

28 June 2021

Twenty-fifth Report on G20 Investment Measures¹

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, 24 reports have been issued under this mandate.³

The COVID-19 pandemic set off a further crisis in early 2020 that is expected to be deeper and more consequential in many countries than the Global Financial Crisis of 2008/2009. While some indicators suggest that ambitious government responses have mitigated the human suffering in many countries and have absorbed part of the economic shock that resulted from measures to avert even greater suffering, the trajectory of this crisis remains uncertain.

Part of the efforts to limit the damage of the COVID-19 pandemic was an early pledge by G20 Members to remain open to trade and investment, following their example of resolve and commitment in 2008.⁴

This 25th report, jointly prepared by the OECD and UNCTAD Secretariats, documents measures that G20 governments have taken in relation to their pledge. It covers investment and investment-related measures that G20 Members have taken between 16 October 2020 and 15 May 2021.

¹ This report on investment measures 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 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 OECD or UNCTAD agreement or any provisions thereof. As in previous reports, 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.

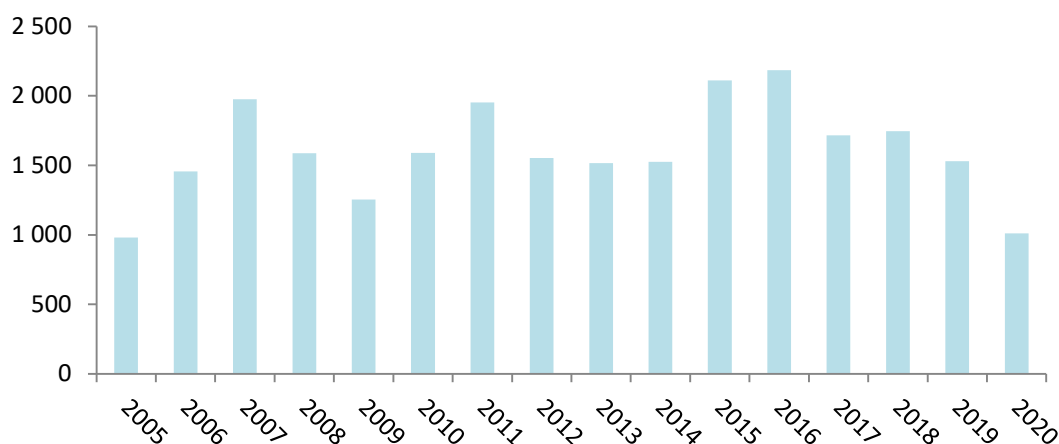
³ Earlier reports on investment measures by OECD and UNCTAD to G20 Leaders are available on the websites of the [OECD](#) and [UNCTAD](#). A summary table of all investment measures taken since 2008 is also available on those websites.

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.

I. Development of Foreign Direct Investment (FDI) flows

In 2020, global FDI inflows fell by about a third compared to 2019, reaching USD 1 trillion.⁵ The pandemic accelerated an already steady decline and contributed to bringing global FDI inflows down to their lowest level in 15 years (Figure 1).

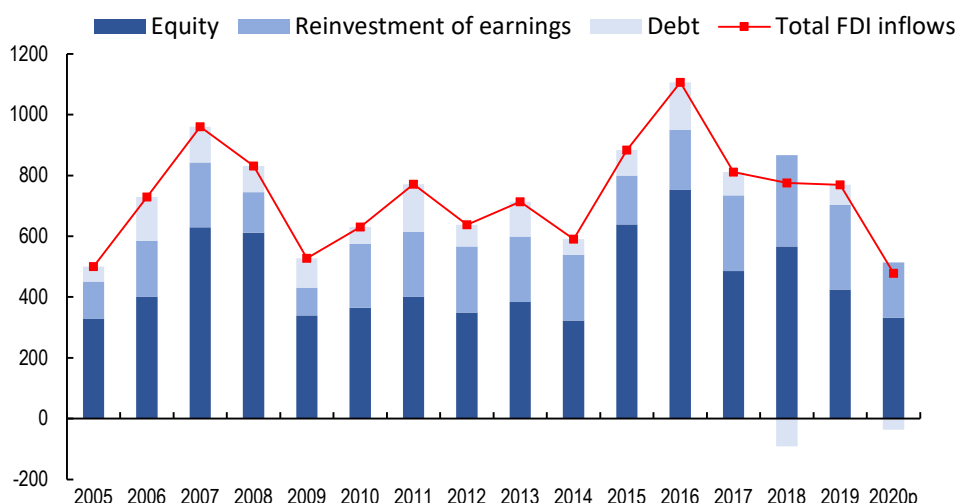
Figure 1: Global FDI inflows, 2005-2020 (USD billions)



Source: OECD/UNCTAD.

Individual countries experienced different drops of inward FDI: Advanced economies recorded particularly strong declines of inward FDI, with inflows to the OECD area decreasing by 51% in 2020. Equity flows into OECD countries dropped to their lowest level seen since 2005, mostly resulting from major divestments from Switzerland and the Netherlands as well as large decreases of FDI flows to the United States and other OECD countries. Overall, and in G-20 economies, negative intra-company debt flows further accentuated the drop in total FDI flows as did the drop in equity flows, which, however, was less prominent for G-20 economies than in some advanced countries (Figure 2).

Figure 2: G20 FDI inflows by instrument, 2005-2020 (USD billions)



Note: ^p data for 2020 are preliminary. G20 aggregate excludes data for P.R. China and Saudi Arabia who do not report on FDI components. Reinvested earnings for South Africa are included in the category "equity". Indonesia does not report separately on reinvested earnings.

Source: OECD Foreign direct investment statistics database (for OECD-G20 countries)/UNCTAD (for non OECD-G20 countries).

⁵ The most recent figures are available in UNCTAD, [World Investment Report 2021, Investing in Sustainable Recovery](#), June 2021 and OECD, [FDI in Figures](#), April 2021.

Flows to developing countries fell less steeply, although this was mainly due to resilient flows in Asia. However, new greenfield project announcements – more indicative of trends in new capital expenditures on productive capacity – fell sharply, by more than those in OECD countries.

Different kinds of equity capital flows to individual countries also performed differently. For example, cross-border M&A transaction values in advanced economies dropped by 12%, despite a few large transactions in specific sectors and despite a greater number of transactions in the Healthcare and Technology sectors in 2020 than were observed in previous years. On the other hand, Emerging Markets and Developing Economies (EMDE) experienced a greater decline on announced greenfield investment projects than advanced economies did. Most of the fall in EMDE occurred in the second quarter of the year.

Sectoral breakdowns show that capital expenditures in manufacturing, services and infrastructure dropped by about 43% in each sector and by 85% in extractive industries, the latter likely driven by investors' concerns about the long-term return on fossil fuels given lower oil prices in 2020. Despite the drops at the aggregate level, a large boost in announced greenfield investment activity was observed in biotechnology and communications, where capital expenditures nearly doubled since 2019.

There are some signs of an early pickup ahead: Cross-border M&A activity surged in the last quarter of 2020 and continued this course in the first quarter of 2021 in advanced economies, as many companies turned to international transactions emboldened by lower borrowing costs and a more optimistic outlook as COVID-19 vaccine campaigns show effects. This could further boost FDI equity flows in 2021, unless large divestments continue in 2021.

II. G20 Members' investment policy measures

In the reporting period, G20 Members have again taken a substantial number of investment policy measures, continuing the trend observed in the [previous report](#). Many relate to concerns about implications that certain investments can have for essential security interests. This aspect also presents a continuity over the past few years: G20 Members (and many countries beyond G20 membership) have given a high priority to this area since around 2017.

1. *Foreign direct investment-specific measures*

Australia, P.R. China, India, Indonesia and the United Kingdom changed their investment policies that are specific to FDI in the reporting period. Some of these measures lead to further liberalisation or otherwise more favourable conditions for FDI, some included steps to simplify procedures or otherwise facilitate:

- *Australia* reformed its inward investment review framework;
- *P.R. China* issued new negative lists that contain fewer sectors in which restrictions apply, and removed a cap on foreign investment in insurance companies;
- *India* relaxed rules for FDI in insurance companies and clarified and adjusted the application of several aspects of its inward investment rules;
- *Indonesia* established the principle of National Treatment for inward foreign investment; rescinded restrictions in certain sectors; and introduced rules that require foreigners to meet certain obligations (form joint ventures when investing in certain sectors or commit higher paid-up capital when investing in other), or bar foreign investors from using certain legal forms for their enterprises operating in the country; and
- The *United Kingdom* introduced a surcharge on real estate acquisitions by non-resident purchasers.

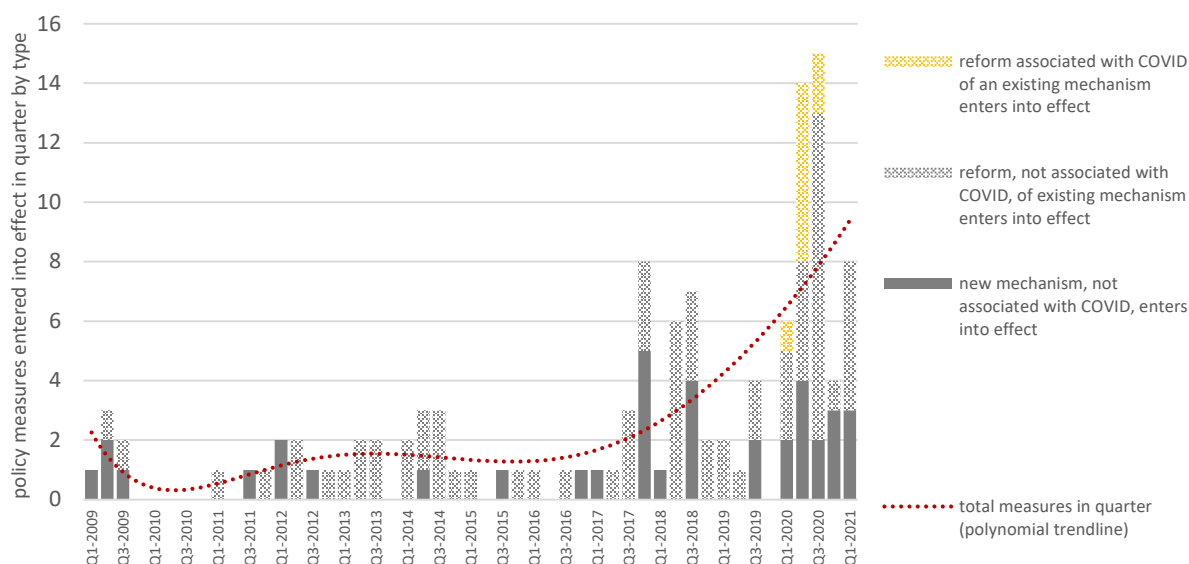
A detailed description of these policy changes is available in [Annex 1](#) of this report.

2. Investment measures related to national security

G20 Members continued to adjust their policies related to the protection of essential security interests to manage risks that occasionally arise with foreign investment. In the reporting period, nine G20 Members took measures in this regard: Australia, Canada, P.R. China, France, Germany, Italy, Russian Federation United Kingdom and United States. As in the previous reporting period, this area of investment policy making has experienced more intense activity among G20 Members than other policy domains specific to FDI.

This strong activity confirms the trend observed since about 2017 and that continues to accelerate in G20 Members (Figure 3) – and well beyond G20 membership.⁶

Figure 3: Introduction or reform of investment policies in G20 members to safeguard essential security interests, Q1-2009 to Q1-2021.



Note: Extensions of the duration of measures that were initially time-limited are not counted as additional measures.
Source: OECD/UNCTAD monitoring reports on G20 investment measures 2009-2021.

As documented in Figure 3, the extraordinary economic circumstances of the COVID-19 pandemic had initially led to a further increase in the number of reforms, in particular in the second quarter of 2020. None of the policy measures taken after July 2020 was explicitly associated with COVID or the circumstances of the pandemic,⁷ but the number of reforms of existing mechanisms and the introduction of new mechanisms remained high – confirming an earlier hypothesis that the onset of the COVID-19 pandemic had further accelerated policymaking, but was not ultimately the root cause of the heightened attention that this area currently receives.⁸ The number of measures that are expected to become effective after 15 May 2021, the end of the survey period for this report, suggests that the strong policy-making activity in this area will be sustained in the near future.

⁶ See OECD (2021), "[Investment policy developments in 62 economies between 16 October 2020 and 15 March 2021](#)", and, for a broader analysis of the drivers of this trend, UNCTAD (2019), "[Investment Policy Monitor: National Security-Related Screening Mechanisms For Foreign Investment. An Analysis of Recent Policy Developments](#)" and OECD (2020), "[Acquisition- and ownership-related policies to safeguard essential security interests – current and emerging trends, observed designs, and policy practice in 62 economies](#)".

⁷ Two measures that had been introduced with a sunset date were extended in the reporting period.

⁸ OECD/UNCTAD (2020), "[Twenty-fourth Report on G20 Investment Measures](#)", p.3 and OECD (2020), "[Investment screening in times of COVID-19 and beyond](#)".

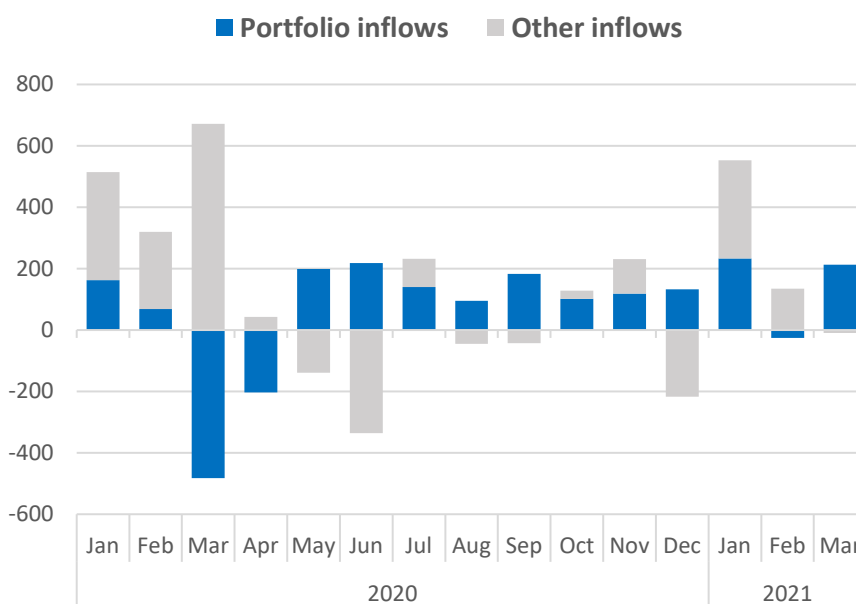
3. Investment policy measures not specific to FDI⁹

Following an unprecedented drop of portfolio flows (debt and equity) to G20 Members and notably emerging market economies (EMEs) in the first months of 2020, portfolio flows have rebounded strongly in the second half of 2020 (Figure 4). This rebound was initially led by flows into P.R. China, and followed by other emerging market economies in the last quarter of 2020. While the initial drop at the onset of the COVID-19 pandemic was larger than the decline during the Global Financial Crisis or the 2013 “taper tantrum”, the rebound has been faster. This rebound was mainly driven by debt inflows that were complemented by material equity inflows from November 2020 to January 2021, as the global economic outlook was improving.

Nonetheless, latest developments point to a decline in new inflows to EMEs since, despite an intermittent rebound in April. Long-term interest rates on government bonds of advanced economies, including United States government bonds, rose significantly at the beginning of 2021, reflecting inflation concerns and expectations of less accommodative monetary policy in these countries. This development triggered repricing across sovereign bond markets in emerging market economies and may have negatively impacted cross-border capital flows.

For their part, other inflows (mostly banking) to G20 countries have remained volatile throughout the period, oscillating between important negative inflows to large positive rebounds (Figure 4).

Figure 4. Capital inflows to G20 members (bln USD, January to March 2021)



Note: Sample of 13 G20 members (Brazil, P.R. China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, South Africa, Turkey, United States) with various capital flow coverage (see OECD Monthly Capital Flow Dataset).
Source: OECD Monthly Capital Flow Dataset.

The relative return to more normal conditions is reflected in a lower number of policy measures that G20 Members have taken in the reporting period compared to the previous reporting period. Four G20 Members – P.R. China, India, Republic of Korea and Turkey – took measures with regard to international capital flows, but not specific to FDI, in the reporting period (Annex 2).

⁹ 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.

4. *International Investment Agreements*

During the reporting period, Japan was the only G20 Member to conclude a new bilateral investment treaty (BIT)¹⁰ while 15 “other IIAs”¹¹ were concluded. Twelve of these 15 “other IIAs” were concluded by the United Kingdom,¹² the three remaining by Indonesia and the Republic of Korea,¹³ Israel and the Republic of Korea,¹⁴ and by Australia, China, Indonesia, Japan and the Republic of Korea as parties to the RCEP.¹⁵ An older BIT between China and Turkey was replaced and effectively terminated by the entry into force of a new BIT concluded in 2015.¹⁶ The India-Bahrain BIT¹⁷ was terminated without replacement following an earlier denunciation. One new BIT involving a G20 Member entered into force, concluded by Indonesia with Singapore.¹⁸ One other IIA entered into force for Australia: the Pacific Agreement on Closer Economic Relations (PACER Plus) concluded with a number of countries in the Pacific region.¹⁹ As of 15 May 2021, there were 2852 BITs and 420 “other IIAs”.²⁰ Data on G20 Members’ IIAs is available in Annex 3.

III. Overall policy implications

The ongoing COVID-19 pandemic continues to leave a deep mark on individuals and societies. G20 Members try to contain the damages associated with the pandemic to their economies, not least by facilitating and remaining largely open to international investment.

G20 Members remain concerned about risks for their essential security interests that may occasionally arise with international investment. This concern continues to translate into investment policy adjustments that seek to manage this risk in several G20 Members. Comprehensive and detailed policies are now in place in ever more G20 Members.

In designing and implementing these policies, it is all the more important that G20 Members respect international policy principles and guides, such as the G20 Guiding Principles for Global Investment Policymaking, the 2009 OECD Guidelines for Recipient Country Investment Policies relating to National Security and UNCTAD’s Investment Policy Framework for Sustainable Development. Non-discrimination, transparency, proportionality and accountability become all the more important as these policies are established more broadly.

¹⁰ The Georgia-Japan BIT (signed on 19 January 2021).

¹¹ “Other IIA” encompasses 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 be plurilateral agreements.

¹² The 12 agreements are the Japan-United Kingdom CEPA (signed on 23 October 2020), the North Macedonia-United Kingdom Partnership, Trade and Cooperation Agreement (signed on 3 December 2020), the Egypt-United Kingdom Association Agreement (signed on 5 December 2020), the Kenya-United Kingdom EPA (signed on 8 December 2020), the Canada-United Kingdom Trade Continuity Agreement (signed on 9 December 2020), the Singapore-United Kingdom FTA (signed on 20 December 2020), the Moldova-United Kingdom Partnership, Trade and Cooperation Agreement (signed on 24 December 2020), the United Kingdom-Viet Nam FTA (signed on 29 December 2020), the Turkey-United Kingdom FTA (signed on 29 December 2020), the EU-United Kingdom Trade and Cooperation Agreement (signed on 30 December 2020), the Ghana-United Kingdom Interim Trade Partnership Agreement (signed on 2 March 2021), and the Cameroon-United Kingdom Economic Partnership Agreement (signed on 9 March 2021).

¹³ The Republic of Korea-Indonesia CEPA (signed on 18 December 2020).

¹⁴ The Republic of Korea-Israel FTA (signed on 12 May 2021).

¹⁵ The Regional Comprehensive Economic Partnership (RCEP) (signed on 15 November 2020).

¹⁶ Effectively terminated on 11 November 2020 following the entry into force of the 2015 China-Turkey BIT.

¹⁷ The termination took effect on 23 March 2021.

¹⁸ The Indonesia-Singapore BIT entered into force on 9 March 2021.

¹⁹ The Pacific Agreement on Closer Economic Relations (PACER Plus) entered into force on 13 December 2020.

²⁰ The total number of IIAs is revised in an ongoing manner as a result of retroactive adjustments to UNCTAD’s IIA Navigator.

International investment can make an important contribution to attenuate the impact of the ongoing COVID-19 pandemic on economies. It will also be crucial to tackle the other concurrent crises that need urgent responses, in particular the climate and environmental crises, as well as continued and deepening poverty across and within societies.

To unlock this potential, governments need to create conducive conditions to international investment to ensure a sustainable recovery that benefits all.

**Annex 1: Recent investment policy measures related to FDI (16 October 2020-15 May 2021) –
Reports on individual economies**

	Description of Measure	Date	Source
Argentina			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
Australia			
<i>Investment policy measures</i>	<p>On 1 January 2021, reforms to Australia’s foreign investment framework (which is set by the Foreign Acquisition and Takeovers Act 1975, the Foreign Acquisitions and Takeovers Fees Imposition Act 2015 and their associated regulations) entered into force.</p> <p>The reforms update the framework in three broad ways: they address national security risks, streamline foreign investment in non-sensitive businesses, and strengthen the existing system including compliance and enforcement powers. These powers included increased penalties, directions powers and new monitoring and investigative powers, in line with those of other regulators. Amendments to the Foreign Acquisitions and Takeovers Fees Imposition Act 2015 and the introduction of the Foreign Acquisitions and Takeovers Fees Imposition Regulations 2020 made foreign investment fees fairer and simpler, and established new fees for new actions.</p> <p>Other aspects of the reforms included a new register of foreign owned assets which will be an amalgamation of the existing registers which record all foreign interests acquired in Australian land, water entitlements and contractual water rights, and expanded to include business acquisitions that require foreign investment approval.</p>	1 January 2021	<p>Foreign Acquisition and Takeovers Act 1975, 1 January 2021;</p> <p>Foreign Acquisition and Takeovers Regulation 2015, 1 January 2021;</p> <p>Foreign Acquisitions and Takeovers Fees Imposition Act 2015, 1 January 2021;</p> <p>Foreign Acquisitions and Takeovers Fees Imposition Regulations 2020, 1 January 2021</p>
<i>Investment measures relating to national security</i>	<p>On 1 January 2021, the reforms to Australia’s foreign investment review framework addressing national security risks came into effect.</p> <p>The new rules test for a narrower set of national security interest and supplement the existing national interest test, which already allowed for national security concerns to be considered in relation to foreign investments above relatively higher monetary thresholds.</p> <p>The national security test requires mandatory notification for foreign investments of any value (i.e. zero dollar monetary threshold) in national security businesses and national security land. It allows for investments not otherwise notified to be ‘called in’ for review within 10 years of the action being taken if they raise national security concerns. Foreign investors have the option of voluntarily notifying their proposed investment to receive certainty over, and protection from, being subsequently called in. Under the new national security test, there is also a ‘last resort’ power which foreign investment approvals given after 1 January 2021 can be reviewed on national security grounds, have new conditions imposed, existing conditions varied, or as a last resort, divestment ordered where national security risks emerge.</p>	1 January 2021	<p>Foreign Acquisition and Takeovers Act 1975, 1 January 2021;</p> <p>Foreign Acquisition and Takeovers Regulation 2015, 1 January 2021;</p> <p>“Foreign Investment Review Board, Guidance 8 – National Security Test”, Foreign Investment Review Board, 17 December 2020.</p>
Brazil			
<i>Investment policy measures</i>	None during reporting period.		

Description of Measure	Date	Source
<i>Investment measures relating to national security</i>	None during reporting period.	
Canada		
<i>Investment policy measures</i>	None during the reporting period.	
<i>Investment measures relating to national security</i>	On 24 March 2021, the Canadian Government issued updated Guidelines on the National Security Review of Investments under the Investment Canada Act. Such Guidelines had first been made public in December 2016. Among others, the revised Guidelines identify sensitive technology areas, critical minerals, sensitive personal data and investments by state-owned or state-influenced investors as areas of heightened scrutiny by Canadian authorities when assessing whether an investment poses a security risk.	24 March 2021 Guidelines on the National Security Review of Investments , Government of Canada, 24 March 2021.
P.R. China		
<i>Investment policy measures</i>	On 16 December 2020, the Negative List of Market Access (2020 Edition) entered into force. The new list reduces the number of items to 123, down from 131 items in the 2019-version of the list, and relaxes market access rules requirement in several sectors, such as trading and financial services, oil and gas, and resource management.	16 December 2020 “ Negative List of Market Access (2020 Edition) ”; Notice No.1880 on Printing and Distributing the “Negative List of Market Access (2020 Edition)” , National Development and Reform Commission, Ministry of Commerce, 10 December 2020.
	On 27 December 2020, the National Development and Reform Commission and the Ministry of Commerce issued the Catalogue of Encouraged Industries for Foreign Investment (2020 Version) to be implemented from 27 January 2021, replacing its 2019 version.	27 December 2020 “ 中华人民共和国国家发展和改革委员会 中华人民共和国商务部令 第 38 号 ”, National Development and Reform Commission, Ministry of Commerce, 27 December 2020.
	On 31 December 2020, the National Development and Reform Commission and the Ministry of Commerce released the Special Administrative Measures for the Access of Foreign Investment in Hainan Free Trade Port (2020 Edition), also known as the “Hainan FTP FI Negative List”. The Measures apply as of 1 February 2021. The Hainan FTP FI Negative List enumerates industries and sectors that are restricted or prohibited for foreign investment in Hainan island.	31 December 2020 “ 中华人民共和国国家发展和改革委员会 中华人民共和国商务部令 第 39 号 ”, National Development and Reform Commission, Ministry of Commerce, 31 December 2020.
	On 10 March 2021, the China Banking and Insurance Regulatory Commission released the Decision on Amending the Implementation Rules of the Regulations of the People’s Republic of China on Foreign-funded Insurance Companies . The Decisions entered into force on 19 March 2021. Among others, the decision removes the 51% cap on foreign ownership of insurance companies, while explicitly pointing to the possibility that acquisitions could be subject to a foreign investment security review.	19 March 2021 Decision on Amending the Implementation Rules of the Regulations of the People’s Republic of China on Foreign-funded Insurance Companies , China Banking and Insurance Regulatory Commission, 19 March 2021; “ CBIRC Releases the Decision on Amending the Implementation Rules of the Regulations of the People’s Republic of China on Foreign-funded Insurance Companies ”, China Banking and Insurance Regulatory Commission Media release, 19 March 2021.
<i>Investment measures relating to national security</i>	On 18 January 2021, the Order No.37 of 2020, “Measures for the Security Review of Foreign Investment” entered into force. Jointly adopted by the National Development and Reform Commission (NDRC) and the Ministry of Commerce, the Order establishes a new body dedicated to national security reviews (the NSR Office) jointly headed by the NDRC and the Ministry of Commerce. The new rules also set-up a three-stage national security review	18 January 2021 Order No.37 of 2020, “Measures for the Security Review of Foreign Investment” , National Development and Reform Commission, Ministry of Commerce, 19 December 2020.

	Description of Measure	Date	Source
	<p>process as foreshadowed by the Foreign Investment Law, which took effect on 1 January 2020.</p> <p>The new framework establishes both a sector-specific mandatory review for all foreign investments in the defense industry or related sector irrespective of value, and a mandatory review mechanism for certain acquisitions in specified sectors that include among others, natural energy, key technologies, or heavy equipment infrastructure.</p>		
France			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	<p>On 31 December 2020, France extended the application of the temporary regime that lowers the trigger threshold for the French FDI review mechanism until 31 December 2021. The temporary regime, which lowers the trigger threshold for the French FDI review mechanism to a 10% foreign shareholding, down from 25%, for FDI in listed companies, had initially come into effect on 23 July 2020 based on Décret n°2020-892 du 22 juillet 2020 relatif à l'abaissement temporaire du seuil de contrôle des investissements étrangers dans les sociétés françaises dont les actions sont admises aux négociations sur un marché réglementé. The measure is applicable to non-EU, non-EEA investors only.</p>	31 December 2020	Décret n°2020-1729 du 28 décembre 2020 modifiant le décret n°2020-892 du 22 juillet 2020 relatif à l'abaissement temporaire du seuil de contrôle des investissements étrangers dans les sociétés françaises dont les actions sont admises aux négociations sur un marché réglementé , JORF No.0315, 30 December 2020.
Germany			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	<p>On 29 October 2020, an amendment to the Foreign Trade and Payments Ordinance came into effect. The changes complement changes brought by the reform of the Foreign Trade and Payments Act in July 2020 with a view to implement in German law the requirements of the European Union Regulation establishing a framework for the screening of FDI into the EU.</p> <p>On 1 May 2021, the 17th amendment to the German Foreign Trade and Payments Ordinance entered into force. Among others, the amendment broadens the list of sectors and activities covered by notification requirements. The trigger threshold for acquisitions by foreigners in these sectors and activities is 20%. The 20% trigger threshold also applies for notifiable acquisitions in the health sector (previously 10%).</p>	<p>29 October 2020</p> <p>1 May 2021</p>	<p>16th amendment to the Foreign Trade and Payments Ordinance, 29 October 2020.</p> <p>17th amendment to the Foreign Trade and Payments Ordinance, 1 May 2021.</p>
India			
<i>Investment policy measures</i>	<p>On 16 October 2020, the Ministry of Commerce and Industry issued a Clarification on FDI Policy for uploading/streaming of new and current affairs through digital media that had allowed entities in the News Digital Media Sector to receive FDI up to 26% through the government approval route ("Review of Foreign Direct Investment (FDI) policy on various sectors", Press Note 4 (2019)). The clarification specifies the entities covered by these rules, makes transitional arrangements, and sets out additional conditions that the receiving entity must meet.</p> <p>In a Circular dated 23 November 2020, the Reserve Bank of India clarified that foreign law firms or foreign lawyers cannot practice the profession of law in India and that foreign law firms or companies or foreign lawyers or any other person resident outside India, are not permitted to establish any branch office, project office, liaison office or other place of business in India for the purpose of practicing legal profession.</p> <p>A Press Note issued by the Ministry of Commerce and Industry dated 19 March 2021 amended Guidelines for the calculation of total foreign investment (direct and indirect investment) with respect to investments by non-resident Indians on a non-repatriation basis. These Guidelines are set out in the</p>	<p>16 October 2020</p> <p>23 November 2020</p> <p>19 March 2021</p>	<p>"Clarification on FDI Policy for uploading/streaming of new and current affairs through Digital Media", Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, 16 October 2020.</p> <p>"Establishment of Branch Office (BO)/Liaison Office (LO)/Project Office (PO) or any other place of business in India by foreign law firms", RBI/2020-21/69, A.P. (DIR Series) Circular No.07, 23 November 2020.</p> <p>"Review of the FDI Policy on downstream investments made by Non-Resident Indians (NRIs)", Department of Industrial Policy and Promotion, Ministry of</p>

	Description of Measure	Date	Source
	Consolidated FDI Policy Circular of 2020 that had become effective from 15 October 2020. Henceforth, such investments shall not be considered for the calculation of indirect foreign investment.		Commerce and Industry, Press Note 1 (2021 Series), 19 March 2021.
	On 25 March 2021, The Insurance (Amendment) Act, 2021 was published in the Gazette of India. The amendment authorises foreign investment in Indian insurance companies of up to 74%, an increase from the hitherto applicable ceiling of 49% of paid-up equity capital.	25 March 2021	The Insurance Amendment Act, 2021, No.6 of 2021 , Gazette of India, 25 March 2021.
<i>Investment measures relating to national security</i>	None during reporting period.		
Indonesia			
<i>Investment policy measures</i>	On 2 November 2020, Law No.11 of 2020 on Job Creation was enacted. Among other issues, the law calls for a positive list for foreign investment to replace the Presidential decree No.36/2010, the “negative list” (see below).	2 November 2020	Law No.11 of 2020 on Job Creation
	On 2 February 2021, Indonesia issued Government Regulation No.46/2021. Among others, the Regulation requires that foreign postal and courier companies form joint ventures with domestic companies as a condition to operate such services at the provincial level, while they were hitherto allowed to offer such services outside joint ventures with local partners.	2 February 2021	The Government Regulation No.46/2021 , 2 February 2021.
	On 2 February 2021, Indonesia issued Government Regulation No.8/2021. The Regulation restricts the establishment of limited liability companies to Indonesian nationals.	2 February 2021	The Government Regulation No.8/2021 , 2 February 2021.
	On 4 March 2021, Presidential Regulation 10 of 2021 on business fields open to investment came into effect. The Regulation replaces Presidential Decree No.36/2010 as mandated by the Law No.11 of 2020 on Job Creation (see above). It introduces the principle that any sector is fully open to foreign investment unless explicit restrictions apply, and lifts foreign ownership restrictions in a range of sectors including: telecommunications; transportation; energy; distribution; and construction services.	4 March 2021	Presidential Regulation 10 of 2021 on business fields open to investment , LN.2021/No.61, 4 March 2021.
	On 1 April 2021, Indonesia’s Investment Coordinating Board (Badan Koordinasi Penanaman Modal BKPM) issued BKPM Regulation 4 of 2021. The Regulation, which will become effective on 2 June 2021, increase the amount of paid-up capital that foreigners need to invest if they seek to establish a company in Indonesia. This amount is now set at IDR 10 billion, up from IDR 2.5 billion previously.	1 April 2021	“ Peraturan Padan Koordinasi Penanaman Modal Republik Indonesia Nomor 4 Tahun 2021 tentang pedoman dan tata cara pelayanan perizinan berusaha berbasis risiko dan fasilitas penanaman modal ”, BKOM, 1 April 2021.
<i>Investment measures relating to national security</i>	None during reporting period.		
Italy			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	On 25 December 2020, Law No.176 of 18 December 2020 , entered into force. Among others, the law extends the temporary application of changes to the investment review mechanism that had initially been brought by Decreto Legge 8 Aprile 2020, n.23 , until 30 June 2021. On 30 April 2021, the application of the temporary rules was further extended until 31 December 2021 pursuant to Decree-Law No. 56 of 30 April 2021 .	25 December 2020; 30 April 2021	Legge 18 dicembre 2020, n.176 , GU Serie Generale n.319 del 24-12-2020, 25 December 2020; Decreto-Legge 30 aprile 2021, n.56 , GU Serie Generale n.103 del 30-04-2021, 30 April 2021.
	On 14 January 2021, Decrees of the President of the Council of Ministers No.179 and No.180 entered into force. The Decrees	14 January 2021	Decreto del Presidente del Consiglio dei Ministri

Description of Measure	Date	Source
<p>identify which assets and interests are subject to Italy's foreign investment review mechanisms. The new measures clarify and expand the scope of application of the review of acquisitions that require prior government approval. The process covers assets and sectors of strategic importance to the national interest, and include sectors such as energy, water, health, data and sensitive information, financial services, artificial intelligence and media, as well as transport (ports, airports etc.), and broadband and ultra-broadband services.</p>		<p>18 dicembre 2020, n.179, GU Serie Generale n.322 del 30-12-2020, 14 January 2021; Decreto del Presidente del Consiglio dei Ministri 23 dicembre 2020, n. 180, GU Serie Generale n.322 del 30-12-2020, 14 January 2021.</p>
Japan		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
Republic of Korea		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
Mexico		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	
Russian Federation		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	<p>On 20 March 2021, Federal Law No.40-FZ on "Amendments to the Federal Law on 'Procedures for Foreign Investment in the Business Entities of Strategic Importance for Russian National Defence and State Security' entered into force. The law introduces a simplified review procedure for the review of foreign investments in certain industries if the operations of the acquisition target in the Russian Federation are not a main business of the foreign investor abroad.</p>	<p>20 March 2021 Federal Law No.40-FZ on "Amendments to the Federal Law on 'Procedures for Foreign Investment in the Business Entities of Strategic Importance for Russian National Defence and State Security'</p>
Saudi Arabia		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	

Description of Measure		Date	Source
South Africa			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
Turkey			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	None during reporting period.		
United Kingdom			
<i>Investment policy measures</i>	As per the Finance Bill 2021 and the Provisional Collection of Taxes Act (Budget Resolutions) of 3 March 2021, from 1 April 2021 purchases of dwellings in England and Northern Ireland made by non-UK resident purchasers, including certain UK resident companies for corporation tax purposes that are close companies controlled by non-residents, will attract a Stamp Duty Land Tax (SDLT) that is 2 percentage points higher than those that apply to purchases made by UK residents. The surcharge applies to purchases of both freehold and leasehold property, as well as increasing the SDLT payable on rents on the grant of a new lease.	3 March 2021; 1 April 2021	“Guidance - Rates of Stamp Duty Land Tax for non-UK residents” , 8 March 2020, HM Revenue&Customs.
<i>Investment measures relating to national security</i>	On 29 April 2021, the National Security and Investment Act 2021 received Royal Assent. The Act establishes an investment screening mechanism that allows the United Kingdom’s authorities to scrutinise, impose conditions on, and block transactions that pose an undue risk to the country’s security interests. The legislation has not yet come into force – it is currently due to commence at the end of 2021.	29 April 2021	National Security and Investment Act 2021 , 29 April 2021.
United States			
<i>Investment policy measures</i>	None during reporting period.		
<i>Investment measures relating to national security</i>	On 27 November 2020, new rules and procedures adopted by the Federal Communications Commission (FCC) were released. These rules and procedures streamline and improve the timeliness and transparency of the procedures for coordination between the FCC and the Executive Branch regarding the assessment of any national security, law enforcement, foreign policy or trade policy issues regarding applications with foreign ownership that seek to participate in the United States telecommunications market.	27 November 2020	Final Rule, Process Reform for Executive Branch Review of Certain FCC Applications and Petitions Involving Foreign Ownership , Federal Register, Vol.85, No.229, 27 November 2020.
	On 22 March 2021, the Department of Commerce interim regulations to implement provisions of Executive Order 13873, on “Securing the Information and Communications Technology and Services Supply Chain” issued on 15 May 2019, became effective. These interim regulations establish procedures that enable the Secretary of Commerce to identify, assess, and address certain transactions, including classes of transactions, between U.S. persons and foreign persons that involve information and communications technology or services designed, developed, manufactured, or supplied, by persons owned by, controlled by, or subject to the jurisdiction or	22 March 2021	Interim rule, Securing the Information and Communications Technology and Services Supply Chain , Federal Register, Vol.86, No.11, 19 January 2021.

Description of Measure	Date	Source
direction of a foreign adversary; and pose an undue or unacceptable risk.		
European Union		
<i>Investment policy measures</i>	None during reporting period.	
<i>Investment measures relating to national security</i>	None during reporting period.	

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

Reporting period. The reporting period of the present document is from 16 October 2020 to 15 May 2021. 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 2020 to 15 May 2021)
– Reports on individual economies²¹**

Description of Measure	Date	Source
Argentina		
None during reporting period.		
Australia		
None during reporting period.		
Brazil		
None during reporting period.		
Canada		
None during reporting period.		
P.R. China		
On 1 November 2020, the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors and its implementing provisions entered into force. Among others, these new rules allow certain categories of foreign investors to invest in additional asset types in the Chinese domestic markets, including securities admitted on the National Equities Exchange and Quotations market, private investment funds, financial futures, and commodity futures. Furthermore, these new rules lower qualification requirements, streamline application documents, and simplify review procedures for foreign investments.	1 November 2020	Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors , CSRC Decree No.176, China Securities Regulatory Commission, People's Bank of China, and State Administration of Foreign Exchange, 1 November 2020; Provisions on Issues Concerning the Implementation of the Measures for the Administration of Domestic Securities and Futures Investment by Qualified Foreign Institutional Investors and RMB Qualified Foreign Institutional Investors , China Securities Regulatory Commission, People's Bank of China, and State Administration of Foreign Exchange, 1 November 2020.
France		
None during reporting period.		
Germany		
None during reporting period.		
India		
Effective 4 December 2020, the Reserve Bank of India obtained the power to restrict the import or export of Indian currency notes or foreign currency that a person may take into or bring outside of India.	4 December 2020	“Foreign Exchange Management (Export and Import of Currency) (Second Amendment) Regulations, 2020” , The Gazette of India,

²¹ This inventory has been established by the OECD Secretariat under the responsibility of the Secretary-General of the OECD.

Description of Measure	Date	Source
		Part III Section 4, 4 December 2020.
On 4 December 2020, the Reserve Bank of India delegated further authority to certain authorised banks with regards to the direct dispatch of shipping documents, the write-off of unrealised export bills, the set-off of export receivables against import payables, and the refund of export proceeds.	4 December 2020	“ External Trade – Facilitation - Export of Goods and Services ”, RBI/2020-21/77 A.P. (DIR Series) Circular No.08, 4 December 2020.
On 8 January 2021, the Reserve Bank of India simplified the documentation regarding the export of leased aircraft/helicopter and/or engines/auxiliary power units.	8 January 2021	“ Foreign Exchange Management (Export of Goods and Services) (Amendment) Regulations, 2021 ”, Notification No. FEMA 23(R)/(4)/2021-RB, 8 January 2021.
On 16 February 2021, the Reserve Bank of India liberalised remittances by residents to International Financial Services Centres to allow residents to diversify their portfolio. The remittance may be used to invest in certain securities that are not issued by entities residents in India. Residents are also allowed to hold non interest bearing Foreign Currency Account to make the permissible investments.	16 February 2021	“ Remittances to International Financial Services Centres (IFSCs) in India under the Liberalised Remittance Scheme (LRS) ”, RBI/2020-21/99, A.P. (DIR Series) Circular No.11, 16 February 2021.
On 26 February 2021, the Reserve Bank of India lifted conditions for investment by foreign portfolio investors in defaulted bonds. Henceforth, the minimum residual maturity requirement, short-term investment limit and the investor limit that generally apply to foreign portfolio investors investments in corporate bonds do not apply to bonds under default.	26 February 2021	“ Investment by Foreign Portfolio Investors (FPI) in Defaulted Bonds – Relaxations ”, RBI/2020-21/105 A.P. (DIR Series) Circular No.12, 26 February 2021.
On 7 April 2021, the Reserve Bank of India relaxed rules regarding the period for which ECB proceeds may be parked in term deposits.	7 April 2021	“ External Commercial Borrowings (ECB) Policy – Relaxation in the period of parking of unutilised ECB proceeds in term deposits ”, RBI/2021-22/16, A.P. (DIR Series) Circular No.01, 7 April 2021.
Indonesia		
None during reporting period.		
Italy		
None during reporting period.		
Japan		
None during reporting period.		
Republic of Korea		
On 9 March 2021, Korea’s Financial Services Commission announced that it extended the availability of some of the interim deregulatory measures introduced on 17 April 2020 .		“ FSC Decides to Extend the Availability of Eased LCR and LTD Rules for Banks ”, Financial Services Commission Press release, 9 March 2021.
Mexico		
None during reporting period.		
Russian Federation		
None during reporting period.		

Description of Measure	Date	Source
Saudi Arabia		
None during reporting period.		
South Africa		
None during reporting period.		
Turkey		
On 24 February 2021, the Central Bank of Turkey revised applicable rules on reserve requirements. Turkish lira reserve requirement ratios were increased by 200 basis points for all liability types and maturity brackets; the upper limit of the facility for holding foreign exchange was decreased from 30% to 20% of Turkish lira reserve requirements, and the upper limit of the facility for holding standard gold was decreased from 20% to 15% of Turkish lira reserve requirements.		Central Bank of Turkey Press Release on Reserve Requirements No. 2021-10 , 24 February 2021.
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 2020 to 15 May 2021. 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 Agreements²²

	BITs			Other IIAs			Total IIAs as of 15 May 2021 Concluded between 16 October 2020 and 15 May 2021
	Concluded between 16 October 2020 and 15 May 2021	Effectively terminated between 16 October 2020 and 15 May 2021	As of 15 May 2021	Concluded between 16 October 2020 and 15 May 2021	Effectively terminated between 16 October 2020 and 15 May 2021	As of 15 May 2021	
Argentina			55			18	73
Australia			15	1		23	38
Brazil			26			19	45
Canada			32	1		21	53
China		1	124	1		24	148
France			98	1		72	170
Germany			129	1		72	201
India		1	12			13	25
Indonesia			41	2		21	62
Italy			67	1		71	138
Japan	1		35	2		22	57
Republic of Korea			94	3		24	118
Mexico			32			16	48
Russian Federation			78			6	84
Saudi Arabia			24			13	37
South Africa			39			11	50
Turkey		1	107	1		21	128
United Kingdom			102	10		97	199
United States			45			69	114
European Union				1		71	71

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

²² 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>).