html , 16 June 2015
Greece			
Entry	As part of Greece's privatization effort, on 18 August 2015 the government published a decree approving the concession of 14 regional airports to the German consortium Fraport-Stentel for the sum of 1,23 billion euros. The airports include those of Aktion, Chania, Corfu, Kavala, Kefalonia, Kos, Mytilene, Mykonos, Rhodes, Samos, Santorini, Skiathos, Thessaloniki and Zakynthos.	18 August 2015	Le gouvernement approuve la privatisation de 14 aéroports, http://www.romandie.com/news/Grece-le-gouvernement-approuve-la-privatisation-de-14-aeroports/621753.rom , 18 August 2015
India			
Entry	Effective 18 June 2015, India increased the thresholds of inward FDI projects that trigger prior approval requirements of the Cabinet Committee on Economic Affairs from INR 20 billion to INR 30 billion. Inward FDI proposals with valued at equal or less than INR 1 billion are considered by the Foreign Investment Promotion Board.	18 June 2015	Press note 6 (2015), Department of Policy and Promotion, Ministry of Commerce and Industry, 3 June 2015
Treatment	Effective from 18 June 2015, India has amended the definition of Non Resident Indians as contained in the FDI policy, and provided that for the purpose of FDI Policy, investment by NRIs under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations will be deemed to be domestic investment at par with the investment made by residents.	18 June 2015	Press note 7 (2015), Department of Industrial Policy & Promotion, Ministry of Commerce and Industry, 3 June 2015
Entry	Effective 30 July 2015, composite caps were introduced for certain sectors to achieve greater uniformity and simplicity.	30 July 2015	Press note 8 (2015), Department of Industrial Policy & Promotion, Ministry of Commerce and Industry, 30 July 2015
Entry	On 9 September 2015, India approved FDI, up to 100%, under the automatic route, in White Label ATM (WLA) Operations. Up to now, foreign investment in White Label ATM Operations was allowed only through the government approval route.	9 September 2015	Press Information Bureau, Government of India, Review of Foreign Direct Investment (FDI) Policy - to permit FDI, up to 100 percent, under the automatic route, in White Label ATM Operations, 9 September 2015
Entry	Effective 15 September 2015, partly paid shares and warrants were permitted as eligible capital instruments for the purpose of India's FDI policy.	15 September 2015	Press note 9 (2015), Department of Industrial Policy & Promotion, Ministry of Commerce and Industry, 15 September 2015.

Indonesia			
Promotion	On 14 August 2015, Indonesia issued Regulation number 159/PMK.010/2015 which further expands tax incentive rules. In particular, the Regulation increases the number of industries that will be eligible for a tax holiday from five to nine. The new industries are manufacturing related to agriculture, forestry and fisheries; marine transport; manufacturing within Special Economic Zone (KEK) and economic infrastructure not part of the government-to-business program.	14 August 2015	Press release, Ministry of Finance of Indonesia, What's new on Tax Holiday Regulation, 27 Aug 2015
Korea, Republic of			
Treatment	The Republic of Korea has authorized small-sized foreign companies to hire non-Korean employees beyond the required 20% limit of the company's workforce during their first two years of operations in the country. The Republic of Korea also allowed the issuance of working visas for instructors specialized in professional areas such as design, programming and beauty products. So far, educational working visas have only been issued to invitees at colleges (an E-1 visa) and to language instructors (E-2).	1 July 2015	President Office, President calls for drastic regulatory reforms to push economic recovery, 11 May 2015
Maldives			
Entry	On 23 July 2015, the President of Maldives approved a new law allowing foreign ownership of land in the country for the first time. Foreigners who invest more than \$1 billion may own land in perpetuity, provided 70 per cent of it is reclaimed from the sea. Previously, foreign companies were prohibited from ownership, and could only lease islands for a maximum of 99 years to run luxury resorts in Maldives.	23 July 2015	Maldives allow foreign ownership of land despite opposition concern, http://www.reuters.com/article/2015/07/23/maldives-land-foreigners-idUSL3N1024IL20150723 , 23 July 2015
New Zealand			
Entry	On 17 September 2015, the New Zealand government blocked an NZ\$88(\$56 million) million land purchase of a local farm from Pure 100 Farm Ltd., a unit of Shanghai Pengxin Group CO. The proposed land purchase was found to involve sensitive national assets which did not result in substantial benefit for New Zealand.	17 September 2015	Press release, Ministers decline overseas purchase of Lochinver Station, 17 September 2015
Poland			
Entry	Poland adopted the «Act of 24 July 2015 on the control of certain investments». Under the law, any investor planning to buy a stake of 20 percent or higher in a so-called strategic Polish company will need approval from the Ministry of State Treasury. In particular, the Ministry of State Treasury will be able to block investors from buying major stakes in companies regarded as important for national security, in industries such as power generation, gas storage, chemicals and telecoms. The detailed list of affected companies will be issued by the Polish Government.	24 July 2015	Clifford Chance legal alert, Control of certain investments, 30 July 2015
Portugal			
Entry	On 11 June 2015, the Gateway consortium won the partial privatization process for the Portuguese national flag carrier airline - TAP. The consortium was selected by the Portuguese government to acquire a controlling stake of 61 percent in the company. The new owner will be required to make capital transfers into the company and provide other guarantees necessary for the continued operation of the airline.	11 June 2015	Portugal sells controlling stake in TAP airline, http://www.reuters.com/article/2015/07/23/portugal-railways-privatisation-idUSL5N1034MH20150723 , 11 June 2015
Promotion	On 1 July 2015, Law 64/2015 was published. It approves «Regime IV» of the International Business Centre of Madeira (IBCM), (also known as the Madeira Free Trade Zone) and allows investors to formally license new companies to operate within the ambit of the IBCM. Under the terms of the new regime, companies licensed to operate within the framework of the IBCM will enjoy, until the end of the year 2027, a reduced corporate tax rate of 5%. Additionally, such companies will benefit from a withholding tax exemption on the payment of dividends, amongst other tax exemptions and reductions, as well as from the dispositions of the Portuguese general regime including a worldwide participation exemption.	1 July 2015	Press release, International Business Center of Madeira, New Tax Regime of the IBC of Madeira has been Published, 1 July 2015

General Business Climate	On 16 July 2015 Portugal re-established the issuance of visas for foreign investors in exchange for their participation in the economy of the country. The delivery of «golden visas» was halted due to a legal void. «Golden visas» are given to persons who buy real estate valued at 500,000 euros and above, invest in any other form at least 1,000,000 euros or create at least 10 local jobs.	16 July 2015	Le Portugal rétablit les « visas dorés » destinés aux étrangers fortunés, http://www.lemonde.fr/europe/article/2015/07/16/le-portugal-retablit-les-visas-dores-destines-aux-etrangers-fortunes_4686124_3214.html , 16 July 2015
Entry	MSC Rail, a unit of «Mediterranean Shipping Company», has won the privatization tender for the cargo division of Portugal's state railway firm CP Carga. MSC Rail will acquire a 100% stake in CP Carga for 53 million euros. Most of the funds will be used to capitalize the railway firm.	22 July 2015	Portugal sells cargo rail firm to MSC, scraps smaller sale, http://www.reuters.com/article/2015/07/23/portugal-railways-privatisation-idUSL5N1034MH20150723 , 23 July 2015
Entry	Portugal has signed a concession agreement with the Spanish group Avanza granting it the right to operate Lisbon's public transportation system (Lisbon subway and municipal bus service Carris). The agreement is part of the major privatization effort undertaken by Portugal as part of the economic reform agreed with international creditors.	23 September 2015	Portugal seals privatization of Lisbon public transport, https://uk.news.yahoo.com/portugal-seals-privatisation-lisbon-public-211958946.html , 23 September 2015
Qatar			
General Business Climate	On 7 August 2015, Qatar introduced the new Commercial Companies Law No. 11 of 2015 with substantive changes to company's regulatory environment. For example, it streamlined the company registration process, created a "one stop shop" for licensing and dropped the requirement that limited liability companies have a minimum share capital of QAR 200,000 on incorporation. It also allowed a limited liability company to be established by a single person.	7 August 2015	A new commercial companies law for Qatar, http://www.gulf-times.com/opinion/189/details/450687/a-new-commercial-companies-law-for-qatar# , 10 August 2015
Russian Federation			
Promotion	On 13 July 2015, the President of the Russian Federation signed federal law 212-FZ «On the free port of Vladivostok» which transformed the Vladivostok port, 15 other municipalities as well as the ports of Nakhodka, Zarubino and Posiet into a free port zone. The free port regime will translate into a customs-free zone, with tax incentives for companies operating in it. Foreign visitors will also be allowed to obtain a visa on arrival for 8 days. Tax advantages will become effective as of 1 January 2016.	13 July 2015	Press release, Government of the Russian Federation, Approval of the Vladivostok free trade port law, 14 July 2015
Promotion	On 22 August 2015, the Russian Federation approved the creation of five areas of priority socio-economic development in the Far Eastern Federal District (Mikhailovsky area, Kagalassy Industrial Park, Belogorsk area, Priamurskaya area and the Beringovsky area). Investors in these areas would benefit from a number of fiscal preferences.	22 August 2015	Press release, Ministry for the Development of the Russian Far East, Establishment of five areas of priority socio economic development in the Far Eastern Federal District, 22 August 2015
Rwanda			
Treatment/Promotion	Rwanda replaced the Investment Code of 2005 with a new Investment Code. The new regulations make available different tax incentives - an international company headquartered in Rwanda would be eligible for a 0% corporate tax rate if it fulfills certain minimal capital and local staff requirements, while any registered investor would be eligible for a 15% corporate tax rate if he undertakes certain operations such as energy generation, mass transportation or telecommunications. Additional corporate tax holidays of 7 or 5 years are also provided. The Investment Code also includes equal treatment between foreigners and nationals with regard to certain operations, free transfer of funds and compensation against expropriation.	3 July 2015	Official Gazette, 27 May 2015

Saudi Arabia			
Entry	On 15 June 2015, Saudi Arabia opened its stock market, known as the Tadawul, for foreign investors. Restrictions apply, however: Only Qualified Foreign Investors (QFI) can participate in the market; QFI's need to be financial institutions with assets of at least USD 5 billion under management, and have been in operation for at least five years. Also, individual investors may acquire equity stakes of no more than 5% in individual companies, and foreign investors cumulatively may not hold more than 20%. Foreigners may not invest in all companies listed on the Tadawul.	15 June 2015	Capital Markets Authority, "Rules for Qualified Foreign Financial Institutions Investment in Listed Shares", 14 June 2015
Spain			
General Business Climate	A number of changes to the rules for visas and residence permits came into force on 29 July, which significantly reduced the administrative and financial requirements for obtaining a Spanish visa.	29 September 2015	EY HR and Tax Alert, Spain simplifies requirements for visas and residence permits for investors and intracompany transfers, 1 August 2015
Ukraine			
General Business Climate	On 15 July 2015 the Parliament of Ukraine adopted Law N° 1861 relaxing transfer pricing rules. The limit of controlled transactions was increased from Hr 20 million to Hr 50 million.	15 July 2015	Parliament relaxes law on transfer pricing, http://www.kyivpost.com/content/ukraine/parliament-relaxes-law-on-transfer-pricing-393582.html , 16 July 2015
Vietnam			
Entry	As of 1 September 2015, the previous foreign ownership cap of 49% has been lifted in a number of business sectors in accordance with the issuance of Decree No. 60/2015/ND-CP of 26 June 2015. The government permitted foreign investors to take a majority ownership or to wholly own Vietnamese companies, save for the limits that remain in certain service sectors.	1 September 2015	Online newspaper of the government, More room for foreign participation in Viet Nam equities market, 30 June 2015
Treatment	Investors in overseas projects are allowed to transfer abroad an amount of foreign currencies not exceeding 5 percent of their total investment capital, or not more than US\$300,000, as payment for activities relating to their projects before getting investment licenses from foreign local authorities.	25 September 2015	Online newspaper of the government, Government of Vietnam, New regulations on investment abroad, 13 October 2015

Annex 2. Summary table of IIAs signed between 1 June 2015 and 30 September 2015

	Name of Agreement	Date of Signature
1	Free Trade Agreement between China and the Republic of Korea	1 June 2015
2	Free Trade Agreement between Australia and China	17 June 2015
3	Bilateral Investment Treaty between Japan and Oman	19 June 2015
4	Cooperation and Facilitation Investment Agreement between Brazil and Malawi	25 June 2015
5	Bilateral Investment Treaty between Mauritius and Zambia	14 July 2015
6	Bilateral Investment Treaty between China and Turkey	29 July 2015
7	Bilateral Investment Treaty between Mauritius and the United Arab Emirates	20 September 2015

**Annex 3. Summary table of IIAs by type of agreement and country/
economy, between 1 June 2015 and 30 September 2015**

Country	BITs	«Other IIAs»
Australia		1
Brazil		1
China	1	2
Japan	1	
Korea (Republic of)		1
Malawi		1
Mauritius	2	
Oman	1	
Turkey	1	
United Arab Emirates	1	
Zambia	1	

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