Seventh Report on G20 Investment Measures[1]

1. At their Summits in London, Pittsburgh, Toronto, Seoul, and Cannes, G20 Leaders committed to foregoing protectionism and asked the WTO, OECD, and UNCTAD to monitor their adherence to this commitment. The present document is the seventh report on investment and investment-related measures made in response to this mandate.[2] It has been prepared jointly by the OECD and UNCTAD Secretariats and covers investment policy and investment-related measures taken between 7 October 2011 and 3 May 2012.

I. Investment developments

2. Despite turmoil in the global economy, global foreign direct investment (FDI) inflows rose by 17% in 2011, to US$1.5 trillion, surpassing their pre-crisis average.[3] FDI flows will continue to rise, but only moderately in 2012. The fragility of the world economy and uncertainties related to sovereign debt as well as a possible slowdown of growth in major emerging market economies still pose risks to the recovery of FDI flows.

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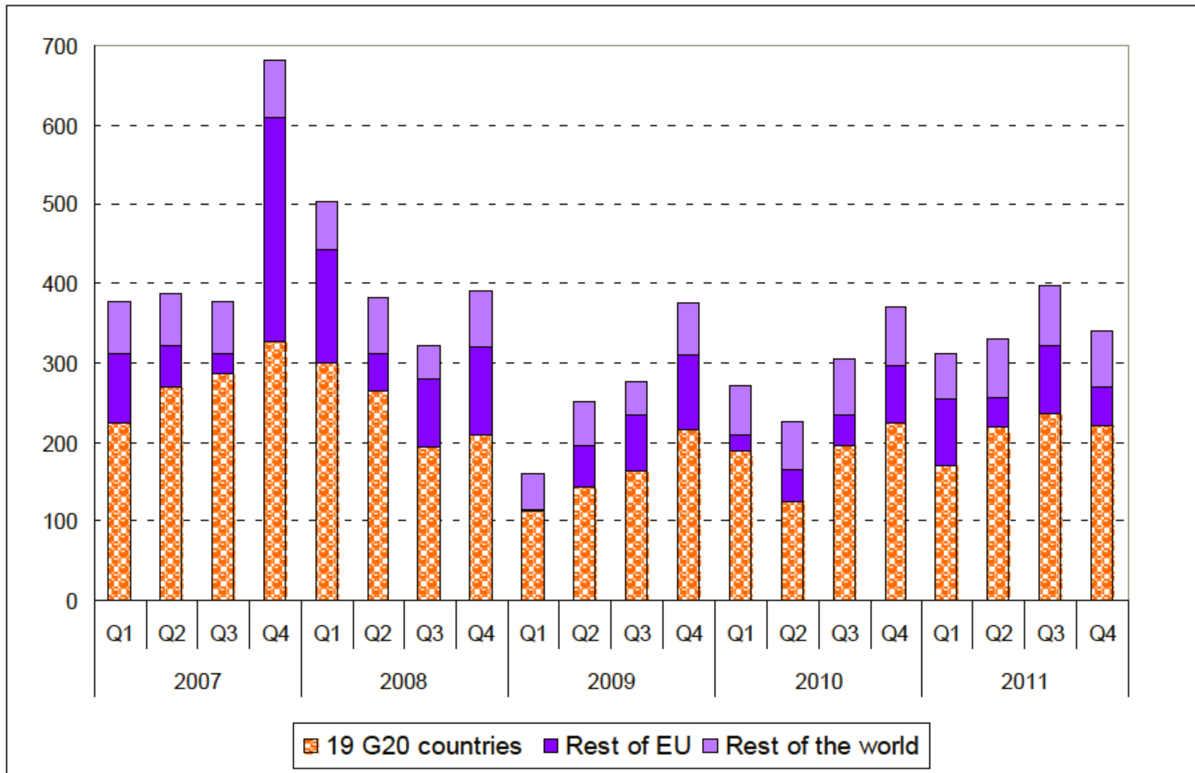
1 Information provided by OECD and UNCTAD Secretariats.

2 Earlier reports by WTO, OECD and UNCTAD to G20 Leaders are available on the websites of the OECD and UNCTAD.

3 For further information and analysis on recent trends, see UNCTAD's "Global Investment Trends Monitor", Issue No.8, (January 2012) and No.9 (April 2012) (archive.unctad.org/en/docs/webdiaeia2012d1_en.pdf). See also OECD Investment News, Issue 16, October 2011 (www.oecd.org/daf/investment).

Figure 1. Global FDI inflows, 2008Q1-2011Q4 (USD billion)*



* Global FDI data are only for 89 countries for which quarterly data are available, accounting for roughly 90% of global FDI flows in 2007-2010.

Source: UNCTAD

II. Investment policy measures

3. During the 7 October 2011 to 3 May 2012 reporting period, 13 G20 members took some sort of investment policy action such as investment-specific measures or investment measures relating to national security or concluded international investment agreements (Table 1).[4]

4. The recent resurgence of turbulence in financial markets, fears over sovereign defaults, and reduced prospects for economic recovery and other factors have resulted in new pressure on governments to assist companies in financial distress. As a consequence, the unwinding of positions resulting from such measures, especially for the larger illiquid asset-pools located in "bad banks," may be slower than expected. Because of their potential to distort markets, any such measures should be designed with utmost care and include commitments to discontinue their use in a reasonable timeframe.

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

Table 1. Investment and investment-related measures (7 October 2011 - 3 May 2012)

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

(1) Investment-specific measures

5. Nine countries took investment-specific measures (those not designed to address national security) during the reporting period. Investment-specific measures were more common in emerging economies than in advanced economies.

6. Measures include the following:

- *Argentina* introduced the following investment measures during the period 1) the requirement that revenues earned from exports in the oil, gas and mining sectors be exchanged in local financial institutions. The measure ends an exceptional situation that differentiated the treatment of these sectors from other export activities.[5] 2) the requirement that, under certain circumstances, insurance companies operating in Argentina repatriate foreign assets to Argentina; 3) new regulations on foreign exchange assets of residents; 4) a limitation of foreigners' rights to invest in farmland; and 5) a law adopted by the National Congress of Argentina declaring that the achievement of self-sufficiency in the provision of hydrocarbons (including exploration, exploitation, industrialization, transport and commercialization) is of national public interest and a priority goal of Argentina. To guarantee the fulfilment of this goal, the law declares to be in the public interest and subject to expropriation the 51% of the share capital (*patrimonio)* of YPF SA owned by Repsol YPF S.A. and the 51% of the share capital (*patrimonio*) of Repsol YPF Gas S.A. owned by Repsol Butano S.A. (represented by 60% of the Class A shares of Repsol YPF Gas S.A.). It establishes that among the principles of hydrocarbons policy is the integration of public and private, national and international capital in strategic alliances as well as the maximization of investment and resources. In order to fulfil its objectives, YPF S.A. will turn to international

[5] The inclusion and description of this measure does not reflect Argentina's official position on this measure

and domestic financial resources, and to any type of agreement of association and strategic alliances with other public, private, national, foreign or mixed companies. [6]

- *Brazil* extended its existing tax on certain financial transactions to additional operations.

- *Canada* increased the threshold for review of foreign investment projects from WTO member investors under the Investment Canada Act. The threshold is set at $330 million for the year 2012, up from $312 million in 2011.

- *China's* measures included: Enabling banks to provide settlement services to investors in Renminbi-denominated FDI; expanding the list of sectors where investment is "encouraged" and reducing the list of sectors where investment is "restricted" or "prohibited"; clarifying favourable tax treatment to "encouraged" foreign invested projects; and prohibiting foreign funded investment firms from using local loans to finance expansion. China also allowed qualified foreign institutional investors to invest in the mainland securities market through specially licensed pilot financial firms; authorised Japan to buy CNY 65 billion of Chinese government bonds and Korea's central bank to invest in Renminbi-denominated assets. The country also opened up investment opportunities for foreign funds by (i) allowing licensed foreign investors to invest a total of $80 billion worth of Renminbi-denominated shares under the Qualified Foreign Institutional Investor Scheme in China's offshore capital market (up from $30 billion) and (ii) allowing foreign investors to invest a total of $70 billion worth of RMB denominated funds raised in Hong Kong on China's mainland capital markets, under the Renminbi Qualified Foreign Institutional Investor Scheme (up from $20 billion). As regards outward investment, China authorised, up to a limit and as a tentative measure, investments abroad in non-financial companies by residents (natural persons) of Wenzhou. In addition, China continued its efforts to strengthen the supervision and management of State-owned enterprises' investments abroad. The Interim Measures apply to investments made outside mainland China by enterprises in which the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) is a capital contributor, and to their wholly-owned or controlled subsidiaries. Investments in the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and the Taiwan Region are covered. Both fixed-asset investment and equity investments are subject to the Interim Measures. Under those measures, State-owned enterprises should, inter alia, establish outward investment management systems, report their annual investment plans to SASAC and obtain SASAC authorization for investments in fields outside their core industries.

- *India* announced liberalisation measures in the construction-development industry. The Reserve Bank of India raised the External Commercial Borrowing limit for Indian companies under the "automatic route", raised limits on certain investments by foreign institutional investors, changed the settings on a number of other capital controls (most changes were liberalisations) and raised limits on External Commercial Borrowing in the civil aviation industry. India now requires that investments in existing pharmaceutical companies, which used to be permitted through the "automatic route" be channelled through the "government route" (requiring authorisation). It also changed policies relating to foreign investment in "single brand" retailing, allowing 100% foreign investment (up from 51%), but also imposing certain conditions. India took additional steps toward liberalisation including: i) allowing qualified foreign investors to invest directly in Indian equity markets under certain conditions; and ii) raising limits on holdings of certain foreign investors in individual Indian companies.

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[6] The inclusion and description of this measure does not reflect Argentina's official position on this measure.

- *Indonesia* introduced several investment measures during the reporting period. It required that exporters receive export proceeds through domestic banks and that debtors channel the proceeds of foreign borrowing through domestic banks (the policy does not involve any holding periods or requirements for Rupiah conversion). It also required that foreign-owned mining companies operating in coal, minerals and metals progressively divest their holdings to Indonesians – including the central government, regional governments, State-owned enterprises or other domestic investors – to reach the maximum authorised ceiling of 49% by the tenth year of operation. Indonesia's central bank announced that it would set up new caps on single foreign shareholders' stakes in the country's commercial banks so as to prevent foreign investors from acquiring majority stakes.

- The *Russian Federation* restricted ownership rights for foreign and foreign-controlled entities in the radio broadcasting sector. Foreign entities cannot acquire more than a 50% ownership in radio channels covering more than 50% of the Russian territory or population.

- *Saudi Arabia* allowed foreign companies to list securities on its exchange. Foreign issuers with securities listed on another stock exchange with rules comparable to the Saudi ones can apply to the Capital Market Authority for a dual listing.

- *South Africa* relaxed its foreign exchange rules by (i) abolishing restrictions on foreign ownership of authorised foreign exchange dealers and (ii) classifying inward listed shares as domestic shares, which may be traded on the Johannesburg Stock Exchange without limits, as opposed to foreign shares. South Africa also modified its tax on corporate dividends. The new dividends tax allows reduced rates for foreign residents holding between 10% and 25% of a South African company, if provided in a Double Taxation Agreement.

- *Brazil, China, India, the Russian Federation and South Africa* have signed an agreement in which each country agrees to provide local currency denominated loans to the business community of the other treaty partners. The goal is to help the countries manage exposure to exchange rate fluctuations, reduce reliance on third party currencies and facilitate trade and investment.

7. Although only few countries undertook policy changes in the reporting period, these measures show continued moves toward eliminating restrictions to international capital flows and improving clarity for investors; however, there were also some significant steps towards restricting international investment.

(2) Investment measures related to national security

8. Two G20 members, Italy and the Russian Federation, took measures related to their national security.

- The *Italian government* introduced Law Decree No 21 of 2012, setting out the powers of government to veto or impose conditions on both foreign acquisitions and substantive corporate decisions in sensitive sectors. The government is granted wide prerogatives, in particular, in sectors presenting "an actual threat of a material prejudice to the essential interests of defence and national security" (Article 1, Section 1 of the Law Decree).

- The *Russian Federation* amended its Federal Law on "Procedures of Foreign Investments in Business Entities of Strategic Importance for National Defence and State Security" (No. 57-FZ) to lift ceilings of foreign ownership and simplify procedures for foreign investment in certain strategic sectors.

(3) International investment agreements

9. During the reporting period, G20 members continued to negotiate or pass new international investment agreements (IIAs).[7] Between 7 October 2011 and 3 May 2012, G20 members concluded six bilateral investment treaties (BITs) (Tables 1 and 2),[8] and on 22 November 2011, Mexico signed a Free Trade Agreement (FTA) with five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua). Upon its entry into force, the latter will replace the FTAs signed by Mexico with Costa Rica (1996), Nicaragua (1998), and the Northern Triangle (El Salvador, Guatemala and Honduras, 2001).[9]

Table 2. G20 Members' International Investment Agreements*

	Bilateral Investment Treaties (BITs)		Other IIAs		Total IIAs as of 3 May 2012
	Concluded 7 October 2011 - 3 May 2012	Total as of 3 May 2012	Concluded 7 October 2011 - 3 May 2012	Total as of 3 May 2012	
Argentina		58		16	74
Australia		22		16	38
Brazil		14		17	31
Canada		30		21	51
China		127		15	142
France		102		62	164
Germany		136		62	198
India	1	81		14	95
Indonesia		63		17	80
Italy		94		62	156
Japan	1	18		20	38
Korea, Republic of		91		15	106
Mexico		28	1	18	46
Russian Federation	1	71		4	75
Saudi Arabia		22		12	34
South Africa		46		9	55
Turkey	3	87		19	106
United Kingdom		104		62	166
United States		47		64	111
European Union				58	58

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

[7] During the reporting period, G20 members also signed nine double taxation treaties (DTTs). As of 3 May 2012, there existed globally 2,844 BITs, 3,068 DTTs and approximately 325 "other IIAs", making a total of 6,237 IIAs.

[8] These include the BITs between India and Nepal (21 October 2011); Azerbaijan and Turkey (25 October 2011); Nicaragua and the Russian Federation (26 January 2012); Japan and Kuwait (22 March 2012); Bangladesh and Turkey (12 April 2012); and Cameroon and Turkey (24 April 2012).

[9] Several IIAs that were signed and reported earlier entered into force during the reporting period, including the treaties between Canada and Romania (23 November 2011); Canada and Latvia (24 November 2011); the Republic of Korea and Uruguay (8 December 2011); Canada and the Czech Republic (22 January 2012); Mexico and Peru (1 February 2012); Japan and Peru (1 March 2012); Canada and the Slovak Republic (14 March 2012); and the Republic of Korea and the United States (15 March 2012).

III. Overall policy implications

10. As in past reports, this current reporting period shows that some G20 governments were very active in this policy field, while others took few or no measures. As in earlier reporting periods, emerging economies among G-20 member countries took more investment measures than developed country G20 members. Most measures had the effect of opening up markets and increasing policy transparency for investors. For the most part, hence, G-20 member countries have continued to honour their pledge not to retreat into investment protectionism.

11. However, there are also some important exceptions to the trend toward liberalisation, relating, notably, to an expropriation, a divestment requirement and new entry restrictions. It is important in this context to re-emphasize that States have the sovereign right to regulate or restrict foreign investment, subject to certain conditions as stipulated by the domestic law of the host State and its obligations under international law. Such measures, if taken in a manner consistent with domestic legal requirements and international law, can be a legitimate means to further certain policy objectives. However, new restrictive measures can also heighten perceptions of risk for business, which can be particularly troublesome at a time when investors are already on edge due to broader economic and political turbulence.

12. Countries should also consider carefully whether FDI restrictions are the most effective way of achieving legitimate public policy goals. The key challenge remains how to attract foreign investment and to make it work for sustainable development and inclusive growth. Furthermore, broader concerns about global macroeconomic turbulence and financial sector stability are best taken care of by progress in strengthening the international macro-prudential policy framework.

	Description of Measure	Date	Source
Argentina			
Investment policy measures	Under Decree 1722/2011, companies are mandated to exchange revenues in foreign currency from exports in the oil, gas and mining sectors in local financial institutions. The measure ends an exceptional situation that differentiated the treatment of these sectors from other export activities. The decree entered into force on 26 October 2011.[10]	26 October 2011	*Decreto 1722/2011* of 25 October 2011, Official Gazette No. 32.263 of 26 October 2011, p.1.
	Under Resolution 36.162/2011 of 26 October 2011 (entered into force on 27 October 2011) insurance companies operating in Argentina shall, within ten days of entry into force, report by sworn statement their foreign assets, and shall, within 50 days of the entry into force, repatriate such assets to Argentina. However, the Argentine Superintendence of Insurance Companies may grant exceptions and authorize insurers to provisionally hold their assets abroad under exceptional circumstances, in cases where the local market does not provide any instrument that reasonably corresponds to the commitments to be met, or when there is evidence of the inconvenience to abide by this resolution. In any event, those assets should not exceed 50% of the total assets of any individual firm.	27 October 2011	*Reglamento General de la Actividad Aseguradora, Resolución 36.162/2011*, Official Gazette No. 32.264 of 27 October 2011, p.8.
	Central Bank Circular CAMEX 1-675, entered into force on 28 October 2011, established new regulations on the foreign exchange assets of residents.	28 October 2011	*Comunicación "A" 5236*, Central Bank of Argentina, 27 October 2011.
	On 29 December 2011, Argentina promulgated the law on the "*Protección al Dominio Nacional sobre la Propiedad, Posesión o Tenecia de las Tierras Rurales*". The law restricts foreigners' rights to acquire farmland by limiting overall foreign holdings of farmland in Argentina to 15% of the total surface, and individual foreign holding to 1,000 hectares. The law also defines future acquisitions of land as acquisitions of a non-renewable resource rather than an investment.	27 December 2011	*Ley 26.737, Régimen de Protección al Dominio Nacional sobre la Propiedad, Posesión o Tenencia de las Tierras Rurales*, 27 December 2011.
	On May 3, the National Congress of Argentina adopted a law declaring that the achievement of self-sufficiency in the provision of hydrocarbons (including exploration, exploitation, industrialization, transport and commercialization) is of national public interest and a priority goal of Argentina. To guarantee the fulfilment of this goal, the law declares to be in the public interest and subject to expropriation the 51% of the share capital (*patrimonio*) of YPF SA owned by Repsol YPF S.A. and the 51% of the share capital (*patrimonio*) of Repsol YPF Gas S.A. owned by Repsol Butano S.A. (represented by 60% of the Class A shares of Repsol YPF Gas S.A.). It establishes that among the principles of hydrocarbons policy is the integration of public and private, national and international capital in strategic alliances as well as the maximization of investment and resources. In order to fulfil its objectives, the law declares that YPF S.A. will turn to international and domestic financial resources, and to any type of agreement of association and strategic alliances with other public, private, national, foreign or mixed companies.[11]	3 May 2012	Law No. 26.741, Boletin Oficial, 7 May 2012.
Investment measures relating	None during reporting period.		

[10] The inclusion and description of this measure does not reflect Argentina's official position on this measure

[11] The inclusion and description of this measure does not reflect Argentina's official position on this measure.

	Description of Measure	Date	Source
to national security			
Australia			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Brazil			
Investment policy measures	Brazil repealed the Tax on Financial Transactions (*Imposto sobre Operaçoes Financieras,* IOF) with respect to certain forms of foreign investment, including 1) transfers of funds from abroad to be held in equities on the stock exchange or futures and commodities exchange, as regulated by the National Monetary Council - CMN, except for operations with derivatives resulting in predetermined income and 2) inflows of resources to acquire shares in initial public offerings registered or exempt from registration with the Commission Securities (or to subscribe for shares), provided that in both cases, the issuing companies are registered for trading of shares on stock exchanges. This tax had been introduced and amended several times in the course of 2011.	1 December 2011	*Presidential Decree 7.632*, of 1 December 2011.
	Brazil extended a 6% financial transactions tax on overseas loans maturing within up to three years. Hitherto, the tax was only levied on loans with maturities of under two years.	1 March 2012	*Presidential Decree 7.683* of 29 February 2012.
Investment measures relating to national security	None during reporting period.		
Canada			
Investment policy measures	Canada increased the threshold for review of foreign investments to acquire control of Canadian businesses from WTO member investors under the *Investment Canada Act*. The threshold is set at $330 million for the year 2012, up from $312 million in 2011. Pursuant to subsection 14.1(2) of the *Investment Canada Act,* new thresholds are determined and become effective in January of each year.	30 January 2012	*Official Gazette, Part I, Vol. 146 No8, p.354*, 25 February 2012.
Investment measures relating to national security	None during reporting period.		
China			
Investment policy measures	China published new rules on foreign-funded investment firms, including barring them from using loans obtained inside China to finance their expansion in China. Under the new rules, foreign-funded investment companies may, with the approval of local foreign exchange bureau, directly use RMB profits, RMB obtained in China by way of early recovery of investment gains, liquidation, equity transfer and capital reduction for domestic investment, which increases the foreign exchange convenience for foreign-funded investment firms.	8 December 2011	*Notice on Further Improving Management Measures Concerning Foreign-invested Companies by Ministry of Commerce and State Administration for Foreign Exchange*, Ministry of Commerce Policy Release No. 1078(2011), 8 December 2011.
	China published “Administrative Rules on Settlement Business of Foreign Direct Investment Denominated in Renminbi ”, enabling banks to provide settlement services to investors who have made Renminbi-denominated FDI.	13 October 2011	*Settlement Business for RMB-Denominated Foreign Direct Investment Started to Expand Cross-Border Use of RMB*, Press Release, The People’s Bank of China, 13 October 2011.
	China clarified the favorable import tax treatment to “encouraged” foreign-invested projects (FIPs) in connection	29 January 2012	*Announcement [2012] No. 4* by the Chinese General

Description of Measure	Date	Source
with the *Catalogue for the Guidance of Foreign Investment Industries (Amended in 2011)*. Starting on 30 January 2012, FIPs (including capital increases to FIPs) listed in the "encouraged" category in the "Foreign Investment Industrial Guidance Catalog (2011 Version)" are exempt from customs duties when investors import equipment (for self-use) and technology, accessories as well as spare parts that come along with the equipment based on related agreements. However, these importers are still subject to import value-added tax, which was resumed on such imports in 2009.		Administration of Customs, 29 January 2012. "China Announces Import Tax Treatment to 'Encouraged' Foreign-Invested Projects", Article in China Briefing, 2 February 2012.
On 30 January 2012, a revised "*Catalogue for Guidance for Foreign Investment*" came into effect. It had been published by the National Development and Reform Commission (NDRC) and the Ministry of Commerce (MOFCOM) in late December 2011. It categorizes foreign investment in specific sectors as "encouraged", "permitted", "restricted", or "prohibited". Overall, the list of "encouraged" items has been expanded and the list of "restricted" and "prohibited" items reduced. In particular, the new guidelines encourage FDI in certain strategic emerging industries, such as energy-saving, environmental protection and high-tech industries. New products and technologies in the textile, chemical and mechanical manufacturing industries also become "encouraged" investments. On the other hand, manufacturing of complete automobiles has been deleted from the list of "encouraged" industries. Also, the mandatory share of Chinese capital in joint ventures is lowered (for certain sectors where foreign investors can only invest in JVs).	30 January 2012	*Catalogue for the Guidance of Foreign Investment Industries (Amended in 2011)*, National Development and Reform Commission and the Ministry of Commerce, 24 December 2011.
On 28 March 2012, the State Council executive meeting approved the General Scheme for the Financial Reform Pilot Zone in Wenzhou Zhejiang, which raised 12 tasks, including examining a pilot scheme that will allow the city's residents to make direct outbound investment and exploring the establishment of a regular and convenient outbound investment channel.	28 March 2012	"China OKs private financing pilot zone", China Daily Article of 28 March 2012; "PBC governor visits polant financial reform zone", News reported on Chinese Government's official web site, 10 April 2012.
On 16 December 2011, the China Securities Regulatory Commission, the People's Bank of China, and the State Administration of Foreign Exchange published the Measures for the Pilot Program on Domestic Securities Investments by Fund Management Companies and Securities Companies as RMB Qualified Foreign Institutional Investors, which launched the "RMB Qualified Foreign Institutional Investor (RQFII) program". Subsequently, implementation measures were respectively issued by SCRC, SAFE and PBC on 16 December 2011, 20 December 2011 and 31 December 2011. In the first stage of this programme, which is similar to the Qualified Foreign Institutional Investors (QFII) programme, foreign investors will be allowed to invest in the mainland securities market through specifically licensed pilot financial firms. First licenses were granted in December 2011. By the end of January 2012, 21 qualified institutions were approved as pilot institutions, among which 20 billion Yuan were distributed.	16 December 2011 20 December 2011 31 December 2011	"*Measures for the Pilot Program on Domestic Securities Investments by Fund Management Companies and Securities Companies as RMB Qualified Foreign Institutional Investors*", Decree No. 76 of the China Securities Regulatory Commission, the People's Bank of China, and the State Administration of Foreign Exchange; "*Circular of the SAFE on Relevant Issues Concerning the Pilot Program on Domestic Securities Investments by Fund Management Companies and Securities Companies as RMB QFII*", 15 February 2012; Rules on the Implementation of "*Measures for the Pilot Program on Domestic Securities Investments by Fund Management Companies and Securities Companies as RMB Qualified Foreign Institutional Investors*", CSRC Announcement No. 31, 2011; "*Circular of the SAFE on Relevant Issues Concerning the Pilot Program on Domestic Securities Investments by Fund*

	Description of Measure	Date	Source
			Management Companies and Securities Companies as RMB QFII", 20 December 2011; *The Instruction of Implementation of the Pilot Program of Allowing Qualified Oversea Fund Management Company and Security Company to Use RMB to Invest in Domestic Security Market*, People's Bank of China release, 31 December 2011.
	China has authorised Japan to buy CNY 65 Billion of Chinese government bonds. In December, the South Korea Central Bank also obtained the Foreign Institutional Investor status, granting the right to buy Renminbi denominated assets.	13 March 2012	"Yen and Yuan of trading", China Daily Article of 22 March 2012. South Korea's Central Bank weighs purchase of yuan assets", China Daily Article of 19 January 2012
	The People's Bank of China (PBC), the State Administration of Foreign Exchange (SAFE) and the China Securities Regulatory Commission (CSRC) have secured approval from China's State Council to increase the quota that Qualified Foreign Institutional Investor (QFII) are allowed to invest in China's offshore capital market from $30 billion to $80 billion. Meanwhile, the Renminbi Qualified Foreign Institutional Investor (RQFII) scheme was also expanded. The total amount of RMB that foreign investors can raise in Hong Kong for investment has been increased to RMB70 billion from the previous limit of RMB20 billion.	3 April 2012	"China expands QFII schemes to allow greater foreign investment", China Briefing Article of 5 April 2012; "*QFII investment quota to be increased by $50 Billion*", News Release from China Securities Regulatory Commission, 4 April 2012.
	China continued its efforts to strengthen the supervision and management of State-owned enterprises' investments abroad. The Interim Measures apply to investments made outside mainland China by enterprises in which the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) is a capital contributor, and to their wholly-owned or controlled subsidiaries. Investments in the Hong Kong Special Administrative Region, the Macao Special Administrative Region, and the Taiwan Region are covered. Both fixed-asset investment and equity investments are subject to the Interim Measures. Under those measures, State-owned enterprises should, inter alia, establish outward investment management systems, report their annual investment plans to SASAC and obtain SASAC authorization for investments in fields outside their core industries.	18 March 2012	*"Interim Measures for the supervision and management of central enterprises' overseas investment"*, The State-owned Assets Supervision and Administration Commission of the State Council, 18 March 2012.
Investment measures relating to national security	None during reporting period.		
European Union			
Investment policy	None during reporting period.		

	Description of Measure	Date	Source
measures			
Investment measures relating to national security	None during reporting period.		
France			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Germany			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
India			
Investment policy measures	On 30 September 2011, the Government of India released a new Consolidated FDI Policy, which came into effect on 1 October 2011. On 31 October 2011, the Department of Industrial Policy and Promotion (DIPP) issued a corrigendum, deleting one clause from the new circular, and a further amendment was made on 8 November 2011 regarding FDI in the pharmaceuticals sector. Some new liberalization measures have been announced directly through the Consolidated FDI Policy circular as highlighted in a separate press release. These include the exemption of construction-development activities in the education sector and in old-age homes, from the general conditionalities in the construction-development sector; inclusion of 'apiculture', under controlled conditions, under the agricultural activities permitted for FDI; and inclusion of 'basic and applied R&D on bio-technology pharmaceutical sciences/life sciences', as an 'industrial activity', under industrial parks.	30 September 2011; 31 October 2011	"*Consolidated FDI Policy*", Circular 2 of 2011, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry; 30 September 2011; "*Press release*", DIPP, 30 September 2011; "*Corrigendum to Circular 2 of 2011 – Consolidated FDI Policy*", DIPP, 31 October 2011; "*Press Note No.3 (2011 Series)*", DIPP, 8 November 2011. ["Circular 2 of 2011" dated 30 September 2011 was replaced by a new Consolidated FDI policy document "Circular 1 of 2012" released on 10 April 2012. The 2011 policy modifications described here were retained]
	To slow down depreciation of the rupee, RBI raised the External Commercial Borrowing limit for Indian companies under the automatic route to $750 million, from $500 million. The limits on investment by Foreign Institutional Investors in government securities and corporate bonds were also raised from $10 billion to $15 billion and from $15 billion to $20 billion, respectively. As a result, the monthly average exchange rate of the rupee appreciated by 2.6% from 52.68 per dollar in December 2011 to 51.34 per dollar in January 2012.	[16 March 2012]	"More aggressive steps needed to manage Rupee", Business Standards Article of 16 March 2012.
	During the reporting period, India adjusted a number of measures governing cross border capital flows. Many were minor adjustments to existing policies, and most focused on External Commercial Borrowing (ECB), especially in relation to infrastructure development, and hedging foreign exchange risk. Measures include the following:		
	– On 3 November 2011, the RBI relaxed several conditions and restrictions under which foreign institutional investors (FIIs) may invest in debt issued by Indian companies.	3 November 2011	**"***Foreign investment in India by SEBI registered FIIs in other securities***",** Reserve Bank of India, A.P. (DIR Series) Circular No. 42.
	– On 4 November 2011, the RBI relaxed the conditions under which shares could be transferred from residents to non-	4 November 2011	"*Foreign Direct Investment – Transfer of Shares*", Reserve

Description of Measure	Date	Source
residents outside the parameters set by the pricing guidelines applicable for such transfers.		Bank of India, A.P. (DIR Series) Circular No. 43.
– On 22 November 2011, the RBI allowed certain investments by non-resident investors in bonds issued by infrastructure debt funds.	22 November 2011	"*Foreign Investments in Infrastructure Debt Funds*", Reserve Bank of India, A.P. (DIR Series) Circular No. 49.
– On 23 November 2011, the RBI slightly increased the all-in-cost ceiling for ECB for shorter maturities.	23 November 2011	"*External Commercial Borrowings (ECB) Policy*", Reserve Bank of India, A.P. (DIR Series) Circular No. 51.
– On 23 November 2011, Guidelines on OTC Foreign Exchange Derivatives were modified to the effect that the USD 100 million cap on swap transactions for net supply of foreign exchange in the market has been removed.	23 November 2011	"*Comprehensive Guidelines on Over the Counter (OTC) Foreign Exchange Derivatives – Foreign Currency – INR swaps*", Reserve Bank of India, A.P. (DIR Series) Circular No.50.
– On 23 November 2011, the RBI limited the possibilities of intermediary use of ECB proceeds abroad and required the proceeds of ECB raised abroad for rupee expenditure in India to be immediately brought for credit to rupee accounts with Indian banks; prior to the change, rupee funds could be used for investment in capital markets, real estate or for inter-corporate lending.	23 November 2011	*"External Commercial Borrowings (ECB) Policy – Parking of ECB proceeds"*, Reserve Bank of India, A.P. (DIR Series) Circular No. 52.
– On 9 December 2011, the RBI modified conditions of an FDI scheme that allows the issuance of equity shares of Indian companies to non-residents for the import of capital goods, machineries or equipment; the scheme had last been modified on 30 June 2011.	9 December 2011	"*FDI in India - Issue of equity shares under the FDI scheme allowed under the Government*", Reserve Bank of India, A.P. (DIR Series) Circular No. 55, 9 December 2011.
– On 15 December 2011, the RBI issued a circular that limits, with immediate effect, residents' and Foreign Institutional Investors' abilities to rebook certain cancelled forward contracts involving the Indian Rupee as one of the currencies. The RBI also limited residents' ability to hedge expected currency risk.	15 December 2011	"*Risk Management and Inter Bank Dealings*", Reserve Bank of India, A.P. (DIR Series) Circular No. 58, 15 December 2011.
– On 15 December 2011, the RBI permitted microfinance institutions to borrow up to USD 10 million or equivalent during a given financial year abroad under the "automatic route" under certain conditions.	15 December 2011	"*External Commercial Borrowings (ECB) for Micro Finance Institutions (MFIs) and Non-Government Organisations (NGOs)-engaged in micro finance activities under Automatic Route*", Reserve Bank of India, A.P. (DIR Series) Circular No. 59, 15 December 2011.
– On 29 December 2011, the RBI allowed non-resident entities to hedge Rupee-denominated ECB under certain conditions.	29 December 2011	"*External Commercial Borrowings (ECB) denominated in Indian Rupees (INR) - hedging facilities for non-resident entities*", Reserve Bank of India, A.P. (DIR Series) Circular No. 63, 29 December 2011.
On 8 November 2011, India amended with immediate effect rules on "brownfield" foreign investment in the pharmaceuticals sector. Investments in existing pharmaceutical companies, which used to be permitted through the "automatic route", are now channelled through the "government route". Greenfield investment in pharmaceuticals remains under the automatic route.	8 November 2011	*Press Note No.3 (2011 Series)*, Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion, dated 8 November 2011.
On 24 November 2011, the Cabinet announced the liberalisation of foreign investment in single-brand retail. The change came into effect on 10 January 2012 and was announced in Press Note 1 (2012 Series). Henceforth, 100% foreign ownership is allowed in single-brand retailing under the government approval route subject to certain conditions, up from 51% previously. These conditions include that: i) the products to be sold be of a single brand; ii) the products be	10 January 2012; 25 November 2011, 8 December 2011.	*Press Note No. 1 (2012 Series)*, Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion, dated 10 January 2012.

Description of Measure	Date	Source
sold under the same brand internationally; iii) the products be branded during manufacture; and iv) the foreign investor be the owner of the brand. Where investments exceed the 51% threshold, there should be mandatory sourcing of at least 30% of the value of products sold from Indian small industries (industries having a total investment in plant and machinery not exceeding USD 1 million), village and cottage industries, artisans and craftsmen.		
On 15 January 2012, India's SEBI and RBI released circulars that allowed Qualified Foreign Investors (QFIs) to invest directly in the Indian equity market, a liberalisation that the federal Government had announced on 1 January 2012. QFIs include individuals, groups or associations, resident in a foreign country which is compliant with FATF. The individual and aggregate investment limits for QFIs are set to 5% and 10%, respectively, of the paid up capital of an Indian company.	15 January 2012	"*Qualified Foreign Investors (QFIs) Allowed to Directly Invest in Indian Equity Market; Scheme to Help Increase the Depth of the Indian Market and in Combating Volatility Beside Increasing Foreign Inflows into the Country*", Ministry of Finance press release, 1 January 2012.
The Government allowed foreign investors to repatriate their original investment before the expiration of a previously imposed three-year lock-in period, assessed from the day the minimum capitalization threshold for the sector is reached. To be eligible, companies are subject to minimal capital injection. For instance, in the township sector, foreign companies are required to invest a minimum of $10 million in wholly-owned subsidiaries and $5 million in joint ventures.	26 January 2012	"India further liberalizes FDI policy, drops mandatory lock-in period", India Briefing Article of 26 January 2012. Covered in the *Circular 1 of 2012* (fifth edition of the policy document), summarized in *Press Release of April 10 2012*, Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion, dated 10 April 2012.
Foreign portfolio investment in commodities exchanges has been eased. Previously, foreign investment, within a composite (FDI plus portfolio) cap of 49%, under the Government approval route-i.e. through the Foreign Investment Promotion Board (FIPB)-was permitted in commodity exchanges. Within this overall limit of 49%, investment by Registered FIIs, under the Portfolio Investment Scheme (PIS) is limited to 23% and investment under the FDI Scheme is limited to 26%. The new policy mandates the requirement of Government approval only for FDI component of such investment. Investments by FIIs in commodity exchanges will therefore no longer require Government approval. This change aligns the policy for foreign investment in commodity exchanges, with that of other infrastructure companies in the securities markets, such as stock exchanges, depositories and clearing corporations. The Portfolio Investment Scheme limits the individual holding of a Foreign Institutional Investor (FII) to 10% of the capital of a given Indian company, and the aggregate FII holdings to 24% of the capital of the company. It has now been decided that this aggregate limit of 24% can be increased to the sectoral cap/statutory ceiling, as applicable, by the Indian Company concerned through a resolution by its Board of Directors followed by a special resolution to that effect by its General Body, and subject to prior intimation to RBI. The aggregate FII investment, in the FDI and Portfolio Investment Scheme, should be within the above caps. It has also been decided that Foreign Venture Capital Investors (FVCIs) shall be allowed to invest in the eligible securities (equity, equity-linked instruments, debt, debt instruments, debentures of an Indian Venture Capital Unit or VCF, units of schemes / funds set up by a Venture Capital Fund) by way of private arrangement or purchase from a third party, subject to the terms and conditions in Schedule 6 of Notification No. FEMA 20 / 2000 -RB dated 3 May 2000, as amended. It has also been clarified that SEBI registered FVCIs would also be allowed to invest in securities on a recognized stock exchange subject to the provisions of the SEBI (FVCI) Regulations, 2000, as amended, as well as the terms and conditions stipulated therein. Government has permitted Qualified Foreign Investors (QFIs)	10 April 2012	*Circular 1 of 2012* (fifth edition of the policy document), summarized in *Press Release of April 10 2012*, Government of India, Ministry of Commerce & Industry, Department of Industrial Policy & Promotion, dated 10 April 2012.

	Description of Measure	Date	Source
	to invest in equity shares of listed Indian companies as well as in equity shares of Indian companies which are "offered to the public in India" within the meaning of the relevant SEBI guidelines/regulations. QFIs have also been permitted to acquire equity shares by way of right shares, bonus shares or equity shares on account of stock split/consolidation, or equity shares on account of amalgamation, demerger or such corporate actions, subject to the prescribed investment limits. These provisions have now been reflected under the FDI policy as well. QFIs are defined as non-resident investors, complying with the relevant RBI/SEBI regulations/orders/ circulars. SEBI registered FVCIs and FIIs fall outside this category. It has been decided that conversion to equity of second-hand imported capital goods/ machinery/ equipment shall now be prohibited. By protecting the Indian market from often substandard imports of second-hand equipment, Government seeks to incentivize clean and energy efficient machinery.		
	The RBI has raised the limit for External Commercial Borrowing in the Civil Aviation Sector. The overall ECB ceiling for the entire civil aviation sector is fixed at $1billion and the maximum permissible ECB that can be availed by an individual airline company at $300 million. Those amounts can be raised as working capital, or refinancing of the outstanding working capital Rupee loan(s) extended by domestic lenders.	24 April 2012	RBI, *External Commercial Borrowings for Civil Aviation Sector*, RBI/2011-12/523, A.P. (DIR Series) Circular No. 113.
Investment measures relating to national security	None during reporting period.		
Indonesia			
Investment policy measures	On 3 October 2011, Bank Indonesia announced its regulation No.13/20/PBI/2011 dated 30 September 2011 concerning Export Proceeds and Foreign Debt Withdrawal Policy. The regulation requires from 2 January 2012 onwards that exporters receive export proceeds through domestic banks, and that debtors withdraw their foreign borrowing through domestic banks. The policy does not impose any holding periods or the conversion into rupiah. Bank Indonesia also adjusted regulations regarding the monitoring of Bank's Foreign Exchange's Flow in PBI No.13/21/PBI/2011 of 30 September 2011 and regulations concerning Reporting Obligations of Foreign Debt Withdrawal in PBI No.13/22/PBI/2011 of 30 September 2011. Entered into force on 2 January 2012.	2 January 2012	"*Bank Indonesia Published a New Policy on Export Proceeds and Foreign Debt Withdrawal*", Bank Indonesia press release No. 13/32/PSHM/Humas, 3 October 2011.
	Government Regulation 24/2012, signed by the President on 21 February 2012 and released on 7 March 2012, requires that foreign owned mining companies operating in coal, minerals and metals progressively divest their holdings to Indonesians – including the central government, regional government, state enterprise or other domestic investors – to reach the maximum authorised ceiling of 49% share ownership ten years after production has begun. Hitherto, the authorised foreign ownership ceiling was 80%. The divestment should reach 20% in the sixth year of production, 30% in seventh year, 37% in the eighth year, 44% in the ninth year and 51% in the tenth year.	21 February 2012	"*Peraturan pemerintah Republik Indonesia nomor 24 tahun 2012 tentang perubahan atas peraturan pemerintah nomor 23 tahun 2010 tentang pelaksanaan kegiatan usaha pertambangan mineral dan batubara*", Presidential Decree 24/2012, 21 February 2012.
	Indonesia's central bank announced that it would issue regulation in May 2012 to set up new caps on single shareholder stakes in the country's commercial banks. Under current rules, an investor can own up to 99% stakes in commercial banks. The new rules would prevent foreign banks from owning a majority share.	28 April 2012	"Bank Indonesia delays approval or DBS Acquisition", Jakarta Globe Article of 27 April 2012.
Investment	None during reporting period.		

	Description of Measure	Date	Source
measures relating to national security			
Italy			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 15 March 2012, the Italian government introduced Law Decree No 21 of 2012 for the protection of companies operating in certain sensitive sectors from foreign takeovers. While already in force, this Act is submitted to Parliament for approval within 60 days. The former Italian Golden Share Law, No 474 of 1994 provided that the by-laws of companies directly or indirectly controlled by the State had to grant special powers to the Government, which were not accurately defined. The Law Decree follows a new approach based on the identification of strategic industry sectors or assets in respect of which the Italian Government has powers to veto or impose conditions on both the investment operation, and the substantive corporate decisions. The Government is granted wide powers with respect to companies operating in sectors presenting "an actual threat of a material prejudice to the essential interests of defense and national security" (Article 1, section 1). Powers in the energy, transportation and communications sectors are more limited as they can only be exercised *vis-à-vis* non-EU investors and on the basis of "objective and non discriminatory criteria". (Article 2).	15 March 2012	Law Decree No. 21 of 2012, *Norme in materia di poteri speciali sugli assetti societari nei settori della difesa e della sicurezza nazionale, nonche' per le attivita' di rilevanza strategica nei settori dell'energia, dei trasporti e delle comunicazioni*. (12G0040) (GU n. 63 del 15-3-2012).
Japan			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Korea			
Investment policy measures	None during reporting period.		
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.		
Russian Federation			
Investment policy measures	On 10 November 2011, changes to foreign ownership of radio broadcasting became effective: henceforth, foreign and foreign-controlled entities are no longer allowed to establish or acquire over 50% ownership of radio channels which broadcasts to one half or more than one half of the subjects of the Russian Federation, or over the territory on which one half or more of the population of the Russian Federation resides. The rules are contained in Federal Law No. 142-FZ of 14 June 2011 "*On Amending Some Legislative Acts of the Russian*	10 November 2011	Federal Law No.142-FZ, "*On Amending Some Legislative Acts of the Russian Federation in Connection with the Improvement of Legal Regulation of the Mass Media*", 14 June 2011.

	Description of Measure	Date	Source
	Federation in Connection with the Improvement of Legal Regulation of the Mass Media". Similar restrictions already apply to television broadcasting.		
Investment measures relating to national security	On 18 December 2011, amendments to the Federal Law "*On Procedures for Foreign Investments in Entities Having Strategic Importance for Ensuring National Defence and State Security*" (No. 57-FZ) and "*On Foreign Investments in the Russian Federation*" (No. 160-FZ) came into effect. The changes broaden the scope of investments by foreigners in Russian strategic companies carrying out exploration and extraction of minerals; relax the limits on foreign investments in strategic industries (and simplify the related procedures for investors that were introduced in Law No.57-FZ in 2008). More specifically, the amendments lift the ceilings of foreign ownership in certain sectors, eliminate the requirement to obtain governmental approval for acquisitions of (direct or indirect) control of up to 25% of shares of companies that develop Federal subsoil resources (the previous limit was 10%), exempt international financial organisations in which Russia is a member from certain approval requirements, and strip companies in certain sectors from their status as "strategic companies" for the purpose of the application of foreign investment rules.	18 December 2011	Federal Law No. 322-FZ, *"On Amending Article 6 of the Federal Law "On Foreign Investments in the Russian Federation" and the Federal Law "On Procedures for Foreign Investments in Entities Having Strategic Importance for Insuring National Defence and State Security""*, 16 November 2011.
Saudi Arabia			
Investment policy measures	On 23 January 2012, Saudi Arabia's Capital Market Authority announced an amendment to its listing regulations. The new rules allow a foreign issuer whose securities are listed in another regulated exchange to apply for its securities to be registered and admitted to listing on the Saudi Arabian exchange.	22 January 2012	"*Listing Rules*", Saudi Arabian Capital Market Authority, 22 January 2012.
Investment policy measures	None during reporting period.		
South Africa			
Investment policy measures	On 28 October 2011, the South African Reserve Bank published three circulars in relation to a liberalisation of the country's foreign exchange policy. The circulars implement an earlier announcement by the Minister of Finance in the 2011 Medium Term Budget Policy Statement.		
	- The *Exchange Control Circular No.12/2011*, dated 25 October 2011, "Statement on exchange control,"draws the attention of Authorised Dealers to further steps in the liberalisation of exchange controls initially announced in the 2011 Medium Term Budget Policy Statement.	25 October 2011	*Exchange Control Circular No. 12/2011*, South African Reserve Bank, 25 October 2011.
	- The *Exchange Control Circular No. 15/2011*, dated 25 October 2011 "Improving access and competition in cross-border money remittances" announces the abolition of ownership restrictions on foreign participation in Authorised Dealers in foreign exchange with limited authority. In addition, the Circular announces that in the future, money transfer operators will be regulated independently and the current requirement for money transfer operators to partner with existing Authorised Dealers in foreign exchange and Authorised Dealers in foreign exchange with limited authority, will not be obligatory. This arrangement for improving access and competition in cross-border money remittances will become effective once all regulatory and reporting requirements have been finalised by the Financial Surveillance Department of the South African Reserve Bank.	25 October 2011	*Exchange Control Circular No. 15/2011*, South African Reserve Bank, 25 October 2011.
	- The *Exchange Control Circular No. 18/2011*, also dated 25 October 2011, "Reclassification of inward listed shares on the JSE Limited" announces the reclassification of inward listed shares on the Johannesburg stock exchange	25 October 2011	*Exchange Control Circular No. 18/2011*, South African Reserve Bank, 25 October 2011.

	Description of Measure	Date	Source
	(JSE Ltd) as domestic for the purposes of trading on the exchange. This reclassification enhances the ability to attract new listings on the JSE Limited and to boost investments into Africa. In addition, it enhances the possibilities of domestic investors to invest in these assets, as South Africa's exchange control rules limit the amount of foreign assets local investors may own. The date of entry into force of the measure depends on the release of reporting requirements to be agreed to between the Financial Surveillance Department of the South African Reserve Bank and the Financial Services Board.		
	On 22 February 2012, the Minister of Finance announced in the 2012 Budget Speech that a dividends tax (DT) will replace the Secondary Tax on Companies (STC) as of April 1st, 2012. This reform aligns South Africa with international practice, where the recipient of the dividend, not the company paying it, is liable for the tax. The DT rate is 15% on receipt of dividends, whereas STC was imposed on companies (at a rate of 10%) on the declaration of dividends. **The DT is categorised as a withholding tax, as it is withheld and paid to SARS by the company paying the dividend or by a regulated intermediary (i.e. a withholding agent interposed between the company paying the dividend and the beneficial owner), and not by the person liable for the tax, i.e. the beneficial owner of the dividend.** By contrast with the STC, the DT allows reduced rates for foreign residents, in instance where Double Taxation Agreement (DTA) exists between South Africa and their country of residence. This normally requires the foreign beneficial owner to be a company and to hold between 10% and 25% of the share capital of the South African company declaring the dividend. In order to qualify, the foreign resident needs to declare its status to the company declaring the dividend or to the regulated intermediary involved. In the absence of declaration, the withholding agent is required to withhold the tax at the full rate. Claims for refunds may then be presented upon fulfillment of the declaration requirement.	22 February 2012	Minister of Finance, *Budget Speech 2012*, 22 February 2012. *Taxation Laws Amendment Act, 2011 (Act No. 24 of 2011)*, GG 34927, 10 January 2012. See Insertion of Section 6*sex* in Act 58 of 1962, on p. 36.
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.		

	Description of Measure	Date	Source
Investment measures relating to national security	None during reporting period.		

Reporting period. The reporting period of the present document is from 7 October 2011 to 3 May 2012. 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 purpose of this report, investment measures by recipient countries consist of those measures that impose or remove differential treatment of foreign or non-resident investors compared to domestic investors. Investment measures by home countries are those that impose or remove restrictions on investments to other countries (e.g. attaching restrictions on outward investments).

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.

Measures not included. Several types of measures are not included in this inventory:

- *Fiscal stimulus*. Fiscal stimulus measures were not accounted for unless these contained provisions that may differentiate between domestic and foreign or non-resident investors.
- *Local production requirements* were not included unless they apply *de jure* only to foreign firms.
- *Visas and residence permits*. The report does not cover measures that affect visa and residence permits as business visa and residency policy is not deemed likely to be a major issue in subsequent political and economic discussions.
- *Companies in financial difficulties for other reasons than the crisis*. A number of countries provided support to companies in financial difficulties – in the form of capital injections or guarantees – in particular to State-owned airlines. Where there was evidence that these companies had been in substantive financial difficulties for other reasons than the crisis, these measures are not included as "emergency measures".
- *Central Bank measures*. Many central banks adopted practices to enhance the functioning of credit markets and the stability of the financial system. These measures influence international capital movements in complex ways. In order to focus on measures that are of most relevance for investment policies, measures taken by Central Banks are not included unless they involved negotiations with specific companies or provided for different treatment of non-resident or foreign-controlled enterprises.

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.