

Annex 2

Investment Measures (October 2015-October 2016)

The following list of investment measures implemented in selected APEC economies from October 2015-May 2016 is adapted from the joint OECD-UNCTAD 15th Report on G-20 Investment Measures (21 June 2016) and the UNCTAD Investment Policy Monitor (November 2016).

Type	Description	Date	Source
Australia			
Investment policy measures related to FDI entry	On 1 December 2015, changes to Australia’s rules for inward foreign investment came into effect. Changes include the lowering of the screening threshold for foreign investment in agribusiness to AUD 55 million (with exceptions for investors from some countries with which Australia has concluded FTAs); the introduction of fees payable by foreign investors for reviews of their investment proposals and stricter penalties, now including criminal sanctions in case of breaches of review obligations and ownership restrictions.	1 Dec 2015	“Stronger foreign investment regime comes into force”, Treasurer Media release, 1 December 2015. “Foreign Investment Reforms Factsheet: Reform overview”, FIRB, undated; Foreign Investment Framework legislation and regulations.
	On 31 March 2016, changes to Australia’s foreign investment review rules became effective. Henceforth, acquisitions by foreign non-government acquirers of certain infrastructure assets from the Commonwealth, a State, a Territory or a local governing body of Australia or an entity wholly owned by the Commonwealth, a State, a Territory or a local governing body, which had hitherto been exempted from reviews, are subject to review.	31 Mar 2016	Foreign Acquisitions and Takeovers Amendment (Government Infrastructure) Regulation 2016.
	Three territorial subdivisions of Australia New South Wales, Queensland and Victoria introduced, increased or announced additional stamp duties applicable to foreign acquirers of residential real estate. The conditions under which the “additional foreign acquirer duties” apply vary among the States; in Victoria, acquisitions by New Zealanders are exempted;	21 June 2016; 30 June 2016; 1 July 2016	Clayton Utz, New duty and land tax surcharges for foreign buyers of land in Australia, 23 June 2016.

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	in New South Wales, New Zealanders who are ordinarily resident in Australia are not subject to the surcharge purchaser duty, either. In addition, Victoria and New South Wales have introduced land tax surcharges of foreign owners of real estate.		
	On 19 August 2016, Australia's Treasurer prohibited the proposed acquisition (the 99-year lease) by foreign investors for the lease of 50.4 per cent of Ausgrid, the New South Wales electricity distribution network, under the Foreign Acquisitions and Takeovers Act 1975. The Australian government blocked the acquisition as this would be contrary to the national interest.	19 Aug 2016	Media Release, The Treasury of Australia, Statement on decision to prohibit the 99-year lease of 50.4 per cent of Ausgrid under current proposed structure, 19 August 2016.
	On 19 September 2016, the Government of the State of Victoria announced the Lonsdale Consortium as the leaseholder for the Port of Melbourne. This port is the biggest container and cargo port in the country and the lease is valid 50 years' worth for A\$ 9.7 billion. The Lonsdale Consortium is a consortium of domestic and global funds, backed by investors including Australia's sovereign wealth fund, Canada's Ontario Municipal Employees Retirement System and China Investment Corp.	19 Sep 2016	The Victorian State Government, Leasing the Port of Melbourne, 19 September 2016.
	On 19 September 2016, Australia's Treasurer has ordered the divestment of a further 16 Australian residential properties that have been held by foreign nationals in breach of the foreign investment framework, taking the total purchase price of Australian residential real estate divested to over A\$92 million.	19 Sep 2016	Treasurer media release, Turnbull government orders further 16 forced sales of properties illegally held by foreign nationals, 19 September 2016.
Canada			
Investment policy measures related to FDI entry	Effective 2 August 2016, British Columbia, a province of Canada, imposed an additional property transfer tax on residential property transfers to foreign natural and legal persons in the Greater Vancouver Regional District.	2 Aug 2016	Tax Information Sheet from Ministry of Finance,

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	The tax, which stands at 15 per cent of the fair market value of the acquired property, applies in addition to the general property transfer tax. The tax does not apply to non-residential property, or to trusts that are mutual fund trusts, real estate investment trusts or specified investment flowthrough trusts.		Additional Property Transfer Tax on Residential Property Transfers to Foreign Entities in the Greater Vancouver Regional District, 27 July 2016.
China			
Investment policy measures related to FDI entry	On 28 October 2015, the Ministry of Commerce issued Order No.2 of 2015 on Revising Certain Regulations and Regulated Documents. The Order modified 29 circulars, most of which were related to foreign investments with the aim of simplifying the capital registration system for companies in China. The main areas of reform are the following; (1) Minimum registered capital requirements on foreign investment in certain industries and for companies limited by shares have been abolished. (2) Certain rules governing foreign invested holding companies have been changed. (3) Capital verification reports issued by Chinese certified public accountants will generally no longer be required. (4) In some cases, a mere filing certificate replaces the traditional Foreign Investment Approval Certificate. (5) The "foreign-invested enterprise joint annual inspection" is replaced by a joint annual report.	28 Oct 2015	Order No. 2 of 2015 on Revising Certain Regulations and Regulated Documents.
	On 3 September 2016, the National People's Congress decided to modify four laws, including the Law on Foreign-funded Enterprises. Subsequently, the National Development and Reform Commission (NDRC) and the Ministry of Commerce (MOFCOM) jointly issued one announcement specifying the scope of the Special Administrative Measures of Market Entry for Foreign Investment. The policy change seeks to facilitate investment and increase transparency of the investment environment. Among others, the change replaces to a large extent the requirement to obtain approval for the establishment and changes of foreign invested enterprises by a	3 Sep 2016; 8 October 2016	MOFCOM media release, National Development and Reform Commission and Ministry of Commerce Announces to Promote the Reform of Foreign-invested Enterprises to Set up Filing Management, 10 October 2016.

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	nation-wide filing system. Only for business proposals that fall under the scope of the Special Administrative Measures of Market Entry for Foreign Investment, approval from MOFCOM or its local branches is still required.		
Indonesia			
Investment policy measures related to FDI entry	On 28 December 2015, amendments to the rules regarding Ownership of Homes or Residences by Foreigners Residing in Indonesia came into effect. The rules, set out in Government Regulation No. 103 of 2015, liberalise some aspects of the regime. They notably extend the maximum period that foreigners resident in Indonesia can hold a right-of-use from 50 to 80 years; extends the possibilities to acquire a right-to-use to privately owned land; and allows that the right-to-use is passed by inheritance, provided that the heir is also legal resident in Indonesia.	28 Dec 2015	Government Regulation No. 103 of 2015.
	On 12 May 2016, the President of Indonesia signed the new Negative Investment List. The negative list sets out which sectors are open and closed for foreign investment and which conditions apply. The new list permits or increases the allowed ceiling for foreign investment in a number of sectors including tourism, film and cold storage as well as golf courses, health support services and airport support. The list also adds restrictions to foreign investment in a number of sectors. The revised Negative Investment List is part of a wider effort to simplify investment licenses, facilitate investment projects and boost needed investment.	12 May 2016	Presidential Decree Number 44 (2016).
Korea			
Investment policy measures related to FDI entry	On 27 January 2016, Korea amended the "Foreign Investment Promotion Act". The changes simplify FDI registration procedures, including through (1) abolishing foreign investors' prior reporting to the government of any designated modification of the investment, such as the amount of foreign investment or the foreign ownership ratio; (2) abolishing reporting on "Contracts for Introduction of Technology"; and (3) extending the reporting period for	27 January 2016	Law No. 13854, 27 January 2016

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	certain types of transactions (specifically, from 30 days to 60 days for purchasing stocks or shares which have already been issued by a company run by a national or corporation of the Republic of Korea).		
Investment promotion and facilitation	On 13 August 2016, the newly established Special Act on Revitalizing Companies (so called One-shot Act) took effect, aimed at facilitating voluntary corporate restructuring and M&As. The new law facilitates business reform by applying simplified procedures, including exemptions from the strict antitrust laws and financial market regulations. The government also provides tax benefits and subsidies for research and development on corporate restructuring. Businesses seeking to benefit from this program can apply to the government. This law will remain effective for a limited period of 3 years after its promulgation.	13 Aug 2016	The Korea Times, One-shot act to take effect , 11 August 2016
Mexico			
Investment policy measures related to FDI entry	On 12 May 2016, the amount of the aggregate assets' value referred to in the article 9 of the Foreign Investment Law was amended. This article states that a favorable resolution from the National Commission of Foreign Investments is required for foreign investors to hold, directly or indirectly, a percentage higher than 49% of the capital stock of Mexican companies when the aggregate assets value of such companies at the date of acquisition exceeds the annually determined amount by such Commission. In 2015, the amount determined was MXN 3,810,816,212.47, now it was set to MXN 4,005,167,839.31.	12 May 2016	Federal Official Gazette, General Resolution No. 17, 12 May 2016
	On 2 September 2016, three resolutions that clarify the application of Mexico's rules on foreign investment came into effect. The clarifications relate to the definition of the term control and to the registration procedure for foreign investment.	2 Sep 2016	Federal Official Gazette, Resolución General por la que se determina la actualización del supuesto jurídico para la inscripción, presentación de

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			avisos y cancelación de inscripción ante el Registro Nacional de Inversiones Extranjeras, Resolución General por la que se establece el periodo máximo de información que deberá presentarse para la actualización ante el Registro Nacional de Inversiones Extranjeras, and Resolución General por la que se establece el criterio del término control, para efectos de la inversión neutra, 2 September 2016.
Philippines			
Investment policy measures related to FDI entry	On 16 August 2016, the Republic Act No. 10881 titled “An Act Amending Investment Restrictions in Specific Laws Governing Adjustment Companies, Lending Companies, Financing Companies and Investment Houses Cited in the Foreign Investment Negative List and For Other Purposes” took effect. The new law allows 100 per cent foreign ownership in adjustment companies, lending companies, financing companies and investment houses. Previously, foreign investors were allowed up to 60 per cent ownership in financing companies and investment houses, 69 per cent in lending companies as well as 40 per cent in adjustment companies.	16 August 2016	Presidential Legislative Liaison Office, Recently Enacted Laws Republic Acts (RA) / Joint Resolutions (JR) - RA No. 10881: Foreign Ownership Restrictions, 1 August 2016
Russia			
Investment policy measures	On 1 January 2016 Federal Law 305 entered into effect. The law prohibits ownership or control over 20% in the share capital of media companies by: foreign States, international	1 January 2016	Федеральный закон от 14 октября 2014 г. № 305-ФЗ “О

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related to FDI entry	organisations, Russian nationals who have a nationality of another State, foreign natural and legal persons, as well as Russian legal persons that are more than 20% foreign-owned. The previous cap of foreign control was 50% and applied to TV and radio only, while the reduced limit also covers print and Web media. The law had been signed on 14 October 2014.		внесении изменений в Закон Российской Федерации “О средствах массовой информации”.
	On 16 May 2016, in accordance with Federal Law No. 178-FZ of 21 December 2001 “On privatization of State and Municipal property, the President signed Decree No. 228”, the President signed Decree No. 228 “On modifying the list of strategic shareholding enterprises established by Decree No. 1009 of 4 August 2004.” The oil producing company Bashneft, with 50 per cent + 1 share of State participation, was removed from this list. The decree paves the way for future privatization of the company.	16 May 2016	State internet portal for legal information, Decree No. 228 On modifying the list of strategic shareholding enterprises established by Decree No. 1009 of 4 August 2004, 16 May 2016.
	On 6 July 2016, the Russian government offered for privatization through the Moscow stock exchange a 10.9 per cent stake in the diamond mining company Alrosa (the world’s largest).	6 July 2016	Wall Street Journal, Russia Sells Stake in Diamond Company Alrosa to Cut Budget Deficit, 11 July 2016.
United States			
Investment policy measures related to FDI entry	On 30 September 2016, the Federal Communications Commission released a report and order that simplifies the foreign ownership filing and review process for broadcast licensees. While the rule under which direct ownership of a broadcast station is restricted to U.S. citizens or to entities in which non-U.S.-citizens own no more than 20%, did not change, rules on indirect ownership were adjusted by extending the rules developed for foreign ownership reviews for common carrier and certain aeronautical licensees to the broadcast context. The change also provides a reformed framework for a publicly traded broadcast or common carrier licensee or controlling U.S. parent to ascertain its foreign ownership.	30 Sep 2016	Federal Communication Commission, FCC 16-128, 30 September 2016.

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Viet Nam			
Treatment of FDI	On 30 June 2016, the Ministry of Planning and Investment issued Circular 09/2016/TT-BKHDT, to ensure that foreign firms observe relevant regulations and that violations will be discovered quickly. According to the regulation, examinations will be made on foreign companies in relation to capital contributions, project construction, the implementation processes, realization of investment targets, technology transfers, and fulfillment of investment requirements. The monitoring of companies will be conducted via routine as well as snap inspections.	30 June 2016	Ministry of Planning and Investment, Circular No. 09/2016 / TT-BKH, 30 June 2016

Other Investment Measures

The following list of investment measures not specific to FDI were implemented in selected APEC economies from 16 October 2015-15 May 2016.

Type	Description	Date	Source
China			
Access to inter-bank foreign exchange market	On 25 November 2015, a first group of foreign central banks and similar institutions was given access to the Chinese inter-bank foreign exchange market. A further group of foreign central banks and similar institutions followed suit on 12 January 2016.	25 Nov 2015	“First Group of Foreign Central Banks and Similar Institutions Entering the Chinese Inter-bank Foreign Exchange (FX) Market”, People’s Bank of China press release, 25 November 2015; “PBC Official Answered Press Questions on Access of Foreign Central Banks and Similar Institutions to the Inter-bank Foreign Exchange Market”, People’s Bank of China, 6 November 2015.

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Offshore investments by domestic investors	In November and December 2015, the People’s Bank of China announced the expansion of the Renminbi Qualified Domestic Institutional Investor (RQDII) investment scheme with Singapore (on 17 November 2015), Malaysia (on 23 November 2015) and Thailand (on 17 December 2015). Under the scheme, domestic investors are allowed to acquire assets offshore until certain quotas are reached. The quota for Singapore was increased to RMB 100 billion, and the initial quotas for Thailand and Malaysia were set to RMB 50 billion each.	17 Dec 2015	“RMB qualified foreign institutional investors (RQFII) pilot areas to expand to Thailand”, People’s Bank of China press release, 17 December 2015.
Macro-prudential management of cross-border financing	On 25 January 2016, pilot rules on macro-prudential management of cross-border financing came into effect. The rules, issued by the People’s Bank of China and applicable to enterprises established in one of the pilot free-trade zones and to a set of eligible banks established in China, determine under which conditions an entity established in China may seek financing in RMB or foreign currency by a non-resident. The pilot scheme replaces, to the extent of its application, the quota system by a risk-weighted system.	25 Jan 2016	“Pilot Scheme for Macro Prudential Management of Cross Border Financing within Expanded Parameters”, People’s Bank of China press release, 22 January 2016.
Reserve requirement on offshore financial institutions’ onshore deposits.	On 25 January 2016, the People’s Bank of China applied a deposit reserve requirement on offshore financial institutions’ onshore deposits. The measure had initially been introduced in December 2014, but the reserve requirement rate had since then been 0. Foreign central banks and similar institutions are exempted from the application of the reserve requirement.	25 Jan 2016	“PBC Normalizes Deposit Reserve Requirement on Offshore Financial Institutions’ Onshore Deposits”, People’s Bank of China press release, 18 January 2016.
Access of foreign institutional investors on China’s securities markets.	On 3 February 2016, regulatory relaxations on China’s Qualified Foreign Institutional Investors (QFII) scheme came into effect. The QFII scheme allows foreign institutional investors to invest in China’s securities markets.	3 Feb 2016	“Reform of QFII foreign exchange management system to further expand the domestic capital

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	The new Qualified Foreign Institutional Investors In Securities Exchange Regulations: introduce a basic quota proportionate to assets – USD 5 billion at most – that removes uncertainties stemming from the quota allocation process and shorten the lock-in period for repatriation of the investment.		market liberalization”, SAFE release, 4 February 2016; Announcement No. 1 of 2016, State Administration of Foreign Exchange, 4 February 2016.
Russia			
General business climate	On 23 June 2016, the Parliament adopted Federal Law No. 215-FZ “On Amending the Money Laundering Law and the Russian Code of Administrative Offences.” Under the amendments, all Russian Joint Stock Companies and Limited Liability Companies are required to collect and annually update the information on their beneficial owners and store this information for at least 5 years. If requested by the tax or other competent authorities, the legal entities must submit their beneficial ownership information and other related documents. Legal entities’ failure to identify, submit, update and keep their beneficial ownership information will lead to administrative liability and payment of a fine. The Law will come into effect on 21 December 2016.	23 June 2016	CMS Legal news article, The amendments to the corporate law , 8 August 2016