

14. Investment: Business Environment for Investors

Commitment [#47]

“Recognizing the importance of investment for boosting economic growth, we commit to maintaining a supportive business environment for investors.”

Los Cabos Summit Final Declaration

Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Argentina			+1
Australia			+1
Brazil			+1
Canada			+1
China			+1
France			+1
Germany			+1
India			+1
Indonesia			+1
Italy		0	
Japan			+1
Korea			+1
Mexico			+1
Russia			+1
Saudi Arabia			+1
South Africa			+1
Turkey			+1
United Kingdom			+1
United States			+1
European Union			+1
Average Score		0.95	

Background

Since 2008 the G20 leaders have made commitments regarding protectionism in trade and investment, renewing these commitments at each summit.

The need for a policy environment that supports sustainable private sector-led investment was recognized by the G20 as one of the six core principles of the Seoul Development Consensus and the Multi-Year Action Plan in 2010. At the Seoul Summit the G20 leaders asked the United Nations Conference on Trade and Development (UNCTAD) and the OECD to continue monitoring investment policy developments and to report publicly on a semi-annual basis.³¹⁹⁵

G20 leaders made the first direct commitment for a supportive business environment for international investors at the Los Cabos Summit in 2011.

³¹⁹⁵ Joint UNCTAD-OECD Reports on G20 Investment Measures, UNCTAD 2012.

<http://unctad.org/en/Pages/DIAE/G-20/UNCTAD-OECD-reports.aspx>

Commitment Features

The commitment requires G20 members to take measures aimed at maintaining a supportive business environment for investors. At the request of the G20 UNCTAD and the OECD jointly prepare regular monitoring reports on G20 countries' investment policy measures. The OECD-UNCTAD Reports on G20 Investment measures list actions undertaken by members. Positive actions may include eliminating restrictions to international investment, improving clarity of procedures, ensuring free movements of capital, liberalizing procedures for foreign investments in specific sectors, etc.³¹⁹⁶

The countries can also support international investment agreements to address issues of cross-border investment. These agreements can be concluded on both a bilateral and a multilateral basis and can also include agreements on double taxation. The information on international investment agreements is included into the OECD-UNCTAD reports.³¹⁹⁷ The information on double taxation agreements is available at the Exchange of Tax Information Portal.³¹⁹⁸

Other sources of data include the OECD reports on investment measures under its Freedom of Investment process, in the 55 economies that participate in the process.³¹⁹⁹ UNCTAD's Investment Policy Monitor, a quarterly online publication, is also a useful country-specific, up-to-date information source on the latest developments in foreign investment policies, both at the national and international level, reviewing countries around the globe.³²⁰⁰ However, G20 national information resources are to be considered primary sources of data for the purposes of the analysis.

To register full compliance a member needs to take measures aimed at alleviating obstacles to foreign investment unilaterally and through participation in international investment agreements.

Scoring Guidelines

-1	Member takes no measures to maintain a supportive business environment for investors.
0	Member takes measures to maintain supportive business environment for investors unilaterally OR through participation in international investment agreements.
+1	Member takes measures to maintain a supportive business environment for investors unilaterally AND through participation in international investment agreements.

Lead Analyst: Andrei Sakharov

Argentina: +1

Argentina has fully complied with its commitment on investment.

Argentina has taken actions to maintain supportive business environment for investors unilaterally.

³¹⁹⁶ Joint UNCTAD-OECD Reports on G20 Investment Measures, UNCTAD 2012.

<http://unctad.org/en/Pages/DIAE/G-20/UNCTAD-OECD-reports.aspx>

³¹⁹⁷ Joint UNCTAD-OECD Reports on G20 Investment Measures, UNCTAD 2012.

<http://unctad.org/en/Pages/DIAE/G-20/UNCTAD-OECD-reports.aspx>

³¹⁹⁸ All Jurisdictions, Exchange of Tax Information Portal. <http://eoi-tax.org/jurisdictions/>.

³¹⁹⁹ Freedom of investment at the OECD, OECD.

<http://www.oecd.org/daf/internationalinvestment/investmentpolicy/foi.htm>.

³²⁰⁰ Investment Trends and Policies Monitors, UNCTAD.

<http://unctad.org/en/Pages/DIAE/DIAE%20Publications%20-%20Bibliographic%20Index/Investment-Policy-Monitors.aspx>.

On 5 July 2012 Argentina has reduced the tariffs on capital goods for MERCOSUR members to 2%.³²⁰¹

On 17-21 September 2012, the delegation of the Argentinian Ministry of Foreign Affairs and Worship visited the US (Austin, Houston and Atlanta) for boosting business, trade and investment opportunities in the software sector between both countries. IT sector is the most dynamic sectors in Argentina in the last years, thus IT partnerships are considered by Argentina as tools for economic development of the country. The main activities of the visit included seminars on investment opportunities in IT sector in Argentina provided in business centers and key companies — Coca-Cola, AT&T, Turner and Delta.³²⁰²

At the end of November 2012, the Argentine Ministry of Foreign Affairs and Worship organised a workshop on investments and trade with Russia. After the workshop the Russian delegation of entrepreneurs visited a number of Argentinian companies in energy, oil, nuclear technology, aeronautics, agricultural machinery, and food sectors. The Undersecretariat for Investment Development and Trade Promotion of the Argentine Foreign Ministry presented its Productive Investment Opportunity Database (BaPIP) to the Russian delegation members.³²⁰³

On 13-14 December 2012, the Argentine Embassy in China in cooperation with the Chinese Ministry of Trade organised a workshop on business opportunities in Argentina in Urumqi city, Xinjiang province. Argentina's business, investment and tourism opportunities were presented to local, provincial and national Chinese officials as well as representatives of 20 companies, local trade organisations and media.³²⁰⁴

At the end of January 2013, the Argentine Consulate General and the Trade Promotion Center in Mumbai, jointly with Eximbank India, organized a workshop to promote trade and investment in Chennai, India. 30 businessmen from both countries participated in the event. The Deputy Consul General for Argentina made the presentation on the topic "Argentina: a strategic destination to invest and do business." He strengthened that automotive sector in Argentina is increasing and needs the investments.³²⁰⁵

On 21 February 2013, the annual report on the activities carried out in 2013 within the Productive Investment Database (BaPIP) was published. According to the report, a number of investment opportunities available in Argentina had significantly increased. In 2012, 30 new investments opportunities were added to BaPIP and released on BaPIP official site in English and Spanish.

³²⁰¹ Incentivos a la Inversión. Ventajas de Invertir Hoy. Ministry of Foreign Affairs and Worship of Argentina 2012. Date of Access: 22 January 2013. http://www.inversiones.gov.ar/userfiles/apoyo-publico-a-la-inversion_0.pdf.

³²⁰² Argentina's software and IT services sector on a mission to the United States, Ministry of Foreign Affairs and Worship of Argentina 17 September 2012. Date of Access: 17 January 2013. <http://www.inversiones.gov.ar/en/argentinas-software-and-it-services-sector-mission-united-states>.

³²⁰³ Russia and Argentina: strengthening bilateral trade and investments Argentina, Ministry of Foreign Affairs and Worship of Argentina 3 December 2012. Date of Access: 6 July 2013. <http://www.inversiones.gov.ar/en/russia-and-argentina-strengthening-bilateral-trade-and-investments-argentina>.

³²⁰⁴ Seminar in China about business opportunities with Argentina, Invest in Argentina. Ministry of Foreign Affairs and Worship of Argentina 11 January 2013. Date of Access: 6 July 2013. <http://www.inversiones.gov.ar/en/seminar-china-about-business-opportunities-argentina>.

³²⁰⁵ Seminar in Chennai to promote trade and investment, Invest in Argentina. Ministry of Foreign Affairs and Worship of Argentina 4 February 2013. Date of Access: 6 July 2013. <http://www.inversiones.gov.ar/en/seminar-chennai-promote-trade-and-investment>.

These opportunities represent USD4.1 billion in investment in total. Most investments projects were implemented in renewable energies (21), industry (14), technology (13) and food (13).³²⁰⁶

In March 2013, a delegation of French entrepreneurs from wine, olive, apiary and aromatics industries visited the provinces of Córdoba, San Juan, Mendoza, Salta and Jujuy to explore investment opportunities. Representatives of the Undersecretariat for Investment Development and Trade Promotion of the Argentine Foreign Ministry demonstrated 10 investments projects of the Productive Investment Opportunities Database (BaPIP) to the French colleagues.³²⁰⁷

On 28 May 2013, two Argentine national universities (Cordoba and La Rioja) and two companies working on biotechnology and nanotechnology participated in TechConnect World 2013 — National Innovation Summit & Showcase (NISS) in Washington, the United States. TechConnect brings together the academic and business representatives from the investment funds, governments for demonstrating the innovative projects to attract investments. The Foreign Ministry of Argentina covered the registration fees of national participants. Argentinian delegation members demonstrated three projects promoted by the Database of Productive Investment Projects (BaPIP) for a large audience and held meetings with the potential investors. By participation in such events Argentina's Foreign Ministry aims to encourage foreign direct investment and "promote innovative investment projects in areas of cutting-edge technology (nanotechnology, biotechnology and health technologies, considered as strategic sectors by the national government)."³²⁰⁸

According to the latest joint UNCTAD-OECD Report on G20 Investment Measures³²⁰⁹ Argentina hasn't participated in International Investment Agreements (IIAs) and hasn't implemented any investment policy measures at national level during the period under review.³²¹⁰

However, on 13 September 2012, Argentina signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters aimed at cross border tax co-operation and information sharing. The convention has entered into force for Argentina since 1 January 2013.³²¹¹

On 3 October 2012, the Convention to prevent double taxation between Argentina and Russia came into force. The Convention was signed in Buenos Aires on 10 October 2001.³²¹²

³²⁰⁶ BaPIP's 2012 annual report: investment opportunities on the rise, Invest in Argentina. Ministry of Foreign Affairs and Worship of Argentina 21 February 2013. Date of Access: 6 July 2013.

<http://www.inversiones.gov.ar/en/bapips-2012-annual-report-investment-opportunities-rise>.

³²⁰⁷ French investors visit Argentina's provinces, Ministry of Foreign Affairs and Worship of Argentina 18 March 2013. Date of Access: 6 July 2013. <http://www.inversiones.gov.ar/en/french-investors-visit-argentinas-provinces>.

³²⁰⁸ Argentine innovators showcase their innovations at TechConnect World 2013, Invest in Argentina. Ministry of Foreign Affairs and Worship of Argentina 28 May 2013. Date of Access: 6 July 2013.

<http://www.inversiones.gov.ar/en/argentine-innovators-showcase-their-innovations-techconnect-world-2013>.

³²⁰⁹ OECD. Ninth Report on G20 Investment Measures 17 June 2013. Date of Access: 6 July 2013.

http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d9_en.pdf.

³²¹⁰ OECD. Eighth Report on G20 Investment Measures 31 October 2012. Date of Access: 16 January 2013. http://unctad.org/en/PublicationsLibrary/unctad_oecd2012d8_en.pdf.

³²¹¹ Argentina becomes the first South American country to become a Party to the Multilateral Convention, OECD Official Site 13 September 2012. Date of Access: 3 October 2012.

<http://www.oecd.org/tax/taxargentinabecomesthefirstsouthamericancountrytobecomeapartytothemultilateralconvention.htm>.

On 11 March 2013, Argentina and Spain signed a new double tax treaty to replace the former one which was terminated by the Argentinian Government in 2012. The treaty follows in general the OECD model with small differences in technical assistance services. Under the new treaty “shares and other equity participations fall within the general capital tax residual provision, under which the jurisdiction to tax is shared by the country of residence and the source country.”³²¹³

Argentina has taken measures to support business environment for investors unilaterally through participation in different international meetings and experience exchange, and concluded international investments agreements. Thus, Argentina is awarded a score of +1.

Analyst: Elizaveta Safonkina

Australia: +1

Australia has fully complied with the commitment on maintaining a supportive business environment for investors.

Australia has taken actions to maintain supportive business environment for investors unilaterally.

On 19 February 2013, the Australian Government has announced a USD1 billion plan, Australian Government’s Industry and Innovation Statement. The plan includes USD350 million in fresh venture capital funding, and approximately USD10 million for clinical trial reforms to attract more foreign investment to Australia’s pharmaceutical industry, particularly in clinical research.³²¹⁴

Australia has not concluded any international investment agreements during the monitoring period.³²¹⁵ However, on 1 January 2013, the Malaysia-Australia Free Trade Agreement, signed in May 2012, entered into force.³²¹⁶

On 1 March 2013, the Protocol on Investment for the Australia-New Zealand Closer Economic Relations (CER) agreement took effect, allowing investors from both Australia and New Zealand to benefit from lower compliance costs and greater legal certainty when investing in their Trans-Tasman neighbour.³²¹⁷

On 10 April 2013, China and Australia launched direct trading between the Australian Dollar (AUD) and the Chinese Renminbi (CNY), which is supposed to help lower currency conversion

³²¹² A Law of ratification of the Double Taxation Convention was signed, Official Site of the Russian President 3 October 2012. Date of Access: 6 July 2013. <http://www.kremlin.ru/acts/16584>

³²¹³ New double tax treaty signed between Argentina and Spain, International Law Office 10 May 2013. Date of Access: 6 July 2013. <http://www.internationallawoffice.com/newsletters/detail.aspx?g=95c6b312-00d1-4c77-97ff-a60319f83e06#New>.

³²¹⁴ Australia unveils A\$1bn innovation plan, Austrade 19 February 2013. Date of Access: 31 March 2013. <http://www.austrade.gov.au/Invest/Investor-Updates/2013/0219-Australia-unveils-A-1bn-innovation-plan>.

³²¹⁵ International agreements on trade and investment, Austrade. Date of Access: 31 March 2013. <http://www.austrade.gov.au/free-trade-agreements/default.aspx>.

³²¹⁶ Malaysia-Australia Free Trade Agreement (MAFTA), Austrade. Date of Access: 31 March 2013. <http://www.austrade.gov.au/MAFTA>.

³²¹⁷ Milestone in Investment Ties with New Zealand, Assistant Treasurer 1 March 2013. Date of Access: 13 July 2013. <http://assistant.treasurer.gov.au/DisplayDocs.aspx?doc=pressreleases/2013/022.htm&pageID=003&min=djba&Year=&DocType>.

costs, facilitate the use of CNY and AUD in bilateral trade and investment, and promote financial cooperation between the two countries.³²¹⁸

Australia has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analysts: Andrei Sakharov & Ekaterina Maslovskaya

Brazil: +1

Brazil has fully complied with the commitment on maintaining a supportive business environment for investors.

Brazil has taken actions to maintain supportive business environment for investors unilaterally.

On 23 August 2012, Brazil issued a Decree reducing the rate of the tax on financial transactions, levied on insurance policies issued to guarantee certain contractual obligations, from 7.38% to 0%. The reduction of the rate was part of the Government's plan to stimulate investment in logistic and infrastructure.³²¹⁹ On 19 December 2012, further amendments reducing the minimum average term for specific transactions were introduced.³²²⁰ On 12 June 2013, the tax rate for financial transactions was reduced from 6% to 0% for the foreign exchange transactions for the inflow of funds into Brazil.³²²¹

On 28 December 2012, Brazil introduced changes to transfer pricing rules for interest paid to related parties with the aim of simplifying compliance, reducing areas of controversy and attracting more investment.³²²²

In December 2012, a record number of 2,864 temporary import duty reductions were approved in 2012 since the scheme was established in 2001. The duty reduction scheme encourages investment in the expansion and restructuring of the national productive sector for goods and services through a temporary reduction in the import tax rate on capital goods and computer and telecommunications goods for which there is no equivalent national production. Total global investment linked to the import duty reductions amounted to USD45 billion in 2012.³²²³

³²¹⁸ China and Australia Announce Direct Currency Trading, Department of the Prime Minister and Cabinet 8 April 2013. Date of Access: 13 July 2013. <http://pmtranscripts.dpmc.gov.au/browse.php?did=19208>.

³²¹⁹ Decree 7,787, Official Gazette interpreted by T Magazine by Ernst&Young 23 August 2012. Date of Access: 30 January 2013. <http://tmagazine.ey.com/news/ibfd/brazil-tax-financial-transactions-amended-insurance-tax-rate-reduced/>.

³²²⁰ Decree No. 7,853, Official Gazette interpreted by T Magazine by Ernst&Young 19.12.2012. Date of Access: 30 January 2013. <http://tmagazine.ey.com/news/ibfd/brazil-tax-financial-transactions-amended-2/> (date of access: 30.01.2013).

³²²¹ Decree 8,023, Official Gazette interpreted by T Magazine by Ernst&Young 12 June 2013. Date of Access: 9 July 2013. <http://tmagazine.ey.com/news/ibfd/brazil-iof-certain-credit-transactions-reduced-0/>.

³²²² <http://tmagazine.ey.com/news/tax-alert/brazil-amends-transfer-pricing-rules-new-rules-deductibility-intercompany-interest-new-normative-instruction-tax-alert/>

³²²³ Brazilian Foreign Trade Chamber approves record number of industrial investment incentives in 2012, The official website of the Government of Brazil 26 December 2012. Date of Access: 30 January 2013. http://www.brasil.gov.br/news/history/2012/12/26/brazilian-foreign-trade-chamber-approves-record-number-of-industrial-investment-incentives-in-2012/newsitem_view?set_language=en.

On 16 May 2013, Brazilian Administrative Tax Appeals Council ruled that payments under employee profit-sharing plans are deductible for corporate income tax purposes.³²²⁴

Brazil has entered in a number of international investment agreements during the monitoring period.

On 16 January 2013, BNDEP and Belgian development agency Société Fédérale de Participations et d'Investissement (SFPI), signed an investment agreement to establish an Investment Fund for Environmental Innovation with initial committed equity of USD76.5 million. The Fund aims to make long-term investments in start-up companies with innovative profiles and will be made throughout the course of 2013 and until 2016.³²²⁵

On 23 May 2013, Brazil and Denmark signed a memorandum of understanding to promote trade and investment. Small and Medium enterprises were singled out as having great potential for developing cooperation between the two countries.³²²⁶

All things considered, Brazil has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Polina Arkhipova

Canada: +1

Canada has fully complied with the commitment on maintaining a supportive business environment for investors.

Canada has taken actions to maintain supportive business environment for investors unilaterally.

On 29 June 2012, changes to the Telecommunications Act received Royal Assent. These changes liberalized foreign investment in the telecom sector, allowing foreign investors to invest in telecommunications companies that have a market share of no more than 10 percent.³²²⁷

On 7 December 2012, Canadian Minister of Industry Christian Paradis in a policy statement announced clarifications to the foreign investment review process and Revised Guidelines for Investments by State-Owned Enterprises. "Trade and investment are a key part of our plan and that's why our Government is opening new markets for Canadian businesses while welcoming foreign investment in the Canadian economy." Among the measures announced by the Minister

³²²⁴ Brazil: Administrative Tax Appeals Council rules that payments under employee profit-sharing plans are deductible, T Magazine by Ernst&Young 31 May 2013. Date of Access: 10 July 2013. <http://tmagazine.ey.com/news/ibfd/brazil-administrative-tax-appeals-council-rules-payments-employee-profit-sharing-plans-deductible/>.

³²²⁵ BNDESPAR and Belgian development agency will transfer capital to investment fund, The official website of The Brazilian Development Bank (BNDES) 18 January 2013. Date of Access: 3q January 2013. http://www.bndes.gov.br/SiteBNDES/bndes/bndes_en/Institucional/Press/Noticias/2013/20130118_belga.html.

³²²⁶ Brazil and Denmark sign agreement to promote trade and investment, The official website of the Government of Brazil 23 May 2013. Date of Access: 70 July 2013. <http://www.brasil.gov.br/news/history/2013/05/23/brazil-and-denmark-sign-agreement-to-promote-trade-and-investment>.

³²²⁷ Eighth Report on G20 Investment Measures, UNCTAD 31 October 2012. Date of Access: 11 February 2013. http://unctad.org/en/PublicationsLibrary/unctad_oecd2012d8_en.pdf.

was the improvement of Canada's foreign investment review process aimed at focusing on the most significant transactions by progressively increasing the review threshold to \$1 billion.³²²⁸

Canadian Economic Action Plan 2013 tabled in the House of Commons on 21 March 2013 aims to improve business environment in the country through a wide range of measures:

supporting small and medium enterprises with a new USD20 million pilot program "that will enable hundreds of small and medium-sized enterprises to commercialize their products and move them to market more quickly and effectively" and extending the Hiring Credit for Small Business program for one year;

promoting Venture Capital Action Plan with approximately USD60 million to expand the services offered by business incubator and accelerator organizations, with further USD100 million investment to the Business Development Bank of Canada to invest in firms graduating from business accelerators.

Promoting entrepreneurial culture in the country by introducing awards "that celebrate the achievements, mentorship, risktaking and resilience of Canadian entrepreneurs."³²²⁹

Canada has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 9 September 2012, the Canadian government signed a Foreign Investment Promotion and Protection Agreement (FIPA) with China. Its primary purpose is to provide greater protection to foreign investors. Chinese investors have expressed increasing interest in investing in Canada, and the Canada-China FIPA will facilitate these investment flows by making Canada more attractive to investors.³²³⁰

On 12 October 2012, Canadian Prime Minister Stephen Harper announced that the negotiations on Canada-Senegal Foreign Investment Promotion and Protection Agreement (FIPA) were concluded.³²³¹

On 26 June 2013, Canada's Minister of International Trade and Minister for the Asia-Pacific Gateway Ed Fast announced the conclusion of the eighth round of negotiations toward a Canada-India comprehensive economic partnership agreement. "I am pleased to announce that progress continues to be made and that both sides remain committed to strengthening the Canada-India trade and investment relationship," said the Minister.³²³²

³²²⁸ Government of Canada Releases Policy Statement and Revised Guidelines for Investments by State-Owned Enterprises, Canada News Centre 7 December 2012. Date of Access: 11 February 2013. <http://news.gc.ca/web/article-eng.do?nid=711489>.

³²²⁹ Jobs, Growth and Long-Term Prosperity – Economic Action Plan, Government of Canada 21 March 2013. Date of Access: 27 June 2013. <http://www.budget.gc.ca/2013/doc/plan/budget2013-eng.pdf>.

³²³⁰ Canada-China Foreign Investment Promotion and Protection Agreement (FIPA) Negotiations, Foreign Affairs and International Trade Canada 9 September 2012. Date of Access: 10 February 2013. <http://www.international.gc.ca/trade-agreements-accords-commerciaux/agr-acc/fipa-apie/china-chine.aspx?view=d>.

³²³¹ Canada-Senegal Foreign Investment Promotion and Protection Agreement (FIPA), Prime Minister of Canada 12 October 2012. Date of Access: 11 February 2013. <http://www.pm.gc.ca/eng/media.asp?id=5087>.

³²³² Harper Government Marks Conclusion of Eighth Round of Negotiations toward Canada-India Trade Agreement, Foreign Affairs, Trade and Development Canada 26 June 2013. Date of Access 28 June 2013. http://www.international.gc.ca/media_commerce/comm/news-communiques/2013/06/26a.aspx?lang=eng.

Canada has taken actions to maintain supportive business environment for investors both unilaterally and through international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Andrei Sakharov

China: +1

China has fully complied with the commitment on maintaining a supportive business environment for investors.

China has taken actions to maintain supportive business environment for investors unilaterally.

On 20 June 2012, the National Energy Administration stated: “China will open all energy sectors listed in the national energy plan to private investors” and that way “create favourable environment for private investors and ensure their justified rights in energy exploitation and development.”³²³³

On 10 July 2012, the General Administration of Press and Publication said in a statement that “the administration will support private investment in establishing printing and publishing enterprises, in publication distribution businesses, digital publishers, including online gaming, mobile reading, e-book and software industries. Also the administration will encourage private funds to invest in marketing and advertising businesses of official newspapers and magazines. Private investors who wish to build industrial publishing centers will enjoy equal treatment from the Chinese government in terms of project arrangements, financial support and preferential tax policies.”³²³⁴

On 19 July 2012, a guideline jointly created by the central government’s defence industry supervisor and the General Armament Department of the People’s Liberation Army stated “private investors and state-owned military enterprises will receive equal treatment in multiple areas, including licensing and taxation.”³²³⁵

On 28 July 2012, China eased control on investments made by qualified foreign institutional investors (QFIIs), according to a revised QFII regulation released by the China Securities Regulatory Commission. Now the QFII threshold lowers, allows QFIIs to invest in the nation’s capital market through more than one securities dealer, to invest in the interbank bond market and private placement bonds issued by small and medium-sizes enterprises and hold up to a 30-percent stake in a listed company, up from the previous 20-percent stake cap.³²³⁶

On 9 September 2012, at the 16th International Fair for Investment and Trade in Xiamen, China officials said China will continue to promote and facilitate the flow of cross-border investment,

³²³³ China encourages further private energy investment, Economic and Commercial counsellor’s office of the Embassy of the People’s Republic of China in Ireland 20 June 2012. Date of Access: 11 February 2013. http://news.xinhuanet.com/english/china/2012-06/20/c_131666635.htm.

³²³⁴ China supports private funds for publishing, the Government of China 10 July 2012. Date of Access: 11 February 2013. http://english.gov.cn/2012-07/11/content_2180990.htm.

³²³⁵ China encourages private investment in defense sector, the Government of China 19 July 2012. Date of Access: 11 February 2013. http://english.gov.cn/2012-07/19/content_2187421.htm.

³²³⁶ China relaxes QFII rules to attract overseas investment, Xinhua News Agency 28 July 2012. Date of Access: 11 February 2013. http://news.xinhuanet.com/english/business/2012-07/28/c_131744576.htm.

because “international investments is a major driver for global economic growth,” which creates better environment for business investment.³²³⁷

On 16 December 2012, China promised in the statement, which was issued after a central economic work conference closed, that it will continue to protect foreign investors’ rights and their intellectual property rights and step up efforts to stabilize foreign direct investments inflows.³²³⁸

On 6 June 2013, Chinese president Xi Jinping pledged that China will protect the lawful rights and interests of foreign investors during his speech at the 2013 Fortune Global Forum.³²³⁹

China has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 26 July 2012, China and Chile signed an agreement to establish a consultation mechanism to promote bilateral investment.³²⁴⁰

On 12 November 2012, China and Nepal signed bilateral agreement in Kathmandu about exchanging allowing 7787 items which covers all major exports of Nepal to be exported to China free of tariff.³²⁴¹

On 8 February 2013, European Commission President Jose Manuel Barroso at a press conference following the summit announced that the European Union plans to start negotiations on investment agreement with China, which priorities should be directed on investment, market access, procurement and intellectual property rights and “be based on a constructive and strategic engagement.”³²⁴²

During the compliance period China has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Svetlana Nikitina

³²³⁷ China vows to facilitate cross-border investment, Economic and Commercial counsellor’s office of the Embassy of the People’s Republic of China in the Republic of Finland 9 September 2012. Date of Access: 11 February 2013. <http://fi2.mofcom.gov.cn/article/chinanews/201209/20120908355914.shtml>

³²³⁸ China vows to protect foreign investors’ interests, Economic and Commercial counsellor’s office of the Embassy of the People’s Republic of China in the Republic of Singapore 16 December 2012. Date of Access: 11 February 2013. <http://sg2.mofcom.gov.cn/article/chinanews/201212/20121208487540.shtml>

³²³⁹ China to protect investors’ interests: President Xi, Ministry of National Defense of the People’s Republic of China 6 June 2013. Date of Access: 5 July 2013. http://eng.mod.gov.cn/TopNews/2013-06/07/content_4454580.htm

³²⁴⁰ China, Chile vow to promote investment, Xinhua News Agency 26 July 2012. Date of Access: 11 February 2013. http://news.xinhuanet.com/english/china/2012-07/27/c_131742906.htm

³²⁴¹ China, Nepal sign letter of exchange on zero tariff, the Government of China 12 November 2012. Date of Access: 11 February 2013. http://www.gov.cn/misc/2012-11/12/content_2263280.htm

³²⁴² EU wants early start of investment agreement negotiations with China, Xinhua News Agency 8 February 2013. Date of Access: 11 February 2013. http://news.xinhuanet.com/english/world/2013-02/09/c_132160851.htm

France: +1

France has fully complied with the commitment on maintaining a supportive business environment for investors.

France has taken actions to maintain supportive business environment for investors unilaterally.

On 9 January 2013, the Minister of Economy and Finance, the Minister of Trade and Minister of Productive Recovery presented conception to strengthen investment attractiveness of France. To achieve these objectives, the Government ensures the implementation of several tax, financial and employability measures to facilitate the reception of investors.³²⁴³

France has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

In accordance to 8th UNCTAD-OECD Report on G20 Investment Measures, from May to October 2012, France amended the investment policies related to national security and specified the scope of the sectors in which foreign investment is subject to prior authorization and participated in one international investment agreement (IIA).³²⁴⁴

During the compliance period France has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Vitaliy Nagornov

Germany: +1

Germany has fully complied with the commitment on maintaining a supportive business environment for investors.

Germany has taken actions to maintain supportive business environment for investors unilaterally.

On 15 August 2012, the Federal Government adopted the draft Act to modernise the Foreign Trade and Payments Act. Substantive changes are planned in the case of the provisions on fines and imprisonment for violations. Certain special German provisions referring to the export of dual-use goods are to be revoked. By adopting these changes, the Federal Government is aiming to provide modern, clearly worded export control rules for German exporters.³²⁴⁵

On 19 December 2012, the German Cabinet approved the draft of an Act on Promoting and Regulating Fee-Based Advice on Financial Instruments (Fee-Based Investment Advice Act). The law represents an additional building block in the new regulatory framework for financial markets and strengthens the rights of investors. This law promotes investment advice that is independent

³²⁴³ L'attractivité, une ambition partagée pour renforcer l'emploi et l'activité en France
09 January 2013. Portail du Gouvernement. URL : <http://www.gouvernement.fr/gouvernement/l-attractivite-une-ambition-partagee-pour-renforcer-l-emploi-et-l-activite-en-france>

³²⁴⁴ Eighth Report on G20 Investment Measures. OECD. 31 October 2012 URL:
http://unctad.org/en/PublicationsLibrary/unctad_oecd2012d8_en.pdf

³²⁴⁵ Revision of the Foreign Trade and Payments Act approved by cabinet, Federal Ministry of Economics and Technology 15 August 2012. Date of access: 3 February 2013.
<http://www.bmwi.de/English/Navigation/Press/press-releases.did=503734.html>

and based exclusively on fees. Fee-based investment advisers are not allowed to take commission from the companies or third parties whose products they sell.³²⁴⁶

On 15 May 2013, the Initiative “Investitionszuschuss Wagniskapital,” which supports business angels in the EU, was officially launched by the German Government.³²⁴⁷ The initiative is all about promoting angel investments in European startups by giving investors 20 per cent of their investments of up to USD322 thousand back. The German Minister of Finance and Economics, Philipp Rösler promised a total of USD193 million for the programme.³²⁴⁸

Germany has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

In August 2012, the second German-Chinese Intergovernmental Consultations were held. German Minister of Economics and Technology Philipp Rösler used this visit to build further on the bilateral co-operation. The agenda includes not only the equal treatment of German and Chinese companies, but also the question of China’s accession to the WTO Government Procurement Agreement and closer co-operation on raw materials policy and in the field of standardisation and certification.³²⁴⁹

On 14 October 2012, Germany and Singapore have agreed to enhance their cooperation in tax matters to tackle cross-border tax evasion. Both sides have agreed to incorporate the internationally agreed Standard for Exchange of Information into their avoidance of double taxation agreement. The agreement will come into force after ratification by both sides domestically.³²⁵⁰

On 24 October 2012, during the first session of the Joint Economic Commission, which is headed by Anne Ruth Herkes, State Secretary in the Federal Ministry of Economics and Technology, and Morocco’s Minister of Trade, Abdelkader Amara, the government representatives of both sides signed a joint protocol on cooperation especially in the fields of energy, investments and business cooperation.³²⁵¹

³²⁴⁶ German Government regulates fee-based investment advice, creating new model which gives investors greater transparency, Federal Ministry of Finance 19 December 2012. Date of access: 3 February 2013. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2012/2012-12-18-PM85.html>

³²⁴⁷ Venture capital investment grant, Federal Office of Economics and Export Control 15 May 2013. Date of access: 1 July 2013. http://www.bafa.de/bafa/de/wirtschaftsfoerderung/investitionszuschuss_wagniskapital/

³²⁴⁸ German government supports angel investments with 20 per cent funding boost, Venture Village 21 May 2013. Date of access: 1 July 2013. <http://venturevillage.eu/german-government-boost-angel-investments-by-providing-20-per-cent-of-funding-amount>

³²⁴⁹ Rösler: Building on our co-operation with China, Federal Ministry of Economics and Technology 29 August 2012. Date of access: 3 February 2013. <http://www.bmwi.de/English/Navigation/Press/press-releases.did=505904.html>

³²⁵⁰ Germany and Singapore to enhance tax cooperation in exchange of information, Federal Ministry of Finance 14 October 2012. Date of access: 3 February 2013. <http://www.bundesfinanzministerium.de/Content/EN/Pressemitteilungen/2012/2012-10-14-PM65.html>

³²⁵¹ Rösler: Joint Economic Commission strengthens German-Moroccan economic relations, Federal Ministry of Economics and Technology 24 October 2012. Date of access: 3 February 2013. <http://www.bmwi.de/English/Navigation/Press/press-releases.did=522032.html>

During the compliance period Germany has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Yulia Ovchinnikova

India: +1

India has fully complied with the commitment on maintaining a supportive business environment for investors.

India has taken actions to maintain supportive business environment for investors unilaterally.

On 25 June 2012, the Reserve Bank of India (RBI) modified its policies on External Commercial Borrowings (ECB). According to the new policies, companies in manufacturing and infrastructure sectors are allowed to borrow up to USD10 billion to repay outstanding Rupee loans or for fresh Rupee capital expenditure. The approved limit of ECB for companies is 50% of their average annual export earnings during the past three financial years.³²⁵²

On 25 June 2012, the RBI raised the limit for foreign institutional investors' investment in government securities from USD15 billion to USD20 billion, allowed additional types on investors to invest in these securities, and relaxed some requirements for qualified foreign investors willing to invest in infrastructure debt.³²⁵³ On 24 January 2013, the limit for foreign institutional investors' investment in government securities was raised from USD20 billion to USD25 billion.³²⁵⁴

On 2 July 2012, the RBI issued the Master Circular on Foreign Investment in India, which will be in force till 1 July 2013. This circular aggregates the rules related to foreign investment and clarifies the details of investment process in India.³²⁵⁵

On 16 July 2012, the RBI granted Qualified Foreign Investors the right to invest in Indian corporate debt securities under certain conditions.³²⁵⁶

On 1 August 2012, India allowed individuals and entities from Pakistan incorporated to make investments in India in all industries, except defense, space and atomic energy spheres.³²⁵⁷

³²⁵² External Commercial Borrowings (ECB) – Repayment of Rupee loans, Reserve Bank of India 25 June 2012. Date of Access: 29 March 2013. <http://rbi.org.in/scripts/NotificationUser.aspx?Id=7291&Mode=0>.

³²⁵³ Foreign investment in India by SEBI registered FIIs in Government securities and SEBI registered FIIs and QFIs in infrastructure debt, Reserve Bank of India 25 June 2012. Date of Access: 29 March 2013. http://www.rbi.org.in/scripts/BS_CircularIndexDisplay.aspx?Id=7292.

³²⁵⁴ Foreign investment in India by SEBI registered FIIs in Government securities and corporate debt, Reserve Bank of India 24 January 2013. Date of Access: 29 March 2013. <http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=7823&Mode=0>.

³²⁵⁵ Master Circular on Foreign Investment in India, Reserve Bank of India 2 July 2012. Date of Access: 29 March 2013. <http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=7355&Mode=0>.

³²⁵⁶ Scheme for Investment by QFIs in Indian corporate debt securities, Reserve Bank of India 16 July 2012. Date of Access: 29 March 2013. <http://rbi.org.in/scripts/NotificationUser.aspx?Id=7456&Mode=0>.

³²⁵⁷ Press Note No.3 (2012 Series), Department of Industry Policy and Promotion, Ministry of Commerce and Industry of India 15 August 2012. Date of Access: 29 March 2013. http://dipp.gov.in/English/acts_rules/Press_Notes/pn3_2012.pdf.

On 20 September 2012, India allowed foreign airlines to own up to 49% in scheduled and non-scheduled air transport services. Previously, allowed foreign investment in airlines was limited to foreigners that were not themselves airlines. However, the new regulation provides for some restrictions: investors should be registered within India, and the chairperson and at least two thirds of directors should be Indian citizens.³²⁵⁸

On 20 September 2012, India raised the limit for foreign investment in the sector of mobile TV and cable networks from 49% to 74%.³²⁵⁹

On 3 October 2012, Indian government allowed nonbanking financial corporations which have foreign investment between 75% and 100% and minimum capitalization of USD50 million to establish step-down subsidiaries without any restriction on their number and without bringing in additional capital.³²⁶⁰

On 21 December 2012, India announced an increase in the ceiling for foreign direct investment in Assets Reconstruction Companies (ARC) from 49% to 74%.³²⁶¹ On 5 April 2013, this measure became effective.³²⁶²

On 24 January 2013, the Reserve Bank of India liberalized Foreign Institutional Investors (FII) investment in government securities and bonds issued by Indian companies by increasing upper limits for these types of investment.³²⁶³ On 1 April 2013, the limits for investments made by FII registered with Securities and Exchange Board of India (SEBI) were further increased.³²⁶⁴

India has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 20 July 2012, a double taxation convention between India and Lithuania, signed on 26 July 2011, entered into force.³²⁶⁵

³²⁵⁸ Press Note No.6 (2012 Series), Department of Industry Policy and Promotion, Ministry of Commerce and Industry of India 20 September 2012. Date of Access: 29 March 2013. http://dipp.nic.in/english/acts_rules/Press_Notes/pn6_2012.pdf.

³²⁵⁹ Press Note No.7 (2012 Series), Department of Industry Policy and Promotion, Ministry of Commerce and Industry of India 20 September 2012. Date of Access: 29 March 2013. http://dipp.nic.in/english/acts_rules/Press_Notes/pn7_2012.pdf.

³²⁶⁰ Press Note No.9 (2012 Series), Department of Industry Policy and Promotion, Ministry of Commerce and Industry of India 3 October 2012. Date of Access: 29 March 2013. <http://rbidocs.rbi.org.in/rdocs/content/pdfs/PRN03102012.pdf>.

³²⁶¹ Government Reviews Foreign investment Policy for Assets Reconstruction Sector; Ceiling for FDI in ARCs increased from 49% to 74%, Press Information Bureau, Government of India 21 December 2012. Date of Access: 10 July 2013. <http://pib.nic.in/newsite/erelease.aspx?relid=91117>.

³²⁶² Consolidated FDI Policy (Effective from April 5, 2013), Department of Industry Policy and Promotion, Ministry of Commerce and Industry of India 5 April 2013. Date of Access: 10 July 2013. http://dipp.nic.in/English/Policies/FDI_Circular_01_2013.pdf.

³²⁶³ Reserve Bank of India Circular No.80, Reserve Bank of India 22 January 2013. Date of Access: 10 July 2013. http://rbidocs.rbi.org.in/rdocs/notification/PDFs/FIFGS240113_F.pdf.

³²⁶⁴ Reserve Bank of India Circular No.94, Reserve Bank of India 1 April 2013. Date of Access: 10 July 2013. <http://rbidocs.rbi.org.in/rdocs/notification/PDFs/94APDIRS010413.pdf>.

³²⁶⁵ India, Exchange of Tax Information Portal. Date of Access: 29 March 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

On 20 July 2012, a double taxation convention between India and Estonia, signed on 19 September 2011, entered into force.³²⁶⁶

On 27 July 2012, India signed a double taxation convention with Indonesia, which has not entered into force yet.³²⁶⁷

On 15 October, a double taxation convention between India and Ethiopia, signed on 25 May 2011, entered into force.³²⁶⁸

On 30 October 2012, India signed a double taxation convention protocol with the UK, which has not entered into force yet.³²⁶⁹

On 26 December 2012, a double taxation convention between India and Malaysia, signed on 9 May 2012, entered into force.³²⁷⁰

On 26 October 2012 India signed a double taxation convention protocol with Spain, on 7 January 2013 — with Sweden, and on 29 January 2013 — with Poland. All these protocols have not entered into force yet.³²⁷¹

On 8 April 2013, India signed a double taxation convention with Malta, which has not entered into force yet.³²⁷²

During the compliance period India has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

Indonesia: +1

Indonesia has fully complied with the commitment on maintaining a supportive business environment for investors.

Indonesia has taken actions to maintain supportive business environment for investors unilaterally.

On 21 September 2012, Indonesian Coordinating Minister for Economic Affairs M. Hatta Rajasa and Azerbaijan Minister of Economic Development Shahin Mustafayev agreed to establish a bilateral Joint Commission on Economic Cooperation. The commission will deal with different issues, including investment cooperation. Indonesian Coordinating Minister for Economic Affairs

³²⁶⁶ India, Exchange of Tax Information Portal. Date of Access: 29 March 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

³²⁶⁷ India, Exchange of Tax Information Portal. Date of Access: 29 March 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

³²⁶⁸ India, Exchange of Tax Information Portal. Date of Access: 10 July 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

³²⁶⁹ India, Exchange of Tax Information Portal. Date of Access: 29 March 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

³²⁷⁰ India, Exchange of Tax Information Portal. Date of Access: 29 March 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

³²⁷¹ India, Exchange of Tax Information Portal. Date of Access: 10 July 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

³²⁷² India, Exchange of Tax Information Portal. Date of Access: 10 July 2013. <http://eoi-tax.org/jurisdictions/IN#agreements>.

mentioned that his country is interested in Azerbaijan investment “in the mineral and mining sectors.” The Investment Guarantee Agreement and the Agreement on the Elimination of Double Taxation were proposed as a means of facilitating economic cooperation between the two countries. Both agreements were expected to be finalized during the official visit of the Azerbaijan President Ilham Aliyev to Indonesia in November 2012. However, this visit was postponed.³²⁷³

On 8 October 2012, Indonesia Investment Coordinating Board (BKPM) chairman Chatib Basri announced an intent to reduce the amount of time it takes to set up businesses in Indonesia and thus attract more foreign investment and raise the level of country’s competitiveness. Chatib Basri mentioned that since taking office in June 2012, he had launched a new standard operating procedure. As a result, any queries to the BKPM by email are now considered and answered within 48 hours using a help desk “similar to the customer service function of a bank.”³²⁷⁴

On 24 October 2012, BKPM officially launched its Online Tracking System. Within this system, each foreign investor is given a reference number that helps to track down the status of business license applications online.³²⁷⁵

On 19 February 2013, BKPM announced that it would revise its negative investment list, made up of sectors partially or fully closed for foreign investment, in an attempt to radically increase investments from abroad in the country.³²⁷⁶

Indonesia has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 27 July 2012, Indonesia signed a double taxation convention with India.³²⁷⁷

On 15 March 2013, BKPM signed a memorandum of understanding (MoU) with the Korea International Trade Association (KITA). BKPM officials hope this MoU will allow attracting more investment from South Korean companies in Indonesian economy.³²⁷⁸

During the compliance period Indonesia has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

³²⁷³ Indonesia and Azerbaijan Agreed to Boost Economic Cooperation, Ministry of Foreign Affairs of Indonesia 21 September 2012. Date of Access: 10 February 2013. <http://www.deplu.go.id/Pages/News.aspx?IDP=5824&l=en+1>.

³²⁷⁴ Easing the Path to Investing in Indonesia, Indonesia Investment Coordinating Board 8 October 2012. Date of Access: 10 February 2013.

http://www4.bkpm.go.id/contents/news_detail/113501/Easing+the+Path+to+Investing+in+Indonesia.

³²⁷⁵ Launching Online Tracking System, Indonesia Investment Coordinating Board 24 October 2012. Date of Access: 10 February 2013. <http://www3.bkpm.go.id/mobile/content/news.php?i=115301&l=1&m=40>.

³²⁷⁶ RI plans to revise negative investment list, Indonesia Investment Coordinating Board 19 February 2013. Date of Access: 4 July 2013.

http://www4.bkpm.go.id/contents/news_detail/124601/RI+plans+to+revise+negative+investment+list.

³²⁷⁷ Indonesia, Exchange of Tax Information Portal. Date of Access: 10 February 2013. <http://eoi-tax.org/jurisdictions/ID#agreements>.

³²⁷⁸ BKPM Teams Up With KITA To Lure More Korean Investors, Indonesia Investment Coordinating Board 16 March 2013. Date of Access: 4 July 2013. http://www4.bkpm.go.id/contents/news_detail/126901/BKPM+Teams+Up+With+KITA+To+Lure+More+Korean+Investors.

Italy: 0

Italy has partially complied with the commitment on maintaining a supportive business environment for investors.

During the monitoring period no facts of Italy's actions to maintain supportive business environment for investors unilaterally have been found.

Italy has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

According to the Exchange of Tax Information Portal, during the compliance period Italy signed the Double taxation convention protocol (DTC Protocol) with Luxemburg on 21 June 2012, and the Double taxation convention with Hong Kong, China on 14 January 2013,. All documents are not yet in force.³²⁷⁹

During the compliance period Italy has taken actions to maintain supportive business environment through participation in international investment agreements, but no facts of Italy's unilateral actions have been found. Thus, it has been awarded a score of 0.

Analyst: Anna Vekshina

Japan: +1

Japan has fully complied with the commitment on maintaining a supportive business environment for investors.

Japan has taken actions to maintain supportive business environment for investors unilaterally.

On 1 November 2012, the Act on Special Measures for Promotion of Research and Development et al. by Certified Multinational Enterprises (also referred to as the "Act for Promotion of Japan as an Asian Business Center") was enforced. The Act provides for measures to be taken for global enterprises certified by the competent minister, such as a reduction of corporation tax and patent fees.³²⁸⁰

On 6 February 2013, projects were selected for Subsidy Program for Projects Promoting Asian Site Location in Japan FY2012. The goal of this program is to attract foreign companies to Japan and thus improve Japan's status as an Asian business center.³²⁸¹

Japan has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

³²⁷⁹ Italy Agreements, Exchange of Tax Information Portal. Date of Access: 6 February 2013. <http://eoi-tax.org/jurisdictions/IT#agreements>

³²⁸⁰ The Act for Promotion of Japan as an Asian Business Center to be enforced in November, Ministry of Economy, Trade and Industry 30 October 2012. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2012/1030_06.html.

³²⁸¹ Announcement of Projects Selected under FY2012 "Subsidy Program for Projects Promoting Asian Site Location in Japan", Ministry of Economy, Trade and Industry 06 February 2013. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2013/0206_01.html

On 19-20 June 2012, on 21 August 2012 and on 27 September 2012, working-level meetings on the China-Japan-Korea free trade agreement (FTA) were held.^{3282,3283,3284} On 20 November 2012, the decision to launch the FTA negotiations among Japan, China and Korea was announced.³²⁸⁵

On 25 September 2012, Japan and Columbia entered into negotiations on the Economic Partnership Agreement (EPA).³²⁸⁶ The first round of negotiations was held on 17 December 2012.³²⁸⁷

On 8 October 2012, the Fourth Japan-Indonesia Joint Economic Forum was held in Tokyo. During the Forum Minister of Economy, Trade and Industry of Japan Yukio Edano and Coordinating Minister for Economic Affairs of Indonesia Hatta Rajasa reaffirmed the importance of improving investment environment between the two countries.³²⁸⁸

In October 2012 Liechtenstein's Prime Minister Klaus Tschütscher and Japan's Prime Minister Yoshihiko Noda discussed the plans for a double taxation agreement (DTA).³²⁸⁹

On 20 November 2012, negotiations for the Regional comprehensive Economic Partnership (RCEP) between the ASEAN countries, Japan, China, the Republic of Korea, Australia, New Zealand and India were launched. Among other topics the negotiations will cover investment issues.³²⁹⁰

³²⁸² The Working Level Meeting on the Preparation for the Launch of China-Japan-Korea FTA, Ministry of Economy, Trade and Industry 20 June 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/0620_01.html.

³²⁸³ The Working Level Meeting on the Preparation for the Launch of China-Japan-Korea FTA, Ministry of Economy, Trade and Industry 21 August 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/0821_02.html.

³²⁸⁴ The Working Level Meeting on the Preparation for the Launch of China-Japan-Korea FTA, Ministry of Economy, Trade and Industry 28 September 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/0928_04.html.

³²⁸⁵ Announcement of the Launch of the FTA Negotiations among Japan, China and Korea, Ministry of Economy, Trade and Industry 20 November 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/1120_01.html.

³²⁸⁶ Entering into Negotiations on the Economic Partnership Agreement (EPA) between Japan and the Republic of Columbia, Ministry of Economy, Trade and Industry 26 September 2012. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2012/0926_02.html.

³²⁸⁷ First Round of Negotiations for an Economic Partnership Agreement (EPA) between Japan and Colombia, Ministry of Economy, Trade and Industry 17 December 2012. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2012/1217_01.html.

³²⁸⁸ Joint Press Release Adopted at the Fourth Japan-Indonesia Joint Economic Forum, Ministry of Economy, Trade and Industry 10 October 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/1010_02.html.

³²⁸⁹ Lomas U. Liechtenstein, Japan TIEA Now In Force, Tax News 16 January 2013. Date of Access: 12 February 2013. [http://www.tax-](http://www.tax-news.com/news/Liechtenstein_Japan_TIEA_Now_In_Force_59220.html)

[news.com/news/Liechtenstein_Japan_TIEA_Now_In_Force_59220.html](http://www.tax-news.com/news/Liechtenstein_Japan_TIEA_Now_In_Force_59220.html).

³²⁹⁰ Announcement of the Launch of Negotiations for the Regional Comprehensive Economic Partnership (RCEP), Ministry of Economy, Trade and Industry 20 November 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/1120_02.html.

On 26-30 November 2012, the first round of the negotiations for a Japan-Canada EPA was held.³²⁹¹

On 10 December 2012, Japan signed a DTA with New Zealand renewing the 1963 treaty. In the new agreement withholding taxes on interest, dividend and royalty payments are lower.³²⁹²

On 11-14 December 2012, Japan and Mongolia held the Second Round of the Negotiations for the EPA and among other issues discussed the investment relations between the two countries.³²⁹³

On 26 December 2012, Japan's Foreign Minister Koichiro Genba and Myanmar Foreign Minister Wunna Maung Lwin agreed on starting negotiations on a bilateral investment agreement between the two countries.³²⁹⁴

During the compliance period Japan has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Evgeny Gushchin

Korea: +1

Korea has fully complied with the commitment on maintaining a supportive business environment for investors.

Korea has taken actions to maintain supportive business environment for investors unilaterally.

On 19 July 2012, the Korean Ministry of Land, Transport, and Maritime Affairs hosted an investment road show for the East-West-South coastal area development project. The road show was organized in partnership with five cities and provinces in the Korean coastal area. The event aimed to provide potential investors with information on 18 investment projects, their site, amount of investment needed and potential advantages.³²⁹⁵

On 16 August 2012, at the 131st emergency economy meeting the Korean Ministry of Knowledge Economy proposed measures to further accelerate the growth of foreign investment. These include customized strategies targeting each investing country's demands. In particular, measures were designed to attract investment in tourism from China, investment in components

³²⁹¹ First Round of the Negotiations for a Japan-Canada Economic Partnership Agreement (EPA), Ministry of Economy, Trade and Industry 30 November 2012. Date of Access: 12 February 2013.

http://www.meti.go.jp/english/press/2012/1130_01.html.

³²⁹² New Zealand – Japan Double Taxation Agreement, New Zealand Ministry of Foreign Affairs and Trade 11 December 2012. Date of Access: 12 February 2013. <http://www.nzembassy.com/japan/news/new-zealand-%E2%80%93-japan-double-taxation-agreement>.

³²⁹³ Summary of the Second Round of Negotiations for the Japan-Mongolia Economic Partnership Agreement (EPA), Ministry of Economy, Trade and Industry 14 December 2012. Date of Access: 12 February 2013. http://www.meti.go.jp/english/press/2012/1214_01.html.

³²⁹⁴ Matsumura A. Japan eyes investment agreement with Myanmar, The Asahi Shimbun 26 December 2012. Date of Access: 12 February 2013.

http://ajw.asahi.com/article/behind_news/politics/AJ201112260063.

³²⁹⁵ [August 2012] Foreign Investment Policy Trends, Korea's National Investment Promotion Agency 31 August 2012. Date of Access: 29 March 2013. <http://blog.investkorea.org/wordpress/?m=201208>.

manufacturing from Japan, and investment in different sectors by global companies from the EU and the US.³²⁹⁶

In November and December 2012, officials from Foreign Investor Support Office of Korea's National Investment Promotion Agency made several consulting visits to Italy, Austria, Germany, the Netherlands and China. The aim of the visits was to provide consultations to companies considering making new investments in Korea. The Korean officials discussed labor and personnel issues with the representatives of European and Chinese business, and informed them on incentive systems, including tax reductions on investment, offered by the Korean government.³²⁹⁷

Korea has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 8 October 2012, Korea signed a double taxation convention with Ecuador, which has not entered into force yet. On 22 January 2013, a DTC between Korea and Uruguay entered into force.³²⁹⁸

On 21 April 2013, Korea signed a Free Trade Agreement (FTA) with Colombia, which, inter alia, provides for bilateral investment liberalization. The FTA has not entered into force yet.³²⁹⁹

During the compliance period Korea has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Andrey Shelepov

Mexico: +1

Mexico has fully complied with the commitment on maintaining a supportive business environment for investors.

Mexico has taken actions to maintain supportive business environment for investors unilaterally.

In October-November 2012, the Tax Administration Service issued administrative guidance³³⁰⁰ which deals with deductibility of interests accrued and covers 143 criteria on domestic tax matters

³²⁹⁶ [September 2012] Foreign Investment Policy Trends, Korea's National Investment Promotion Agency 31 August 2012. Date of Access: 29 March 2013.

<http://www.investkorea.org/ikwork/iko/eng/cont/contents.jsp?code=102060103>.

³²⁹⁷ Monthly News: FISO Visits Chinese-Speaking Countries and Europe to Attract Investment, Korea's National Investment Promotion Agency 8 January 2013. Date of Access: 29 March 2013.

<http://blog.investkorea.org/wordpress/?p=2125>.

³²⁹⁸ Korea, Exchange of Tax Information Portal. Date of Access: 10 July 2013. <http://eoi-tax.org/jurisdictions/KR#agreements>.

³²⁹⁹ Colombia-Korea Free Trade Agreement, Organization of American States Foreign Trade Information System 21 April 2013. Date of Access: 10 July 2013.

http://www.sice.oas.org/TPD/Col_kor/Draft_Text_06.2012_e/June_2012_Index_PDF_e.asp.

³³⁰⁰ Criterios normativos issued by the Tax Administration Service, interpreted by T Magazine by Ernst&Young 8 November 2012. Date of Access: 10 July 2013.

<http://tmagazine.ey.com/news/ibfd/mexico-administrative-guidance-issued-tax-authorities-2/>.

(federal tax code, income tax law, value added tax law, business flat-rate tax law and excise tax law).³³⁰¹

Mexico has taken steps to promote its investment opportunities to foreign investors through organizing investment forums and events. Mexico Investment Summit took place on 12-13 March 2013.³³⁰²

Mexico has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

During the compliance cycle, Mexico signed double taxation agreements with Estonia (not yet in force), Hong Kong (entered into force on 7 March 2013), Malta (not yet in force), and Qatar (entered into force on 9 March 2013). DTCs signed earlier with Ukraine and Lithuania entered into force on 6 December 2012 and 29 November 2012 respectively.³³⁰³

Mexico has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Polina Arkhipova

Russia: +1

Russia has fully complied with the commitment on maintaining a supportive business environment for investors.

Russia has taken actions to maintain supportive business environment for investors unilaterally.

On 31 January 2013, Russian President issued a list of instructions to the Russian Government and several federal and regional bodies on improving investment climate in the regions of Russia. The Russian State Corporation “Bank for Development and Foreign Economic Affairs” should develop and implement new financial programs and financial products in order to create and improve the objects of investment infrastructure, including industrial and technological parks.³³⁰⁴

During the monitoring period the Russian Government continued to implement the National Business Initiative, which “is expected to systematically improve the investment climate.” The initiative is implemented according to the roadmaps, “which deal with various spheres of government regulation” and “stipulate concrete results.”³³⁰⁵ The Government adopted the following roadmaps: improving customs administration,³³⁰⁶ support to foreign markets access and

³³⁰¹ Boletín 2012 issued by the Tax Administration Service, interpreted by T Magazine by Ernst&Young. 29 November 2012. Date of Access: 30 January 2013.: <http://tmagazine.ey.com/news/ibfd/mexico-2012-administrative-guidance-report-issued-tax-authorities/>.

³³⁰² Mexico Investment Summit. Date of Access: 10 July 2013. http://www.terrapinn.com/conference/mexico-investment-summit/?pk_campaign=Event&pk_kwd=Related5500

³³⁰³ Mexico, Exchange of tax information portal. Date of Access: 7 July 2013. <http://eoi-tax.org/jurisdictions/MX#agreements>.

³³⁰⁴ List of Instructions after the State Council Meeting, President of Russia 31 January 2013. <http://kremlin.ru/assignments/17512>.

³³⁰⁵ Dmitry Medvedev takes part in the round table discussion, National Business Initiative: Initial Results, Next Steps, Russian Government 15 February 2013. <http://www.government.ru/eng/docs/22826/>.

³³⁰⁶ <http://asi.ru/initiatives/npi/tamozhnya/>.

export support³³⁰⁷ on 29 June 2012, increasing availability of energy infrastructure³³⁰⁸ on 30 June 2012 and on improving investment climate in the construction industry on 16 August 2012.³³⁰⁹

Russia has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 2 October 2012, Russia ratified the Protocol to Amend the Agreement between the Russia and Switzerland on Avoiding Double Taxation with Respect to Taxes on Income and on Capital.³³¹⁰

On 16 October 2012, the Double Taxation Conventions (DTC) agreement between Russia and Argentina entered into force.³³¹¹

On 24 April 2013, the DTC agreement between Russia and Latvia was signed.³³¹²

During the compliance period Russia has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Mark Rakhmangulov

Saudi Arabia: +1

Saudi Arabia has fully complied with the commitment on maintaining a supportive business environment for investors.

Saudi Arabia has taken actions to maintain supportive business environment for investors unilaterally.

In August 2012, conditional 10-year tax incentives were offered by the Kingdom of Saudi Arabia (KSA) in six less-developed regions of the country — Hai'l, Northern Borders, Jazan, Najran, Al Baha and Al Jouf — to attract foreign direct investments (FDI). Foreign companies can avail an employment incentive for 10 years, as a 50% deduction of the yearly expenses incurred on training of Saudi employees and as a 50% deduction of the yearly salaries paid to Saudi employees, if there is any balance of tax payable after applying the first provision. Foreign investors will be granted a tax credit for 10 years equal to 15% of the investment capital of industrial projects.³³¹³

On 17 January 2013, Saudi Arabian General Investment Authority (SAGIA) set up a special committee to develop and facilitate investment procedures and attract funds to vital sectors that could create more jobs. The authority is working on removing the obstacles facing quality investors. At the same time, it is trying to close all loopholes that could be exploited by foreigners

³³⁰⁷ <http://asi.ru/initiatives/npi/export/>.

³³⁰⁸ <http://asi.ru/initiatives/npi/energetica/>.

³³⁰⁹ <http://asi.ru/initiatives/npi/stroitelstvo/>.

³³¹⁰ Protocol amending Russian-Swiss double taxation agreement ratified 3 October 2012.

<http://eng.kremlin.ru/acts/4471>.

³³¹¹ DTC Agreement between Argentina and Russian Federation. http://eoi-tax.org/agreements/AR_RU_DTC_14.

³³¹² RU-MT_DTC, Exchange of Tax Information Portal. <http://eoi-tax.org/agreements/b14f8545f2bdd0d3fbf1134786f3ef18>.

³³¹³ Saudi Arabia Offers Tax Incentives to Increase Foreign Investment Inflow, NAIR&Co 10 August 2012. Date of Access: 11 February 2013. <http://www.nair-co.com/SaudiArabiaTax-09-08-12.aspx>.

to get investment licenses. On the same day Abdullatif Al-Othman, the governor of SAGIA, stressed the need for joint efforts by various government departments to improve investment climate and attract foreign funds.³³¹⁴

In May 2013, SAGIA board of directors discussed methods to improve the efficiency and effectiveness of SAGIA licenses and the Saudi Arabia's efforts in maintaining attractive investment climate. Investors were granted a number of privileges depending on their classification and contribution to the economy. To enhance the success and the contribution of investments in a number of industries Abdullatif Al-Othman, the chairman of the SAGIA board, was given authority to issue licenses to certain technology innovators ignoring the requirement to be established in their home country.³³¹⁵

Saudi Arabia is also finalizing regulations to allow foreign investors to directly own stocks of its companies. Now foreign investors have to buy shares in Saudi Arabia through swap deals. Opening the market will increase its transparency and decrease speculation as well as attract foreign investments.³³¹⁶

Saudi Arabia has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

In December 2012, the Council of Ministers of Saudi Arabia authorized Saudi Arabian General Investment Authority to hold talks with Uruguay, Albania, Bulgaria, Georgia, Macedonia, Malta, Norway, Portugal, Slovenia, Croatia, Tajikistan and Turkmenistan to sign the investment protection and promotion agreements.³³¹⁷

On 1 December 2012, double taxation treaties of Saudi Arabia with Ireland, Malta and Ukraine entered into force. They were signed on 19 October 2011, 4 January 2012 and 2 September 2011 correspondingly.³³¹⁸

In February 2013, during his two-day visit to Hyderabad, Saudi Arabia's ambassador to India Saud Mohammed Al-Sati was promoting commerce and investment with India. He invited Indian companies to invest in Saudi Arabia and explained the initiatives taken by his country to boost development. Also, according to him, Indian businesses could be interested in economic cities under SAGIA.³³¹⁹ This fact may be regarded as promotion of international agreements. The bilateral investment protection agreement between Saudi Arabia and India was signed in 2006 and it entered into force in 2008.³³²⁰

³³¹⁴ Quality Investment SAGIA's Focus, SAGIA 17 January 2013. Date of Access: 11 February 2013. <http://www.sagia.gov.sa/en/SAGIA/Media-centre/News/Quality-investment-SAGIAs-focus/>.

³³¹⁵ SAGIA to Offer Set of Privileges to Investors, SAGIA 23 May 2013. Date of Access: 5 July 2013. <http://www.sagia.gov.sa/en/SAGIA/Media-centre/News/privileges-to-investors/>.

³³¹⁶ CMA finalizing rules for foreign stock ownership, Arab News 8 May 2013. Date of Access: 6 July 2013. <http://www.arabnews.com/news/450817>.

³³¹⁷ Deals to help boost foreign investment, Arab News 25 December 2012. Date of Access: 11 February 2013. <http://www.arabnews.com/saudi-arabia/deals-help-boost-foreign-investment>.

³³¹⁸ Saudi Arabia, Exchange of Tax Information Portal. Date of Access: 6 July 2013. <http://eoi-tax.org/jurisdictions/SA#agreements>.

³³¹⁹ Saudi Arabia keen to invest in India, Yahoo News 10 February 2013. Date of Access: 11 February 2013. <http://en-maktoob.news.yahoo.com/saudi-arabia-keen-invest-india-081519066.html>.

³³²⁰ Bilateral Investment Promotion and Protection Agreements (BIPA), Ministry of Finance Government of India. Date of Access: 11 February. http://finmin.nic.in/bipa/bipa_index.asp?pageid=2.

On 28 February 2013, Saudi Arabia and Ethiopia signed the Double-Taxation Avoidance Agreement to facilitate the flows of private investments between the countries. Saudi Arabia also intends to sign an investment promotion and protection agreement with Ethiopia.³³²¹ This was followed by the Double Taxation Treaty with Luxembourg signed on 7 May 2013.³³²²

On 30 April 2013, Saudi Arabia and Japan signed the Investment Promotion and Protection Agreement. The agreement includes improving legal stability of the investment environment in Saudi Arabia to attract investments from Japan's companies, strengthening the Japan-Saudi Arabia relationship and protecting investments.³³²³

During the compliance period Saudi Arabia has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Tatyana Lanshina

South Africa: +1

South Africa has fully complied with the commitment on maintaining a supportive business environment for investors.

South Africa has taken actions to maintain supportive business environment for investors unilaterally.

On 27 February 2013, the South African Reserve Bank changed its foreign exchange control policies. According to new regulations "each company listed at the Johannesburg Stock Exchange (JSE) may establish one subsidiary holding company for holding African and offshore operations without it being subject to foreign exchange restrictions".³³²⁴

South Africa has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

During the monitoring period South Africa signed at least three Double Taxation Conventions (DTC) agreements: with Chile on 11 July 2012, with Norway on 16 July 2012 (DTC Protocol), with Costa Rica on 27 October 2012 and a Tax Information Exchange Agreement with Gibraltar on 21 July 2013.³³²⁵

During the compliance period South Africa has taken actions to maintain supportive business environment for investors through participation in international investment agreements and unilaterally. Thus, it has been awarded a score of +1.

³³²¹ Ethiopia, Saudi Arabia agree to avoid double taxation, Capital Ethiopia 4 March 2013. Date of Access: 5 July 2013.

http://www.capitalethiopia.com/index.php?option=com_content&view=article&id=2572:ethiopia-saudi-arabia-agree-to-avoid-double-taxation&catid=35:capital&Itemid=27.

³³²² Double Taxation Treaty between Luxembourg and Saudi Arabia signed, Luxembourg for Finance 7 May 2013. Date of Access: 6 July 2013. <http://www.luxembourgforfinance.lu/double-taxation-treaty-between-luxembourg-and-saudi-arabia-signed>.

³³²³ Signing of the Japan-Saudi Arabia Investment Agreement, Ministry of Economy, Trade and Industry of Japan 1 May 2013. Date of Access: 5 July 2013. http://www.meti.go.jp/english/press/2013/0501_02.html.

³³²⁴ Ninth Report on G20 Investment Measures, WTO 17 June 2013.

http://www.wto.org/english/news_e/news13_e/g20_oecd_unctad_report_jun13_e.doc.

³³²⁵ South Africa, Exchange of Tax Information Portal. <http://eoi-tax.org/jurisdictions/ZA#agreements>.

Turkey: +1

Turkey has fully complied with the commitment on maintaining a supportive business environment for investors.

Turkey has taken actions to maintain supportive business environment for investors unilaterally.

On 3 May 2012, Turkey passed the Law No.6302, amending Land Registry Law. Amendments broadened the extent to which foreign individuals and companies can acquire real estate in Turkey.³³²⁶ On 18 August 2012, some provisions of this law related to acquisitions executed by Turkish companies with foreign capital entered into force. These provisions simplified the procedure of acquiring real estate by companies with foreign participation.³³²⁷ In August 2012, Turkish Government increased the number of countries whose citizens can buy property in Turkey in accordance with this law from 53 to 129.³³²⁸

Turkey has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 18 July 2012, the Bilateral Investment Treaty between Gabon and Turkey was signed.³³²⁹

On 1 August 2012, the Agreement between the Federal Republic of Germany and the Republic of Turkey for the Avoidance of Double Taxation and Tax Evasion with respect to Taxes on Income, which was signed on 22 September 2011, entered into force.³³³⁰

On 9 October 2012, the DTC agreement between Turkey and Brazil entered into force.³³³¹

On 7 February 2013, Turkey signed a Bilateral Investment Treaty with Mauritius and on 12 March 2013 — with Gambia.³³³²

During the compliance period Turkey has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Nadezhda Sporysheva

³³²⁶ Tapu Kanunu Ve Kadastro Kanununda Değişiklik Yapilmasina İlişkin Kanun, Resmî Gazete 18 May 2012. Date of Access: 4 February 2013. <http://www.resmigazete.gov.tr/eskiler/2012/05/20120518-1.htm>.

³³²⁷ Recent developments to boost real estate acquisitions by foreigners in Turkey, Taboglu & Demirhan September 2012. Date of Access: 4 February 2013. <http://www.taboglu.av.tr/dailies/September%202012.pdf>.

³³²⁸ Details of the reciprocity law, Today's Zaman 7 August 2012. Date of Access: 9 February 2013. <http://www.todayszaman.com/columnist-288907-details-of-the-reciprocity-law.html>.

³³²⁹ Investment Policy Monitor, UNCTAD 26 November 2012. Date of Access: 4 February 2013. http://unctad.org/en/PublicationsLibrary/webdiaepcb2012d5_en.pdf.

³³³⁰ Turkey, Exchange of Tax Information Portal. Date of Access: 4 February 2013. <http://eoi-tax.org/jurisdictions/TR#agreements>.

³³³¹ Turkey, Exchange of Tax Information Portal. Date of Access: 4 July 2013. <http://eoi-tax.org/jurisdictions/TR#agreements>.

³³³² Ninth Report on G20 Investment Measures, UNCTAD 17 June 2013. Date of Access: 4 July 2013. http://unctad.org/en/PublicationsLibrary/unctad_oecd2013d9_en.pdf.

United Kingdom: +1

The UK has fully complied with the commitment on maintaining a supportive business environment for investors.

The UK has taken actions to maintain supportive business environment for investors unilaterally.

On 3 December 2012, the UK Trade & Investment organized an event at Chelsea Football Club in London to inform global companies of the benefits of investing in the UK. Opportunities for automotive supply chain companies to invest in the UK were highlighted.³³³³

On 17 December 2012, the Fifth Statement of New Regulation of the UK government reported that the government expects to reduce the regulatory burden by around a further USD126 million in January-June 2013. Expected measures include reforms of environmental regulation, employment law and consumer law.³³³⁴

On 17 December 2012, Secretary of State for Business, Innovation and Skills of the UK John Vincent Cable launched a range of measures that will improve services to business, including introduction of a superfast patent processing service a faster trade marks examination service and action to help consumers and young people understand the importance of respect for intellectual property.³³³⁵

On 17 January 2013, a new round of the UK Regional Growth Fund with USD531.7 million of public investments was started. The Regional Growth Fund supports projects and programmes attracting private sector investment to create economic growth and sustainable employment. For every pound of government money, the private sector is putting in six pounds.³³³⁶

On 14 February 2013, the Government of the UK published the Final Investment Decision Enabling for Renewables which will help developers of low carbon electricity projects make final investment decisions in 2014. In the framework of this program developers of renewable electricity projects will be able to apply to the Government for support, including signing the investment contracts with the Government, to enable them to commission and build projects more quickly.³³³⁷

³³³³ Boost for UK Automotive Supply Chains, Department for Business, Innovation and Skills of the UK 3 December 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/boost-for-uk-automotive-supply-chains>

³³³⁴ New Figures Show Government is Winning War on Red Tape, Department for Business, Innovation and Skills of the UK 17 December 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/new-figures-show-government-is-winning-war-on-red-tape>

³³³⁵ Cable Announces Step Change to Turn Ideas into Growth, Department for Business, Innovation and Skills of the UK 17 December 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/cable-announces-step-change-to-turn-ideas-into-growth>

³³³⁶ More Cash Available through the Regional Growth Fund, Department for Business, Innovation and Skills of the UK 17 January 2013. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/press-release-more-cash-available-through-the-regional-growth-fund>

³³³⁷ The Final Investment Decision Enabling Programme Helps Developers of Low Carbon Electricity Projects Make Final Investment Decisions, Department of Energy & Climate Change 14 February 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/increasing-certainty-for-investors-in-renewable-electricity>

On 28 March 2013, the UK government published the Oil and Gas Industrial Strategy which would improve investment confidence and security by setting out clear rules of exploiting the UK's resources.³³³⁸

On 12 June 2013, Business and Energy Minister Michael Fallon announced the creation of an Offshore Wind Investment Organisation (OWIO) to boost investment in the UK offshore wind industry.³³³⁹

The UK has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 26 July 2012, the UK started a series of Global Business Summits — the largest set of trade and investment events with the Government's Global Investment Conference — to demonstrate possibilities of investments into the UK and to showcase the UK during the Olympic and Paralympic Games.³³⁴⁰

On 28 September 2012, Lord Green, Minister of State for Trade and Investment of the UK, and Carlos Alberto Freitas Barreto, Secretary of Brazilian Tax Authority, signed a Tax Information Exchange Agreement (TIEA) between the UK and Brazil. The new agreement will enable countries to exchange information to OECD and international tax standards to ensure that the right amount of tax is paid in each country in the future.^{3341,3342}

On 3 October 2012, Deputy Prime Minister Nick Clegg together with Business Minister Michael Fallon and a business delegation of 18 CEOs and Senior Executives from companies discussed possibilities of partnership with Turkish counterparts potentially worth up to USD0.75 billion. One of the announced projects was USD10.6 million manufacturing facility in Cardiff by Turkish company HDM Steel Pipe.³³⁴³

On 5 October 2012, Business and Enterprise Minister of the UK Michael Fallon during a series of meetings with Members of the European Parliament, European Commission officials and businesses has said he will start building an alliance to put simpler and smarter regulation of

³³³⁸ Oil and Gas Strategy will Promote Billions Worth of New Investment, Department for Business, Innovation and Skills of the UK 28 March 2013. Date of Access: 5 July 2013.

³³³⁹ Boost for Inward Investment and Innovation in Offshore Wind, Department of Energy & Climate Change 12 June 2013. Date of Access: 5 July 2013. <https://www.gov.uk/government/news/boost-for-inward-investment-and-innovation-in-offshore-wind>

³³⁴⁰ Billions of pounds of UK Investment Announced at the Global Investment Conference, Department for Business, Innovation and Skills of the UK 26 July 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/billions-of-pounds-of-uk-investment-announced-at-the-global-investment-conference--2>

³³⁴¹ Agreements of the United Kingdom, Exchange of Tax Information Portal. Date of Access: 28 January 2013. <http://eoi-tax.org/jurisdictions/GB#agreements>

³³⁴² Brazil: Tax Information Exchange Agreement, HM Revenue & Customs of the UK October 2012. Date of Access: 28 January 2013. <http://www.hmrc.gov.uk/taxtreaties/news/brazil-tiea.htm>

³³⁴³ Deputy Prime Minister Visits Turkey to Secure Deals for British Business, Department for Business, Innovation and Skills of the UK 3 October 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/deputy-prime-minister-visits-turkey-to-secure-deals-for-british-business>

business firmly on the agenda. He called on the European Commission to commit to a new programme to reduce the burden of regulation for business from January 2013.³³⁴⁴

On 30 October 2012, the UK and India has signed a protocol for amending the earlier Double Taxation Avoidance Convention between the two countries for avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income and capital gains. The protocol streamlines the provisions relating to partnership and taxation of dividends in both countries and incorporates provisions for effective exchange of information between the tax authorities of India and the U.K. in line with the latest international standards.^{3345,3346}

On 5 November 2012, at the UK-UAE Business Council supported by the British UK Trade & Investment, discussed ways to further drive commercial ties between the two countries as the UAE is already a major investor in the UK, with over USD7.5billion invested in energy and infrastructure.³³⁴⁷

On 28 November 2012, at the event supported by the British UK Trade & Investment new commercial deals were signed between UK companies and Kuwait. Among other projects the Kuwait Investment Office announced a long term roadmap for investing in the UK, particularly into UK infrastructure projects.³³⁴⁸

On 14 March 2013, the UK signed Double Taxation Conventions with Norway and Spain.³³⁴⁹

During the compliance period the UK has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Natalia Churkina

United States: +1

The United States has fully complied with the commitment on maintaining a supportive business environment for investors.

The US has taken actions to maintain supportive business environment for investors unilaterally.

³³⁴⁴ ‘Europe Must Join Red Tape Blitz’: Fallon, Department for Business, Innovation and Skills of the UK 5 October 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/europe-must-join-red-tape-blitz-fallon>

³³⁴⁵ Agreements of the United Kingdom, Exchange of Tax Information Portal. Date of Access: 28 January 2013. <http://eoi-tax.org/jurisdictions/GB#agreements>

³³⁴⁶ India Inks Protocol with U.K. to Amend Tax Pact, The Hindu 1 November 2012. Date of Access: 28 January 2013. <http://www.thehindu.com/business/Economy/india-inks-protocol-with-uk-to-amend-tax-pact/article4055171.ece>

³³⁴⁷ Trade Boost Planned for UK and United Arab Emirates, Department for Business, Innovation and Skills of the UK 5 November 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/trade-boost-planned-for-uk-and-united-arab-emirates>

³³⁴⁸ UK Business Partnership with Kuwait Boosted by New Deals, Department for Business, Innovation and Skills of the UK 28 November 2012. Date of Access: 28 January 2013. <https://www.gov.uk/government/news/uk-business-partnership-with-kuwait-boosted-by-new-deals>

³³⁴⁹ Agreements of the United Kingdom, Exchange of Tax Information Portal. Date of Access: 5 July 2013. <http://eoi-tax.org/jurisdictions/GB#agreements>

By the end of September 2012, SelectUSA, a government-wide initiative to attract and retain business investment in the United States, which was established in June 2011, finished training the Foreign Commercial Service (FCS) officers. Those officers are stationed in the top 25 foreign markets where 90% of America's foreign direct investment (FDI) comes from. Traditionally FSF staff have been focused on helping US firms export to foreign markets. But now they are also helping foreign investors who need information on how to invest in the US and want to link up with local and state economic development leaders to get the deals done.³³⁵⁰

On 25 September 2012, the federal government of the US announced a USD40 million multi-agency competition "Make it in America Challenge," which aims to bring manufacturing back into the US. The incentive is to spur investment by companies, including the foreign ones. It comprises tax credits, investing in workforce skills training and modernizing critical infrastructure.³³⁵¹

In 2012, the US identified China, Brazil, India and South Africa as key potential markets and made efforts to attract foreign investment from these countries to the United States, partnering in new and different ways. For example, in BRICS countries governors and mayors were linked to talk business and economic opportunities. Also U.S. service providers (law firms, public relations firms, etc.) were linked with potential investors.³³⁵²

On 18 April 2013, the Federal Communications Commission considered an order to "streamline the foreign ownership policies and procedures that apply to common carrier radio licensees and certain aeronautical radio licensees, ... significantly reducing regulatory burdens while ensuring the commission continues to receive the necessary information to protect the public interest."³³⁵³

The US has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 20 September 2012, at Coalition of Service Industries 2012 Global Services Summit, the US Trade Representatives Ron Kirk said that the US was then working on bilateral investment treaties (BIT) with India, China, Mauritius and Pakistan. Earlier in 2012, the United States concluded a thorough review of its model bilateral investment treaty. Transparency and public participation were increased, disciplines that address preferential treatment to state-owned enterprises — sharpened.³³⁵⁴³³⁵⁵

³³⁵⁰ Remarks at Council on Foreign Relations Dialogue on Increasing U.S. Investment, United States Department of Commerce 28 September 2012. Date of Access: 9 February 2013. <http://www.commerce.gov/news/acting-secretary-speeches/2012/09/28/remarks-council-foreign-relations-dialogue-increasing-us-i>.

³³⁵¹ Obama administration announces \$40 million initiative to challenge businesses to 'make it in America', United States Department of Labor 25 September 2012. Date of Access: 9 February 2013. <https://www.dol.gov/opa/media/press/eta/ETA20121960.htm>.

³³⁵² Economic Statecraft: Developing Partnerships with the Private Sector, US Department of State 10 December 2012. Date of Access: 7 February 2013. <http://www.state.gov/e/eb/rls/rm/2012/201920.htm>.

³³⁵³ Open Commission Meeting, Federal Communications Commission 18 April 2013. Date of Access: 7 July 2013. <http://www.fcc.gov/events/open-commission-meeting-april-2013>.

³³⁵⁴ US working on bilateral investment treaty with India, China, Indiamart 20 September 2013. Date of Access: 8 February 2013. <http://news.indiamart.com/story/us-working-bilateral-investment-treaty-india-china-168009.html>.

³³⁵⁵ Pak-US Bilateral Investment Treaty, Daily Times 30 August 2012. Date of Access: 7 February 2013. http://www.dailytimes.com.pk/default.asp?page=2012%5C08%5C30%5Cstory_30-8-2012_pg5_9.

On 31 October 2012, the US and Chinese Taipei signed a statement of intent which would facilitate bilateral trade and investment among small and medium-sized companies in the US and Chinese Taipei.³³⁵⁶

On 5 December 2012, at the Ambassador's Investment Forum in China, the US Under Secretary for Economic Growth, Energy, and the Environment Robert Hormats welcomed Chinese investment into the US and said that the both countries need to work together in the coming years to codify their investment relationship through a Bilateral Investment Treaty.³³⁵⁷

On 14 January 2013, the US signed the double taxation convention protocol with Spain, on 24 January 2013 — with Japan, on 13 February 2013 — the double taxation convention with Poland. On 19 March 2013, the US-Brazil double taxation convention entered into force.³³⁵⁸

The United States plans to sign a Trade and Investment Framework Agreement (TIFA) with the 15-nation Economic Community of West African States (ECOWAS), to facilitate U.S.-Africa trade and investment.³³⁵⁹ In June 2013, US President Barack Obama directed US Trade Representative Mike Froman to finalize this new agreement with ECOWAS.³³⁶⁰

On 17 June 2013, at the G8 summit in Lough Erne (UK), the US and the EU launched the bilateral negotiations for the Transatlantic Trade and Investment Partnership. The main spheres which will be covered by the agreement are: market access, regulatory issues including non-tariff barriers, and the agreement's rules.³³⁶¹³³⁶² This partnership will be the world's biggest ever bilateral trade and investment deal.³³⁶³

During the compliance period the US has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

Analyst: Tatyana Lanshina

³³⁵⁶ Taiwan, US ink pact to boost trade and business exchanges, Taipei Times 1 November 2012. Date of Access: 9 February 2013. <http://www.taipetimes.com/News/biz/archives/2012/11/01/2003546573>.

³³⁵⁷ Under Secretary Hormats at Ambassador's Investment Forum in China, IIP Digital 5 December 2012. Date of Access: 7 February 2013.

<http://iipdigital.usembassy.gov/st/english/texttrans/2012/12/20121212139897.html#axzz2KcuA0r8c>.

³³⁵⁸ United States, Exchange of Tax Information Portal. Date of Access: 7 July 2013. <http://eoi-tax.org/jurisdictions/US#agreements>.

³³⁵⁹ The United States Explores New Opportunity to Boost Trade and Investment with West Africa, Office of the United States Trade Representative 29 March 2013. Date of Access: 6 July 2013.

<http://www.ustr.gov/about-us/press-office/press-releases/2013/march/US-explores-opportunity-west-Africa>.

³³⁶⁰ Remarks by President Obama and President Sall of the Republic of Senegal at Joint Press Conference, The White House 27 June 2013. Date of Access: 7 July 2013. <http://www.whitehouse.gov/the-press-office/2013/06/27/remarks-president-obama-and-president-sall-republic-senegal-joint-press->

³³⁶¹ Transatlantic Trade and Investment Partnership, Office of the United States Trade Representative 17 May 2013. Date of Access: 6 July 2013. <http://www.ustr.gov/ttip>.

³³⁶² EU and US start negotiations on trade and investment agreement, European Council 17 June 2013. Date of Access: 6 July 2013. <http://www.european-council.europa.eu/home-page/highlights/eu-and-us-start-negotiations-on-trade-and-investment-agreement>.

³³⁶³ The EU-US Transatlantic Trade and Investment Partnership, European Commission. Date of Access: 6 July 2013. http://ec.europa.eu/ireland/key-eu-policy-areas/transatlantic-trade-investment-partnership/index_en.htm.

European Union: +1

The EU has fully complied with the commitment on maintaining a supportive business environment for investors.

EU has taken actions to maintain supportive business environment for investors unilaterally.

In December 2012, the European Parliament and European Council adopted new legislation on bilateral investment agreements. The new regulation will provide the legal certainty for European and foreign investors and establish a mechanism for empowering Member States — under certain conditions — to negotiate bilateral investment agreements with countries not immediately scheduled for the EU-wide investment negotiations.³³⁶⁴

On 6 December 2012, the European Council adopted new rules easing resolving cross-border legal disputes between businesses. New rules determine which national court has jurisdiction in cross-border cases and how court judgments issued in one EU country are recognised and enforced in another.³³⁶⁵

On 1 January 2013, new EU VAT rules entered into effect to simplify business activity in EU. These measures have potential to save businesses up to EUR18 billion (USD23.4 billion) a year in reduced administration costs.³³⁶⁶

On 1 January 2013, new EU rules improving Member States' ability to assess and collect the taxes entered into force. The new rules improve cooperation and information exchange between tax authorities in the EU. It will make the regulation of foreign investors easier, making transmission of data between national authorities quicker and more efficient.³³⁶⁷

On 1 February 2013, Maroš Šefčovič, Vice-President of the European Commission, announced that the Commission will take action on the most burdensome EU regulatory measures on the basis of SMEs survey to guarantee stable regulatory framework for business and investments.³³⁶⁸

EU has taken actions to maintain supportive business environment for investors through participation in international investment agreements.

On 4 November 2012, the President of the European Commission, Mr. José Manuel Barroso, met with Her Excellency Ms. Yingluck Shinawatra, Prime Minister of Thailand. The leaders held discussions on the strengthening of political, commercial and investment relations between

³³⁶⁴ EU Takes Key Step to Provide Legal Certainty for Investors outside Europe, European Commission 12 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1362_en.htm

³³⁶⁵ Ministers Adopt Commission's Reform to Cut Red Tape in Cross-border Court Cases, European Commission 6 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1321_en.htm

³³⁶⁶ New VAT Rules to Make Life Easier for Businesses from 1st January 2013, European Commission 17 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1377_en.htm

³³⁶⁷ Fighting Tax Evasion: Stronger EU Rules Enter into Force on 1st January, European Commission 17 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1376_en.htm

³³⁶⁸ Speech: "Regulatory Burden: Why Europe Needs to Get Smarter to Do Better" by Maroš Šefčovič, Vice-President of the European Commission, European Commission 1 February 2013. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_SPEECH-13-91_en.htm

Thailand and the EU. Prospects of an EU-Thailand Bilateral Partnership Cooperation Agreement and Free Trade Agreement were the central topics of the discussions.³³⁶⁹

On 28 November 2012, Vice President Antonio Tajani accompanied by a business delegation visited Tunisia to reinforce partnership between countries and to increase potential for business relations between Tunisia and the EU.³³⁷⁰

On 23 January 2013, Vice President of the European Commission Antonio Tajani accompanied by a business delegation visited Peru to sign Letters of Intent in the fields of SME development, industrial cooperation, raw materials, sustainable construction and tourism.³³⁷¹

On 30 January 2013, High Representative of the European Commission Catherine Ashton met with Indian Minister for External Affairs, Salman Khurshid to discuss future trade and investment relations among other issues. The commitment to conclude the Free Trade Agreement as rapidly as possible was made at the meeting.³³⁷²

On 16 December 2012, EU Trade Commissioner Karel De Gucht and Singapore's Minister of Trade and Industry Lim Hng Kiang completed final negotiations on a free trade agreement between the European Union and Singapore. The agreement will create new opportunities for companies both from EU and Singapore. Moreover, the EU announced that talks between the two sides on investment will continue.³³⁷³

In December 2012, the European Parliament adopted an important political and economic deal with a number of Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) and a trade deal with Peru and Colombia. Both deals have to promote trade and investment between the regions.³³⁷⁴

During the compliance period EU has taken actions to maintain supportive business environment for investors unilaterally and through participation in international investment agreements. Thus, it has been awarded a score of +1.

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³³⁶⁹ Joint Press Statement on the Occasion of the Visit to the Kingdom of Thailand by the President of the European Commission, Mr. José Manuel Barroso, European Commission 4 November 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_MEMO-12-829_en.htm

³³⁷⁰ Mission for Growth: Creating Economic Ties to Benefit Tunisia and the EU, European Commission 28 November 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_MEMO-12-920_en.htm

³³⁷¹ Mission for Growth: Enhancing Business Cooperation between Peru and the EU, European Commission 22 January 2013. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_MEMO-13-21_en.htm

³³⁷² Remarks by High Representative Catherine Ashton at her Press Conference with Indian Minister for External Affairs, Salman Khurshid, European Commission 30 January 2013. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_SPEECH-13-85_en.htm

³³⁷³ EU and Singapore Agree on Landmark Trade Deal, European Commission 16 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1380_en.htm

³³⁷⁴ European Commission Welcomes European Parliament's Support for Closer Ties with Central America and New Trade Deals with Peru and Colombia, European Commission 11 December 2012. Date of Access: 5 February 2013. http://europa.eu/rapid/press-release_IP-12-1353_en.htm