



INVESTMENT POLICY MONITOR



UNITED NATIONS
UNCTAD

H I G H L I G H T S

- Fifty-two countries and the European Union (EU) took 96 investment policy measures in the review period (May 2020 - December 2020). Nearly half of these measures introduced new regulations or restrictions for investment - the highest ratio in almost two decades.
- Almost all new investment regulations or restrictions address national security concerns as more and more countries become worried that domestic core assets and technologies may fall prey to hostile foreign takeovers in the wake of pandemic. Eighteen countries and economies – Austria, Canada, China, Finland, France, Germany, Hungary, Italy, Japan, Republic of Korea, Malta, New Zealand, Poland, Russian Federation, Slovenia, Spain, United Kingdom and the EU – reinforced the existing FDI screening regime or newly adopted such mechanisms. Kenya, Oman and the United States of America introduced other types of restrictive measures.
- A limited number of countries – Algeria, China, Ethiopia, India, Indonesia, Lao People’s Democratic Republic, Philippines, United Arab Emirates – further liberalised foreign investment in various sectors. Among them are key industries such as agriculture, manufacturing, the pharmaceutical sector, transportation, financial services and digital media.
- Efforts to facilitate and promote investment continued. Angola, Cambodia, Cuba, Iraq and Pakistan created more investor-friendly government approval mechanisms. Colombia, Panama, Rwanda, Uruguay, and Viet Nam expanded fiscal incentive regimes to promote investment. Bolivia and Uzbekistan established new investment promotion agencies. Sri Lanka established a pharmaceutical manufacturing zone.
- Countries signed at least 15 international investment agreement (IIAs), bringing the total number of IIAs to 3,312 by the end of December 2020. At least five terminations of IIAs took effect during the reporting period. Newly concluded IIAs continue to include reform-oriented provisions in line with UNCTAD’s policy recommendations found in its Reform Package for the International Investment Regime and its IIA Reform Accelerator.
- The reporting period saw other important developments relating to international investment policymaking. These include, notably, the entry into force of the EU agreement for the termination of intra-EU BITs, the entry into force of the United States–Mexico–Canada Agreement, the Agreement in principle on the EU-China comprehensive agreement on investment as well as the African Union declaration on the risks of investor-State arbitration relating to COVID-19 measures.
- Several notable developments also took place at the multilateral level including continued discussions on investor-State dispute settlement (ISDS) reform within the context of UNCITRAL’s Working Group III; the release of the second revised draft of the binding treaty on business and human rights; and the commencement of formal negotiations for a multilateral investment facilitation framework in the WTO.

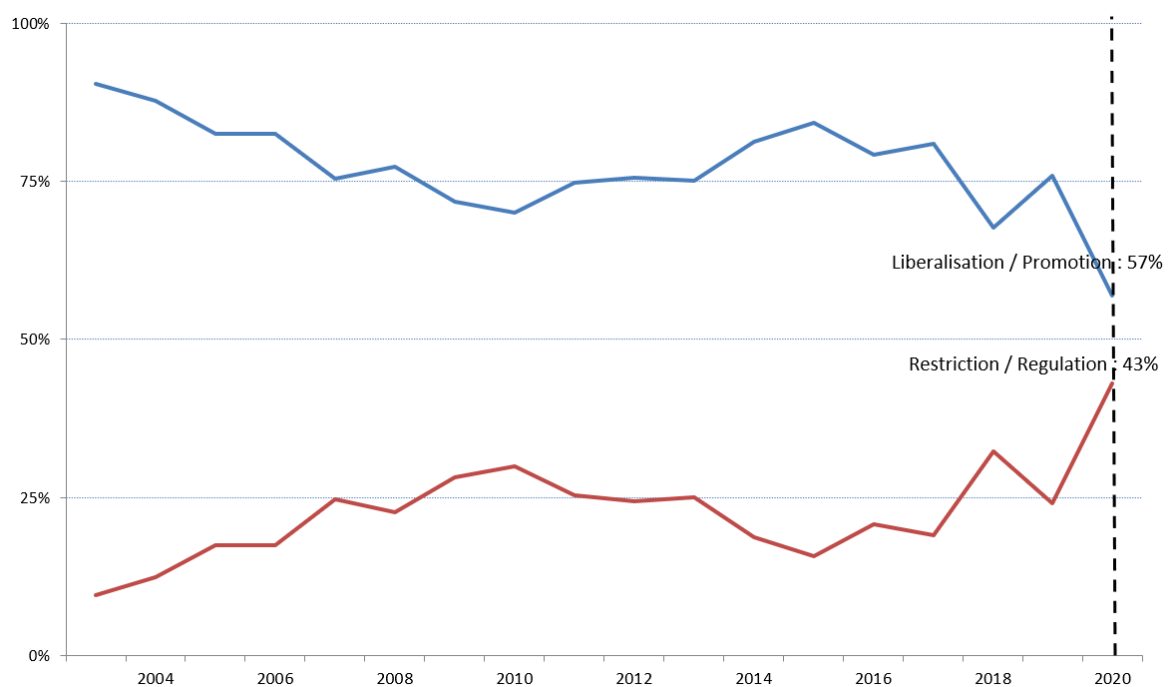
A. National investment policies

During the review period of this Monitor (May 2020 – December 2020), 52 countries and the EU took 96 investment policy measures (table 1). The majority of them (55 percent) were still geared towards creating more favourable investment conditions. Investment liberalisation, promotion and facilitation measures were adopted in numerous industries including agriculture, energy, the pharmaceutical sector, the defence sector, transport services, financial services, and digital media. Developing countries and transition economies have been especially active. For the year 2020 in its entirety, the ratio is 57 percent.

Nevertheless, during the review period, the ratio of more regulatory or restrictive investment policy measures soared to 45 percent. It stands at 43 percent for the whole year 2020 (January to December). This is the highest ratio since 2003 (figure 1).

New investment regulations or restrictions for foreign investors continued to be mainly rooted in national security grounds about foreign ownership of critical infrastructures, core technologies, or other sensitive domestic assets. With advanced economies taking the lead, several developing countries and transition economies, such as China, the Republic of Korea and the Russian Federation also began to strengthen their FDI review mechanisms. A main reason for this development is the aim to protect sensitive domestic businesses against hostile foreign takeovers in the midst of the COVID-19 pandemic (see also UNCTAD, Special IPM No. 4: Investment Policy Responses to the COVID-19 Pandemic¹). The huge surge in regulatory or restrictive investment policy measures is mainly due to an extraordinary crisis situation and therefore does not necessarily indicate a permanent change in the policy trend.

Figure 1: Changes in national investment policies, 2003 – December 2020*



Source: UNCTAD.

* The data in the figure do not include measures related to the general business climate, such as corporate taxation, environmental or labor legislation.

¹ <https://investmentpolicy.unctad.org/publications/1225/investment-policy-monitor-special-issue--investment-policy-responses-to-the-covid-19-pandemic>

Table 1. Summary of national investment policy measures adopted between May 2020 and December 2020

	Entry and establishment (46)	Treatment (12)	Promotion and facilitation (29)	General business climate (19)
Algeria	1			
Angola		1	2	1
Argentina				1
Australia	1			
Austria	1			
Bolivia, Plurinational State of			1	
Cambodia			1	
Canada	1			
Cape Verde			1	
China (*)	4	3	5	4
Colombia			1	
Congo				1
Cuba			1	
Equatorial Guinea				1
Ethiopia	1			
European Union	1			
Finland	1			
France	2			
Germany	2			
Hungary	2			
India	2		1	
Indonesia (*)	2	2	1	1
Iraq			1	
Italy	2			
Japan	3			
Kenya	1			1
Korea, Republic of	1			
Lao People's Democratic Republic	1			
Malta	1			
Mauritius			1	
Mexico		1		
Mozambique				1
Namibia			1	
New Zealand	2			
Oman (*)	2		1	
Pakistan		1	1	
Panama			1	
Philippines	1			
Poland	1			1
Russian Federation	1			
Rwanda			1	
Saudi Arabia			1	
Singapore			1	
Slovenia	1			
Spain	1			
Sri Lanka			1	
United Arab Emirates	1			2

United Kingdom	2			
United Republic of Tanzania				1
United States of America	3	1		
Uruguay			1	
Uzbekistan		1	2	
Viet Nam (*)	1	2	2	3
Zambia				1

Source: UNCTAD.

* Measures are double counted because they related to more than one type.

1. Entry/Establishment of investment

Thirty-one economies – Algeria, Australia, Austria, Canada, China, Ethiopia, EU, Finland, France, Germany, Hungary, India, Indonesia, Italy, Japan, Kenya, Republic of Korea, Lao People’s Democratic Republic, Malta, New Zealand, Oman, Philippines, Poland, Russian Federation, Slovenia, Spain, United Arab Emirates, United Kingdom, United States of America, Vietnam – adopted new policy measures relating to the entry and establishment of foreign investors.

Most measures either reinforced existing FDI screening mechanisms or newly introduced regulatory or restrictive investment policies in the midst of the pandemic. Among the most noteworthy measures are:

- *Austria* enacted the Investment Control Act to replace the previously applicable FDI regime under the Foreign Trade Act. This led to a considerable expansion of prior approval requirements for FDI.
- *China* newly adopted the Regulation on the Unreliable Entity List to establish a framework for restrictions or penalties on foreign entities considered to endanger the national sovereignty, security, or development interests of China.
- *Finland* amended the Act on the Screening of Foreign Corporate Acquisitions of 2012 to make the Finish investment review mechanism compatible with EU Regulation.
- *France* temporarily lowered the control threshold that requires prior governmental review of a foreign acquisition from previously 25 percent of the shares to 10 percent.
- *Germany* expanded the scope of the foreign acquisition review to a "probable impairment" of public order or security, replacing the previous "actual risk" test with the aim of implementing the EU foreign investment screening regime.
- *Hungary* introduced a temporary foreign investment screening mechanism applicable to investors from both inside and outside the EU, which will be effective until 30 June 2021.
- *Italy* expanded the special power regime in strategic sectors that require prior approval for any foreign investment. The regime shall apply to acquisitions exceeding 10% of the share capital.
- *Japan* lowered the threshold for prior notification to 1 percent from the previous 10 percent for foreign investment in listed Japanese companies relevant for national security.
- *Kenya* introduced local participation requirements in various industries including insurance, telecommunications, and ICT services.
- The *Republic of Korea* tightened the FDI review mechanism for foreign investment where there is high possibility of leakage of core national technologies.
- *New Zealand* introduced a temporary emergency notification requirement in its FDI screening mechanism to be able to review all new controlling foreign investments.
- *Oman* published a list of activities that are prohibited for foreign investors with the aim to promote local products and domestic entrepreneurship.

- *Poland* required foreign investors from non-EEA countries to receive prior clearance from the President of the Polish Competition Authority for domestic acquisitions under certain conditions.
- The *Russian Federation* subjected even temporary foreign acquisitions of voting stakes in strategic companies to FDI screening procedures.
- *Slovenia* introduced a foreign investment screening mechanism to cover foreign investments in specified sectors or activities.
- The *United Kingdom* expanded the legal grounds for the Government to intervene in certain mergers.

Conversely, some countries relaxed restrictions on foreign ownership or opened new business opportunities. Examples are:

- *Algeria* removed the 49 percent foreign ownership ceiling. Foreign investors may now have 100 percent ownership, except in certain industries.
- *China* amended its “Negative Lists”, lifting restrictions in such industries as financial services, manufacturing, agriculture, radioactive mineral smelting, and the pharmaceutical industry.
- *Ethiopia* allowed foreign investment in certain transport services activities.
- *India* liberalised the news digital media industry and the defence sector: Foreign ownership is now allowed up to 26 percent through the Government approval route in the former industry and up to 74 percent under the automatic route in the latter.
- The *Lao People’s Democratic Republic* for the first time permitted foreign investors to own apartments in condominiums and carry out condominium construction.
- *The Philippines* allowed 100 percent foreign ownership in large-scale geothermal projects.
- The *United Arab Emirates* permitted 100 percent foreign ownership of commercial companies by abolishing the requirement for commercial companies to have a major Emirati shareholder or agent.
- *Viet Nam* for the first time introduced a “Negative List” on market access, affording foreign investors national treatment except in the sectors included in the “Negative List”.

The *United States of America* adopted a new measure on outward FDI. Americans are now prohibited from investing in Chinese firms that the administration says are owned or controlled by the Chinese military.

2. Treatment of established investment

Eight countries – Angola, China, Indonesia, Mexico, Pakistan, United States of America, Uzbekistan, Viet Nam – took measures with respect to the treatment of investors after establishment in the host country. In particular,

- *Angola* extended the scope of existing local content regulations to include all companies providing goods and services to the oil sector.
- *China* introduced new mechanisms to strengthen the procedure for handling complaints from foreign-invested enterprises by broadening the scope of possible grievances.
- *Indonesia* introduced new requirements for the e-commerce sector and simplified certain requirements for foreign investment.
- *Pakistan* permitted companies to conveniently remit disinvestment proceeds to their foreign shareholders by removing the requirement of prior approval from the State Bank.

- The *United States of America* required companies publicly listed on stock exchanges to declare that they are not owned or controlled by any foreign government.
- *Viet Nam* allowed that certain disputes between foreign investors and the State can be taken to international arbitration.

3. Promotion/Facilitation of investment

Twenty-two countries – Angola, Bolivia, Cambodia, Cape Verde, China, Colombia, Cuba, India, Indonesia, Iraq, Mauritius, Namibia, Oman, Pakistan, Panama, Rwanda, Saudi Arabia, Singapore, Sri Lanka, Uruguay, Uzbekistan, Viet Nam – adopted measures concerning the promotion and facilitation of investment. Most of them encourage investment through providing investment incentives or facilitating investment procedures. For instance,

- *Angola* created a single contact mechanism for investors to obtain necessary authorisations in a simplified manner. It also adopted a law to set forth the possibility of creating free trade zones with a number of incentives and benefits.
- *Bolivia* and *Uzbekistan* established new government agencies to attract more investment.
- *Cambodia*, *Cuba*, *Iraq*², and *Pakistan* launched online platforms for investors to establish companies more efficiently.
- *China* newly issued the catalogue of encouraged Industries for foreign investment, increasing the number of promoted activities by 10 percent.
- *Colombia*, *Panama*, *Rwanda*, *Uruguay*, and *Viet Nam* introduced some new tax incentive regimes to promote investment, and *Oman* clarified the conditions for granting incentives to foreign investment.
- *Indonesia* enacted the Omnibus Law with the aim to increase the ease of doing business by, inter alia, simplifying licensing processes, providing incentives, amending Labour Law regulations, relaxing immigration rules and harmonizing various sector-specific laws and regulations.
- *Saudi Arabia* revised the mining law to facilitate investor access to financing and to support exploration and geological survey activities.
- *Sri Lanka* established a pharmaceutical manufacturing zone at the southern coast of Hambantota to attract global pharmaceutical companies.

4. General business climate

Thirteen countries – Angola, Argentina, China, Congo, Equatorial Guinea, Indonesia, Kenya, Mozambique, Poland, United Arab Emirates, United Republic of Tanzania, Viet Nam, and Zambia – took measures affecting the general business climate.³ For instance, China strengthened the position of copyright holders in its Copyright Law. Viet Nam simplified the business registration process and tightened the requirements for legal representatives of intellectual property applicants. Zambia amended mining rules to treat gold as strategic asset. Angola, Argentina, Congo, Kenya, the United Republic of Tanzania, and Viet Nam amended taxation rules.

² UNCTAD assisted in setting up this platform - <https://business.mot.gov.iq/>

³The following examples are a non-exhaustive overview.

B. International investment policies

1. International investment agreements signed, terminated and entered into force

During the reporting period, at least 15 international investment agreement (IIAs) were signed (table 2), bringing the total number of IIAs to 3,312 by the end of December 2020 (figure 2). Fourteen of these IIAs were treaties with investment provisions (TIPs)⁴ and one was a bilateral investment treaty (BIT). Of the 14 TIPs, 13 were concluded by the United Kingdom to maintain existing trade and investment relationships with third countries following its withdrawal from the European Union (EU). Additionally, at least five IIAs entered into force.⁵

At least five terminations of IIAs took effect during the reporting period.⁶ Terminated IIAs include the Australia–Indonesia BIT (effectively terminated on 6 August 2020); the Hungary–Poland BIT (effectively terminated on 16 June 2020); the India–Syria BIT (effectively terminated on 20 June 2020); the Malta–Sweden BIT (effectively terminated on 22 May 2020); and the North American Free Trade Agreement (NAFTA) (effectively terminated on 1 July 2020). By the end of December 2020, at least 2,659 IIAs were in force.

Table 2. List of IIAs signed between 1 May 2020 and 31 December 2020

	Name of the Agreement	Date of signature
1	Bilateral Investment Treaty between Hungary and Kyrgyzstan	29 September 2020
2	Political, Free Trade and Strategic Partnership Agreement between Ukraine and the United Kingdom	8 October 2020
3	Stepping Stone Economic Partnership Agreement between Côte d'Ivoire and the United Kingdom	15 October 2020
4	Trade and Investment Framework Agreement between Fiji and the United States of America	15 October 2020
5	Comprehensive Economic Partnership Agreement between Japan and the United Kingdom	23 October 2020
6	Regional Comprehensive Economic Partnership	15 November 2020
7	Partnership, Trade and Cooperation Agreement between North Macedonia and the United Kingdom	3 December 2020
8	Association Agreement between Egypt and the United Kingdom	5 December 2020
9	Economic Partnership Agreement between Kenya and the United Kingdom	8 December 2020
10	Trade Continuity Agreement between Canada and the United Kingdom	9 December 2020
11	Free Trade Agreement between Singapore and the United Kingdom	10 December 2020
12	Strategic Partnership, Trade and Cooperation Agreement between Moldova and the United Kingdom	24 December 2020
13	Free Trade Agreement between Turkey and the United Kingdom	29 December 2020
14	Free Trade Agreement between the United Kingdom and Viet Nam	29 December 2020
15	Trade and Cooperation Agreement between the European Union and the United Kingdom	30 December 2020

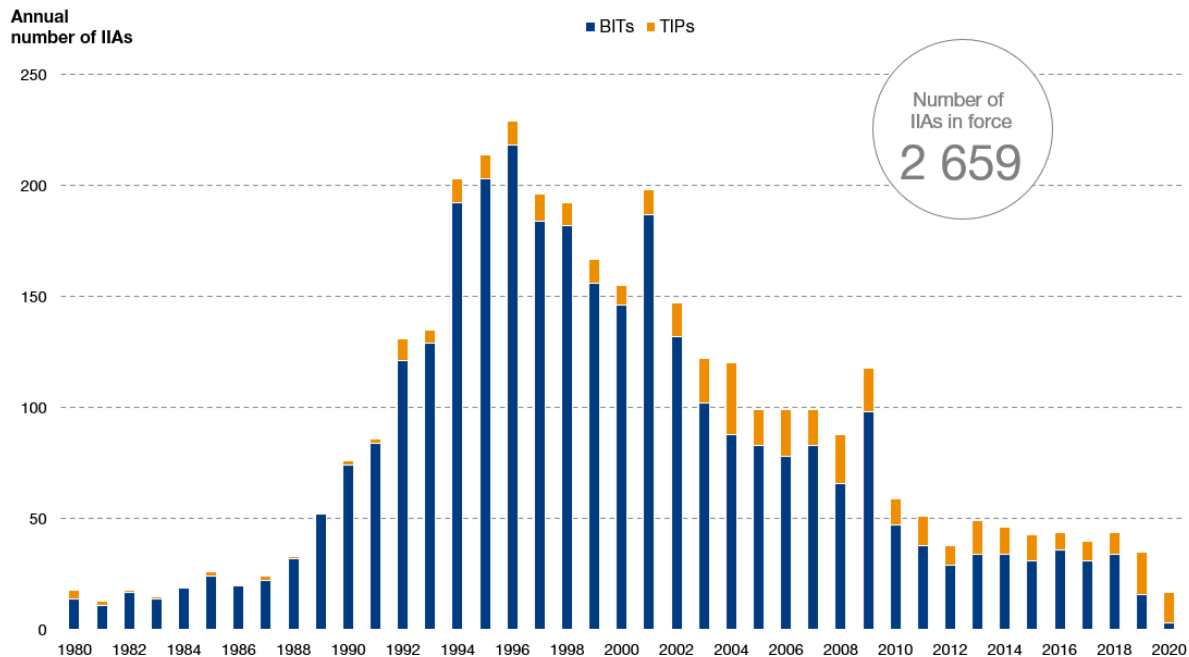
⁴ Treaties with investment provisions encompass economic agreements other than BITs that include investment-related provisions (e.g. investment chapters in economic partnership agreements (EPAs), free trade agreements (FTAs), regional investment agreements and framework agreements on economic cooperation). Four main types of TIPs can be distinguished: (i) TIPs that include obligations commonly found in BITs; including substantive standards of investment protection and investor-State dispute settlement (ISDS); (ii) TIPs that include limited investment provisions (e.g. national treatment (NT) and most favoured nation (MFN) treatment with regard to the right of establishment of companies, or provisions on free movement of capital relating to direct investments); (iii) TIPs with investment provisions emphasizing investment promotion and facilitation while also containing a number of investment protection provisions, although no ISDS clause; and (iv) TIPs that establish an institutional framework between the parties to promote and cooperate on investment.

⁵ Australia–Indonesia Comprehensive Economic Partnership Agreement entered into force on 5 July 2020; Colombia–France BIT on 14 October 2020; Colombia–Israel FTA on 11 August 2020; Ecuador–European Free Trade Association FTA on 1 November 2020; and Agreement between the United States of America, Mexico and Canada (USMCA) on 1 July 2020.

⁶ During the reporting period, the EU agreement for the termination of intra-EU BITs has entered into force or was provisionally applied by 8 member States. BITs between these member States are terminated, i.e. removed from the EU legal order, in line with the provisions of the termination agreement. See https://ec.europa.eu/info/publication/200505-bilateral-investment-treaties-agreement_en.

Source: UNCTAD, IIA Navigator.

Figure 2. Trends in IIAs signed, 1980–2020



Source: UNCTAD, IIA Navigator.

Note: A detailed analysis of all IIAs signed in 2020, including their content and prevalence of sustainable development features, will be available in the World Investment Report (WIR) 2021 (Chapter III), to be launched in June 2021.

The *EU–United Kingdom Trade and Cooperation Agreement*, signed on 30 December 2020, contains a chapter on investment liberalization which includes national treatment (NT) and most-favoured-nation (MFN) treatment with respect to the establishment and operation of investors and covered enterprises as well as provisions on senior management and board of directors, prohibition of performance requirements, and non-conforming measures. The agreement also features provisions on capital movements and transfers subject to specific exceptions as well as a denial of benefits clause. It does not include investment protection provisions such as fair and equitable treatment (FET) or expropriation. It also does not provide for investor-State dispute settlement (ISDS) and specifies that ISDS procedures in other IIAs are not covered by the MFN provision.

The *United Kingdom–Viet Nam FTA*, signed on 29 December 2020, incorporates mutatis mutandis the provisions of the EU–Viet Nam FTA, subject to certain modifications. It does not incorporate the EU–Viet Nam Investment Protection Agreement. The agreement contains a chapter on investment liberalization with limited investment provisions. These include provisions granting investors and their enterprises NT with respect to establishment and operations subject to scheduled commitments and MFN treatment with respect to operations only. ISDS provisions contained in other IIAs are not covered by the MFN obligation. Other investment-related provisions featured in the agreement include provisions on upholding levels of protection,⁷ capital movements subject to specific exceptions and performance requirements. The agreement does not include investment protection provisions or ISDS.

The *Turkey–United Kingdom FTA*, signed on 29 December 2020, only contains a general reference to investment in the review provision. It provides that, within two year of the entry into force of the agreement,

⁷ The FTA states that “it is inappropriate to encourage trade and investment by weakening the levels of protection afforded in domestic environmental or labour law.”

the parties shall commence a review of the Agreement with a view to expanding it and that the review shall include, inter alia, investment. The Agreement does not include any provisions on establishment.

The *Moldova–United Kingdom Strategic Partnership, Trade and Cooperation Agreement* was signed on 24 December 2020. The agreement contains limited investment provisions. It features NT and MFN treatment obligations in respect of establishment and operation of companies, with the proviso that the MFN obligation does not extend to investment protection provisions, including ISDS procedures contained in other agreements. It also includes provisions on the free movement of capital relating to direct investments as well as safeguard measures in cases where the movement of capital may cause serious balance of payments difficulties. The agreement provides for the regular review of the establishment legal framework, which could include further negotiations with respect to investment protection and to ISDS procedures.

The *Singapore–United Kingdom FTA* was signed on 10 December 2020 and incorporates the EU–Singapore FTA, subject to certain modifications. It does not incorporate the EU–Singapore Investment Protection Agreement. The FTA has limited investment provisions. It only grants NT with respect to establishment and does not accord MFN treatment. It also includes an “upholding levels of protection” provision stating that a party shall not waive or derogate from its environmental and labour laws in a manner affecting trade or investment between the parties. The agreement contains a joint declaration on the review of the parties’ mutual investment legal framework with a view to updating their investment relationship with high standard and ambitious investment protection commitments. Negotiations on investment protection shall commence within two years of the entry into force of the Agreement and shall be concluded within four years of the entry into force.

The *Canada–United Kingdom Trade Continuity Agreement* was signed on 9 December 2020. It incorporates, subject to certain modifications, the provisions of the Canada–EU CETA, including the investment chapter. Incorporated investment provisions include FET, compensation, expropriation, transfers, general exceptions, denial of benefits as well as ISDS, etc.⁸ While the agreement incorporates ISDS provisions, it specifies that they shall not apply upon entry into force of the agreement and that the parties shall commence a comprehensive review of the incorporated ISDS provisions. The review shall be completed within three years of the entry into force of the agreement.

The *Kenya–United Kingdom EPA* was signed on 8 December 2020. It contains limited investment provisions, namely investment promotion provisions and a rendez-vous clause through which parties undertake to conclude, within 5 years of the entry into force of the agreement, negotiations on a number of topics, including investment and private sector development. The agreement does not contain provisions on the right of establishment, nor does it have any investment protection provisions.

The *Egypt–United Kingdom Association Agreement*, signed on 5 December 2020, incorporates mutatis mutandis the provisions of the EU–Egypt Association Agreement, subject to certain modifications. The agreement contains limited investment provisions consisting in provisions on free movement of capital for direct investments and investment promotion provisions. It does not include provisions on establishment or investment protection.

The *North Macedonia–United Kingdom Partnership, Trade and Cooperation Agreement* was signed on 3 December 2020 and incorporates mutatis mutandis the provisions of the EU–North Macedonia Association Agreement, subject to certain modifications. The agreement contains provisions on the cooperation between the parties for establishing a favourable climate for investment through, among other things, the future conclusion of a BIT. It also provides for NT and MFN treatment in respect of the

⁸ For a more detailed analysis of the investment provisions of CETA, please see UNCTAD (2017). Investment Policy Monitor, Issue 17, March 2017, https://unctad.org/system/files/official-document/webdiaepcb2017d1_en.pdf.

establishment and operations of covered companies as well free movement of capital relating to direct investments. The agreement does not include investment protection provisions.

The *Regional Comprehensive Economic Partnership (RCEP) Agreement*⁹ was signed on 15 November 2020 and contains a chapter on investment. It includes an asset-based definition of investment, specifying in a non-exhaustive manner the characteristics a covered investment should have (such as commitment of capital or other resources, expectation of gain or profit, and the assumption of risk) and the forms that an investment may take. The NT and MFN provisions apply (under conditions of “like circumstances”) to pre- and post-establishment with the clarification that the MFN does not encompass any international dispute resolution procedures under other IIAs. The chapter also contains a provision on FET and full protection and security (FPS), circumscribing the treatment thereunder to the minimum standard of treatment under customary international law, and not creating additional substantive rights. The provision further clarifies that a breach of another provision of the agreement or of a separate international agreement does not establish a breach of FET. The chapter covers direct and indirect expropriation and sets out factors to consider in determining indirect expropriation. It further clarifies that legitimate non-discriminatory measures for public welfare do not constitute indirect expropriation. Free transfer of funds is guaranteed, qualified with detailed exceptions. The chapter also includes a denial of benefits clause and specifies that the right to deny can be exercised at any time. Provisions on investment promotion and facilitation are included, such as simplifying procedures for investment approvals and establishing one-stop investment centres to provide assistance and advisory services. The chapter does not contain ISDS; the parties are to enter into discussions on ISDS no later than two years after the date of entry into force of the agreement and conclude them within three years of the commencement of the discussions.

The *Japan–United Kingdom CEPA* was signed on 23 October 2020. It contains a chapter on investment liberalization which grants NT and MFN treatment with respect to the establishment and operation of covered enterprises and specifies that the MFN treatment does not encompass ISDS procedures in other IIAs. Other investment related provisions include prohibition of performance requirements, non-conforming measures and exceptions, denial of benefits, free movement of capital and transfers (subject to certain exceptions such as in cases of balance of payments difficulties), and not lowering the level of protection with respect to environmental or labour laws in order to encourage investment. The agreement also provides for a review mechanism allowing parties to review their legal framework relating to investment liberalization and the improvement of the investment environment. The agreement does not contain any investment protection provisions.

The *Côte d'Ivoire–United Kingdom Stepping Stone EPA*, signed on 15 October 2020, makes a general reference to investment and sustainable development in its preamble. It also includes a provision encouraging parties to negotiate and conclude an agreement in, among other things, the areas of investments, trade in services, and capital movements. The agreement does not contain any investment protection provisions.

The *FIJI–United States TIFA* signed on 15 October 2020 establishes an institutional framework, the council, to monitor trade and investment relations between the parties and identify other relevant issues that may be appropriate for negotiation in an appropriate forum. These include issues related to strengthening the rule of law and promoting transparent and corruption-free public institutions, the protection and enforcement of intellectual property rights, worker rights, and the environment. The council is also mandated with identifying and removing impediments to trade and investment between the Parties and seeking the advice of private sector and civil society on matters related to its work.

⁹ The RCEP members are the ASEAN countries (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Viet Nam), Australia, China, Japan, the Republic of Korea and New Zealand. The signatories reiterated that the RCEP remains open to India which withdrew from the negotiations in November 2019.

The *Ukraine–United Kingdom Political, Free Trade and Strategic Partnership Agreement* was signed on 8 October 2020. The agreement includes a section on establishment granting, subject to certain reservations, NT and MFN treatment with respect to the establishment and operations of companies, with the proviso that the MFN obligation does not extend to the investment protection provisions, including ISDS procedures, in other agreements. It provides for the regular review of the establishment legal framework with a view to, among other things, including investment protection provisions and ISDS procedures. The agreement also contains an “upholding levels of protection” provision through which parties undertake not to weaken or reduce the environmental or labour protection afforded by its laws to encourage trade or investment.

The *Hungary–Kyrgyzstan BIT*, signed on 29 September 2020, contains a broad asset-based (“every kind of asset”) definition of investment. It includes clarified FET and FPS clauses. For the FET obligation, it specifies through a closed list which measures constitute a breach of FET (denial of justice, fundamental breach of due process, manifest arbitrariness, targeted discrimination and harassment). It further clarifies that breach of another provision of the BIT or a separate international agreement does not establish a breach of FET. The agreement features a “not lowering standards” clause for environmental and labour rights and reiterates the right of parties to regulate in pursuance of public policy objectives (such as the protection of public health, environment, consumer protection, etc.). The NT and MFN treatment are accorded in respect of post-establishment and in like situations. The expropriation provision covers both direct and indirect expropriation (subject to the four conditions for lawful expropriation) and states indicative factors for determining whether a measure constitutes indirect expropriation. The agreement provides for ISDS with a 12-month cooling period, three-year time limitation to submit claims to arbitration, and fork-in-the-road provision. State-State dispute settlement is also provided for. Security exceptions are included as well as a denial of benefits clause.

2. Other Developments in international investment policymaking

Developments at the national and regional levels

Entry into force of the EU agreement for the termination of intra-EU BITs. On 29 August 2020, the Agreement for the Termination of Bilateral Investment Treaties between the Member States of the European Union entered into force following its ratification by Denmark and Hungary. Three more countries (Malta, Croatia, and Cyprus) have since ratified the agreement and two are provisionally applying it (Slovakia and Spain).¹⁰ The agreement, which has been signed by 23 EU member States on 5 May 2020,¹¹ seeks to implement the March 2018 judgment of the Court of Justice of the EU in the *Achmea* case, which found that investor-State arbitration clauses in intra-EU BITs are incompatible with EU law. The agreement contains one annex with a list of about 125 intra-EU BITs that will be terminated, i.e. removed from the EU legal order, upon entry into force of the agreement for the relevant member States and clarifies that their sunset clauses will also be terminated. A second annex lists 11 already terminated intra-EU BITs whose sunset clauses will also cease to produce legal effect upon entry into force of the agreement for the relevant member States.¹² The agreement does not cover intra-EU proceedings under the Energy Charter Treaty (ECT). It indicates that the EU as a group and the member States will address this matter at a later stage.

Related to the issue of intra-EU investment protection, the EU Commission launched, a public consultation with stakeholders, from 26 May to 8 September 2020, to assess the strengths and weaknesses of the current system of investment protection and facilitation within the European Union and to find possible

¹⁰ For information on the status of Contracting Parties' ratification, acceptance or approval of the agreement, see <https://www.consilium.europa.eu/en/documents-publications/treaties-agreements/agreement/?id=2019049&DocLanguage=en>.

¹¹ The signatories are Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia and Spain.

¹² https://ec.europa.eu/info/publication/200505-bilateral-investment-treaties-agreement_en.

ways to improve it. The outcome of the public consultation will help assess whether concrete and coherent action by way of legislative and non-legislative measures is necessary in relation to intra-EU investment protection.¹³

Entry into force of the United States–Mexico–Canada Agreement. On 1 July 2020, the United States–Mexico–Canada Agreement (USMCA) entered into force following its ratification by the United States on 29 January 2020, Mexico on 19 June 2019, and Canada on 13 March 2020. The USMCA replaces the North American Free Trade Agreement (NAFTA) which had been signed in 1992. Among the major changes brought about by the new agreement are the revised investor-State dispute settlement (ISDS) provisions which limit the application of ISDS exclusively to disputes between the United States and Mexico and narrow the claims that investors can bring under that provision.

Postponement of implementation of the African Continental Free Trade Area. Due to the COVID-19 pandemic, trading under the African Continental Free Trade Area (AfCFTA) was not able to start on 1 July 2020 as initially planned. The new date for the start of trading under the AfCFTA has been set to 1 January 2021. The AfCFTA Agreement entered into force on 30 January 2019 and has so far been ratified by 31 countries.¹⁴ Negotiations on the protocols on investment, competition and intellectual property rights are still underway although they were initially expected to be completed in December 2020. The content of the investment protocol is likely to be inspired by the Pan-African Investment Code (PAIC).¹⁵

Modernization of the Energy Charter Treaty. Three negotiation rounds on the modernization of the Energy Charter Treaty took place respectively on 6-9 July, 8-11 September, and 3-6 November 2020. Pursuant to agreed list of topics for modernization,¹⁶ the first round of negotiation saw discussions on, among others, definition of investment and investor, clarification of most constant protection and security, compensation for losses, definition of fair and equitable treatment, and right to regulate. The topics addressed in the second round of negotiations included dispute settlement (e.g. frivolous claims, valuation of damages and third-party funding) and sustainable development and corporate social responsibility while the third round's discussions centered around pre-investment, regional economic integration organizations (REIO) and obsolete provisions. In relation to the modernization of investor-State dispute settlement provisions in the ECT, a group of nearly 100 representatives from the European parliament as well as from national parliament signed and issued a declaration calling on "EU negotiators to ensure that the provisions in the ECT that protect foreign investment in fossil fuels are deleted and thus removed from the ECT" and for "ISDS provisions (...) to be scrapped or fundamentally reformed or limited".¹⁷

Agreement in principle on EU-China comprehensive agreement on investment. On 30 December 2020, the EU and China concluded in principle the negotiations for a Comprehensive Agreement on Investment (CAI), following 35 rounds of negotiations which started in January 2014.¹⁸ Notable elements of the CAI include a section on sustainable development containing, among other things, commitments not to lower the standards of labour and environmental protection in order to attract investment, commitment to promote the uptake of corporate social responsibility by businesses, and provisions on a dedicated institutional set-up, including mechanisms for the involvement of civil society in the implementation of the sustainable development provisions. The CAI also provides for State-State dispute settlement mechanism for avoiding and settling disputes between the Parties using a two steps approach consisting in consultations and recourse to arbitration panel procedure. The CAI also includes a commitment by both parties to pursue the negotiations on investment protection and investment dispute settlement within 2

¹³ <https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12403-Investment-protection-and-facilitation-framework/public-consultation>.

¹⁴ <https://africa-eu-partnership.org/en/afcfta>.

¹⁵ <https://au.int/en/documents/20161231/pan-african-investment-code-paic>

¹⁶ <https://www.energycharter.org/fileadmin/DocumentsMedia/CCDECS/2018/CCDEC201818 - STR Modernisation of the Energy Charter Treaty.pdf>.

¹⁷ https://www.euractiv.com/wp-content/uploads/sites/2/2020/09/Statement-on-Energy-Charter-Treaty-ENG_080920.pdf.

¹⁸ https://trade.ec.europa.eu/doclib/docs/2020/december/tradoc_159242.pdf.

years of the signature of the Agreement, taking into account the work undertaken in the context of UNCITRAL on a Multilateral Investment Court.¹⁹

Entry into force of the Colombia–Israel free trade agreement. On 11 August 2020, the Colombia – Israel free trade agreement (FTA) entered into force. The FTA, which had been signed in September 2013, features a chapter on investment whose provisions include notably FET, national and most-favored nation treatments, expropriation (direct and indirect), free transfers, general exceptions, and ISDS.

African Union declaration on the risks of investor-State arbitration for COVID-19 measures. During the 14th meeting of African Union Ministers for Trade held on 24 November 2020, ministers adopted the “Declaration on the Risk of Investor-State Dispute Settlement with Respect to COVID-19 Pandemic Related Measures”.²⁰ The declaration takes note of the potential for disputes arising under investment treaties in relation to the measures taken by African governments to respond to the COVID-19 Pandemic, as highlighted by UNCTAD and other organizations. It also expresses concern over the high costs associated with ISDS and the need to ensure that public budgets are directed towards responding to the pandemic. On this basis, the declaration, among other things, invites AU member States to explore all available options under international law to mitigate the risks of ISDS claims, including through a mutual temporary suspension of ISDS provisions in investment treaties with respect to COVID-19 related measures. It requests member States to consider renegotiating their investment treaties by integrating provisions better suited to exceptional situations in accordance with new trends at the regional and international levels. It also requests the African Union Commission to provide support to Member States in the on-going negotiations within different organisations that are working towards the development of legal instruments to address the risks of ISDS for COVID-19 related measures.

Developments at the multilateral level

UNCITRAL Working Group III on investor-State dispute settlement reform. The 39th session of the UNCITRAL Working Group III on ISDS reform convened in a hybrid format (in person and virtually) in Austria, Vienna, from 5 to 9 October 2020. The next session of the Working Group is scheduled for 8-12 February 2021.

At the 39th session, the Working Group considered reform options on dispute prevention and mitigation as well as other means of alternative dispute resolution; reflective loss and shareholder claims; multiple proceedings including counterclaims; security for costs and means to address frivolous claims; treaty interpretation by States parties; and multilateral instrument on ISDS reform.²¹

With respect to dispute prevention and mitigation, the Working Group discussed measures and policies to be taken to prevent disputes from arising or from escalating. In this connection, reference was made to the identification of a lead agency, functioning as channel of communication between the investor and the State and as an internal coordinator with other government agencies. It was also suggested that States, when negotiating treaties, should consider providing for dispute prevention and mitigation procedures and that lack of capacity for such procedures should be addressed for instance through technical assistance and capacity-building activities.

The Working Group also addressed the issues of multiple proceedings (including shareholder claims and reflective loss) and counterclaims. Multiple proceedings were identified as a concern due to, among others, their negative impact on the cost and duration of the ISDS proceedings, potential inconsistent outcomes and possible double recovery. Suggestions on mechanisms and tools to address these concerns included

¹⁹ According to the agreement in principle, the CAI comprises nine sections, namely (i) preamble, objectives and definitions; (ii) market access and investment liberalization; (iii) level playing field; (iv) domestic regulation; (v) transparency and standard setting; (vi) financial services; (vii) sustainable development; (viii) State to State dispute settlement mechanism; and (ix) institutional and final provisions.

²⁰ <https://www.iisd.org/articles/iisd-welcomes-au-ministerial-declaration-risks-investor-state-arbitration-covid-19>.

²¹ https://uncitral.un.org/en/working_groups/3/investor-state.

the preparation of model clauses on joinder and consolidation, developing provisions on denial of benefits, or a clearer definition of “investment”, “investor” or “control” so as to regulate shareholder claims. On issues relating to respondent States’ counterclaims in ISDS, it was reiterated that any reform should not foreclose the possibility of states bringing a counterclaim where there was a legal basis for doing so.

On security for costs and frivolous claims, the Working Group noted that providing clarity on circumstances justifying, and/or the factors to be considered in, ordering security for costs would be essential. It was also suggested that a formula or guideline could be prepared to guide ISDS tribunals on the appropriate amounts to be ordered as security as well as the modality for complying with the order. As regards frivolous claims, it was proposed to prepare options for a model clause, which would create a clear framework for the early dismissal of frivolous claims, while giving flexibility to the ISDS tribunal to handle frivolous, vexatious and other types of claims.

On interpretation of investment treaties by treaty parties, it was underlined that tools on treaty interpretation would contribute to alleviate concerns regarding the lack of consistency, coherence and predictability of decisions by ISDS tribunals, as well as concerns regarding their correctness. It was noted, however, that interpretations by treaty Parties remained rare and, for any reform to be successful, it would be important to identify why that was the case. Views diverged on whether joint interpretations should bind ISDS tribunals, and whether they should have a retroactive effect.

On the issue of a multilateral instrument on ISDS reform, the Working Group discussed the possible contents of a multilateral instrument. It was suggested that the instrument could provide for a minimum standard or certain core elements that would need to be adopted by all participating States. It was also said that the multilateral instrument would contain optional elements that could be opted in or out by a participating State, although questions arose on whether optional elements might contribute to more fragmentation of the ISDS system and forum shopping. On the temporal scope of such an instrument, a greater preference was expressed for an application to both existing and future treaties, while views diverged as to whether a State-State mechanism should be one of the dispute settlement mechanisms to be provided in a multilateral instrument.

Second revised draft of the binding treaty on business and human rights. On 6 August 2020, the open-ended intergovernmental working group on transnational corporations and other business enterprises with respect to human rights (IGWG) released the second revised draft of the proposed binding treaty on business and human rights. The draft was subsequently discussed during the sixth session of the IGWG held from 26 to 30 October 2020.

The second revised draft comes after the zero-draft published in 2018 and the revised draft published in 2019. Some of the key elements of the new draft include the explicit inclusion of State-owned enterprises in the definition of business activities; reference to ‘business relationship’ instead of ‘contractual relationship’ in defining the scope of application of the treaty; obligation for courts of the State of domicile of the business to exercise jurisdiction irrespective of the origin of the victims; and explicit requirement for new trade and investment agreements to be compatible with the treaty.²²

World Trade Organization’s (WTO) structured discussions on investment facilitation move into negotiating mode. On 24-25 September 2020, participating members in the structured discussions on investment facilitation for development began formal negotiations on a multilateral agreement on the issue, with a view to achieving a concrete outcome by the 12th WTO Ministerial Conference expected to be held in 2021. This first negotiating round was followed by three more rounds held respectively on 8-9 October, 9-10 November, and 7-8 December 2020. Participating members have started to work on concrete drafting proposals for specific provisions of the future agreement based on a consolidated text that serves

²² <https://www.fidh.org/en/issues/globalisation-human-rights/second-revised-draft-of-binding-treaty-an-important-step-toward>.

as a basis for the negotiations.²³ Issues discussed during the last round of negotiations include MFN treatment, proposals for the creation of a single portal, the designation of investment facilitators and proposals on special and differential treatment.

The negotiations are open to all WTO members and currently have the participation of 106 WTO members, up from the 70 that supported the joint initiative on investment facilitation for development when it was launched at the 11th Ministerial Conference in December 2017 in Buenos Aires, Argentina.

UNCTAD's IIA Reform Accelerator and Annual IIA Conference. On 12 November 2020, UNCTAD launched its IIA Reform Accelerator.²⁴ As a new tool to facilitate investment treaty reform, the Accelerator aims to expedite the modernization of the existing stock of 2,500 old-generation IIAs in force today. It responds to the need for change of substantive aspects of the IIA regime by focusing on a selection of reform-oriented formulations of eight key IIA clauses: definition of investment, definition of investor, national treatment, MFN, FET, FPS, indirect expropriation and public policy exceptions. It identifies ready-to-use model language, accompanied by recent IIA and model BIT examples. Building on UNCTAD's Investment Policy Framework and the Reform Package for the IIA Regime, the IIA Reform Accelerator provides a tool for coordination, focused discussion and consensus-building on joint reform actions between multiple countries.

UNCTAD also held its Annual IIA Conference on 26 November 2020.²⁵ The Virtual Conference themed "IIA Reform in Times of COVID-19" brought together over 200 participants from Governments, international and regional organizations, private sector, academia, civil society and media. The IIA Conference 2020 featured one panel presenting country perspectives on the state of the IIA reform in the light of the COVID-19 pandemic and a second panel providing regional and international perspectives on this topic. Experts generally recognized that the COVID-19 pandemic and the ensuing economic crisis posed great challenges but also provided a new impetus for the reform of the IIA regime. Countries can build on the growing wealth of IIA reform experience to accelerate the modernization of the international investment regime. The Virtual IIA Conference 2020 echoed the need to ensure that the IIA regime promotes and facilitates investment for sustainable development and that it safeguards the right of States to regulate in protection of public health in the post-pandemic era.

²³ The consolidated text which sets out the proposed elements of the future agreement remains confidential.

²⁴ https://unctad.org/system/files/official-document/diaepcbinf2020d8_en.pdf.

²⁵ <https://investmentpolicy.unctad.org/pages/1067/unctad-virtual-iaa-conference-2020-iaa-reform-in-times-of-covid-19>.

ANNEX. Investment policy measures taken between May 2020 and December 2020

	Description of Measure	Date	Source
Algeria			
Entry	On 4 June 2020, the Law 20-07 on the 2020 Additional Finance Act was published. Although its main aim is to remove restrictions in foreign investment in many sectors, it also introduced the category of 'strategic sectors', in which foreign ownership is limited to 49% of the company shares. These sectors include, inter alia, the upstream energy sector, distribution and transportation of electrical energy and hydrocarbons (gas and liquids), railways, ports and airports, and the pharmaceutical industry, except for investments related to the manufacturing of 'essential innovative, high value-added products, requiring complex and protected technology'.	4 June 2020	JD Supra, "Algeria Finally Embraces Foreign Investment: The End of the 49%-51% Rule and the Endorsement of Long-Awaited Measures Inciting FDIs in the 2020 Additional Finance Act", 12 June 2020
Angola			
Promotion and facilitation	On 15 June 2020, the Presidential Decree No. 167/20 on a "Single Investment Window" was adopted. It facilitates the process of private investment by creating a single contact mechanism for investors through the Agency for Private Investment and Export Promotion ("AIPEX").	15 June 2020	ENSight, "Presidential Decree No. 167/20 (Single Investment Window) of 15 June 2020", 8 July 2020
General business climate	Law No. 26/20 of 20 July 2020 amends the Industrial Tax Code with effect from 19 August 2020. Changes include, among others, a reduction of the standard industrial tax rate from 30% to 25%; and a 35% tax rate to insurance and banking entities, telecommunications operators and Angolan oil companies.	19 August 2020	Further Africa, "Angola amends industrial and personal income tax codes", 3 August 2020
Promotion and facilitation	On 12 October 2020, Law no. 35/20 – the Free Trade Zones Law – was adopted and entered into force. It sets forth the possibility of creating free trade zones with a number of incentives and benefits. It revoked the Legal Framework of Special Economic Zones.	12 October 2020	Legal MCA, "Angola free trade zones law approved", 30 October 2020
Treatment	On 20 October 2020, Presidential Decree no. 271/20 on Local Content Regulations for the oil and gas industry was implemented. It introduced the following changes, among others: <ul style="list-style-type: none"> - As a rule, all companies in the oil sector must acquire raw materials, goods, and equipment manufactured in Angola and services provided by Angolan companies. - A restrictive concept of "national company" has been introduced, limited to companies fully owned by Angolan citizens or Angolan companies as opposed to the previous framework that deemed as Angolan company entities held at least 51% by a local citizen or company. - The new law maintains three regimes for the acquisition of goods and services in the oil sector (exclusivity, preference, and competition regimes). 	20 October 2020	Centurion, "Angola – new regulations on local content", 3 November 2020

	<p>(1) Activities subject to the exclusivity regime shall be performed and provided by Angolan companies as defined above (100% held by Angolan citizens or companies).</p> <p>(2) Activities that fall into the preference regime may be performed by companies incorporated under Angolan law, however preference is given to Angolan companies.</p> <p>(3) Goods and services not included in the exclusivity and preference lists may be provided by foreign entities.</p> <ul style="list-style-type: none"> - Companies aiming to provide goods or services to the oil sector shall be registered and certified by the National Concessionaire. - All contracts shall now include a local content clause. All technical assistance and foreign management agreements shall include a detailed programme on training, transfer of knowledge and technology and evidence of improvement of local staff skills. 		
Argentina			
General business climate	The final Transfer Pricing Documentation Regulations (General Resolution No. 4717) have been published and entered into force on 15 June 2020. They include content and technical guidelines to prepare transfer pricing documentation for the fiscal year 2018 and forward.	15 June 2020	Latin America Law Blog, "Argentina publishes Transfer Pricing Documentation Regulations: more clarity, more documentation", 15 June 2020
Australia			
Entry	On 4 September 2020, the Foreign Acquisitions and Takeovers Amendment (Commercial Land Lease Threshold Test) Regulations 2020 entered into force. The Regulations, which apply in all states of Australia, reinstate monetary thresholds for some acquisitions that fall under Australia's Foreign Acquisitions and Takeovers rules to those applicable before they had been reduced to 0 AUD on 29 March 2020 in the context of the COVID pandemic. The Regulations reinstate the previously applicable threshold for the renewal or material variation of existing non-sensitive leasehold interests in developed commercial land, where the same acquirer held a substantially similar interest under a lease on 29 March 2020.	4 September 2020	Federal Register of Legislation, "Foreign Acquisitions and Takeovers Amendment (Commercial Land Lease Threshold Test) Regulations 2020", 3 September 2020
Austria			
Entry	On 25 July 2020, Austria passed the Foreign Direct Investment Control Act, which implemented the EU Regulation on FDI screening and expanded the foreign investment review in comparison to the previous regime under the Foreign Trade Act. The definition of "foreign investment" subject to authorisation under the new legislation encompasses the direct or indirect acquisition of a company, of voting rights (10%, 25%, 50%), a controlling influence, or essential assets of a company. The "controlling influence" does not only refer to voting rights, but covers any "possibility of influencing the	25 July 2020	Bundesministeriums für Digitalisierung und Wirtschaftsstandort, "Investitionskontrolle", 25 July 2020

	<p>activities of the target company through rights, contracts or other means individually or together", in particular through rights of ownership or use of all or substantial assets.</p> <p>Foreign investments are assessed whether they pose threat to security or public order, including crisis preparedness and the provision of public services. It applies only to sectors and activities enumerated in an annex.</p> <p>The new law provides for criminal and administrative penalties in case of a breach. Additionally, a transaction is null and void without prior approval.</p>		
Bolivia, Plurinational State of			
Promotion and facilitation	<p>On 1 July 2020, the Government officially launched PROEXPORT, the country's agency for the promotion of exports, tourism and investment attraction as one response to the COVID-19 pandemic. The agency is mandated to "positively project the image of Bolivia throughout the world to promote tourism, national products and services with high added value that can attract investment opportunities".</p>	1 July 2020	<p>Ministerio de Medio, "Nace la agencia ProExport-Bolivia para promover exportaciones y atraer inversiones", 1 July 2020</p>
Cambodia			
Promotion and facilitation	<p>On 15 June 2020, the latest online business registration system was launched, also known as the "Single Portal", which aims to approve applications within eight working days. Further, all fees are paid online through various e-payment channels.</p>	15 June 2020	<p>Official Diary of the Union, "Central Bank Resolution N°4.852 of 27 August 2020", 31 August 2020</p>
Canada			
Entry	<p>On 31 July 2020, the Order Respecting Time Limits and Other Periods Established By or Under Certain Acts and Regulations for Which the Minister of Industry is Responsible (COVID-19) was issued. Among others, it extends the initial review period under the National Security Review of Investments Regulations for any investments notified between 31 July 2020 and 31 December 2020. The Order also extends the time given to the Minister to take action for investments that are subject to the Investment Canada Act but do not require a filing.</p>	31 July 2020	<p>Government of Canada, "Temporary Extension of Certain Timelines in the National Security Review Process Due to COVID-19", 31 July 2020</p>
Cape Verde			
Promotion and facilitation	<p>Law No. 100/IX/2020 of 11 August 2020 came into effect from 12 August 2020. It grants, inter alia, a corporate income tax or personal income tax credit of CVE20,000 to taxpayers in respect of each employee hired for a minimum of 12 months and a state allowance of up to 50% of the salary received by at least two employees (capped at CVE25,000), provided that the abovementioned taxpayers create five jobs or more. Corporate entities and businesses operated by individuals, which are affected by the COVID-19 pandemic are entitled to an additional deduction of 30% of specified eligible expenses incurred as from 25 April 2020.</p>	12 August 2020	<p>Lexology, "CABO VERDE: Incentives and credits announced to encourage job creation", 8 September 2020</p>

China			
Entry	<p>On 23 June 2020, the National Development and Reform Commission (NDRC) and the Ministry of Commerce (MOFCOM) jointly released Order No.32 of 2020, Special Administrative Measures (Negative List) for Foreign Investment Access (2020 edition) ("Negative List for Foreign Investment Access") and Order No.33 of 2020, Special Administrative Measures (Negative List) for Foreign Investment Access in Pilot Free Trade Zones (2020 Edition) ("FTZ Negative List"). Both lists replace the respective earlier versions of 2019 and entered into force on 23 July 2020. Compared with the 2019 editions, the Negative List for Foreign Investment Access and the FTZ Negative List contain fewer items; in particular, the new lists lift restrictions in sectors such as financial services, manufacturing, agriculture, radioactive mineral smelting, and in the pharmaceutical sector.</p>	23 July 2020	Lexology, "China announced the 2020 Negative Lists for Foreign Investment Access", 13 July 2020
Treatment/ Promotion and facilitation	<p>On 12 August 2020, the State Council of the People's Republic of China ("State Council") released the Circular on Further Stabilizing Foreign Trade and Foreign Investment (the "Circular"), in which the Chinese government announced 15 policies aiming to protect foreign trade entities and to keep supply chains stable against the economic fallout of the unabated COVID-19 pandemic. Key points of the Circular include, inter alia:</p> <ul style="list-style-type: none"> - In order to facilitate foreign trade flows and business travel to China, China will continue to work with foreign countries to establish "fast pass" to facilitate the international travel of foreign businessmen, logistics personnel, production personnel and technicians to China. - The China Export & Credit Insurance Corporation will provide insurance coverage against the risks of canceled orders before shipments. - Extended financial support to major foreign-funded companies, which are now eligible for the People's Bank of China's 1.5 trillion-yuan low-cost re-lending loan program and rediscount quota. - Key foreign investment projects over 100 million U.S. dollars will be treated in the same way as a domestic investment project and the Chinese government will increase its support for foreign investment projects in terms of the sea use, land use, utility usage and environment protection issues. - Encouraging foreign investors to invest in high-tech industries as well as healthcare enterprises by facilitating the application process for high-tech enterprise certification and lowering the threshold for foreign R&D centers to be eligible for preferential policies, such as preferential import tax treatment. 	12 August 2020	The State Council, "Work urged to further stabilize foreign trade, investment", 12 August 2020

General business climate	<p>On 28 August 2020, China's Ministry of Commerce and Ministry of Science and Technology announced the amendment of the "Catalogue of Technologies Prohibited and Restricted from Exporting in China", which came into effect on the same day. These rules, which had been in effect unchanged since 2008, add 23 categories of technologies to the list of technologies restricted from exportation, remove some categories from the lists of technologies restricted or prohibited, and modifies control parameters for several technologies.</p>	28 August 2020	Ministry of Commerce, "China adjusts catalogue of technologies subject to export bans, restrictions", 3 September 2020
Entry/Treatment	<p>On 19 September 2020, the Regulation on the Unreliable Entity List entered into force, following an announcement by the Ministry of Commerce in May 2019. The Regulation establishes a framework for restrictions or penalties on foreign entities that are considered to endanger the national sovereignty, security, or development interests of China or that seriously harm the legitimate rights and interests of Chinese enterprises, organizations, or individuals. Among others, restrictions and penalties may include prohibitions to trade with Chinese entities or to invest in China.</p>	19 September 2020	South China Morning Post, "China's ambiguous Unreliable Entity List gives Beijing 'leeway' to take punitive actions against foreign firms", 22 September 2020
Treatment	<p>On 1 October 2020, the Rules on Handling Complaints of Foreign-Invested Enterprises entered into force. The rules were released on 25 August 2020 and are based on Article 26 of the recently adopted Foreign Investment Law and its implementing regulations. They replace rules on complaints of foreign-invested enterprises that the Ministry of Commerce had issued on 1 September 2006.</p> <p>Among others, the rules broaden the scope of possible complaints. A National Centre for Complaints of Foreign Invested Enterprises is specifically in charge of complaints that may have a significant national or international impact.</p>	1 October 2020	Ministry of Commerce, "MOFCOM Order No. 3 of 2020 on Rules on Handling Complaints of Foreign-Invested Enterprises", 31 August 2020
General business climate	<p>On 17 October 2020, the Standing Committee of China's National People's Congress passed the Export Control Law of the People's Republic of China (the ECL), which took effect on 1 December 2020. The ECL establishes China's first comprehensive framework for restricting exports of military and dual-use products and technology for national security and public policy reasons.</p>	17 October 2020	Reuters, "China passes export-control law following U.S. moves", 18 October 2020
Promotion and facilitation / General business climate	<p>On 18 October 2020, the National Development and Reform Commission published a list of reforms for Shenzhen that include steps for financial markets, intellectual property protection, economic legislation and talent attraction. Key points include, inter alia:</p> <ul style="list-style-type: none"> - Restrictions on foreign ownership in telecommunications will be lifted. - Shenzhen will streamline visa rules to attract talent. - The city will be allowed to issue offshore, yuan-denominated local government bonds. - Shenzhen will build a new intellectual property rights protection system that ensures digital IP protection and punishes infringements. 	18 October 2020	Reuters, "China gives Shenzhen more autonomy for market reform, integration", 18 October 2020

Promotion and facilitation	<p>On 1 November 2020, the Shanghai Regulations on Foreign Investment entered into force that apply to all foreign investment projects (existing or potential) located within Shanghai, including the China (Shanghai) Pilot Free Trade Zone and the New Lingang Area. Inter alia, foreign-invested R&D centres will gain greater access to services provided by the local authorities to facilitate their participation in government-funded R&D programmes, the marketing of the fruits of R&D, prosecution (both in China and worldwide) of patents, and the import of equipment and appliances for the purposes of R&D.</p>	1 November 2020	Shanghai Daily, “Regulations to enhance confidence of foreign investors”, 27 September 2020
General business climate	<p>On 11 November 2020, the Standing Committee of the National People’s Congress passed the latest revision to the Copyright Law. The new amendment will take effect on 1 June 2021.</p> <p>The new Copyright Law provides a list of activities that are deemed to be copyright infringements and states that persons who have committed the said acts shall bear civil liability to cease the infringement, eliminate the negative effects of the act, make an apology, or pay compensation for damages.</p>	11 November 2020	China Briefing, “China’s Copyright Law Amended: Key Changes”, 4 January 2021
Promotion and facilitation	<p>On 24 November 2020, Shanghai’s Municipal Government released the Regulations on Encouraging the Establishment and Development of Foreign-funded Research and Development Centers. The Regulations are in effect from 1 December 2020 until 30 November 2025. During this period, eligible foreign-funded R&D centers can benefit from a dozen policy support measures, including customs clearance facilitation for cross-border R&D, cross-border financial services facilitation, talent acquisition and development, funding support, tax cuts, participation in government projects, facilitation of environmental assessment and hazardous waste management, facilitation on land use for R&D purposes, and protection of intelligent property rights, etc.</p>	24 November 2020	China Briefing, “Shanghai Encourages Foreign R&D Centers, Introduces a Dozen Support Policies”, 24 December 2020
Entry	<p>On 16 December 2020, the National Development and Reform Commission and the Ministry of Commerce unveiled the Market Access Negative List (2020), with immediate effect. Compared with the 2019 version, the new list has been shortened to 123 items from 131 last year – relaxing requirements in sectors, such as oil and gas, resource management, and trading and financial services. Distinct from the Negative List for Foreign Investment Access, the Market Access Negative List standardizes market entry rules for all players (domestic or foreign), including state-owned firms, private companies, joint-ownership firms, and foreign firms.</p> <p>The Market Access Negative List includes two categories: prohibited and restricted markets. For the prohibited market list, market players are forbidden from engaging in these industries, fields, and businesses – whether it be in the form of investments, partnerships, or takeovers.</p> <p>Market players wishing to enter “restricted” categories must do so by filing an application for access to the relevant administrative organs as per</p>	16 December 2020	China Briefing, “China Releases 2020 Negative List for Market Access”, 23 December 2020

	<p>the laws and regulations. Finally, for sectors outside of the list, market players can access them on an equal footing in accordance with the law.</p>		
Entry	<p>On 19 December 2020, China's National Development and Reform Commission and Ministry of Commerce jointly issued the Measures on Security Review of Foreign Investment. The Measures took effect on 18 January 2021.</p> <p>The Measures mandate pre-closing filings, and authorize the "Foreign Investment Security Review Working Mechanism" to review certain foreign investments in various "covered sectors".</p> <p>The Measures apply to foreign investments in the "military, military support and other sectors related to national defense and security," as well as investments in proximity to military facilities and military industrial facilities; and to</p> <ul style="list-style-type: none"> - investments in the sectors below that would result in foreign investors obtaining "actual control" over the domestic enterprises they invest in: important agricultural products; important energy and resources; major equipment manufacturing; important infrastructures; important transportation services; important cultural products and services; important information technology and Internet/online products and services; important financial services, critical technologies; and other important sectors/areas. 	19 December 2020	Lexology, "China Issues Measures on National Security Review of Foreign Investment", 22 December 2020
Promotion and facilitation	<p>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. The newly released catalogue contains a total of 1,235 items, increased by 10 percent from 1,108 items in the previous version.</p>	27 December 2020	China Briefing, "China Expands Encouraged Catalogue, Improves Foreign Investor Access", 5 January 2021
Colombia			
Promotion and facilitation	<p>On 21 August 2020, the country introduced a special tax regime for mega-investments by providing tax breaks and other fiscal incentives. Among the covered investments are those exceeding 30 million tax value units (a value set by the Colombian tax authorities that is updated every year in order to achieve standardization and homogenization of the different tax values) and generating at least 250 new jobs in the high technology and electronic commerce sector.</p>	21 August 2020	IBFD, "Government Issues Rules on Special Tax Regime for Mega Investments", 7 September 2020
Congo			
General business climate	<p>The Parliament adopted an amending financial law for the 2020 fiscal year on 23 May 2020, implementing the tax measures aimed at alleviating the economic impact of the COVID-19 pandemic, announced on 15 April 2020. They include, inter alia, a reduction of the corporate income tax rate from 30% to 28%.</p>	23 May 2020	ENSight, "REPUBLIC OF CONGO: COVID-19 pandemic emergency tax measures in force", 19 May 2020

Cuba			
Promotion and facilitation	On 10 September 2020, Cuba enacted a Decree regulating the "single-window" service for foreign investors, an online platform with the aim to expedite and facilitate processes for local and foreign investors.	23 May 2020	Gaceta Oficial de la Republica de Cuba, "Reglamento de la Ventanilla Unica de la Inversion Extranjera", 10 September 2020
Equatorial Guinea			
General business climate	On 15 June 2020, Equatorial Guinea adopted Regulation No 2/2020 on Petroleum Operations. The new Regulation covers key matters such as the extension of the productive life of mature fields through mechanisms allowing operators to generate greater value from these assets; the exploration of marginal and onshore fields along with investments in deep and ultra-deep water acreages; the monetisation of gas and the development of the petrochemicals industry, along with further integration of the national workforce and local companies across the value-chain. The Regulation stipulates that refining, petrochemicals and commercialisation activities can be realised under a specific license granted by the Ministry of Mines and Hydrocarbons.	15 June 2020	Africanews, "Equatorial Guinea adopts new petroleum regulation", 23 June 2020
Ethiopia			
Entry	On 7 September 2020, Ethiopia adopted the Investment Regulation No. 474/2020, liberalizing foreign investment in certain sectors. Foreign investment is now allowed in transportation by railway, cable cars, cold-chain and freight transportation. In the health sector, foreign investment is now only restricted in small and medium health services. In the education sector, foreign investment restrictions have been removed.	7 September 2020	Federal Negarit Gazette, "Regulation No. 474/2020 Council of Ministers Investment Regulation", 7 September 2020
European Union			
Entry	On 11 October 2020, the Regulation of the European Parliament and of the Council establishing a framework for the screening of foreign direct investments into the Union entered into full application. The Regulation creates a mechanism for the exchange of information among EU Member States and the Commission related to specific FDI transactions allows the Commission to issue non-binding opinions if an investment threatens essential security interest of more than one Member State; or when an investment could undermine a programme of the EU; and sets standards for EU Member States' national policies to safeguard their essential security interests. Member States may send non-binding comments if they consider that the transaction is likely to affect their security or public order. Pursuant to a Commission Decision of 31 July 2020 on the application of Article 127(7)(b) of the Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the	11 October 2020	European Commission, "COMMISSION DECISION of 31.7.2020 on the application of Article 127(7)(b) of the Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the", 31 July 2020

<p>European Atomic Energy Community to the cooperation mechanism under Regulation (EU) 2019/452 which grants access to security-related sensitive information, the United Kingdom does not take part in the cooperation during the transition period.</p>			
<p>Finland</p>			
<p>Entry</p>	<p>On 11 October 2020, the Law no. 682/2020 entered into force. It amends the Act on the Screening of Foreign Corporate Acquisitions of 2012, in particular with the aim of making the Finish investment review mechanism compatible with the EU Regulation on the matter.</p> <p>Changes include clarifications of the definitions used in the Act. Thus, the key national interest, against which foreign acquisitions are reviewed, shall mean "securing military national defence, functions vital to society, national security and foreign and security policy objectives, and safeguarding public order and security in accordance with Articles 52 and 65 of the Treaty on the Functioning of the European Union, if there is a genuine and sufficiently serious threat to a fundamental interest of society". Furthermore, a foreign owner, whose acquisitions may be screened, designate any person natural or legal not domiciled within the EU and EFTA and any person domiciled in those countries, but in which a foreign person controls at least 10% votes or exercises similar influence. Foreign acquisition thresholds are set at 10%, one third and 50% of votes in a Finish business. The amending Act also stipulates new provisions allowing the Ministry to set conditions on foreign owners in an approving decision, regulating inadmissibility of matters and attempts to circumvent the Act.</p>	<p>11 October 2020</p>	<p>Ministry of Economic Affairs and Employment, "Amendments to the Act on the Screening of Foreign Corporate Acquisitions: Ministry of Economic Affairs and Employment to become a national contact point", 8 October 2020</p>
<p>France</p>			
<p>Entry</p>	<p>On 23 July 2020, the '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' became effective. It temporarily lowers the trigger threshold for the French FDI review mechanism to a 10% foreign shareholding, down from 25%, for FDIs made in listed companies.</p>	<p>23 July 2020</p>	<p>Legifrance, "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", 23 July 2020</p>
<p>Entry</p>	<p>On 23 July 2020, the 'Arrêté 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' became effective with a view to adjust the information requested under the FDI review mechanism in accordance with the Décret.</p>	<p>23 July 2020</p>	<p>Legifrance, "Arrêté 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 march", 23 July 2020</p>
<p>Germany</p>			

Entry	On 3 June 2020, an amendment to the Foreign Trade and Payments Ordinance came into effect. The amendment changes procedural and substantive aspects of Germany's investment screening procedure to safeguard essential security interests. The changes extend the application of a 10% trigger threshold for acquisitions by non EU-foreigners and an associated notification requirement to health-related sectors and adjust some procedural rules to overcome identified shortcomings in the operation of the mechanism.	3 June 2020	Federal Ministry of Economic Affairs and Energy, "Altmaier: Wir wollen unsere Sicherheitsinteressen im Gesundheitssektor umfassender schützen", 20 May 2020
Entry	On 17 July 2020, an amendment to the Foreign Trade and Payments Act came into effect. The law adapts the German review framework to the European Union Regulation establishing a framework for the screening of FDI into the EU, among others by taking other EU members' interests and European programmes into consideration for the risk assessment. Furthermore, the probability threshold for the prognosis of risk is revised in accordance with the EU Screening Regulation. The amendment introduces a new provision stipulating the time limits for the different stages of the screening process, in a comprehensive, differentiated and transparent manner.	17 July 2020	Federal Ministry of Economic Affairs and Energy, "Änderungen im Außenwirtschaftsrecht", 17 July 2020
Hungary			
Entry	On 17 June 2020, the Act LVIII of 2020 on the temporary measures applicable to the termination of the state of emergency and the preparedness for pandemics was published. It extends the application of the foreign investment screening regime until 30 June 2021.	17 June 2020	CMS Legal, "Hungary: an extension to foreign investment control", 10 November 2020
Entry	On 26 May 2020, Hungary implemented Governmental Decree no. 227/2020, which introduced a temporary foreign investment screening mechanism applicable to investors from both inside and outside the EU. Prior governmental approval is needed in 21 industries, including health care, pharmaceutical, medical device manufacturing, telecommunications, power generation and distribution, processing of food, agriculture, transportation and storage, among others.	26 May 2020	Magyar Közlöny, "Magyar Közlöny 2020. évi 120. Szám", 25 May 2020
India			
Entry	On 17 September 2020, the government of India announced a revision of the rules on FDI in the defence sector. While 100% foreign ownership in the sector is allowed as previously, ownership of up to 74% is now allowed under the automatic route, up from 49% previously. Also, foreign investment in the sector is subject to security clearance by the Ministry of Home Affairs as per guidelines of the Ministry of Defence, and a further scrutiny on grounds of national security is reserved for any foreign investment in the sector.	17 September 2020	Ministry of Commerce & Industry, "Review of Foreign Direct Investment (FDI) Policy in Defence Sector", 17 September 2020

Entry	<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. Accordingly, entities engaged in uploading / streaming of news and current affairs through digital media platforms are permitted to receive FDI up to 26% under the government approval route. The Clarification also states that the FDI restrictions as set out in the Press Note 4 of 2019 dated 18 September 2019 shall apply to certain categories of companies in the digital media space, which are registered or located in India.</p>	16 October 2020	Ministry of Commerce & Industry, "Clarification on FDI Policy for uploading/streaming of new and current affairs through Digital Media", 16 October 2020
Promotion and facilitation	<p>On 28 October 2020, the Ministry of Commerce and Industry released the Consolidated FDI Policy Circular of 2020 with effect from 15 October 2020. The Ministry of Commerce and Industry regularly compiles all policies related to the foreign investment regime into a single document to make it simple and easy for foreign investors to understand.</p>	28 October 2020	Ministry of Commerce & Industry, "Consolidated FDI Policy", 28 October 2020
Indonesia			
Entry/ Treatment	<p>On 19 May 2020, the Indonesian Ministry of Trade ("MOT") has issued a new regulation, MOT Regulation No. 50 of 2020 regarding Provisions on Business Licensing, Advertising, Guidance and Supervision of Businesses Trade through Electronic Systems. This regulation took effect on 19 November 2020. The regulation divides e-commerce business actors into the following categories: (1) E-Commerce Organizers; (2) Merchants; and (3) Intermediary Services Organizers. Parties in each category must satisfy certain prerequisites before engaging in the relevant e-commerce activities.</p>	19 May 2020	Lexology, "Indonesia Introduces New Requirements for E-Commerce Companies", 18 June 2020
Entry/ Treatment/ Promotion and facilitation	<p>On 2 November 2020, Indonesia's President enacted the job creation law - commonly known as the "Omnibus Law". It aims to attract investment, create new jobs, and stimulate the economy by, among other things, simplifying the licensing process and harmonizing various laws and regulations, and making policy decisions faster for the central government to respond to global or other changes or challenges. The Omnibus Law has amended more than 75 current laws and requires the central government to issue more than 30 government regulations and other implementing regulations within 3 months.</p> <p>The key points include among others:</p> <ul style="list-style-type: none"> - It focuses on increasing the ease of doing business in Indonesia (e.g., simplifying licensing processes, simplifying land acquisition processes, formalizing economic zones, providing more incentives to free-trade zones, creating a land bank supervisory authority). - It provides that capital investment (including foreign investment) is permitted except for investment in business lines that are closed or those that can only be carried out by the central government. - It introduces key amendments in several sectors, notably mining, power, forestry, public housing, 	2 November 2020	Baker McKenzie, "Indonesia: The House of Representatives Approves Omnibus Law", 9 October 2020

	<p>healthcare (particularly requirements on medical facilities) and postal services.</p> <ul style="list-style-type: none"> - It introduces key amendments to the Labor Law, particularly on definite period employment, outsourcing, overtime, minimum wage, termination of employment and manpower social security. - It also simplifies environmental assessment requirements and licensing procedures, amends several tax provisions and introduced several changes to the Immigration Law including a Visit Visa and Limited Stay Visa. 		
Iraq			
Promotion and facilitation	<p>On 13 September 2020, Iraq launched a new platform to simplify company registration allowing investors to create a company entirely online. With this new platform, investors now need only complete one registration form, make one payment when registering a business with the national business registry and can handle ongoing needs like protecting a business name, obtaining a tax and social security number and much more.</p>	13 September 2020	GEN IRAQ, "New system boosts ease of doing business in Iraq", 28 October 2020
Italy			
Entry	<p>On 6 June 2020, the Law 5 June 2020, n.40 entered into effect. It converts the Decreto Legge 8 Aprile 2020, n.23, into law. The amendments expand, among others, the application of the review mechanisms to additional sectors that are declared strategic; enable the authorities to open reviews ex-officio where companies do not fulfil the notifications obligations; and extend the scope of the powers to acquisitions from within the EU and lower the trigger threshold for acquisitions from outside the EU to 10%.</p>	6 June 2020	Council of Ministers, "Comunicato stampa del Consiglio dei Ministri n. 39", 6 April 2020
Entry	<p>On 25 December 2020, the Law of 18 December 2020, no. 176 entered into force. The new law extended the temporal scope of application of the special FDI screening regime introduced on 8 April 2020 until 30 June 2021.</p>	25 December 2020	Gazzetta Ufficiale, "LEGGE 18 dicembre 2020, n. 176", 24 December 2020
Japan			
Entry	<p>On 7 May 2020, the Ministry of Finance released a list of 518 companies in the 12 sectors deemed important to Japan's national security (14 per cent of publicly traded companies) -- including Toyota, Sony, Mitsubishi Heavy Industries, Hitachi, Tokyo Electric, Central Japan Railway and SoftBank.</p> <p>Any foreign investor is required to submit a prior notification of stock purchases to the government via the Bank of Japan when planning to acquire a stake of 1 per cent or higher in these listed companies. The total of Japan's 3,800 listed companies is divided into three categories: those requiring prior notification, those not requiring prior notification, and those with exemptions in some cases.</p>	7 May 2020	Nikkei Asian Review, "Japan names 518 companies subject to tighter foreign ownership rules", 9 May 2020

Entry	<p>On 8 May 2020, amendments to Japan's Foreign Exchange and Foreign Trade Act (FEFTA) came into effect. Among others, the amendment lowers the trigger threshold for acquisitions in certain companies to 1%, down from 10% previously, and introduces notification requirements for some acquisitions. In the meantime, the exemption scheme for prior-notification requirement for stock purchases has been introduced. Investors who comply with certain conditions are exempted from the requirement of prior-notification. The lower threshold and notification requirements apply to assets operating in certain sectors, as clarified in a media release of 24 April and 8 May 2020 and complemented by a list of 3800 listed Japanese companies with individual classifications for the purpose of the rules as of the time of release on the same day.</p>	8 May 2020	Regulation Asia, "Japan's New Foreign Investment Rules Take Effect", 10 May 2020
Entry	<p>On 15 June 2020, the Japanese authorities publicly announced that starting on 15 July 2020, "manufacturing industries related to pharmaceuticals" and "manufacturing [industries] related to highly-controlled medical devices" would also be listed as companies subject to specific notification requirements.</p>	15 July 2020	Ministry of Economy, Trade and Industry, "Addition of Pharmaceutical and Special Medical Device Manufacturing businesses, to Core Designated Business Sectors Subject to Inward Direct Investment Screening", 15 June 2020
Kenya			
Entry	<p>Kenya has implemented the National Information Communications and Technology (ICT) Policy Guidelines 2020 (the 2020 ICT Policy), which were published in the Kenya Gazette on 7 August 2020. They introduced local participation requirements in various sectors. The requirements include the following:</p> <ul style="list-style-type: none"> - For listed companies, at least 25% of their shareholding must be reserved for local investors; - Foreign ownership of equity in various industries, such as insurance and telecommunications, is restricted to not more than two thirds and 80%, respectively, although the government gives telecommunications companies a grace period of 3 years to find local investors to achieve the local ownership requirements; and - Companies providing ICT services are required to have at least 30% local ownership. The requirement was reintroduced by the 2020 ICT Policy. 	7 August 2020	The Kenya Gazette, "National Information Communications and Technology (ICT) Policy Guidelines 2020", 7 August 2020
General business climate	<p>On 23 December 2020, the Kenyan President assented to the Tax Law Amendment Act (No. 2) of 2020. Key amendments include the reinstatement of the resident corporate income tax rate to 30% from 25%. These rate changes became effective on 1 January 2021.</p>	23 December 2020	EY, "Kenya enacts significant tax measures for 2021", 11 January 2021
Korea, Republic of			
Entry	<p>On 5 August 2020, amendments to the Enforcement Decree of the Foreign Investment Promotion Act entered into force. One of the changes has made it possible for the competent Minister or the heads of</p>	5 August 2020	National Law Information Center, "Enforcement Decree of the Foreign Investment Promotion Act as

the relevant agencies to request a review to the Foreign Investment Committee of a foreign investment where there is a “high” possibility of leakage of core national technologies, as defined by the Act on the Prevention of Divulgence and Protection of Industrial Technology, and where a foreigner’s acquisition of de facto control over the management of an existing domestic company by acquiring its stocks, etc. may threaten national security.

Amended by the Presidential Decree No. 30918”, 5 August 2020

Lao People’s Democratic Republic

Entry	On 12 August 2020, the amended Law on Land No. 70/NA was published in the Official Gazette of the Lao Ministry of Justice. While permanent land use rights remain prohibited to foreign nationals, the new law opens the possibility for foreign nationals to own and invest in certain immoveable properties in Laos, including apartments in condominiums. Condominium construction is another area that is now open to foreign-owned companies.	12 August 2020	Tilleke & Gibbins, “Laos Opens Real Estate Investment Opportunities to Foreigners”, 15 October 2020
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Malta

Entry	On 12 June 2020, Malta announced the establishment of a National Office for Foreign Direct Investment Screening as implementing entity for the EU Regulations on FDI screening. The Office shall review foreign investment when a potential owner, title holder or ultimate beneficial owner comes from a non-EU country. It applies to the supply of critical inputs and covers, inter alia, food, water and power supply, transportation, telecommunication, health and innovation.	12 June 2020	National Foreign Direct Investment Screening Office, “Government sets up National Office for FDI Screening”, 12 June 2020
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Mauritius

Promotion and facilitation	On 7 August 2020, Mauritius published the Finance (Miscellaneous Provisions) Act No. 7 of 2020, which, inter alia, provides for additional investment allowance to companies affected by COVID-19. Where a company has, during the period from 1 March 2020 to 30 June 2020, incurred capital expenditure on the acquisition of a new plant and machinery, it shall additionally be entitled to a deduction of 100 per cent of the capital expenditure so incurred by way of investment allowance.	7 August 2020	Government Gazette of Mauritius, “Finance (Miscellaneous Provisions) Act No. 7 of 2020”, 7 August 2020
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Mexico

Treatment	On 29 April 2020, in response to the COVID-19 pandemic, Mexico’s National Center for the Control of Energy (Centro Nacional de Control de Energía, or “CENACE”) issued a Resolution to guarantee the Efficiency, Quality, Reliability, Continuity and Security of the National Electric System (“CENACE Resolution”). In addition, on May 15, 2020, Mexico’s Minister for Energy (Secretaría de Energía, or “SENER”) published a Resolution establishing the	3 May 2020	DLA Piper, “Mexican renewable energy projects affected by new measures”, 19 May 2020
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“Policy of Reliability Security Continuity and Quality of the National Electric System” (“SENER Resolution”). The operative part of the CENACE Resolution declares that, as of 3 May 2020: (i) all pre-operative testing is suspended for intermittent electricity generation facilities (that is, solar and wind farms), and (ii) preferential access to the grid will be granted to non-intermittent (conventional) electricity generation facilities. The effect of these measures is that:

- wind and solar farms which have not yet completed their pre-operative testing will not be able to sell the electricity they generate through the National Electric System (Sistema Eléctrico Nacional, or “SEN”); and
- CENACE has discretion to limit the extent to which any electricity generation facility can send its electricity to the SEN if, according to CENACE, it could put the stability of the SEN at risk.

Mozambique

General business climate

On 18 September 2020, Mozambique implemented Decree no. 84/2020 on licensing of infrastructures and oil operations, applicable to the infrastructures to be installed by the concessionaires, operators and their contractors or any other legal persons involved in oil operations in Mozambique. Furthermore, this new regulation sets forth the procedure for obtaining authorization for transport of oil products by circulating means (road, sea, river or railway), as well as the licensing procedure for storage of oil products.

18 September 2020

Further Africa, “New regulation on licensing of infrastructures and oil operations”, 7 October 2020

Namibia

Promotion and facilitation

An amendment to section 5A of the Income Tax Act, adopted on 22 June 2020, scrapped benefits granted to manufacturers, including a reduced tax rate of 18%, as well as other tax incentives. Manufacturers were also given a 10-year capital allowance claim for buildings instead of 20 years. They were additionally granted a 125% tax deduction for expenses such as salaries and training costs of employees. The amendment to the Income Tax Act also includes the repeal of several sections in the Export Processing Zone Act, which exempted export processing zone companies and management companies from paying value added tax, income tax, as well as customs and excise duties.

22 June 2020

Further Africa, “New regulation on licensing of infrastructures and oil operations”, 7 October 2020

New Zealand

Entry

On 28 May 2020, the Overseas Investment (Urgent Measures) Amendment Act 2020 (Urgent Measures Act) was passed. Key changes include, among others:

- A ‘national interest’ test, to allow the Government to decline consent for certain transactions ordinarily screened if they are considered contrary to New Zealand's national interest.
- A temporary emergency notification requirement, that will apply to transactions not ordinarily screened. The Government will be able to review all new controlling investments in New Zealand businesses

28 May 2020

Land Information New Zealand, “Changes to the Overseas Investment Act”, 16 June 2020

	<p>and assets and impose conditions, including prohibitions or a requirement to dispose of those investments if contrary to New Zealand's national interest.</p> <ul style="list-style-type: none"> - A call-in power, to take effect once the temporary emergency notification requirement is removed, to enable the Government to review investments in 'strategically important businesses' that are not ordinarily screened. - The Urgent Measures Act also relaxes some aspects of the regime – for example, the investor test has been simplified to significantly narrow the scope of considerations that can be taken into account when assessing an investor's suitability to invest. 		
Entry	<p>On 1 September 2020, the New Zealand Government decided to prolong the Emergency Notification Regime in the Overseas Investment Act 2005 for another 90 days to ensure that New Zealand's national interest remains protected. In June 2020, the Government had introduced the regime in response to the COVID-19 pandemic.</p>	1 September 2020	The Treasury, "Ministers retain temporary overseas investment screening rules", 1 September 2020
Oman			
Entry / Promotion and facilitation	<p>The Ministry of Commerce and Industry issued Ministerial Decision 72/2020 ("MD 72/2020") on the Executive Regulations of the Foreign Capital Investment Law (Sultani Decree 50/2019). The Executive Regulations came into effect on 14 June 2020. The key points include, among others:</p> <ol style="list-style-type: none"> 1. Clarification of the licensing procedure for foreign investors. 2. Clarification of the conditions for granting incentives and benefits to foreign investment projects. 3. Introduction of the concept of negative list: Foreign investors will be prohibited from practicing activities in those areas which will be included in the negative list, typically small-scale industrial activities. 	14 June 2020	Oman Law Blog, "Executive Regulations of the Foreign Capital Investment Law", 19 August 2020
Entry	<p>On 14 December 2020, the Ministerial Decision 209/2020, which lists the activities that are prohibited for foreign investors, came into effect.</p>	14 December 2020	Muscat Daily, "Ministry issues list of activities prohibited for foreign investment", 12 December 2020
Pakistan			
Promotion and facilitation	<p>On 25 June 2020, the Board of Investment (BOI) launched three online portals, including the Electronic Joint Venture (EJV) portal, the Branch Liaison Management Information System (BLMIS) and the Special Economic Zones (SEZs) Information Portal to digitize all services for the benefit of investors. The EJV portal allows enterprises to enlist their profiles on the website and provides information regarding new opportunities for investment. The BLMIS is an online application to aid the opening of branch offices and liaison offices in Pakistan and is a continuation of BOI's Online Work Visa module. The SEZs Information Portal helps BOI to collect information from the enterprises and developers based in SEZs.</p>	25 June 2020	Pakistan Today, "BOI launches e-portals to facilitate local, foreign investors", 25 June 2020

Treatment	<p>On 27 October 2020, the State Bank of Pakistan introduced a new mechanism to enable companies in Pakistan to conveniently remit disinvestment proceeds to their foreign shareholders. The goal is to make Pakistan a more attractive place for investment by increasing investors' confidence and support ease of doing business.</p> <p>As per the previous mechanism, a designated bank required prior approval of the State Bank for remittance of disinvestment proceeds above market value, for listed securities and, above breakup value, for unlisted securities. Under the new mechanism, the bank designated by the company has the authority to remit the entire disinvestment proceeds to non-resident shareholders, upon submission of required documents, without referring the case to State Bank of Pakistan.</p>	27 October 2020	State Bank of Pakistan, "SBP introduces a transparent mechanism with complete delegation to banks for remitting disinvestment proceeds to facilitate foreign direct investment", 27 October 2020
Panama			
Promotion and facilitation	<p>A new investment incentives regime targets multinational companies carrying out operations from Panama and providing manufacturing services (e.g. quality control, quality assurance and stability testing, packaging, labeling and related services) to other entities within their own corporate group. Key features are certain tax benefits. The regime was introduced by Law 159, published in the Official Gazette No. 29104 on 31 August 2020.</p>	31 August 2020	IBFD, "Panama Introduces New Incentive Regime for Multinational Companies Providing Manufacturing Services", 10 September 2020
Philippines			
Entry	<p>On 30 October 2020, the Department of Energy issued a circular on the guidelines for the third Open and Competitive Selection Process (OCSP3) in the awarding of renewable energy service contracts. The circular allows for 100% foreign ownership in large-scale geothermal exploration, development, and utilization projects. However, there are some conditions that foreign investors should meet if they wish to participate such as (1) the investment should be large-scale, with a minimum investment cost of about US\$50 million, and (2) it should be implemented under the Financial and Technical Assistance Agreement (FTAA) as provided under the Constitution.</p>	30 October 2020	Department of Energy, "DOE Statement on Allowing Foreign Investors 100% Ownership of Large-scale Geothermal Projects", 30 October 2020
Poland			
Entry	<p>On 24 June 2020, Poland brought into force a new legislation extending significantly the FDI screening mechanism in the country for 24 months. A foreign acquisition from non-EEA countries requires prior clearance from the President of the Polish Competition Authority, if it targets a company generating turnover exceeding EUR 10 million that, inter alia, develops or maintains software crucial for vital processes or conducts business in one of 21 specific industries. These include, inter alia, food and power supply, transportation, telecommunication and health.</p>	24 June 2020	Sejm RP, "Ustawa z dnia 19 czerwca 2020 r. o dopłatach do oprocentowania kredytów bankowych udzielanych przedsiębiorcom dotkniętym skutkami COVID-19 oraz o uproszczonym postępowaniu o zatwierdzenie układu w zwi", 23 June 2020

General business climate	<p>On 1 December 2020, the Regulation of the Minister of Development, Employment and Technology concerning the easing of immigration rules entered into force. It allows foreigners to work in Poland without obtaining work permit in certain sectors and professions. Those include chiefly medical professions: medical doctors, dentists, nurses, midwives, and paramedics.</p> <p>In addition, foreigners holding visas issues within the scope of a special programme "Poland. Business Harbour" are also exempted from a work permit obligation. The programme targets Belarusian entrepreneurs and workers from the ICT sector.</p>	1 December 2020	<p>Internetowy System Aktów Prawnych, "Rozporządzenie Ministra Rozwoju, Pracy i Technologii z dnia 20 listopada 2020 r. zmieniające rozporządzenie w sprawie przypadków, w których powierzenie wykonywania pracy cudzoziemcowi na terytorium Rz", 25 November 2020</p>
Russian Federation			
Entry	<p>On 11 August 2020, the Federal Law No. 255-FZ of 31 July 2020 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 amendments seek to clarify certain provisions of the Law in order to prevent circumvention of the screening mechanism.</p>	11 August 2020	<p>President of Russia, "Amendments to Federal Law on procedures for foreign investment in business entities of strategic importance for national defence and state security", 31 July 2020</p>
Rwanda			
Promotion and facilitation	<p>An extraordinary cabinet meeting approved, on 14 August 2020, a draft law relating to investment promotion and facilitation. It contains several incentives for investors joining different productive sectors in the country, including the Kigali International Finance Centre. Five highlights of the law include: Support to key priority sectors; reducing operational costs for firms; talent attraction incentives; incentives to support innovation and diversification of firms; and flexibility to adapt to evolving priorities and new information.</p>	14 August 2020	<p>Office of the Prime Minister, "Statement on Cabinet Decisions of August 14th 2020", 14 August 2020</p>
Saudi Arabia			
Promotion and facilitation	<p>On 9 June 2020, Saudi Arabia's cabinet approved a new mining law that aims to accelerate foreign investment in the sector as part of efforts to diversify its economy away from hydrocarbons. The new law facilitates investor access to financing and supports exploration and geological survey activities to tap into the country's unused mineral resources.</p>	9 June 2020	<p>Reuters, "Saudi Arabia aims to boost investment with new mining law", 9 June 2020</p>
Singapore			
Promotion and facilitation	<p>On 4 May 2020, the Intellectual Property Office of Singapore (IPOS) launched the SG Patent Fast Track Program, which aims to expedite the application-to-grant process of patents in all technology fields to six months, compared to the typical duration of two years. This is a two-year program, which began on 4 May 2020, and is expected to end on 29 April 2022.</p>	4 May 2020	<p>ASEAN Briefing, "Singapore Launches Fast Track Patent Program", 4 May 2020</p>
Slovenia			

Entry	On 31 May 2020, Slovenia implemented the Law on intervention measures to mitigate and eliminate the consequences of the COVID-19 pandemic. It introduces a foreign investment screening mechanism. Foreign investors in specified sectors or activities are subject to review whether the investment poses a threat to public order or security if they wish to acquire at least 10 percent of the shares of domestic firms. The mechanism applies, amongst others, to critical infrastructure, transport, water, aviation, media, data processing, artificial intelligence, medical and pharmaceutical technology, the supply of critical inputs and similar.	13 May 2020	Karanovic & Partners, "New Rules on Foreign Direct Investments in Slovenia", 1 June 2020
Spain			
Entry	On 19 November 2020, the Royal Decree-Law 34/2020 relating to urgent measures against the COVID-19 pandemic entered into force in Spain. Inter alia, it prolongs the regime of suspension of liberalization of certain foreign direct investments until 30 June 2021. Furthermore, it specifies sectors, in which foreign investment is subject to advance screening. New additions include, inter alia, critical and dual-use technologies, key technologies for industrial leadership (telecommunications, AI, robotics, semiconductors, energy storage, quantum and nuclear technologies, nanotechnologies, biotechnologies), supply of fundamental inputs, in particular energy, and food security.	19 November 2020	Agencia Estatal Boletín Oficial del Estado, "Real Decreto-ley 34/2020, de 17 de noviembre, de medidas urgentes de apoyo a la solvencia empresarial y al sector energético, y en materia tributaria.", 18 November 2020
Sri Lanka			
Promotion and facilitation	On 11 November 2020, the Sri Lankan government decided to establish a pharmaceutical manufacturing zone of 400 acres in the southern coast of Hambantota and to invite global pharmaceutical companies to set up companies within the zone. All infrastructure facilities will be supplied by the Sri Lanka Board of Investment.	11 November 2020	Medical Dialogues, "Sri Lanka Govt To Establish Pharma Manufacturing Zone", 14 November 2020
United Arab Emirates			
General business climate	On 24 August 2020, UAE Federal Cabinet Resolution No. 58 of 2020 on the Regulation of the Procedures of the Real Beneficiary was issued. The regulation has three core elements: 1) the implementation of a register for nominee directors, 2) comprehensive rules requiring businesses to arrange and maintain registers of their shareholders, and 3) similar rules around arranging and maintaining registers of their Real Beneficiaries.	24 August 2020	The National Law Review, "Brief on The New UAE Cabinet Decision NO. 58 Of 2020 On Regulating the Beneficial Owner Procedures", 19 October 2020
General business climate	On 16 November 2020, the Ministry of Economy launched the 'International Advisory Council on the New Economy'. The Council will undertake a set of tasks related to the structure of the new economy, including the development of ideas and proposals; providing advice to decision-makers in new economic fields, development of research papers and studies; and development of new models for regional and	16 November 2020	Emirates News Agency, "Launch of 'International Advisory Council on the New Economy' reinforces UAE's position as global idea hub", 16 November 2020

	international partnerships in the fields of the future economy.		
Entry	<p>On 23 November 2020, UAE issued a decree making significant amendments to the UAE Federal Law No. 2 of 2015 on Commercial Companies, which may effectively allow for 100% ownership of onshore companies by foreign nationals.</p> <p>The key points include, among others:</p> <ul style="list-style-type: none"> - The decree annuls the requirement for commercial companies to have a major Emirati shareholder or agent, providing for full foreign ownership of onshore companies. In addition, there is no longer a requirement to have a UAE national or local company as registered agent. - The decree supersedes the current Foreign Direct Investment Law (Federal Law No. 19/2018) that permitted foreign nationals to own up to 100% of 'onshore' companies doing business in certain sectors that are listed in the 'positive list'. - The decree grants relevant local authorities a set of powers, including setting a specific percentage of Emiratis in the capital allocation and boards of directors of companies, approving requests to establish companies -except for joint stock companies- and identifying fees and charges according to the policies adopted by the UAE Cabinet. 	23 November 2020	Emirates News Agency, "UAE allows full foreign ownership of commercial companies", 23 November 2020
United Kingdom			
Entry	On 22 June 2020, the UK Government issued an Order amending the Enterprise Act 2002 to add the "need to maintain in the UK the capability to combat, and mitigate the effects of public health emergencies" as a "specified consideration" under the Act in relation to which UK authorities may intervene in certain mergers.	22 June 2020	Department for Business, Energy & Industry Strategy, "Enterprise Act 2002: Changes to the public interest grounds for intervention in merger cases", 26 July 2020
Entry	On 20 July 2020, the UK Government made two additional orders amending the circumstances when the Government may intervene in mergers under the Enterprise Act 2002. The changes lower the jurisdictional thresholds for merger controls in three specific sectors: artificial intelligence, cryptographic authentication technology, and "advanced materials".	20 July 2020	legislation.gov.uk, "The Enterprise Act 2002 (Turnover Test) (Amendment) Order 2020", 21 July 2020
United Republic of Tanzania			
General business climate	The Minister of Finance presented the 2020/21 Budget to parliament on 11 June 2020. Significant proposed amendments, which generally began to apply from 1 July 2020, include, inter alia, an increase in the minimum taxable threshold for corporative societies from TZS50-million to TZS100-million, the introduction of income tax for products produced in special economic zones for local consumption and the authorisation of the minister to grant income tax exemptions (not exceeding TZS1-billion) on strategic projects during the implementation period without seeking cabinet approval.	11 June 2020	ENSight, "Tanzania 2020/21 Budget provides on corporate taxes", 21 July 2020

United States of America			
Entry	<p>On 27 August 2020, a Final Rule issued by the U.S. Department of Treasury clarifying revisions to the definition of “principal place of business” in the regulations of the Committee for Foreign Investment in the United States (CFIUS) became effective. The definition of “principal place of business” was introduced earlier through Interim Rules published on 17 January 2020 and on which the public provided comments. The Final Rule introduces clarifications that were the subject of public comments addressed to the U.S. Treasury in January 2020 after the publication of two interim rules defining the term. The Final Rule also adopts definitively an Interim Rule published by the U.S. Treasury on 29 April 2020 establishing fees for parties filing a formal written notice with CFIUS of a real estate transaction.</p>	27 August 2020	Federal Register, “Final Rule, Definition of “Principal Place of Business”; Filing Fees for Notices of Certain Investment in the United States by Foreign Persons and Certain Transactions by Foreign Persons Involving Rea”, 28 July 2020
Entry	<p>On 15 October 2020, a Final Rule issued by the U.S. Department of the Treasury modifying the criteria for mandatory declarations for certain foreign investment transactions involving a U.S. business that produces, designs, tests, manufactures, fabricates, or develops one or more “critical technologies” came into effect. This Final Rule made revisions to the proposed rule published on 21 May 2020 and on which the public provided comments. This Final Rule removes the previous analysis and nexus to the North American Industry Classification System (NAICS) codes and replaces it with an analysis of export control authorization requirements. Additionally, this Final Rule makes amendments to the definition of the term “substantial interest” and a related provision, and makes one technical revision.</p>	15 October 2020	Federal Register, “Final Rule, Provisions Pertaining to Certain Investments in the United States by Foreign Persons”, 15 September 2020
Entry	<p>On 13 November 2020, President Donald Trump signed an executive order banning Americans from investing in Chinese firms that the administration says are owned or controlled by the Chinese military. The order applies to 31 Chinese companies. Investors will have until November 2021 to divest from the companies. The executive order was set to take effect on 11 January 2021.</p>	13 November 2020	CNN, “Trump bans Americans from investing in Chinese firms he claims have ties to the military”, 13 November 2020
Treatment	<p>On 18 December 2020, the President of the United States signed into law Senate Bill 945, the “Holding Foreign Companies Accountable Act”. The Act requires companies publicly listed on stock exchanges in the United States to declare that they are not owned or controlled by any foreign government, and it allows delisting foreign companies from domestic stock exchanges if the audits of those companies remain shielded from the Public Company Accounting Oversight Board (PCAOB).</p>	18 December 2020	United States Congress, “S.945 - Holding Foreign Companies Accountable Act”, 18 December 2020
Uruguay			

Promotion and facilitation	Due to the economic impact of the COVID-19 pandemic, the government of Uruguay has increased several tax benefits granted to eligible projects under the investment promotion regime. These new rules were introduced by Decree 268/020, published in the Official Gazette on 7 October 2020.	7 October 2020	Diario Oficial, "Poder Ejecutivo Ministerio de Economía y Finanzas", 7 October 2020
Uzbekistan			
Promotion and facilitation	On 28 May 2020, the President of Uzbekistan signed the Decree on urgent measures to support the tourism sector for reducing the negative impact of the coronavirus pandemic No. УП-6002. It provides certain incentives and tax breaks for tour operators, travel agents and accommodation businesses. The Decree also provides for some State aid for new investments in the touristic sector.	28 May 2020	GRATA International, "A Decree supporting the tourism sector of Uzbekistan has been signed", 16 June 2020
Promotion and facilitation	On 18 August 2020, Presidential Decree № УП - 6042 established the Government Commission for the Development of Export and Investment. The mandate of the Commission includes, inter alia, ensuring the effective implementation of investment projects and creating industrial clusters in the regions and the localization of production through assistance in the implementation of investment projects that ensure the creation of a value chain based on the effective use of domestic raw materials.	18 August 2020	GRATA International, "The special commission will be engaged in the development of exports and attraction of investments in Uzbekistan", 22 October 2020
Treatment	On 1 September 2020, the resolution of the Board of the Central Bank of Uzbekistan concerning foreign exchange transactions entered into force. The resolution sets one single procedure for foreign exchange transactions, combines in one act relevant rules and abolishes legal acts that used to govern the matter.	1 September 2020	GRATA International, "The Rules for conducting foreign exchange transactions have been approved in the Republic of Uzbekistan", 3 September 2020
Viet Nam			
Promotion and facilitation	Vietnam introduced Decree No. 37/2020/ND-CP (Decree 37) on 30 March 2020 to update the list of sectors and industries access to investment incentives under Decree 118/2015/ND-CP. The move underlines the government's efforts to support businesses and particularly small and medium-sized enterprises (SMEs) affected by COVID-19. Decree 37 took effect on 15 May 2020. The regulation expands the list of business lines eligible for investment incentives and includes four types of SME business lines.	15 May 2020	Vietnam Briefing, "Vietnam Issues Investment Incentives for SMEs", 29 April 2020
Entry / Treatment / Promotion and facilitation	On 17 June 2020, the National Assembly passed the amended Law on Investment which took effect on 1 January 2021. Key points include, among others: - A business organization is deemed as a "foreign investor" if such investors hold 50% or more of the charter capital (the current law stipulates 51%). In case the business organization is a partnership, the majority of the general partners/members must be foreigners. - Before foreign investors can establish a business organization, they must have identified an investment	17 June 2020	Lexology, "Vietnam - new law on investment proves the government's effort to attract foreign direct investment", 25 August 2020

	<p>project and obtain an Investment Registration Certificate, unless it is an SME.</p> <ul style="list-style-type: none"> - Market access conditions for foreign investors are the same as for domestic investors, except for industries and business that do not allow for such market access reciprocally or those that come with conditions on foreign investors. - Foreign investors can reap the benefits of various business guarantees, including a guarantee on investment in case of change in laws, guarantee of property ownership, guarantee on investment activities and guarantee on the right to transfer assets abroad. - Disputes between foreign investors and the State can be taken to international arbitration, provided that the contract between the parties includes such clause or international treaties to which Vietnam is a signatory. - Additional fiscal investment incentives are offered. - Some more business lines are eligible for investment incentives, including, inter alia, the preservation of drugs, manufacture of medical equipment, renewable energy, products with 30% or more added value, energy-saving products, waste collection and treatment. 		
General business climate	<p>On 17 June 2020, the National Assembly passed the amended Law on Enterprises, which took effect on 1 January 2021. The amended law, inter alia, simplifies the business registration process, redefines state-owned enterprises, and protects minority shareholders.</p>	17 June, 2020	Vietnam Briefing, "Vietnam Adopts Amended Law on Enterprises and Law on Investment", 7 July 2020
Treatment	<p>On 18 June 2020, the Law on Public-Private Partnership Investment was passed. It regulates investment activities and private investment attraction in some important and essential infrastructure areas under the PPP model. The law focuses on five essential activities: transportation; power grid and plants; irrigation, clean water supply, water drainage, and wastewater and waste treatment; healthcare and education – training; and information technology infrastructure.</p>	18 June 2020	Online Newspaper of the Government of the Socialist Republic of Viet Nam, "National Assembly adopts law on public-private partnership investment", 19 June 2020
General business climate	<p>On 19 June 2020, the National Assembly adopted a reduction of the corporate income tax rate from previously 20 per cent to 14 per cent for most businesses to help them deal with the COVID -19 impacts. Businesses with annual revenues of VND200 billion (\$8.6 million) or less this year and fewer than 200 employees are eligible for the tax break.</p>	19 June 2020	TienPhong News, "National Assembly green-lights tax cut for businesses", 19 June 2020
General business climate	<p>On 23 November 2020, the Intellectual Property Office of Vietnam issued Notice No. 13822/TB-SHTT ("Notice 13822"), which tightens the requirements for legal representatives of intellectual property applicants/owners to sign documents on their behalf.</p>	23 November 2020	ASEAN Briefing, "Vietnam Intellectual Property Office Issues New Regulation on Document Signing", 30 November 2020
Zambia			

General business climate	The cabinet agreed on 20 May 2020 to amend the Mines Act to align it with a policy set in October 2019 to recognise gold as a strategic mineral. This requires production by artisanal miners to be bought through the state-owned mining investment company ZCCM-IH Plc.	20 May 2020	ENSight, "Zambia to amend mining rules to treat gold as strategic asset", 31 May 2020
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