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HIGHLIGHTS

Thirty three countries or economies took forty five investment policy measures in the review period (March 2014–December 2014). The share of liberalization and promotion measures reached eighty two percent – slightly above the average of recent years. These policies related to numerous sectors and industries. Despite these numerous measures aimed at improving investment conditions, there are also new concerns about the role of foreign investors in host countries.

A recent UNCTAD survey shows that countries increasingly pay attention to sustainable development in their national investment policies. However, the share of such measures among all investment-related policy changes is still low (approximately 8 percent). More can be done in investment policies to enhance the contribution of foreign investment to the sustainable development goals.

Fifty one economies concluded twenty six new international investment agreements (IIAs), from a total of twenty seven IIAs concluded in 2014. These include fourteen bilateral investment treaties (BITs) and twelve "other IIAs." Negotiations for one megaregional agreement (CETA) were concluded, and negotiations for six others continue. By end of 2014, the IIA universe consisted of 3262 agreements.

A. National investment policies

As in previous review periods, the vast majority of new investment policy measures aimed at creating more favourable investment conditions (figure 1). In total, 45 measures were taken, involving 33 countries or economies (table 1). Investment liberalisation and promotion measures were adopted in numerous important sectors and industries, including air transportation, national defense, railway infrastructure, pharmaceuticals, power plants and telecommunication. New investment restrictions for foreign investors mainly related to oil production, data communication and media companies.

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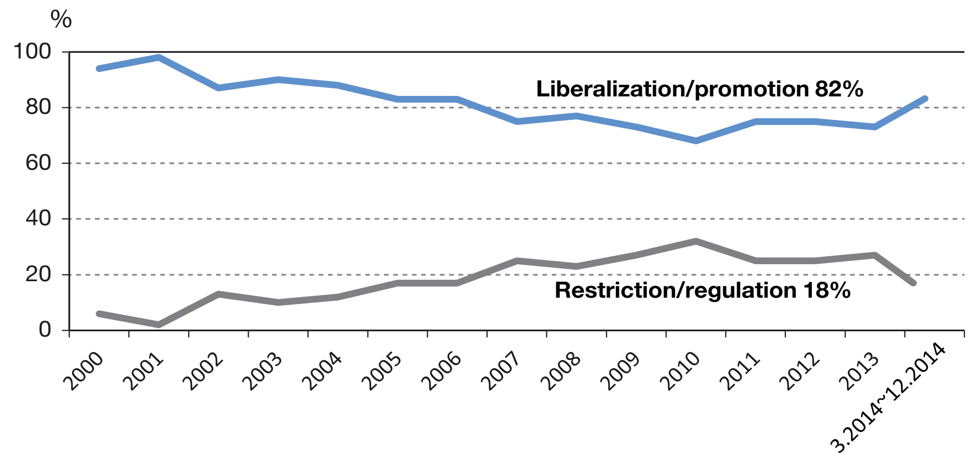
Figure 1. Changes in national investment policies, 2000–2014[1]



Source: UNCTAD.

Table 1. Summary table of national investment policy measures adopted between 1 March 2014 and 31 December 2014

	Entry (24)	Operational treatment (3)	Promotion/ Facilitation (10)	General business climate (8)
Argentina	1			
Australia	1			
Bolivia, Plurinational State of			1	
Bulgaria		1		
China			1	1
Côte d'Ivoire	1			
Cuba		1		
Cyprus	1			
Ethiopia			2	
European Union	1			2
Fiji	1			
France	1			
India	4			
Indonesia	1			
Iraq	1			
Italy	1			
Korea, Republic of			1	
Kuwait	1			
Mexico	1			1
Mozambique	1		1	
Myanmar	1			
Russian Federation	1			
Rwanda	1			
Saudi Arabia				1
Serbia	1			
Seychelles	1			
Sierra Leone				1
South Africa			2	
Ukraine				1
United States of America	1			
Uruguay				1
Viet Nam		1	2	
Zimbabwe	1			

Source: UNCTAD.

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

[1] The measures in Figure 1 do not include policy measures related to the general business climate, such as corporate taxation, environmental or labour legislation.

Despite these numerous policy changes towards a more favourable investment climate, there are also some signs of a more critical approach towards foreign investment. One prominent example is the intensifying debate about tax evasion practices of some multinational enterprises. Second, against the background of weak economic performance and high unemployment rates in many countries, industrial policy as a means to strengthen domestic companies is gaining ground. Third, there are complaints that antitrust policies become increasingly politicized, and that M&As involving foreign firms are blocked or approved under tough conditions. Fourth, in addition to long-lasting concerns about the market power of big multinationals, there are new worries related to the social media industry, including concerns about data privacy, copyright protection, and net neutrality.

1. Entry/Establishment of investment

Twenty one economies - *Argentina, Australia, Côte d'Ivoire, Cyprus, the European Union, Fiji, France, India, Indonesia, Iraq, Italy, Kuwait, Mexico, Mozambique, Myanmar, Russian Federation, Rwanda, Serbia, Seychelles, the United State of America and Zimbabwe* – adopted new policy measures relating to the entry and establishment of foreign investors. Mostly they relaxed restrictions on foreign ownership or opened up new business activities to investment.

Among the most noteworthy measures are:

- *Australia* eased foreign ownership restrictions on the Australian flag carrier Qantas.
- *France* and *Italy* modified existing legislation related to national security. The French amendment extends the coverage of the existing review mechanism for inward foreign investment to six additional activities.[2] The Italian measure establishes procedures for the exercise of special powers of the government in connection with investments in the defense and national security sector.
- *Indonesia and Viet Nam* amended the list of business activities open or closed to foreign investors.
- *India* raised the foreign direct investment cap in the defense sector from 26 percent to 49 percent under the government route. It also liberalized foreign investment in railway infrastructure, a sector that was hitherto closed to FDI.
- *Mexico* now allows foreign direct investment up to 100 percent in telecommunications and up to 49 percent in the broadcasting sector.

2. Operational treatment of investment

Only a few countries - *Bulgaria, Cuba, and Viet Nam* – took measures with respect to the treatment of investors after establishment in the host country.

- *Bulgaria* has taken control of the Corporate Commercial Bank and its subsidiary.
- *Cuba* adopted a new Foreign Investment law offering guarantees and incentives to investors.
- *Viet Nam* entitled foreign entities to open Viet Nam dong accounts for the purpose of receipt and expenditure transactions of foreign investment.

3. Promotion/Facilitation of investment

Seven countries – *the Plurinational State of Bolivia, China, Ethiopia, the Republic of Korea, Mozambique, South Africa and Viet Nam* – adopted measures for the promotion or facilitation of investment. For instance,

- *China* introduced new rules on the Administration of outward direct investment. Under the new rules, only outward direct investment in countries or regions and industries identified as "sensitive" require approval of the Ministry of Commerce.
- *Mozambique and South Africa* established new special economic zones.

[2] These activities relate to the sustainability, integrity and safety of energy supply; water supply; transport networks and services; electronic communications networks and services; operation of a building or installations of vital importance, and protection of public health.

- The Republic of Korea eased foreign direct investment conditions in 'Complex-type foreign investment areas'. The complex-type foreign investment areas refer to sections of national or general local industrial complexes that have been pre-designated for lease or sales, for the purpose of attracting small- and medium-sized foreign-invested companies.
- *Viet Nam* revised the Law on Investment and the Law on Enterprises, improving the business environment.

4. General business climate

Seven economies – *China, the European Union, Mexico, Saudi Arabia, Sierra Leone, Ukraine and Uruguay* - undertook measures affecting the general business climate. These measures related mainly to reducing the corporate tax burden; others seek to enforce labour rules. For example,

- *Saudi Arabia* revised its Income Tax Law, repealing, among others, joint tax liabilities of companies on capital gains that accrue to a seller of shares in the company.
- *Uruguay* strengthened the criminal liability of employers for working accidents.

5. Investment policy measures related to sustainable development (SD)

Countries increasingly pay attention to sustainable development in their national investment policies. However, the share of such measures among all investment-related policy changes is still low.

More private investor involvement in sectors and industries related to sustainable development is crucial, also in order to achieve the Sustainable Development Goals currently being prepared by the United Nations. Private investment can play an important role in infrastructure development, health, education and climate change-mitigating activities. This section provides a brief overview of recent investment policy developments in these areas, covering the period from 2010 to 2014.

Thirty two countries took fourty-five investment policy measures in one or several of the above-mentioned sectors or activities between 2010 and 2014. The share of such policy measures among all reported investment policy measures in the review period is small – approximately 8 percent. Within the group of SDG-related investment policies, liberalization or promotion measures accounted for around three quarters. In their majority, countries therefore aimed to attract more private investment into SDG sectors.

By region, investment policy measures related to SDG-sectors were mainly reported for countries in Asia followed by Latin America (figure 2-1). Interestingly, all reported measures from Asian countries aim at improving entry conditions and facilitating foreign investment. For instance, *India* permitted foreign investment in diverse industries including railways, health and medical services. Another example is *Indonesia*, which liberalized the construction sector, health services and electricity generation.

By sector, investment policy measures related to infrastructure development (including roads, ports, airports, energy generation and distribution, water supply and sanitation) were dominant (53 percent). For example, numerous countries liberalized or facilitated private investment in energy generation and distribution as well as water supply. As shown in figure 2-2, investment policies related to education came next (17percent). Investment measures related to health services were less prominent. For example, *China* allowed fully foreign-owned hospitals to be established on the Chinese mainland and the *Russian Federation* exempted education and healthcare services from the corporate profit tax.

It is important to keep in mind that liberalisation and promotion policies related to investment in SD-related sectors alone do not guarantee a positive development impact of the investment. It is equally important that host countries have in place a sound regulatory framework that seeks to maximize positive development impacts of investment and to mimimize associated risks by safeguarding public interests in these politically sensitive sectors. This implies, in particular, to balance the need for attractive risk-return rates for investors with the need for accessible and affordable services (see UNCTAD, World Investment Report, 2014).

Figure 2.1. SD-related investment policy measures by region

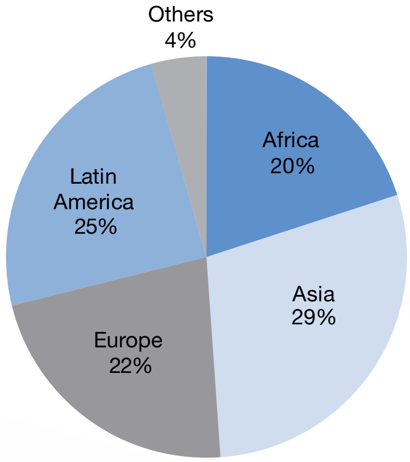
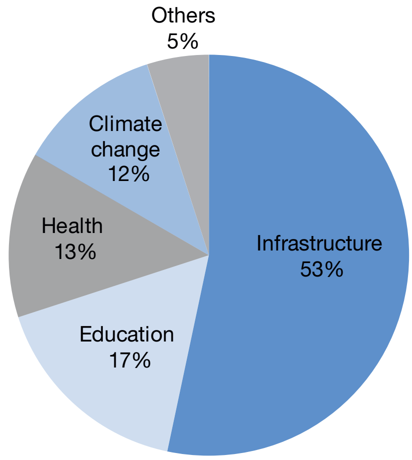


Figure 2.2. SD-related investment policy measures by sector



Source: UNCTAD.

B. International investment policies

1. IIAs signed

During the reporting period, fourteen bilateral investment treaties (BITs) were signed.

Seven BITs were signed between a developed country and a developing country (*Canada* and *Cameroon*,[3] *Canada* and *Nigeria*,[4] *Colombia* and *France*,[5] *Israel* and *Myanmar*,[6] *Canada* and *Senegal*,[7] *Canada* and *Mali*,[8] and *Canada* and *Côte d'Ivoire*[9]). Three BITs were signed between developing countries (*Colombia* and *Turkey*,[10] *Burkina Faso* and *Singapore*,[11]and *Côte d'Ivoire* and *Singapore*[12]). Two BITs were signed between a developed country and a country with an economy in transition (*Georgia* and *Switzerland*[13] and *Canada* and *Serbia*[14]), one BIT was signed between a developing country and a country with an economy in transition (*Kyrgyzstan* and *Qatar*[15]), and another was signed between countries with transition economies (*Azerbaijan* and *the Russian Federation*).[16]

26 new IIAs were concluded from March to December 2014. Out of these, 12 were "other IIAs", such as FTAs, showing the growing importance of these treaties.

Three Canadian BITs analyzed (with *Cameroon, Nigeria* and *Serbia*)[17] cover both pre-establishment (i.e. liberalization) and post-establishment (i.e. protection)

[3] Signed on 3 March 2014.
[4] Signed on 6 May 2014.
[5] Signed on 10 July 2014.
[6] Signed on 5 October 2014.
[7] Signed on 27 November 2014.
[8] Signed on 28 November 2014.
[9] Signed on 30 November 2014.
[10] Signed on 28 July 2014.
[11] Signed on 27 August 2014.
[12] Signed on 27 August 2014.
[13] Signed on 3 June 2014.
[14] Signed on 1 September 2014.
[15] Signed on 8 December 2014.
[16] Signed on 29 September 2014.
[17] The texts of the nine other BITs signed during the reporting period (Azerbaijan–Russian Federation, Burkina Faso–Singapore, Canada–Mali, Canada–Senegal, Colombia–France, Côte d'Ivoire–Singapore, Colombia–Turkey, Georgia–Switzerland and Israel–Myanmar) are not yet available as of the date of this report.

issues. They include provisions on national treatment (NT) and most-favoured nation (MFN) treatment, expropriation, fair and equitable treatment (FET), the prohibition of performance requirements, free-transfer-of-funds clauses, as well an investor-State dispute settlement (ISDS) mechanism. The agreements include several of the sustainable development elements increasingly found in IIAs.[18] These include a reference to sustainable development in the preamble, explicit recognition that parties should not relax health, safety or environmental standards to attract investments, and a clause on corporate social responsibility (CSR). The agreements also contain treaty elements that aim more broadly at preserving regulatory space for public policies of host countries and/or at minimizing exposure to investment arbitration. These include a refined definition of investment, a clarification of what does and does not constitute indirect expropriation, a list of general exceptions, exceptions from the free-transfer-of-funds obligations, the omission of the so-called umbrella clause, a denial of benefits clause and several refinements to the ISDS mechanism.[19]

In addition to BITs, twelve other international investment agreements ("other IIAs") were signed during the reporting period: three free trade agreements (FTAs) with investment chapters (between *Mexico* and *Panama*,[20] *Australia* and *the Republic of Korea*,[21] *Canada* and *the Republic of Korea*[22]); two Economic Partnership Agreements (EPAs) with investment chapters (between *Australia* and *Japan*,[23] and *Japan* and *Mongolia*[24]); two trade in services and investments agreements (the Protocol on Services and Investment to the Treaty Establishing a Eurasian Economic Union between *Belarus*, *Kazakhstan* and *the Russian Federation*,[25] and the *Association of Southeast Asian Nations (ASEAN)*[26] - India Services and Investment Agreement[27]); three Association Agreements (between the *European Union*[28] and *Georgia*,[29] *Moldova*[30] and *Ukraine*[31]); and two agreements containing general, non-binding references to investment (the FTA between *Malaysia* and *Turkey*,[32] and the Trade and Investment Framework Agreement (TIFA) between the *Economic Community of West African States* (ECOWAS)[33] and *the United States of America*[34].

The investment chapter of the FTA between *Mexico* and *Panama* covers both liberalization and protection issues. Among others, it includes provisions on NT and MFN treatment, expropriation, FET, the prohibition of performance requirements, free-transfer-of-funds clauses, as well as an ISDS mechanism. The preamble of the agreement contains a reference to the State's right to regulate. The investment chapter also contains sustainable development features. These include references to the protection of health and environment and a "not lowering standards" clause. It also includes elements that aim at preserving regulatory space for public policies of host countries and/or at minimizing exposure to investment arbitration. These include a definition of indirect expropriation, a carve-out from expropriation for general regulatory measures and compulsory licenses in conformity with

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18 See UNCTAD, World Investment Report 2014, p. 117. http://unctad.org/en/PublicationsLibrary/wir2014_en.pdf.

19 For example: a limited number of treaty provisions are subject to ISDS, there is a time limit of three for the filing of claims, there is a clause on public access to hearings and documents, amicus curiae submissions are allowed, a right to attend hearings and make submissions to the tribunal on questions of interpretation of the agreement is granted to the non-disputing contracting Party.

20 Signed on 3 April 2014.

21 Signed on 8 April 2014.

22 Signed on 22 September 2014.

23 Signed on 8 July 2014.

24 Signed on 22 July 2014.

25 Signed on 29 May 2014.

26 ASEAN: Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam.

27 Signed on 8 September 2014.

28 European Union: Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom.

29 Signed on 27 June 2014.

30 Signed on 27 June 2014.

31 Signed on 27 June 2014.

32 Signed on 17 April 2014.

33 ECOWAS: Benin, Burkina Faso, Cabo Verde, Côte d'Ivoire, Gambia, Ghana, Guinee, Guinee Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

34 Signed on 5 August 2014.

WTO law, exceptions from the free-transfer-of-funds obligations, a denial of benefits clause, transparency clauses directed at States and investors, exclusion of ISDS from the scope of the MFN clause and refinements of the ISDS clause.[35]

The provisions of the FTA between *Australia* and *the Republic of Korea*, signed on 8 April 2014, have been analysed in the twelfth Investment Policy Monitor.[36]

The investment chapter of the FTA signed between *Canada* and *the Republic of Korea* covers both liberalization and protection issues. The chapter contains provisions on NT and MFN treatment, expropriation, FET, the prohibition of performance requirements, free-transfer-of-funds, as well as an ISDS mechanism. The agreement features sustainable development elements, notably in its preamble[37] and in the investment chapter that includes a specific clause on investment and the environment, a "not lowering standards" clause, as well as a CSR clause. It also contains elements that aim at preserving regulatory space for public policies of host countries and/or at minimizing exposure to investment arbitration. These include a clarification of indirect expropriation, a list of general exceptions, an exception to the free-transfer-of-funds clause, exclusion of compulsory licenses in conformity with the WTO from the expropriation and compensation clause and a refined ISDS mechanism.[38]

The investment provisions of the EPA between *Australia* and *Japan*[39] provide for post-establishment protection. The EPA includes provisions on NT and MFN treatment, FET, the prohibition of performance requirements, expropriation and free-transfer-of-funds clauses. The agreement also contains general exceptions for measures necessary to protect human, animal and plant life or health, including environmental measures, refines indirect expropriation (e.g. excluding non-discriminatory regulatory actions taken in the public interest),[40] allows for temporary safeguard measures with regard to cross-border capital transactions in specific cases as well as exceptions to the free-transfer-of-funds clause. The treaty does not contain an ISDS clause, but has a review mechanism through which ISDS provisions can be added to the agreement.

The Protocol on Services and Investment[41] to the Treaty Establishing a Eurasian Economic Union between *Belarus*, *Kazakhstan* and *the Russian Federation* contains post-establishment NT and MFN treatment, provisions on expropriation, and a free free-transfer-of-funds clause (that contains no exceptions). The protocol also contains a "not lowering standards" clause, referring to measures necessary to protect human life, the environment, national security and labour standards, as well as an ISDS mechanism.[42] *Armenia* joined the Eurasian Economic Union when it came into force on 1 January 2015.

The three association agreements signed between the *European Union* and *Georgia*, *Moldova* and *Ukraine* contain provisions granting NT and MFN treatment[43] with regards to the operation of subsidiaries, branches and representative offices of juridical persons of the parties, as well as obligations related to the free movement of capital relating to direct investments, subject to exceptions. There are sustainable development features

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35 For example: there is a time limit of three for the filing of claims, there are provisions ensuring the transparency of the proceedings, amicus curiae submissions are allowed, the non-disputing Party is allowed to submit an opinion to the tribunal.

36 UNCTAD, Investment Policy Monitor nr. 12, p.5. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf.

37 References to the environment, the enforcement of basic workers' rights and cooperation on labour matters, the promotion of sustainable development, and the flexibility to safeguard public welfare.

38 For example: a limited number of treaty provisions are subject to ISDS, there is a time limit of three years for the filing of claims, there is a clause on public access to hearings and documents, amicus curiae submissions are allowed, a right to attend hearings and make submissions to the tribunal on questions of interpretation of the agreement is granted to the non-disputing contracting Party.

39 The text of the Japan–Mongolia EPA is not available yet as of the date of this report.

40 Such as measures necessary to protect public morals or to maintain public order, measures necessary to protect human, animal or plant life or health and measures relating to fraud prevention and the privacy of individuals, measures related to safety, measures imposed for the protection of national treasures of artistic, historic or archeological value, measures related to the protection of non-living exhaustible natural resources.

41 The text of the ASEAN–India Trade in Services and Investments Agreement is not yet available as of the date of this report.

42 The investor can choose irrevocably between a procedure before the national courts or before an international tribunal.

43 But this obligation does not extend to the investment protection provisions not covered by this Chapter, including provisions relating to ISDS procedures, as found in other agreements.

in the preambles, such as references to the rule of law, good governance, human rights, fundamental freedoms, environmental protection, sustainable development and the green economy. The agreements also contain a provision ensuring that investors of the parties may benefit from any more favourable treatment provided for in any existing or future international agreement relating to investment to which a Member State of the European Union and, respectively, Georgia, Moldova or Ukraine, are parties.

The FTA between *Malaysia* and *Turkey* contains general, non-binding references to investment (framework agreement). The parties agree to encourage each other's investments in their respective markets, especially between small and medium-sized enterprises; to cooperate in promoting investment including through discussion and information exchange; and to begin exploratory talks regarding an investment chapter.[44] The agreement refers to the already existing BIT between Malaysia and Turkey,[45] and clarifies that the contents of the new FTA do not replace or alter the provisions of the existing BIT.

The ECOWAS–*United States* TIFA establishes an institutional framework to monitor and expand trade and investment opportunities between the ECOWAS Member States and the United States.[46]

2. IIAs that entered into force

A number of IIAs entered into force during the period under review. Examples include: the BITs between *Japan* and *Myanmar*,[47] *Japan* and *Mozambique*,[48] *Canada* and *China,*[49] and *Finland* and *Hong Kong, China*;[50] the FTAs between *Chile* and *Hong Kong, China*,[51] *China* and *Switzerland*,[52] the *Central American States*[53] and the *European Free Trade Association* (*EFTA*),[54] [55] *Colombia* and *EFTA*,[56] and *Canada* and *Honduras*;[57] the EPA between *Cameroon* and the *European Union*[58] and the trilateral investment agreement between *China, Japan* and the *Republic of Korea*.[59]

3. Concluded IIA negotiations

In addition, a number of negotiations were concluded. Examples include negotiations for: the FTAs between *Canada* and *Burkina Faso*,[60] *Ecuador* and the *European Union*,[61]

[44] Article 14.3 of the agreement reads: «to begin exploratory talks on investment one year after the entry into force of this Agreement with a view to include a Chapter on Investment to this Agreement, on a mutually advantageous basis».

[45] Signed on 25 February 1998.

[46] http://www.ustr.gov/about-us/press-office/press-releases/2014/August/US-ECOWAS-Sign-Trade-and-Investment-Framework-Agreement. The text of the ECOWAS–US TIFA is not yet available as of the date of this report.

[47] Entered into force on 7 August 2014.

[48] Entered into force on 29 August 2014.

[49] Entered into force on 1 October 2014. http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fipa-apie/index.aspx?lang=eng.

[50] Entered into force on 16 March 2014. http://www.tid.gov.hk/english/aboutus/presspeech/press/2014/20140316.html.

[51] Entered into force on 9 October 2014.

[52] Entered into force on 1 July 2014.

[53] Costa Rica and Panama. Guatemala will soon accede to the agreement: http://www.efta.int/free-trade/news/guatemala-ready-join-eftas-free-trade-network-3371, while negotiations with Honduras are on hold: http://www.efta.int/free-trade/ongoing-negotiations-talks/central-america.

[54] EFTA: Switzerland, Liechtenstein, Iceland, and Norway.

[55] The entry into force occurred in three stages: on 19 August 2014 between Norway and the Central American States; on 29 August 2014 between Liechtenstein and Switzerland and the Central American States; and on 5 September 2014 between Iceland and the Central American States.

[56] Entered into force on 1 September 2014.

[57] Entered into force on 1 October 2014.

[58] Entered into provisional application upon its ratification by the Parliament of Cameroon on 4 August 2014, see: EU Commission, Overview of EPA negotiations, update of October 2014, available at: http://trade.ec.europa.eu/doclib/docs/2009/september/tradoc_144912.pdf.

[59] Entered into force on 17 May 2014.

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

[61] Concluded on 17 July 2014. http://europa.eu/rapid/press-release_IP-14-845_en.htm

EFTA and *Guatemala*,[62] the *European Union* and *Singapore*,[63] *Australia* and *China*,[64] the *Republic of Korea* and *New Zealand*,[65] the *Republic of Korea* and *Viet Nam*[66]; and the EPAs between the *European Union* and the *South African Development Community* (SADC),[67] [68] the *East African Community* (EAC)[69] and the *European Union*,[70]and the *Euroasian Customs Union of Russia, Belarus and Kazakhstan* and *Viet Nam*.[71] The negotiations of a Comprehensive Economic and Trade Agreement (CETA) between *Canada* and the *European Union* were also concluded.[72] *China* and the *Republic of Korea* reached an agreement on the substantive part of their FTA negotiations.[73]

4. Ongoing IIA negotiations

A number of IIA negotiations are ongoing. Particularly active are, for example, *Canada*[74] and *China*. [75] Other ongoing IIA negotiations include those between the *European Union* and *Myanmar*,[76] and between *El Salvador* and *Trinidad and Tobago*;[77] *ASEAN* and *Hong Kong, China* (first round in July),[78] *Chile* and *Indonesia*,[79] *Chile* and *Japan* (agreement to deepen the existing trade agreement),[80] and between *China, Japan* and the *Republic of Korea* (sixth round in November),[81] *EFTA* and *Indonesia*,[82] *EFTA* and *Malaysia* (third round

At least 53 IIAs are currently under negotiations, some of them involving negotiations on “megaregionals”. New IIAs increasingly include sustainable development features.

62 Concluded on 15 October 2014. The negotiations took place within the framework of the EFTA–Central America FTA (see footnote 54) http://www.efta.int/free-trade/news/efta-and-guatemala-conclude-free-trade-negotiations-3281.

63 Concluded on 17 October 2014. http://trade.ec.europa.eu/doclib/docs/2014/october/tradoc_152846.pdf

64 Concluded on 17 November 2014. http://www.pm.gov.au/media/2014-11-17/conclusion-china-australia-free-trade-agreement.

65 Concluded on 15 November 2014. http://www.beehive.govt.nz/release/new-zealand-korea-fta-negotiations-conclude.

66 Concluded on 10 December 2014. http://www.vietnamembassy-seoul.org/en/news_object_view?newsPath=/vnemb.vn/tin_hddn/ns141216163824.

67 SADC: Botswana, Lesotho, Mozambique, Namibia, South Africa and Swaziland. Angola has an option to join the agreement in future.

68 Concluded on 15 July 2014.

69 EAC: Burundi, Kenya, Rwanda, Tanzania, and Uganda.

70 Concluded on 16 October 2014.

71 Concluded on 15 December 2014. http://www.mof.gov.vn/portal/page/portal/mof_en/dn?pers_id=2420195&item_id=155309676&p_details=1.

72 According to the Government of Canada, technical negotiations were concluded on 5 August 2014 http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fta-ale.aspx?lang=eng. A European Union analysis states that negotiations were concluded on 26 September 2014. http://www.europarl.europa.eu/RegData/etudes/IDAN/2014/536410/EXPO_IDA(2014)536410_EN.pdf.

73 The conclusion of the substantive negotiations was announced on 10 November 2014. http://english.mofcom.gov.cn/article/newsrelease/significantnews/201411/20141100806835.shtml.

74 Canada is negotiating BITs, among others, with Ghana, Indonesia, Kazakhstan, Kenya, Kosovo, Macedonia, Mongolia, Pakistan, Tunisia, United Arab Emirates and Viet Nam. http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fipa-apie/index.aspx?lang=eng. Canada is also negotiating several FTAs/EPAs (with respectively: the Caribbean Community (CARICOM), the Central America Four (CA4), the Dominican Republic, India, Japan, Morocco, Singapore, Ukraine), and it is in the process of carrying out negotiations to modernize existing FTAs with Costa Rica and Israel. http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fta-ale.aspx?lang=eng.

75 These include FTA negotiations with Australia, Gulf Cooperation Council, Norway, and Sri Lanka. http://fta.mofcom.gov.cn/english/fta_tanpan.shtml. In addition, China is negotiating with the European Union and the United States of America.

76 http://europa.eu/rapid/press-release_IP-14-285_en.htm.

77 http://www.foreign.gov.tt/site_media/media/attachments/2014/10/15/El_Salvador_and_TT_conclude_the_negotiations-_10_Oct__2014.pdf.

78 http://www.tid.gov.hk/english/aboutus/presspeech/press/2014/20140711.html.

79 On 26 May 2014. http://www.sice.oas.org/TPD/CHL_IDN/CHL_IDN_e.asp.

80 http://www.sice.oas.org/TPD/CHL_JPN/CHL_JPN_e.ASP.

81 http://www.meti.go.jp/english/press/2014/1128_01.html.

82 http://www.efta.int/free-trade/ongoing-negotiations-talks/indonesia.

in November),[83] *EFTA* and *Viet Nam*,[84]the *European Union* and *Morocco*,[85] the *European Union* and *Viet Nam* (ninth round in September),[86] *Honduras* and *Peru* (agreed on resuming negotiations),[87] *Japan* and *Turkey* (first round in December),[88] *Mexico* and *Jordan* (second round in October),[89] *Mexico* and *Turkey*[90] (second round in October),[91] and *Singapore* and *Turkey* (launched in 2014 and in a final phase);[92] EPA negotiations are ongoing between: *Colombia* and *Japan* (eighth round in November),[93] and *Central-Africa* and *the European Union*.[94] Negotiations on a regional comprehensive EPA between the *European Union* and the *Pacific Region (PACER)*[95] representatives are also ongoing.[96]

5. Negotiations of megaregionals

During the reporting period, negotiations on megaregional integration initiatives continued.[97] These include negotiations for the Trans-Pacific Partnership (TPP) involving twelve countries, [98] the *COMESA–EAC–SADC* Tripartite Agreement, also known as Tripartite Free Trade Area (TFTA), involving 26 countries,[99] the Pacific Agreement on Closer Economic Relations (PACER Plus) involving 16 countries,[100] the Regional Comprehensive Economic Partnership (RCEP) involving 16 countries, the *European Union-United States* Transatlantic Trade and Investment Partnership (TTIP), and the *European Union–Japan* FTA.

Negotiations on the TPP continued throughout the Asia-Pacific region. The latest development was a meeting of trade ministers from TPP participating countries, held in November 2014, in Beijing, China to discuss the outstanding issues. These include intellectual property rights, the environment and state-owned enterprises.[101]

In Africa, the first phase of the TFTA negotiations is scheduled for official conclusion during the Tripartite Summit of Heads of State and Government to be held in December 2014 in Cairo, Egypt. Delegations were scheduled to proceed to negotiations on trade in services, intellectual property and competition policy.[102]

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83 http://www.efta.int/free-trade/news/efta-and-malaysia-continue-free-trade-negotiations-3451.

84 http://www.efta.int/free-trade/ongoing-negotiations-talks/vietnam.

85 http://trade.ec.europa.eu/doclib/press/index.cfm?id=1120&title=Joint-press-statement-on-the-EU-Morocco-negotiations.

86 http://aric.adb.org/fta/viet-nam-european-union-free-trade-agreement, http://trade.ec.europa.eu/doclib/press/index.cfm?id=1157&title=EU-and-Vietnam-complete-ninth-round-of-FTA-talks.

87 Negotiations resumed on 7 August 2014. http://www.sice.oas.org/TPD/CACM_PER/HND_PER_e.asp

88 http://www.globalpost.com/dispatch/news/kyodo-news-international/141125/japan-turkey-begin-fta-talks-next-week, http://www.meti.go.jp/english/press/2014/1125_02.html.

89 http://www.sice.oas.org/TPD/MEX_JOR/MEX_JOR_e.ASP.

90 The first round of negotiations took place from 14 to 16 July 2014.

91 http://www.sice.oas.org/TPD/MEX_TUR/MEX_TUR_e.ASP.

92 http://www.invest.gov.tr/en-US/infocenter/news/Pages/100714-turkey-aims-stronger-trade-ties-with-south-korea-japan.aspx, http://aric.adb.org/fta/singapore-turkey_fta.

93 http://www.sice.oas.org/TPD/COL_JPN/COL_JPN_e.ASP.

94 http://trade.ec.europa.eu/doclib/docs/2009/september/tradoc_144912.pdf.

95 Pacific Island Forum developing countries: Cook Islands, Federated States of Micronesia Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea, the Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

96 http://trade.ec.europa.eu/doclib/docs/2009/september/tradoc_144912.pdf.

97 Megaregionals are broad economic agreements among a group of countries that have a significant combined economic weight and in which investment is one of the key subject areas covered. Taking seven of these negotiations together, they involve a total of 88 developed and developing countries. If concluded, they are likely to have important implications for the current multi-layered international investment regime and global investment patterns. See UNCTAD, World Investment Report 2014, p. 119 http://unctad.org/en/PublicationsLibrary/wir2014_en.pdf.

98 Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, United States and Viet Nam.

99 Negotiations are carried out by the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC). The TFTA covers the following countries: Angola, Botswana, Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Lesotho, Libya, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Seychelles, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

100 Pacific Island Forum developing countries (see footnote 110), as well as Australia and New Zealand.

101 http://www.sice.oas.org/TPD/TPP/TPP_e.ASP.

102 http://www.ictsd.org/sites/default/files/review/BAfrica_December_8_0.pdf.

The *European Union–Japan* FTA has held a seventh round of negotiations, between 20 and 24 October 2014 in Brussels. Discussions were conducted on areas such as trade in goods, trade in services, investment, intellectual property rights, non-tariff measures, government procurement and others.[103]

PACER Plus negotiations are ongoing, Fiji accepted the May 2014 Pacific Islands Forum Leaders' invitation to participate in the negotiations and Fiji officials participated in a PACER Plus negotiating session held in Wellington in early October 2014. The fourth Non-State Actor Dialogue on PACER Plus was held on 8 December 2014 in Nadi, Fiji.[104]

TTIP negotiations are ongoing. The seventh round of negotiations took place in Washington DC, United States, on 3 October 2014.[105]

The sixth round of negotiations for the RCEP[106] was held between 1 and 5 December in New Delhi, India. In this round of negotiations, meetings of the Trade Negotiating Committee and of working groups on trade in goods, trade in services, investment, economic and technical cooperation, intellectual property, competition, and legal and institutional issues were held.[107]

6. "Other IIAs"-related developments

In addition to the conclusion, entry into force and negotiation of IIAs, a number of other important events related to international investment policies took place during the reporting period.

UNCITRAL Rules on Transparency and UNCITRAL Arbitration Rules

The UNCITRAL Rules on Transparency in Treaty-based Investor-State Arbitration and the reviewed UNCITRAL Arbitration Rules which had both been adopted in 2013,[108] came into effect on 1 April 2014.[109]

UN Convention on Transparency in Treaty-based Investor-State Arbitration

The United Nations General Assembly adopted the Convention on Transparency in Treaty-based Investor-State Arbitration on 10 December 2014. A signing ceremony will be held on 17 March 2015 in Port Louis, Mauritius, opening the convention for signature.[110]

World Investment Forum 2014 (WIF 2014) - IIA Conference

Between 13 and 16 October 2014, over 3000 participants from 150 countries, convened at UNCTAD's 4th World Investment Forum (WIF) in Geneva. The Forum fielded 300 speakers in 50 events. These included high-level decision-makers from government, business, academia and civil society. The 2014 WIF was the biggest forum so far, and confirmed the need for a global platform of this kind. Several of the sessions addressed issues related to international investment policy making.

The IIA Conference on "Reforming the International Investment Agreements Regime" on 16 October 2014 convened more than 50 key stakeholders,[111] including chief IIA negotiators, senior business representatives, representatives from relevant inter-governmental organisations and civil society. Participants addressed the challenges arising from IIAs and considered ways to reform the international investment policy regime. The IIA Conference

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103 http://www.meti.go.jp/english/press/2014/1024_02.html.

104 https://www.dfat.gov.au/fta/pacer/.

105 http://trade.ec.europa.eu/doclib/press/index.cfm?id=1158&title=EU-US-trade-%E2%80%93-7th-round-of-talks-on-transatlantic-trade-pact-ends-in-the-US.

106 6 countries: the 10 members of ASEAN (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam) and the six countries with which ASEAN has existing Free Trade Agreements (FTAs) – Australia, China, India, Japan, Korea, and New Zealand. In relation to RCEP these six non-ASEAN countries are known as the ASEAN Free Trade Partners (AFPs) source: http://www.mfat.govt.nz/Trade-and-Economic-Relations/2-Trade-Relationships-and-Agreements/RCEP/.

107 http://www.meti.go.jp/english/press/2014/1127_01.html.

108 See: 12th Investment Policy Monitor, p. 9. http://unctad.org/en/PublicationsLibrary/webdiaepcb2014d1_en.pdf.

109 http://www.uncitral.org/uncitral/uncitral_texts/arbitration/2014Transparency.html.

110 http://www.unis.unvienna.org/unis/en/pressrels/2014/unisl210.html.

111 Statements are available at http://unctad-worldinvestmentforum.org/programme/sessions/reforming-the-international-investment-agreements-regime/.

sketched the contours of a roadmap for reform of the IIA regime and called upon UNCTAD to work with other stakeholders and develop a roadmap for IIA reform that offers concrete solutions to make IIAs more supportive of sustainable development. Work will continue at an UNCTAD Expert Meeting[112] on 25-27 February 2015 in Geneva, Switzerland.

The Ministerial Round Table[113] on "Investing in the Sustainable Development Goals (SDGs)" on 16 October 2014 convened investment, trade and development ministers from 29 countries and heads of international organizations. The high-level meeting urged for the SDGs to contain concrete provisions on means of implementation, acknowledging that official development assistance and public resources would not reach far enough to achieve the ambitious set of goals, particularly in least developed countries. Speakers called for the ratcheting up of private sector investment to deliver the SDGs.

The Trade in Services Agreement (TISA)

TISA is currently being negotiated by 23 members of the World Trade Organisation.[114] The agreement aims at opening up markets and improving rules in areas such as licensing, financial services, telecoms, e-commerce, maritime transport, and professionals moving abroad temporarily to provide services. The tenth round of negotiations took place in December 2014.

South-Africa–Germany BIT termination came into effect

South-Africa unilaterally denounced its BIT with Germany[115] in 2013, the termination came into effect on 22 October 2014. The agreement will remain in force for a period of 20 years in respect of investments made prior to the date of termination.

Accession of Kyrgyzstan to the Eurasia Economic Union

Kyrgyzstan signed an accession agreement to join the Eurasia Economic Union on 23 December 2014. The accession is expected to be completed by May 2015.[116]

Accession of the Republic of San Marino to the ICSID Convention

The Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention) was signed by the *Republic of San Marino* on 11 April 2014.

Revision of India's Model BIT

A new model BIT is being considered by the Indian government for future IIA negotiations. It has been reported that the model BIT considerably departs from the 1993 model, mainly by adopting innovative approaches to key IIA clauses.[117]

[112] http://investmentpolicyhub.unctad.org/EventsCalendar/Details/235.

[113] http://unctad-worldinvestmentforum.org/programme/sessions/ministerial-round-table/.

[114] The 23 WTO members that are taking part in the TiSA talks: Australia, Canada, Chile, Taiwan Province of China, Colombia, Costa Rica, the EU, Hong Kong China, Iceland, Israel, Japan, Korea, Liechtenstein, Mexico, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, Switzerland, Turkey and the United States.

[115] Signed on 11 September 1995.

[116] http://en.eurobelarus.info/news/politics/2014/12/26/kyrgyzstan-signs-eeu-accession-agreement.html.

[117] http://articles.economictimes.indiatimes.com/2014-12-16/news/57112387_1_investment-treaty-coal-india-tci-cyprus-holdings, http://www.business-standard.com/article/pti-stories/india-to-replace-bipa-with-a-new-pact-to-protect-investments-114111900873_1.html.

ANNEX 1. Investment policy measures taken between 1 March 2014 and 31 December 2014

	Description of Measure	Date	Source
Argentina			
Entry / Treatment	The Argentine Congress approved an amendment to the Federal Hydrocarbons Law (Ley 27.007). It improves investment conditions for the Argentine hydrocarbon industry by: (i) extending exploration and production terms, (ii) creating a special type of concession for unconventional hydrocarbon projects with longer terms and lower royalties, (iii) capping royalties and bonus fees, (iv) reducing Government-take in certain types of projects, and (v) reinstating the right to export a percentage of oil and gas production while maintaining abroad the export proceeds. The benefits introduced by the Amendment are available to both new and existing investors.	31 October 2014	HIDROCARBUROS Ley 27.007 Ley Nº 17.319. Modificación, Boletin Oficial de la Republica Argentina, 31 October 2014
Australia			
Entry	On 8 August 2014, the Qantas Sale Amendment Act 2014 received Royal assent. The Act eases some foreign ownership restrictions on Australian flag carrier Qantas insofar as ownership by a single foreign investor may now exceed 25% and aggregate ownership by foreign airlines may now exceed 35%. However, foreigners may, cumulatively, still not own more than 49% in Qantas.	8 August 2014	Qantas Sale Amendment Act 2014
Bolivia, Plurinational State of			
Promotion	The President of the Plurinational State of Bolivia signed an investment promotion law (Ley de Promoción de Inversiones) which applies to domestic and foreign investments. This law, inter alia, provides that the State may offer general and specific incentives; ministries will propose general and specific incentives to the Ministry of Development Planning (Ministerio de Planificación del Desarrollo). The law also stipulates that conflicts that arise among investors be resolved in the forms and conditions established in the current regulations.	4 April 2014	Official Gazette 633NEC, 4 April 2014
Bulgaria			
Treatment	The Bulgarian National Bank has taken control of the Corporate Commercial Bank and its subsidiary after having analyzed in-depth the situation caused by insufficient liquidity.	22 June 2014	Press Release, The Bulgarian National Bank, 23 June 2014
China			
General Business Clima	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. It also removes the requirements of paying the initial capital contribution by all shareholders upon establishment of the company as well as the previous minimum contribution requirement for shareholders.	1 March 2014	Amendments To The PRC Company Law, Mondaq.com, 9 April 2014
Promotion	On 6 October 2014, new rules on Administration of China's Outward Direct Investment came into effect. Henceforth, only outward direct investment in countries or regions and industries identified as "sensitive" require the approval of the Ministry of Commerce (MOFCOM). Outward direct investment in all other countries or regions and industries only need to be registered with MOFCOM or provincial MOFCOM. Previously, MOFCOM had to approve any outward investment project worth more than USD 100 million.	6 October 2014	"Ministry of Commerce Introduces Newly Revised Measures for Foreign Investment Management", Ministry of Commerce, 12 September 2014.

Côte d'Ivoire			
Entry	The government of Côte d'Ivoire adopted a new mining code. The code extends the period for holding permits from seven to 10 years, with the possibility of prolonging by a further two years. It also stipulates that future permit areas would be reduced to 400 square kilometres from 1,000 square kilometres.	4 March 2014	Ivory Coast lawmakers approve long awaited mining code, Mineweb.com, 6 March 2014
Cuba			
Entry / Treatment	The National Assembly of Cuba approved a new law on foreign investment. This law, which replaces Law 77 of 1995, offers guarantees to investors and fiscal incentives. Among other things, the new law: enables some minor ventures to be approved at the ministerial level within 45 days, eliminates the labor tax, reduces taxes on profits to 15 per cent (or to a limit of 22.5 per cent for ventures that mine oil and other raw materials), exempts investors from paying a profit tax for eight years upon signing an agreement, exempts investors from income tax, and authorizes private farms and non-farm cooperatives to form ventures with foreign investors. As before, foreign companies will not be able to hire selectively from the open labor market or determine employee compensation; rather, they will have to involve a state agency in hiring and compensation.	29 March 2014	Aprobada la nueva Ley de Inversión Extranjera, www.granma.cu, 29 March 2014
Cyprus			
Entry	The House of Representatives of Cyprus approved a new bill on the privatization of semi-governmental organizations. It covers the privatization of the Cyprus Telecommunications Authority and the Cyprus Ports Authority by 2016 and the Cyprus Electricity Authority by 2018 to generate €1.4 billion in order to restore public debt sustainability. The plan is one of the preconditions of the bailout agreement between the Republic of Cyprus and its international lenders, including the European Commission, the European Central Bank and the IMF (the Troika).	4 March 2014	Ministry of Finance, 4 March 2014
Ethiopia			
Promotion	The government of Ethiopia extended various kinds of incentives for investment in industrial development zones and in manufacturing and agriculture. Among others, it provides two years income tax exemption for an investment in industrial development zones.	13 August 2014	Official Gazette, 13 August 2014
Promotion	The government of Ethiopia introduced a new regulation providing for the establishment of the Ethiopian Investment Board and the Ethiopian Investment Commission, two public institutions which have respective mandates, powers and duties with regard to investment.	14 August 2014	Official Gazette, 14 August 2014
European Union			
General Business Climate	The European Commission approved the proposed acquisition of O2 Ireland (Telefónica Ireland's mobile telecommunications business) by Hutchison 3G (H3G). The Commission had concerns that the merger would have removed an important competitive force from the Irish mobile telecommunications market. To address these concerns, H3G submitted commitments ensuring that new competitors will enter the mobile telecommunications market in Ireland.	28 May 2014	Press Release, European Commission, 28 May 2014
General Business Climate	On 15 December 2014, European Union antitrust regulators approved the proposed merger of France's Lafarge and Swiss peer Holcim to create the world's biggest cement maker. The decision is conditional upon the divestment of Lafarge businesses in Germany, Romania and the UK and of Holcim operations in France, Hungary, Slovakia, Spain and the Czech Republic.	15 December 2014	Press release, European Commission, 15 December 2014

Entry	New EU sanctions having taken effect on 20 December 2014 prohibit a broad range of investment in Crimea or Sevastopol. EU nationals and EU incorporated companies are prohibited from buying real estate in the region, acquiring or extending an interest in local companies, financing local companies, creating joint ventures, or supplying investment services in relation to such activities. Investment and lending restrictions apply to an "entity in Crimea or Sevastopol", which is defined to mean "any entity having its registered office, central administration or principal place of business in Crimea or Sevastopol, its subsidiaries or affiliates under its control in Crimea or Sevastopol, as well as branches and other entities operating in Crimea or Sevastopol".	19 December 2014	Council Regulation (EU) No 1351/2014, Official Journal of the European Union, 19 December 2014
Fiji			
Entry	On 12 December 2014, the government of Fiji amended the Land Sales Act to prevent any land within town boundaries from being sold to foreigners for residential purposes. It also requires foreigners who already own undeveloped land to build a house within two years.	12 December 2014	www.abc.net.au, 12 December 2014
France			
Entry	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.
India			
Entry	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 Foreign Institution Investor (FII) and a Qualified Foreign Investor (QFI) may purchase and sell shares and convertible debentures of Indian companies through registered brokers 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 a 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
Entry	Effective 26 August 2014, India liberalised its foreign direct investment (FDI) policy in the defence sector. The FDI cap has been raised from 26% to 49%, under the Government route. Further, FDI above 49% is allowed subject to approval of the Cabinet Committee on Security, wherever it is likely to result in access to modern and 'state-of-art' technology in the country.	26 August 2014	Press Note No.7(2014 Series), Ministry of Commerce & Industry, 26 August 2014

Entry	Effective 27 August 2014, India liberalised foreign direct investment in railway infrastructure, a sector that was hitherto closed to FDI. Henceforth, 100% FDI under the automatic route is permitted in construction, operation and maintenance of (i) suburban corridor projects through public-private partnerships, (ii) high speed train projects, (iii) dedicated freight lines, (iv) rolling stock including train sets, and locomotives/coaches manufacturing and maintenance facilities, (v) railway electrification, (vi) signaling systems, (vii) freight terminals, (viii) passenger terminals, (ix) infrastructure in industrial park pertaining to railway line/sidings including electrified railway lines and connectivity to main railway line and (x) mass rapid transport systems subject to meeting sectoral laws and with the condition that FDI beyond 49% in sensitive areas from a security point of view will be approved by the Cabinet Committee on Security on a case to case basis.	27 August 2014	Press Note No.8(2014 Series), Ministry of Commerce & Industry, 27 August 2014
Entry	India eased foreign direct investment rules for the construction sector. Under the new rules, foreign investment is now allowed in projects with a minimum built area of 20,000 square metres, down from a previous 50,000 sqm threshold. The minimum capital investment by foreign companies has also been halved to US$5 million.	3 December 2014	Press Note No.10(2014 series), Ministry of Commerce & Industry, 3 December 2014
Indonesia			
Entry	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 reduced the 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 ceiling 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, Indonesia Investment Coordinating Board, 23 April 2014
Iraq			
Entry	The Government of Iraq signed a service contract agreement with Daewoo to develop the al-Zubair oil field. Once completed it is expected to reach a production capacity of 850 thousand barrels of oil per day.	17 April 2014	Council of Ministers No. 36, 17 April 2014
Italy			
Entry	The new 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 powers and the security of the transmitted data (art. 2).	21 March 2014	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).

	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).		
Republic of Korea			
Promotion	The government of Korea halved the minimum 'Foreign investment amount' and 'Factory construction area ratio' applied to foreign investors in 'Complex-type foreign investment areas'. Prior to the revision, companies could benefit from a special rental rate (1 percent of the land value) only when its investment was more than double the amount of the land cost and when the ratio of the plant was more than double the building-to-land ratio (3-20 percent). Companies that failed to meet the requirements had to pay a rate of 5 percent.	25 August 2014	Press Release, Ministry of Trade, Industry and Energy, 25 August 2014
Kuwait			
Entry	The Central Bank of Kuwait approved new rules permitting foreign banks to open multiple bank branches in the country. Previously, foreign banks were limited to a single branch; were permitted to offer investment banking services only and were prevented from competing in the retail sector.	25 March 2014	Press Release, Central Bank of Kuwait, 25 March 2014
Mexico			
General Business Climate	The Mexican telecom regulator (Instituto Federal de Telecommunicaciones, Ifetel), labelled América Móvil and Televisa as «dominant firms» based on their majority holdings in the telephony and media markets. Consequently, Ifetel required both firms to share their infrastructure with other firms and imposed other conditions to foster competition, such as restrictions on setting tariffs and acquiring exclusive transmissions.	6 March 2014	Resolución mediante la cual el Pleno del Ifetel determina al grupo América Móvil como agente económico preponderante en el sector de telecomunicaciones (P/IFT/EXT/060314/76), National Automotive Policy (NAP) 2014, Instituto Federal de Telecommunicacionesy, 25 March 2014
Entry	On 13 August 2014, the Federal Telecommunications and Broadcasting Law and the Public Broadcasting System Law entered into effect. The Federal Telecommunications and Broadcasting Law establishes the regulatory framework for the participation of foreign direct investment up to 100% in telecommunications and satellite communications, and up to 49% in the broadcasting sector, subject to reciprocity from the country of the ultimate investor. To obtain a concession for broadcasting services involving the participation of foreign investment, the prior favorable opinion from the National Commission of Foreign Investments is required. The reform is part of the Constitutional Reform in telecommunications, radio and television broadcasting established by a decree that entered into effect on 12 June 2013.	13 August 2014	Decreto por el que se expiden la Ley Federal de Telecomunicaciones y Radiodifusión, y la Ley del Sistema Público de Radiodifusión del Estado Mexicano; y se reforman, adicionan y derogan diversas disposiciones en materia de telecomunicaciones y radiodifusión. Federal Official Gazette on 14 July, 2014.

Mozambique			
Promotion	The Government of Mozambique approved the Mocuba Special Economic Zone (an area of 10.727 km2) in the Lugela District. The Zone will be used for establishing especially agro-processing-driven industries.	6 May 2014	The Mozambican Government Creates the Mocuba Special Economic Zone, www.gazeda.gov.mz, 6 May 2014
Entry	The government of Mozambique amended a law that allows the government to issue new gas and oil exploration licences. It requires domestic and foreign operators who apply for licences for exploring oil and gas to form partnerships with the state oil company ENH. It also provides that 25 percent of all LNG produced should go to the domestic market.	18 August 2014	Official Gazette, 18 August 2014
Myanmar			
Entry	The government of Myanmar removed eleven items from the prohibited list for foreign investors. These items are related to (1) jade and gemstone prospecting, exploration and production; (2) small and medium scale mineral production; and (3) distribution of newspapers, magazines and journals in Burmese and other national ethnic languages.	7 September 2014	The government of Myanmar eased restrictions on foreign economic activities, Myanmar Business Today, 7 September 2014
Russian Federation			
Entry	The government of Russian Federation amended the Law on Foreign Investment in Strategic Companies which now covers acquisitions of assets in "strategic" companies if the value of these assets exceeds 25 per cent of the total value of the company's assets. Such transactions now require prior approval by the Governmental Commission. Earlier, such approval was only required for acquisition of shares in "strategic" companies. According to the amendments, a prior approval will also need to be obtained for those transactions that give a foreign investor the power to determine decisions of a strategic company's governing bodies. Also the list of strategic activities has been amended. For instance, services rendered in ports in the territory of the Russian Federation have been added to the list.	4 November 2014	Federal Law No.343-FZ of 4 November 2014,Official Gazette, 7 November 2014
Rwanda			
Entry	The government of Rwanda amended a law providing for new types of licenses. Under the previous law, only a license of five or 30 years was allowed – nothing in-between. Five years was for artisanal or small-scale mining, while 30 years was for large scale mining. Now, however, the shortest license will be for five years and the longest for 25 years, and in-between, licenses of varying length may be granted, depending on the nature and size of the deposits, as well as the size of investment to be injected in a concession. This will be shown through a feasibility study conducted by the investor.	30 June 2014	Official Gazette, 30 June 2014
Saudi Arabia			
General Business Climate	The Government of Saudi Arabia revised several articles of the country's Income tax Law, which, among others, repeals joint tax liabilities of companies on capital gains that accrue to a seller of shares in the company. It also rescinds taxes on earnings from loans derived from interbank deposits and allows deductions for foreign banks. On other hand, it imposes a withholding tax rate of 15%, which will apply to fees earned through technical, consulting, or international telecom services and a 5% tax on profits of foreign airlines and sea or land transportation companies.	19 March 2014	Saudi Arabia: Income Tax Rules Amended, Library of Congress, 25 March 2014

Serbia			
Entry	The National Assembly of Serbia adopted a new Law on Privatization, setting the formal and institutional conditions for continuation and completion of the restructuring and privatization process in the Republic of Serbia. The Privatization Law stipulates implementation of privatization through the following models: sale of capital, sale of assets, transfer of capital free of charge and strategic partnership, the method of public collection of bids with subsequent public bidding and the public bidding procedure.	13 August 2014	New Laws on Privatization and Bankruptcy entered into force, Privatization Agency, 13 August 2014
Seychelles			
Entry	The government of Seychelles introduced some flexibility regarding foreign ownership of land. Subject to meeting certain criteria, Non-Seychellois may be able to acquire freehold land which is held in private ownership only. Consequently Non-Seychellois by law will not be able to purchase State Land, save for a few specific exceptions, but may hold such land on a long-term lease following an approved development of the land.	4 April 2014	Press Release, Ministry of Land Use and Housing , 4 April 2014
Sierra Leone			
General Business Climate	The government of Sierra Leone amended the Companies Act. It provides for the establishment of the Corporate Affairs Commission, which will be responsible for registration, supervision and regulation of companies' incorporation. The general administration of the Act mandates the Minister of Trade and Industry to establish a registry in Freetown and provincial towns. Additionally, the Act creates provisions on the extent of director's liabilities, disclosure and shareholder's law suit for further protection.	22 July 2014	Sierra Leone: Companies (Amendment) Act 2014 , Arab African Advisers, 22 July 2014
South Africa			
Promotion	The government of South Africa introduced a Special Economic Zone Act. The new Act provides for the designation, promotion, development, operation and management of SEZs; the establishment of the SEZ Advisory Board; the establishment of the SEZ Fund; the regulation of application, issuing, suspension, withdrawal and transfer of SEZ operator permits; and the functions of SEZ operators. The objectives of the Act are to determine SEZ Policy and Strategy; establish an SEZ Advisory Board and SEZ Fund; ensure proper designation, operation, promotion, development and management of SEZs; enact regulatory measures and incentives for SEZs in order to attract domestic investment as well as FDI; and establish a one-stop-shop to deliver government services within the zone.	19 May 2014	Act No. 16 of 2014: Special Economic Zones Act 2014, Official Gazette, 19 May 2014
Promotion	The government of South Africa approved guidelines for the new Medium and Heavy Commercial Vehicles-Automotive Investment Scheme. It provides a non-taxable cash grant of 20% of the value of qualifying investment in productive assets by medium and heavy commercial vehicles manufacturers, and of 25% of the value of qualifying investment in productive assets by component manufacturers and tooling companies for medium and heavy commercial vehicles. An additional non-taxable cash grant of 5% of the value of qualifying investment in productive assets may be available to projects that meet at least two of the following economic benefit criteria: tooling; R&D in South African-related components of the project; employment creation; strengthening the automotive supply chain; value-addition; and empowerment.	27 November 2014	Scheme aims to boost investment in SA vehicle production, www.southafrica.info, 27 November 2014

Ukraine			
General Business Climate	On 28.12.2014 the Ukrainian parliament adopted law N° 72-VII which amends the tax code of the country with the aim of improving the tax control over the transfer pricing regime of the nation. The law will enter into force on 1 January 2015. In particular, the legislation seeks to ensure that transactions between connected parties (newly defined in the legislation) are conducted in accordance with the «arm's length» principle, with new documentation and disclosure requirements. A penalty of up to 200 minimum wages will apply to any company that fails to adhere to the documentation requirements. Persons who willfully fail to comply will face a fine of five percent of the value of the transaction.	28 December 2014	Law of Ukraine from 28.12.2014, N° 72-VIII, Ukraine parliament, 28 December 2014
United States of America			
Entry	The executive order 13685 issued by the US president on 19 December 2014 prohibits, inter alia, any new investment in the Crimea region by a United States person, wherever located.	19 December 2014	US Federal Register Vol 79, N° 247,24 December 2014
Uruguay			
General Business Climate	In April 2014, a new law came into effect regarding the criminal liability of employers for work accidents. According to the law (number 19.196), if an employer does not provide safe working conditions and endangers workers, the employer will be punished with imprisonment of three to 24 months.	25 March 2014	Ley N° 19196, Dirección Nacional de Impresiones y Publicaciones Oficiales, 4 April 2014
Viet Nam			
Treatment	The State Bank of Viet Nam entitled foreign entities to open Viet Nam dong accounts for the purpose of receipt and expenditure transactions of foreign investment. Prior to the amendment, foreign investment entities were permitted to open the account only in the foreign currency of their invested capital contribution.	22 September 2014	Circular No. 19/2014/TT-NHNN, The State Bank of Viet Nam, 11 August 2014
Promotion	On 26 November 2014, the National Assembly of Viet Nam passed the revised Law on Investment. The new law defines in detail "foreign investor" and "foreign invested enterprise", streamlines registration procedures, reduces M&A transaction period and decreases the prohibited and conditional business lines. The law will come into effect on 1 July 2015.	25 November 2014	National Assembly, 26 November 2014
Promotion	On 26 November 2014, the National Assembly of Viet Nam passed the revised Law on Enterprises which, inter alia, simplifies the procedures for business registration, shortens the timeframe to issue an Enterprise Registration Certification, and limites the timeframe for capital contribution to 90 days. It also requires foreign investors to make all transactions through accounts opened at a bank in Vietnam. The law will come into effect 1 July 2015.	25 November 2014	National Assembly, 26 November 2014
Zimbabwe			
Entry	Zimbabwe's Central Bank has removed restrictions on the participation of foreign direct investors on the bond market in a bid to attract foreign direct investment inflows. Previously, foreigners were allowed to subscribe to up to 35 percent of primary issues of bonds and were prohibited from making purchases from the secondary market. Now they are allowed to undertake full investment in both the primary and secondary bond markets.	23 October 2014	www.shanghaidaily.com/article/article_xinhua.aspx?id=248524, 24 September 2014

Annex 2. Summary table of IIAs signed between March 2014 and December 2014

	Name of Agreement	Date of Signature
1	Bilateral Investment Treaty between Canada and Cameroon	3 March 2014
2	Free Trade Agreement between Mexico and Panama	3 April 2014
3	Free Trade Agreement between Australia and the Republic of Korea	8 April 2014
4	Free Trade Agreement between Malaysia and Turkey	17 April 2014
5	Bilateral Investment Treaty between Canada and Nigeria	6 May 2014
6	Protocol on Services and Investment to the Treaty establishing a Eurasian Economic Union between Belarus, Kazakhstan and the Russian Federation	29 May 2014
7	Bilateral Investment Treaty between Georgia and Switzerland	3 June 2014
8	Free Trade Agreement between Canada and the Republic of Korea	13 June 2014
9	European Union-Georgia Association Agreement	27 June 2014
10	European Union-Moldova Association Agreement	27 June 2014
11	European Union-Ukraine Association Agreement	27 June 2014
12	Economic Partnership Agreement between Australia and Japan	8 July 2014
13	Bilateral Investment Treaty between Colombia and France	10 July 2014
14	Economic Partnership Agreement between Japan and Mongolia	22 July 2014
15	Bilateral Investment Treaty between Colombia and Turkey	28 July 2014
16	Trade and Investment Framework Agreement between the Economic Community of West African States and the United States	5 August 2014
17	Bilateral Investment Treaty between Burkina Faso and Singapore	27 August 2014
18	Bilateral Investment Treaty between Côte d'Ivoire and Singapore	27 August 2014
19	Bilateral Investment Treaty between Canada and Serbia	1 September 2014
20	Association of Southeast Asian Nations (ASEAN)-India Services and Investment Agreement	8 September 2014
21	Bilateral Investment Treaty between Azerbaijan and the Russian Federation	29 September 2014
22	Bilateral Investment Treaty between Israel and Myanmar	5 October 2014
23	Bilateral Investment Treaty between Canada and Senegal	27 November 2014
24	Bilateral Investment Treaty between Canada and Mali	28 November 2014
25	Bilateral Investment Treaty between Canada and Côte d'Ivoire	30 November 2014
26	Bilateral Investment Treaty between the Kyrgyz Republic and Qatar	8 December 2014

Annex 3. Summary table of IIAs by type of agreement and country/economy, between March 2014 and December 2014

	Country/Economy	BITs	«Other IIAs»
1	Australia		2
2	Azerbaijan		1
3	Belarus		1
4	Benin		1
5	Brunei Darussalam		1
6	Burkina Faso	1	1
7	Cabo Verde		1
8	Cambodia		1
9	Cameroon	1	
10	Canada	6	1
11	Colombia	2	
12	Côte d'Ivoire	2	1
13	EU		3
14	France	1	
15	Gambia		1
16	Georgia	1	1
17	Ghana		1
18	Guinee		1
19	Guinee Bissau		1
20	India		1
21	Indonesia		1
22	Israel	1	
23	Japan		2
24	Kazakhstan		1
25	Korea (the Republic of)		2
26	Kyrgyz Republic	1	
27	Lao (People's Republic of)		1
28	Liberia		1
29	Malaysia		2
30	Mali	1	1
31	Mexico		1
32	Moldova		1
33	Mongolia		1
34	Myanmar	1	1
35	Niger		1
36	Nigeria	1	1
37	Panama		1
38	Philippines		1
39	Qatar	1	
40	Russian Federation (the)		2
41	Senegal	1	1
42	Serbia	1	
43	Sierra Leone		1
44	Singapore	2	1
45	Switzerland	1	
46	Thailand		1
47	Togo		1
48	Turkey	1	1
49	Ukraine		1
50	United States		1
51	Viet Nam		1

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