**Annex 2**

**Investment Measures**

**(mid-May 2016 to mid-October 2016)**

The following list of investment measures implemented in selected APEC economies from mid-May 2016 to mid-October 2016 is adapted from WTO-OECD-UNCTAD 16th Report on G20 Investment Measures (10 November 2016).

|  |  |  |  |
| --- | --- | --- | --- |
| **Type** | **Description** | **Date** | **Source** |
| **Australia** | | | |
| Investment policy measures | |  |  | | --- | --- | | In the reporting period, three territorial subdivisions of Australia – New South Wales, Queensland and Victoria – introduced, increased or announced additional stamp duties applicable to foreign acquirers of residential real estate. Such additional foreign acquirer duties were first introduced by Victoria in May 2015 at a 3% rate, calculated on the purchase price, for purchases on or after 1 July 2016, Victoria increased the rate of the additional foreign acquirer duty (“AFAD”) to 7%. New South Wales introduced a similar “surcharge purchaser duty” of 4% for purchases by foreigners on or after 21 June 2016. In Queensland, an AFAD of 3% will come into effect on 1 October 2016 for residential real estate. The conditions under which AFADs apply vary among the States; in Victoria, acquisitions by New Zealanders are exempted; in New South Wales, New Zealanders who are ordinarily resident in Australia are not subject to the surcharge purchaser duty, either.  In addition, Victoria and New South Wales have introduced land tax surcharges of foreign owners of real estate. In Victoria, the land tax surcharge on foreigners was set at 0.5% effective from 1 January 2016, and was increased threefold to 1.5% effective from 1 January 2017; it is levied only on absentee foreign owners, but excludes Australian and New Zealand nationals. New South Wales introduced a 1.5% |  | | 21 June 2016; 1 July 2016;  1 October 2016 | For New South Wales: NSW Budget Statement 2016-17; “Surcharge purchaser duty”, NSW Office of State Revenue website;  For Queensland: Duties and Other Legislation Amendment Act *(no. 37 of 2016)*, assented 27 Jun 2016; “Additional foreign acquirer duty – FAQ”, Queensland Government, 30 June 2016;  For Victoria: Duties Act 2005, Victoria Government Gazette No. G 33 Thursday 20 August 2015.  For Victoria: Guidelines Issued under Section 3b of the Land Tax Act 2005, Victoria Government Gazette No. G 33 Thursday 20 August 2015;  For New South Wales: Land Tax Act 2005 (No. 88 of 2005) as amended as at 29 June 2016. |
| **Type** | **Description** | **Date** | **Source** |
|  | land tax surcharge for absentees –foreign owners of real estate under specific conditions – in 2016; the additional tax becomes effective from 2017. |  |  |
| **Canada** | | | |
| Investment policy measures | Effective 2 August 2016, British Colombia, a province of Canada, imposed an additional property transfer tax on residential property transfers to foreign entities – natural and legal persons – in the Greater Vancouver Regional District. The tax, at 15% of the fair market value of the acquired property, applies in addition to the general property transfer tax. The tax does not apply to non-residential property, or to trusts that are mutual fund trusts, real estate investment trusts or specified investment flow-through trusts. | 2 August 2016 | Property Transfer Tax Act [RSBC 1996] CHAPTER 378, Section 2.01-2.04;  “Additional Property Transfer Tax on Residential Property Transfers to Foreign Entities”, Ministry of Finance Tax Information Sheet 2016-006, 27 July 2016. |
| **China** | | | |
| Investment policy measures | On 3 September 2016, the National People’s Congress decided to modify four laws, including the Law on Foreign-funded Enterprises. Subsequently, the National Development and Reform Commission (NDRC) and the Ministry of Commerce (MOFCOM) jointly issued one announcement specifying the scope of the Special Administrative Measures of Market Entry for Foreign Investment.  The policy change seeks to facilitate investment and increase transparency of the investment environment. Among others, the change replaces to a large extent the requirement to obtain approval for the establishment and changes of foreign invested enterprises by a nation-wide filing system. Only for business proposals that fall under the scope of the Special Administrative Measures of Market Entry for Foreign Investment, approval from MOFCOM or its local branches is still required. | 28 Oct 2015 | Order No. 2 of 2015 on Revising Certain Regulations and Regulated Documents. |
| **Type** | **Description** | **Date** | **Source** |
| **Mexico** | | | |
| Investment policy measures | On 2 September 2016, three resolutions that clarify the application of Mexico’s rules on foreign investment came into effect. The *Resolución General por la que se determina la actualización del supuesto jurídico para la inscripción, presentación de avisos y cancelación de inscripción ante el Registro Nacional de Inversiones Extranjeras* clarifies the earliest date when the mandatory registration and notices of cancellation of registration in the National Foreign Investment Registry can be submitted. The *Resolución General por la que se establece el periodo máximo de información que deberá presentarse para la actualización ante el Registro Nacional de Inversiones Extranjeras* specifies the length of the period over which notices to the National Foreign Investment Registry can be required. Finally, the *Resolución General por la que se establece el criterio del término control, para efectos de la inversión neutra* defines the term “control” for the purpose of determining “neutral investments”, i.e. foreign investments in Mexican companies that are not taken into account when the percentage of foreign capital in the capital stock of Mexican companies is assessed. |  | *Resolución General por la que se establece el periodo máximo de información que deberá presentarse para la actualización ante el Registro Nacional de Inversiones Extranjeras* Federal Official Gazette, 2 September 2016;  *Resolución General por la que se establece el criterio del término control, para efectos de la inversión neutra*, Federal Official Gazette, 2 September 2016. |
| **United States** | | | |
| Investment policy measures | On 30 September 2016, the Federal Communications Commission released a report and order that simplifies the foreign ownership filing and review process for broadcast licensees. While the rule under which *direct* ownership of a broadcast station is restricted to U.S. citizens or to entities in which non-U.S. citizens own no more than 20%, did not change, rules on indirect ownership were adjusted by extending the rules developed for foreign ownership reviews for common carrier and certain aeronautical licensees to the broadcast context. The change also provides a reformed framework for a publicly traded broadcast or common carrier licensee or controlling U.S. parent to ascertain its foreign ownership. | 30 September 2016 | FCC 16-128, Federal Communications Commission. |

**Other Investment Measures**

The following list of investment measures not specific to FDI were implemented in selected APEC economies from 16 May 2016 to 14 October 2016.

**Type Description Date**

|  |  |  |  |
| --- | --- | --- | --- |
| **Type** | **Description** | **Date** | **Source** |
| **China** | | | |
|  | On 5 September 2016, China’s State Administration of Foreign Exchange and the People’s Bank of China issued rules that relax requirements applicable under the *Renminbi Qualified Foreign Institutional Investors* (RQFII) scheme. This scheme, established in 2011, allows foreign institutional investors to acquire domestic securities using offshore yuan. The new rules, set out in the *Circular on Matters related to Domestic Securities Investment by RMB Qualified Foreign Institutional Investors*, ease the process to obtain quota, and shortened the holding-period for the principal. | 5 September 2016 | Circular on Matters related to Domestic Securities Investment by RMB Qualified Foreign Institutional Investors, SAFE website |
| **Korea** | | | |
|  | On 16 June 2016, the Korean Ministry of Finance announced changes to caps on foreign exchange derivatives positions effective July 2016; domestic banks will be allowed to hold positions up to 40% of their capital, up from 30% previously, and foreign bank subsidiaries in Korea are allowed to hold positions of 200% of their capital, up from 150%. The Ministry also announced measures on foreign exchange derivative positions as of 2017. | July 2016 | Ministry of Finance press release, 16 June 2016. |