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BETTER POLICIES FOR BETTER LIVES

UNITED NATIONS
UNCTAD

28 October 2021

Twenty-sixth Report on G20 Investment Measures[1]

When the Global Financial Crisis broke in 2008 and early 2009, G20 members committed to refrain from introducing new barriers to investment or trade.[2] They complemented this commitment by a request that WTO, OECD and UNCTAD monitor and report publicly on their new trade and investment policy measures. So far, 25 reports have been issued under this mandate.[3]

The COVID-19 pandemic set off a further crisis in early 2020. While some indicators suggest that vaccines have helped mitigate the health crisis in many countries, societies are still heavily affected by the economic shock, disruption, and loss of livelihood.

When the impacts of the pandemic first became apparent, G20 members showed leadership as they did in response to the Financial and Economic Crisis of 2008/2009. They pledged to remain open to trade and investment to limit the damage of the COVID-19 pandemic on their economies.[4] WTO, OECD and UNCTAD continue to inform the public about the respect of the commitment through public reports on G20 trade and investment policy making.

This 26th monitoring report on investment measures by G20 members documents measures that G20 governments have taken in relation to their pledge. It covers investment and investment-related measures adopted between 16 May 2021 and 30 September 2021. As all previous reports in this series, it was jointly prepared by the OECD and UNCTAD Secretariats.

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.

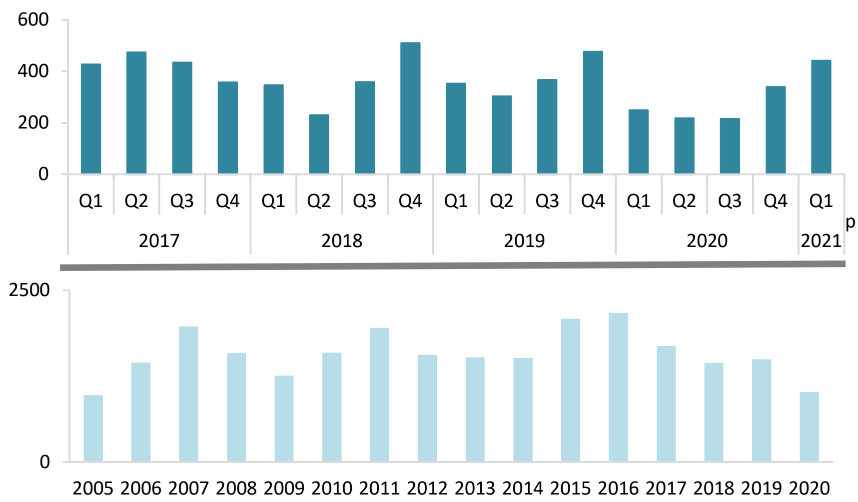
3 Earlier reports on investment measures by OECD and UNCTAD to G20 Leaders are available on the websites of the OECD and UNCTAD. A summary table of all investment measures taken since 2008 is also available on those websites.

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

The pandemic accelerated an already steady decline of global FDI inflows, which hit a 15-year low in 2020. Nevertheless, there were some signs of recovery already in the last quarter of 2020 and continuing into the first quarter of 2021. Global FDI inflows increased by 58% in the last quarter of 2020 compared to the previous one, and grew by a further 30% in the first quarter of 2021, reaching USD 442 billion. Global FDI inflows in Q1 2021 were 25% higher than in the first quarter of 2019.[5] (Figure 1).

Figure 1: Global FDI inflows, Q1 2019-Q1 2021 and 2005-2020 (USD billion)



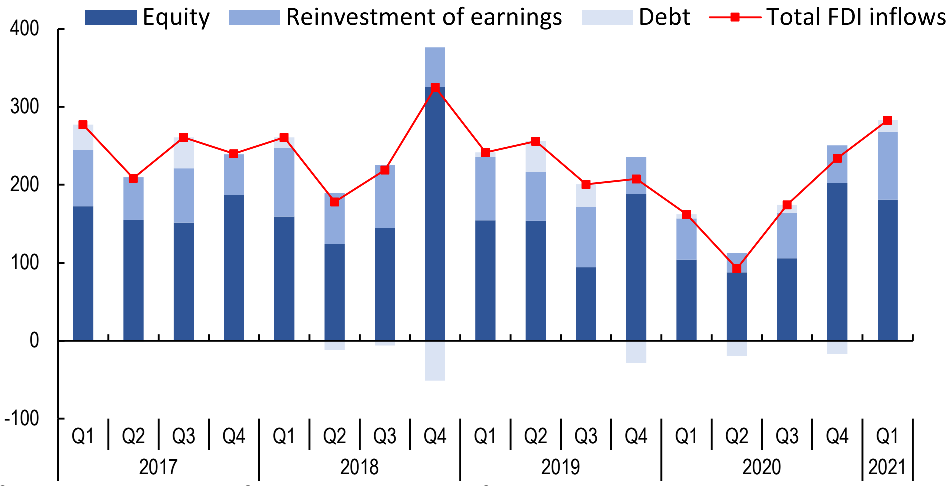
Notes: p = preliminary. Source: OECD/UNCTAD.

G20 FDI inflows in Q1 2021 were 75% higher than in the same quarter in 2020 and also 17% higher than in Q1 2019, the latter reflecting that half of the most recent estimates for G20 economies surpassed pre-pandemic levels. Reinvestment of earnings and intra-company debt flows contributed to increase FDI inflows into G20 economies in the first quarter of 2021 (Figure 2). Equity flows into G20 economies remained high in Q1 2021, largely driven by cross-border merger and acquisitions (M&As).

The number and value of cross-border M&A deals involving G20 economies has been constantly growing since Q3 2020. Deal values in the first half of 2021 were the highest since 2018 and were driven by a few large deals in the financial, healthcare and technology sectors. In contrast, the value of greenfield investment projects announced in G20 economies continued on a downward trend. Capital expenditures kept decreasing in all but the health and technology sectors. Biotechnology and communications continued to attract the most valuable investment projects in the first half of 2021.

[5] The most recent official FDI statistics for Q1 2021 are available in the OECD FDI statistics database. FDI trends analysis for 2020 are available in UNCTAD, *World Investment Report 2021, Investing in Sustainable Recovery*, June 2021 and OECD, *FDI in Figures*, April 2021. Analysis of FDI trends for the first half of 2021 is available in the UNCTAD, *Global Investment Trends Monitor*, October 2021 and in OECD *FDI in Figures*, October 2021.

Figure 2: G20 FDI inflows by instrument, Q1 2017 – Q1 2021 (USD billion)



Note: ᵖ data for Q1 2021 are preliminary. G20 aggregate excludes Saudi Arabia as it does not report FDI components. Reinvested earnings are not reported separately for P.R. China and Indonesia, but are included in the category "equity". Data on reinvested earnings are not available for South Africa.
Source: OECD/UNCTAD.

II. G20 Members' investment policy measures

In the reporting period, G20 Members have made very few adjustments to their investment policies. This contrasts with the high number of measures reported for 2020, when countries were quickly adjusting investment policies to the onsetting crisis brought by the COVID-19 pandemic.[6] As the economic disruption that was observed at the beginning of the pandemic begins to abate in many G20 members, the number of investment policy adjustments is again declining and their frequency is comparable to the pre-pandemic period.[7]

Concerns about the implications that certain investments can have for essential security interests continue to occupy G20 members, as documented by several adjustments in this area of investment policy making.

1. Foreign direct investment-specific measures

India and Indonesia changed their investment policies specific to FDI in the reporting period:

- *India* liberalised foreign investment in the insurance sector and petroleum and gas projects; and
- *Indonesia* limited foreign investment in some sectors.

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, five G20 Members took measures in this regard: France, Japan, Russian Federation, Saudi Arabia and South Africa. While policy changes in France, Japan, the Russian Federation and South Africa complemented or strengthened

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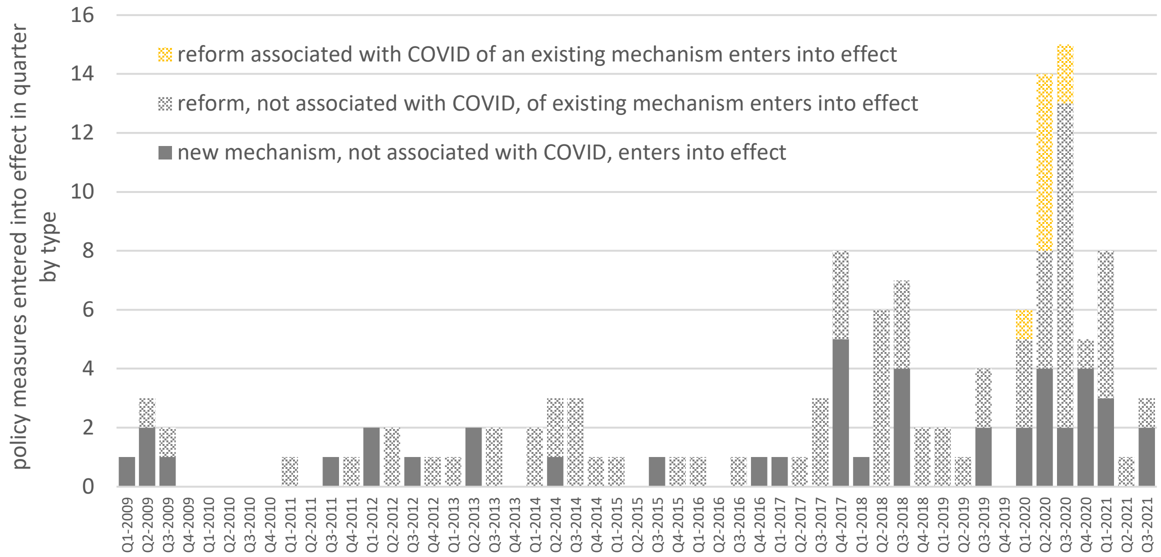
6 See 23rd OECD/UNCTAD Report on G20 Investment Measures, covering the period from 16 October 2019 to 15 May 2020, 24th OECD/UNCTAD Report on G20 Investment Measures (16 May to 15 October 2020), and the 25th OECD/UNCTAD Report on G20 Investment Measures (16 October 2020 and 15 May 2021). All three reports found that G20 Members had taken an unusually high number of investment policy measures in the respective reporting period.

7 See for example the findings of the 22nd OECD-UNCTAD investment policy monitoring report, which was released in November 2019 and noted that only three G20 members had taken FDI-specific measures in the reporting period.

existing policies in this area, Saudi Arabia is establishing a dedicated mechanism to address security implications of foreign investment in sensitive sectors for the first time.

As in the preceding reporting periods and approximately since 2017, this area of investment policy making continues to experience significant attention in G20 economies and beyond.[8] When compared to previous quarters, a slight slowdown of policy-making is observed in the current reporting period in G20 economies (Figure 3).

Figure 3: Entry into force of new or reformed investment policies to safeguard essential security interests in G20 members, Q1-2009 to Q3-2021.



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 and third quarters of 2020, before policy making activity in this domain dropped again to levels comparable to those observed before the COVID-19 pandemic struck.

While in the first half of 2020, a number of policy changes were associated with the disruption associated with the pandemic, none of the policy measures taken in this category after July 2020 was explicitly associated with COVID or the circumstances of the pandemic.[9] That policy making activity in this area remains high beyond this episode confirms that the heightened attention that governments attribute to the protection of essential security interests in the context of international investment is independent of shorter term developments.[10]

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8 See for a broader set of 62 economies, OECD (2021), "*Investment policy developments in 62 economies between 16 October 2020 and 15 March 2021*", and UNCTAD (2020), "*Investment Policy Monitor: Special Issue - Investment Policy Responses to the COVID-19 Pandemic*". For an analysis of the drivers of this trend, see UNCTAD (2019), "*Investment Policy Monitor: National Security-Related Screening Mechanisms For Foreign Investment. An Analysis of Recent Policy Developments*" as well as OECD (2020), "*Acquisition- and ownership-related policies to safeguard essential security interests – current and emerging trends, observed designs, and policy practice in 62 economies*".

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

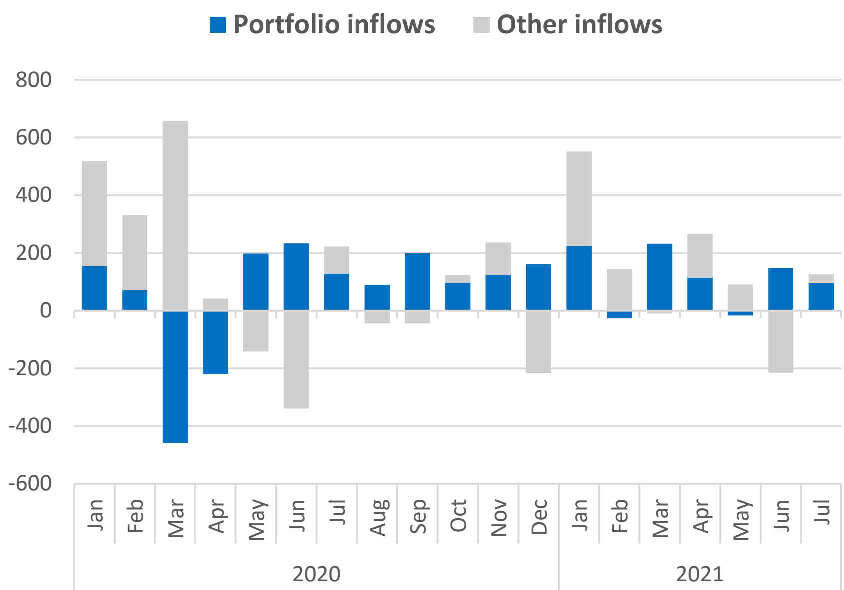
10 OECD/UNCTAD (2020), "*Twenty-fourth Report on G20 Investment Measures*", p.3 and OECD (2020), "*Investment screening in times of COVID-19 and beyond*".

3. Capital flows and investment policy measures not specific to FDI[11]

Following substantial capital inflows into G20 economies in late 2020 and early 2021, capital flows to G20 emerging markets are on a downward trend (Figure 4). This decline is associated with inflation concerns and expectations of less accommodative monetary policy, which already led to repricing across sovereign bond markets in these economies.

Despite the recent announcement by the US Federal Reserve that it would gradually taper its COVID-19 bond buying programme, improved fundamentals in these countries and monetary policy communication should help to avoid abrupt market reactions such as those experienced in 2013, when news of the upcoming monetary policy tightening by the US Federal Reserve led to important outflows from emerging markets.

Figure 4. Capital inflows to G20 members (USD billion, January to July 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.
Source: OECD Monthly Capital Flow Dataset.

Several G20 emerging markets have recently raised policy rates to tame domestic inflation pressures and in anticipation of tighter global conditions. In addition, among the G20, P.R. China, Russian Federation and Turkey also changed their reserve requirements ratios during the reporting period, increasing the differential between the required reserve ratio on foreign currency liabilities and the required ratio on local currency ones.[12]

Argentina, P.R. China, India, and the United States took other measures on investment not specific to FDI during the reporting period.

Detailed information on the measures by country is available in Annex 2.

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[11] 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.

[12] OECD research shows that these tools are generally effective in reducing foreign exchange mismatches and dollarisation in banks' balance sheets, while at the same time leading to a broader reduction in capital inflows (de Crescenzio, A., E. Lepers and Z. Fannon (2021), "Assessing the effectiveness of currency-differentiated tools: The case of reserve requirements", *OECD Working Papers on International Investment*, No. 2021/01, OECD Publishing, Paris, https://doi.org/10.1787/e979a657-en.

4. *International Investment Agreements*

During the reporting period, Turkey was the only G20 Member to conclude two new bilateral investment treaties (BITs),[13] while no “other IIAs”[14] were concluded. The Greece-South Africa BIT was effectively terminated.[15] Moreover, France and Germany ratified the Agreement for the Termination of Bilateral Investment Treaties between the Member States of the European Union,[16] effectively terminating 18 intra-EU BITs. One G20 BIT entered into force, concluded by Mexico.[17] As of 30 September 2021, the total number of IIAs worldwide stood at 2822 BITs and 420 “other IIAs”.[18] Data on G20 Members’ IIAs is available in Annex 3.

III. Overall policy implications

G20 investment policy developments suggest that G20 Leaders appreciate the importance of openness to international investment as a precondition to containing the economic damage associated with the COVID-19 pandemic. After a period of frequent adjustments of investment policies, G20 members have now adopted very few measures.

Policy interest in instruments to safeguard essential security risks that are occasionally associated with international investment remains high. Comprehensive and detailed policies are now in place in almost all G20 members.

While investment policies related to essential security interests allow governments to further open to international investment while managing related risks, the application of these policies is often portrayed as opaque. International policy principles, 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 can help ensure non-discrimination, transparency, proportionality and accountability of their implementation.

While the COVID crisis has dominated attention over the past years, G20 members will need to address many other crises, most pressingly the climate and environmental crises, as well as continued and deepening poverty across and within societies. International investment can make an important contribution to address these crises – provided relevant policies are set to enable such outcomes.

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[13] The Turkey-Angola BIT (signed on 27 July 2021) and the Turkey-Democratic Republic of Congo BIT (signed on 7 September 2021).

[14] “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 cover plurilateral agreements.

[15] Effectively terminated on 5 September 2021 after unilateral denunciation.

[16] The agreement entered into force on 28 August 2021 for France and on 9 June 2021 for Germany.

[17] The Hong Kong, China SAR-Mexico BIT entered into force on 16 June 2021.

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

Annex 1: Recent investment policy measures related to FDI (16 May 2021-30 September 2021) – Reports on individual economies

	Description of Measure	Date	Source
Argentina			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	None during the reporting period.		
Australia			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	None during the reporting period.		
Brazil			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	None during the reporting period.		
Canada			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	None during the reporting period.		
P.R. China			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	None during the reporting period.		
France			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 22 September 2021, France published the Arrêté du 10 septembre 2021 relatif aux investissements étrangers en France. When the rules will enter into force, on 1 January 2022, they will add technologies involved in the production of renewable energy to the list of critical technologies to which the FDI review mechanism applies, among other aspects.	22 September 2021	Arrêté du 10 septembre 2021 relatif aux investissements étrangers en France, JORF n°0221, 22 September 2021.

	Description of Measure	Date	Source
Germany			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	None during the reporting period.		
India			
Investment policy measures	On 19 May 2021, the Indian Insurance Companies (Foreign Investment) Amendment Rules 2021 were notified. The changes, which follow the entry into force of the Insurance (Amendment) Act, 2021 on 1 April 2021, increased the ceiling for foreign investment in Indian insurance companies. A Press Note issued on 14 June 2021 announced changes to the FDI policy with respect to the insurance sector.	19 May 2021; 14 June 2021	"*Review of Foreign Direct Investment (FDI) policy on Insurance Sector*", Ministry of Commerce & Industry, Department for Promotion of Industry and Internal Trade Press Note No.2 (2021 Series), 14 June 2021.
	On 29 July 2021, a change to the conditions under which foreign investment in the petroleum and gas sector is allowed was announced. An addition to the rules on foreign ownership ceilings in the sector allows 100% foreign ownership under the automatic route in case an 'in-principle' approval for strategic disinvestment of a Public Sector Undertaking in the sector has been granted.	29 July 2021	"*Review of Foreign Direct Investment (FDI) policy on Petroleum & Natural Gas Sector*", Ministry of Commerce & Industry, Department for Promotion of Industry and Internal Trade Press Note No.3 (2021 Series), 29 July 2021.
Investment measures relating to national security	None during the reporting period.		
Indonesia			
Investment policy measures	On 25 May 2021, Presidential Regulation No.49 of 2021 came to effect. The Regulation amends Presidential Regulation No.10 of 2021 and, among other matters, adds several industries to the list of industries now closed to foreign investors. Alcoholic Beverage Industry, Wine Industry, and Beverages Containing Malt Industry but also e-commerce activities involving goods such as food, tobacco, textile or kitchen are now closed to foreign investment. Finally, if foreign shareholding in courier activities, previously unlisted, is now limited to 49%, foreign shareholding in postal activities, previously limited to 49%, are now fully open to foreign investments.	25 May 2021	Perubahan atas Peraturan Presiden Nomor 10 Tahun 2021 Tentang Bidang Usaha Penanaman Modal, 24 May 2021.
Investment measures relating to national security	None during the reporting period.		
Italy			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	None during the reporting period.		
Japan			
Investment policy measures	None during the reporting period.		

	Description of Measure	Date	Source
Investment measures relating to national security	On 16 June 2021, the Japanese Diet passed the Act on Review and Regulation of Real Estate Usage. Once entered into effect, the law will allow the government to review the status of real estate usage near sensitive facilities and on border islands. The law obliges buyer and seller of such real estate to submit a pre-notification to the Japanese authorities only when it is located near highly sensitive facilities or on specific border islands. This Act applies to both foreigners and nationals of Japan.	16 June 2021	Act on Review and Regulation of Real Estate Usage (Act No.84 of June 23, 2021)
Republic of Korea			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	None during the reporting period.		
Mexico			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	None during the reporting period.		
Russian Federation			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	On 2 July 2021, Federal Law No.339-FZ Amending the Federal Law 'On Fisheries and the Conservation of Aquatic Biological Resources' and the Federal Law 'On the Procedure for Making Foreign Investments in Economic Companies of Strategic Importance for Ensuring the Defense of the Country and Security of the State' entered into force. Among others, the amendments classify fishing aquatic biological resources as an activity of "strategic importance", and certain transactions that lead to the establishment of control by a foreign investor over enterprises engaged in such activities are subject to prior approval by the Government Commission for the Control of Foreign Investment in the Russian Federation. The law also lowers the trigger threshold for acquisitions made by foreign investors in fishing organisations from 50% to 25% of voting rights in the target entity.	2 July 2021	Federal Law No.339-FZ Amending the Federal Law 'On Fisheries and the Conservation of Aquatic Biological Resources' and the Federal Law 'On the Procedure for Making Foreign Investments in Economic Companies of Strategic Importance for Ensuring the Defense of the Country and Security of the State', 2 July 2021.
Saudi Arabia			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	On 7 September 2021, the Council of Ministers released a Resolution on the establishment of a "Permanent Ministerial Committee for the Examination of Foreign Investment". The Committee is tasked to identify on an ongoing basis sensitive and strategic sectors or companies in which foreign investments may affect national security or public order. Foreign investments in those sectors or companies will be subject to examination and potentially restrictions. The Committee is chaired by the Ministry of Investment and involves several other Ministries.	7 September 2021	Council of Ministers Resolution No.83 on the Organization of a Permanent Ministerial Committee for the Examination of Foreign Investments, 7 September 2021.

	Description of Measure	Date	Source
South Africa			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	On 28 September 2021, the Private Security Industry Regulation Amendment Act, 2014 received assent. Among other issues, the Amendment Act introduces a requirement that private security companies be owned and controlled to at least 51% by South African citizens, subject to derogation.	28 September 2021	Act No.18 of 2014: Private Security Industry Regulation Amendment Act, 2014, Government Gazette, Vol.676, No.594, 8 October 2021.
Turkey			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	None during the reporting period.		
United Kingdom			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	None during the reporting period.		
United States			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	None during the reporting period.		
European Union			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	None during the reporting period.		

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

Reporting period. The reporting period of the present document is from 16 May 2021 to 30 September 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 May 2021 to 30 September 2021) – Reports on individual economies[19]

	Description of Measure	Date	Source
Argentina			
Investment policy measures not specific to FDI	On 3 June 2021, the Central Bank of Argentina (BCRA) allowed exporters to have greater access to the foreign exchange market. Specifically, exporters of industrialized and extractive goods may access the foreign exchange market up to a portion of foreign sale increases against 2020, which varies depending on the settlement period involved.	3 June 2021	"*El BCRA incentiva el incremento de exportaciones de bienes*", Banco Central de la República Argentina, notice dated 3 June 2021.
	Effective 13 August 2021, the Central Bank of Argentina (BCRA) prohibited purchase and sale transactions of securities to be settled in foreign currency in cash or in the form of deposit to custody accounts or third parties' accounts.	13 August 2021	"*El BCRA tomó medidas para prevenir el lavado de activos y la evasión fiscal, acorde a prácticas internacionales*", Banco Central de la República Argentina, notice dated 12 August 2021.
	On 26 August 2021, the Central Bank of Argentina issued Communication A 7348, allowing importers to use new financing to repay commercial debts under certain conditions and up to USD 5 million from overseas lenders without the need for BCRA authorization.	26 August 2021	"*Empresas podrán aplicar nuevos financiamientos al pago de deudas*", Banco Central de la República Argentina, notice dated 26 August 2021.
	Central Bank Communication A 7374 of 30 September 2021 establishes a new possibility for local financial entities to access, under certain conditions, the foreign exchange market to meet their obligations with non-residents for financial guarantees.	30 September 2021	Communicación A 7374, Banco Central de la República Argentina, Circular Camex 1-897, 30 September 2021.
Australia			
Investment policy measures not specific to FDI	None during the reporting period.		
Brazil			
Investment policy measures not specific to FDI	None during the reporting period.		
Canada			
Investment policy measures not specific to FDI	None during the reporting period.		
P.R. China			
Investment policy measures not specific to FDI	Effective 15 June 2021, the People's Bank of China (PBC) raised the foreign exchange reserve requirement ratio from 5% to 7%. On 15 July 2021, the PBC lowered the reserve requirement ratio of financial institutions on local currency liabilities by 0.5 percentage points.	15 June 2021	"*PBC Decides to Raise Foreign Exchange Required Reserve Ratio*", People's Bank of China press release, 31 May 2021. "*The PBC is Scheduled to Lower Required Reserve Ratio on July 15*", People's Bank of China press release, 9 July 2021.
	Announced on 15 September 2021, a new channel has been opened for domestic institutional investors to trade foreign bonds, by allowing Chinese firms qualified as primary dealers to	15 September 2021	Notice of the People's Bank of China on the Development of Southbound Cooperation on the

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

	Description of Measure	Date	Source
	trade foreign bonds via Hong Kong, so called "Southbound" leg of the "Bond Connect".		Interconnection of Bond Markets between the Mainland and Hong Kong, 15 September 2021
	On 18 September 2021, the People's Bank of China and SAFE issued draft regulations for public consultation proposing to relax restrictions on domestic banks' ability to provide yuan denominated loans to non-resident companies. Previously, such loans were allowed only under limited circumstances.	18 September 2021	Regulations of the People's Bank of China and the State Administration of Foreign Exchange on Issues Related to the Overseas Loan Business of Banking Financial Institutions (Draft for Solicitation of Comments), 18 September 2021
France			
Investment policy measures not specific to FDI	None during the reporting period.		
Germany			
Investment policy measures not specific to FDI	None during the reporting period.		
India			
Investment policy measures not specific to FDI	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			
Investment policy measures not specific to FDI	None during the reporting period.		
Italy			
Investment policy measures not specific to FDI	None during the reporting period.		
Japan			
Investment policy measures not specific to FDI	None during the reporting period.		
Republic of Korea			
Investment policy measures not specific to FDI	On 9 June 2021, the Financial Services Commission Notification No.2021-18 increased the limit on foreign exchange positions of insurance companies from 20% of the total adjusted capital to 30% of the total adjusted capital.	9 June 2021	Financial Services Commission, Notification No.2021-18.

	Description of Measure	Date	Source
Mexico			
Investment policy measures not specific to FDI	None during the reporting period.		
Russian Federation			
Investment policy measures not specific to FDI	Starting from 1 October 2021, the Bank of Russia modified mandatory reserve requirements for rouble- and foreign-currency-denominated liabilities. On the same day, the Bank of Russia Regulation No. 753-P, dated 11 January 2021, 'On Credit Institutions' Required Reserves' entered into effect.	1 October 2021	Bank of Russia Regulation No. 753-P, dated 11 January 2021, 'On Credit Institutions' Required Reserves', 11 January 2021. "*Bank of Russia changes mandatory reserve requirements and sets coefficients for calculating reservable liabilities*", Bank of Russia news release, 26 July 2021.
Saudi Arabia			
Investment policy measures not specific to FDI	None during the reporting period.		
South Africa			
Investment policy measures not specific to FDI	None during the reporting period.		
Turkey			
Investment policy measures not specific to FDI	On 1 July 2021, the Central Bank of Turkey modified mandatory reserve requirements and lowered the upper limit of a facility, known as Reserve Option Mechanism, that allows banks to keep a certain ratio of their Turkish lira reserve requirements in foreign exchange or gold. Reserve requirement ratios for foreign exchange deposits and participation funds were increased by 2 percentage points for all maturity brackets, and the Reserve Option Mechanism was decreased from 20% to 10% of Turkish lira reserve requirements.	1 July 2021	"*Press Release on Reserve Requirements*", Central Bank of the Republic of Turkey, No.2021-27, 1 July 2021.
	Effective 1 October 2021, the Reserve Option Mechanism was terminated by decreasing its limit from 10% to 0%. The reserve requirement ratios for foreign exchange deposits and participation funds were increased by a further 2percentage points for all maturity brackets.	1 October 2021	"*Press Release on Reserve Requirements*", Central Bank of the Republic of Turkey, No.2021-39, 1 July 2021.
United Kingdom			
Investment policy measures not specific to FDI	None during the reporting period.		
United States			
Investment policy measures not specific to FDI	None during the reporting period.		

	Description of Measure	Date	Source
European Union			
Investment policy measures not specific to FDI	None during the reporting period.		

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

Reporting period. The reporting period of the present document is from 16 May 2021 to 30 September 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 Agreements[20]

	BITs			Other IIAs			Total IIAs as of 30 September 2021
	Concluded between 16 May 2021 and 30 September 2021	Effectively terminated between 16 May 2021 and 30 September 2021	As of 30 September 2021	Concluded between 16 May 2021 and 30 September 2021	Effectively terminated between 16 May 2021 and 30 September 2021	As of 30 September 2021	
Argentina			55			18	73
Australia			15			23	38
Brazil			26			19	45
Canada			32			21	53
China			124			24	148
France		9	89			72	161
Germany		9	120			72	192
India			12			13	25
Indonesia			41			21	62
Italy			67			71	138
Japan			35			22	57
Republic of Korea			94			24	118
Mexico			32			16	48
Russian Federation			78			6	84
Saudi Arabia			24			13	37
South Africa		1	38			11	49
Turkey	2		109			21	130
United Kingdom			102			29	131
United States			45			69	114
European Union						71	71

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

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