18 November 2020

Twenty-fourth Report on G20 Investment Measures[1]

When the Global Financial Crisis broke in 2008 and early 2009, governments around the globe rallied to prevent a repeat of the mistakes of the Great Depression of the 1930s: Avoid protectionism and beggar-thy-neighbour policies as this would lead to a further deepening of the crisis.[2] Their call was followed by a specific and firm commitment to refrain from introducing new barriers to investment or trade and complemented by a mandate for the WTO, OECD and UNCTAD to report publicly on new trade and investment policy measures. So far, 23 reports have been issued under this mandate.[3]

Today, little more than a decade after the Global Financial Crises, the world is grappling with a further crisis that current estimates indicate will be deeper and more consequential than the Global Financial Crisis of 2008/2009. In addition to the immense human suffering from the health crisis, an economic crisis is widening and deepening – with uncertain prospects of turing for the better in the near-term and with limited and declining possibilities for governments to avert the direst consequences.

Governments have been scrambling for responses to limit negative impacts on their societies and economies, and G20 Leaders have pledged to remain open to trade and investment.[4]

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1 This report on investment measures is issued under the responsibility of the Secretary-General of the OECD and the Secretary-General of UNCTAD. It has no legal effect on the rights and obligations of member states of the OECD or UNCTAD. Nothing in this report implies any judgment, either direct or indirect, as to the consistency of any measure referred to in the report with the provisions of any OECD or UNCTAD agreement or any provisions thereof. As in previous reports, this document distinguishes between measures related to foreign direct investment (prepared jointly by OECD and UNCTAD) and measures related to other international capital flows (prepared solely by OECD).

2 G20 Leaders "Declaration of the Summit on Financial Markets and the World Economy", Washington, 15 November 2008.

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

4 Extraordinary G20 Leaders' Summit "Statement on COVID-19", 26 March 2020. G20 Trade and Investment Ministers and guest countries statement "G20 Actions to Support World Trade and Investment in Response to COVID-19", 14 May 2020.

This 24th report, jointly prepared by the OECD and UNCTAD Secretariats, documents the extent to which governments have honoured their pledge. It covers investment and investment-related measures that G20 Members have taken between 16 May and 15 October 2020.

I. Development of Foreign Direct Investment (FDI) flows

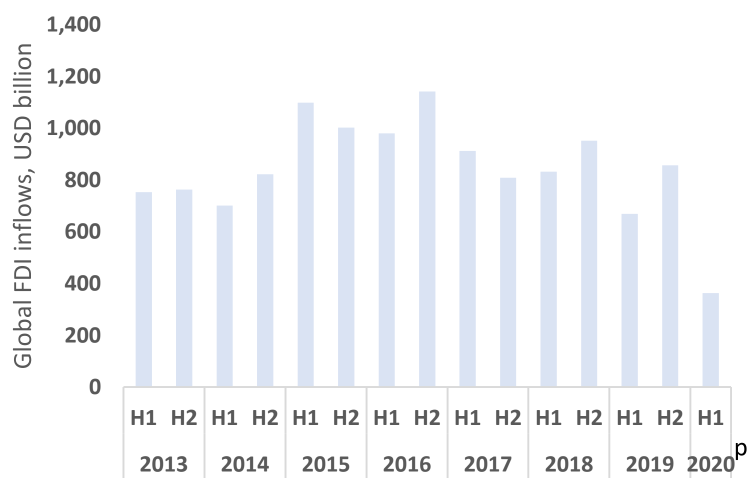
In the first half of 2020, global FDI inflows fell by 50% compared to 2019[5] as a consequence of the pandemic and the resulting supply disruptions, demand contractions, and pessimistic outlook of economic actors. This decline accentuates and accelerates the downward trend of FDI flows observed sinec 2015 (Figure 1).

Equity flows in advanced economies saw a big contraction, partly as a result of large disinvestments in selected countries and as investors became more reluctant to explore new investment opportunities in the face of the COVID-19 pandemic. The latest data on announced greenfield FDI projects show that the consequences of the COVID-19 pandemic for greenfield investment affect investment in emerging markets and developing economies more intensively than in advanced economies, and are concentrated primarily in the manufacturing sector. Large negative levels of intercompany debt flows in advanced economies further accentuated the drop in total flows.

The outlook remains uncertain, and developments will depend on the duration of the health crisis, the effectiveness of policy interventions to mitigate the economic effects of the pandemic and on the evolution of geopolitical risks.

Forward looking indicators suggest a decline in all major forms of FDI: New greenfield investment project announcements dropped by 37%, cross-border mergers and acquisitions (M&As) fell by 15% and newly announced cross-border project finance deals, an important source of investment in infrastructure, declined by 25%. This will likely impact the levels of reinvested earnings,[6] which have become an increasingly important component of FDI flows and accounted for more than half of FDI inflows in 2019. On a positive note, the number of announced, but still pending deals in advanced economies, increased in the third quarter of 2020, indicating some sort of activity recovery; with the current resurgence of COVID-19 cases in many European countries, not all of these transactions may materialise as planned.

Figure 1: Global FDI inflows, 2013 to the first half 2020 (USD billions)



Note: p: data for the first half of 2020 are preliminary.

[5] See UNCTAD Global Investment Trend Monitor and OECD *FDI in Figures*.

[6] For example, the latest S&P 500 report from Refinitiv indicates that earnings dropped year-over-year by 13% and by 31% in Q1 and Q2 2020, respectively, and they are estimated to decline by 19% in Q3.

Source: OECD/UNCTAD.

II. G20 Members' investment policy measures

In the reporting period, G20 Members have again taken an unusually high number of investment policy measures, continuing the trend observed in the previous report. The majority of these measures relate to concerns about implications that certain investments can have for essential security interests; when considered only by their number, this group of policy changes outweighs, potentially for the first time in recent history, the number of investment policy measures related to FDI taken for any other purpose.

1. Foreign direct investment-specific measures

Australia, P.R. China, India and the United Kingdom changed their investment policies that are specific to FDI in the reporting period. Only two of these measures, those taken by Australia and the United Kingdom, were explicitly related to the COVID-19 pandemic, while the remainder of the measures appear to have been taken in pursuit of courses of action that countries had charted independent of the COVID-19 pandemic.

Some of these measures lead to further liberalisation or otherwise more favourable conditions for foreign direct investment, at times with caveats:

- *Australia* has restored the value threshold for the application of one area of its inward investment review framework after it had been brought to zero at the beginning of the COVID-19 pandemic;
- *P.R. China* issued new negative lists that contain fewer sectors in which restrictions apply; and
- *India* relaxed rules for FDI in the defence sector, while introducing a requirement for additional review related to security implications of such investments.

Some other measures have also been observed, including the raising of additional duties for foreign acquirers of residential real estate in one State of *Australia*, the introduction of a framework of sanctions for entities that are held to engage in harmful behaviour to the host country in *P.R. China* and the addition of certain public interests into the list of considerations in relation to which the United Kingdom government may intervene in certain mergers.

A detailed description of these policy changes is available in Annex 1 of this report.

2. Investment measures related to national security

G20 Members dedicated much and increasing attention to potential risks that foreign investment could pose to their national security interests and amended their policies to manage these risks. In the reporting period, six countries took policy measures – *France, Germany, Italy, Japan, the Republic of Korea* and the *United States*. The number of countries that have taken such measures in the reporting period – and the total number of measures in this category taken in this period – is greater than the combined number of measures in all other categories related to FDI.

The COVID-19 pandemic has contributed to the acceleration of reforms in this area..[7] Some recent measures were expressly taken or, as in *Germany*, fast-tracked, in response to the pandemic and the economic shock resulting from it. Several countries have made multiple changes – up to four in one jurisdiction – in the reporting period.

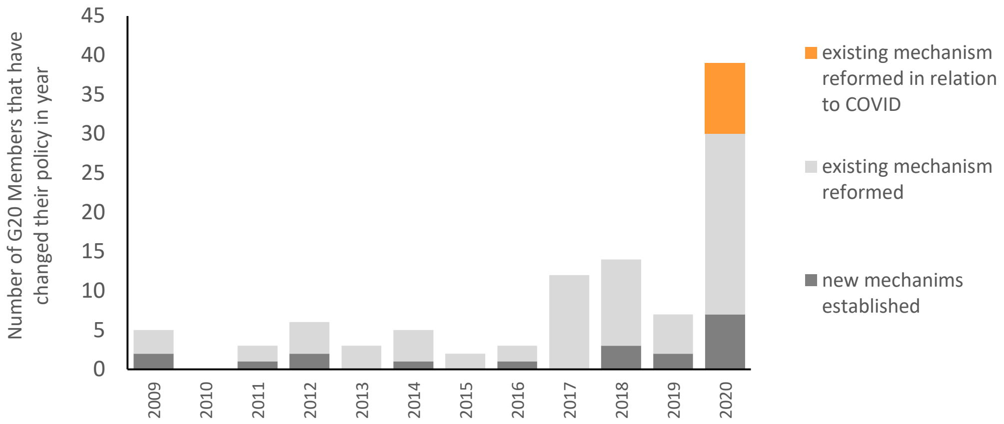
As a result, G20 Members have established seven new review mechanisms designed to safeguard essential security interests since the beginning of 2020, and implemented 32 reforms of existing mechanisms in the same period – almost one measure per week on average in 2020 so far. The degree of policy activity in this

[7] See "*Investment screening in times of COVID-19 and beyond*", OECD, 7 July 2020.

domain extends and accelerates a trend that has been observed since 2017 and that is observed well beyond G20 Membership.[8]

The attention to this area of investment policy making has brought the number of changes to a historic all-time high by a large margin, in G20 Members (Figure 2) as well as globally.

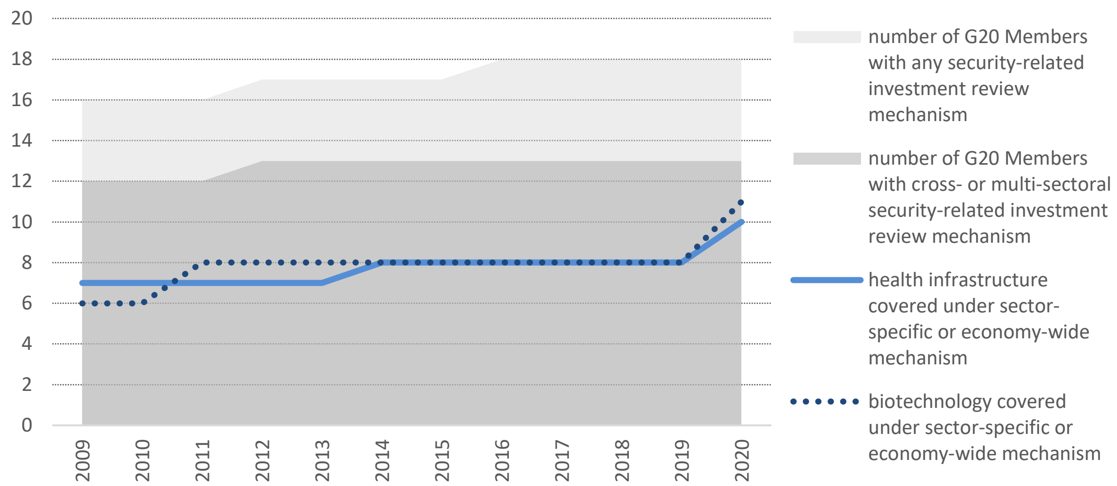
Figure 2: Introduction or reform of investment policies in G20 members to safeguard essential security interests, 2009 to 2020.



Note: Information on 2020 only includes measures taken until mid-October 2020.
Source: OECD/UNCTAD monitoring reports on G20 investment measures 2009-2020.

Health-related industries stood in particular focus in the reforms that G20 Members have taken in 2020. Many more investment review mechanisms aimed at safeguarding countries' essential security interests now apply to health-related industries: Henceforth, almost 60% of G20 members cover these sectors, up from just over 40% in 2019 and only around 30% in 2009 (Figure 3).

Figure 3: Coverage of health-related industries by investment review mechanisms in G20 members, 2009 to 2020.



Note: Information on 2020 only includes measures taken until mid-October 2020.
Source: OECD/UNCTAD monitoring reports on G20 investment measures 2009-2020.

8 See for a broader analysis of the drivers of this trend OECD (2020), "*Acquisition- and ownership-related policies to safeguard essential security interests – current and emerging trends, observed designs, and policy practice in 62 economies*".

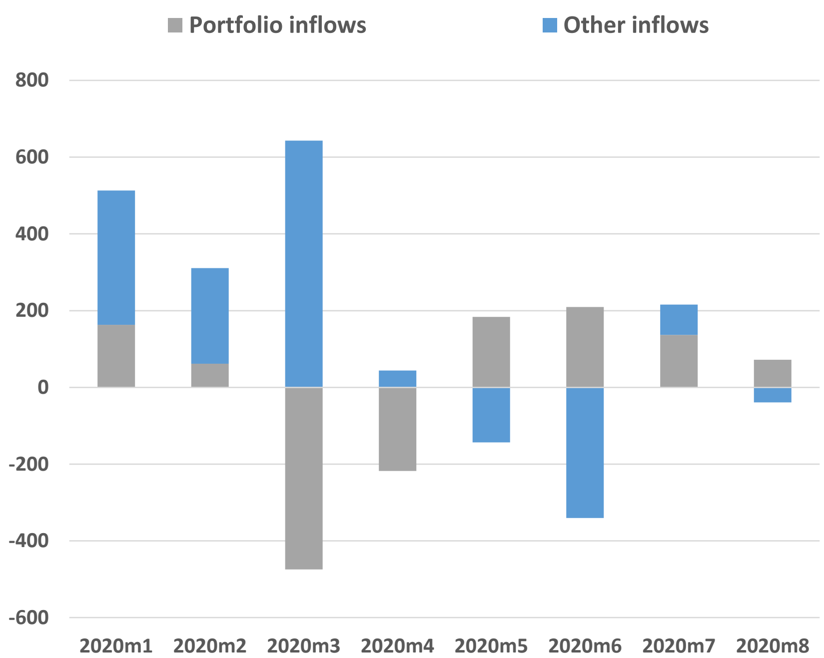
3. *Investment policy measures not specific to FDI*[9]

G20 economies have experienced sharp swings in capital flows since the onset of the pandemic, and have responded with policy measures.

Early on, in March 2020, emerging market economies as well as some advanced economies including Italy, Japan, and the United States experienced very large drops in portfolio investment inflows: portfolio inflows plummeted with extraordinary speed to unprecedented values (Figure 5). Within the different portfolio asset classes, government bonds saw the largest sell-off, in both advanced and emerging economies. This sell-off was driven in particular by action taken by investment funds that sold riskier assets to raise USD (the so called 'dash-for cash'). This greater role played by investment funds reflects in part the post 2008 shift to market-based finance and the retrenchment of international banks.

Central banks have cushioned the shock through various types of interventions, from accommodative policy, foreign exchange interventions, and asset purchases to cooperation through bilateral foreign exchange swaps. Such a policy mix, together with massive fiscal policy packages, have helped to rebuild some degree of investor confidence. As a result, G20 members have been experiencing positive inflows again from May 2020 onwards (Figure 4).

Figure 4. Capital inflows to G20 members (bln USD)



Note: Sample of 11 G20 members (Brazil, France, Germany, India, Italy, Japan, Korea, Mexico, South Africa, Turkey, United States).
Source: OECD Monthly Capital Flow Dataset.

This return of greater calm has also brought down the number of policy measures since May 2020 as compared to the earlier months of 2020 covered by the previous monitoring report in this series: Only five G20 Members – Brazil, P.R. China, India, Indonesia and Turkey – have taken measures that affect international capital flows but are not specific to FDI in the reporting period, down from eight in the previous reporting period.

[9] This section on "Investment policy measures not specific to FDI" has been prepared by the OECD Secretariat under the responsibility of the Secretary-General of the OECD. Annex 2 provides information on the coverage, definitions and sources of the information contained in this section.

Several of the measures that were introduced in the current reporting period – listed in detail in Annex 2 – restored some of the measures they had introduced with the onset of the COVID-pandemic. In that early phase of the pandemic, some countries had eased capital inflow controls and currency-based measures to allow domestic residents greater access to foreign exchange liquidity,[10] and some of these measures have now been dialled back to pre-COVID levels.

4. International Investment Agreements

During the reporting period, G20 Members concluded no new bilateral investment treaties (BITs). One "other IIA"[11] was concluded by the United States of America.[12] One BIT, Australia–Indonesia BIT[13], as well as one "other IIA", NAFTA[14], were effectively terminated. As of 15 October 2020, there were 2901 BITs and 390 "other IIAs". Data on G20 Members' IIAs is available in Annex 3.

III. Overall policy implications

The ongoing COVID-19 pandemic is leaving a deep mark on individuals and societies. It is also bringing significant changes to policies on international investment as documented by G20 Members' policy changes since the outbreak of the pandemic. In particular, COVID-19 has heightened awareness for the need to prevent and mitigating risks. In the realm of investment policy making, this has accelerated the introduction and strengthening of policies to counter threats to essential security interests that may be associated with foreign investment in the health sector. Overall, risk-related investment policy making has reached a historic all-time high in the first nine and a half months of 2020.

That new measures often relate to health industries suggests that they remain by and large targeted narrowly to identified areas of risk. A very significant expansion of investment screening mechanisms could open the door for overreach. International policy principles and guides, such as the G20 Guiding Principles for Global Investment Policymaking the 2009 OECD Guidelines for Recipient Country Investment Policies relating to National Security and UNCTAD's Investment Policy Framework for Sustainable Development, together with international dialogue and careful monitoring and accountability to the public can be effective means to counter this risk.

International investment can help attenuate the deepening economic crisis. Governments are individually responsible for creating conditions under which international investment can flourish, while at the same time protecting their essential security interests. Collectively, governments are responsible for upholding the principles of fairness, transparency and predictability. While societies are only gradually understanding how to counter the health aspects of the pandemic, the means and principles they need to employ to limit the economic and social impact of the pandemic are better known – they merely need to be diligently applied.

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10 OECD (2020), "*COVID-19 and Global Capital Flows*", provides information on major trends in global capital flows during the COVID-19 shocks and description of selective policy responses in OECD Member countries and non-OECD G20 Members.

11 "Other IIA" encompasses a variety of international agreements with investment protection, promotion and/or cooperation provisions – other than BITs. They include free trade agreements (FTAs), regional trade and investment agreements (RTIAs), comprehensive economic partnership agreements (CEPAs), cooperation agreements, association agreements, economic complementation agreements, closer economic partnership arrangements, agreements establishing free trade areas, and trade and investment framework agreements (TIFAs). Unlike BITs, "other IIAs" may also cover plurilateral agreements.

12 The Fiji-United States of America TIFA (signed on 15 October 2020).

13 Effectively terminated on 6 August 2020 following the entry into force of Australia-Indonesia CEPA on 5 July 2020.

14 Effectively terminated on 1 July 2020 following the entry into force of the agreement between the United States, Mexico, and Canada (USMCA).

Annex 1: Recent investment policy measures related to FDI (16 May 2020 to 15 October 2020) – Reports on individual economies

	Description of Measure	Date	Source
Argentina			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Australia			
Investment policy measures	On 24 June 2020, the State Revenue Legislation Further Amendment Act 2020 came into force in New South Wales. The Act introduces changes to the Duties Act 1997, the Land Tax Act 1956 and the Land Tax Management Act 1956 to clarify that discretionary trusts will now be deemed "foreign persons" for taxation purposes if any one of the potential beneficiaries is a foreign person, thereby attracting a surcharge purchaser duty of 8% and surcharge land tax of 2% on residential land. A transition period applies until 31 December 2020 during which discretionary trust deeds can be amended to exclude foreign persons permanently as beneficiaries in order to qualify the trust for an exemption from the surcharges. The N.S.W. Government Revenue Service published a practice note on 1 July 2020 to explain the changes.	24 June 2020	State Revenue Legislation Further Amendment Act 2020 (NSW), Act No. 14 of 2020, assented to on 24 June 2020; "*Foreign surcharges and discretionary trusts*", Practice Note CPN 004 v2, Commissioner of State Revenue, 1 July 2020.
	On 4 September 2020, the Foreign Acquisitions and Takeovers Amendment (Commercial Land Lease Threshold Test) Regulations 2020 entered into force. The Regulations, which apply in all states of Australia, reinstate monetary thresholds for some acquisitions that fall under Australia's Foreign Acquisitions and Takeovers rules to those applicable before they had been reduced to 0 AUD on 29 March 2020 in the context of the COVID pandemic. The Regulations reinstate the previously applicable threshold for the renewal or material variation of existing non-sensitive leasehold interests in developed commercial land, where the same acquirer held a substantially similar interest under a lease on 29 March 2020.	4 September 2020	Foreign Acquisitions and Takeovers Amendment (Commercial Land Lease Threshold Test) Regulations 2020, 3 September 2020.
Investment measures relating to national security	None during reporting period.		
Brazil			
Investment policy measures			
Investment measures relating to national security	None during reporting period.		
Canada			
Investment policy measures	None during the reporting period.		
Investment measures relating to national security	On 27 July 2020, the Time Limits and Other Periods Act (COVID-19) entered into force. The order expands certain time limits for administrative processes in light of the Coronavirus pandemic.	27 July 2020; 31 July 2020	Time Limits and Other Periods Act (COVID-19), S.C.2020, c.11, s.11, 27 July 2020;

	Description of Measure	Date	Source
	On 31 July 2020, the Order Respecting Time Limits and Other Periods Established By or Under Certain Acts and Regulations for Which the Minister of Industry is Responsible (COVID-19) was issued based on the Act. Among others, it extends the initial review period under the *National Security Review of Investments Regulations* for any investments notified between 31 July 2020 and 31 December 2020. The Order also extends the time given to the Minister to take action for investments that are subject to the *Investment Canada Act* but do not require a filing.		Order Respecting Time Limits and Other Periods Established By or Under Certain Acts and Regulations for Which the Minister of Industry is Responsible (COVID-19), Ministry of Industry, S.C.2020, c.11, s.11, 31 July 2020.
P.R. China			
Investment policy measures	On 23 June 2020, the National Development and Reform Commission (NDRC) and the Ministry of Commerce (MOFCOM) jointly released Order No.32 of 2020, Special Administrative Measures (Negative List) for Foreign Investment Access (2020 edition) ("Negative List for Foreign Investment Access") and Order No.33 of 2020, Special Administrative Measures (Negative List) for Foreign Investment Access in Pilot Free Trade Zones (2020 Edition) ("FTZ Negative List"). Both lists replace the respective earlier versions of 2019 and entered into force on 23 July 2020. Compared with the 2019 editions, the Negative List for Foreign Investment Access and the FTZ Negative List contain fewer items; in particular, the new lists lift restrictions in sectors such as financial services, manufacturing, agriculture, radioactive mineral smelting, and in the pharmaceutical sector.	23 July 2020	Order No.32 of 2020 Special Administrative Measures for Foreign Investment Access (Negative List) (2020 version), National Development and Reform Commission, Ministry of Commerce, 23 June 2020; Special Administrative Measures (Negative List) for Foreign Investment Access (2020 edition), National Development and Reform Commission, Ministry of Commerce, 23 June 2020; Order No.33 of 2020 Special Administrative Measures for Foreign Investment Access in Pilot Free Trade Zones (Negative List) (2020 version), National Development and Reform Commission, Ministry of Commerce, 23 June 2020; Special Administrative Measures (Negative List) for Foreign Investment Access in Pilot Free Trade Zones (2020 Edition), National Development and Reform Commission, Ministry of Commerce, 23 June 2020.
	On 19 September 2020, the Regulation on the Unreliable Entity List entered into force, following an announcement by the Ministry of Commerce in May 2019. The Regulation establishes a framework for restrictions or penalties on foreign entities that are considered to endanger the national sovereignty, security, or development interests of China or that seriously harm the legitimate rights and interests of Chinese enterprises, organizations, or individuals. Among others, restrictions and penalties may include prohibitions to trade with Chinese entities or to invest in China. At the end of the reporting period on 15 October 2020, no company had yet been placed on the Unreliable Entity List.	19 September 2020	Regulation on the Unreliable Entity List, Order No.4 of 2020, Ministry of Commerce, 19 September 2020.
	On 1 October 2020, the Rules on Handling Complaints of Foreign-Invested Enterprises entered into force. The rules were released on 25 August 2020 and are based on Article 26 of the recently adopted Foreign Investment Law and its implementing regulations. They replace rules on complaints of foreign-invested enterprises that the Ministry of Commerce had issued on 1 September 2006. Among others, the rules broaden the scope of possible complaints. A National Centre for Complaints of Foreign Invested Enterprises will specifically be in charge of complaints that may have a significant national or international impact.	1 October 2020	Order No.3 of 2020 on Rules on Handling Complaints of Foreign-Invested Enterprises, Ministry of Commerce, 25 August 2020; "*China improves foreign investment complaint system*", State Council media release, 31 August 2020.

	Description of Measure	Date	Source
Investment measures relating to national security	On 28 August 2020, China's Ministry of Commerce and Ministry of Science and Technology announced the amendment of the "Catalogue of Technologies Prohibited and Restricted from Exporting in China", which came into effect on the same day. These rules, which had been in effect unchanged since 2008, add 23 categories of technologies to the list of technologies restricted from exportation, remove some categories from the lists of technologies restricted or prohibited, and modifies control parameters for several technologies.	28 August 2020	Announcement No.38 (2020) on Adjusting and Issuing the Catalogue of Technologies Prohibited and Restricted from Exporting in China, Ministry of Commerce and Ministry of Science and Technology, 28 August 2020; Amended Catalogue of China's Export Prohibited and Restricted Technologies, Ministry of Commerce and Ministry of Science and Technology, 28 August 2020.
France			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 23 July 2020, the Décret n° 2020-892 du 22 juillet 2020 relatif à l'abaissement temporaire du seuil de contrôle des investissements étrangers dans les sociétés françaises dont les actions sont admises aux négociations sur un marché réglementé became effective. It temporarily lowers the trigger threshold for the French FDI review mechanism to a 10% foreign shareholding, down from 25%, for FDIs made in listed companies.	23 July 2020	Décret n° 2020-892 du 22 juillet 2020 relatif à l'abaissement temporaire du seuil de contrôle des investissements étrangers dans les sociétés françaises dont les actions sont admises aux négociations sur un marché réglementé, JORF, No. 0179, 23 July 2020.
	Also on 23 July 2020, the Arrêté du 22 juillet 2020 relatif à l'abaissement temporaire du seuil de contrôle des investissements étrangers dans les sociétés françaises dont les actions sont admises aux négociations sur un marché réglementé became effective with a view to adjust the information requested under the FDI review mechanism in accordance with the Décret.		Arrêté du 22 juillet 2020 relatif à l'abaissement temporaire du seuil de contrôle des investissements étrangers dans les sociétés françaises dont les actions sont admises aux négociations sur un marché réglementé, JORF No.0179, 23 July 2020.
Germany			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 3 June 2020, an amendment to the *Foreign Trade and Payments Ordinance* came into effect. The amendment changes procedural and substantive aspects of Germany's investment screening procedure to safeguard essential security interests. The changes extend the application of a 10% trigger threshold for acquisitions by non EU-foreigners and an associated notification requirement to health-related sectors and adjust some procedural rules to overcome identified shortcomings in the operation of the mechanism.	3 June 2020	Fünfzehnte Verordnung zur Änderung der Außenwirtschaftsverordnung, 3 June 2020
	On 17 July 2020, an amendment to the Foreign Trade and Payments Act came into effect. The law adapts the German review framework to the European Union Regulation establishing a framework for the screening of FDI into the EU, among others by taking other EU members' interests and European programmes into consideration for the risk assessment. Furthermore, the probability threshold for the prognosis of risk is revised in accordance with the EU Screening Regulation. The amendment introduces a new provision stipulating the time limits for the different stages of the screening process, in a comprehensive, differentiated and transparent manner.	17 July 2020	Erstes Gesetz zur Änderung des Außenwirtschaftsgesetzes, 17 July 2020
	On 7 October 2020, a further amendment to the *Foreign Trade and Payments Ordinance* was adopted (it came into	7 October 2020	Sechzehnte Verordnung zur Änderung der

	Description of Measure	Date	Source
	force on 29 October 2020). The amendment adjusts the rules of the ordinance to the changes brought by the reform of the Foreign Trade and Payments Act.		Außenwirtschaftsverordnung, 7 October 2020
India			
Investment policy measures	On 17 September 2020, the government of India announced a revision of the rules on FDI in the defence sector. While 100% foreign ownership in the sector is allowed as previously, ownership of up to 74% is now allowed under the automatic route, up from 49% previously. Also, foreign investment in the sector is subject to security clearance by the Ministry of Home Affairs as per guidelines of the Ministry of Defence, and a further scrutiny on grounds of national security is reserved for any foreign investment in the sector.	17 September 2020	"Review of Foreign Direct Investment (FDI) Policy in Defence Sector", Press Note 4 (2020), Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, 17 September 2020.
Investment measures relating to national security	None during reporting period.		
Indonesia			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Italy			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 6 June 2020, the Law 5 June 2020, n.40 entered into effect. It converts the Decreto Legge 8 Aprile 2020, n.23, into law. The amendments expand, among others, the application of the review mechanisms to additional sectors that are declared strategic; enable the authorities to open reviews ex-officio where companies do not fulfil the notifications obligations; and extend the scope of the powers to acquisitions from within the EU and lower the trigger threshold for acquisitions from outside the EU to 10%.	9 April 2020; 5 July 2020	Decreto Legge 8 aprile 2020, n.23, GU Serie Generale n.94, 8 April 2020; Legge 5 giugno 2020, n.40, GU Serie Generale n.143, 6 June 2020.
Japan			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 15 June 2020, the Japanese authorities publicly announced that starting on 15 July 2020, "manufacturing industries related to pharmaceuticals" and "manufacturing [industries] related to highly-controlled medical devices" will also be listed as companies subject to specific notification requirements.	15 June 2020	"*List of classifications of listed companies regarding the prior-notification requirements on inward direct investment under the Foreign Exchange and Foreign Trade Act*", Ministry of Finance, 8 May 2020, as updated on 10 July 2020.
Republic of Korea			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 5 August 2020, amendments to the Enforcement Decree of the Foreign Investment Promotion Act entered into force. One of the changes has made it possible for the	5 August 2020	Enforcement Decree of the Foreign Investment Promotion Act as Amended by the

	Description of Measure	Date	Source
	competent Minister or the heads of the relevant agencies to request a review to the Foreign Investment Committee on a foreign investment where there is a "high" possibility of leakage for core national technologies, as defined by the Act on the Prevention of Divulgence and Protection of Industrial Technology, and at the same time where a foreigner's acquisition of de facto control over the management of an existing domestic company by acquiring its stocks, etc. may threaten national security.		Presidential Decree No. 30918, 5 August 2020.
Mexico			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Russian Federation			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 11 August 2020, the Federal Law No. 255-FZ of 31 July 2020 on "Amendments to the Federal Law on "Procedures for Foreign Investment in the Business Entities of Strategic Importance for Russian National Defence and State Security", entered into force. The amendments seek to clarify certain provisions of the Law in order to prevent circumvention of the screening mechanism.	11 August 2020	Federal Law No. 255-FZ of July 31, 2020, on "Amendments to the Federal Law on "Procedures for Foreign Investment in the Business Entities of Strategic Importance for Russian National Defence and State Security", 31 July 2020.
Saudi Arabia			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
South Africa			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
Turkey			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	None during reporting period.		
United Kingdom			
Investment policy measures	On 22 June 2020, the UK Government issued an Order amending the Enterprise Act 2002 to add the "need to maintain in the UK the capability to combat, and mitigate the effects of public health emergencies" as a "specified	22 June 2020	The Enterprise Act 2002 (Specification of Additional Section 58 Consideration) Order 2020, SI 2020/627, 22 June 2020.

	Description of Measure	Date	Source
	consideration" under the Act in relation to which UK authorities may intervene in certain mergers.		
Investment measures relating to national security	On 20 July 2020, the UK Government made two additional orders amending the circumstances when the Government may intervene in mergers under the Enterprise Act 2002. The changes lower the jurisdictional thresholds for merger controls in three specific sectors: artificial intelligence, cryptographic authentication technology, and "advanced materials".	20 July 2020	Enterprise Act 2002 (Share of Supply) (Amendment) Order 2020, SI 2020/748, 20 July 2020; Enterprise Act 2002 (Turnover Test) (Amendment) Order 2020, SI 2020/763, 20 July 2020.
United States			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 27 August 2020, a Final Rule issued by the U.S. Department of Treasury clarifying revisions to the definition of "principal place of business" in the regulations of the Committee for Foreign Investment in the United States (CFIUS) became effective. The definition of "principal place of business" was introduced earlier through Interim Rules published on 17 January 2020 and on which the public provided comments. The Final Rule introduces clarifications that were the subject of public comments addressed to the U.S. Treasury in January 2020 after the publication of two interim rules defining the term. The Final Rule also adopts definitively an Interim Rule published by the U.S. Treasury on 29 April 2020 establishing fees for parties filing a formal written notice with CFIUS of a real estate transaction.	27 August 2020	Final Rule, Definition of "Principal Place of Business"; Filing Fees for Notices of Certain Investment in the United States by Foreign Persons and Certain Transactions by Foreign Persons Involving Real Estate in the United States, Federal Register Vol.85, No.145, 28 July 2020.
	On 15 October 2020, a Final Rule issued by the U.S. Department of the Treasury modifying the criteria for mandatory declarations for certain foreign investment transactions involving a U.S. business that produces, designs, tests, manufactures, fabricates, or develops one or more "critical technologies" came into effect. This Final Rule made revisions to the proposed rule published on 21 May 2020 and on which the public provided comments. This Final Rule removes the previous analysis and nexus to the North American Industry Classification System (NAICS) codes, and replaces it with an analysis of export control authorization requirements. Additionally, this Final Rule makes amendments to the definition of the term "substantial interest" and a related provision, and makes one technical revision.	15 October 2020	Final Rule, Provisions Pertaining to Certain Investments in the United States by Foreign Persons, Federal Register, Vol.85, No.179, 15 September 2020.
European Union			
Investment policy measures	None during reporting period.		
Investment measures relating to national security	On 19 September 2020, the Commission Delegated Regulation of 13 July 2020 amending the Annex to Regulation (EU) No 2019/452 entered into force, following consultation of EU Member states and a public consultation in June 2020. The amendment adds new projects and programmes to the list of projects and programs of Union interest set out in the Annex of the EU Regulation of the European Parliament and of the Council establishing a framework for the screening of foreign direct investments into the Union.	19 September 2020	Commission Delegated Regulation of 13 July 2020 amending the Annex to Regulation (EU) No.2019/452 of the European Parliament and of the Council establishing a framework for the screening of foreign direct investments into the Union, C(2020) 4721 final, Official Journal of the European Union, L 304/1, 18 September 2020.
	On 11 October 2020, the Regulation of the European Parliament and of the Council establishing a framework for the screening of foreign direct investments into the Union entered into full application. The Regulation creates a mechanism for the exchange of information among EU Member States and the Commission related to specific	11 October 2020; 31 July 2020	Regulation (EU) 2019/452 of the European Parliament and of the Council of 19 March 2019 establishing a framework for the screening of foreign direct investments into the Union,

Description of Measure	Date	Source
FDI transactions allows the Commission to issue non-binding opinions if an investment threatens essential security interest of more than one Member State; or when an investment could undermine a programme of the EU; and sets standards for EU Member States' national policies to safeguard their essential security interests. Member States may send non-binding comments if they consider that the transaction is likely to affect their security or public order. Pursuant to a Commission Decision of 31 July 2020 on the application of Article 127(7)(b) of the Agreement on the Withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community to the cooperation mechanism under Regulation (EU) 2019/452 which grants access to security-related sensitive information, the United Kingdom does not take part in the cooperation during the transition period.		Official Journal of the European Union, L 79 I/1, 21 March 2019.

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

Reporting period. The reporting period of the present document is from 16 May2020 to 15 October 2020. An investment measure is counted as falling within the reporting period if new policies were adopted or entered into force during the period.

Investment. For the purpose of the inventory presented in Annex 1, international investment is understood to include only foreign *direct* investment. Investment policy measures not specific to FDI are not included in this inventory but shown in Annex 2 of this report.

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

National security. International investment law, including the OECD investment instruments, recognises that governments may need to take measures to safeguard essential security interests and public order. For the purpose of this report, national security related measures are understood as including policies which relate to national security risks associated with the acquisition, ownership or control of assets. National security related measures are included irrespective of whether the measure applies to foreigners only or whether it also covers nationals of the country that takes the measure. The investment policy community at the OECD and UNCTAD monitors these measures to help governments adopt policies which are effective in safeguarding national security and to ensure that they are not disguised protectionism.

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

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

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

Annex 2: Recent investment policy measures not specific to FDI (16 May 2020 to 15 October 2020) – Reports on individual economies[15]

Description of Measure	Date	Source
Argentina		
None during reporting period.		
Australia		
None during reporting period.		
Brazil		
On 13 August 2020, the Brazilian Securities and Exchange Commission Resolution No.3 of 11 August 2020 came into effect. The Resolution brings greater flexibility for the issuing of Brazilian Depositary Receipts (BDRs).	13 August 2020	Brazilian Securities and Exchange Commission Resolution No.3 of 11 August 2020.
On 1 October 2020, the Central Bank Resolution Nº4.852 of 27 August 2020 became effective. The Resolution introduces amendments to Regulation Annex I to Resolution No. 4.373 of 29 September 2014 and designates the Securities and Exchange Commission as regulator of the procedures for the registration of non-resident investors.	1 October 2020	Central Bank Resolution Nº4.852 of 27 August 2020.
Canada		
None during reporting period.		
P.R. China		
On 6 June 2020, Regulations on Fund Administration for Domestic Securities and Futures Investment by Foreign Institutional Investors entered into force. Changes seek to reform the qualified foreign investor (QFII) and renminbi qualified foreign institutional investor (RQFII) regimes. For those investors, the new regulations seek, among others, to remove some investment quota restrictions; facilitate the repatriation of funds; and extend their range of financial derivatives transactions.	7 May 2020; 6 June 2020	Regulations on Funds Administration for Domestic securities and Futures Investment by Foreign Institutional Investors, People's Bank of China and the State Administration of Foreign Exchange, 7 May 2020.
France		
None during reporting period.		
Germany		
None during reporting period.		
India		
On 22 May 2020, the Reserve Bank of India announced an extension of the time-frame in which foreign portfolio investors need to implement 75% of the investments under their committed portfolio size under the *Voluntary Retention Route* (VRR).	22 May 2020	"'Voluntary Retention Route' (VRR) for Foreign Portfolio Investors (FPIs) investment in debt – relaxations", RBI/2019-20/239, A.P. (DIR Series) Circular No.32, 22 May 2020.
On 22 May 2020, the Reserve Bank of India announced a temporary extension of the timeframe in which remittances for "normal" imports (thus excluding import of gold, diamonds and precious stones and jewellery) have to be completed. This timeframe has been set to 12months from the date of shipment rather than six months, for imports made on or before 31 July 2020.	22 May 2020	"Import of goods and services-Extension of time limits for Settlement of import payment", RBI/2019-20/242, A.P. (DIR Series) Circular No.33, 22 May 2020.

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

Description of Measure	Date	Source
On 7 April 2020, the Reserve Bank of India announced amendments to the rules on the hedging of foreign exchange risk; these rules are set to come into effect on 1 June 2020.	7 April 2020; 1 June 2020	"Risk Management and Inter-bank Dealings – Hedging of foreign exchange risk", RBI/2019-20/210, A.P. (DIR Series) Circular No. 29, 7 April 2020.
Indonesia		
On 2 March 2020, Indonesia's Central Bank announced adjustments of some policies to maintain monetary and financial market stability as well as mitigate the COVID-19 risks. These measures include: ● A reduction of the foreign exchange reserve requirements for commercial banks from 8% to 4%, effective 16 March 2020; ● A reduction in rupiah reserve requirements by 50bps for banks that finance import-export activities as of 1 April 2020 for an initial period of 9 months; and ● An expansion of the range of underlying transactions available to foreign investors in order to provide alternative hedging instruments against rupiah holdings. The Central Bank also reaffirmed that global investors can utilise global and domestic custodian banks to conduct investment activity in Indonesia.	2 March 2020; 16 March 2020; 1 April 2020	"Bank Indonesia Strengthening Measures to Maintain Monetary and Financial Stability", Bank Sentral Republik Indonesia media release No.22/15/DKom, 2 March 2020.
On 19 March 2020, Indonesia's Central Bank announced further measures to maintain financial stability, including: ● An expedited enforcement of domestic vostro rupiah accounts for foreign investors as underlying transactions for Domestic Non-Deliverable Forwards (DNDF) to increasing hedging alternatives against rupiah holdings in Indonesia; this measure was initially scheduled to enter into effect on 1 April 2020 but came into effect 23 March 2020. ● The expansion of the reduction of rupiah reserve requirements by 50bps beyond banks that are engaged in export-import financing to include the financing of MSMEs and other priority sectors, effective from 1 April 2020.	19 March 2020; 23 March 2020; 1 April 2020	"*BI 7-Day Reverse Repo Rate Lowered 25 bps to 4,50% : Maintaining Stability, Mitigating The Risk of COVID-19*" Bank Sentral Republik Indonesia media release No. 22/22/DKom, 19 March 2020.
Italy		
None during reporting period.		
Japan		
None during reporting period.		
Republic of Korea		
None during reporting period.		
Mexico		
None during reporting period.		
Russian Federation		
None during reporting period.		
Saudi Arabia		
None during reporting period.		
South Africa		
None during reporting period.		

Description of Measure	Date	Source
Turkey		
Between 24 May 2020 and 30 September 2020, the President of Turkey made a series of changes to the Bank and Insurance Transaction Tax (BSMV), which is levied on foreign exchange sales. On 24 May 2020, the tax was increased to 1%, but on 17 June 2020 brought down to 0% for certain enterprises, and on 30 September 2020 set to 0.2%.	24 May 2020; 17 June 2020; 30 September 2020	Official Journal, 24 May 2020; Official Journal, 30 September 2020.
United Kingdom		
None during reporting period.		
United States		
None during reporting period.		
European Union		
None during reporting period.		

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

Reporting period. The reporting period of the present document is from 16 May 2020 to 15 October 2020. An investment measure is counted as falling within the reporting period if new policies were adopted or entered into force during the period.

Investment. For the purpose of the inventory presented in Annex 2, international investment is understood to include all international capital movements; however, measures specifically concerning foreign direct investment are not reported in this Annex, but rather in Annex 1 of the present document.

Investment measure. For the purposes of this Annex 2, investment measures consist of any action that either (i) imposes or removes differential treatment of foreign or non-resident investors compared to the treatment of domestic investors in like situations; or (ii) imposes or removes restrictions on international capital movements.

Reporting on international capital movements has no legal effect on the rights and obligations of member states of the WTO, OECD, or UNCTAD.

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

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

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

Annex 3: G20 Members' International Investment Agreements[16]

	BITs			Other IIAs			Total IIAs as of 15 October 2020
	Concluded between 16 May 2020 and 15 October 2020	Effectively terminated between 16 May 2020 and 15 October 2020	As of 15 October 2020	Concluded between 16 May 2020 and 15 October 2020	Effectively terminated between 16 May 2020 and 15 October 2020	As of 15 October 2020	
Argentina			55			18	73
Australia		1	15			22	37
Brazil			26			19	45
Canada			32		1	20	52
China			125			23	148
France			98			71	169
Germany			129			71	200
India			19			13	32
Indonesia		1	41			19	60
Italy			67			70	137
Japan			33			20	53
Republic of Korea			94			20	114
Mexico			31		1	16	47
Russian Federation			79			6	85
Saudi Arabia			24			13	37
South Africa			39			10	49
Turkey			109			20	129
United Kingdom			100			72	172
United States			45	1	1	69	114
European Union						70	70

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

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