29 June 2020

Twenty-third Report on G20 Investment Measures[1]

When the Global Financial Crisis broke in 2008 and early 2009, governments around the globe rallied to prevent a repeat of the mistakes of the Great Depression of the 1930s: Avoid protectionism and beggar-thy-neighbour policies as this would lead to a further deepening of the crisis.[2] Their call was followed by a specific and firm commitment to refrain from introducing new barriers to investment or trade and complemented by a mandate for the WTO, OECD and UNCTAD to report publicly on new trade and investment policy measures. So far, 22 reports have been issued under this mandate.[3]

In early 2020, the COVID-19 pandemic broke out. It has led, in addition to dramatic health implications for people around the globe, to an almost immediate and profound economic upheaval in many economies. Governments have been scrambling for responses to limit negative impacts on their societies and economies. G20 Leaders have repeatedly jointly expressed their determination to minimize the negative effects of the pandemic and to remain open to trade and investment.[4]

This 23rd report, jointly prepared by the OECD and UNCTAD Secretariats, covers investment and investment-related measures that G20 Members have taken between 16 October 2019 and 15 May 2020. It documents policy actions that G20 Members have taken in the last months preceding the pandemic and in response to the unprecedented economic crisis that followed, just a decade after the Global Financial Crisis.

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

2 G20 Leaders "Declaration of the Summit on Financial Markets and the World Economy", Washington, 15 November 2008.

3 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.

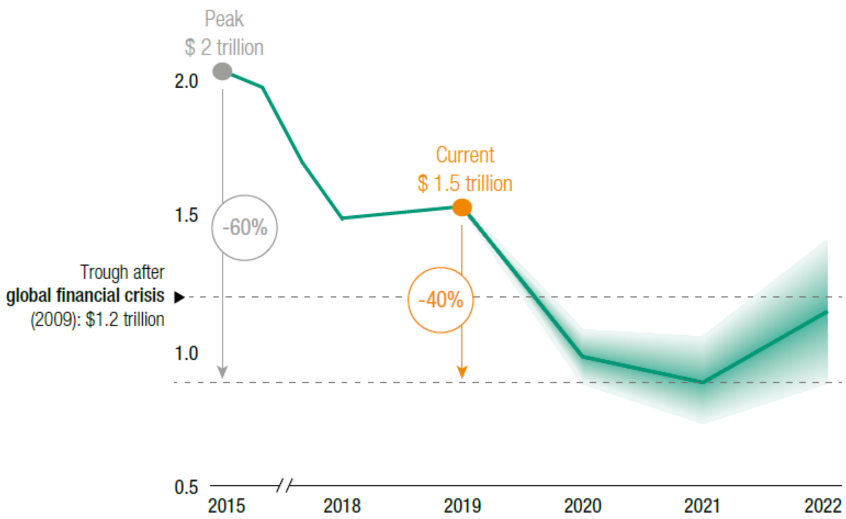
4 Extraordinary G20 Leaders' Summit "Statement on COVID-19", 26 March 2020. G20 Trade and Investment Ministers and guest countries statement "G20 Actions to Support World Trade and Investment in Response to COVID-19" , 14 May 2020.

Many countries were still preparing and refining their investment policy responses, when this report was finalised for release; this report takes a snapshot of their actions as of mid-May 2020.

I. Development of Foreign Direct Investment (FDI) flows

Foreign Direct Investment (FDI) has been on a downward trajectory since 2016 and is expected to decline sharply as a consequence of the pandemic and the resulting supply disruptions, demand contractions, and pessimistic outlook of economic actors. Even under the most optimistic scenario – in which the economy begins to recover in the 2nd half of 2020 – FDI flows in 2020 are expected to fall by more than 30% compared to 2019[5] and could plunge by 40% (Figure 1).

Figure 1: Global FDI inflows, 2015 to 2019 and 2020-2022 forecast (USD trillions)



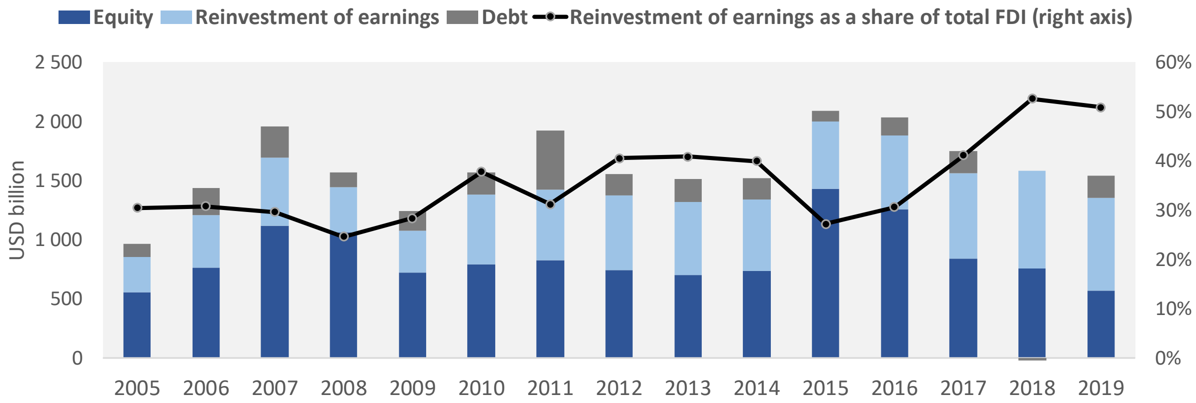
Source: UNCTAD, World Investment Report 2020.

This decrease is accentuating and accelerating the steady decline of FDI flows observed in the past five years (Figure 2). Reinvested earnings – which play an increasingly important role in FDI flows – will drop substantially in the short term, as the crisis will depress earnings and investors are expected to reinvest a smaller share of their earnings than they have done in the recent past. Equity capital flows will also decline as many new investments, both merges and acquisitions (M&As) and greenfield investments, have been put on hold.

Intracompany loans and injections of equity capital from parent companies to their struggling foreign affiliates may offset some decline in reinvested earnings. Such behaviour has been observed during the 2008 Global Financial Crisis and in times of severe currency depreciations; this constitutes an advantage of foreign ownership: financial linkages between investors and their foreign affiliates contribute to the affiliates' resilience to economic crises.

[5] "Foreign direct investment flows in the time of COVID-19", OECD, April 2020.

Figure 2: Global FDI inflows by instrument, 2005 to 2019.



Note: 2019 data are preliminary. Debt in FDI consists of loans between related parties.
Source: OECD FDI Statistics Database.

The pandemic and crisis-response measures are having much greater impacts on some sectors than others, and FDI flows will reflect this. The information and communication sector may see an increase in earnings, while the manufacturing and primary sectors will likely see large drops in earnings, for instance. As some of the worst-hit sectors, including accommodation, food service, and transportation and storage, typically account for relatively small shares of FDI, their suffering will not show proportionately in FDI statistics overall. There will be large cross-country variation. For example, available data show that the primary sector is much more important in inward FDI in some G20 economies, including Australia, Brazil, Canada, Indonesia, the Russian Federation, and South Africa, than in others.

If the public health and economic policy measures do not yield sufficient results, FDI flows may still decline further in the medium term. Divestments could be an additional factor, besides lower earnings and fewer new investments, if financially struggling firms are forced to sell or liquidate some of their foreign operations.[6]

II. G20 Members' investment policy measures

1. Foreign direct investment-specific measures

G20 Members have taken an unusually high number of investment policy measures in the reporting period, mirroring the exceptional economic circumstances that have emerged since early 2020 when the COVID-19 pandemic began to sweep the planet. Australia, Brazil, P.R. China and India took measures before signs of the pandemic emerged, but countries continued to change policies throughout the reporting period. Some of these measures lead to further liberalisation or otherwise more favourable conditions for foreign direct investment:

- *Australia* increased screening thresholds for investors from certain origins under its inward investment screening mechanism through Preferential Trade Agreements and established new rules for financial services licensing of foreigners in Australia;
- *Brazil* rescinded authorisation requirements for foreign investment in financial institutions based in Brazil and henceforth applies the principle of national treatment of foreign investors to this sector;

[6] Projections of FDI flows under different scenarios of the effectiveness of the public health and economic policy measures are set out in the April 2020 issue of *FDI in Figures* and the note on *FDI Flows in the Time of COVID-19*. In the long term, disruptions due to COVID-19 could lead some MNEs to rethink their supply chains, with broader impact on FDI flows. See chapter IV (International Production: A Decade of Transformation Ahead) of the World Investment Report 2020: International Production Beyond the Pandemic for a detailed analysis.

- *P.R. China* relaxed rules on the operation of foreign financial institutions and eased several restrictions on the operation of foreign enterprises in China; and
- *India* relaxed rules for foreign direct investment in the insurance and aviation sectors and clarified rules on local sourcing requirements.

Some other measures have also been observed, including the raising of additional duties for foreign acquirers of residential real estate in some States of *Australia*.

With the breakout of the COVID pandemic, *Australia* and *India* have temporarily adjusted their FDI policies to enable tighter control over inward investment. Australia temporarily lowered the trigger threshold for its foreign investment review mechanism, and India temporarily added additional countries to the list of origins of acquirers who are subject to stricter review rules. Canada has not changed its policies but announced that it will apply heightened scrutiny to the operation of its review mechanism in a Policy Statement – a posture that the EU has also recommended in a Communication addressed to its Member States.

A detailed description of these policy changes is available in Annex 1 of this report.

2. Investment measures related to national security

G20 Members continued to address potential risks that foreign investment could pose to their national security interests and amended their policies to manage these risks. In the reporting period, six countries took policy measures – *France, Germany, Italy, Japan, the Republic of Korea* and the *United States*.

Some of the measures that G20 Members have taken in this regard were unrelated to the COVID pandemic and the economic disruption it created; rather, they had been planned earlier and independently from the pandemic and became effective in the reporting period:

- *France* lowered the participation-thresholds that trigger its foreign investment review mechanism and broadened the mechanism's scope to include additional industries;
- *Italy* made several changes to its investment review mechanism that expand its application, broaden the criteria that apply to the assessment of individual investments under its arrangements and strengthen compliance;
- *Japan* amended the rules governing foreign acquisitions by lowering the capital -threshold that triggers its investment review procedures and modified further procedural rules associated with this step;
- The *Republic of Korea* further enhanced rules that govern foreign investment in areas associated with national core technology; and
- The *United States* issued rules related to the powers of the Committee on Foreign Investment in the United States (CFIUS), following reform legislation passed in 2018, and also introduced new measures to manage national security risks associated with foreign ownership or control in the telecommunications and power sectors.

Supply shortages in the health-sector and the economic disruption that resulted from government action to contain the COVID pandemic led to the introduction of additional measures in some G20 Members, including *Australia, France, Germany, India* and *Italy*. These policy measures were explicitly motivated by factors related to the COVID-pandemic. These policy changes serve one of two distinct purposes:

- Some reforms add health-related industries and associated supply chains that are crucial for the *pandemic response* to the scope of screening mechanisms or strengthen control specifically in this area; and.
- Other measures introduce or enhance FDI screening mechanisms across the board to prevent acquisitions in *any sector* where companies suffer from temporary financial stress and value distortions under the exceptional economic conditions associated with the pandemic.

Measures that focus on companies and activities that are critical for the pandemic response reflect government concerns that production capacity and availability in this area affect essential security interests of societies. *France* and *Italy* added biotechnologies, and *Italy* also critical health infrastructure, to lists to which investment screening applies, and *Germany* and *Japan* henceforth apply tighter procedural rules to these sectors (*Germany*) or companies operating in these sectors (*Japan*).

Australia, France, India and *Italy* introduced temporary adjustments that allow a tighter control over inward investment beyond sectors that are related directly to their pandemic response. *Australia, France* and *Italy* temporarily lowered the trigger conditions for their review mechanisms across the board, and *India* temporarily added additional countries to the list of origins of acquirers who are subject to stricter review rules.

Some G20 members have responded to the exceptional circumstances and challenges that the pandemic has brought for foreign investment screening without resorting to explicit regulatory adjustments. *Canada* has clarified, in a Policy Statement, the heightened scrutiny that it will apply to the operation of its review mechanism, and the EU has likewise called, in a Communication, on EU Member states to pay more attention to transactions that may result in the exposure of Member states' or European Union interests.

These policy measures of G20 Members are part of a broader trend that stretches well beyond G20 Membership.[7] Governments around the world are becoming more concerned about risks to their national security interests, and ever more countries are introducing or strengthening mechanisms that allow for an upfront review of certain investment proposals to manage these risks. These efforts have accelerated significantly since 2016, and the pandemic and its fallout has merely accelerated, rather than triggered this trend.

The protection of national security interests is a legitimate role and indeed obligation of governments. International investment law recognises this legitimacy and allows for policy space for this purpose. The limited transparency over the application of these rules, often an imperative given the sensitivity of information for governments and involved businesses alike, makes investment review mechanisms potentially prone to misuse for purposes other than the protection of national security interests.

To avoid that these tools are used as an avenue to introduce restrictions that are not mandated by national security interests, agreement on good policy and common principles, transparency and peer-pressure are paramount.

G20 Members have made good progress in this regard:

- **Common principles** for this policy area have been agreed as part of the G20 Guiding Principles for Global Investment Policymaking (2016)[8] and, earlier and in somewhat greater detail, in the OECD Guidelines for Recipient Country Investment Policies relating to National Security (2009). UNCTAD's Investment Policy Framework for Sustainable Development (IPFSD) also provides guidance.[9]
- **Greater transparency** is achieved, collectively, through public reporting on policy changes in this policy area under the present exercise and through notification requirements that many G20 Members have taken on in other contexts.[10] In addition, many individual G20 Members have significantly increased efforts to generate greater transparency and access to public information on their implementation practice, either at the occasion of individual decisions or in different levels of aggregate.

[7] See for a broader analysis "*Acquisition- and ownership-related policies to safeguard essential security interests – current and emerging trends, observed designs, and policy practice in 62 economies*", OECD, March 2020 and UNCTAD, "National Security-Related Screening Mechanisms for Foreign Investment: An Analysis of Recent Policy Developments", IPM Special Issue, November 2019 and UNCTAD, World Investment Report 2019: Special Economic Zones, June 2019, and the UNCTAD report on "National-Security-Related Screening of Foreign Investment, IPM Special Issue, November 2019.

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

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

[10] Countries that have adhered to the OECD Declaration on International Investment and Multinational Enterprises are required to notify any new policies area to the OECD under the Third Revised Decision of the Council concerning National Treatment. Policy changes taken by the thirteen G20 Members that have adhered to these instruments are available publicly through the OECD.

- Greater transparency, policy dialogue on policy practice, extensive analysis by international organisations[11] and other actors, and involvement of stakeholders have increased **peer-pressure** on governments that helps discipline their policy-making. Governments have actively given more room for the involvement of stakeholders, and some G20 Members that do not routinely seek public input on policy proposals or make such feedback on proposals publicly available have recently enhanced their efforts and transparency in this policy area.

Despite these elements of progress, vigilance remains critical to avoid an excessive expansion of mechanisms and their implementation beyond what is necessary to protect countries' national security interests.

3. Investment policy measures not specific to FDI[12]

In the reporting period, eight G20 Members – *Argentina*, *Brazil*, *P.R. China*, *India*, *Indonesia*, *Republic of Korea*, the *Russian Federation* and *Turkey* – took measures that affect international capital flows but are not specific to FDI. These measures relate to the degree to which economies are integrated in global financial markets.

Some of the measures that were recorded in the reporting period and are set out in greater detail in Annex 2 of this report sought to respond to the disruption in financial markets that the COVID-19 pandemic caused and that impacted international portfolio flows heavily.[13] Emerging market economies as well as some advanced economies including Italy, Japan, and the United States experienced very large drops in portfolio investment inflows (Figures 3 and 4).

The sudden stop of portfolio flows was faster and more incisive than observed during earlier events of significant outflows in recent years, including during the 2008 Global Financial Crisis. As a consequence of the pandemic and the steep oil price fall, exchange rates of emerging market G20 Members, including Brazil, Indonesia, Mexico, Russian Federation, and South Africa depreciated substantially in March 2020, while currencies of advanced economies, and most notably the US dollar, have generally strengthened over the period.

Capital flows have stabilized in many countries in April and May 2020, non-resident portfolio flows to emerging market economies have grown, and currencies have rebounded in several but not all G20 Members affected by the steep exchange rate drop. While the shock has been common to many countries in the first stages of the crisis, the follow-up has seen greater country differentiation, which will likely continue depending on the evolution and handling of the health crisis in emerging market economies in the coming months.

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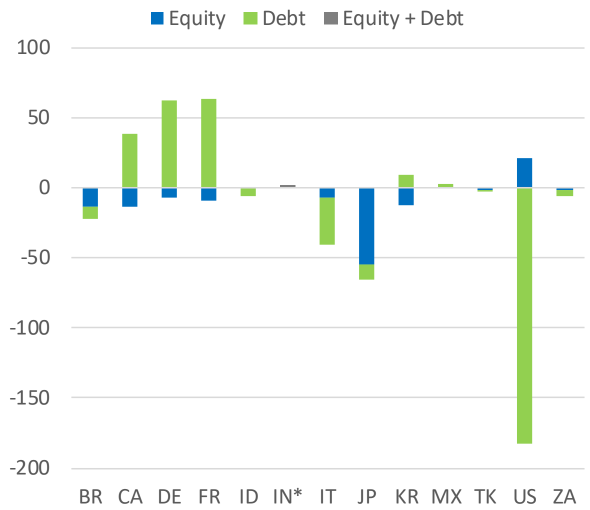
[11] "*Acquisition- and ownership-related policies to safeguard essential security interests – current and emerging trends, observed designs, and policy practice in 62 economies*", OECD, March 2020; UNCTAD, World Investment Report 2020, June 2020; "*OECD investment policy responses to COVID-19*", OECD, June 2020; "*Investment screening in times of COVID – and beyond*", OECD, June 2020; UNCTAD, "Investment Policy Responses to the COVID-19 pandemic", Investment Policy Monitor, Special Issue, May 2020

[12] This section on "Investment policy measures not specific to FDI" has been prepared by the OECD Secretariat 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.

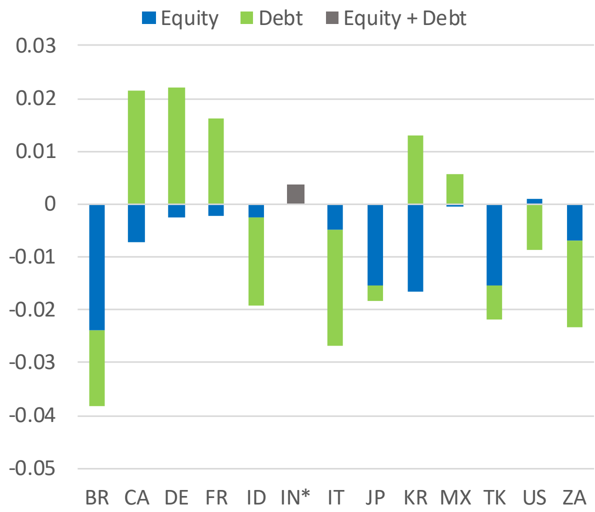
[13] "*COVID-19 and Global Capital Flows*", OECD, June 2020, provides information on major trends in global capital flows during the COVID-19 shocks and description of selective policy responses in OECD countries and non-OECD G20 countries.

Figure 3. Portfolio inflows to selected G20 members –2020Q1 (bln USD)



Note: Net incurrence of portfolio liabilities. Data for Mexico's portfolio debt not available and March data for India not available.
Source: OECD compilation from national sources.

Figure 4. Portfolio inflows to selected G20 members – 2020Q1 (% Portfolio liabilities as of 2019Q4)



Note: Net incurrence of portfolio liabilities, scaled by IIP Portfolio liabilities as of 2019Q4. Data for Mexico's portfolio debt not available and March data for India not available.
Source: OECD compilation from national sources, IMF International Investment Positions.

Governments have used a variety of tools to respond to these developments and have notably made important adjustments in currency-based and residency-based policies beyond FDI. Such responses were with some exceptions in the direction of easing liquidity constraints on inflows, notably:

- *P.R. China* eased a ceiling on cross-border financing;
- *India* eased limits on foreign portfolio investments in corporate and government bonds.
- *Indonesia* and *Turkey* loosened foreign exchange reserve requirements;
- The *Republic of Korea* eased foreign exchange FX derivative caps, while *Turkey* tightened their caps;
- The *Republic of Korea* also eased its foreign exchange liquidity ratio and its levy on foreign exchange liabilities.

No G20 member introduced new restrictions on capital outflows over the period. *Argentina* eased some outflow controls.

4. *International Investment Agreements*

During the reporting period, G20 Members concluded two new bilateral investment treaties (BITs),[14] and one new "other IIA".[15] Furthermore, during the reporting period, eight BITs concluded by G20 Members

[14] The Brazil-India BIT (signed on 25 January 2020) and the Japan-Morocco BIT (signed on 8 January 2020).

[15] The China-Mauritius Free Trade Agreement (signed on 17 October 2019). "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.

were effectively terminated.[16] As of 15 May 2020, there were 2897 BITs and 390 “other IIAs”. Data on G20 Members’ IIAs is available in Annex 3.[17]

III. Overall policy implications

Until the COVID-19 pandemic struck in early 2020, investment policy making in G20 members had slowed down further, with some measures oriented towards greater openness for international investment and most policy measures concerning the reform of investment policies designed to safeguard national security interests against threats associated with international investment. Even though this is a continuation of a trend that had taken root around 2016 these measures have been accelerated due to the pandemic. They need to be monitored and international dialogue should be strengthened to find the right balance between managing risks while taking advantage of the opportunities that FDI brings to countries.

As some governments have achieved first successes in containing the pandemic and bringing the health crisis under control, measures to support a swift and sustainable recovery from the economic crisis are crucial. FDI can play a central role in achieving this objective – provided governments embrace the potential of international investment. The recourse to national security-related screening mechanisms for foreign investment that has gained momentum during the pandemic must not result in an overstretch. Favourable investment policies, embedded in a sound and transparent regulatory framework, are a key component to enable this potential, especially if other factors that weigh on the global economy – in particular increasing trade tensions – are also mitigated and addressed. It is vital that G20 Members remain committed to their recently confirmed goal to “realize a free, fair, non-discriminatory, transparent, predictable and stable trade and investment environment, and to keep our markets open”.[18]

Close monitoring of policy developments and continuous multilateral dialogue, as is taking place at the OECD and UNCTAD, can make important contributions to tackling the enormous challenges. Such dialogue also contributes to inform design of investment policies that allow countries to navigate the uncertainties brought about by the COVID pandemic and establish conditions that usher in a sustainable recovery.

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[16] The BITs between: Australia and Hong Kong, China SAR (effectively terminated on 17 January 2020); Australia and Peru (effectively terminated on 11 February 2020); Bosnia and Herzegovina and Italy (effectively terminated on 10 February 2020); China and Singapore (effectively terminated on 16 October 2019); Costa Rica and Republic of Korea (effectively terminated on 1 November 2019); Ecuador and Italy (effectively terminated on 1 February 2020); Germany and Poland (effectively terminated on 18 October 2019); and Poland and United Kingdom (effectively terminated on 22 November 2019).

[17] On 5 May 2020, 23 EU Member States signed the Agreement for the termination of Bilateral Investment Treaties between the Member States of the European Union. Once this agreement enters into effect, the reported number of IIAs will be adjusted accordingly for EU Members of the G20.

[18] Extraordinary G20 Leaders’ Summit “Statement on COVID-19”, 26 March 2020.

Annex 1: Recent investment policy measures related to FDI (16 October 2019 to 15 May 2020) – Reports on individual economies

	Description of Measure	Date	Source
Argentina			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Australia			
Investment policy measures	On 17 January 2020, the Australia-Hong Kong Free Trade and Investment Agreement entered into force. The investment content replaces the Australia-Hong Kong BIT (1993), which was terminated on the same day. The treaty guarantees investors from Hong Kong (China) a higher screening threshold under the screening framework established under the Foreign Acquisitions and Takeovers Act 1975 – for non-land acquisitions – AUD 1,134 million for non-sensitive businesses, AUD 261 million for sensitive businesses – than the one investors from most other countries are subjected to (Annex 1).	17 January 2020	Australia-Hong Kong Free Trade and Investment Agreement
	On 11 February 2020, the Peru-Australia Free Trade Agreement (PAFTA) entered into force. The treaty replaces the Australia-Peru BIT (1995), which was terminated on the same day. The PAFTA guarantees Peruvian investors a higher screening threshold under the screening framework established under the Foreign Acquisitions and Takeovers Act 1975 – for non-land acquisitions – AUD 1,134 million for non-sensitive businesses, AUD 261 million for sensitive businesses – than the one investors from most other countries are subjected to (PAFTA, Annex I).	11 February 2020	Peru-Australia Free Trade Agreement
	On 1 March 2020, the State of Victoria changed the rules on the application of the foreign purchaser additional duty in relation to discretionary trusts. The change reclassifies the trust as 'foreign' for the purpose of the application of the additional duty if the trust has any potential foreign beneficiary. The foreign purchaser additional duty had first become effective in Victoria on 1 July 2015.	1 March 2020	"*Foreign purchaser additional duty and discretionary trusts change from March 2020*", State Revenue Office Victoria, undated.
	On 29 March 2020, the Australian Government announced temporary changes to the foreign investment review framework that are designed to safeguard Australia's national interest during the COVID-19 pandemic. During this period the monetary threshold amounts under the *Foreign Acquisitions and Takeovers Act 1975* are AUD 0 for proposed foreign investments made on or after 10:30pm (AEDT) 29 March 2020. The *Foreign Acquisitions and Takeovers Amendment (Threshold Test) Regulations 2020* was published on 16 April 2020. These temporary measures will remain in place for the duration of the COVID-19 crisis.	29 March 2020	Foreign Acquisitions and Takeovers Amendment (Threshold Test) Regulations 2020. "*Changes to foreign investment framework*", Treasurer announcement, 29 March 2020.
	On 1 April 2020, Tasmania's Duties Amendment Act 2020 entered into effect. The changes brought by the Act increase the rate of the additional duty that foreign purchasers of residential property are charged from 3% to 8%, and to 1.5% rather than 0.5% for the purchase of primary production land by foreigners. In turn, foreigners who have paid the surcharge and ceased to be foreigners within six months from the dutiable transaction may obtain a refund.	1 April 2020	Duties Amendment Act 2020
	On 1 April 2020, new regulations for Foreign Financial Services Providers (FFSPs) that provide financial services to Australian wholesale clients came into effect. The Australian Securities and Investments Commission	1 April 2020	ASIC Corporations (Foreign Financial Services Providers—Foreign AFS Licensees) Instrument 2020/198;

	Description of Measure	Date	Source
	(ASIC) had announced the rules on 10 March 2020. They bring a new foreign Australian financial services licensing regime for FFSPs and exempt certain providers of funds management financial services from the licensing requirement.		"*Following consultation, ASIC releases new regulatory framework for foreign financial services providers*", Australian Securities & Investments Commission media release, 10 March 2020.
Investment measures relating to national security	None during reporting period.		
Brazil			
Investment policy measures	On 24 January 2020, the Central Bank of Brazil Circular No.3,977 came into effect. It replaces Circular 3,317 of 29 March 2006 and rescinds its authorisation requirements for foreign investment in financial institutions based in Brazil and applies the principle of national treatment of foreign investors to this sector. It implements the Presidential Decree No.10,029 of 26 September 2019, which delegated regulatory power to the Central Bank.	24 January 2020	Central Bank Circular 3,977 of 22 January 2020.
Investment measures relating to national security	None during reporting period.		
Canada			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
P.R. China			
Investment policy measures	On 15 October 2019, amendments to the *Regulations of the People's Republic of China on the Administration of Foreign-funded Insurance Companies* and the *Regulations of the People's Republic of China on the Administration of Foreign-funded Banks* came into force. Foreign insurance group companies are henceforth allowed to establish foreign-invested insurance companies in China; also, foreign banks are allowed to set up wholly owned banks and branches in China concurrently, including joint-ventures. The total asset requirements for foreign banks to set up branches and subsidiaries in China have been removed. Also, foreigners may wholly own institutions that offer futures contracts in China.	15 October 2019	Decision of the State Council on Amending the "Regulations on the Administration of Foreign-funded Insurance Companies of the People's Republic of China" and the "Regulations on the Administration of Foreign-funded Banks of the People's Republic of China" (State Council National Order No.720, 30 September 2019). "*Amendments to regulations in finance sector*", State Council media release, 15 October 2019. "*Removal of foreign ownership limit in foreign-invested futures companies*", China Securities Regulatory Commission news release, 15 October 2019;
	In order to implement the Foreign Investment Law passed in 2019, on 26 December 2019, the State Council published the *Implementing Regulation for the Foreign Investment Law of the People's Republic of China*. The regulation, which has been implemented along with the Foreign Investment Law on 1 January 2020, specifies the provisions on investment promotion, investment protection and investment administration, including equal treatment between foreign invested enterprises and domestic enterprises, the protection of intellectual	26 December 2019; 1 January 2020	Regulations for the Implementation of the Foreign Investment Law of the People's Republic of China (Decree of the State Council of the People's Republic of China No.723, 26 December 2019).

Description of Measure	Date	Source
property rights and other legitimate rights of foreign investors and foreign invested enterprises, foreign investment promotion measures, foreign investment information reporting system, and complaints mechanism for foreign invested enterprises, etc.		
On 31 December 2019, the market supervision authorities of Shanghai, Jiangsu, Zhejiang and Anhui jointly published trial measures in relation to foreign-invested enterprises that apply to the territorial jurisdiction of the four authorities. The measures came into force on 1 January 2020. Among other aspects, the trial measures address investment by Chinese nationals in foreign-invested enterprises; and the establishment by foreign residents of science and technology enterprises.	31 December 2019; 1 January 2020	Administrative Measures on Permitting Domestic Natural Persons to Invest In and Establish FIEs (Zhejiang Supervision Note No.30, 31 December 2019); Trial Measures on Simplifying Registration Materials and Implementing Mutual Recognition of Subject Qualification Evidence Documents (Zhejiang Provincial Market Supervision Administration, Policy Interpretation No. 002482410/2019-679781, 31 December 2019); Trial Measures on Foreign Natural Persons Holding Permanent Resident ID Cards Establishing Science and Technology Enterprises (Zhejiang Provincial Market Supervision Administration, Policy Interpretation No. 002482410/2019-679780, 31 December 2019).
Since 1 April 2020, foreigners are allowed to be full owners of fund management companies in China, and fully foreign owned brokers will be allowed to operate in China as of 1 December 2020.	1 January 2020; 1 April 2020	"*Order No.10, 2019 - Revised Implementation Rules on Administrative Licensing of Foreign-funded Banks*", China Banking and Insurance Regulatory Commission, 26 December 2019; "*CSRC announces timetable to remove equity cap in foreign-invested securities and fund management firms*", China Securities Regulatory Commission news release, 15 October 2019; *"CBIRC Releases the Revised Implementation Rules on Administrative Licensing of Foreign-funded Banks"*, China Banking and Insurance Regulatory Commission news release, 3 January 2020.
The restrictions on foreign ownership in joint-venture life insurance companies were removed on 1 January 2020. Foreign ownership in joint-venture life insurance companies can reach 100%.	1 January, 2020	Notice of the CBIRC General Office on Clarifying Timing of Removing Foreign Ownership Restrictions on Joint Venture Life Insurance Companies, Order No. 230, 2019.
The State Council of the People's Republic of China put forward 20 opinions in four areas, namely Expanding Opening-Up, Further Promoting Investment, Deepening Reform to Facilitate Investment and Protecting Legitimate Interests of Foreign Investors to safeguard a more "fair, transparent and predictable" business environment for foreign-invested enterprises.	30 October 2019	Opinions of the State Council on Further Improving the Utilization of Foreign Investment (State Council No.23[2019], 30 October 2019)

	Description of Measure	Date	Source
France			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 1 January 2020, changes to France's investment screening mechanism entered into effect. The changes, introduced in *Décret n° 2019-1590 du 31 décembre 2019 relatif aux investissements étrangers en France* expand and clarify the foreign investment screening regime in France. Some of the new rules apply only to authorisation requests filed on or after 1 April 2020. Among other measures, the change lowers the trigger thresholds for the screening mechanism to 25%, down from 33.33%; adds additional industry sectors to the list of sectors to which the review mechanism applies. The Arrêté du 31 décembre 2019 relatif aux investissements étrangers en France provides further details on the application of the rules of the review mechanism.	1 January 2020	Décret n°2019-1590 du 31 décembre 2019 relatif aux investissements étrangers en France; Arrêté du 31 décembre 2019 relatif aux investissements étrangers en France
	Effective 30 April 2020, the Arrêté du 27 avril 2020 relatif aux investissements étrangers en France added biotechnologies to the list of industries to which the mandatory review mechanism applies.	30 April 2020	Arrêté du 27 avril 2020 relatif aux investissements étrangers en France; "*Covid-19 – Update of the foreign direct investment screening procedure in France*", French Treasury website, 30 April 2020.
	On 29 April 2020, France also announced a temporary lowering of the shareholding threshold to 10%, down from 25%, for listed companies, until the end of 2020. At the end of the reporting period on 15 May 2020, this measure had not been brought into effect.		"*Covid-19 – Update of the foreign direct investment screening procedure in France*", French Treasury website, 30 April 2020.
Germany			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 20 May 2020, the German government adopted a revision of the *Foreign Trade and Payments Ordinance,* which changes procedural and substantive aspects of Germany's investment screening procedure to safeguard essential security interests. The changes extend the application of a 10% trigger threshold for acquisitions by non EU-foreigners and an associated notification requirement to health-related sectors and adjusts some procedural rules to close identified shortcomings in the operation of the mechanism. The changes had been first announced in January 2020 and the text was released on 11 May 2020.	11 May 2020; 20 May 2020	Fünfzehnte Verordnung zur Änderung der Außenwirtschaftsverordnung; Erstes Gesetz zur Änderung des Außenwirtschaftsgesetzes.
India			
Investment policy measures	On 21 February 2020, India announced an amendment of the rules governing FDI in the insurance sector. The change, announced in Press Note 1 (2020) of 21 February 2020, allows 100% foreign ownership of insurance intermediaries, up from 49% previously. Insurance intermediaries include insurance brokers, re-insurance brokers, insurance consultants, corporate agents, third party administrators, surveyors and loss assessors.	21 February 2020	"Review of Foreign Direct Investment (FDI) policy in insurance sector", Press Note 1 (2020), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, 21 February 2020.
	On 27 February 2020, the Ministry of Commerce and Industry clarified that the local sourcing requirements for foreign owned single brand retailers are fulfilled by producers located in special economic zones (SEZs).	27 February 2020	"*Clarification on FDI Policy on Single Brand Retail Trading (SBRT)*", Ministry of Commerce and Industry, 27 February 2020.
	On 19 March 2020, the Indian government announced a change to the rules governing foreign investment in the civil aviation sector. The changes, set out in Press Note 2 (2020) of 19 March 2020 allow Non-Resident Indians to own 100% in Air India Ltd under the automatic route.	19 March 2020	"Review of Foreign Direct Investment (FDI) policy on civil aviation", Press Note 2 (2020), Department of Industrial Policy and Promotion, Ministry of

	Description of Measure	Date	Source
			Commerce and Industry, 19 March 2020.
	On 17 April 2020, India announced the modification of FDI policies with respect to its immediate geographic neighbour countries. The policy change, announced in Press note 3 (2020) of 17 April 2020, requires all inward investment from countries that have a land border with India or where the beneficial owner is a citizen of such countries under the government route, that is, after having obtained prior approval. Hitherto, a similar policy only applied to Bangladesh. Furthermore, any transaction that results in FDI in an entity in India being transferred to a beneficial owner from or citizen of such countries also requires government approval.	17 April 2020	"Review of Foreign Direct Investment (FDI) policy for curbing opportunistic takeovers/acquisitions of Indian companies due to the current COVID-19 pandemic", Press Note 3 (2020), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, 17 April 2020.
Investment measures relating to national security	None during reporting period.		
Indonesia			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Italy			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	The decree-law 21 September 2019, n.105, converted into law, with amendments, by law 18 November 2019, n.133 brought changes to Italy's rules on special ("golden") powers that are laid down in Law No.56 of 11 May 2012. Among others, the changes: ● expand the perimeter of the Italian golden powers to areas beyond those already covered by Legislative Decree n. 21/12 as introduced by the Regulation (EU) 2019/452 of the European Parliament and of the Council; ● broaden the criteria for the evaluation of investment projects under the scope of the "golden powers" regime by adding to the factors to consider: government-control of the would-be acquirer; previous actions that threatened essential security interests of Italy or another EU Member State; and the probability that the would-be acquirer engage in illegal activities; ● strengthen the sanctions regime associated with the review mechanisms; and ● modify the discipline of the special powers regarding 5G technologies – when the provider is from outside the EU – to align it with that applicable to the exercise of special powers in the defence and national security areas.	21 September 2019; 18 November 2019	Decree-law 21 September 2019, n.105, converted into law, with amendments, by law 18 November 2019, n.133.
	Further changes to Italy's investment screening mechanisms came into effect on 9 April 2020. These changes, brought by the Decree-law of 8 April 2020, n.23, converted into law by law of 5 June 2020, n.40, expand, among others, the application of the review mechanisms to additional sectors that are declared strategic; enables the authorities to open reviews ex-officio where companies do not fulfil the notifications obligations; expand the scope of the powers to acquisitions from within the EU – when they provide control over an Italian company – and lower the trigger threshold for acquisitions from outside the EU to 10%.	9 April 2020	Decree-law of 8 April 2020, n.23, converted into law by law of 5 June 2020, n.40.

	Description of Measure	Date	Source
Japan			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 8 May 2020, amendments to Japan's Foreign Exchange and Foreign Trade Act (FEFTA) came into effect. Among others, the amendment lowers the trigger threshold for acquisitions in certain companies to 1%, down from 10% previously, and introduces notification requirements for some acquisitions. In the meantime, the exemption scheme for prior-notification requirement for stock purchases has been introduced. Investors who comply with certain conditions are exempted from the requirement of prior-notification. The lower threshold and notification requirements apply to assets operating in certain sectors, as clarified in a media release of 24 April and 8 May 2020 and complemented by a list of 3800 listed Japanese companies with individual classifications for the purpose of the rules as of the time of release on the same day.	8 May 2020	Law that partially revises the Foreign Exchange and Foreign Trade Law. "*Rules and Regulations of the Foreign Exchange and Foreign Trade Act*", Ministry of Finance, 24 April 2020. "*Factors to be considered in authorities' screening of prior-notification for Inward Direct Investment and Specified Acquisition under the Foreign Exchange and Foreign Trade Act*", Ministry of Finance media release, 8 May 2020. "*List of classifications of listed companies regarding the prior-notification requirements on inward direct investment under the Foreign Exchange and Foreign Trade Act*", Ministry of Finance, 8 May 2020.
Republic of Korea			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 21 February 2020, amendments to the Law N°16476, Partial Amendment of the Act on the Prevention of Divulgence and Protection of Industrial Technology came into effect; the changes had been passed on 20 August 2019. Among other aspects, the modifications of the Act on the Prevention of Divulgence and Protection of Industrial Technology: ● extend a prior notification requirement for foreign acquisitions of national core technology which hitherto only applied for companies that had developed this technology with government support to companies that have developed core technology without such help; and ● require that companies that hold national core technology that was developed with government support obtain prior government approval for any foreign capital contribution.	21 February 2020	Law N°16476, Partial Amendment of the Act on the Prevention of Divulgence and Protection of Industrial Technology
Mexico			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Russian Federation			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		

	Description of Measure	Date	Source
Saudi Arabia			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
South Africa			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Turkey			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
United Kingdom			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
United States			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 13 February 2020, regulations issued by the U.S. Department of the Treasury implementing broadened authorities of the Committee for Foreign Investment in the United States (CFIUS) and requiring mandatory declarations in some circumstances became effective. The regulations implement the Foreign Investment Risk Review Modernization Act (FIRRMA). Prior to FIRRMA, CFIUS had authority to review transactions that could result in control by a foreign person over any U.S. business. Under FIRRMA, CFIUS retains this authority and can also review certain non-controlling investments by foreign persons in U.S. businesses involved with critical technology, critical infrastructure, or sensitive personal data. Additionally, CFIUS can review certain real estate transactions involving a foreign. The regulations also provide for mandatory declarations for certain transactions.	13 February 2020	Provisions Pertaining To Certain Investments in the United States by Foreign Persons (31 CFR Parts 800 and 801), Federal Register, Vol.85, No.12, 17 January 2020. Provisions Pertaining to Certain Transactions by Foreign Persons Involving Real Estate in the United States (31 CFR Part 802), Federal Register, Vol.85, No.12, 17 January 2020.
	On 4 April 2020, the President of the United States issued Executive Order 13913 establishing a new Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector. The Executive Order formalises the federal authority to review license applications involving foreign ownership in telecommunications companies seeking to provide telecommunications services to or from the United States. Effective since 8 April 2020, the Executive Order requires	8 April 2020	Executive Order 13913 of April 4, 2020 Establishing the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector, Federal Register, Vol.85, No. 68, 8 April 2020.

	Description of Measure	Date	Source
	the new Committee and the review process to be in place no later than 3 July 2020.		
	On 1 May 2020, an interim rule issued by the U.S Department of the Treasury establishes fees for parties filing a formal written notice of a real estate transaction with CFIUS. The filing fee amount is based on the value of the transaction. FIRRMA provided CFIUS the authority to collect filing fees.	1 May 2020	Filing Fees for Notices of Certain Investments in the United States by Foreign Persons and Certain Transactions by Foreign Persons Involving Real Estate in the United States, Federal Register, Vol.85, No.83, 29 April 2020.
	On 1 May 2020 the U.S. President issued an Executive Order prohibiting certain transactions involving bulk power system electric equipment that has been developed, manufactured, or supplied by a foreign adversary if the Secretary of Energy, in consultation with the heads of other agencies, determines that the transaction raises significant national security concerns.	1 May 2020	Executive Order 13920 of 1 May 2020 Securing the United States Bulk Power System, Federal Register Vol.85, No.86, 4 May 2020.
European Union			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	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 October 2019 to 15 May 2020. An investment measure is counted as falling within the reporting period if new policies were adopted or entered into force during the period.

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

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

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

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

- official notifications made by governments to various OECD processes (e.g. the Freedom of Investment Roundtable or as required under the OECD investment instruments);
- information contained in other international organisations' reports or otherwise made available to the OECD and UNCTAD Secretariats;

- other publicly available sources: specialised web sites, press clippings etc.

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

Annex 2: Recent investment policy measures not specific to FDI (16 October 2019 to 15 May 2020) – Reports on individual economies[19]

Description of Measure	Date	Source
Argentina		
On 27 October 2019, Argentina's Central Bank amended the rules on foreign exchange cash purchases. The changes to the Communication "A"6770 allow natural persons to buy up to USD 200 per month with peso debit accounts, and USD 100 with cash. Non-resident natural and legal persons may buy up to USD 100 per month. Through Communication "A"6770, issued on 1 September 2019, the Central Bank of Argentina had modified several rules related to the purchase and sale of foreign exchange.	27 October 2019	"*Adecuaciones para proteger la estabilidad cambiaria*", Central Bank of Argentina release, 27 October 2019.
On 28 March 2020, Argentina's Central Bank made further changes to the rules on foreign exchange purchases, this time concerning foreign currency withdrawals abroad. Henceforth, foreign currency withdrawals using local bank accounts in pesos and a debit card within the USD 200 limit. Also, foreign currency in cash may be withdrawn through local credit or purchase cards of up to USD 200 per transaction, with the exception of countries bordering Argentina. Also, foreign currency remittances of up to USD 500 per calendar month to accounts abroad were allowed.	28 March 2020	"*Argentinos en el exterior: uso de tarjetas y cuentas bancarias*", Central Bank of Argentina release, 28 March 2020.
Australia		
None during reporting period.		
Brazil		
Effective 20 April 2020, the Central Bank of Brazil Circular No.4,002 of 16 April 2020 changed foreign exchange regulations related to the settlement of export exchange contracts.	20 April 2020	Central Bank Circular 4,002 of 16 April 2020.
With the publication of the Central Bank Resolution Nº4.811 of 30 April 2020 on 5 May 2020, the limit for foreign exchange operations that securities and stock brokers are allowed to perform with clients was raised to USD 300,000, up from USD 100,000 previously.	30 April 2020	Central Bank Resolution Nº4.811 of 30 April 2020.
Canada		
None during reporting period.		
P.R. China		
On 23 October 2019, the State Administration of Foreign Exchange of China issued the *Circular on Further Promoting the Facilitation of Cross-border Trade and Investment* (Hui Fa [2019] No.28). This Circular simplifies the foreign exchange control requirements under current and capital accounts and relax domestic equity investment restriction imposed on foreign-invested enterprises.	23 October 2019	Circular on Further Promoting the Facilitation of Cross-border Trade and Investment (SAFE Circular No.28, 23 October 2019).
With a joint circular dated 30 September 2019, the People's Bank of China and the State Administration of Foreign Exchange allowed foreign institutional investors to carry out transactions between their *Qualified Foreign Institutional Investor* (QFII) *program* or the *RMB Qualified Foreign Institutional Investor* (RQFII) *program* and their bonds account in the inter-bank bonds market. This possibility came into effect on 15 November 2019.	15 November 2019	"*Circular on Further Facilitating Investments by Foreign Institutional Investors in Interbank Bond Markets*", People's Bank of China and the State Administration of Foreign Exchange, 30 September 2019.
On 14 February 2020, China's main financial regulatory authorities and the Shanghai government released Guidelines (Yin Fa [2020] No.46 that contain new financial policies in the Lingang New Area of Shanghai's Pilot Free Trade Zone.	14 February 2020	People's Bank of China, China Banking and Insurance Regulatory Commission, China Securities Regulatory Commission, State Administration of Foreign

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

Description of Measure	Date	Source
		Exchange, Shanghai Municipal People's Government on further Accelerating the Construction of Shanghai International Financial Center and Financial Support for the Integration Development of the Yangtze River Delta (People's Bank of China, China Banking and Insurance Regulatory Commission, China Securities Regulatory Commission, State Administration of Foreign Exchange, Shanghai Municipal People's Government, Guideline No.64, 14 February 2020).
On 7 May 2020, People's Bank of China and the State Administration of Foreign Exchange announced changes to the rules on certain operations by foreign institutional investors that are set to come into force on 6 June 2020.	7 May 2020; 6 June 2020	"*Regulations on the Management of Domestic Securities and Futures Investment Funds of Overseas Institutional Investors*", People's Bank of China and the State Administration of Foreign Exchange, 7 May 2020.
France		
None during reporting period.		
Germany		
None during reporting period.		
India		
On 13 November 2019, India allowed persons resident outside India to hold non-interest bearing Special Non-resident Rupee (SNRR) Accounts with the purpose to facilitate rupee denominated ECB, trade credit and trade invoicing. The restriction on the tenure of SNRR accounts to a maximum of 7 years was lifted insofar as the accounts are used for certain purposes.	13 November 2019, 4 October 2019	"Foreign Exchange Management (Deposit) (Third Amendment) Regulations, 2019", Notification No. FEMA 5 (R)/(3)/2019-RB, 13 November 2019. "*Statement on Developmental and Regulatory Policies*", Reserve Bank of India Press release, 4 October 2019.
On 23 January 2020, the limits on short term investments by foreign portfolio investors as share of total investment in central government securities, state development loans, and corporate bonds have been increased from 20% to 30%. Also, foreign portfolio investors' investment in debt instruments issued by asset reconstruction companies were added to the list of exceptions from the short-term investment limit.	23 January 2020	"Investment by Foreign Portfolio Investors (FPI) in Debt", RBI/2019-20/150, A.P. (DIR Series) Circular No.18, 23 January 2020.
On 23 January 2020, India increased the cap applicable to foreign portfolio investment under the *Voluntary Retention Route* (VRR) to IDR 1,50,000 crores, up from IDR 75,000 crores. Foreign portfolio investors are also allowed to invest in Exchange Traded Funds that invest only in debt instruments.	23 January 2020	"'Voluntary Retention Route' (VRR) for Foreign Portfolio Investors (FPIs) investment in debt – relaxations", RBI/2019-20/151, A.P. (DIR Series) Circular No.19, 23 January 2020.
On 30 March 2020, India increased the ceilings for investments by foreign portfolio investors in in corporate debt in India to 15% of outstanding stock for financial year 2020-21.	30 March 2020	"Investment by Foreign Portfolio Investors (FPI): Investment limits", RBI/2019-20/199, A.P. (DIR Series) Circular No.24, 30 March 2020.
On 31 March 2020, the Reserve Bank of India modified the Foreign Exchange Management (Export of Goods & Services) Regulations, 2015 to insert the possibility to extend the timeframes in which export proceeds from exports of goods, software or services need to be realised and repatriated (section 9 of the Regulations). This period had henceforth set to nine months, but the amendment opens the possibility to extend the period.	31 March 2020; 1 April 2020	"Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2020", Notification No. FEMA 23(R)/(3)/2020-RB, 31 March 2020.

Description of Measure	Date	Source
On 1 April 2020, the Reserve Bank set the period for the realisation and repatriation of export proceeds under this rule to 15 months, effective for exports made up to or on 31 July 2020.		"*Export of Goods and Services-Realisation and Repatriation of Export Proceeds – Relaxation*", RBI/2019-20/206 A.P. (DIR Series) Circular No. 2, 1 April 2020.
On 30 March 2020, the Reserve Bank of India announced a first set of Central Government securities that would be eligible for investment by non-resident investors without restrictions, as of 1 April 2020. The possibility for such investment by non-residents under a new route, the *Fully Accessible Route* (FAR), had been announced in the Union Budget 2020-21. Details of the scheme were likewise announced on 30 March 2020 in a separate circular.	1 April 2020	"'Fully Accessible Route' for Investment by Non-residents in Government Securities - (specified securities)", RBI/2019-20/201, FMRD.FMSD.No.25/14.01.006/2019-20, 30 March 2020. "'Fully Accessible Route' for Investment by Non-residents in Government Securities", RBI/2019-20/200, A.P. (DIR Series) Circular No.25, 30 March 2020.
On 15 April 2020, the Reserve Bank of India announced new ceilings and rules for the investment of foreign portfolio investors in government securities and state development loans for the financial year 2020-21.	15 April 2020	"*Investment by Foreign Portfolio Investors (FPI) in Government Securities: Medium Term Framework (MTF)*", RBI/2019-20/214, A.P. (DIR Series) Circular No. 30, 15 April 2020.
On 22 May 2020, the Reserve Bank of India announced an extension of the time-frame in which foreign portfolio investors need to implement 75% of the investments under their committed portfolio size under the *Voluntary Retention Route* (VRR).	22 May 2020	"'Voluntary Retention Route' (VRR) for Foreign Portfolio Investors (FPIs) investment in debt – relaxations", RBI/2019-20/239, A.P. (DIR Series) Circular No.32, 22 May 2020.
On 22 May 2020, the Reserve Bank of India announced a temporary extension of the timeframe in which remittances for "normal" imports (thus excluding import of gold, diamonds and precious stones and jewellery) have to be completed. This timeframe has been set to 12months from the date of shipment rather than six months, for imports made on or before 31 July 2020.	22 May 2020	"Import of goods and services-Extension of time limits for Settlement of import payment", RBI/2019-20/242, A.P. (DIR Series) Circular No.33, 22 May 2020.
On 7 April 2020, the Reserve Bank of India announced amendments to the rules on the hedging of foreign exchange risk; these rules are set to come into effect on 1 June 2020.	7 April 2020; 1 June 2020	"Risk Management and Inter-bank Dealings – Hedging of foreign exchange risk", RBI/2019-20/210, A.P. (DIR Series) Circular No. 29, 7 April 2020.
Indonesia		
On 2 March 2020, Indonesia's Central Bank announced adjustments of some policies to maintain monetary and financial market stability as well as mitigate the COVID-19 risks. These measures include: ● A reduction of the foreign exchange reserve requirements for commercial banks from 8% to 4%, effective 16 March 2020; ● A reduction in rupiah reserve requirements by 50bps for banks that finance import-export activities as of 1 April 2020 for an initial period of 9 months; and ● An expansion of the range of underlying transactions available to foreign investors in order to provide alternative hedging instruments against rupiah holdings. The Central Bank also reaffirmed that global investors can utilise global and domestic custodian banks to conduct investment activity in Indonesia.	2 March 2020; 16 March 2020; 1 April 2020	"Bank Indonesia Strengthening Measures to Maintain Monetary and Financial Stability", Bank Sentral Republik Indonesia media release No. 22/15/DKom, 2 March 2020.
On 19 March 2020, Indonesia's Central Bank announced further measures to maintain financial stability, including: ● An expedited enforcement of domestic vostro rupiah accounts for foreign investors as underlying transactions for Domestic Non-Deliverable Forwards (DNDF) to increasing hedging alternatives against rupiah holdings in Indonesia; this measure was initially scheduled to enter into effect on 1 April 2020 but came into effect 23 March 2020.	19 March 2020; 23 March 2020; 1 April 2020	"*BI 7-Day Reverse Repo Rate Lowered 25 bps to 4,50% : Maintaining Stability, Mitigating The Risk of COVID-19*" Bank Sentral Republik Indonesia media release No. 22/22/DKom, 19 March 2020.

Description of Measure	Date	Source
● The expansion of the reduction of rupiah reserve requirements by 50bps beyond banks that are engaged in export-import financing to include the financing of MSMEs and other priority sectors, effective from 1 April 2020.		
Italy		
None during reporting period.		
Japan		
None during reporting period.		
Republic of Korea		
On 26 March 2020, the Republic of Korea adopted several measures that ease foreign exchange market stability rules: ● The cap on foreign currency forward positions for local banks was set at 50% of the banks' equity capital, up from 40% previously. Foreign bank branches in the Republic of Korea may hold such positions up to 250%, up from 200% of their capital. ● The levy on financial institutions' non-deposit FX liabilities was temporarily lifted for three months (April to June) and instalment payment plans were expanded for payments due in 2020. ● The foreign exchange liquidity coverage ratio was lowered from 80% to 70% until May 2020.	26 March 2020	"*Government to Ease FX Market Stability Rules*", Ministry of Economy and Finance media release, 26 March 2020.
Mexico		
None during reporting period.		
Russian Federation		
On 10 March 2020, the Central Bank of Russia announced measures in response to the economic circumstances resulting from the COVID-19 pandemic. Among other measures, the measures include a reduction of the risk ratio on banks' rouble-denominated exposures to pharmaceutical companies and medical equipment manufacturers to 70%, and a reduction of the risk factor premiums on foreign currency loans provided to such companies; both adjustments are temporary and are scheduled to expire after 30 September 2020.	10 March 2020	"*Bank of Russia comment on temporary regulatory exemptions for banks due to the spread of coronavirus*", Bank Rossii media release, 10 March 2020.
Saudi Arabia		
None during reporting period.		
South Africa		
None during reporting period.		
Turkey		
On 8 February 2020, the Turkish banking regulator (BDDK) lowered the cap on volume of banks' currency swap, forward, option and other similar derivative transactions with non-residents where banks receive Turkish lira at the maturity date, to 10% of their respective regulatory capital, down from 25% previously. On 12 April 2020, the volume of such transactions was further lowered to 1% of bank's regulatory capital.	8 February 2020; 12 April 2020	Resolution 8860 of 08/02/2020; BRSA announcement, 9 February 2020. Resolution 8989 of 12/04/2020; BDDK announcement, 12 April 2020.
On 28 December 2019, the Central Bank of the Republic Turkey (CBRT) introduced the rule that the reserve requirement ratios on foreign exchange deposits/participation funds are directly linked to the real annual growth rates of banks' Turkish lira-denominated performing cash loans. The CBRT increased these ratios by 200 basis points for all maturity brackets, and applied them 200 basis points lower for banks that comply with the Turkish lira real	28 December 2019	"*Reserve Requirement Ratios*", Central Bank of Turkey website, undated.

Description of Measure	Date	Source
loan growth conditions to ensure that these banks are not affected by this increase.		
On 17 March 2020, the Central Bank of the Republic of Turkey announced that the foreign exchange reserve requirement ratios are to be reduced by 500 basis points in all liability types and all maturity brackets for banks that meet real credit growth conditions within the context of the reserve requirement practice. The measure took effect from the calculation period of 6 March 2020 with the maintenance period starting on 20 March 2020.	17 March 2020	"*Press Release on the Measures Taken against the Likely Economic and Financial Impacts of the Coronavirus*", Central Bank of the Republic of Turkey media release no.2020-16, 17 March 2020.
On 5 May 2020, the Turkish banking regulator (BDDK) announced that Turkish banks' lira-denominated transactions with foreign banks – financial institutions including repo transactions, deposit facilities and loans – was henceforth limited to 0.5% of the respective banks' regulatory capital.	5 May 2020	Resolution 9010 of 05/05/2020; BDDK announcement, 5 May 2020.
United Kingdom		
None during reporting period.		
United States		
None during reporting period.		
European Union		
None during reporting period.		

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

Reporting period. The reporting period of the present document is from 16 October 2019 to 15 May 2020. An investment measure is counted as falling within the reporting period if new policies were adopted or entered into force 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[20]

	BITs			Other IIAs			Total IIAs as of 15 May 2020
	Concluded between 16 October 2019 and 15 May 2020	Effectively terminated between 16 October 2019 and 15 May 2020	As of 15 May 2020	Concluded between 16 October 2019 and 15 May 2020	Effectively terminated between 16 October 2019 and 15 May 2020	As of 15 May 2020	
Argentina			55			18	73
Australia		2	16			22	38
Brazil	1		26			19	45
Canada			32			20	52
China		1	125	1		23	148
France			98			71	169
Germany		1	129			71	200
India	1		19			13	32
Indonesia			42			19	61
Italy		2	67			70	137
Japan	1		33			20	53
Republic of Korea		1	94			20	114
Mexico			31			16	47
Russian Federation			79			6	85
Saudi Arabia			24			13	37
South Africa			39			10	49
Turkey			109			20	129
United Kingdom		1	100			72	172
United States			45			68	113
European Union						70	70

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

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