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KEY MESSAGES

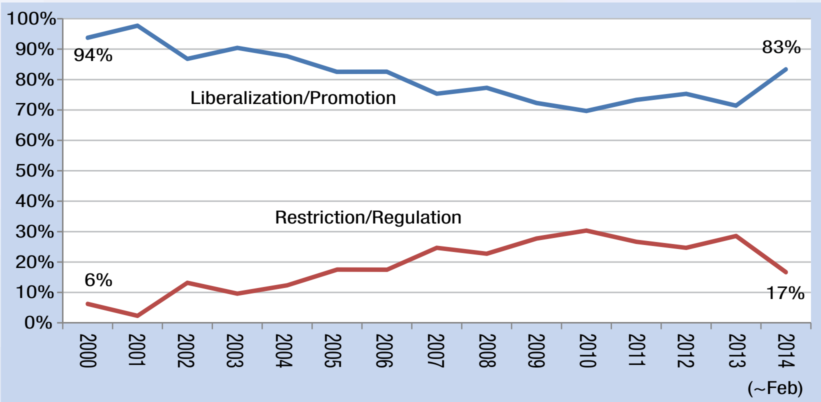
Twenty five countries took thirty six investment policy measures in the review period (November 2013–February 2014). These measures show a continued move towards improving entry conditions, reducing restrictions and facilitating foreign investment. Among the most important policy measures are a liberalization of the oil industry in Mexico and the adoption of a new Investment Law in Mongolia. Some countries pursued their privatization programs.

Ten economies concluded six new IIAs, that is five BITs and one "other IIAs". The move towards regional IIAs continues as several such agreements are currently being negotiated. There is a slowdown in the conclusion of bilateral investment treaties (BITs) and an increase at regional and inter-regional levels. A "scaling-up" of international investment agreements (IIAs) through "mega-regionals" occurs in parallel to efforts for change of (or exit from) the regime by some developing countries.

A. National investment policies

During the reporting period, numerous countries took steps to liberalize or promote foreign investment. Among the thirty six policy measures, six are FDI-specific policy measures (i.e. they are directed only at foreign investors), while the rest are measures addressing investment regardless of its source or affecting the general business climate.

Figure 1: Changes in national investment policies, 2000–February 2014[1]



Source: UNCTAD

[1] The measures in Figure 1 include FDI-specific measures specifically addressing foreign investment and investment-specific measures addressing investment from domestic or foreign sources. Not included are policy measures affecting the general business climate.

Note: This is an unedited report.

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Table 1. Summary table of national investment policy measures adopted between 1 November 2013 and 15 February 2014

	Entry (15)	Operational treatment (3)	Promotion/ Facilitation (10)	General business climate (8)
Albania				1
Algeria	1			
Bolivia, Plurinational State of				1
Chile		1		
Congo				1
Dominican Republic			1	
France				1
India	3			
Israel	1			
Italy	1			
Jamaica			1	
Korea, Republic of	1			
Malaysia			1	
Mexico	1	1		
Mongolia	1			
Myanmar	1			
Peru	1			
Seychelles	1			1
Suriname	1			
Tunisia			1	
Turkmenistan	1			
United Arab Emirates			2	
Uzbekistan			2	
Venezuela, Bolivarian Republic of		1		2
Viet Nam	1		2	1

Source: UNCTAD

Thirteen countries adopted new policy measures relating to the entry and establishment of foreign investors. Three countries took measures with respect to the treatment of investors after establishment in the host country. Seven countries adopted measures on the promotion or facilitation of investment. Seven countries undertook measures affecting the general business climate.

1. Entry/Establishment of investment

Thirteen countries – *Algeria, India, Israel, Italy, the Republic of Korea, Mexico, Mongolia, Myanmar, Peru, Seychelles, Suriname, Turkmenistan, and Viet Nam* – adopted new policy measures relating to the entry and establishment of foreign investors. In their majority, they relaxed restrictions on foreign ownership or opened up new business opportunities.

Among the most noteworthy measures are:

- *Mexico* reformed the energy sector, including lifting a restriction on private capital in the oil industry.
- *Mongolia* passed a new Investment Law. It inter *alia*, eases the approval requirements for foreign investment, streamlines the registration process, removes restrictions for foreign private investment in strategic sectors, and provides certain legal guarantees and incentives.

2. Operational treatment of investment

Three countries – *Chile, Mexico, and the Bolivarian Republic of Venezuela* – took measures with respect to the treatment of investors after establishment in the host country.

- *Chile, inter alia*, streamlined the regulatory framework for private investment funds and mutual funds, and *Mexico* reformed the banking sector, encouraging competition.
- The *Bolivarian Republic of Venezuela* issued new regulations for the automobile industry.

3. Promotion/Facilitation of investment

Seven countries – *the Dominican Republic, Jamaica, Malaysia, Tunisia, the United Arab Emirates, Uzbekistan, and Viet Nam* – adopted measures on the promotion or facilitation of investment. On the whole, countries granted tax incentives for companies, facilitated investment procedures or established new investment promotion agencies. For instance,

- *The Dominican Republic* extended tax exemptions and broadened existing tax incentives for investment in the tourism sector.
- *The United Arab Emirates* established a new investment promotion agency.

Extractive industry has been among the most active sectors in terms of investment policy developments in recent years.

4. General business climate

Seven countries – *Albania, the Plurinational State of Bolivia, Congo, France, Seychelles, the Bolivarian Republic of Venezuela, and Viet Nam* – undertook measures affecting the general business climate. The majority of these measures relate to corporate taxation and labour rules.

Among the most noteworthy measures are:

- *Congo and Seychelles* lowered their corporate income tax rates.
- *Viet Nam* amended the Labour Code in respect of foreign employees. Work permits can no longer be extended; reissuance is required.

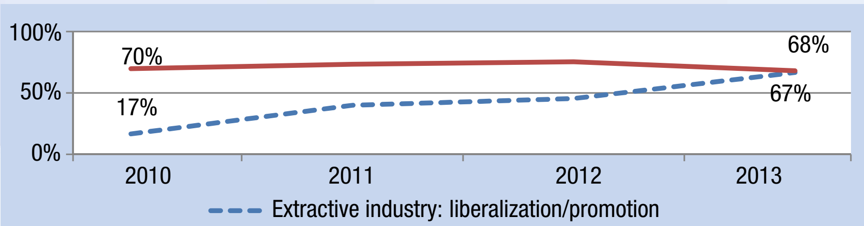
5. The extractive industry: among the most active in terms of investment policy development

In recent years, the extractive industry was among the most active sector in terms of investment policy developments. Since January 2010, 37 investment policy measures were adopted by 25 countries, including, amongst others, 9 countries from the Latin America and the Caribbean;[2] 8 from Africa;[3] 3 from Asia[4] and 3 from the Common Wealth of Independent States.

For many countries, the extractive industry is a strategic sector, subject to significant State influence.[5] Accordingly, most of the investment policy measures taken in this area have aimed at maintaining or enhancing the role of the State in the industry. This is in sharp contrast to the overall, cross-sectoral policy developments.

However, more recently, this picture has started to change, and in 2013 – for the first time – investment policy developments in the extractive industry resembled more or less the overall policy trend. It remains to be seen whether future developments confirm this trend (see figure 2).

Figure 2. Investment policy measures introduced in the extractive industry, 2010-2013



Source: UNCTAD

[2] Namely, Argentina, Plurinational State of Bolivia, Brazil, Colombia, Dominican Republic, Ecuador, Mexico, Panama, and Peru.

[3] Namely, Algeria, Angola, Burkina Faso, Burundi, Guinea, Nigeria, South Sudan, and Uganda.

[4] Namely, Indonesia, Mongolia, and Philippines.

[5] See also UNCTAD, World Investment Report 2012, Towards a New Generation of Investment Policies, p 79.

This new policy trend is mainly a result of development in Africa. African countries account for more than two thirds of the investment liberalization and promotion measures adopted over the last thirteen months in the sector, followed by North and Latin America. Measures included the opening up of the oil or mining sectors to private investors,[6] the privatization of public firms,[7] the government approval of specific M&A deals,[8] and some investment facilitation measures.[9] Vice versa, new investment restrictions were adopted mainly in some South American and Asian countries. For instance, the *Plurinational State of Bolivia* nationalized or expropriated some foreign investors.[10] In Asia, *Indonesia* required foreign mining companies to sell down stakes in mines and increase domestic ownership to at least 51% by the 10th year of production.[11]

B. International investment policies

Ten economies concluded six new IIAs, that is five BITs and one "other IIA".

During the reporting period, five bilateral investment treaties (BITs) were signed. Two BITs were signed between developing countries (*India* and the *United Arab Emirates;*[12] *Myanmar* and the *Republic of Korea*); [13] two were concluded between a developed and a developing country (*Netherlands* and the *United Arab Emirates;*[14] *Japan* and *Myanmar*);[15] and one was concluded between a developing country and an economy in transition (*Guatemala* and the *Russian Federation*).[16]

The BIT between *Japan* and *Myanmar*[17] includes investment liberalization and protection standards (pre- and post-establishment national and most-favored nation treatment of investors and investments, protection against uncompensated expropriation and free transfer of funds), combined with provisions aimed at preserving regulatory and policy space. The latter include a carve-out for prudential measures in the financial services sector and general public policy and security exceptions. The BIT also makes an explicit recognition that Parties should not relax health, safety or environmental standards to attract investment and encourages States to combat corruption.

Regarding agreements with investment provisions other than BITs (so-called "other IIAs"), the reporting period saw the conclusion of one new treaty. On 5 November 2013, *Canada* and *Honduras* signed a Free Trade Agreement (FTA).[18] The FTA has comprehensive coverage and includes chapters on trade in goods and services, investment, competition, government procurement and chapters on environment and labor.

[6] *Mexico* lifted restriction on private capital in its oil industry, and allowed the government to issue licenses and contracts for production-sharing, profit-sharing, and services, *Diario Oficial*, 20 December 2013. In Asia, Mongolia allowed foreign companies to invest in the minerals sector, among others, with the exception that SOE investing in more than 33 percent of an entity must obtain Government approval; see Investment Mongolia Agency, 3 October, 2013.

[7] *Algeria* amended its mining law to allow state-owned enterprises to sign contracts with third parties, while retaining at least a 51 per cent share in the project, *Government Press release*, 30 January 2014. *Peru* allowed for the first time the privatization of up to 49 per cent of the state energy firm Petroperú, *Diario Oficial El Peruano*, 18 December 2013.

[8] *Canada* approved the acquisition of the Canadian company Progress Energy Resources Corp. by PETRONAS Carigali Canada Ltd. (owned by Petronas, of Malaysia), *Press release*, Ministry of Industry, 7 December 2012; and the Canadian company Nexen by the China National Offshore Oil Corporation (CNOOC Ltd.), Press release, Ministry of Industry, 7 December 2012.

[9] *Burundi* adopted a mining law in 2013 which simplified entry procedures and strengthened investor protection, Economist Intelligence Unit: http://viewswire.eiu.com.

[10] *Press release*, President of the Plurinational Legislative Assembly, 29 December 2012, and "MORALES DISPONE NACIONALIZACIÓN DEL PAQUETE ACCIONARIO DE SABSA", Official Press Release, 18 February 2013.

[11] Government Regulation of the Republic of Indonesia, Number 24 Year 2012, Ministry of Energy and Mineral Resources, 15 March 2012.

[12] Signed on 12 December 2013

[13] Signed on 6 January 2014

[14] Signed on 26 November 2013

[15] Signed on 15 December 2013

[16] Signed on 27 November 2013

[17] The texts of the four other BITs (*Guatemala-Russian Federation, India-United Arab Emirates Netherlands-United Arab Emirates and Myanmar-Republic of Korea*) are not yet available as of the date of this report.

[18] http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/honduras/index.aspx?lang=eng

The investment chapter includes typical investment liberalization and protection standards (post-establishment national and most-favored nation treatment of investors and investments, protection against uncompensated expropriation and free transfer of funds), combined with provisions aimed at preserving regulatory and policy space. The latter include a carve-out of government procurement, subsidies and loans from the treaty's scope, a definition of indirect expropriation that excludes non-discriminatory regulatory actions taken in the public interest and general public policy and security exceptions. The treaty also makes an explicit recognition that Parties should not relax health, safety or environmental standards to attract investment and encourages the Parties to promote the adoption by investors of internationally recognized standards of corporate social responsibility.

Other noteworthy developments include:

- **Concluded negotiations[19]**

On 27 November 2013, *Albania* and *Canada* concluded negotiations for a Foreign Investment Promotion and Protection Agreement (FIPA).[20] In December 2013 negotiations for a FIPA were also concluded between *Canada* and *Guinea*[21] and *Canada* and *Moldova.*[22] All agreements are expected to include, in addition to investment protection and liberalization provisions, certain sustainable development-oriented features such as those identified in UNCTAD's Investment Policy Framework for Sustainable Development (IPFSD).[23]

The move towards regional IIAs continues as several such agreements are currently being negotiated.

On 5 December 2013, *Australia* and the *Republic of Korea* concluded negotiations for a FTA.[24] The text of the agreement was initialed by the Chief Negotiators on 10 February 2014 and the formal signature is scheduled for the coming months.[25] The FTA has comprehensive coverage, including trade in goods and services, investment, competition, government procurement, protection of intellectual property rights and chapters on environment and labor.[26] The agreement contains investment liberalization and protection standards (national and most-favored nation treatment of investors and investments, protection against uncompensated expropriation, free transfer of funds as well as fair and equitable treatment equated to the minimum standard of treatment of aliens under customary international law). The investment chapter also includes an investor-State dispute settlement mechanism.[27]

- **Ongoing IIA negotiations**

On 20 December 2013, the *European Union* and the *United States of America* concluded the third round of negotiations on the future Transatlantic Trade and Investment Partnership (TTIP).[28] The end of this third round marks the conclusion of the initial phase of negotiations. Negotiators made progress on the three core parts of the TTIP – market access, regulatory aspects and rules. These issues will continue to be the focus of the next round of talks to be held from 10-14 March 2014[29] during which the Parties will also start discussing the specific wording of provisions.[30] In this line of events, on 21 January 2014, the European Commission announced that it would consult the public on the investment provisions of the future TTIP. The Commission plans to publish a proposed European Union text for the investment chapter in March 2014 and receive submissions and comments over a three month period after that.[31]

[19] This information is not exhaustive.

[20] http://www.international.gc.ca/media/comm/news-communiques/2013/11/27b.aspx?lang=eng

[21] http://www.international.gc.ca/media/comm/news-communiques/2013/12/05a.aspx

[22] http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fipa-apie/moldova-moldavie.aspx?lang=eng

[23] See http://investmentpolicyhub.unctad.org/Views/Public/IndexIPFSD.aspx

[24] http://trademinister.gov.au/releases/2013/ar_mr_131205.html

[25] http://www.dfat.gov.au/fta/kafta/

[26] http://www.dfat.gov.au/fta/kafta/downloads/an-introduction-to-the-text-of-the-agreement.pdf

[27] http://www.dfat.gov.au/fta/kafta/downloads/an-introduction-to-the-text-of-the-agreement.pdf

[28] http://trade.ec.europa.eu/doclib/press/index.cfm?id=1007

[29] http://trade.ec.europa.eu/doclib/press/index.cfm?id=1020

[30] http://trade.ec.europa.eu/doclib/press/index.cfm?id=1007

[31] http://trade.ec.europa.eu/doclib/press/index.cfm?id=1015

On 9 January 2014, the “Bipartisan Congressional Trade Priorities Act of 2014” was introduced in the United States Congress.[32] The bill outlines Congressional objectives for international trade agreements such as the TTIP or the TPP.[33] If passed, the legislation would let the United States administration put trade deals before Congress for an up or down vote without the possibility of amendments.[34]

On 17 January 2014, the *European Union* and *Ecuador* completed the first round of trade negotiations following their decision to resume the talks for Ecuador to join the comprehensive trade agreement signed between the European Union and Peru and Colombia in 2012, which has been provisionally applied with Peru since 1 March 2013 and with Colombia since 1 August 2013.[35] The possibility of such accession is explicitly foreseen in the agreement which includes provisions on investment promotion and through positive list schedules grants market access and national treatment to establishments and investors in committed sectors. In this first round, negotiators discussed market access for goods, services and establishment, and government procurement, as well as certain parts of the text of the agreement.

From 21-23 January 2014, *China* and the *European Union* held the first round of negotiations for a comprehensive bilateral investment agreement.[36] The negotiations start in the context of ambitious economic reforms recently announced in China. These include the decision to further open up China’s economy to foreign investors in order to boost innovation and competitiveness by having more advanced industries and services on the mainland. Agreement to launch negotiations for an investment agreement was reached at the European Union-China Summit of February 2012. In October last year, the European Union’s Member States gave the European Commission a negotiating mandate and on 21 November 2013 the launch of negotiations was announced at the 16th European Union-China Summit.

On 10 December 2013, the Ministers and Heads of Delegation of the Trans-Pacific Partnership Agreement (TPP) countries (*Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States of America, and Viet Nam)*[37] completed a four-day Ministerial meeting in Singapore.[38] The meeting identified potential areas of agreement for the majority of key outstanding issues in the text. On 17 February 2014, discussions on the TPP among Chief Negotiators resumed in anticipation of another plenary Ministerial meeting in Singapore later in the month.[39] The TPP is expected to include a fully-fledged investment chapter.[40]

From 20-24 January 2014, delegations from the 10 ASEAN member States, plus *Australia, China, India, Japan, New Zealand* and the *Republic of Korea* conducted the third round of negotiations of the Regional Comprehensive Economic Partnership (RCEP) in Kuala Lumpur, Malaysia.[41] Discussions focused on areas such as trade in goods, services and investment. The scope and method of negotiations were also discussed, and it was decided to establish new working groups on competition, intellectual property, economic and technical cooperation and dispute settlement. The next round of negotiations will be held in China in April, 2014.

[32] https://www.govtrack.us/congress/bills/113/hr3830/text

[33] https://www.govtrack.us/congress/bills/113/hr3830/text

[34] http://www.reuters.com/article/2014/01/09/us-usa-trade-congress-idUSBREA0817520140109

[35] http://trade.ec.europa.eu/doclib/press/index.cfm?id=1011

[36] http://trade.ec.europa.eu/doclib/press/index.cfm?id=1013

[37] The share of global FDI inflows to TPP countries was 28% in 2013. See UNCTAD’s Global Investment Trends Monitor N°. 15 at http://unctad.org/en/PublicationsLibrary/webdiaeia2014d1_en.pdf

[38] http://www.ustr.gov/tpp

[39] http://www.globalpost.com/dispatch/news/kyodo-news-international/140216/chief-trade-negotiators-begin-tpp-talks-singapore

[40] http://www.mfat.govt.nz/downloads/trade-agreement/transpacific/TPP%20Ministers'%20Report%20to%20Leaders%208%20October.pdf

[41] http://www.meti.go.jp/english/press/2014/0124_02.html

- **Other developments**

Besides the conclusion and negotiations of IIAs, a number of other important events related to international investment policies took place during the reporting period.

On 17 December 2013, *Myanmar* officially became the 180th member of the Convention establishing the Multilateral Investment Guarantee Agency (MIGA).[42] The MIGA Convention was signed by the Myanmar in October 2013.[43] Since then, the Government of Myanmar fulfilled all outstanding membership requirements, leading to its confirmation as a member. Membership in MIGA allows inward foreign direct investment (FDI) to be eligible for the Agency's political risk insurance. This insurance protects investments against the risks of transfer restrictions, expropriation, breach of contract, war, terrorism and civil disturbance, and non-honoring of financial obligation.

On 18 December 2013, *Libya* and the *United States of America* signed a Trade and Investment Framework Agreement (TIFA).[44] The TIFA mandates the formation of a joint United States of America-Libya Council on Trade and Investment which will address a wide range of trade and investment issues including market access, intellectual property, labor, and environmental issues. The Council will also help to increase commercial and investment opportunities by identifying and working to remove impediments to trade and investment flows between the two countries.

On 23 December 2013, the termination of the BIT between *South Africa* and *Spain* became effective. *South Africa* had notified the termination of its BIT with Spain 6 months earlier. By virtue of the "survival clause" investments made before the 23 December 2013 will remain protected for another ten years.

- **Developments relevant to investor-State dispute settlement (ISDS)[45]**

On 1 December 2013, the Convention on the Settlement of Disputes between States and National of other States (ICSID Convention) entered into force for *Canada*.[46] The Convention establishes procedural rules for the institution and conduct of conciliation and arbitration proceedings under the auspices of ICSID.

During 3-7 February 2014, the United Nations Commission on International Trade Law (UNCITRAL) Working Group II on Arbitration finalized its second reading of the "Transparency Convention", a treaty which aims to give those States that wish to make the Rules on Transparency applicable to their existing treaties an efficient mechanism to do so.[47] The Transparency Convention will provide flexibility to Contracting Parties pursuant to its provision on reservations. It will be considered again by UNCITRAL in July 2014, and subsequently by the United Nations General Assembly later in the year. The UNCITRAL Arbitration Rules are the second most frequently used set of rules for ISDS.[48]

[42] http://www.miga.org/news/index.cfm?stid=1837&aid=3609

[43] http://www.worldbank.org/en/news/press-release/2013/10/12/myanmar-wbg-sign-electricity-investment-guarantee-agreements-at-annual-meetings

[44] http://libya.usembassy.gov/news121813.html

[45] For detailed information on recent ISDS awards please consult UNCTAD's IIA Issues Note No. 1, 2013, "*Recent developments in investor-State Dispute Settlement (ISDS)*", available at http://unctad.org/en/PublicationsLibrary/webdiaepcb2013d3_en.pdf

[46] https://icsid.worldbank.org/ICSID/FrontServlet?requestType=CasesRH&actionVal=OpenPage&PageType=AnnouncementsFrame&FromPage=Announcements&pageName=Announcement138

[47] http://www.uncitral.org/pdf/english/workinggroups/wg_arb/799-e-draft_clean_for_submission-website.pdf

[48] UNCTAD's IIA Issues Note No. 1, 2013, "*Recent developments in investor-State Dispute Settlement (ISDS)*", available at http://unctad.org/en/PublicationsLibrary/webdiaepcb2013d3_en.pdf

Annex 1. Investment policy measures taken between 1 November 2013 and 15 February 2014

	DESCRIPTION OF MEASURE	DATE	SOURCE
Albania			
General Business Climate	The Albanian Parliament passed a tax law reform. Among others, the corporate income tax rate for taxpayers with an annual turnover exceeding 8 million ALL (approximately. EUR57,000) was raised from 10 per cent to 15 per cent.	1 January 2014	*Fiscal Package 2014*, Official Gazette No. 203, 30 December 2013
Algeria			
Entry	The government of Algeria enacted a new mining law reorganizing the institutional framework for the mining sector and redefining mining contracts. Resources will be divided into strategic and non strategic. Any local company with the requisite technical and financial capacity can carry out prospecting and development of non strategic resources. Strategic resources can only be developed by state-owned companies. These companies can sign contracts with third parties, but must retain at least a 51% share in the project.	30 January 2014	*Mining Bill*, Government Press Release, 30 January 2014
Bolivia, Plurinational State of			
General Business Climate	The President of the Plurinational State of Bolivia decreed that all workers (both public and private) must be paid an extra monthly wage bonus in December 2013, in addition to the customary end-of-year double monthly salary. The decree also implies that the extra wage bonus will be mandated every subsequent year in which GDP growth is above 4.5 per cent.	20 November 2013	*Supreme Decree 1802*, Ministerio de Trabajo, Empleo y Previsión Social, 20 November 2013
Chile			
Treatment	The President of Chile signed the Ley Única de Fondos, which was passed in November 2013. This law introduces, inter alia, measures that align the tax treatment of investment funds established in Chile and abroad, allow foreigners to invest directly in the same funds as Chileans, standardize the regulatory framework for mutual funds and private investment funds, and improve the supervisory tools of the regulator, the Superintendency of Securities and Insurance.	24 December 2013	*Ley sobre administración de fondos de terceros y carteras individuales, que deroga los cuerpos legales que indica,* Ministry of Finance, 7 January 2014
Congo			
General Business Climate	Congo enacted Law No. 34/2013 which lowers the standard corporate income tax rate from 33 per cent to 30 per cent for taxable profit exceeding F.CFA 1,000. The act also provides tax incentives to special zone.	1 January 2014	Bureau of Fiscal Documentation, 27 January, 2014
Dominican Republic			
Promotion	The government of the Dominican Republic modified the tourism development law. It extends tax exemptions from 10 years to 15 years, broadens existing tax incentives to additional areas of the country, and allows additional investments such as renovations of touristic properties to benefit from the same tax treatment as new investments.	13 December 2013	*Law No. 195-13*, Official Gazette, 8 January 2014

France			
General Business Climate	The French Parliament adopted the Finance Act 2014. It provides, among other measures, that companies with an annual turnover exceeding €250 million are subject to an exceptional contribution on corporate tax which increases from 5% to 10,7%. Furthermore, it strengthens transfer pricing documentary requirements for large companies, (i.e. with a turnover exceeding €400 million).	19 December 2013	*Finance Act 2014*, Official Gazette, 30 December 2013
India			
Entry	The Reserve Bank of India gave its permission to foreign investors to buy shares in the South Indian Bank. Equity shares of the South Indian Bank can be purchased through the primary market and stock exchanges.	17 January 2014	*Press Release 2013-2014/1442*, The reserve Bank of India, 17 January 2014
Entry	The Reserve Bank of India notified that Foreign Institutional Investors (FIIs), through primary market and stock exchanges, can now purchase up to 30 per cent of the paid up capital of M/s. Power Grid Corporation of India Limited under the Portfolio Investment Scheme (PIS).	3 February 2014	*Press Release : 2013-2014/1553*, The reserve Bank of India, 3 February 2014
Entry	The government of India clarified that the existing 26 percent cap on foreign investment in the insurance sector also applies to intermediaries such as brokers, third party administrators and surveyors.	4 February 2014	*Press Note No 2*, Department of Industrial & Promotion, 4 February 2014
Israel			
Entry	The government adopted a Business Concentration Law. The law bans groups from owning both financial and non-financial enterprises. Any group that has both must divest one or the other. It dismantles multi-tiered corporate holding structures – or “business pyramids” as they’ are known in Israel. Under the law, no group may have more than two tiers of publicly listed companies.	9 December 2013	Knesset Press Release, 10 December 2013
Italy			
Entry	The Government of Italy has approved plans to sell up to €12 billion in assets. It will, amongst others, sell a 3 per cent stake in the oil company Eni SpA holdings in shipbuilder Fincantieri SpA, SACE, and ENAV SpA, the air-traffic controller.	21 November 2013	*Council of Ministers No. 36*, 21 November 2013
Jamaica			
Promotion	The Government of Jamaica passed legislation to simplify the tax system, encourage investment, and reduce state revenue losses. Effective 1 January 2014, the legislation repealed 11 industry-specific incentive schemes. The Petroleum Act and a few incentives for free trade zones and producers of bauxite and alumina were not affected. The approved legislation, *inter alia*, also allows the finance minister to grant specific incentives (within annual caps) for large-scale projects and pioneering industries.	1 January 2014	*The Fiscal Incentives Act 2013 No. 35-2013*, Parliament of Jamaica, 20 December 2013

Republic of Korea			
Entry	The government of Korea amended the Foreign Investment Promotion Act. Under the current Act on Monopoly Regulation and Fair Trade, a subsidiary of a holding company could not - up to now - make a joint investment with a foreigner. The amendment allows subsidiaries to establish a joint venture with a foreigner under certain conditions: - The subsidiary holds 50 percent or more of the total stocks issued by the joint stock corporation; - The foreigner holds 30 percent or more of the total stocks; - The investment falls into the category of "separate" foreign investment, etc. The revised act was promulgated on 10 January 2014 and will be effective as of 11 March 2014.	10 January 2014	*Amendment to Foreign Investment Promotion Act*, The National Assembly of Republic of Korea, 9 January 2014
Malaysia			
Promotion	Malaysia announced its National Automotive Policy 2014 which is to promote a competitive and sustainable domestic automotive industry and to make Malaysia the regional automotive hub for energy efficient vehicles. An exemption of excise duties and import taxes for hybrids and electric vehicles (EV) will be granted for models assembled in Malaysia. The exemption will be extended until 31 December 2015 for hybrids and until 31 December 2017 for electric vehicles.	20 January 2014	*National Automotive Policy (NAP) 2014*, Ministry of International Trade and Industry, 20 January 2014
Mexico			
Entry	The Mexican Congress approved modifications to the Mexican Constitution, reforming the energy sector including lifting a restriction on private capital in the oil industry. The reforms allow the government to issue licenses and enter into contracts for production-sharing, profit-sharing, and services. The reforms also create a public trust administered by the central bank to receive, administer, and distribute after-tax oil and gas revenues.	20 December 2013	*Diario Oficial de la Federación Volume DCCXXIII No. 17,* Official Gazette, 20 December 2013
Treatment	The Mexican Senate passed legislation to overhaul the banking sector. The reforms include, among other things, a court system to streamline and speed up collection of guarantees on unpaid debt, encouragement of competition in the sector to facilitate the growth of small banks, a call for the establishment of a universal credit bureau, and permission for the Comisión Nacional Bancaria y de Valores, the banking sector regulator, to place limits on the amount of government bonds that banks can hold.	11 January 2014	*Diario Oficial de La Federación Volume DCCXXIII No 8,* Official Gazette, 10 January 2014
Mongolia			
Entry	The Parliament of Mongolia passed a new Investment Law. It applies to both domestic and foreign investors, reduces approval requirements, streamlines the registration process and provides certain legal guarantees and incentives. However, a foreign state-owned legal entity ("FSOE") acquiring more than 33 percent of an entity in the minerals, communication or financial sectors must obtain approval from the newly established Invest Mongolia Agency. The law defines "FSOE" as a legal entity in which as foreign state directly or indirectly holds more than 50 percent of the entity's shares.	1 November 2013	*Mongolian Law on Investment*, Investment Mongolia Agency, 3 October 2013

Myanmar			
Entry	The government of Myanmar finalized the granting of telecommunications licenses to Telenor Myanmar and Ooredoo Myanmar, the telecommunication companies from Norway and Qatar. The licenses will authorize each operator to build, own and operate a telecommunications network and to provide the full range of public fixed and mobile telecommunications services on a nationwide basis. The licenses, which are in line with the Telecommunications Law of October 2013, have been accepted by both new operators and came into effect on 5 February 2014 for an initial duration of 15 years.	30 January 2014	Myanmar's Ministry of Communications and Information Technology Press Release, 30 January 2014
Peru			
Entry	The Peruvian Congress approved a law, which allows for the privatization of up to 49 per cent of the state energy firm Petroperú. The law calls for Petroperú to be restructured to gain access to capital markets. The law restricts Petroperú from investing in activities other than refining until at least 40 per cent of the company is privately held.	18 December 2013	*Normas Legales No. 12690*, Official Gazette, 18 December 2013
Seychelles			
General Business Climate	As from 2014 most medium and large sized businesses (except banks, telecommunication companies, insurance companies, breweries and tobacco producers) will pay a 30% business tax rate compared to 33% in 2013.	10 December 2013	Budget 2014 Highlights, 10 December 2013
Entry	The Legal Practitioners Act was amended to allow foreign legal practitioners to practice in Seychelles.	6 January 2014	*Legal Practitioners Act 2013, Act 18 of 2013,* National Assembly, 6 January 2014
Suriname			
Entry	Stichting Behoud Bananensector Suriname, the state-owned banana company, was sold to the Belgian company Univeg. The Government of Suriname will retain a 10 per cent stake.	23 January 2014	*State-owned banana company privatized*, Economist Intelligence Unit, 30 January 2014
Tunisia			
Promotion	The Council of Ministers approved a new investment code and submitted it to the Parliament. It embodies the principle of freedom of investment, gives guarantees to investors, provides for dispute resolution and introduces new provisions on land ownership.	12 November 2013	La Presse de Tunisie, 13 November 2013
Turkmenistan			
Entry	The President of Turkmenistan signed into law a bill "on denationalization and privatization of state property". The law outlines the basic principles of denationalization (the transformation of state firms into joint-stock companies in which the state is a partner) and privatization (the transfer to private individuals of property rights in state assets in return for payment). The new law will enter into force on 1 July 2014.	27 January 2014	*The law of Turkmenistan on denationalization and privatization of state*, Parliament of Turkmenistan, 4 January 2014

United Arab Emirates			
Promotion	The Government of the United Arab Emirates has introduced a series of reforms for making it easier to set up hotels in the emirate. It shortened the approval process from up to six months to two months. Fees relating to the use of land were also scrapped. It gave an exemption from the 10% Dubai municipality fee to any three- or four star hotel that begins operating before June 2017. It also pledged to allocate government land and provide additional incentives for the development of three- and four star hotels	20 January 2014	*Dubai provides boost to mid-market hotel sector*, Economist Intelligence Unit, 23 January 2014
Promotion	The Government of the United Arab Emirates issued a new law to set up the "Dubai Investment Development Agency" and to provide, inter alia, a strategic plan for the attraction of investment. It offers benefits, including incentives and exemptions, for investment projects in areas of importance to the economy, which achieve for sustainable development, especially in infrastructure, industrial, social, educational and health projects, as well as other projects related to the exploitation of natural resources , and those that include the transfer of technology and knowledge, as well as tourism projects.	27 January 2014	Office of the Vice President and Prime Minister Press Release, 27 January 2014
Uzbekistan			
Promotion	The Government of Uzbekistan set up a special currency regime at the Navoi Free Industrial And Economic Zone (FIEZ). Investors in the zone have the right to independently select the bank for service and open currency accounts in one or several banks of Uzbekistan or abroad after obtaining permission from the Central Bank of Uzbekistan. Businesses in the zone can carry out payments in hard currency within the Navoi FIEZ in line with signed agreements and contracts.	30 December 2013	*On Approving the Regulation regarding the functioning of the special currency regime in the free industrial and economic zone 'Navoi, Cabinet of* Ministers of the Republic of Uzbekistan, 25 December 2013
Promotion	The President of Uzbekistan signed a law amending foreign investment regulations. Changes include the introduction of a one-stop shop for foreign businesses, the easing of migration regulations for foreign investors, a guarantee of investors' rights to repatriate funds and a pledge of stable tax legislation and customs tariffs for foreign investors for a decade after the firm is registered. The legislation applies to firms with a foreign share of at least 30 percent and totals at least US$5 million.	21 January 2014	*On amending certain legislative acts of the Republic of Uzbekistan*, 20 January 2014
Venezuela, Bolivarian Republic of			
General Business Climate	The President of the Bolivarian Republic of Venezuela issued a decree creating a new state agency to develop and apply national policies on the administration of foreign exchange, imports and exports, and inbound and outbound investment	29 November 2013	*Decree 601*, Official Gazette, 29 November 2013

Treatment	The President of the Bolivarian Republic of Venezuela signed a decree (number 625) on regulation of the automotive sector. This decree establishes restrictions on the production of assembled and commercialized automobiles, including on prices and import by natural persons with foreign exchange. In addition to setting prices, examples of new regulations include requirements for automobile manufacturers and retailers to report weekly production and sales figures, respectively, to the government.	4 December 2013	*Decree 625*, Official Gazette,
General Business Climate	The President of the Bolivarian Republic of Venezuela issued a decree setting limits on profits for businesses. The maximum profit margin will be established annually by the Superintendecia Nacional para la Defensa de los Derechos Socio Económicos, although in no case it will be allowed to exceed 30 per cent for any actor of the supply chain.	23 January 2014	*Decree 600* Official Gazette, 23 January 2014
Viet Nam			
Promotion	The Government of Viet Nam issued a Decree providing for areas of centralized information technology (IT). According to the Decree, enterprises in focused information technology areas will enjoy tax benefits, i.e. an income tax rate of 10 percent within 15 years, in some specific cases, extended to 30 years; and an exempt of 50 percent within 5 subsequent years. They are exempted from import tax when importing goods to build fixed properties or manufacture such as machines, equipment, parts, assembles. Besides, these enterprises may enjoy convenient conditions in customs procedure, incentives for exports, investment credit, import credit and favorable policies for high-level business. The Decree came into effect on 1 January 2014.	8 November 2013	*Decree No.154/2013*, Ministry of Industry and Trade, 16 January 2014
General Business Climate	The government of Viet Nam amended the Labour Code in respect of foreign workers. Work permits for foreign employees can no longer be extended; reissuance is required since November 2013. New regulations now also require approval from the Chairman of the provincial People's Committee regarding the annual demand for foreign employees. The People's Committee approval must be submitted with the work permit application. However, compared to extensions in the past, a reissuance does not require a training contract with a Vietnamese national.	1 November 2013	*Decree No. 102/2013/ND-CP*, National Institution of Labour Protection, 5 September 2013
Promotion	The Vietnamese government enacted a new Decree regulating the development of industrial parks (IPs), export processing zones and economic zones (EZs). Firstly, the new decree contains tighter regulations on the establishment of IPs through more efficient licensing procedures. Secondly, the decree outlines the rights and obligations of businesses operating in IPs and EZs. Thirdly, the decree amends and supplements some regulations covering export processing zones (EPZ) and EPZ businesses. Fourthly, the decree has added regulations on housing development for IP and EZ workers.	1 January 2014	*Decree No. 164/2013/ ND-CP*, Ministry of Industry and Trade, 12 November 2013

Entry	Wholly foreign-invested enterprises ("FIE") are permitted to provide almost all types of logistic services in Vietnam subject to proper licensing. Market access should be granted under Vietnam's WTO service sector commitments, which use the United Nations' Central Product Classification ("CPC") codes. Although the term "logistic services" is not defined in Vietnam's WTO commitments, "services auxiliary to all modes of transport" (sector H) are now technically open to FIE. However, container handling services and road transport services still require joint ventures with Vietnamese partners.	11 January 2014	*Vietnam Opens Logistics Sector To Foreign Investors*, Mondaq.com, 28 January 2014

Annex 2. Summary table of IIAs signed between 1 November 2013 and 15 February 2014

	Name of Agreement	Date of Signature
1	Free Trade Agreement between Canada and Honduras	5 November 2013
2	Bilateral Investment Treaty between the Netherlands and the United Arab Emirates	26 November 2013
3	Bilateral Investment Treaty between Guatemala and the Russian Federation	27 November 2013
4	Bilateral Investment Treaty between India and the Unites Arab Emirates	12 December 2013
5	Bilateral Investment Treaty between Japan and Myanmar	15 December 2013
6	Bilateral Investment Treaty between Myanmar and the Republic of Korea	6 January 2014

Annex 3. Summary table of IIAs by type of agreement and country/economy, between 1 November 2013 and 15 February 2014

Country / Economy	BITs	Other IIAs
Canada		1
Guatemala	1	
Honduras		1
India	1	
Japan	1	
Myanmar	2	
Netherlands	1	
Republic of Korea	1	
Russian Federation	1	
United Arab Emirates	2	

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