16 June 2014

Eleventh Report on G20 Investment Measures[1]

As the global financial crisis broke six years ago, G20 Leaders committed to resisting protectionism in all its forms at their 2008 Summit in Washington. At their subsequent summits in London, Pittsburgh, Toronto, Seoul, Cannes, Los Cabos and St Petersburg, they reaffirmed their pledge and called on WTO, OECD, and UNCTAD to monitor and publicly report on their trade and investment policy measures.

The present document is the eleventh report on investment and investment-related measures made in response to this call.[2] It has been prepared jointly by the OECD and UNCTAD Secretariats and covers investment policy and investment-related measures taken between 16 November 2013 and 15 May 2014.

I. Investment developments

Global foreign direct investment (FDI) inflows increased by an estimated 11% in 2013 to around USD 1.46 trillion, as global economic growth gained some momentum.[3]

[1] This Report is issued under the responsibility of the Secretary-General of the OECD and the Secretary-General of UNCTAD. It has no legal effect on the rights and obligations of member states of the WTO, OECD, or UNCTAD. Nothing in this Report implies any judgment, either direct or indirect, as to the consistency of any measure referred to in the Report with the provisions of any WTO, OECD, or UNCTAD agreements or any provisions thereof. Similarly, the inclusion of any measure in this Report implies no judgement by the OECD or UNCTAD Secretariats on whether or not such measure, or its intent, is protectionist in nature.

[2] Earlier reports by WTO, OECD and UNCTAD to G20 Leaders are available on the websites of the OECD and UNCTAD. A summary table of all investment measures taken since 2009 is also available on those websites.

[3] For further information and analysis on recent trends on FDI inflows, see UNCTAD's Global Investment Trends Monitor, Issue No.15, 28 January 2014 and OECD FDI in Figures, April 2014 and Foreign Direct Investment (FDI) Statistics – OECD Data, Analysis and Forecasts. For most recent data, see the forthcoming

II. Investment policy measures

During the reporting period (16 November 2013 – 15 May 2014), fifteen G20 members took some sort of investment-specific or investment-related measures or concluded international investment agreements (Table 1).[4]

Table 1. Investment and investment-related measures taken or implemented between 16 November 2013 and 15 May 2014

	Investment-specific measures	Investment measures related to national security	International Investment Agreements (IIAs)
Argentina	•		
Australia			•
Brazil	•		
Canada			•
China	•		
France		•	
Germany			
India	•		•
Indonesia	•		•
Italy		•	
Japan			•
Republic of Korea	•		•
Mexico			•
Russian Federation		•	•
Saudi Arabia			
South Africa			
Turkey			•
United Kingdom			
United States			•
European Union			

(1) Investment-specific measures

Six G20 members – Argentina, Brazil, P.R. China, India, Indonesia, and the Republic of Korea – amended their investment-specific policies during the reporting period. Thus, as in earlier reports, G20 members from emerging economies were significantly more active in adjusting their investment specific policies than advanced economies. Most of the measures taken either involved relaxation of conditions for investment (e.g. authorisations of accounts in foreign currencies and relaxation of conditions for forming joint ventures with foreigners) or involved mixes of relaxation of entry conditions for foreign investment and tightening of restrictions in various industries. In the latter category, two countries raised ceilings on foreign investments for some types of investment while lowering them in others.

(2) Investment measures related to national security

Three G20 members – France, Italy and the Russian Federation – amended existing policies related to national security during the reporting period. The French amendment extends the coverage of the

UNCTAD World Investment Report 2014, Investing in the SDGs: An Action Plan, to be released on 24 June 2014.

[4] Annex 1 contains detailed information on the coverage, definitions and sources of the information in this report.

existing review mechanism for inward foreign investment to six additional activities, including (i) energy supply (electricity, gas, hydrocarbons or other sources of energy); (ii) water supply; (iii) transport networks and services; (iv) electronic communications networks and services; (v) operations of buildings and installations for defence reasons and (vi) protection of public health. It applies to safeguarding national interests in the area of public order, public security and national defence. It was taken at the same time as a foreign company's bid to acquire a prominent French firm. The Italian measure establishes procedures for the exercise of special powers of the government in connection with investments in the defence and national security sector, as part of a security-related investment review mechanism created in 2012. The Russian Federation's amendment extends coverage of its review mechanism to the transport sector and related services. It applies to investments in business entities of strategic importance for national defence and state security. The additional sectors and activities covered by these national security-related measures are similar to those covered by other countries' critical infrastructure programmes.[5]

(3) International investment agreements

During the reporting period, G20 members continued to negotiate or concluded new international investment agreements (IIAs). Between 16 November 2013 and 15 May 2014, G20 members concluded five bilateral investment treaties (BITs)[6] and five "other IIAs"[7] (Table 2). As of 15 May 2014, there existed globally 2,904 BITs and 338 "other IIAs". During the reporting period, Indonesia served a notice of termination of its BITs with the Netherlands. Furthermore, the termination of the BITs between South Africa and Spain, and between Germany and the Plurinational State of Bolivia became effective.[8]

[5] See Table 2 in "Protection of Critical Infrastructure and the Role of Investment Policies Relating to National Security", OECD Monograph of the 'Freedom of Investment' Roundtable, May 2008.

[6] These are the BITs between Guatemala and the Russian Federation (27 November 2013); India and the U.A.E. (12 December 2013); Japan and Myanmar (15 December 2013); Canada and Cameroon (3 March 2014) and Canada and Nigeria (6 May 2014). The conclusion of a BIT does not mean that it has entered into force.

[7] These are the Trade and Investment Framework Agreement between Libya and the United States of America (18 December 2013); the Additional Protocol to the Framework Agreement of the Pacific Alliance between Chile, Colombia, Mexico and Peru (10 February 2014); the Free Trade Agreement (FTA) between Mexico and Panama (3 April 2014); the FTA between Australia and the Republic of Korea (8 April 2014) and the FTA between Malaysia and Turkey (17 April 2014). The conclusion of an FTA does not mean that it has entered into force.

[8] The termination of the BIT between South Africa and Spain became effective on 23 December 2013, while the termination of the BIT between Germany and the Plurinational State of Bolivia became effective on 13 May 2014. By virtue of the "survival clause" investments made before the 23 December 2013 will remain protected for another ten years (in the case of the South Africa – Spain BIT), while investments made before the 13 May 2014 will remain protected for another 20 years (in the case of the Germany – Bolivia BIT).

Table 2. G20 members' International Investment Agreements*

	Bilateral Investment Treaties (BITs)		Other IIAs		Total IIAs as of 15 May 2014
	Concluded 16 November 2013 -15 May 2014	Total as of 15 May 2014	Concluded 16 November 2013 -15 May 2014	Total as of 15 May 2014	
Argentina		58		15	73
Australia		22	1	15	37
Brazil		14		16	30
Canada	2	32		17	49
China		130		17	147
France		102		62	164
Germany		134		62	196
India	1	84		12	96
Indonesia		64		14	78
Italy		93		62	155
Japan	1	22		17	39
Republic of Korea		90	1	14	104
Mexico		29	2	16	45
Russian Federation	1	72		3	75
Saudi Arabia		23		14	37
South Africa		43		10	53
Turkey		88	1	18	106
United Kingdom		104		62	166
United States		46	1	64	110
European Union				62	62

* UNCTAD's IIA database is constantly updated, including through retro-active adjustments based on a refinement of the methodology for counting IIAs.

III. Overall policy implications

Investment policy making during the reporting period – 16 November 2013 to 15 May 2014 – was generally subdued. Most investment measures taken in the review period point toward greater openness and transparency or toward a mix of restrictiveness and relaxation. As in earlier reports, a considerable number of measures continued to be directed at regulation of foreign exchange and securities markets.

In the area of investment policies related to national security, measures were taken by France, Italy and the Russian Federation. The OECD-UNCTAD monitoring methodology treats security-related investment measures as "self–judging" by the governments adopting them. However, it is worth recalling that all governments – and above all G20 governments – in the current fragile economic context need to send policy messages that boost public and investor confidence. In particular, government interventions in investment processes should be seen as being strictly targeted on legitimate public policy goals (e.g. protecting national security) and not as cover for hidden protectionism.

Reports on individual economies:
Recent investment measures (16 November 2013 – 15 May 2014)

	Description of Measure	Date	Source
Argentina			
Investment policy measures	Effective on 27 January 2014, Argentina relaxed some of its foreign exchange controls. Henceforth, individuals may purchase USD within fixed limits.	27 January 2014	"El gobierno autoriza desde el lunes compra de dólares para tenencia a personas físicas y disminuye anticipo impuesto a las ganancias", Presidency of Argentina release, 24 January 2014.
Investment measures relating to national security	None during reporting period.		
Australia			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Brazil			
Investment policy measures	As of 24 December 2013, Brazil reduced to zero the rate of the financial transaction tax (*Imposto sobre Operações Financieras*, IOF) on the transfer of shares which are admitted to trading on a stock exchange in Brazil with the specific purpose of backing the issuance of depositary receipts traded abroad.	24 December 2013	Presidential Decree 8.165 of 23 December 2013.
	Effective 28 December 2013, Brazil raised the financial transaction tax on payments made abroad and on the withdrawal of foreign currency by debit cards, on the purchase of traveller checks and on the recharge of international pre-paid cards by 6 percentage points to 6.38%, up from 0.38%. Previously, only payments made abroad by credit cards were subject to the 6.38% tax.	28 December 2013	Presidential Decree 8.175 of 27 December 2013.
Investment measures relating to national security	None during reporting period.		
Canada			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		

P.R. China

Investment policy measures	On 2 December 2013, the People's Bank of China, China's central bank, released *Opinions on Financial Measures to Support the China (Shanghai) Pilot Free Trade Zone* (FTZ). The Opinions allow a series of policy changes applicable in the FTZ with a view to move towards capital account convertibility and advance foreign exchange administration reform. These include the possibility for residents and non-residents to establish accounts in local and foreign currency in the FTZ and use them for certain transactions. Also, cross-border investment is allowed and delinked from approval procedures that would apply outside the FTZ. The FTZ had officially been opened on 29 September 2013.	29 September 2013; 2 December 2013	"The PBC Releases Opinions on Financial Measures to Support the China (Shanghai) Pilot Free Trade Zone".
	On 1 March 2014, the amended Company Law, promulgated by the Standing Committee of the National People's Congress on 13 December 2013, took effect. The amended law applies to Chinese joint ventures with foreign investors. It removes the requirement that the contribution in cash by all shareholders shall not be less than 30 percent of the registered capital of the company. On the other hand it removes the requirements of paying the initial capital contribution by all shareholders upon establishment of the company. It also removes the previous minimum contribution requirement for shareholders.	1 March 2014	"Amendments To The PRC Company Law". Mondaqu.com, 9 April 2014.
Investment measures relating to national security	None during reporting period.		

France

Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 14 May 2014, the Minister of Economy issued a decree amending the articles of the law that inter alia regulates foreign investment. The decree amends the list of activities subject to review for foreign investors equipment, services and products that are essential to safeguard national interests in the areas of public order, public security and national defence, as follows: i) sustainability, integrity and safety of energy supply (electricity, gas, hydrocarbons or other sources of energy); ii) sustainability, integrity and safety of water supply; iii) sustainability, integrity and safety of transport networks and services; iv) sustainability, integrity and safety of electronic communications networks and services; v) operation of a building or installations of vital importance as defined in articles L. 1332-1 and L.1332-2 of the Code of Defence; and vi) protection of public health.	14 May 2014	Code Monétaire et Financier, Articles L151-3 and R153-2; Decree No. 2014-479 of 14 May 2014.

Germany

Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		

India			
Investment policy measures	On 14 February 2014, the Reserve Bank of India restricted policies on foreign investment by registered Foreign Institutional Investors (FIIs) in Government Securities and Corporate Debt by reducing an existing sub-limit available for investment in Commercial Paper from USD 3.5 billion to USD 2 billion. The measure follows a simplification, introduced on 1 April 2013. On 24 January 2013, Circular No.80 had already increased the limit for investments by FIIs and long term investors in government securities to USD 25 billion and for corporate debt to USD 51 billion.	24 January 2013; 1 April 2013; 14 February 2014	"Foreign investment in India by SEBI registered FIIs in Government Securities and Corporate Debt", RBI/2012-13/465, A.P. (DIR Series) Circular No.94; "Foreign investment in India by SEBI registered FII, QFI and long term investors in Corporate Debt", RBI/2013-14/494 A.P. (DIR Series) Circular No.104, 14 February 2014.
	On 12 June 2013, the Reserve Bank of India increased the ceiling for investments by FIIs in Indian Government securities to USD 30 billion, up from USD 25 billion. A sub-limit of USD 5 billion, available to long term investors – Sovereign Wealth Funds (SWFs), Multilateral Agencies, Pension/ Insurance/ Endowment Funds and Foreign Central Banks – was increased to USD 10 billion on 29 January 2014.	12 June 2013 29 January 2014	"Foreign investment in India by SEBI registered Long term investors in Government dated Securities", RBI/2012-13/530 A.P. (DIR Series) Circular No.111 and "Foreign investment in India by SEBI registered Long term investors in Government dated Securities", RBI/2013-14/473 A.P. (DIR Series) Circular No.99.
	On 18 September 2013, the Reserve Bank of India expanded the notion of "infrastructure sector" for the purpose of the application of the External Commercial Borrowing (ECB) policy. On 6 January 2014, the definition of infrastructure sector for the purpose of raising ECB was further expanded to include Maintenance, Repairs and Overhaul as a part of airport infrastructure. Furthermore, on 3 December 2013, the Reserve Bank of India authorised ECB by Holding Companies for use in Special Purpose Vehicles that are established exclusively for the purpose of implementing a project in the infrastructure sector.	18 September 2013; 3 December 2013; 6 January 2014	"External Commercial Borrowings (ECB) Policy – Liberalisation of definition of Infrastructure Sector", RBI/2013-14/270 A.P. (DIR Series) Circular No. 48; "External Commercial Borrowings (ECB) by Holding Companies / Core Investment Companies for the project use in Special Purpose Vehicles (SPVs)", RBI/2013-14/397 A.P. (DIR Series) Circular No. 78; "External Commercial Borrowings (ECB) Policy – Liberalisation of definition of Infrastructure Sector", RBI/2013-2014/429 A.P. (DIR Series) Circular No.85.

	On 25 September 2013, the Reserve Bank of India liberalised overseas foreign currency borrowings by banks for an interim period until 30 November 2013 by reducing the minimum maturity for such borrowings, from three to one year. On 22 November 2013, a further Reserve Bank of India circular provided for the possibility that loans with these conditions be concluded by 31 December 2013. The measure follows a liberalisation made two weeks earlier, on 10 September 2013, when the Reserve Bank of India allowed these banks to borrow funds from their Head Office, overseas branches and correspondents and overdrafts in nostro accounts up to a limit of 100% of their unimpaired Tier I capital, up from 50% previously. Further conditions for the use of such overseas foreign currency borrowings by banks were communicated on 10 October 2013.	10 September 2013; 25 September 2013; 10 October 2013; 22 November 2013	"Overseas Foreign Currency Borrowings by Authorised Dealer Banks – Enhancement of limit", RBI/2013-14/240 A.P. (DIR Series) Circular No. 40; "Overseas Foreign Currency Borrowings by Authorised Dealer Banks – Enhancement of limit", RBI/2013-14/293 A.P. (DIR Series) Circular No. 54; "Overseas Foreign Currency Borrowings by Authorised Dealer Banks", RBI/2013-14/323 A.P. (DIR Series) Circular No. 61; "Overseas Foreign Currency Borrowings by Authorised Dealer Banks", RBI/2013-14/377 A.P. (DIR Series) Circular No. 77.
	On 3 December 2013, India relaxed conditions for the raising of capital abroad by unlisted companies.	3 December 2013	Press note 7 (2013), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, 3 December 2013.
	On 24 December 2013, the Reserve Bank of India allowed residents in India who have borrowed in Rupees from a person resident outside India to issue tax-free, secured, redeemable, non-convertible bonds in Rupees to persons resident outside India to use such borrowed funds for on lending or re-lending to the infrastructure sector; and for keeping in fixed deposits with banks in India pending utilization.	24 December 2013	"Borrowing and Lending in Rupees - Investments by persons resident outside India in the tax free, secured, redeemable, non-convertible bonds", RBI/2013-14/416 A.P. (DIR Series) Circular No.81.
	On 8 January 2014, India reviewed its position with regard to FDI in the pharmaceuticals sector. While the ceilings and entry routes for FDI in this sector remains unchanged, "non-compete" clauses are henceforth not allowed, except in special circumstances.	8 January 2014	Press note 1 (2014), Department of Policy and Promotion, Ministry of Commerce and Industry, 08 January 2014.
	On 17 January 2014, the Reserve Bank of India gave its permission to foreign investors to buy shares in the South Indian Bank. Equity shares of the South Indian Bank can be purchased through the primary market and stock exchanges.	17 January 2014	*Press Release 2013-2014/1442*, The Reserve Bank of India, 17 January 2014.
	On 3 February 2014, the Reserve Bank of India notified that FIIs, through primary market and stock exchanges, can now purchase up to 30 per cent of the paid up capital of M/s. Power Grid Corporation of India Limited under the Portfolio Investment Scheme (PIS).	3 February 2014	*Press Release 2013-2014/1553*, The Reserve Bank of India, 3 February 2014.
	On 4 February 2014, India modified the conditions that apply to FDI in the insurance sector: the Government clarified that the existing 26 percent cap on foreign investment in the insurance sector also applies to intermediaries such as brokers, third party administrators and surveyors.	4 February 2014	Press note 2 (2014), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, 4 February 2014.
	On 14 February 2014, the Reserve Bank of India reduced the caps applicable to FIIs, Qualified Foreign Investors (QFIs) and long term investors in corporate debt: the existing sub-limit applicable to such investments in commercial paper of USD 3.5 billion was reduced by USD 1.5 billion to USD 2 billion.	14 February 2014	"*Foreign investment in India by SEBI registered FII, QFI and long term investors in Corporate Debt*", RBI/2013-14/494 A.P. (DIR Series) Circular No.104.

	On 25 March 2014, the Reserve Bank of India established a framework for investments under a new scheme called "Foreign Portfolio Investment" scheme. Under the scheme, a FII and a QFI may purchase and sell shares and convertible debentures of Indian companies through registered broker on recognised stock exchanges in India as well as purchase shares and convertible debentures which are offered to the public. The individual and aggregate investment limits for the RFPIs shall be below 10 per cent or 24 per cent respectively of the total paid-up equity capital or 10 per cent or 24 per cent respectively of the paid-up value of each series of convertible debentures issued by an Indian company. Further, where there is composite sectoral cap under FDI policy, these limits for RFPI investment shall also be within such overall FDI sectoral caps.	25 March 2014	"*Foreign Portfolio Investor - investment under Portfolio Investment Scheme, Government and Corporate debt*", RBI/2013-14/533 A.P. (DIR Series) Circular No.112.
	On 7 April 2014, the Reserve Bank of India restricted the scope of Government dated securities that foreign institutional investors can invest in. Henceforth, these investors may only invest in Government dated securities having residual maturity of one year and above.	7 April 2014	"*Foreign investment in India in Government Securities*", RBI/2013-14/556 A.P. (DIR Series) Circular No.118.
Investment measures relating to national security	None during reporting period.		
Indonesia			
Investment policy measures	On 23 April 2014, the government of Indonesia amended the list of business fields open or closed to foreign investors. Among others, the new decree increased the foreign investment cap in several industries, including for pharmaceuticals to 85 percent from 75 percent, venture capital operations to 85 percent from 80 percent and power plant projects carried out as a public-private partnership to 100 percent from 95 percent. However it also restricted foreign ownership ceiling in several industries. For example, onshore oil production facilities which foreign investors could own up to 95 percent are no longer open to foreign investment and the foreign capital ownership for data communications system services was reduced from 95 percent to 49 percent. The new decree substitutes the previous decree, Presidential Decree No. 36 of 2010.	23 April 2014	Presidential Decree No.39/2014, Indonesia Investment Coordinating Board, 23 April 2014.
Investment measures relating to national security	None during reporting period.		
Italy			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	Decree of the President of the Republic of 19 February 2014 n. 35 containing the Regulation identifying the procedures for the exercise of the special powers according to Article 1, §8 of the Decree 15 March 2012, n. 21 (converted by Law 11 May 2012, n. 56). The Regulation assigns to the Prime Minister the task of coordinating the activities for the exercise of the special powers provided for by Article 1 of the Decree 15 March 2012, n. 21 in the defence and national security sector. To this aim, the Prime Minister shall identify the governmental offices responsible for and involved in the coordination activities and shall establish a coordination group. He shall also fix the timing and modes of connection between the Ministries concerned and the modes and online procedures to ensure the timely exercise of the special	21 March 2014	"Regolamento per l'individuazione delle procedure per l'attivazione dei poteri speciali nei settori della difesa e della sicurezza nazionale, a norma dell'articolo 1, comma 8, del decreto-legge 15 marzo 2012, n. 21", Presidential Decree of 19 February 2014 n. 35, Italian Republic's Official Gazette, 20 March 2014.

	powers and the security of the transmitted data (art. 2). As to the procedures (art. 3), the investigation and the proposal for the exercise of the special powers shall be assigned to the Ministry of Economy and Finance for the companies in which it holds shares, directly or by means of other companies in which it holds shares and to the Ministry of Defence or to the Ministry of Interior for the other companies (the requirements of the proposal are listed in the Regulation, art.6). The Regulation also provides for: the parties bound to notify; the procedural rules for monitoring the effective exercise of the special powers; the requirements for the validity of the notifications; the sanctions to be applied in case of non-compliance with its obligations and the rules on the confidentiality of information (arts. 4, 5, 7, 8, 9).		
Japan			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Republic of Korea			
Investment policy measures	Korea amended the Foreign Investment Promotion Act. Under the current Act on Monopoly Regulation and Fair Trade, a subsidiary of a holding company could not - up to now - make a joint investment with a foreigner. The amendment allows subsidiaries to establish a joint venture with a foreigner under certain conditions: - The subsidiary holds 50 percent or more of the total stocks issued by the joint stock corporation; - The foreigner holds 30 percent or more of the total stocks; - The investment falls into the category of “separate” foreign investment, etc. The revised act was promulgated on 10 January 2014 and became effective as of 11 March 2014.	10 January 2014	“Amendment to Foreign Investment Promotion Act”, The National Assembly of the Republic of Korea, 9 January 2014.
Investment measures relating to national security	None during reporting period.		
Mexico			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Other developments	On 20 December 2013, amendments to the Mexican Constitution were published in the Federal Official Gazette. These amendments are focused on reforming the energy sector and include the possibility for private capital to participate in the oil industry through contracts for services, production-sharing, profit-sharing, and licenses. The exact terms of private sector participation in these activities shall	20 December 2013	“Decreto por el que se reforman y adicionan diversas disposiciones de la Constitución Política de los Estados Unidos Mexicanos, en Materia de Energía”, Diario Oficial de la Federación Tomo

	be defined by secondary legislation yet to be issued.		DCCXXIII No. 17, Diario Oficial, 20 December 2013.
	On 10 January, 2014, a decree was published in the Federal Official Gazette in order to reform the regulation of the Mexican financial sector. This decree eliminates all remaining restrictions pertaining specifically to foreign participation in the financial sector, particularly those related to insurance and bonding institutions, exchange houses, bonded warehouses, retirement funds management and credit information companies, securities rating agencies and insurance agents. The decree has been in force since the working day following its publication.	10 January 2014	"Decreto por el que se reforman, adicionan y derogan diversas disposiciones en materia financiera y se expide la Ley para Regular las Agrupaciones Financieras", Diario Oficial de la Federación, Tomo DCCXXIV No.8, Diario Oficial, 10 January, 2014.
Russian Federation			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 4 February 2014, changes to the Federal Law "*On the Procedures of Foreign Investments in the Business Entities of Strategic Importance for National Defence and State Security*" (No.57-FZ) entered into effect. The changes, introduced by Federal Law "*On Introducing Changes to Some Legislative Acts of the Russian Federation on Providing Transport Security*" (No. 15-FZ) of 3 February 2014 specify the types of activities of strategic importance for the national defence and state security by adding three activities: (i) evaluation of the vulnerability of the transport infrastructure facilities and the means of transport by specialized organizations; (ii) the protection of transport infrastructure facilities and (iii) the means of transport by transport security units from the acts of unlawful intervention; and the support to certification of transportation security by the certifying authorities.	4 February 2014	"Changes to the strategic types of activities in the law on foreign investments", Federal Antimonopoly Service media release, 10 February 2014.
Saudi Arabia			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
South Africa			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Turkey			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		

United Kingdom			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
United States			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Other developments	On 18 February 2014, the Federal Reserve Board approved a final rule that affects supervision and regulation of foreign banking organisations operating in the United States. The requirements in the final rule will bolster the capital and liquidity positions of the U.S. operations of foreign banking organisations. The rule requires foreign banking organisations with U.S. non-branch assets of USD 50 billion or more to establish a U.S. intermediate holding company over its U.S. subsidiaries. The foreign-owned U.S. intermediate holding company will generally be subject to the same standards applicable to domestically owned U.S. bank holding companies. Foreign banking organisations with total consolidated worldwide assets of USD 50 billion or more, but combined U.S. assets of less than USD 50 billion, will be subject to enhanced prudential standards including liquidity, capital, risk-management, and stress-testing requirements. The final rule will enter into effect on 1 June 2014.	18 February 2014	Board of Governors of the Federal Reserve System, Final Rule; press release, 18 February 2014.
European Union			
Investment policy measures	None during reporting period.		

ANNEX 1: Methodology—Coverage, Definitions and Sources

Reporting period. The reporting period of the present document is from 16 November 2013 to 15 May 2014. An investment measure is counted as falling within the reporting period if new policies were prepared, announced, adopted, entered into force or applied during the period.

Definition of investment. For the purpose of this report, international investment is understood to include all international capital movements, including foreign direct investment.

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

National security. International investment law, including the OECD investment instruments, recognises that governments may need to take investment measures to safeguard essential security interests and public order. The investment policy community at the OECD and UNCTAD monitors these measures to help governments adopt policies that are effective in safeguarding security and to ensure that they are not disguised protectionism.

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

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

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